

RCVD DEC 12 '07

OIL CONS. DIV.
DIST. 3Form 3160-3
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTMay 1
2007 APR 31FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		210 FARM	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone			
2. Name of Operator XTO ENERGY INC.		9. API Well No. 30-045-34292	
3a. Address 2700 FARMINGTON AVE., BLDG. K-1 FARMINGTON, NM 87401	3b. Phone No. (include area code) (505) 324-1090	10. Field and Pool, or Exploratory WCBASIN-MANC. & BAS. DK.	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 660' FNL & 1960' FWL At proposed prod. zone SAME		11. Sec., T. R. M. or Blk. and Survey or Area C 10-25N-11W NMPM	
14. Distance in miles and direction from nearest town or post office* 19 AIR MILES SOUTH OF BLOOMFIELD		12. County or Parish SAN JUAN	13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of acres in lease 160 (320 in CA)	17. Spacing Unit dedicated to this well 160 & 320 Acres MANCOS: NW4 & DAKOTA: W2	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1,626' (HNP #1)	19. Proposed Depth 6,150'	20. BLM/BIA Bond No. on file BIA NATIONWIDE 104312789	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,422' GL	22. Approximate date work will start* 07/20/2007	23. Estimated duration 4 WEEKS	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Brian Wood</i>	Name (Printed/Typed) BRIAN WOOD	Date 04/29/2007
------------------------------------	------------------------------------	--------------------

Title CONSULTANT	PHONE: (505) 466-8120	FAX: (505) 466-9682
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Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 12/11/07
Title AFM	Office FFO	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

NOTIFY AZTEC OCD 24 HRS
PRIOR TO CASING & CEMENT

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
GENERAL REQUIREMENTS.

NMOCD DEC 13 2007

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

RECEIVED

BLM

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-34292	² Pool Code 97232	³ Pool Name WC BASIN MANCOS
⁴ Property Code 22748	⁵ Property Name HUN NE PAH	⁶ Well Number 1F
⁷ OGRID No 167067 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6422

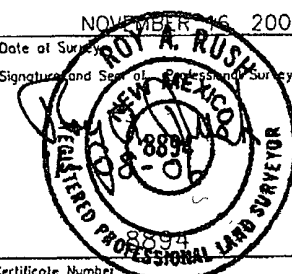
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	10	25-N	11-W		660	NORTH	1960	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 160			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

FD 2 1/2" BC 1932 G.L.O. 1960' S 00-17-08 E 5308.3' (M) FD 2 1/2" BC. 1932 G.L.O.	N 89-51-48 E 5277.4' (M)	FD 2 1/2" BC. 1932 G.L.O. 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Brian Wood</i> Signature Date 4-29-07 BRIAN WOOD Printed Name (505) 466-8120
	LAT: 36.42097° N. (NAD 83) LONG: 107.99373° W. (NAD 83) LAT: 36°25'15.5" N. (NAD 27) LONG: 107°59'35.2" W. (NAD 27)	
	10	
	18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. NOVEMBER 16, 2005 Date of Survey Signature and Seal of Registered Surveyor.  Certificate Number	

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

RECEIVED

BLM ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-34292	² Pool Code 71599	³ Pool Name BASIN DAKOTA
⁴ Property Code	⁵ Property Name HUN NE PAH	⁶ Well Number 1F
⁷ GRID No 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6422

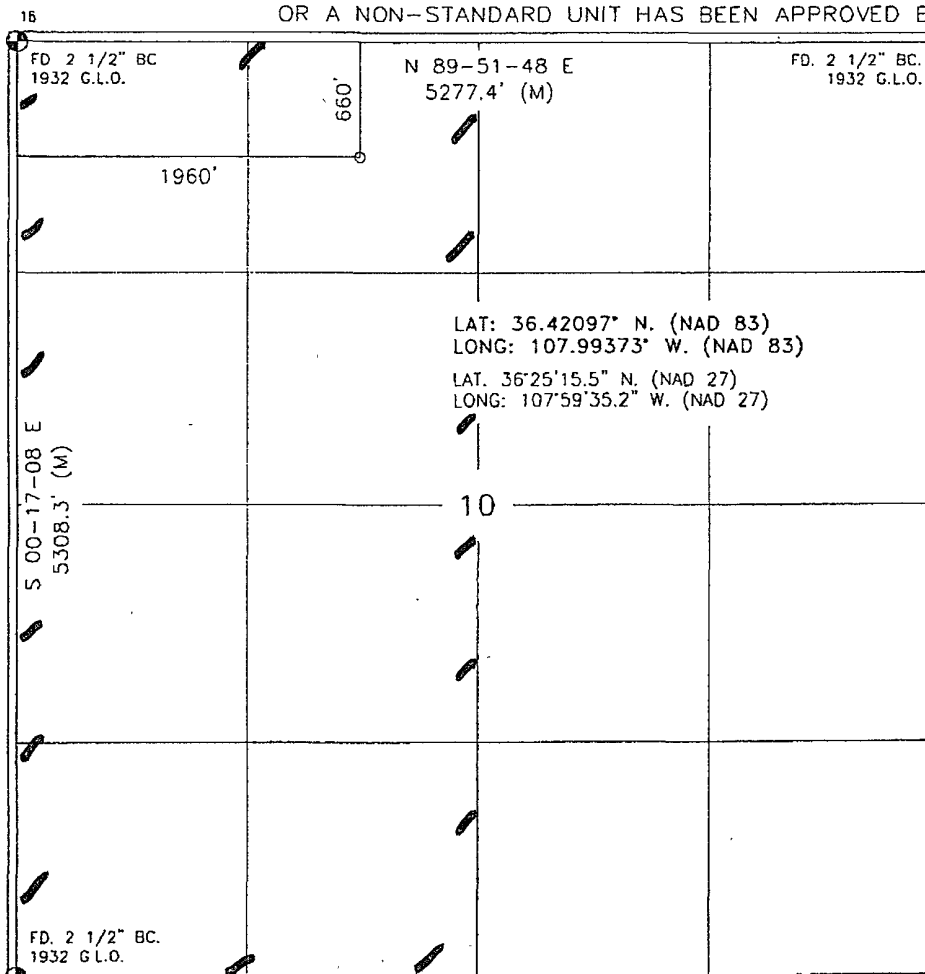
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	10	25-N	11-W		660	NORTH	1960	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320			¹³ Joint or Infill		¹⁴ Consolidation Code C		¹⁵ Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Brian Wood 4-29-07
Signature Date
BRIAN WOOD
Printed Name (505) 466-8120

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 16, 2005
Date of Survey
Signature and Seal of Registered Surveyor:
Roy A. Rush
Certificate Number

District I

1625 N. French Dr., Hobbs, NM 88240

District II

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District III

1000 Rio Brazos Rd, Aztec, NM 87410

District IV

1220 S St. Francis Dr, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-045- 34299

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

NOO-C-14-20-3609

7. Lease Name or Unit Agreement Name

HUN NE PAH

8. Well Number 1-F

9. OGRID Number 167067

10. Pool name or Wildcat

WC BASIN MANCOS & BASIN DAKOTA

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

XTO ENERGY INC.

3. Address of Operator

2700 FARMINGTON AVE., BLDG. K-1, FARMINGTON, NM 87401

4. Well Location

Unit Letter: C

660' FNL & 1960' FWL

Section 10

Township 25 N

Range 11 W

NMPM

SAN JUAN

County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

6,422' GL

Pit or Below-grade Tank Application ☒ or Closure ☐Pit type: DRILLING Depth to Groundwater: >30' Distance from nearest fresh water well: >1,000' Distance from nearest surface water: >500'

Pit Liner Thickness:

12 mil

Below-Grade Tank: Volume

bbls;

Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐CHANGE PLANS ☐PULL OR ALTER CASING ☐MULTIPLE COMPL ☐

OTHER: DRILLING PIT

☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐P AND A ☐CASING/CEMENT JOB ☐

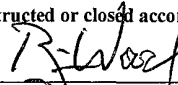
OTHER:

☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE



TITLE: CONSULTANT

DATE: APRIL 29, 2007

Type or print name: BRIAN WOOD

E-mail address: brian@permitswest.com

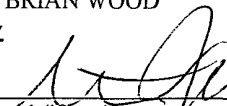
Telephone No.: (505) 466-8120

For State Use Only

Deputy Oil & Gas Inspector,
District #3

DEC 13 2007

APPROVED BY:



TITLE

DATE

Conditions of Approval (if any):

XTO Energy Inc.
Hun Ne Pah 1-F
660' FNL & 1960' FWL
Sec. 10, T. 25 N., R. 11 W.
San Juan County, New Mexico

PAGE 1

Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento	000'	5'	+6,422'
Ojo Alamo	422'	434'	+6,000'
Fruitland Coal	1,372'	1,384'	+5,050'
Pictured Cliffs	1,422'	1,434'	+5,000'
Lewis Shale	1,522'	1,534'	+4,900'
Mesa Verde	2,272'	2,284'	+4,150'
Gallup	4,897'	4,909'	+1,525'
Greenhorn	5,772'	5,784'	+650'
Dakota	5,932'	5,944'	+490'
Total Depth (TD)*	6,150'	6,162'	+272'

2. NOTABLE ZONES

Gas & Oil Zones

Fruitland
Pictured Cliffs
Gallup
Dakota

Water Zones

Nacimiento
Ojo Alamo
Fruitland

Coal Zone

Fruitland

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the geologist's recommendations.

XTO Energy Inc.
Hun Ne Pah 1-F
660' FNL & 1960' FWL
Sec. 10, T. 25 N., R. 11 W.
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PAGE 2

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. (A typical 2,000 psi model is on PAGE 3.) An 8-5/8" x 11" 2,000 pound double ram BOP system with a choke manifold and mud cross will be tested to 200 psi and then to ^{1,200} 1,000 psi. Upper and lower Kelly cocks with valve handle and subs to fit all drill string connections which are in use will be available on the rig floor.

Tests will be run when:

- 1) installed
- 2) anytime a pressure seal is broken (test only affected equipment)
- 3) at least every 30 days
- 4) blind & pipe rams will be activated each trip, but no more than daily

BOP systems will be consistent with API RP 53. Blowout preventers will be installed and tested before drilling surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated daily to ensure good mechanical working order and this inspection recorded on the daily drilling report. Preventers and casing will be pressure tested before drilling casing cement plugs. Maximum expected bottom hole pressure is ~~≈2,800~~ psi. BOP and mud system will control pressure.

2,460 psi (per page #5, Item #7)

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connections</u>	<u>Setting Depth</u>
12-1/4"	8-5/8"	24	J-55	New	ST & C	360'
7-7/8"	5-1/2"	15.5	J-55	New	ST & C	6,150'

Surface casing will be cemented to the surface with ≈375 cubic feet (≈270 sacks) Type V cement + 1/4 pound per sack cello-flake + 2% CaCl₂. Yield = 1.39 cubic feet per sack. Weight = 14.5 pounds per gallon. Excess: >100%.

XTO Energy Inc.
Hun Ne Pah 1-F
660' FNL & 1960' FWL
Sec. 10, T. 25 N., R. 11 W.
San Juan County, New Mexico

PAGE 4

Centralizers will be set on the bottom ³two joints of the surface casing and every fourth joint to the surface.

Production casing will be cemented to the surface with $\approx 50\%$ excess as follows. DV tool will be set @ $\approx 4,250'$.

First stage lead will consist of ≈ 302 cubic feet (≈ 150 sacks) of Type III (or its equivalent) + 2% CaCl_2 + 1/4 pound per sack cello flake + 0.2% dispersant + 0.5% fluid loss control + 2% LCM additives mixed at 12.5 pounds per gallon and 2.01 cubic feet per sack.

First stage tail will consist of ≈ 222 cubic feet (≈ 150 sacks) Type III (or its equivalent) + 5% bonding additive + 1/4 pound per sack cello flake + 0.3% dispersant + 0.2% fluid loss control + 2% LCM additives mixed at 14.2 pounds per gallon and 1.48 cubic feet per sack.

Second stage lead will consist of ≈ 975 cubic feet (≈ 375 sacks) Type III (or its equivalent) + 1/4 pound per sack cello flake + 8% gel + 2% LCM mixed at 11.9 pounds per gallon and 2.6 cubic feet per sack.

Second stage tail will consist of ≈ 139 cubic feet (≈ 100 sacks) Type III Neat mixed at 14.5 pounds per gallon and 1.39 cubic feet per sack.

Centralizers will be set on the bottom two joints, every second joint to $\approx 5,000'$, and every fourth joint from $\approx 2,000'$ to the surface.

5. MUD PROGRAM

<u>RANGE</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>WATER LOSS</u>	<u>ADDITIVES</u>
0' - 360'	Fresh-Spud	8.6-9.0	28-32	NC	Gel, lime
360' - 2,500'	Fresh-Poly	8.4-8.8	28-32	NC	Gel, lime sweeps
2,500' - TD	Fresh Water	8.6-9.2	45-60	8-10 cc	Gel, soda ash, LCM

XTO Energy Inc.
Hun Ne Pah 1-F
660' FNL & 1960' FWL
Sec. 10, T. 25 N., R. 11 W.
San Juan County, New Mexico

PAGE 5

6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. Mud logger will arrive at $\approx 3,000'$ and collect samples every $\approx 10'$ from there to TD. These open hole logs will be run:

Array Induction/SFL/GR/SP from TD to $\approx 360'$
Neutron/Lithodensity/Pe/GR/Cal from TD to $\approx 3,000'$

7. DOWN HOLE CONDITIONS

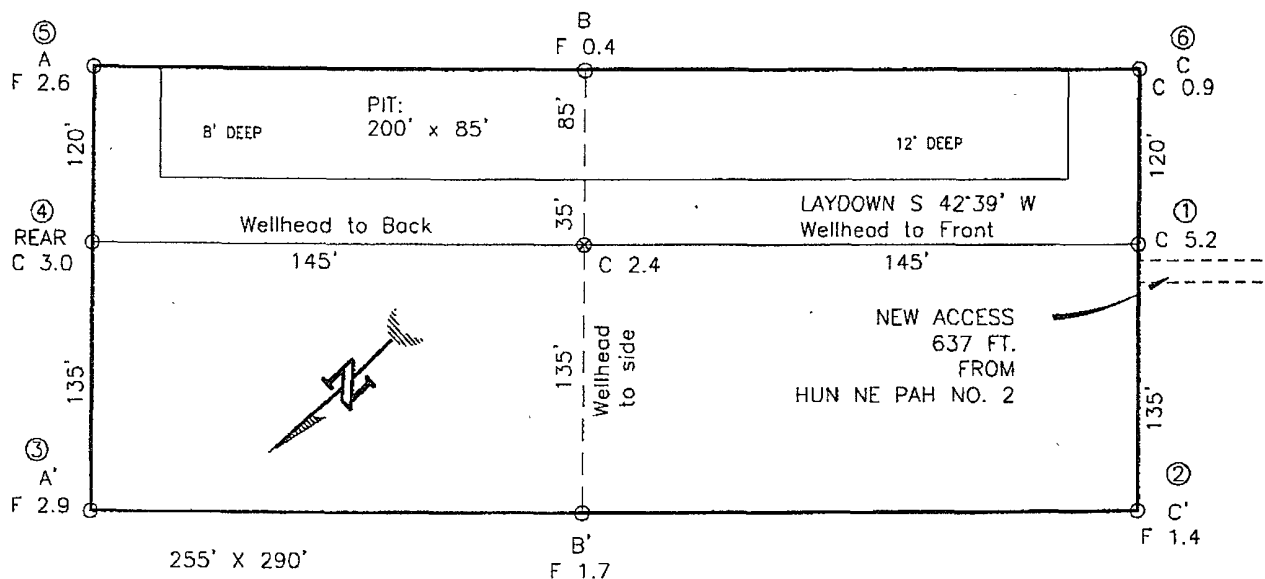
No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum expected bottom hole pressure will be $\approx 2,460$ psi.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take about four weeks to drill and complete the well.

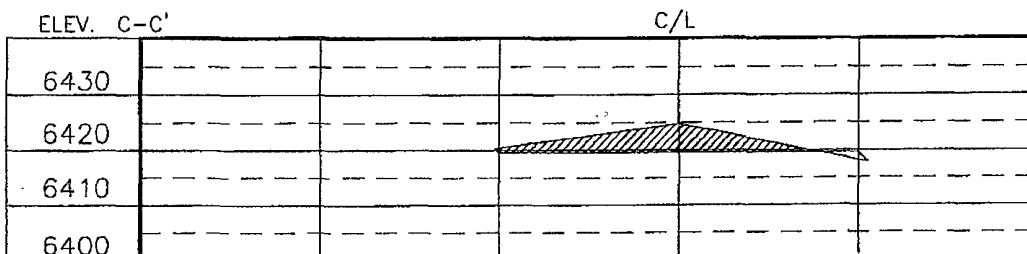
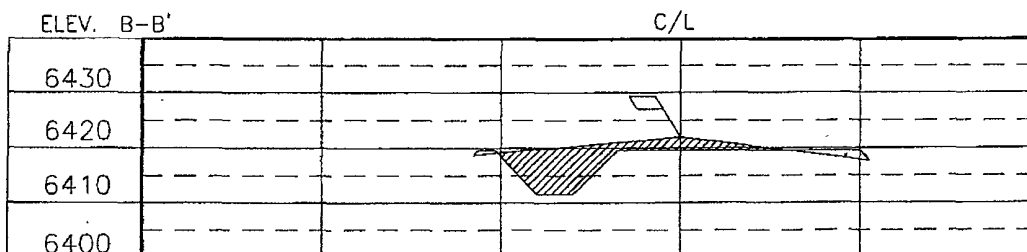
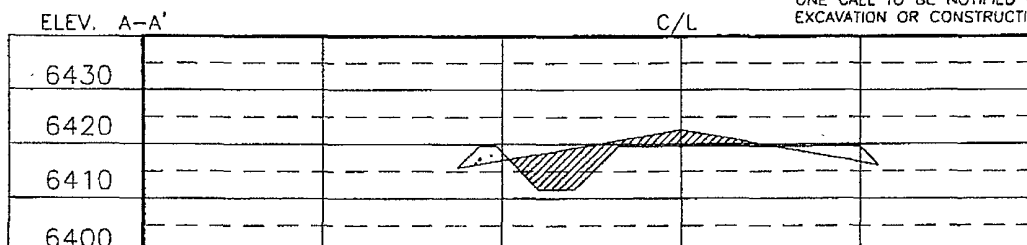
XTO ENERGY INC.
 HUN NE PAH No. 1F, 660 FNL 1960 FWL
 SECTION 10, T25N, R11W, N.M.P.M., SAN JUAN COUNTY, N.M.
 GROUND ELEVATION: 6422' DATE: NOVEMBER 16, 2005

NAD 83
 LAT. = 36.42097° N
 LONG. = 107.99373° W
 NAD 27
 LAT. = 36°25'15.5" N
 LONG. = 107°59'35.2" W



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
 BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.



NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

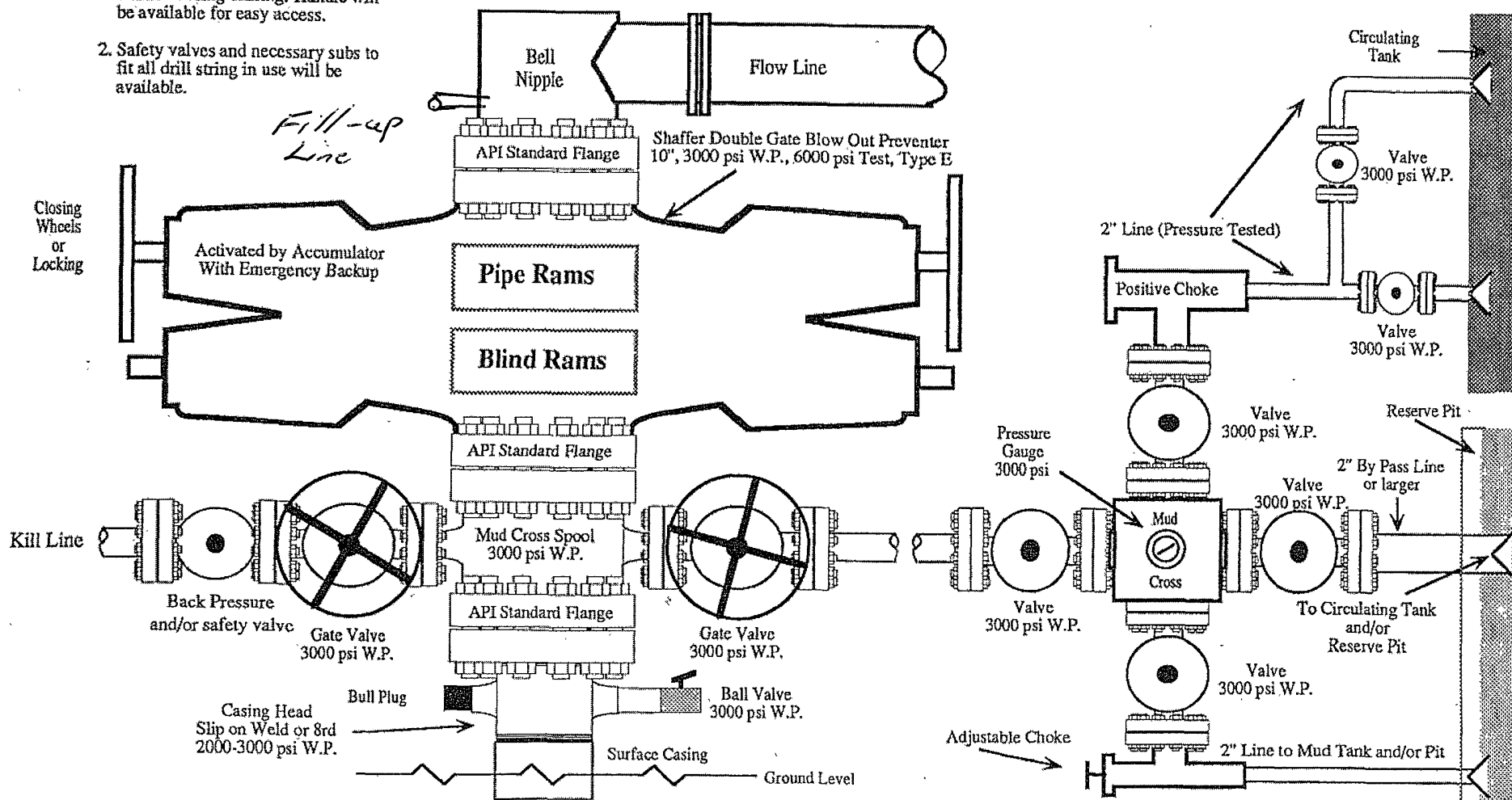
REVISION:	DATE:	REVISED BY:
Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-6019 NEW MEXICO L.S. No. 8894		
DRAWN BY: G.V.	CHECKED: CR609_CFB	DATE: 11/02/06
ROW: CR609		



2,000 PSI BOP SYSTEM

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.