

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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		5. Lease Serial No. NM-048576	
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A	
2. Name of Operator XTO Energy Inc.		7. Unit or CA Agreement Name and No. N/A	
3a. Address 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM		8. Lease Name and Well No. Pan Am Federal C #1F	
3b. Phone No. (include area code) 505-324-1090		9. API Well No. 30-045-33705	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 840' FSL x 2120' FWL At proposed prod. zone SAME		10. Field and Pool, or Exploratory Basin Dakota	
14. Distance in miles and direction from nearest town or post office* Approximately 2 miles West of Farmington, NM post office		11. Sec., T., R., M., or Blk. and Survey or Area (N) Sec 19, T30N, R12W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 840'		12. County or Parish San Juan	
16. No. of Acres in lease 637.91		13. State NM	
17. Spacing Unit dedicated to this well s/2 319.27		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 890'	
19. Proposed Depth 6866'		20. BLM/BIA Bond No. on file UTB-000138	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5780'		22. Approximate date work will start* June 2006	
23. Estimated duration 2 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>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 04/12/06
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Title Regulatory Compliance Tech	
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Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) [Name]	Date 10/3/08
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Title AFM	Office PFO
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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

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

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

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

OCT 08 2008

NMOCD

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

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 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 June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33705		2. Pool Code 71599		3. Pool Name BASIN DAKOTA	
4. Property Code 22801		5. Property Name PAN AM FEDERAL C			6. Well Number 1F
7. UGRID No 5380		8. Operator Name XIO ENERGY			9. Elevation 5780

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
N	19	30-N	12-W	39	840	SOUTH	2120	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 319.27 S/2					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

16																17. OPERATOR CERTIFICATION			
LOT 1																I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief			
LOT 2																Signature <i>Kyla Vaughan</i>			
QTR CORNER FD 2 1/2" SC 1952 B.L.M.																Printed Name <i>Kyla Vaughan</i>			
LOT 3																Title <i>Regulatory Analyst</i>			
LAT: 36° 7' 37.3" N. (NAD 83) LONG: 108° 08' 24.4" W. (NAD 83)																Date <i>10/7/08</i>			
LOT 4																18. SURVEYOR CERTIFICATION			
LAT: 36° 7' 37.3" N. (NAD 27) LONG: 108° 08' 24.4" W. (NAD 27)																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			
LOT 5																FEBRUARY 2006			
LOT 6																Date of Survey			
LOT 7																Signature of Surveyor			
LOT 8																14831			
LOT 9																REGISTERED PROFESSIONAL SURVEYOR			
LOT 10																Certificate Number			
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XTO ENERGY INC.

Pan Am Federal C #1F

APD Data

April 11, 2006

Location: 840' FSL x 2095' FWL Sec 19, T30N, R12W County: San Juan State: New Mexico

GREATEST PROJECTED TD: 6866'
APPROX GR ELEV: 5780'

OBJECTIVE: Basin Dakota
Est KB ELEV: 5792' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 6866
HOLE SIZE	12.25"	7.875"	7.875"
MUD TYPE	FW/Spud Mud	FW/Polymer	LSND / Gel Chemical
WEIGHT	8.6-9.0	8.4-8.8	8.6- 9.20
VISCOSITY	28-32	28-32	45-60
WATER LOSS	NC	NC	8-10

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes.

2. CASING PROGRAM:

Surface Casing: 8.625" casing to be set at $\pm 360'$ in a 12-1/4" hole filled with 9.20 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-360'	360'	24.0#	J-55	ST&C	1370	2950	244	8.097	7.972	7.950	17.13	28.24

Production Casing: 5.5" casing to be set at TD ($\pm 6866'$) in 7-7/8" hole filled with 9.20 ppg mud.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-6866	6866'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.23	1.46	1.90

3. WELLHEAD:

- Casing Head: Larkin Fig 92 (or equivalent), 9" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom and 11-3/4" 8rnd thread on top.
- Tubing Head: Larkin Fig 612 (or equivalent), 6.456" nominal, 2,000 psig WP (4,000 psig test), 5-1/2" 8rnd female thread on bottom (or slip-on, weld-on), 8-5/8" 8rnd thread on top.

EXHIBIT F

4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):

A. Surface: 8.625", 24.0#, J-55, ST&C casing to be set at $\pm 360'$ in 12-1/4" hole.

214 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft³/sk, & 6.70 gal wtr/sk.

Total slurry volume is 297 ft³, 100% excess of calculated annular volume to 360'.

B. Production: 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at $\pm 6866'$ in 7.875" hole. DV Tool set @ $\pm 4200'$

1st Stage

LEAD:

± 207 sx of Premium Lite HS (Type III/Poz/Gel) with 2% salt, 1/4 pps cello, 0.2% dispersant, 0.5% fluid loss & 2% LCM mixed at 12.5 ppg, 2.01 ft³/sk, 10.55 gal wtr/sx.

TAIL:

150 sx Type III with 5% bonding additive, 1/4 pps cello, 2% LCM, 0.3% dispersant & 0.2% fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

2nd Stage

LEAD:

± 350 sx of Type III with 8% gel, 1/4 pps cello & 2% LCM mixed at 11.9 ppg, 2.54 ft³/sk, 15.00 gal wtr/sx.

TAIL:

100 sx Type III neat mixed at 14.5 ppg, 1.39 cuft/sx, 6.3 gal/sx.

Total estimated slurry volume for the 5-1/2" production casing is 1675 ft³.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs plus 40%. It will be attempted to circulate cement to the surface.

5. LOGGING PROGRAM:

A. Mud Logger: The mud logger will come on at 2,900' and will remain on the hole until TD. The mud will be logged in 10' intervals.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP ft/TD (6866') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6866') to 3,000'.

EXHIBIT F

6. FORMATION TOPS:

Est. KB Elevation: 5792'

FORMATION	Sub-Sea Elev.	WELL DEPTH	FORMATION	Sub-Sea Elev.	WELL DEPTH
Ojo Alamo SS			Gallup Ss	227	5,559
Kirtland Shale	5302	484	Greenhorn Ls	-515	6,301
Farmington SS			Graneros Sh	-587	6,373
Fruitland Formation	4114	1,672	1 ST Dakota Ss*	-629	6,415
Lower Fruitland Coal	4014	1,772	2 ND Dakota Ss		
Pictured Cliffs SS	3914	1,872	3 RD Dakota Ss*	-693	6,479
Lewis Shale	3714	2,072	4 TH Dakota Ss		
Chacra SS**	2854	2,932	5 TH Dakota Ss**	-744	6,530
Cliffhouse SS	2254	3,532	6 TH Dakota Ss**	-781	6,567
Menefee*	2212	3,574	Burro Canyon Ss**	-831	6,617
Point Lookout SS*	1526	4,260	Morrison Fm**	-870	6,656
Mancos Shale	1326	4,460	Total Depth	-1080	6,866

* Primary Objective ** Secondary Objective

**** Maximum anticipated BHP should be <2,000 psig (<0.30 psi/ft) *****

7. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
John Egelston	Drilling Engineer	505-564-6734	505-330-6902
Jerry Lacy	Drilling Superintendent	505-566-7917	505-320-6543
Red Meek	Project Geologist	817-885-2800	817-427-2475

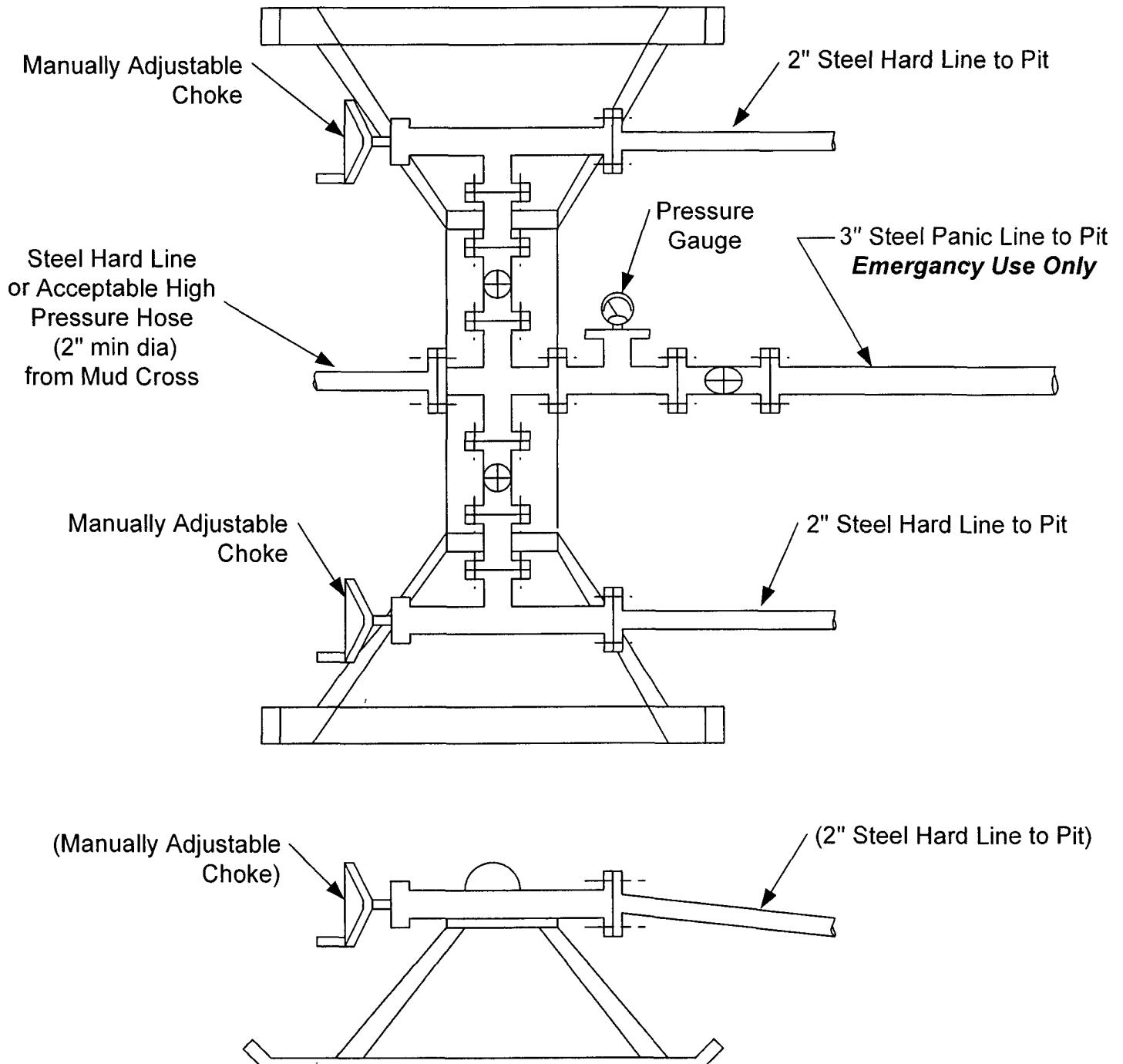
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4/11/06

EXHIBIT F

CHOKE MANIFOLD SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

1. Stake all lines from choke manifold to pit.
2. Pressure test choke manifold after installation.
3. Pressure test manifold at the same time with the BOP Stack. Test manifold to the same test pressures.

TESTING PROCEDURE



BOP SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

TESTING PROCEDURE

1. Test BOP after installation:

Pressure test BOP to 200-300
psig (low pressure) for 10 min.

Test BOP to Working Press or
to 70% internal yield of surf csg
(10 min) or which ever is less.

2. Test operation of (both) rams on every trip.

3. Check and record Accumulator pressure on every tour.

4. Re-pressure test BOP stack after changing out rams.

5. Have kelly cock valve with handle available.

6. Have safety valve and subs to fit all sizes of drill string on the rig floor and ready to go.

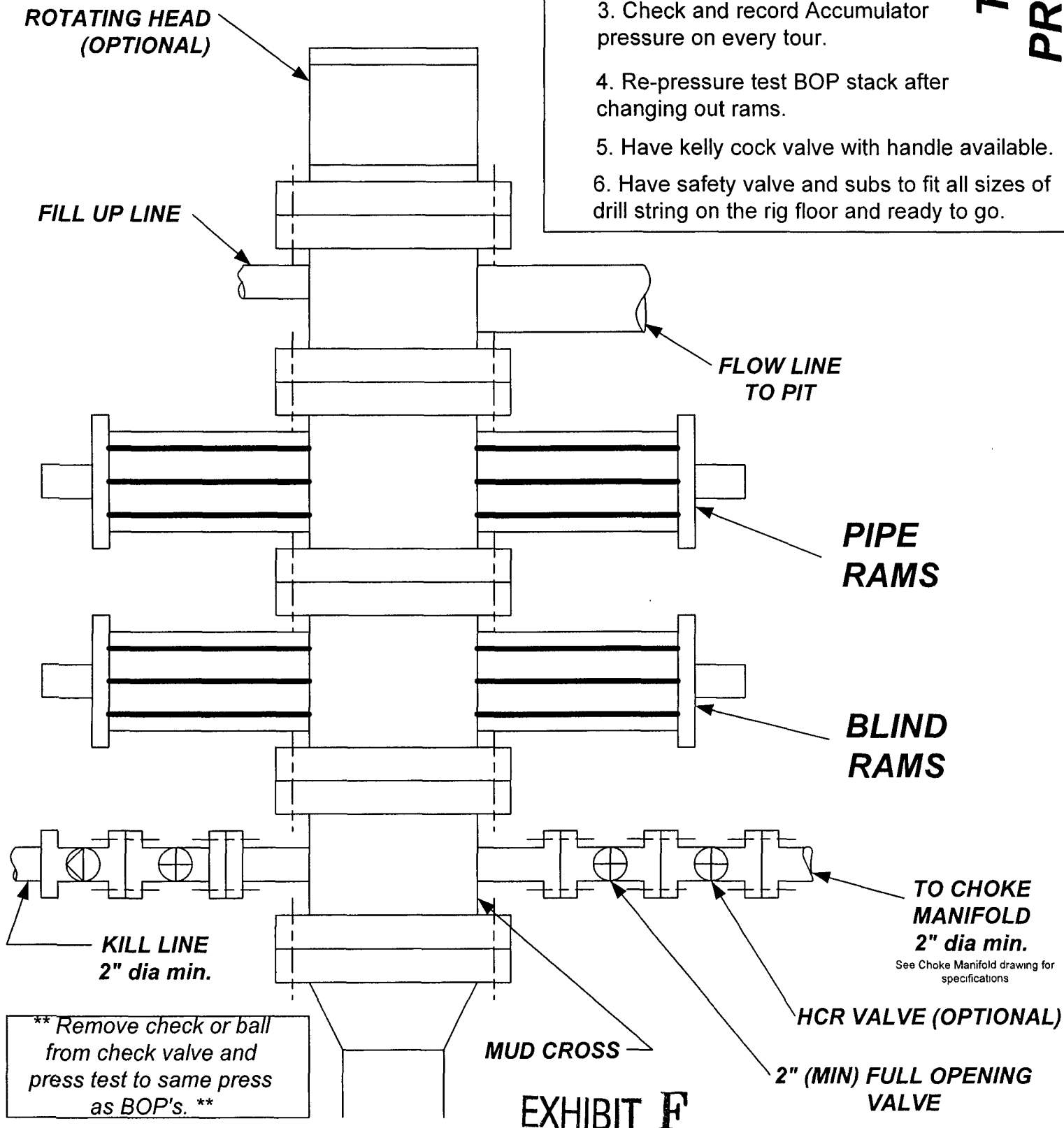


EXHIBIT F