

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

Form C-101  
Permit 11871

APPLICATION FOR PERMIT TO DRILL

|  |                                   |                            |
|--|-----------------------------------|----------------------------|
| Operator Name and Address<br>XTO ENERGY, INC.<br>2700 Farmington Ave<br>Farmington, NM 87410 |                                   | OGRID Number<br>167067     |
|  |                                   | API Number<br>30-045-33144 |
| Property Code<br>22819   | Property Name<br>STATE GAS COM BB | Well No.<br>004            |

Surface Location

|                |               |                 |              |              |                   |               |                   |               |                    |
|----------------|---------------|-----------------|--------------|--------------|-------------------|---------------|-------------------|---------------|--------------------|
| UL or Lot<br>L | Section<br>16 | Township<br>31N | Range<br>12W | Lot Idn<br>L | Feet From<br>1940 | N/S Line<br>S | Feet From<br>1195 | E/W Line<br>W | County<br>San Juan |
|----------------|---------------|-----------------|--------------|--------------|-------------------|---------------|-------------------|---------------|--------------------|

Proposed Pools

|                                   |
|-----------------------------------|
| BASIN DAKOTA (PRORATED GAS) 71599 |
|-----------------------------------|

|                       |                        |                               |                     |                                |
|-----------------------|------------------------|-------------------------------|---------------------|--------------------------------|
| Work Type<br>New Well | Well Type<br>GAS       | Cable/Rotary                  | Lease Type<br>State | Ground Level Elevation<br>6201 |
| Multiple<br>N         | Proposed Depth<br>7700 | Formation<br>Dakota Formation | Contractor          | Spud Date                      |

Proposed Casing and Cement Program

|      |           |             |                  |               |                 |               |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
| Surf | 12.25     | 9.63        | 36               | 260           | 200             | 0             |
| Int1 | 8.75      | 7           | 20               | 3000          | 450             | 0             |
| Prod | 6.25      | 4.5         | 10.5             | 7700          | 400             | 2900          |

Casing/Cement Program: Additional Comments

Surface: 200 sx Type III cement w/additives mixed @14.5 ppg, 1.41 cuft/sx. Circ cement to surf. Intermediate: 300sx lite cement w/additives mixed at 11.4 ppg & 3.03 cuft/sx followed by 150 sx type III cement mixed at 14.6ppg & 1.39 cuft/sx. Circ cement to surface. Production: 300 sx Premium lite cement w/additives mixed at 12.5 ppg & 2.01 cuft/sx followed by 100sx class H cement mixed at 14.2 ppg & 1.54 cuft/sx. Calculated TOC @2500(300 into casing overlap). Final cement volumes will be 40% over open hole log volumes. Cement additives may change based on well conditions and availab

Proposed Blowout Prevention Program

|            |                  |               |              |
|------------|------------------|---------------|--------------|
| Type       | Working Pressure | Test Pressure | Manufacturer |
| Double Ram | 2000             | 4000          |              |

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Holly Perkins

Title: Manager

Date: 06/06/2005

Phone: 505-564-6720

OIL CONSERVATION DIVISION

Electronically Approved By: Charlie Perrin

Title: District Supervisor

Approval Date: 06/07/2005 Expiration Date: 06/07/2006

Conditions of Approval:  
There are conditions. See Attached.