

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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address XTO ENERGY, INC. 2700 Farmington Avenue Farmington, NM 87401		2. OGRID Number 167067
		3. API Number 30-045-33981
4. Property Code 22820	5. Property Name STATE GAS COM BD	6. Well No. 001R

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	32	31N	12W	K	1975	S	1960	W	SAN JUAN

8. Pool Information

BASIN DAKOTA (PRORATED GAS)	71599
BLANCO-MESAVERDE (PRORATED GAS)	72319

Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 6056
14. Multiple Y	15. Proposed Depth 7200	16. Formation Dakota Formation	17. Contractor	18. Spud Date
Depth to Ground water 500		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 8000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	360	359	0
Prod	7.875	5.5	15.5	7200	421	0

Casing/Cement Program: Additional Comments

DV tool set @ 4200', 7.875, 5.5, 15.5#
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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	4000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Holly Perkins Title: Administrator Email Address: Regulatory@xtoenergy.com Date: 10/2/2006	OIL CONSERVATION DIVISION	
	Approved By: Charlie Perrin	
	Title: District Supervisor	
	Approved Date: 10/5/2006	Expiration Date: 10/5/2007
	Conditions of Approval Attached	

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
 Permit 38918

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33981	2. Pool Code 71599	3. Pool Name BASIN DAKOTA (PRORATED GAS)
4. Property Code 22820	5. Property Name STATE GAS COM BD	6. Well No. 001R
7. OGRID No. 167067	8. Operator Name XTO ENERGY, INC.	9. Elevation 6056

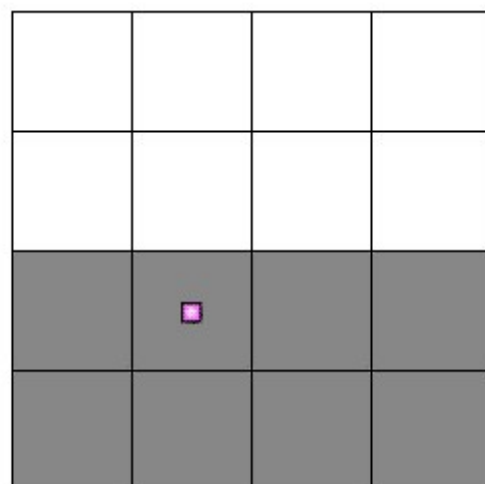
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00		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



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(s) 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.

E-Signed By: Holly Perkins
 Title: Administrator
 Date: 10/2/2006

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.

Surveyed By: Roy Rush
 Date of Survey: 8/29/2006
 Certificate Number: 8894

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33981	2. Pool Code 72319	3. Pool Name BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code 22820	5. Property Name STATE GAS COM BD	6. Well No. 001R
7. OGRID No. 167067	8. Operator Name XTO ENERGY, INC.	9. Elevation 6056

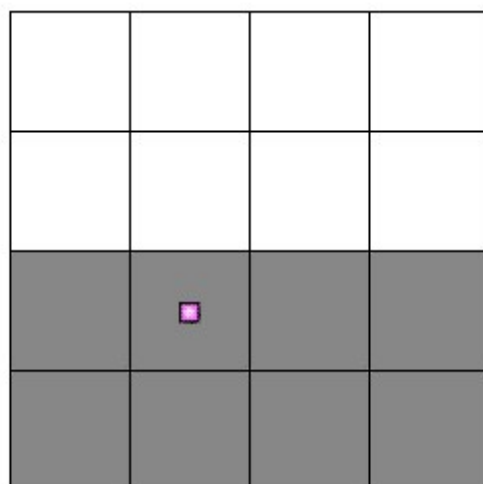
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Permit Conditions of Approval

Operator: XTO ENERGY, INC. , 167067

Well: STATE GAS COM BD #001R

API: 30-045-33981

OCD Reviewer	Condition
SHAYDEN	Spacing rule violation. Operator must follow up with Change of Status notification on other well to be shut in or abandoned
SHAYDEN	Status change of State GC BD #1 required before release of hold on C-104 for Basin Dakota.