

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8181 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 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

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

Form C-101
August 1, 2011
Permit 186678

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

| | | |
|--|--|-------------------------------|
| 1. Operator Name and Address XTO ENERGY, INC XTO Energy, Inc. Aztec, NM 87410 | | 2. OGRID Number 5380 |
| 4. Property Code 313270 | | 3. API Number 30-025-41861 |
| 5. Property Name PERLA VERDE 31 STATE | | 6. Well No. 002H |

7. Surface Location

| | | | | | | | | | |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| O | 31 | 19S | 35E | | 230 | S | 2060 | E | Lea |

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| B | 31 | 19S | 35E | B | 200 | N | 1865 | E | Lea |

9. Pool Information

| | |
|----------------------------------|-------|
| WC-025 G-08 S203506D;BONE SPRING | 97983 |
|----------------------------------|-------|

Additional Well Information

| | | | | |
|---------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3702 |
| 16. Multiple N | 17. Proposed Depth 15718 | 18. Formation 3rd Bone Spring Sand | 19. Contractor | 20. Spud Date |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 48 | 1850 | 615 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 3950 | 1315 | 0 |
| Prod | 8.75 | 5.5 | 17 | 15718 | 1950 | 3450 |

Casing/Cement Program: Additional Comments

| |
|---|
| This is a horizontal well. TD: 15,718' MD/ 11,080' TVD. |
|---|

22. Proposed Blowout Prevention Program

| | | | |
|------------|------------------|---------------|--------------|
| Type | Working Pressure | Test Pressure | Manufacturer |
| Double Ram | 5000 | 3000 | Cameron |

| | |
|--|--|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: _____ Printed Name: Electronically filed by DIANE JARAMILLO Title: _____ Email Address: diane_jaramillo@xtoenergy.com Date: 5/23/2014 | <div style="text-align: center;">OIL CONSERVATION DIVISION</div> Approved By: Paul Kautz Title: Geologist Approved Date: 5/23/2014 Expiration Date: 5/23/2016 Conditions of Approval Attached |
| Phone: 505-793-7577 | |

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Form C-102
August 1, 2011
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WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|--|--|
| 1. API Number 30-025-41861 | 2. Pool Code 97983 | 3. Pool Name WC-025 G-08 S203506D;BONE SPRING |
| 4. Property Code 313270 | 5. Property Name PERLA VERDE 31 STATE | 6. Well No. 002H |
| 7. OGRID No. 5380 | 8. Operator Name XTO ENERGY, INC | 9. Elevation 3702 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot O | Section 31 | Township 19S | Range 35E | Lot Idn | Feet From 230 | N/S Line S | Feet From 2060 | E/W Line E | County Lea |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|---------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-------------------------------|---------------|-----------------|---------------------|---------|------------------------|---------------|-------------------|---------------|---------------|
| UL - Lot B | Section 31 | Township 19S | Range 35E | Lot Idn | Feet From 200 | N/S Line N | Feet From 1865 | E/W Line E | County Lea |
| 12. Dedicated Acres 160.00 | | | 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

| | | | | | | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px; text-align: center;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; text-align: center;"></td><td style="height: 40px;"></td></tr> </table> | | | | | | | | | | | | | | | | | <p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p>E-Signed By: DIANE JARAMILLO</p> <p>Title:</p> <p>Date: 5/23/2014</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Gary Eidson</p> <p>Date of Survey: 4/7/2014</p> <p>Certificate Number: 12641</p> |
| | | | | | | | | | | | | | | | | | |
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Form APD Comments

Permit 188678

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

PERMIT COMMENTS

| | | |
|---|---|-------------------------------------|
| Operator Name and Address: XTO ENERGY, INC [5380] XTO Energy, Inc. Aztec, NM 87410 | | API Number: 30-025-41861 |
| | | Well: PERLA VERDE 31 STATE #002H |
| Created By | Comment | Comment Date |
| SRabadue | The BHL for this well will be 200' FNL. The well will be plugged back with cement to 330' FNL for a standard location. A directional drill survey and deviation plan will be submitted to the NMOC to verify the standard location. Unable to attach plat to the APD. Plat and Directional Drill Plan will be sent to P. Kautz and D. Mull 5.23.2014. | 5/23/2014 |

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Form APD Conditions
 Permit 186678

PERMIT CONDITIONS OF APPROVAL

| | |
|---|-------------------------------------|
| Operator Name and Address: XTO ENERGY, INC [5380] XTO Energy, Inc. Aztec, NM 87410 | API Number: 30-025-41861 |
| | Well: PERLA VERDE 31 STATE #002H |

| OCD Reviewer | Condition |
|-----------------|--|
| pkautz | Will require a directional survey with the C-104 |
| pkautz | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |
| pkautz | If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well. |
| pkautz | 1) SURFACE & INTERNEMIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing -- |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |