

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 382 ROAD 3100 AZTEC , NM 87410		2. OGRID Number 5380
		3. API Number 30-045-34640
4. Property Code 22824	5. Property Name STATE GAS COM BJ	6. Well No. 003H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	2	30N	13W	3	690	N	1675	W	SAN JUAN

8. Pool Information

BASIN FRUITLAND COAL (GAS)	71629
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 5925
14. Multiple N	15. Proposed Depth 5420	16. Formation Fruitland Coal	17. Contractor	18. Spud Date 3/28/2008
Depth to Ground water 150		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 3000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input 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	9.625	36	225	102	0
Prod	8.75	7	23	2265	244	0
Liner1	6.125	4.5	10.5	5420	0	

Casing/Cement Program: Additional Comments

A. Surface: 9.625", 36.0#, J-55, ST&C casing to be set at ? 225' in 12-1/4" hole. 102 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 141 ft3, 100% excess of calculated annular volume to 300'. B. Production Casing: 7", 23#/ft, J-55, ST&C casing to be set at ?2265'MD, 2002' TVD in 8.75" hole. LEAD: ± 144 sx of Premium Lite FM or CBM Lite typically containing accelerator, LCM, dispersant, and fluid loss additives at 12.1 ppg, 2.22 ft3/sk, & 12.04 gal wtr/sk. TAIL: ± 100 sx of Type III or V cement typically containing accelerator, LCM, dispersant, and fluid loss additives at 14.2 ppg, 1.48 ft3/sk, & 7.34 gal wtr/sk. Total estimated slurry volume for the 7" production casing is 423 ft3. C. Production Liner: 4.5", 10.5#/ft, J-55, ST&C casing is to be set at 5420' MD, 2002' TVD in 6.125" hole. The production liner will be set using an uncemented liner hange

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 NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/>.	OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Cheryl Moore	Approved By: Steve Hayden	
Title: Production Accounting Supervisor	Title: Geologist	
Email Address: Cheryl_moore@xtoenergy.com	Approved Date: 3/25/2008	Expiration Date: 3/25/2010
Date: 3/17/2008	Phone: 505-333-3143	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 71025

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-34640	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 22824	5. Property Name STATE GAS COM BJ	6. Well No. 003H
7. OGRID No. 5380	8. Operator Name XTO ENERGY, INC	9. Elevation 5925

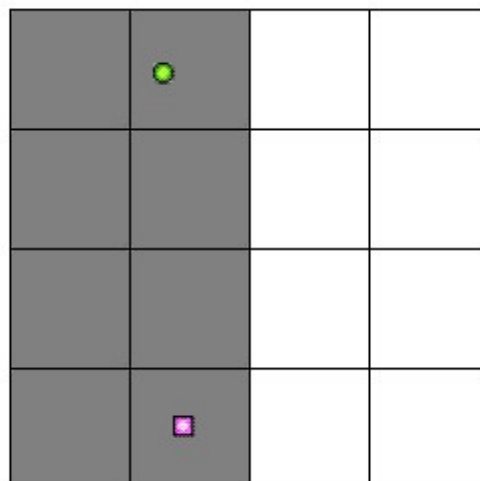
10. Surface Location

UL - Lot C	Section 2	Township 30N	Range 13W	Lot Idn 3	Feet From 690	N/S Line N	Feet From 1675	E/W Line W	County SAN JUAN
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11. Bottom Hole Location If Different From Surface

UL - Lot N	Section 2	Township 30N	Range 13W	Lot Idn N	Feet From 700	N/S Line S	Feet From 1900	E/W Line W	County SAN JUAN
12. Dedicated Acres 319.10		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: Cheryl Moore
 Title: Production Accounting Supervisor
 Date: 3/17/2008

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: 2/14/2008
 Certificate Number: 8894

Permit Conditions of Approval

Operator: XTO ENERGY, INC , 5380

Well: STATE GAS COM BJ #003H

API: 30-045-34640

OCD Reviewer	Condition
SHAYDEN	Will require a directional survey with the C-104
SHAYDEN	Will require an as drilled C-102
SHAYDEN	Will require change of status to State Gas Com BJ #3, API 30-045-32275 and to State Gas Com BJ #4, API 30-045-32274. Also permit for State Gas Com BJ #3R, 30-045-34064 must be cancelled