

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		2004 DEC 17 PM 1 39	5. Lease Serial No. SF-078715 065546B
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		RECEIVED	6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator XTO Energy Inc.		070 FARMINGTON NM	7. Unit or CA Agreement Name and No. N/A
3a. Address 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM		3b. Phone No. (include area code) 505-324-1090	8. Lease Name and Well No. Hubbell Gas Com #25
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 670' FSL x 1995' FEL in Sec 29, T28N, R10W At proposed prod. zone 690' 1405' same		9. API Well No. 28 30045-32776	
14. Distance in miles and direction from nearest town or post office* Approx 7.1 air miles SouthEast of Bloomfield, NM Post Office		10. Field and Pool, or Exploratory Basin Fruitland Coal	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 670'		16. No. of Acres in lease 564.75	17. Spacing Unit dedicated to this well 320 FC 5/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1100'		19. Proposed Depth 2150'	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KDB, RT, GL, etc.) -5984' Ground Elevation 6025		22. Approximate date work will start* winter 2005	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 Kyla Vaughan	Name (Printed/Typed) Kyla Vaughan	Date 12/15/04
Title Regulatory Compliance Tech		
Approved by (Signature) [Signature]	Name (Printed/Typed) [Signature]	Date 10/24/05
Title AFM		Office FFO

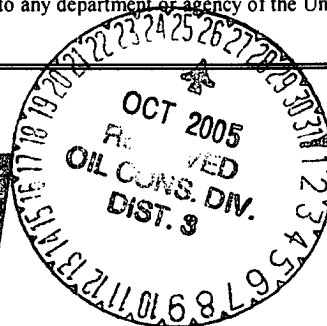
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

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)

APD/ROW

NMOC



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

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

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

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 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

RECEIVED

☐ AMENDED REPORT

070 FARMINGTON NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32776	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 22744	⁵ Property Name HUBBELL GAS COM	⁶ Well Number 2S
⁷ GRID No. 162007	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6025

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
0	29	28-N	10-W		690	SOUTH	1405	EAST	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 9/2 320					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

<div>16</div>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Heely K Small</i> Signature Heely K Small Printed Name Regulatory Compliance Tech Title 8/16/05 Date</p>	
	<div>18 SURVEYOR CERTIFICATION</div> <p>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.</p> <p><i>JOHN A. VUKOBICH</i> Signature JOHN A. VUKOBICH Printed Name 14831 Registered Professional Surveyor Date of Survey Certificate Number</p>	

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
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 South St. Francis Dr.
Santa Fe, NM 87505

Revised 10/27/05
Form C-103
May 27, 2004

WELL API NO.	30-045-32776
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	SF-078715
7. Lease Name or Unit Agreement Name:	HUBBELL GAS CO
8. Well Number	#2S
9. OGRID Number	167067
10. Pool name or Wildcat	Basin Fruitland Coal

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	2. Name of Operator XTO Energy Inc.
3. Address of Operator 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401	4. Well Location Unit Letter O : 640 feet from the South line and 1405 feet from the East line Section 29 Township 28N Range 10W NMPM NMNM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5984' GR	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type <u>DEWELL</u> Depth to Groundwater <u>>100</u> Distance from nearest fresh water well <u>>1000</u> Distance from nearest surface water <u>>1000</u>	
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u>3000</u> bbls; Construction Material	

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

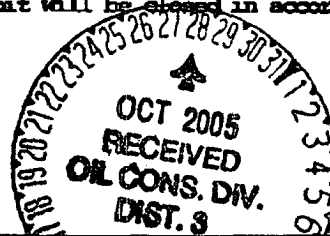
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: FTT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy proposed to install a pit on location for drilling. The pit will be closed in accordance with NMCD guidelines when work is completed.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMCD guidelines ☒ , a general permit ☐ or an attached alternative OGD approved plan ☐

SIGNATURE Kyla Vaughan TITLE Regulatory Compliance DATE 10/27/05
E-mail address: kyla_van@xtoenergy.com
Type or print name Kyla Vaughan Telephone No. 505-564-6726

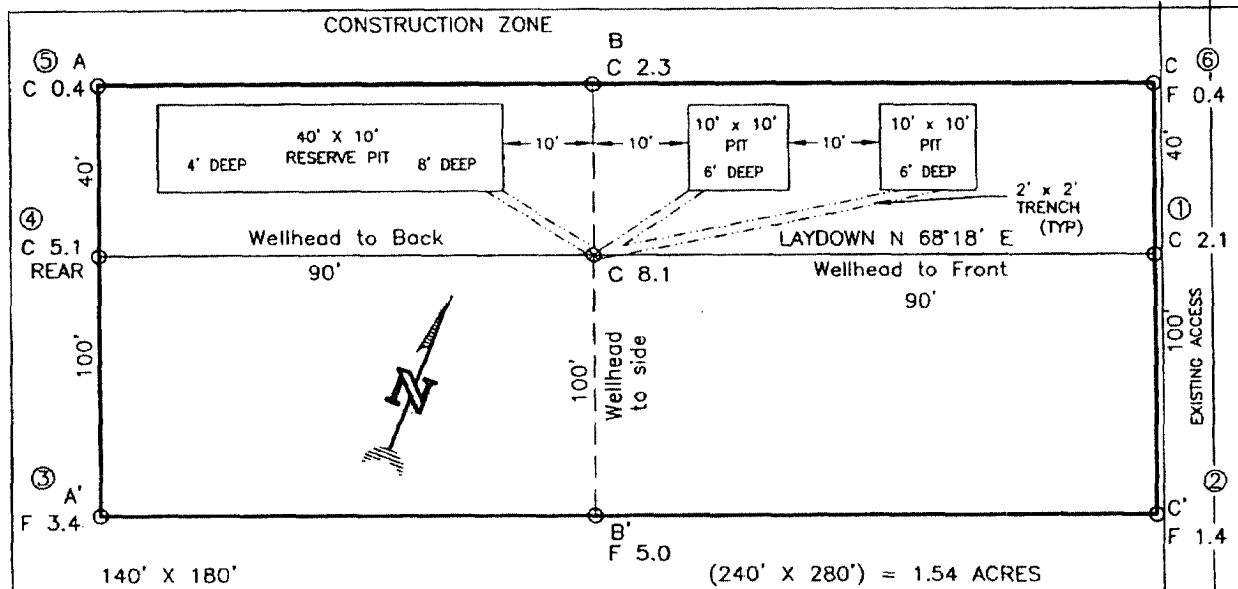
For State Use Only

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE OCT 28 2005
Conditions of Approval, if any: Pit permit needed to be revised.

XTO Energy Inc. proposes to install a lined, earthen reserve pit on location for drilling. The pit will be removed from location in accordance with New Mexico Oil Conservation division guidelines when work is completed.

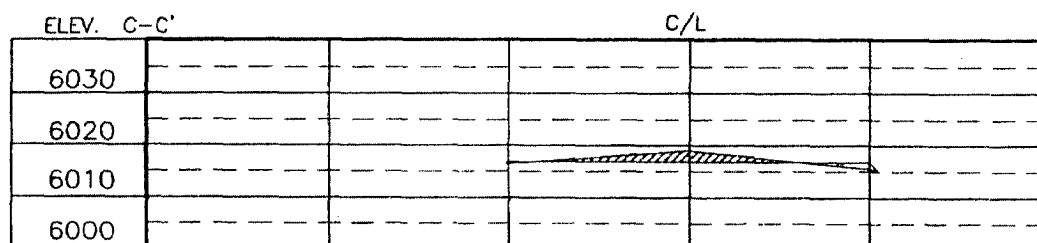
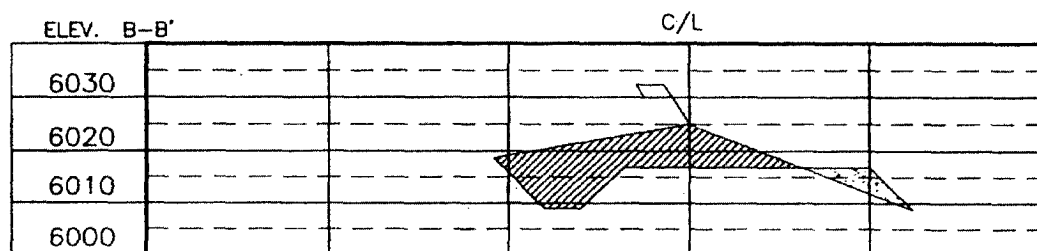
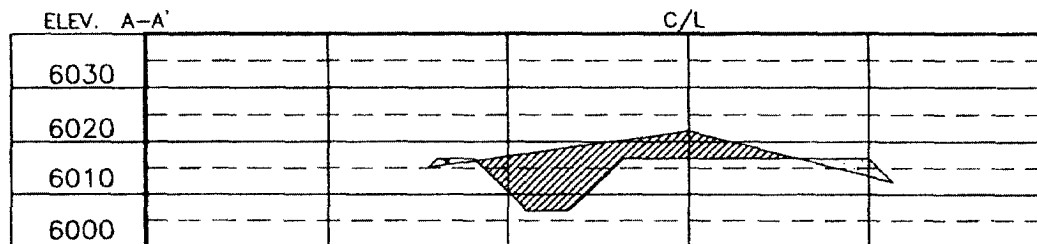
XTO ENERGY INC.
 HUBBELL GAS COM #2S, 690 FSL 1405 FEL
 SECTION 29, T28N, R10W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 6025', DATE: JULY 19, 2005

LAT. = 36°37'40.6" N.
 LONG. = 107°54'50.7" W
 NAD 27



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
 BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.



NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

REVISION:	DATE:	BY:	REVISION:	DATE:	BY:
WELL RESTAKE	08/05/05	A.C.			

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15088 • Farmington, NM 87401
 Phone (505) 326-1772 • Fax (505) 326-6019
 NEW MEXICO L.S. No. 14831
 CDR/LE CR378CFB
 DATE 09/22/04

DRAWN BY: B.L.
 REV'D: CR379

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

2005 AUG 16

5. Lease Serial No.
SF-078715 **DL5546B**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM 103107

8. Well Name and No.
HUBBELL GAS COM #2S

9. API Well No.
3004532776

10. Field and Pool, or Exploratory Area
BASIN FRUITLAND COAL

11. County or Parish, State
SAN JUAN NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

XTO Energy Inc.

3a. Address

2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

3b. Phone No. (include area code)

505-324-1090

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

670' FSL & 1,895' FEL in SEC. 029, T28N, R10W (OLD LOCATION)

690' FSL & 1,405' FEL in SEC. 029, T28N, R10W (NEW LOCATION)

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|--|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| <input checked="" type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

XTO Energy Inc. filed the APD for the above mentioned well on 12/15/04. The APD is currently in the process of being approved. The original location of the wellsite was found to be in an area of ecological disturbance. The wellsite has now been moved & the plat has been revised to show the new location.

A copy of the revised plat is attached for your review. Please attach the revised copy to the APD.

Original Location: 670' FSL & 1,895' FEL in Sec. 029, T28N, R10W

New Location: 690' FSL & 1,405' FEL in Sec. 029, T28N, R10W



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Kelly K. Small

Title

Regulatory Compliance Tech

Date **08/16/05**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.

NMOCD

XTO ENERGY INC.

DRILLING PROCEDURE

Hubbell Gas Com #2S

Basin Fruitland Coal

December 14, 2004

Location: 670' FSL & 1,895' FEL, Sec 29, T28N, R10W County: San Juan State: New Mexico

PROJECTED TOTAL DEPTH: 2,150' OBJECTIVE: Fruitland Coal GR ELEV: 5,984'

1. MUD PROGRAM:

INTERVAL	0'-200'	200'-TD
HOLE SIZE	11"	7-7/8"
MUD TYPE	FW/Native	FW/Polymer
MUD WEIGHT, ppg	8.6-9.0	8.6-9.1
VISCOSITY, sec/qt	28-32	28-33
WATER LOSS, cc	NC	NC

Remarks: Drill the surface hole with fresh water. Run and cement 7" surface casing, circulating cement to surface. NU and test BOP equipment, then drill out with fresh water. Use polymer sweeps as needed for hole cleaning. At TD, sweep the hole prior to TOH to log.

2. CASING PROGRAM:

Surface Casing: 8-5/8" casing to be set at $\pm 200'$ in 8.8 ppg mud in 11" open hole.

Interval	Length	Wt (ppf)	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	DD (in)	SF Coll	SF Burst	SF Tension
0'-200'	200'	24#	J-55	STC	1,370	2,950	244	8.097	7.972	14.64	31.52	50.8

Optimum makeup torque for 8-5/8" 24#, J-55, STC casing is **2,440 ft-lbs** (Min - 1,830 ft-lbs, Max - 3,050 ft-lbs).

Production Casing: 5-1/2" casing to be set at $\pm 2,150'$ in 9.0 ppg mud in a 7-7/8" open hole.

Interval	Length	Wt (ppf)	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	DD (in)	SF Coll	SF Burst	SF Tension
0'-TD	2,150'	15.5#	J-55	STC	4,040	4,810	2225 2225	4.950	4.825	3.52	4.19	5.84

Optimum makeup torque for 4-1/2", 10.5#, J-55, casing is **1,320 ft-lbs** (Min - 990 ft-lbs, Max - 1,650 ft-lbs).

Capacity of 8-5/8", 24# casing is: 0.0636 bbl/ft

Capacity of 5-1/2", 15.5# casing is: 0.0238 bbl/ft

3. WELLHEAD:

Casinghead: Larkin Fig 92 (or equivalent) 2,000 psig WP (4,000 psig test) with 7", 8rd pin on bottom and 8-5/8" API Modified 8rd thread on top.

Tubinghead: Larkin Model 612 (or equivalent) 2,000 psig WP (4,000 psig test) with 5-1/2", 8rd bottom thread (or weld-on) and 8-5/8" 8rd API Modified top body thread, 4.090" minimum bore.

4. **CEMENT PROGRAM:**

A. **Surface:** 8-5/8", 24#, J-55, STC casing at $\pm 200'$.

Lead: 150 sx Type III cement (or equivalent) containing 1/4 pps celloflake, 2% CaCl₂ (mixed at 14.6 ppg, 1.39 ft³/sk, 6.67 gal wtr/sk).

Total slurry volume is ~~104.25~~ ²⁰⁷ ft³, 250% excess of calculated annular volume required to circulate cement to surface.

B. **Production:** 5-1/2", 15.5#, J-55, STC casing at $\pm 2,150'$.

Lead: $\pm 200^*$ sx of Type III cement containing 8% gel, 1/4 pps Celloflake & 2% Phenoseal (mixed at 11.9 ppg, 2.54 ft³/sk, 15.00 gal wtr/sk).

Tail: 100 sx Type III cement containing 1% CaCl₂, 1/4 pps Celloflake & 2% Phenoseal (mixed at 14.5 ppg, 1.41 ft³/sk, 6.72 gal wtr/sk).

Total estimated slurry volume is 649 ft³, $\pm 40\%$ excess of calculated annular volume required to circulate cement to surface.

* Actual cement volumes will be determined using log caliper volume plus 40% excess.

5. **DRILLING HAZARDS:**

- H₂S or other Poisonous Gases: No formations known to contain H₂S or any other poisonous gases will be penetrated with this wellbore.
- Abnormal Pressures: No overpressured zones are known to exist or are anticipated to be encountered during the drilling of this well.
- Lost Circulation: Seepage and/or lost circulation may be encountered below surface casing and can be controlled with conventional lost circulation materials added to the mud system.

6. **LOGGING PROGRAM:**

Array Induction/DFL/GR/SP/Cal
DSN/Spectral Density/GR/Cal/Pe

TD to bottom of surf csg.
TD to bottom of surf csg.

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

ROTATING HEAD
OR STRIPPING
(DIVERTING)
HEAD

FILL UP LINE

FLOW LINE
TO PIT

BLIND
RAMS

PIPE
RAMS

SCREW ON
DRILLING FLANGE

FILL-UP /
KILL LINE
2" dia min.

TO
ADJUSTABLE
CHOKE
MANIFOLD
2" dia min.

Fig. 92 (typical)
CASINGHEAD
(SCREW-IN)

CASING COLLAR
(LOOKING UP)

1. Test BOP after installation:

Pressure test BOP to 200-300
psig (low pressure) for $\frac{5}{10}$ min.

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

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.

TESTING
PROCEDURE

** Remove check or ball
from check valve and
press test to same press
as BOP's. **

See Choke Manifold drawing for
specifications

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

