

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			5. Lease Serial No. SF-077875
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone			6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator XTO Energy Inc.			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. PO Pipkin #3F
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 685' ENL x 1805' FEL in Sec 17, T27N, R10W At proposed prod. zone SAME			9. API Well No. 30-045-33642
14. Distance in miles and direction from nearest town or post office* Approximately 9.9 miles southeast of Bloomfield, NM post office			10. Field and Pool, or Exploratory Basin Dakota/Basin Mancos
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 685'			11. Sec., T., R., M., or Blk. and Survey or Area (B) Sec 17, T27N, R10W
16. No. of Acres in lease 2080		17. Spacing Unit dedicated to this well DK - E/2 320, MC - NE/4 160	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 870		20. BLM/BIA Bond No. on file UTB-000138	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5960' Ground Elevation		22. Approximate date work will start* July 2006	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:

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 03/08/06
Title Regulatory Compliance Tech		
Approved by (Signature) <i>D. Mankeius</i>	Name (Printed/Typed) PF	Date 3/24/06
Title AFM		

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.

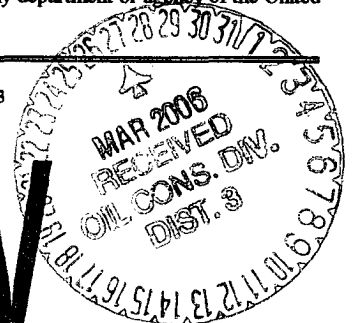
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

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

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

APD/ROW



NMOCD

18

DISTRICT I
1825 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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30045-33642		² Pool Code 71599		³ Pool Name Basin Dakota	
⁴ Property Code 22628		⁵ Property Name P O PIPKIN		⁶ Well Number 3F	
⁷ OGRID No. 167067		⁸ Operator Name XTO ENERGY INC.		⁹ Elevation 5960'	

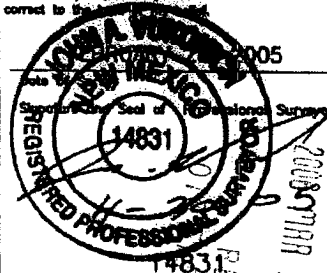
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	17	27-N	10-W		685	NORTH	1805	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 2/2 320					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>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</div>	<div>S 89-53.30 W 2637.8' (M)</div> <div>1805'</div> <div>LAT. 36°34'50.1" N (NAD 27) LONG. 107°54'55.5" W (NAD 27)</div> <div>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</div>	<div>17</div> <div>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</div>	<div>17</div> <div>OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</div> <div><i>Kelly K Small</i> Signature Kelly K Small Printed Name Regulatory Compliance Tech Title 10/23/05 Date</div>	
			<div>18</div> <div>SURVEYOR CERTIFICATION</div> <div>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 knowledge and belief</div> <div> Signature 2005 Date</div> <div>Certificate Number 14831</div>	
			<div>RECEIVED MILITON NM PM 12 25</div>	

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

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

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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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-33642		² Pool Code 97232		³ Pool Name Basin Mancos	
⁴ Property Code 22628		⁵ Property Name P O PIPKIN			⁶ Well Number 3F
⁷ GRID No. 167067		⁸ Operator Name XTO ENERGY INC.			⁹ Elevation 5960'

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
B	17	27-N	10-W		685	NORTH	1805	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 0.814 100					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>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</div>	<div>S 89-53-30 W 2637.8' (M)</div> <div>685'</div> <div>1805'</div> <div>LAT. 36°34'50.1" N (NAD 27) LONG. 107°54'56.5" W (NAD 27)</div> <div>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</div>	<div>17</div> <div>FD. 2 1/2" B.C. 1913 U.S.G.L.O.</div>	<div>17</div> <div>OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</div> <div><i>Kelly K. Smith</i> Signature <i>Kelly K. Smith</i> Printed Name <i>Regulatory Compliance Tech</i> Title <i>6/23/05</i> Date</div>	
			<div>18</div> <div>SURVEYOR CERTIFICATION</div> <div>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 knowledge.</div> <div><i>John A. Williams</i> Signature <i>John A. Williams</i> Printed Name 14831 Seal of Professional Surveyor 2005 MAR 13 PM 12 25 RECEIVED FARMINGTON NM Certificate Number</div>	

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

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. <u>30-045-33692</u>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <u>SF-077875</u>
7. Lease Name or Unit Agreement Name: <u>PO Pipkin</u>
8. Well Number <u>#3F</u>
9. OGRID Number <u>167067</u>
10. Pool name or Wildcat <u>Basin Dakota/Basin Mancos</u>

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 <u>XTO Energy Inc.</u>	
3. Address of Operator <u>2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401</u>	
4. Well Location Unit Letter <u>B</u> : <u>685</u> feet from the <u>North</u> line and <u>1805</u> feet from the <u>East</u> line Section <u>17</u> Township <u>27N</u> Range <u>10W</u> NMPM <u>NMEM</u> County <u>SAN JUAN</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>5960' Ground Elevation</u>	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/> Pit type <u>DRILL</u> Depth to Groundwater <u>< 100</u> Distance from nearest fresh water well <u>>1000</u> Distance from nearest surface water <u>>200 <1000</u> Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume _____ 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: PIT ☒

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 intends to install a pit on location for drilling.

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 NMOCD guidelines ☒ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Kyla Vaughan TITLE Regulatory Compliance Tech DATE 03/08/06
Type or print name Kyla Vaughan E-mail address: kyla_vanahan@xtoenergy.com Telephone No. 505-564-6726

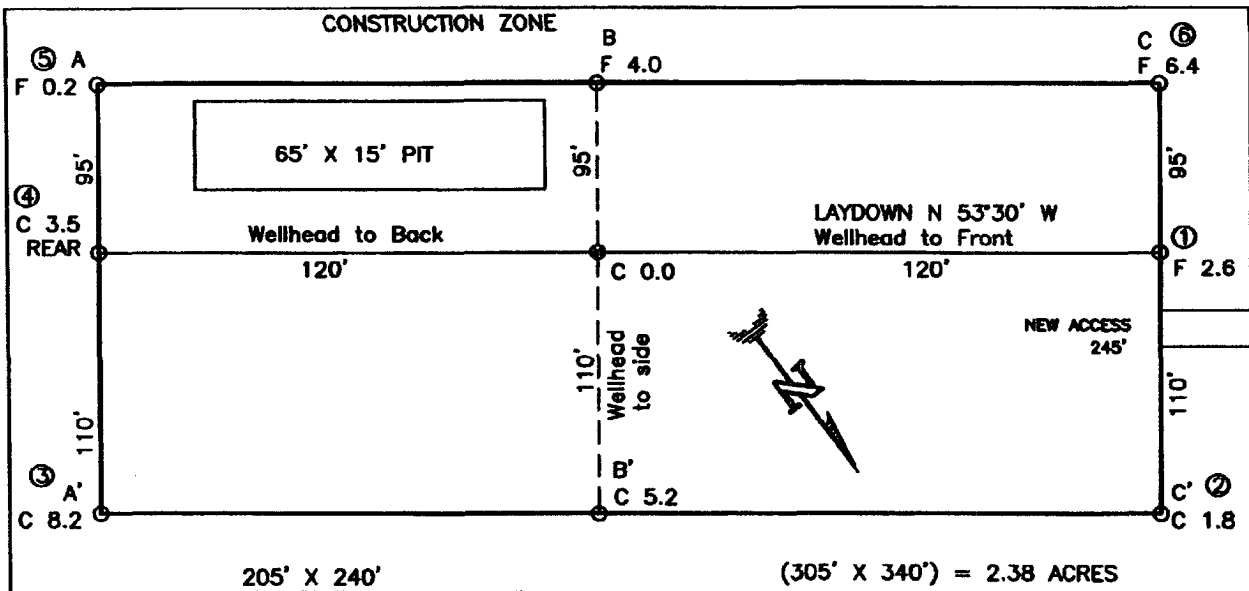
For State Use Only

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. # DATE MAR 27 2006
Conditions of Approval, if any:

EXHIBIT D

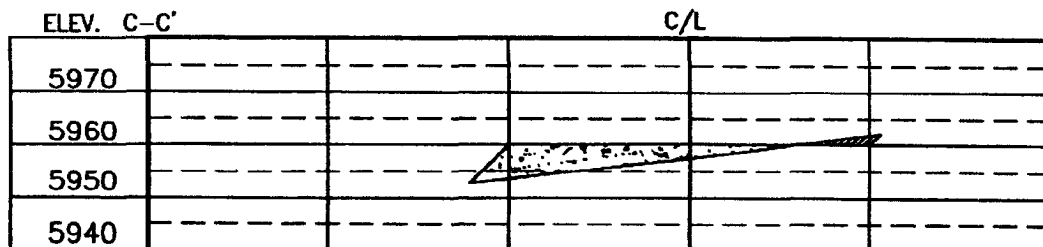
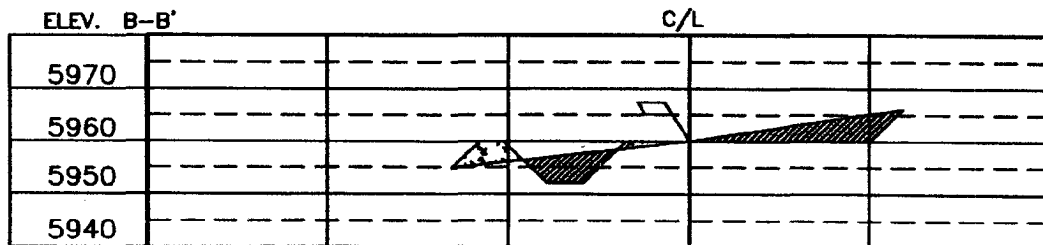
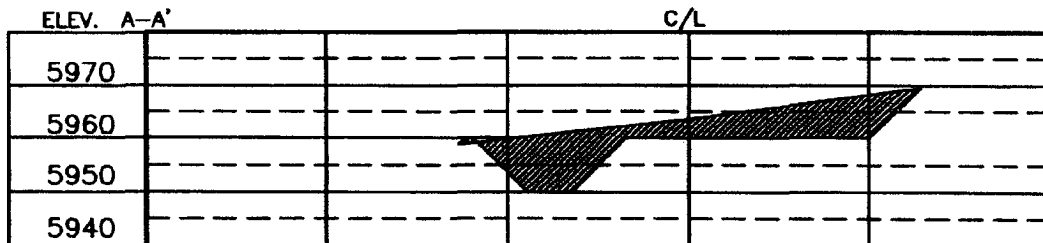
XTO ENERGY INC.
P O PIPKIN No.3F, 685 FNL 1805 FEL
SECTION 17, T27N, R10W, N.M.P.M., SAN JUAN COUNTY, N. M.
GROUND ELEVATION: 5960', DATE: FEBRUARY 28, 2005

LAT. = 36°34'50.1" N.
LONG. = 107°54'55.5" 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.

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15068 • Farmington, NM 87401
Phone (505) 325-1772 • Fax (505) 325-8019
NEW MEXICO L.S. No. 14831
Survey CR439078
Date 04/07/08

EXHIBIT E

XTO ENERGY INC.

PO Pipkin #3F

APD Data

March 8, 2006

Location: 685' FNL x 1805' FEL Sec 17, T27N, R10W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 6700'

APPROX GR ELEV: 5960'

OBJECTIVE: Basin Dakota / Basin Mancos

Est KB ELEV: 5972' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 6700
HOLE SIZE	12.25"	7.875"	7.875"
MUD TYPE	FW/Spud Mud	FW/Polymer	LSND / Gel Chemical
WEIGHT	8.6-9.0	8.4-8.8	8.6- 9.20
VISCOSITY	28-32	28-32	45-60
WATER LOSS	NC	NC	8-10

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes.

2. CASING PROGRAM:

Surface Casing: 8.625" casing to be set at $\pm 360'$ in a 12-1/4" hole filled with 9.20 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-360'	360'	24.0#	J-55	ST&C	1370	2950	244	8.097	7.972	7.950	17.13	28.24

Production Casing: 5.5" casing to be set at TD ($\pm 6700'$) in 7-7/8" hole filled with 9.20 ppg mud.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-6700	6700'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.26	1.50	1.95

3. WELLHEAD:

- Casing Head: Larkin Fig 92 (or equivalent), 9" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom and 11-3/4" 8rnd thread on top.
- Tubing Head: Larkin Fig 612 (or equivalent), 6.456" nominal, 2,000 psig WP (4,000 psig test), 5-1/2" 8rnd female thread on bottom (or slip-on, weld-on), 8-5/8" 8rnd thread on top.

EXHIBIT F

4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):

A. Surface: 8.625", 24.0#, J-55, ST&C casing to be set at $\pm 360'$ in 12-1/4" hole.

214 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 297 ft³, 100% excess of calculated annular volume to 360'.

B. Production: 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at $\pm 6700'$ in 7.875" hole. DV Tool set @ $\pm 4000'$

1st Stage

LEAD:

± 211 sx of Premium Lite HS (Type III/Poz/Gel) with 2% salt, 1/4 pps cello, 0.2% dispersant, 0.5% fluid loss & 2% LCM mixed at 12.5 ppg, 2.01 ft³/sk, 10.55 gal wtr/sx.

TAIL:

150 sx Type III with 5% bonding additive, 1/4 pps cello, 2% LCM, 0.3% dispersant & 0.2% fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

2nd Stage

LEAD:

± 331 sx of Type III with 8% gel, 1/4 pps cello & 2% LCM mixed at 11.9 ppg, 2.54 ft³/sk, 15.00 gal wtr/sx.

TAIL:

100 sx Type III neat mixed at 14.5 ppg, 1.39 cuft/sx, 6.3 gal/sx.

Total estimated slurry volume for the 5-1/2" production casing is 1635 ft³.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs plus 40%. It will be attempted to circulate cement to the surface.

5. LOGGING PROGRAM:

A. Mud Logger: The mud logger will come on at 2,900' and will remain on the hole until TD. The mud will be logged in 10' intervals.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (6700') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6700') to 3,000'.

EXHIBIT F

6. FORMATION TOPS:

Est. KB Elevation: 5972'

FORMATION	Sub-Sea Elev.	WELL DEPTH	FORMATION	Sub-Sea Elev.	WELL DEPTH
Ojo Alamo SS	5237	735	Gallup Ss**	677	5,295
Kirtland Shale	5090	882	Greenhorn Ls	-136	6,108
Farmington SS			Graneros Sh	-185	6,157
Fruitland Formation	4687	1,285	1 ST Dakota Ss*	-217	6,189
Lower Fruitland Coal	4221	1,751	2 ND Dakota Ss*	-255	6,227
Pictured Cliffs SS	4200	1,772	3 RD Dakota Ss*	-310	6,282
Lewis Shale	3980	1,992	4 TH Dakota Ss*	-375	6,347
Chacra SS	3301	2,671	5 TH Dakota Ss*	-426	6,398
Cliffhouse SS	2667	3,305	6 TH Dakota Ss*	-464	6,436
Menefee	2562	3,410	Burro Canyon Ss*	-491	6,463
Point Lookout SS	1858	4,114	Morrison Fm	-518	6,490
Mancos Shale	1531	4,441	Total Depth	-728	6,700

* Primary Objective

** Secondary Objective

**** Maximum anticipated BHP should be <2,000 psig (<0.30 psi/ft) *****

7. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
John Egelston	Drilling Engineer	505-564-6734	505-330-6902
Jerry Lacy	Drilling Superintendent	505-566-7917	505-320-6543
John Klutsch	Project Geologist	817-885-2800	
Mandi Moncrief	Reservoir Engineer	817-885-2800	

JWE
3/8/06

EXHIBIT F

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

TESTING PROCEDURE

1. Test BOP after installation:

Pressure test BOP to 200-300
psig (low pressure) for 10 min.

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

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 on the rig floor and ready to go.

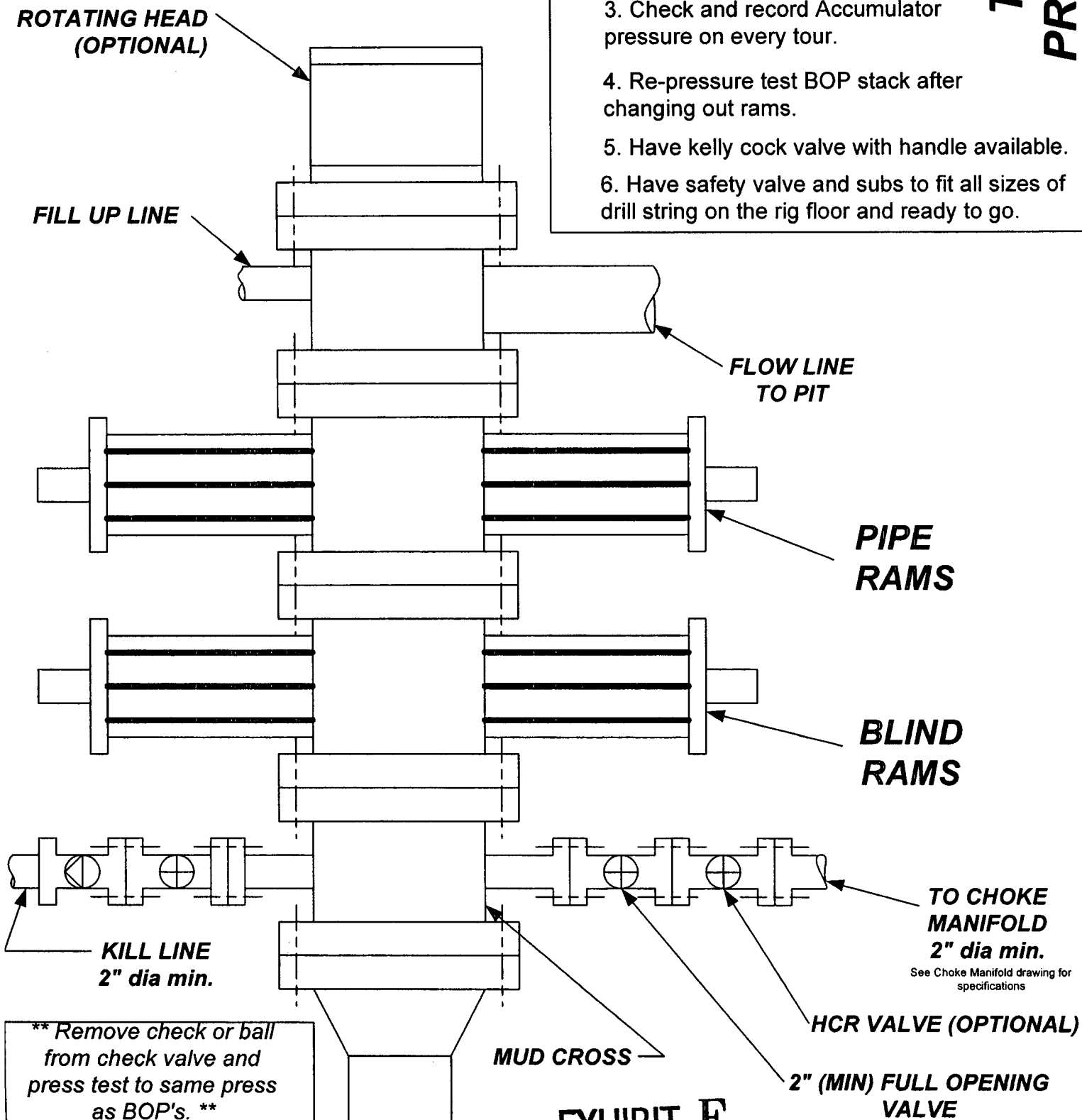


EXHIBIT F

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

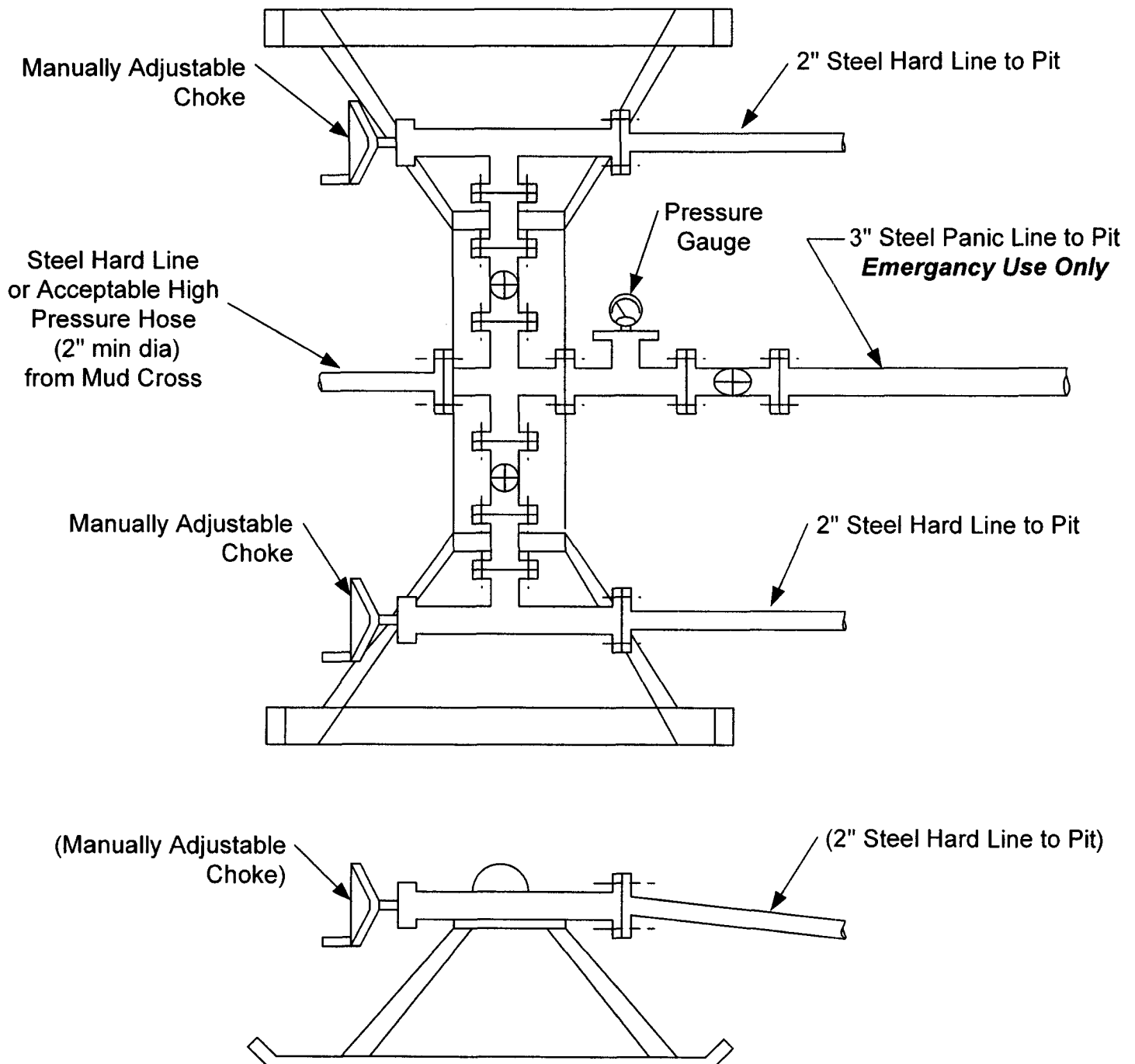


EXHIBIT F