

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-077383
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 NM NM 073955
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. Federal Gas Com #1F
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1715' ENL x 720' FEL in Sec 28, T28N, R10W At proposed prod. zone SAME		9. API Well No. 30-045-33553
14. Distance in miles and direction from nearest town or post office* Approximately 7 miles Southeast of Bloomfield, NM post office		10. Field and Pool, or Exploratory Basin Dakota/Otero Chacra
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 720'	16. No. of Acres in lease 1280	11. Sec., T., R., M., or Blk. and Survey or Area (H) Sec 28, T28N, R10W
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 850'	19. Proposed Depth 7100'	12. County or Parish San Juan
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6043' Ground Elevation	22. Approximate date work will start* May 2006	13. State NM
23. Estimated duration 2 weeks		17. Spacing Unit dedicated to this well 320/DK - E/2, 160/CH - NE/4
20. BLM/BIA Bond No. on file UTB-000138		

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 <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 01/25/06
Title Regulatory Compliance Tech		
Approved by (Signature) <i>Jim Wato</i>	Name (Printed/Typed)	Date 6/8/06
Title Asst. Mgr. 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.

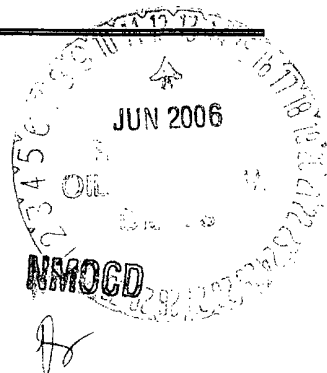
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

✓
APD/ROW

and
pursuant to 43 CFR 3165.4
to 43 CFR 3165.4

DEALING OF RIGHTS IN A
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".



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

DISTRICT II
1301 W Grand Ave., Artesia, NM 88210

DISTRICT III
1000 Rio Bravo Rd., Aztec, NM 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
OIL CONSERVATION DIVISION
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-33553		2 Pool Code 71599		3 Pool Name Basin Danota	
4 Property Code 22703		5 Property Name FEDERAL GAS COM		6 Well Number IF	
7 GRID No 11070107		8 Operator Name XTO ENERGY INC.		9 Elevation 6043	

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
H	28	28-N	10-W		1715	NORTH	720	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 300 E/2			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

16	QTR. CORNER FO 2 1/2" BC 1913 U.S.C.L.O.	N 89-50-54 W 2637.5' (M)	1715'	S 00-04-51 W 2639.5' (M)	720'	QTR. CORNER FO 2 1/2" BC 1913 U.S.C.L.O.	LAT: 36°38'08.8" N (NAD 27) LONG: 107°53'37.7" W (NAD 27)	28	QTR. CORNER FO 2 1/2" BC 1913 U.S.C.L.O.	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: Kelly K Small Printed Name: Kelly K Small Title: Drilling Assistant Date: 3/8/05
										18 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 knowledge and belief. JANUARY 14, 2005 Date of Survey: JAN 14 2005 Signature: JANA VORONICH Printed Name: JANA VORONICH Title: Registered Professional Surveyor Certificate Number: 14831

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

DISTRICT II
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1000 Rio Brazos Rd., Aztec, N.M. 87410

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1326 South St. Francis Dr., Santa Fe, NM 87505

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RECEIVED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-33558-2329	Pool Code 0700	Pool Name Otero Chacra
Property Code	Property Name FEDERAL GAS COM	Well Number 1F
OGRIID No 167067	Operator Name XTO ENERGY INC	Elevation 6043


10 Surface Location

UL or lot no.	Section	Township	Range	Lot lin	Feet from the	North/South line	Feet from the	East/West line	County
11	28	28-N	10-W		1715	NORTH	720	EAST	SAN JUAN

11 Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot lin	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acre 1100 W 1/4			Joint or Infill		Consolidation Code		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

16	<p>OIL CORNER FD 2 1/2" BC 1913 U.S.C.L.O.</p> <p>N 89-50-54 W 2637.5' (M)</p> <p>SEC. CORNER FD 2 1/2" BC 1913 U.S.C.L.O.</p> <p>1715'</p> <p>S 00-04-51 W 2039.5' (M)</p> <p>720'</p> <p>LAT 36°38'09.8" N (NAD 27) LONG 107°53'37.7" W (NAD 27)</p> <p>28</p>	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Deepest Smaller</u> Printed Name <u>Deepest Smaller</u> Title <u>Drilling Assistant</u> Date <u>3/8/05</u>
	18 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 knowledge. JAN 10 2005 Date of Survey Signature and Seal of Professional Surveyor  Certificate Number	

State of New Mexico
Energy, Minerals and Natural Resources

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

WELL API NO.

30-045-33553

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

SF-077383

7. Lease Name or Unit Agreement Name:

Federal Gas Com

8. Well Number

#1F

9. OGRID Number

167067

10. Pool name or Wildcat

Basin Dakota/Otero Chacra

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 ☐ Gas Well ☒ 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 H : 1715 feet from the North line and 720 feet from the East lineSection 28 Township 28N Range 10W NMPM NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

6043' Ground Elevation

Pit or Below-grade Tank Application ☒ or Closure ☐Pit type DRILL Depth to Groundwater >100 Distance from nearest fresh water well >1000 Distance from nearest surface water >1000Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 8000 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 01/25/06Type or print name Kyla VaughanE-mail address: kyla_vaughan@xtoenergy.comTelephone No. 505-564-6726

For State Use Only

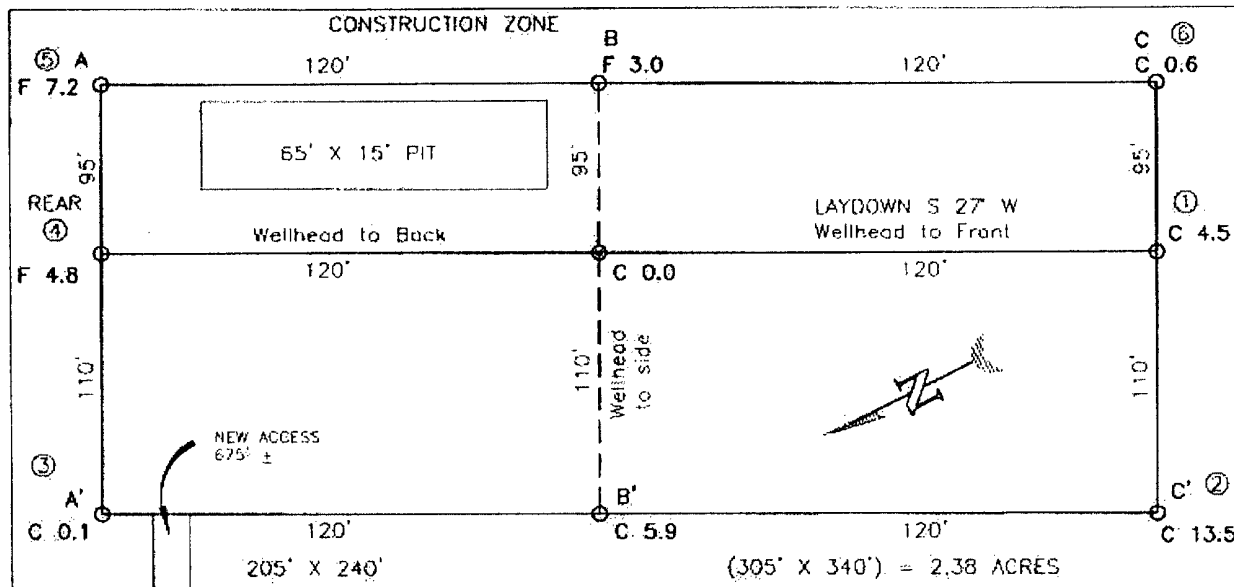
APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 10 DATE JUN 12 2006

Conditions of Approval, if any:

EXHIBIT D

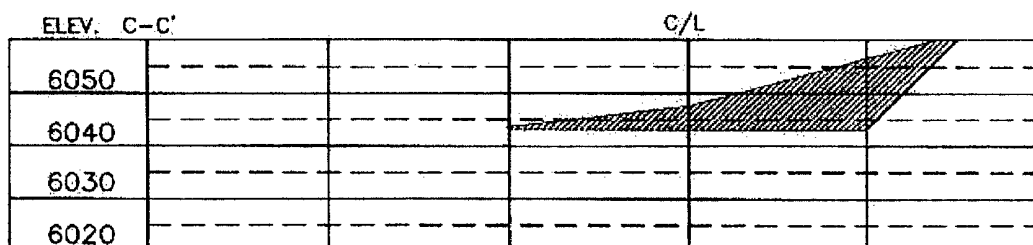
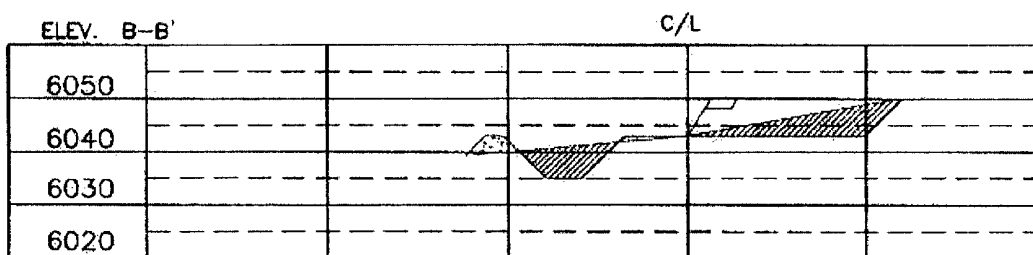
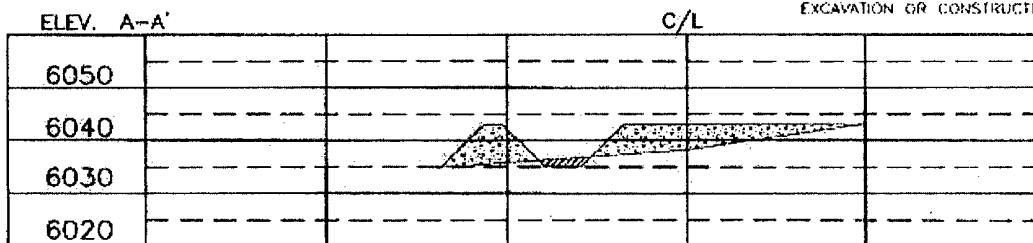
XTO ENERGY INC.
 FEDERAL GAS COM NO. 1F 1715' FNL 720' FEL
 SECTION 28, T28N, R10W, N.M.P.M., SAN JUAN COUNTY, N.M.
 GROUND ELEVATION: 6043', DATE: JANUARY 17, 2005

LAT. = 36°38'08.8" N
 LONG. = 107°53'37.7" 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	REVISION BY
Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15058 - Farmington, NM 87401 Phone (505) 326-1772 - Fax (505) 326-6019 NEW MEXICO L.S. No. 14831		
Drawn BY: G.V.	Scale: GR406_CFB	DATE: 02/10/05
Drawn BY: G.V.	Scale: GR406	

EXHIBIT E

XTO ENERGY INC.

Federal Gas Com #1F

APD Data

January 24, 2006

Location: 1715' FNL x 720' FEL Sec 28, T28N, R10W County: San Juan State: New Mexico

GREATEST PROJECTED TD: 7100'
APPROX GR ELEV: 6043'

OBJECTIVE: Basin Dakota / Otero Chacra
Est KB ELEV: 6055' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2800'	2800' to 7100
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 ($\pm 7100'$) 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'-7100	7100'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.19	1.42	1.84

3. WELLHEAD:

- A. 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.
- B. 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 $\pm 7100'$ in 7.875" hole.

LEAD:

± 742 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.

Total estimated slurry volume for the 5-1/2" production casing is 1722 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 (7100') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (7100') to 3,000'.

EXHIBIT F

6. **FORMATION TOPS:**

Est. KB Elevation: 6055'

FORMATION	Sub-Sea Elev.	WELL DEPTH	FORMATION	Sub-Sea Elev.	WELL DEPTH
Ojo Alamo SS	5046	1,010	Gallup Ss	492	5,567
Kirtland Shale	4925	1,131	Greenhorn Ls	-275	6,335
Farmington SS			Graneros Sh	-334	6,393
Fruitland Formation	4377	1,678	1 ST Dakota Ss*	-370	6,429
Lower Fruitland Coal			2 ND Dakota Ss*	-389	6,449
Pictured Cliffs SS	4012	2,044	3 RD Dakota Ss*	-450	6,510
Lewis Shale	3818	2,239	4 TH Dakota Ss*	-521	6,580
Chacra SS**	3071	2,986	5 TH Dakota Ss*	-557	6,617
Cliffhouse SS	2451	3,606	6 TH Dakota Ss*	-594	6,654
Menefee	2350	3,707	Burro Canyon Ss*	-621	6,681
Point Lookout SS**	1696	4,362	Morrison Fm	-662	6,722
Mancos Shale	1337	4,721	Total Depth	-1040	7,100

* 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
Gary Hancock	Drilling Engineer	505-324-1090	505-324-1090
Dennis Elrod	Drilling foreman	505-486-6460	505-326-2024
Red Meek	Project Geologist	817-885-2800	817-427-2475
Barry Voigt	Reservoir Engineer	817-885-2462	817-540-2092

JWE
1/24/06

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.

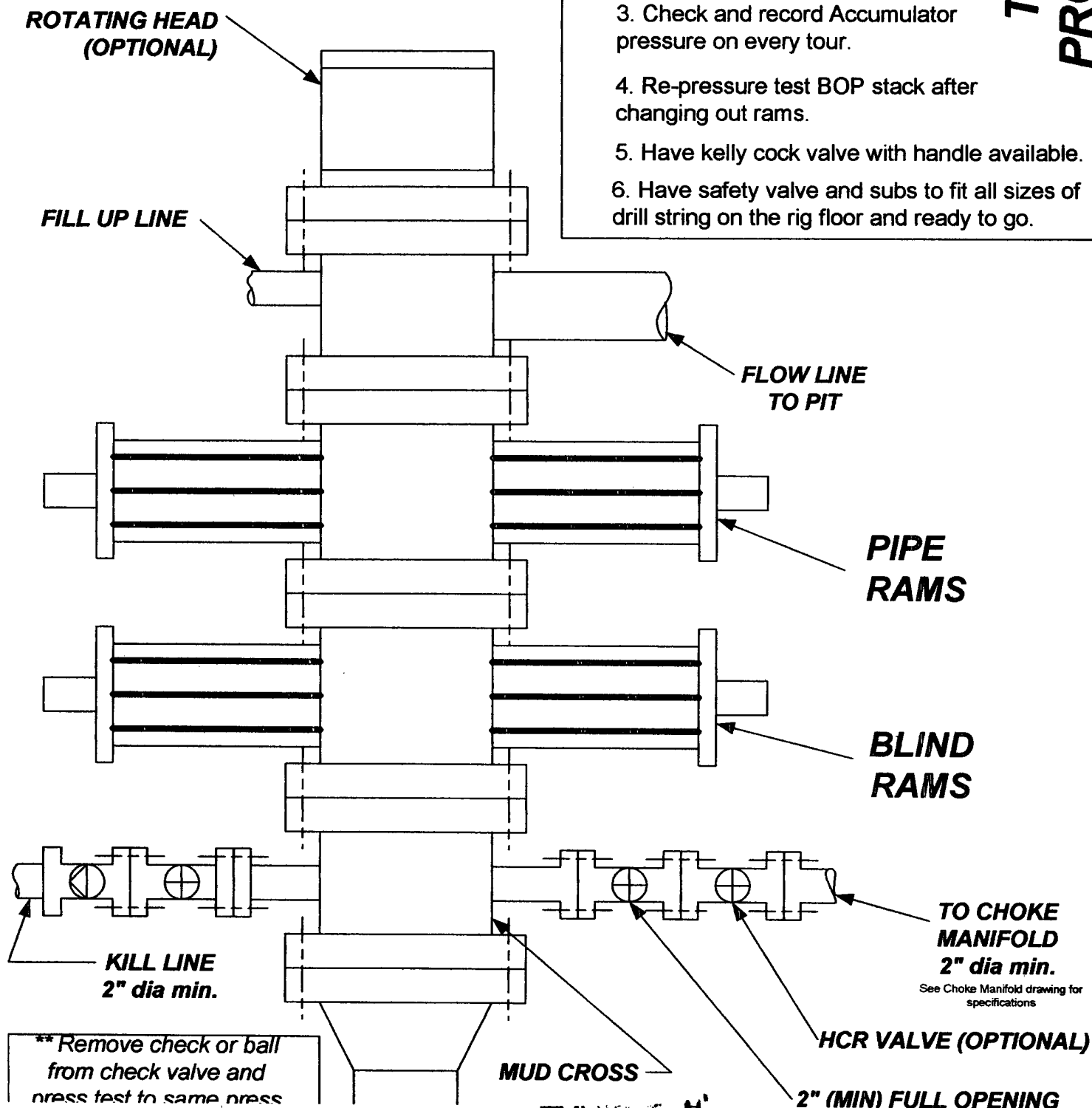


EXHIBIT F

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

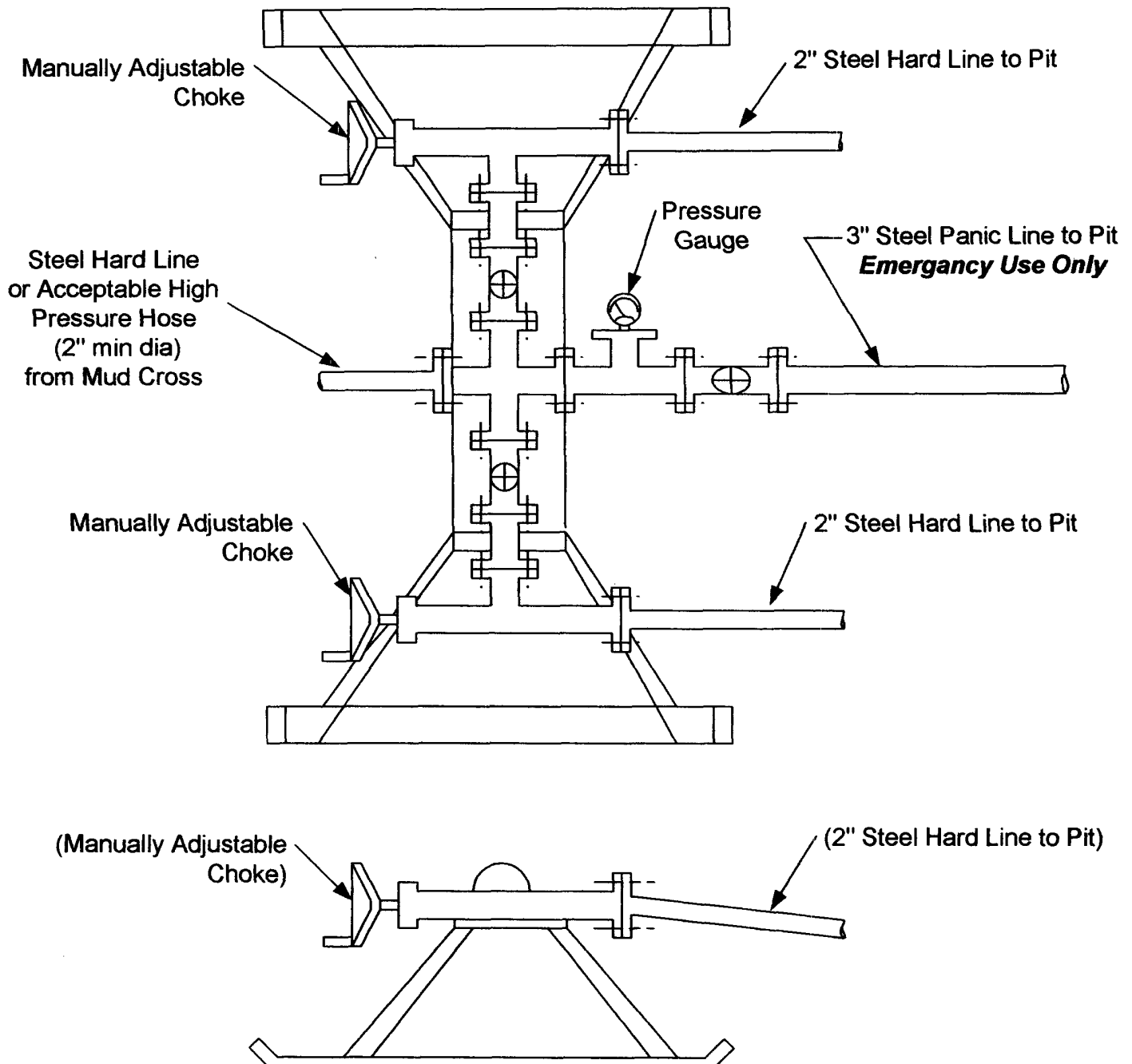


EXHIBIT F'