

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. SE078641
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		8. Lease Name and Well No. BERGER #2R
3b. Phone No. (include area code) 505-324-1090		9. API Well No. 30-045-34011
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1980' FNL x 1970' FWL At proposed prod. zone SAME		10. Field and Pool, or Exploratory BASTIN DAKOTA/GALLEGOS GALLUP
11. Sec., T., R., M., or Blk. and Survey or Area F SEC 23, T26N, R11W		12. County or Parish SAN JUAN
13. State NM		14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 19 MILES SOUTH OF BLOOMFIELD, NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1970'	16. No. of Acres in lease 1600	17. Spacing Unit dedicated to this well DK: W/2 320 - GP: NW/4 80
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1675'	19. Proposed Depth 6600'	20. BLM/BIA Bond No. on file UTB000138
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6310' GROUND ELEVATION	22. Approximate date work will start* JANUARY 2007	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 <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 10/13/06
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Title Regulatory Compliance Tech		
Approved by (Signature) <i>Wagne Townsend</i>	Name (Printed/Typed) Wagne Townsend	Date 12/20/06
Title Acting 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

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-34011	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 22661	⁵ Property Name BERGER	⁶ Well Number 2R
⁷ GRID No. He 70607 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6310'

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
F	23	26-N	11-W		1980	NORTH	1970	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

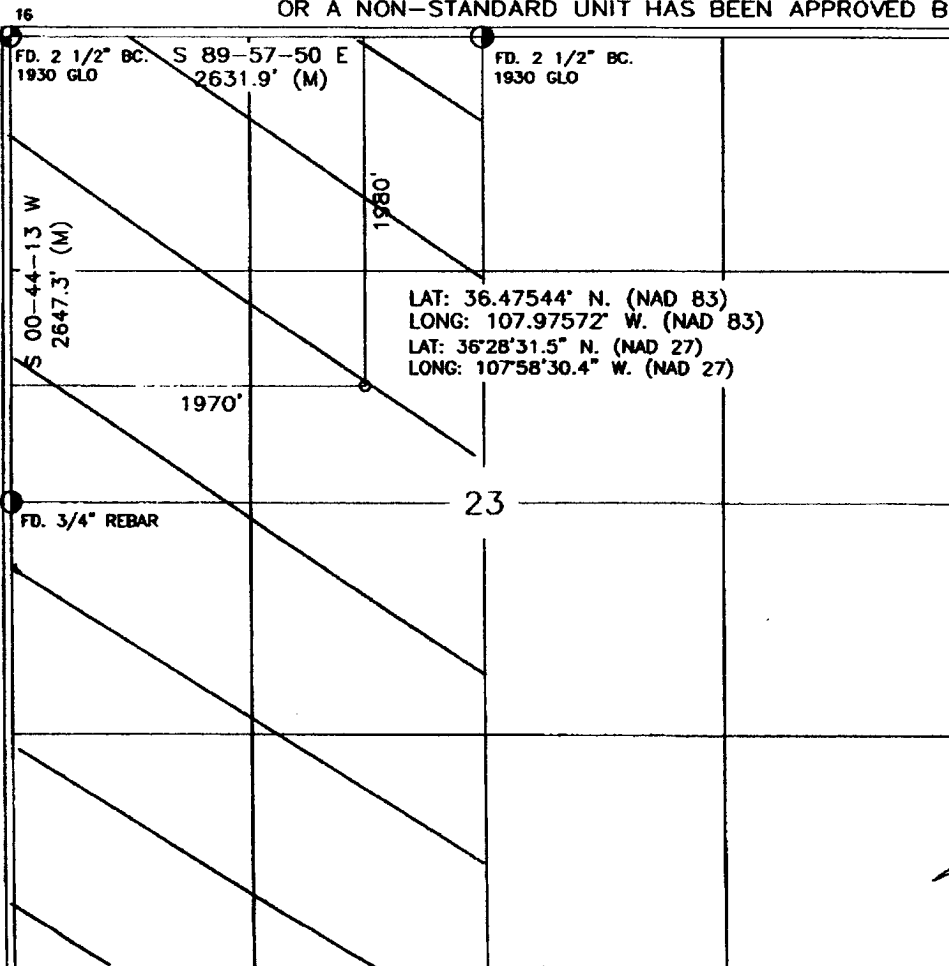
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres w/2 320			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		

RCVD DEC22'06

OIL CONS. DIV.

DIST. 3

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



¹⁷ 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 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.

Kelly Small
Signature
Date
KELLY SMALL
Printed Name

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 belief.

MARCH 13, 2006

Date of Survey

Signature of Surveyor

JOHN V. VONONICH
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
14831
Certificate Number

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

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

DISTRICT III
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Revised October 12, 2005

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-046-34011	² Pool Code 26980	³ Pool Name Gallegos Gallup
⁴ Property Code	⁵ Property Name BERGER	⁶ Well Number 2R
⁷ OCRD No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6310'

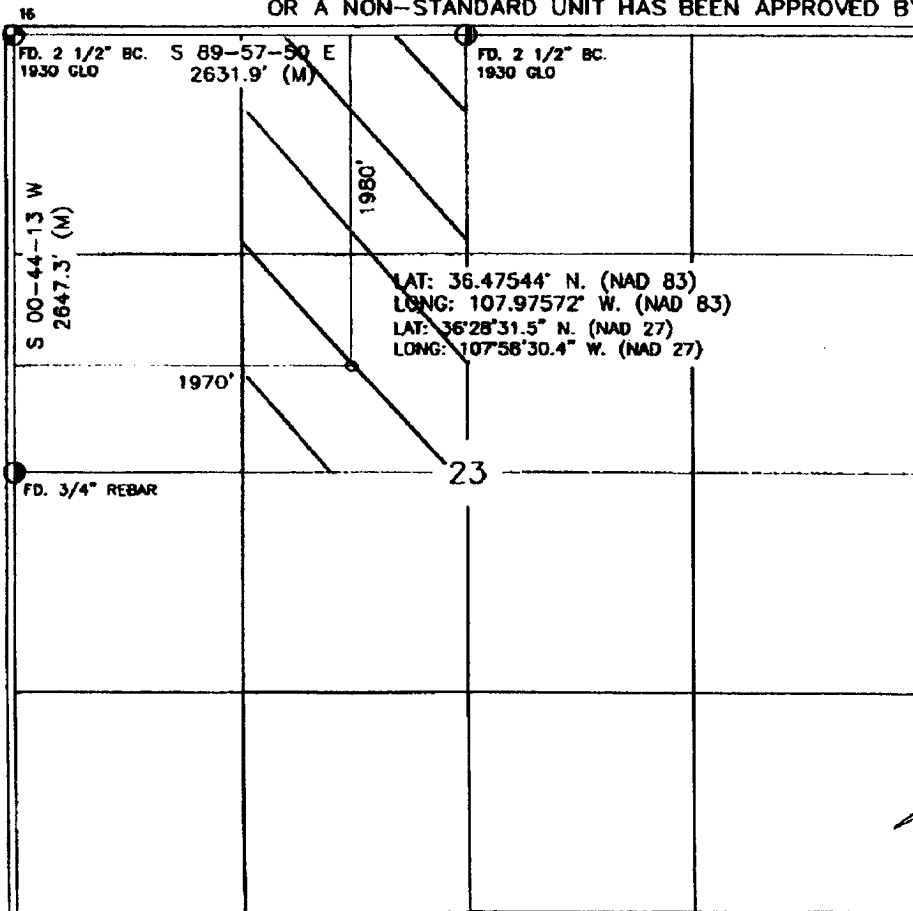
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	23	26-N	11-W		1980	NORTH	1970	WEST	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 F2H NW 1/4 80			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



17 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 undivided mineral interest in the land including the proposed bottom hole location 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.

Kelly K Small 10/5/06
Signature Date
Printed Name

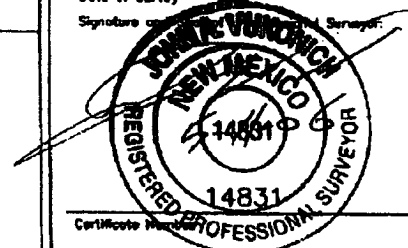
18 SURVEYOR CERTIFICATION

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 belief.

MARCH 13, 2006

Date of Survey

Signature of Surveyor



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

Form C-103
May 27, 2004

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	WELL API NO. <u>30-045-34011</u>
2. Name of Operator <u>XTO Energy Inc.</u>	5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator <u>2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401</u>	6. State Oil & Gas Lease No. <u>SF078641</u>
4. Well Location Unit Letter <u>F</u> : <u>1980</u> feet from the <u>NORTH</u> line and <u>1970</u> feet from the <u>WEST</u> line Section <u>23</u> Township <u>26N</u> Range <u>11W</u> NMPM <u>NMEM</u> County <u>SAN JUAN</u>	7. Lease Name or Unit Agreement Name: <u>BERGER</u>
	8. Well Number <u>#2R</u>
	9. OGRID Number <u>167067</u>
	10. Pool name or Wildcat <u>Basin Dakota/Gallegos Gallup</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>6310' 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>>1000</u>	
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u>8000</u> bbls; Construction Material	

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <u>PIT</u>	<input checked="" type="checkbox"/>	OTHER:	<input type="checkbox"/>

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 lined 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 ☐

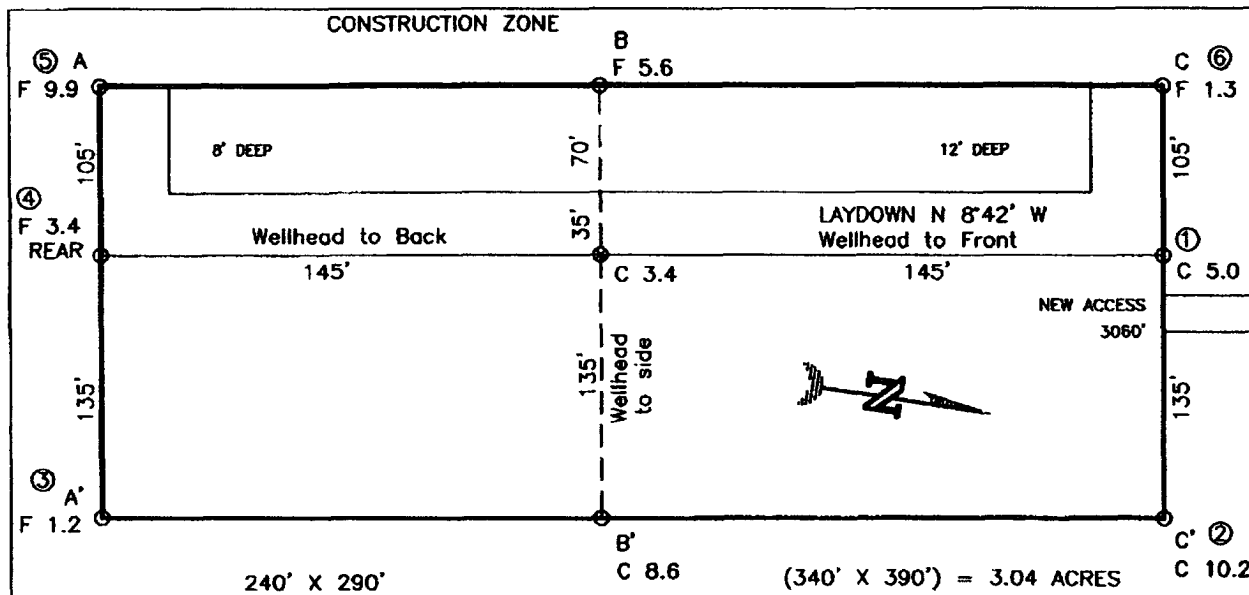
SIGNATURE Kyla Vaughan TITLE Regulatory Compliance Tech DATE 10/13/06
Type or print name Kyla Vaughan E-mail address: kyla_vaughan@xtoenergy.com Telephone No. 505-564-6726

For State Use Only
APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE DEC 22 2006
Conditions of Approval, if any:

EXHIBIT D

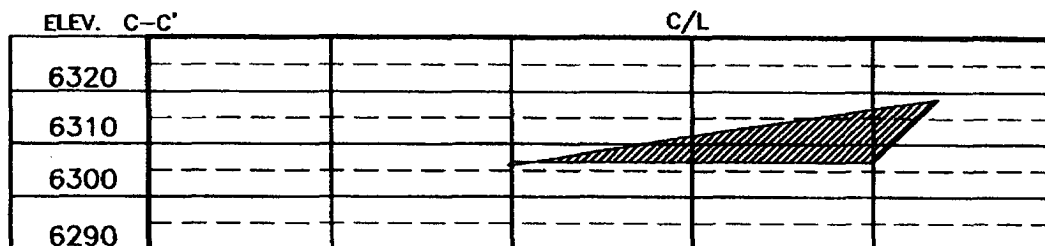
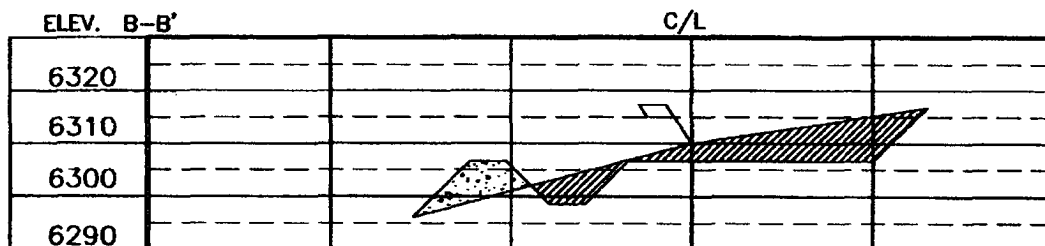
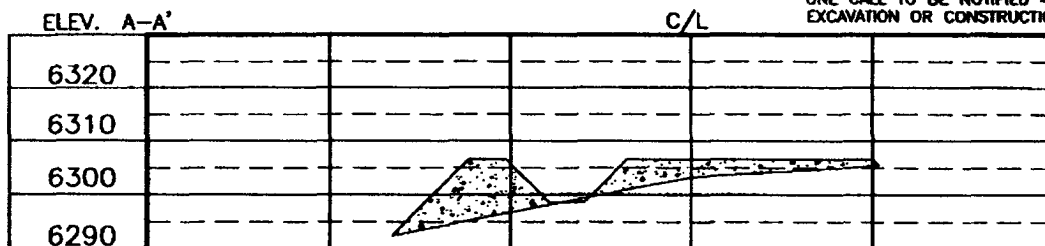
XTO ENERGY INC.
 BERGER No. 2R, 1980 FNL 1970 FWL
 SECTION 23, T26N, R11W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 6310' DATE: MARCH 13, 2006

NAD 83
 LAT. = 36.47544° N
 LONG. = 107.97572° W
 NAD 27
 LAT. = 36°28'31.5" N
 LONG. = 107°58'30.4" W



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) 338-1772 • Fax (505) 338-8019
 NEW MEXICO L.S. No. 14831
 DATE: 03/13/06



EXHIBIT E

XTO ENERGY INC.

Berger #2R

APD Data

October 13, 2006

Location: 1980' FNL x 1970' FWL Sec 23, T26N, R11W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 6600'
APPROX GR ELEV: 6310'

OBJECTIVE: Basin Dakota
Est KB ELEV: 6322' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 6600'
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 ($\pm 6600'$) in 7.875" 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'-6600	6600'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.28	1.52	1.97

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 $\pm 6600'$ in 7.875" hole. DV Tool set @ $\pm 4000'$

1st Stage

LEAD:

± 199 sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft³/sk, 10.55 gal wtr/sx.

TAIL:

150 sx Type III or equivalent cement with bonding additive, LCM, dispersant, & fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

2nd Stage

LEAD:

± 331 sx of Type III or equivalent cement with 8% gel & 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 1611 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 (6600') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6600') to 3,000'.

EXHIBIT F

6. FORMATION TOPS:

Est. KB Elevation: 6322'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	5739	583	Gallup**	1295	5,027
Kirtland Shale	5640	682	Greenhorn	310	6,012
Farmington SS			Graneros	248	6,074
Fruitland Formation	5228	1,094	Dakota 1*	220	6,102
Lower Fruitland Coal	4701	1621	Dakota 2*	192	6,130
Pictured Cliffs SS	4689	1,633	Dakota 3*	146	6,176
Lewis Shale	4445	1,877	Dakota 4*	94	6,228
Chacra SS	3845	2,477	Dakota 5*	68	6,254
Cliffhouse SS	3172	3,150	Dakota 6*	45	6,277
Menefee	3132	3,190	Burro Canyon	18	6,304
Point Lookout SS	2279	4,043	Morrison*	-48	6,370
Mancos Shale	2017	4,305	TD	-278	6,600

* 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	--

JWE
10/13/06

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.

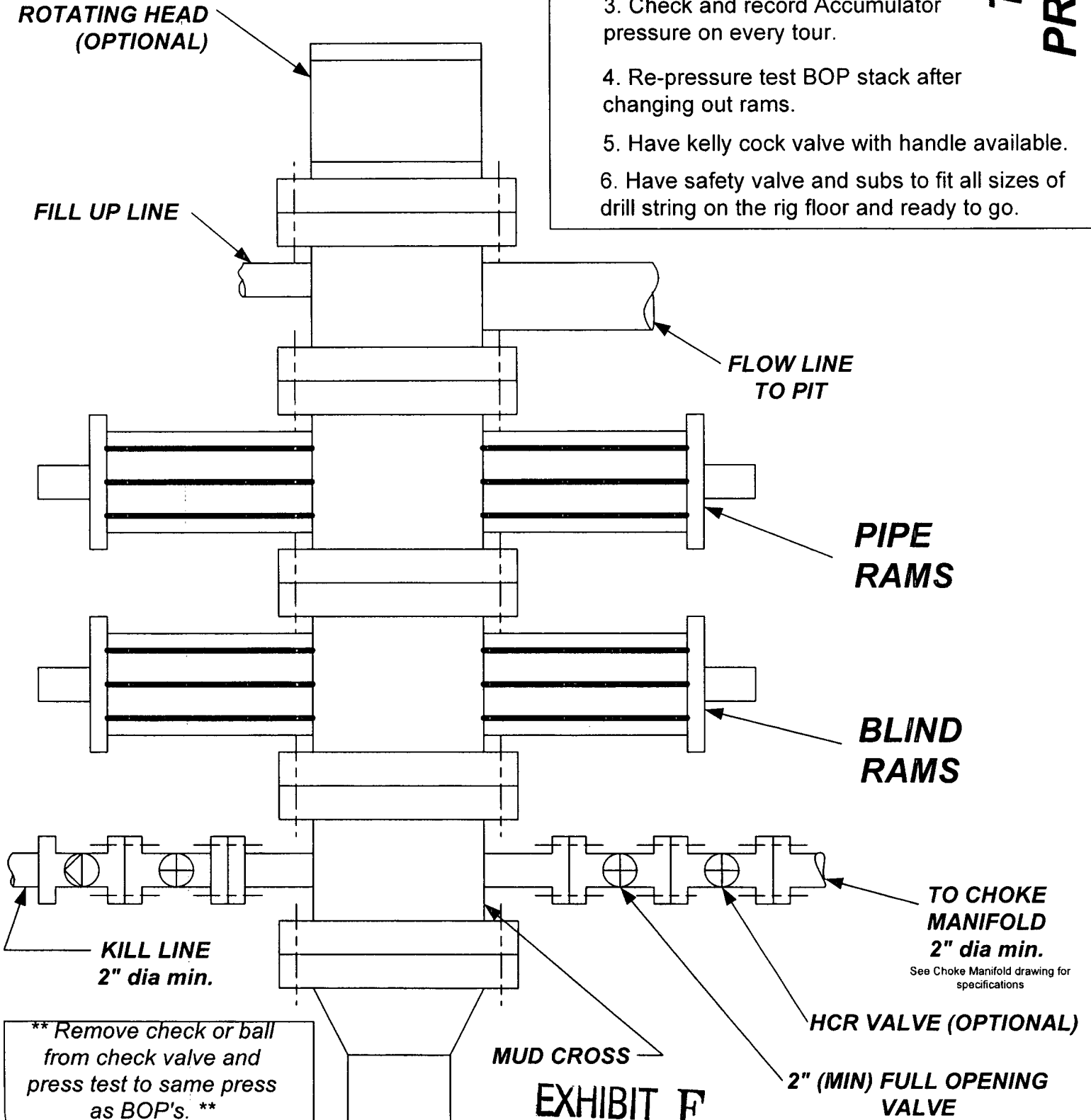


EXHIBIT F

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

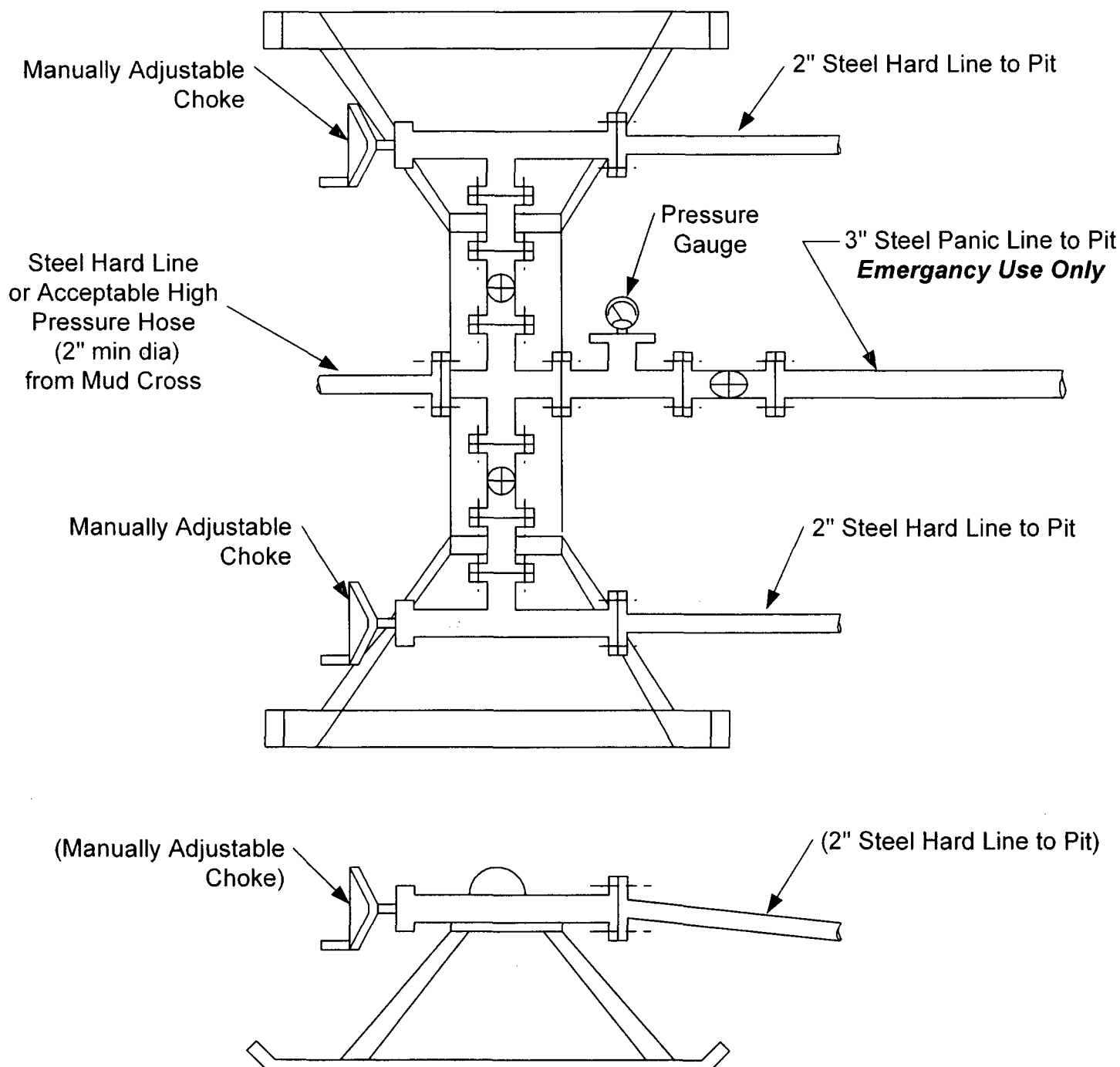


EXHIBIT F