

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. NMSF 078019
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. EH PIPKIN #10F
3b. Phone No. (include area code) 505-324-1090		9. API Well No. 30-045-34099
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1895' FNL x 1475' FEL At proposed prod. zone SAME		10. Field and Pool, or Exploratory BASIN DAKOTA/KUTZ GALLUP
4. Distance in miles and direction from nearest town or post office* Approximately 7.5 miles Southeast of Bloomfield, NM post office		11. Sec., T., R., M., or Blk. and Survey or Area (G) SEC 1, T27N, R11W
5. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1475'	16. No. of Acres in lease 2560.96	17. Spacing Unit dedicated to this well DK: N/2 320.96 - GP: SWNE/4 40
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 763'	19. Proposed Depth 6550'	20. BLM/BIA Bond No. on file UTB000138
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5718' Ground Elevation	22. Approximate date work will start* February 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 Kyla Vaughan	Name (Printed/Typed) Kyla Vaughan	Date 12/05/06
Title Regulatory Compliance Tech		
Approved by (Signature) [Signature]	Name (Printed/Typed) [Signature]	Date 1/17/07
Title FEU		

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)

HOLD C104 FOR **NSL in Kutzg/1/p.**

APD/ROW

NMOCD

8/19/07
ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 10/19/07 BY 60322 UCBAW

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

RCVD JAN 19 07

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240State of New Mexico
Energy, Minerals & Natural Resources DepartmentForm O-102
Revised October 12, 2005DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 CopiesDISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 874101220 South St. Francis Dr.
Santa Fe, NM 87505

7 80 11 08

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-34099	² Pool Code 71599	³ Pool Name Basin Deuda
⁴ Property Code 22853	⁵ Property Name E.H. PIPKIN	⁶ Well Number 10F
⁷ GRID No. 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 5718

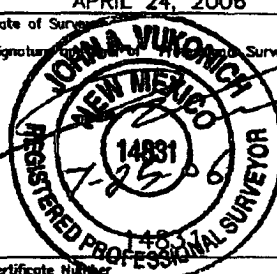
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	1	27-N	11-W		1895	NORTH	1475	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 1/2 320.96			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 CALC'D. CORNER BY SGL PROPORTION LOT 4 40.42 LOT 3 40.30 LOT 2 40.18 LOT 1 40.06 LAT: 36.60637° N. (NAD 83) LONG: 107.95126° W. (NAD 83) LAT: 36°36'22.9" N. (NAD 27) LONG: 107°57'02.3" W. (NAD 27)				S 89-48-34 W 5273.3 (C) FD. 2 1/2" BC. 1913 U.S.G.L.O. S 6-06-55 W 2640.8' (M)		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. Signature: <u>Lilly K Small</u> Date: <u>7/2/06</u> Printed Name: <u>Lilly K Small</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 belief. Date of Survey: <u>APRIL 24, 2006</u> Signature: <u>JOHN VIKORICH</u> Surveyor Certificate Number: <u>14831</u>							

RCVD JAN 19 07
OIL CONS. DIV.

DISTRICT I
1825 W. French Dr., Hobbs, N.M. 88240

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

DISTRICT III
1000 Rto Brazos Rd., Aztec, N.M. 87480

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 DIST. 3

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-34099		² Pool Code 36550		³ Pool Name KUH-Z GULLIP	
⁴ Property Code 22583		⁵ Property Name E.H. PIPKIN			⁶ Well Number 10F
⁷ OCRD No. 5380		⁸ Operator Name XTO ENERGY INC.			⁹ Elevation 5718

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
G	1	27-N	11-W		1895	NORTH	1475	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 36 1/4 NE 1/4 40			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

CALC'D. CORNER BY SGL. PROPORTION		S 89-48-34 W 5273.3 (C)		FD. 2 1/2" BC. 1913 U.S.G.L.O.		17 OPERATOR CERTIFICATION	
LOT 4 40.42	LOT 3 40.30	LOT 2 40.18	LOT 1 40.06	S 0-08-35 W 2640.8' (M)		<p>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 advanced 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.</p> <p><i>Debbie K. Smoot</i> 7/27/06 Signature Date Debbie K. Smoot Printed Name</p>	
LAT: 36.60637" N. (NAD 83) LONG: 107.95126" W. (NAD 83) LAT: 36.36.22.9" N. (NAD 27) LONG: 107.57.02.3" W. (NAD. 27)		1895'		1475'		18 SURVEYOR CERTIFICATION	
				FD. 2 1/2" BC. 1913 U.S.G.L.O.		<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>APRIL 24, 2006 Date of Survey Signature NEW MEXICO 14831 REGISTERED PROFESSIONAL SURVEYOR 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

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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

WELL API NO.

30-045-34099

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

NMSF 078019

7. Lease Name or Unit Agreement Name:

EH PIPKIN

8. Well Number

#10F

9. OGRID Number

5380

10. Pool name or Wildcat

BASKIN DAKOTA/KUTZ GALLUP

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 G : 1895 feet from the NORTH line and 1475 feet from the EAST line

Section 1 Township 27N Range 11W NMPM NMPM County SAN JUAN

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

5718' Ground Elevation

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type DRILL Depth to Groundwater >1000 Distance from nearest fresh water well >1000 Distance from nearest surface water >1000

Pit Liner Thickness: 12 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 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 12/05/06

Type or print name Kyla Vaughan

E-mail address: kyla_vaughan@xtoenergy.com

Telephone No. 505-564-6726

For State Use Only

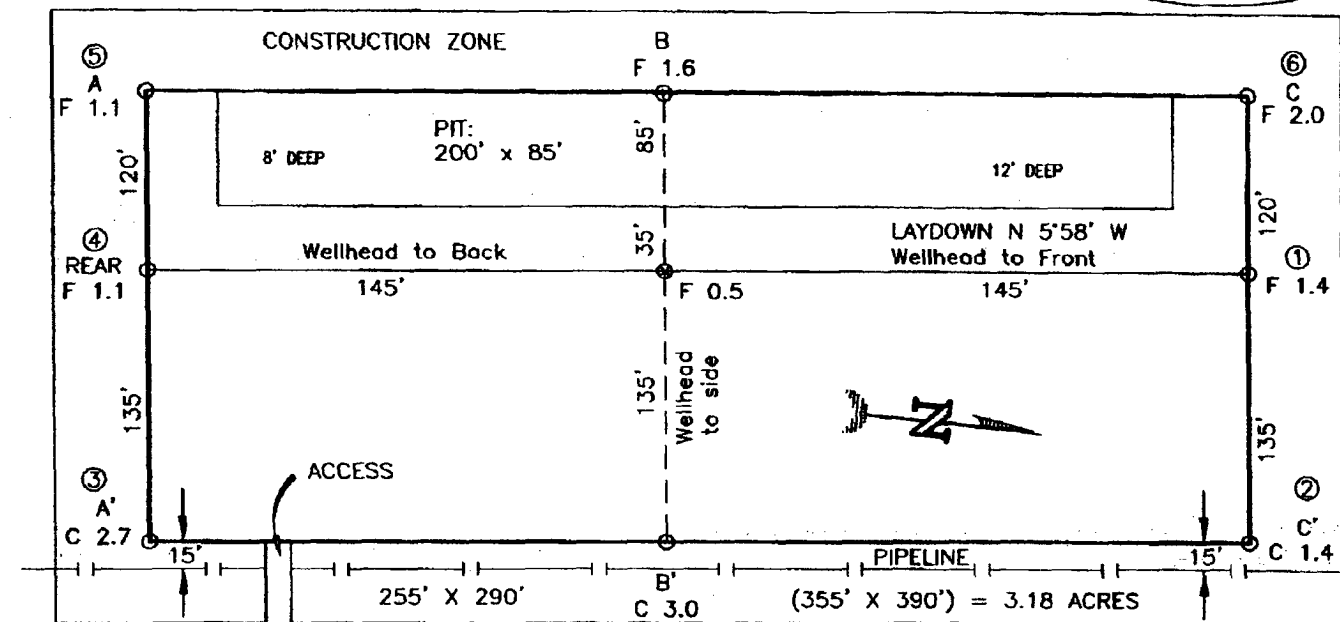
APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE 1/19/07

Conditions of Approval, if any: well is in vulnerable area-pits to be closed according to NMOCD guidelines -

EXHIBIT D

XTO ENERGY INC.
 E.H. PIPKIN No. 10F, 1895 FNL 1475 FEL
 SECTION 1, T27N, R11W, N.M.P.M., SAN JUAN COUNTY, N.M.
 GROUND ELEVATION: 5718' DATE: APRIL 24, 2006

NAD 83
 LAT. = 36.60637° N
 LONG. = 107.95126° W
 NAD 27
 LAT. = 36°36'22.9" N
 LONG. = 107°57'02.3" 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.

EXISTING ROAD

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.

ELEV. A-A'	C/L			
5730				
5720				
5710				
5700				

ELEV. B-B'	C/L			
5730				
5720				
5710				
5700				

ELEV. C-C'	C/L			
5730				
5720				
5710				
5700				

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.


DATE	REVISION	DAGGETT Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15088 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-5019 NEW MEXICO L.S. No. 14831 CARTER CR645, PLB DATE 06/07/06
	REVISION	
		DRAWN BY: G.V. CHECKED BY: CR645

EXHIBIT E

XTO ENERGY INC.

EH Pipkin #10F

APD Data

December 5, 2006

Location: 1895' FNL x 1475' FEL Sec 1, T27N, R11W County: San Juan State: New Mexico

GREATEST PROJECTED TD: 6550'
APPROX GR ELEV: 5718'

OBJECTIVE: Basin Dakota / Kutz Gallup
Est KB ELEV: 5730' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 6550
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 ($\pm 6550'$) 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'-6550	6550'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.29	1.54	1.99

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 $\pm 6550'$ in 7.875" hole. DV Tool set @ $\pm 3900'$

1st Stage

LEAD:

± 205 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:

± 322 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 1598 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 (6550') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (6550') to 3,000'.

EXHIBIT F

6. FORMATION TOPS:

Est. KB Elevation: 5730'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS			Gallup**	573	5,157
Kirtland Shale	4978	752	Greenhorn	-217	5,947
Farmington SS			Graneros	-271	6,001
Fruitland Formation	4658	1,072	Dakota 1*	-302	6,032
Lower Fruitland Coal	4149	1581	Dakota 2*	-318	6,048
Pictured Cliffs SS	4132	1,598	Dakota 3*	-373	6,103
Lewis Shale	3977	1,753	Dakota 4*	-438	6,168
Chacra SS	3214	2,516	Dakota 5*	-479	6,209
Cliffhouse SS	2606	3,124	Dakota 6*	-511	6,241
Menefee	2494	3,236	Burro Canyon	-558	6,288
Point Lookout SS	1750	3,980	Morrison*	-603	6,333
Mancos Shale	1431	4,299	TD	-820	6,550

* 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
12/5/06

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.

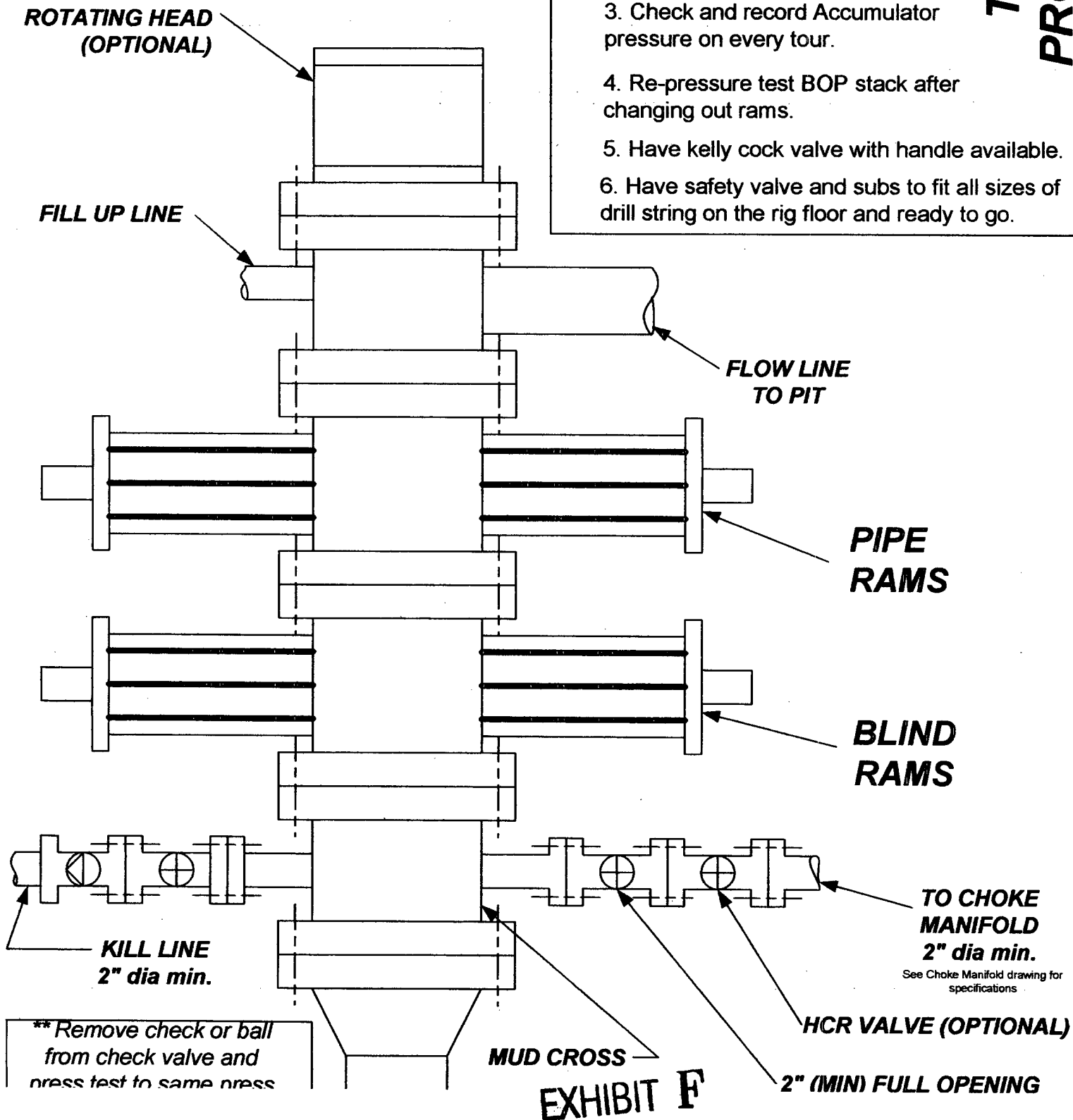
2. Test operation of (both) rams on every trip.

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.



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

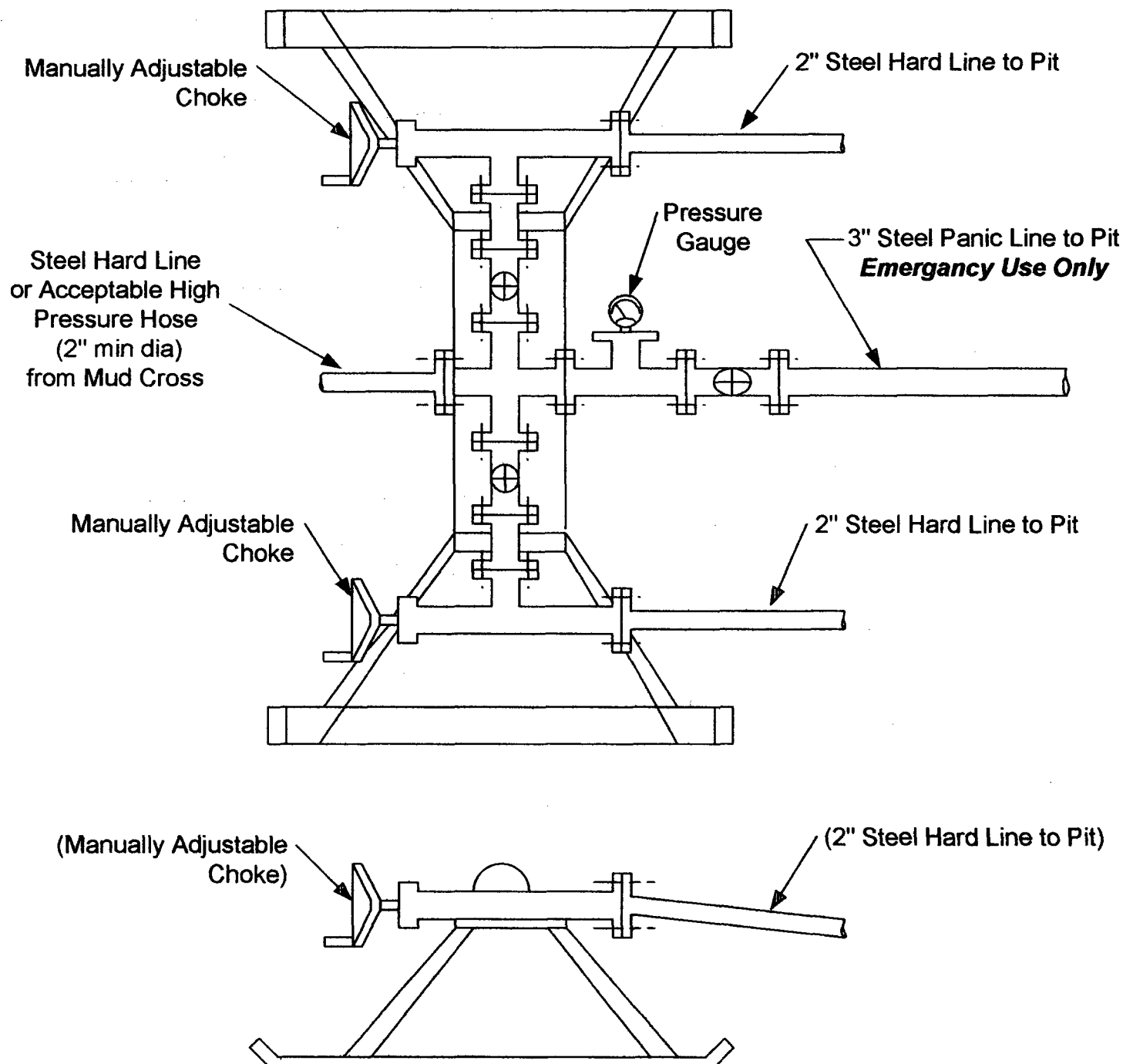


EXHIBIT F