FORM APPROVED OMR No. 100 Form 3160-3 OMB No. 1004-0137 Expires March 31, 2007 (February 2005) UNITED STATES O 3 Lease Serial No. NMSF 077329 DEPARTMENT OF THE INTERIOR 2017 AUG -8 PM 2 BUREAU OF LAND MANAGEMENT 6. If Indian, Allotee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER WELL 2.10 FARRINGTON HM If Unit or CA Agreement, Name and No. **✓** DRILL REENTER la. Type of work: <u> Nm nm - 7367</u> 8. Lease Name and Well No. Single Zone

✓ Multiple Zone 1b. Type of Well: Oil Well / Gas Well Other MARTIN GAS COM #1F 9. API Well No. Name of Operator XTO Energy, Inc. 30-045-34385 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 3a. Address 2700 Farmington Ave, Bldg K - Suite 1 Farmington NM 87402 BASIN DK/WC BASIN MC 505-324-1090 11. Sec., T. R. M. or Blk. and Survey or Area Location of Well (Report location clearly and in accordance with any State requirements.*) 1670' FNL x 1855' FEL (G) SEC 15, T27N, R10W At proposed prod, zone same 12. County or Parish 13. State 14. Distance in miles and direction from nearest town or post office Approximately 11 miles Southeast of Bloomfield, NM post office San Juan NM 15. Distance from proposed* 17. Spacing Unit dedicated to this well 16. No. of acres in lease location to nearest property or lease line, ft.
(Also to nearest drig. unit line, if any)

1670' E/2 320 DK - NE/4 160 MC 1488 18. Distance from proposed location* to nearest well, drilling, completed, 20. BLM/BIA Bond No. on file 19. Proposed Depth 948 70501 UTB-000138 applied for, on this lease, ft. 22. Approximate date work will start 23. Estimated duration 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6390' GROUND ELEVATION 2 weeks 09/25/2007 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Cas Order No.1, must be attached to this form: 4. Bond to cover the operations unless covered by an existing bond on file (see 1. Well plat certified by a registered surveyor. 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 must be filed with the appropriate Forest Service Office). Such other site specific information and/or plans as may be required by the Date Name (Printed/Typed) 25. Signature Kyla Vaughan 08/06/2007 Title Regulação Name (Printed/Typed) Approved by (Sign Title Office 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 IB 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) NOTIFY AZTEC OCD 24 HRS. SEE ATTACHED FOR PRIOR TO CASING & CEMENT CONDITIONS OF APPROVAL

APD/ROW

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

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised October 12, 2005

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

OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Submit to Appropriate District Office 707 AUG -8 Thee Lease - 3 Copies State Leose - 4 Copies

1000 Rio Brozos Rd., Aztec, N.M. 87410

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

DISTRICT IV

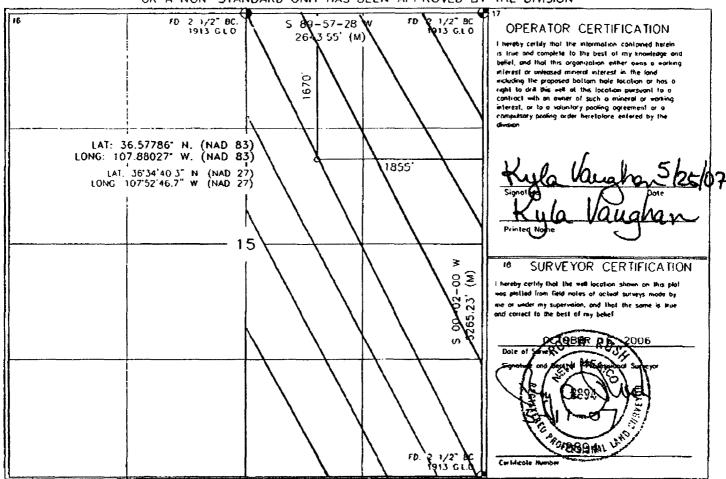
Sonto Fe, NM 87505

RECEIVED AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLATE * Well Number *Property Code Properly Name 2276 MARTIN GAS COM 1F *Operator Name OGRID No Elevotion 5380 XTO ENERGY INC 6390

Surface Location UL or lot no Feet from the North/South Ime East/West line Feet from the Section Township Ronne Lot lon County 27-N 1670 NORTH 1855 EAST SAN JUAN 10-W G 15 "Bottom Hole Location If Different From Surface Ut or lot no Township Lot Idn Feet from the North/South line Feet from the East/West line Ronge County "Order No Dedicated Acres 3 Jount or In Life ** Consolidation Code 320

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



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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102 Revised October 12, 2005

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

OIL CONSERVATION DIVISION 1220 South St. Francis Dr Sonto Fe, NM 87505 Submit to Appropriate District Office 7/11/6 -8 pm State Lease - 4 Copies FeeD Dease - 3 Copies

1000 Rio Brozos Rd., Aziec, N.M. 87410 DISTRICT IV 1220 South St. Francis Dr., Sonto Fe, NM 87505

DISTRICT III

RECEIVED - AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PEATON HM

	36.045.34385 47232 WC BAS 11 Property Code Property Code								Well Number	
					MARTIN GAS	СОМ			, 1F	
538	Ô					*Operator Name *Eleval XTO ENERGY INC 639				
					10 Surface	Location				
UL or lot no	Section	Township	Ronge	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
G	15	27-N	10-W		1670	NORTH	1855	EAST	SAN JUAN	
			"Bott	om Hole	Location	If Different Fr	om Surface			
UL or lot no	Section	Township	Ronge	Lot idn	Fact from the	North/South line	Feet from the	East/West line	County	
Pedicated Acres		13 Joint or I	nf#	** Consolidation C) ode	¹⁵ Order No	_1			

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

	OR A NON-STAN	IDARD UNIT H	AS BEEN A	APPROVED BY	THE DIVISION
16	FD 2 1/2" BC 1913 GLO	S 89-S 2643.5	Z-28 W	FD. 2 1/2* 9C 1913 C t.0	OPERATOR CERTIFICATION I hereby certify that the information contained herein in live and complete to the best of my knowledge and belief, and that this organization either aims a warking interest or unleased immersal in the land including the proposed bottom habe location as has a right to drift this well of this location pursuant to a contract with an aimer of such a immersal or working interest, or to a voluntary pooling agreement or a computation of the contract with an aimer of such a immersal or working interest, or to a voluntary pooling agreement or a computation of the contract of the cont
LONG: 1	36.57786° N. (NAD 83 07.88027° W. (NAD 83 1° 36°34'40 3" N. (NAD 27 107°52'46 7" W. (NAD 27	S) A	185	02-00 w 23' (M)	Signology Date Parallel Dole Ny La Variahan 18 SURVEYOR CERTIFICATION 1 hereby certify that the well location shown on this pial was phalted from field notes of actual surveys made by me or water my supervision, and that the same is true and correct to the best of my belief.
				FD. 2 1/2* 8C 1913 G.L.O.	Date of Savery Control of Savery and Savery and Savery Control of Savery and

Submit 3 Copies To Appropriate District Office	State of New M			Form C-103		
District I	Energy, Minerals and Natu	irai Resources	WELL API NO. 2004			
1625 N. French Dr., Hobbs, NM 87240 District II	OT GOVERNMENT	NI DITTICIONI	WELL AT 10015	5.34385		
1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATIO		5. Indicate Type of	Lease		
District III 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. Fr		STATE FEE			
District IV	Santa Fe, NM 8	\$1303	6. State Oil & Gas			
1220 S. St. Francis Dr., Santa Fe, NM 87505			6. State Off & Gas	Lease No.		
SUNDRY NOTIC (DO NOT USE THIS FORM FOR PROPO DIFFERENT RESERVOIR. USE "APPLIC PROPOSALS.)		OR PLUG BACK TO A	MARTIN GAS COM	Jnit Agreement Name:		
1. Type of Well: Oil Well Gas Well 🕱	Other		8. Well Number #1	F		
2. Name of Operator			9. OGRID Number			
XTO Energy Inc.			538	10		
3. Address of Operator			10. Pool name or V	Vildcat		
2700 Farmington Ave., Bldg	. K. Ste 1 Farmington, N	M 87401	BASIN DK/WC BAS	IN MC		
4. Well Location						
Unit Letter <u>G</u> :	1670 feet from the NO	ROTH line and	1855 feet from	n the EAST line		
Section 15	Township 27N	Range 10W	NMPM NMPM	County SAN JUAN		
	11. Elevation (Show whether	DR, RKB, RT, GR, et	c.)			
Pit or Below-grade Tank Application X	<u> </u>					
Pit type DRILL Depth to Groundwater.	>100 Distance from nearest fre	sh water well <u>>1000</u> Dis	stance from nearest surfa	ce water >1000		
Pit Liner Thickness: 12 mil	Below-Grade Tank: Volume	8000 bbls; Construction	on Material			
12. Check A NOTICE OF INTE	ppropriate Box to Indicate ENTION TO: PLUG AND ABANDON	1	Report, or Other SEQUENT REP			
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRILL	ING OPNS.	PLUG AND		
PULL OR ALTER CASING	MULTIPLE	CASING TEST AND		ABANDONMENT		
	COMPLETION	CEMENT JOB				
OTHER: PIT	X	OTHER:				
Describe proposed or completed of starting any proposed work). or recompletion. XIO Energy plans to insta	SEE RULE 1103. For Multiple	le Completions: Attacl	-	-		
I hereby certify that the information al grade tank has been will be constructed or c SIGNATURE Type or print name kyla Vaughan For State Hee Only	obed according to NMOCD guidelin	es 🗶 , a general permit IT F Reculatory C mail address: ky	or an (attached) alter compliance Tech la vaughan@xtoene Telepi	DATE 08/06/2007 ragy.com bone No. 505-564-6726		
For State Use Only	'Alle-	D:-1.	Gas Inspector, rict #3			
APPROVED BY	<u> </u>	TLE DISTI		AIE		
Conditions of Approval, if any:			EXHIBIT	D		

Operator Certification:

a. Permitting and Compliance:

Kyla Vaughan Regulatory Compliance XTO Energy Inc. 2700 Farmington Avenue, Bldg K, Ste 1 Farmington, NM 87401 505-324-1090

b. Drilling and Completions:

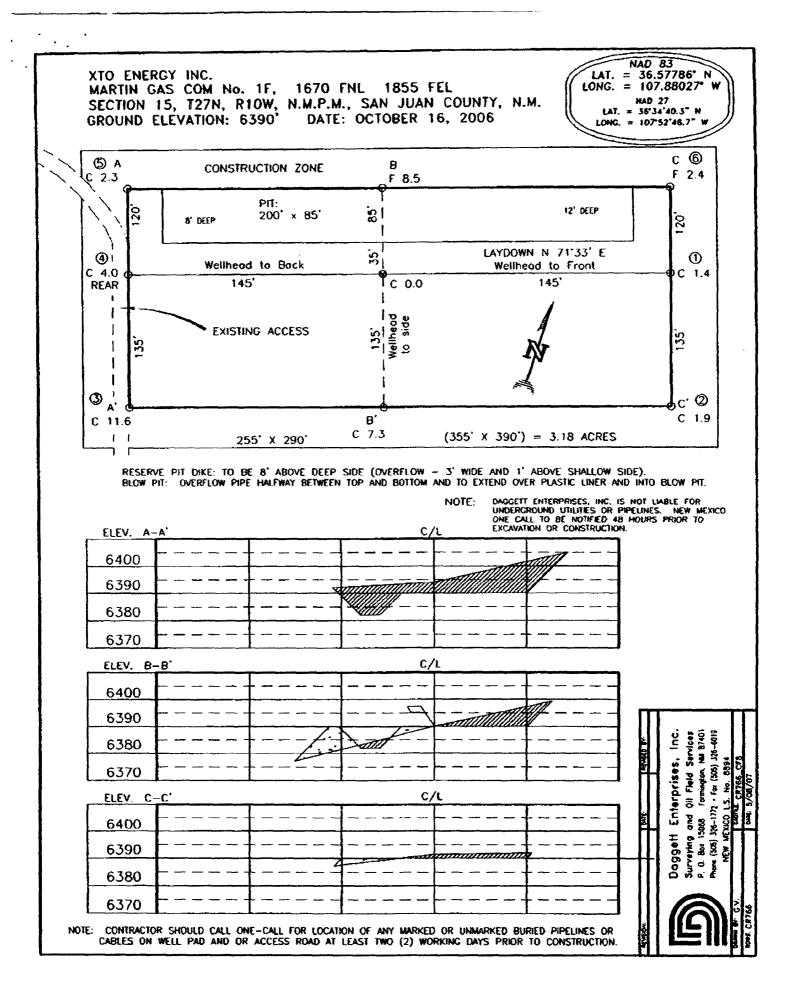
John Egelston XTO Energy Inc. 2700 Farmington Avenue, Bldg K, Ste 1 Farmington, NM 87401 505-324-1090

c. Certification:

I herby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be preformed by XTO Energy Inc. and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided by XTO Energy Inc. This statement is subject to provisions of 18 U.S.C. § 1001 for the filing of a false statement.

Signature

Manahan



XTO ENERGY INC.

Martin Gas Com #1F APD Data August 6, 2007

Location: 1670' FNL x 1855' FEL Sec 15, T27N, R10W County: San Juan State: New Mexico

GREATEST PROJECTED TD: 7050'

OBJECTIVE: Basin Dakota / Basin Mancos

Est KB ELEV: <u>6402' (12' AGL)</u>

1. MUD PROGRAM:

APPROX GR ELEV: 6390'

INTERVAL	0' to 360'	360' to 2500'	2500' to 7050'
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 ± 360 ' in a 12.25" 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 (±7050') in 7.875" hole filled with 9.20 ppg mud.

						Coll	Burst					-	
						Rating	Rating	Jt Str	ID	Drift	SF	SF	SF
LI	nterval	Length	Wt	Gr	Cplg	(psi)	(psi)	(M-lbs)	(in)	(in)	Coll	Burst	Ten
0	'-7050	7050'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.20	1.43	1.85

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.

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

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. <u>Production:</u> 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at ± 7050 ' in 7.875" hole. DV Tool set @ ± 4100 '

1st_Stage

LEAD:

±241 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:

 ± 341 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 1720 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: None.
- B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (7050') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (7050') to 3,000'.

EXHIBIT F

6. FORMATION TOPS:

Est. KB Elevation: 6390'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	5158	1244	Gallup	659	5743
Kirtland Shale	5004	1398	Greenhorn	-150	6552
Farmington SS			Graneros	-203	6605
Fruitland Formation	4653	1749	Dakota 1*	-230	6632
Lower Fruitland Coal	4196	2206	Dakota 2*	-265	6667
Pictured Cliffs SS	4171	2231	Dakota 3*	-316	6718
Lewis Shale	4004	2398	Dakota 4*	-368	6770
Chacra SS	3274	3128	Dakota 5*	-409	6811
Cliffhouse SS*	2652	3750	Dakota 6*	-445	6847
Menefee**	2549	3853	Burro Canyon	-487	6889
Point Lookout SS*	1833	4569	Morrison*	-528	6930
Mancos Shale	1482	4920	TD	-648	7050

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

COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
Justin Niederhofer	Drilling Engineer	505-566-7946	505-320-0158
Jerry Lacy	Drilling Superintendent	505-566-7917	505-320-6543
John Klutsch	Project Geologist	817-885-2800	

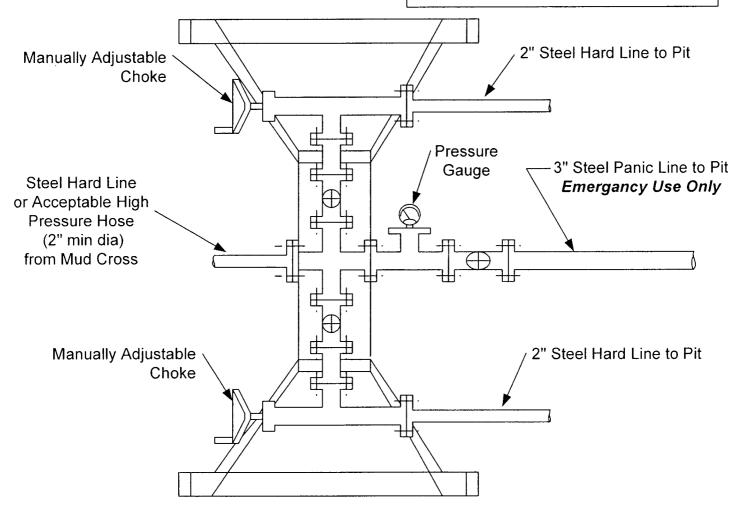
JWE 8/6/07

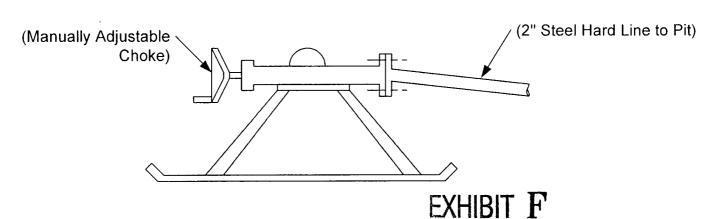
^{*} Primary Objective ** Secondary Objective

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





Pressure test BOP to 200-300 psig (low pressure) for 10 min. **BOP** SCHEMATIC FOR Test BOP to Working Press or DRILLING OPERATIONS to 70% internal yield of surf csg CLASS 1 (2M) NORMAL (10 min) or which ever is less. **PRESSURE** 2. Test operation of (both) rams on every trip. 3. Check and record Accumulator ROTATING HEAD pressure on every tour. (OPTIONAL) 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. FILL UP LINE **FLOW LINE** TO PIT PIPE RAMS BLIND RAMS TO CHOKE MANIFOLD KILL LINE 2" dia min. See Choke Manifold drawing for 2" dia min. specifications HCR VALVE (OPTIONAL) Remove check or ball **MUD CROSS** from check valve and 2" (MIN) FULL OPENING press test to same press VALVE as BOP's. ** EXHIBIT F

1. Test BOP after installation: