

RECEIVED

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SEP 04 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. NMNM 09867A
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator XTO Energy, Inc.		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 2700 Farmington Ave, Bldg K - Suite 1 Farmington NM 87402	3b. Phone No. (include area code) 505-324-1090	8. Lease Name and Well No. LUNT FC #9
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 665' FSL x 665' FWL At proposed prod. zone same		9. API Well No. 30-045- 34415
14. Distance in miles and direction from nearest town or post office* Approximately 6.5 miles Northwest of Farmington, NM post office		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 665'	16. No. of acres in lease 2396.32	11. Sec., T. R. M. or Blk. and Survey or Area (N) SEC 7, T30N, R13W
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. '321	19. Proposed Depth 1750'	12. County or Parish San Juan
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5865' GROUND ELEVATION	22. Approximate date work will start* 10/30/2007	13. State NM
23. Estimated duration 2 weeks		17. Spacing Unit dedicated to this well S/2 252.85
24. Attachments		20. BLM/BIA Bond No. on file UTB-000138
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:		RCVD NOV 19 '07 OIL CONS. DIV.
1. Well plat certified by a registered surveyor 2. A Drilling Plan. 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).		4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification 6. Such other site specific information and/or plans as may be required by the BLM.
25. Signature Kyla Vaughan	Name (Printed/Typed) Kyla Vaughan	Date 08/31/2007
Title Regulatory Compliance		
Approved by (Signature) D. Manbeck	Name (Printed/Typed) D. Manbeck	Date 11/15/07
Title ASST	Office FED	

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)

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

NMOCD NOV 26 2007

8/1/21 AV

APD/ROW

16

LOT 1
LOT 2
LOT 3

N 00-27-30 W
2601.4' (M)

FD. 2 1/2" BC.
1936 G.L.O.

665'

S 86-13-35 E
1536.9' (M)
FD. 3 1/4" BC.
1952 G.L.O.

LAT: 36.82226° N. (NAD 83)
LONG: 108.24938° W. (NAD 83)
LAT: 36°49'20.1" N. (NAD 27)
LONG: 108°14'55.5" W. (NAD 27)

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.

Holly Smith 3/30/07
Signature Date
Holly Smith
Printed Name

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plot 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.

JANUARY 30, 2007
Date of Survey
ROY A. RUSSELL
Signature and Seal Registering Surveyor
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
6-07
18894
Certificate Number

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. 30-045-34415
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: LUNT FC
8. Well Number #9
9. OGRID Number 5380
10. Pool name or Wildcat BASIN FRUITLAND COAL

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 XTO Energy Inc.
3. Address of Operator 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401	4. Well Location Unit Letter N : 665 feet from the SOUTH line and 665 feet from the WEST line Section 7 Township 30N Range 13W NMPM NMPM County SAN JUAN
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5865' GROUND ELEVATION	
Fit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type DRILL Depth to Groundwater >100 Distance from nearest fresh water well >1000 Distance from nearest surface water >1000	
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 3000 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 plans to install a lined pit on location for drilling.

**RCVD NOV 19 '07
OIL CONS. DIV.
DIST. 3**

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

SIGNATURE Kyla Vaughan TITLE Regulatory Compliance Tech DATE 08/31/07
Type or print name Kyla Vaughan E-mail address: kyla_vaughan@xtoenergy.com
Telephone No. 505-564-6726

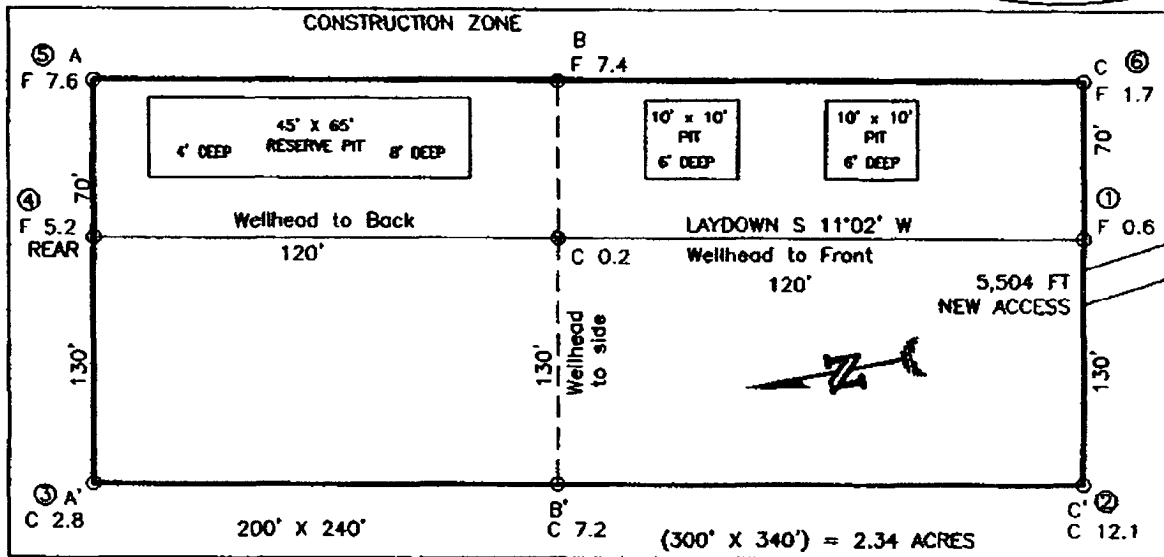
For State Use Only

APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector DATE NOV 26 2007
Conditions of Approval, if any: District #3

EXHIBIT E

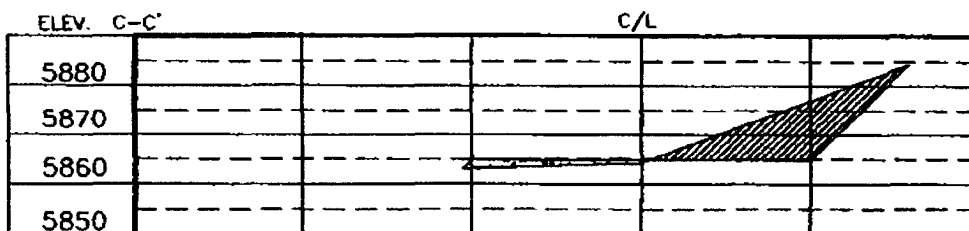
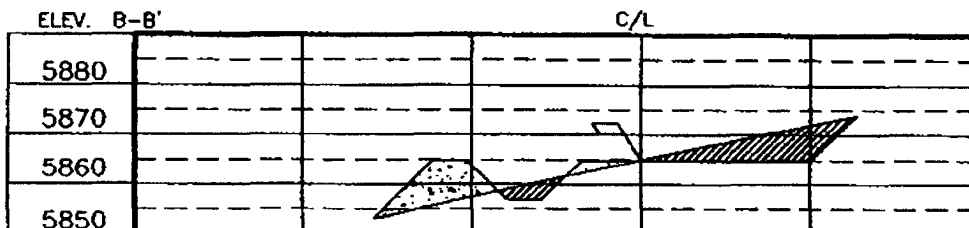
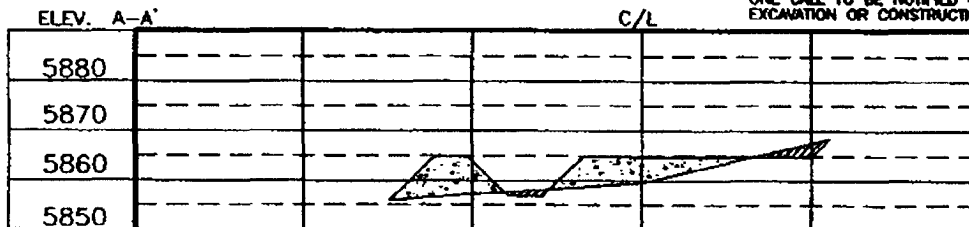
XTO ENERGY INC.
 LUNT FC No. 9, 665 FSL 665 FWL
 SECTION 7, T30N, R13W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 5865' DATE: JANUARY 30, 2007

MAD 83
 LAT. = 36.82226° N
 LONG. = 108.24938° W
 MAD 27
 LAT. = 38°49'20.1" N
 LONG. = 108°14'55.5" 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 15088 • Farmington, NM 87401
 Phone (505) 329-1772 • Fax (505) 329-8019
 NEW MEXICO L.S. No. 8884
 Survey: CR701PLA
 Date: 02/28/07

Surveyor: A.C.
 Title: CR701

EXHIBIT F

XTO ENERGY INC.

Lunt FC #9

APD Data

August 31, 2007

Location: 665' FSL x 665' FWL Sec 7, T30N, R13W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 1750'
APPROX GR ELEV: 5865'

OBJECTIVE: Basin Fruitland Coal
Est KB ELEV: 5871' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 225'	225' to 1750'
HOLE SIZE	12.25"	7.875"
MUD TYPE	FW/Spud Mud	FW/Polymer
WEIGHT	8.6-9.0	8.4-8.8
VISCOSITY	28-32	28-32
WATER LOSS	NC	NC

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 $\pm 225'$ 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'-225'	225'	24.0#	J-55	ST&C	1370	2950	244	8.097	7.972	12.73	27.41	45.19

Production Casing: 5.5" casing to be set at TD ($\pm 1750'$) 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'-1750	1750'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	4.83	5.75	7.45

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 H

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 $\pm 225'$ in 12-1/4" hole.

134 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 186 ft³, 100% excess of calculated annular volume to 225'.

B. Production: 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at $\pm 1750'$ in 7.875" hole.

1st Stage

LEAD:

± 135 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:

100 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.

Total estimated slurry volume for the 5-1/2" production casing is 431 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 (1750') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (1750').

6. FORMATION TOPS:

Est. KB Elevation: 5871'

FORMATION	Sub-Sea	MD
Fruitland Formation	4898	973
Lower Fruitland Coal	4247	1624
Pictured Cliffs SS	4230	1641
TD	4121	1750

* Primary Objective

** Secondary Objective

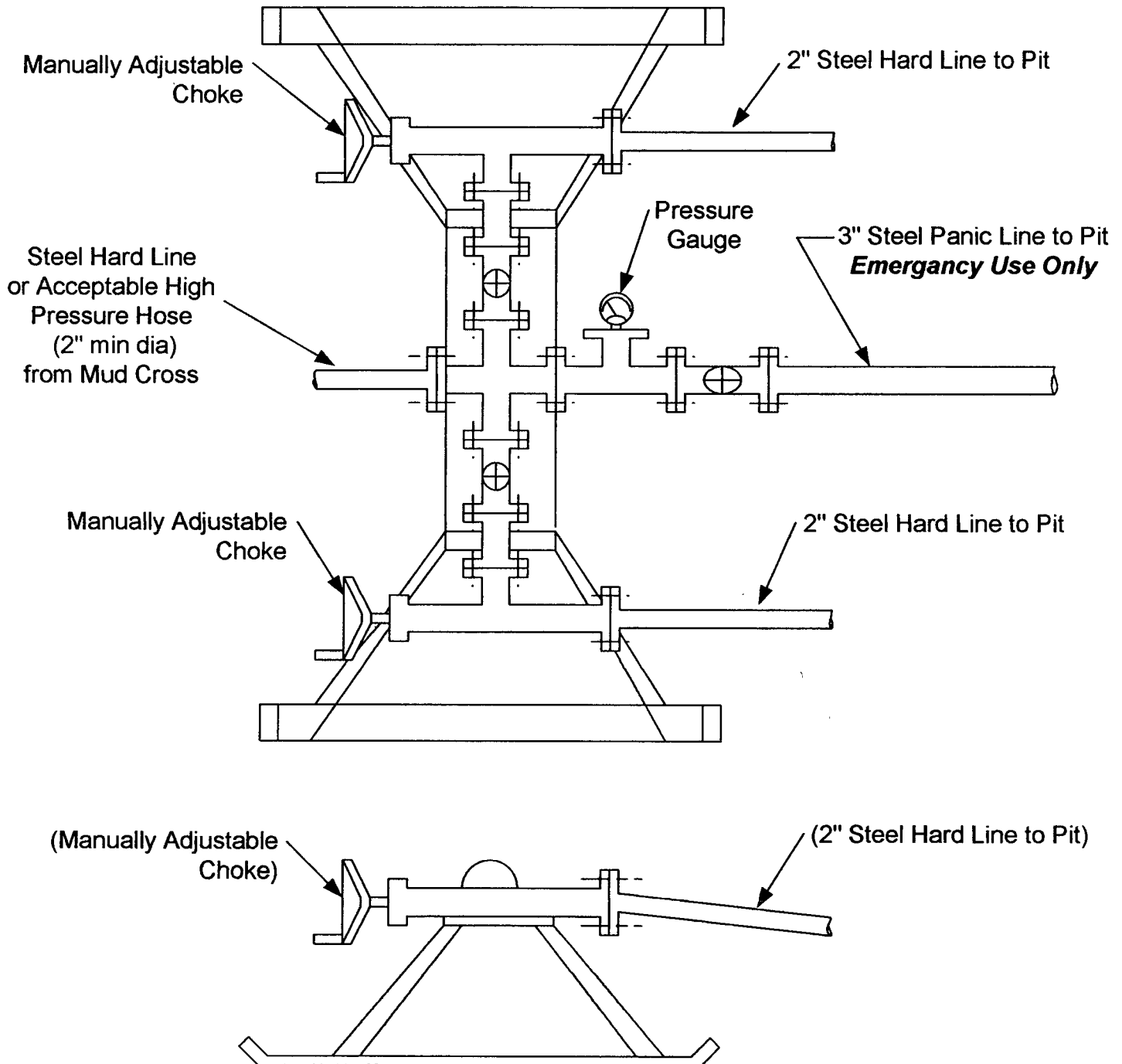
**** Maximum anticipated BHP should be <2,000 psig (<0.30 psi/ft) ****

EXHIBIT H

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



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.

