

OCT 16 2009

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

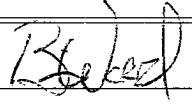
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM-032325
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.
3a. Address 382 ROAD 3100 AZTEC, NM 87410		8. Lease Name and Well No. FEDERAL GAS COM G 11
3b. Phone No. (include area code) (505) 333-3159		9. API Well No. 30-045-35036
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 935' FSL & 1940' FWL At proposed prod. zone		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
14. Distance in miles and direction from nearest town or post office* 8 AIR MILES SOUTH-SOUTHEAST OF FARMINGTON		11. Sec., T. R. M. or Blk. and Survey or Area N 8-27N-12W NMPM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 700' to CA line	16. No. of acres in lease 240	17. Spacing Unit dedicated to this well W2 (= 320 acres)
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 4,096' (Lilly B 1)	19. Proposed Depth 1,500'	20. BLM/BIA Bond No. on file BLM NATION WIDE UTB-000138
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,731' GL	22. Approximate date work will start* 08/01/2009	23. Estimated duration 2 WEEKS

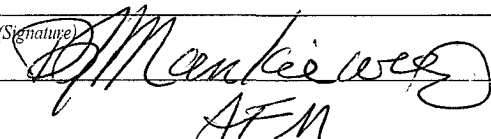
24. Attachments

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 	Name (Printed/Typed) BRIAN WOOD	Date 03/13/2009
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Title CONSULTANT	PHONE: (505) 466-8120	FAX: (505) 466-9682
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Approved by (Signature) 	Name (Printed/Typed) AFM	Date 11/16/2008
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Title AFM	Office FFO
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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)

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

**RCVD NOV 19 '10
OIL CONS. DIV.
DIST. 3**

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCDF FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCDF PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

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

NMOCDF
DEC 17 2010

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

DISTRICT II
1301 W. Grand Avenue, 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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87504-2088

OCT 16 2009

Revised October 12, 2005

Revised October 12, 2005

Instructions on back

Submit to Appropriate District Office

State Lease ☒ 4 Copies

Free Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-35036	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL GAS
⁴ Property Code 37880	⁵ Property Name FEDERAL GAS COM G	⁶ Well Number 11
⁷ OGRID No. 467067 6350	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 5731'

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
N	8	27-N	12-W		935	SOUTH	1940	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
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¹² Dedicated Acres w/2 320	¹³ Joint or Infill	¹⁴ Consolidation Code C	¹⁵ Order No.
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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 DBL. PROP.			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.
	SURFACE: LAT: 36.58506° N. (NAD 83) LONG: 108.13738° W. (NAD 83) LAT: 36°35'06.2" N. (NAD 27) LONG: 108°08'12.3' W. (NAD 27)		<div style="text-align: right; font-size: 1.2em; font-weight: bold;">3-13-09</div> <div style="text-align: right;"> Signature _____ Date _____ BRIAN WOOD Printed Name _____ </div>
N 00°05'44" W 5280.10' (C)	8		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.
1940'	935'	S 89°54'53" E 5282.18' (M)	<div style="text-align: center;"> JUNE 12, 2008 Date of Survey Signature and Seal of Professional Surveyor: <div style="text-align: center; font-weight: bold; font-size: 1.1em;">8894</div> </div> <div style="text-align: center; margin-top: 10px;"> Certificate Number </div>
FD. 2 1/2" BC. 1911 G.L.O.		FD. 2 1/2" BC. 1911/75 G.L.O.	

XTO Energy Inc.
Federal Gas Com G #11
935' FSL & 1940' FWL
Sec. 8, T. 27 N., R. 12 W.
San Juan County, New Mexico

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Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Ojo Alamo Sandstone	0'	5'	+5,731'
Fruitland Formation	941'	946'	+4,790'
Pictured Cliffs Sandstone	1,231'	1,246'	+4,500'
Total Depth (TD)	1,500'	1,505'	+4,231'

2. NOTABLE ZONES

<u>Gas & Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zone</u>
Fruitland	Ojo Alamo	Fruitland
Pictured Cliffs	Fruitland	

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the geologist's recommendations.

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. (A typical 2,000 psi model is on PAGE 3.) An 8-5/8" x 11" 2,000 pound double ram BOP system with a choke manifold and mud cross will be tested to 200 psi and then to 1,000 psi. Upper and lower Kelly cocks with valve handle and subs to fit all drill string connections which are in use will be available on the rig floor. Tests will be run when:

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- 1) installed
- 2) anytime a pressure seal is broken (test only affected equipment)
- 3) blind & pipe rams will be activated each trip, but no more than daily

BOP systems will be consistent with API RP 53. Blowout preventers will be installed and tested before drilling surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated daily to ensure good mechanical working order and this inspection recorded on the daily drilling report. Preventers and casing will be pressure tested before drilling casing cement plugs. Maximum expected bottom hole pressure will be ≤ 600 psi. BOP and mud system will control pressure.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connection</u>	<u>Depth Set</u>
12-1/4"	8-5/8"	24	J-55	New	ST & C	225'
7-7/8"	5-1/2"	15.5	J-55	New	ST & C	1,500'

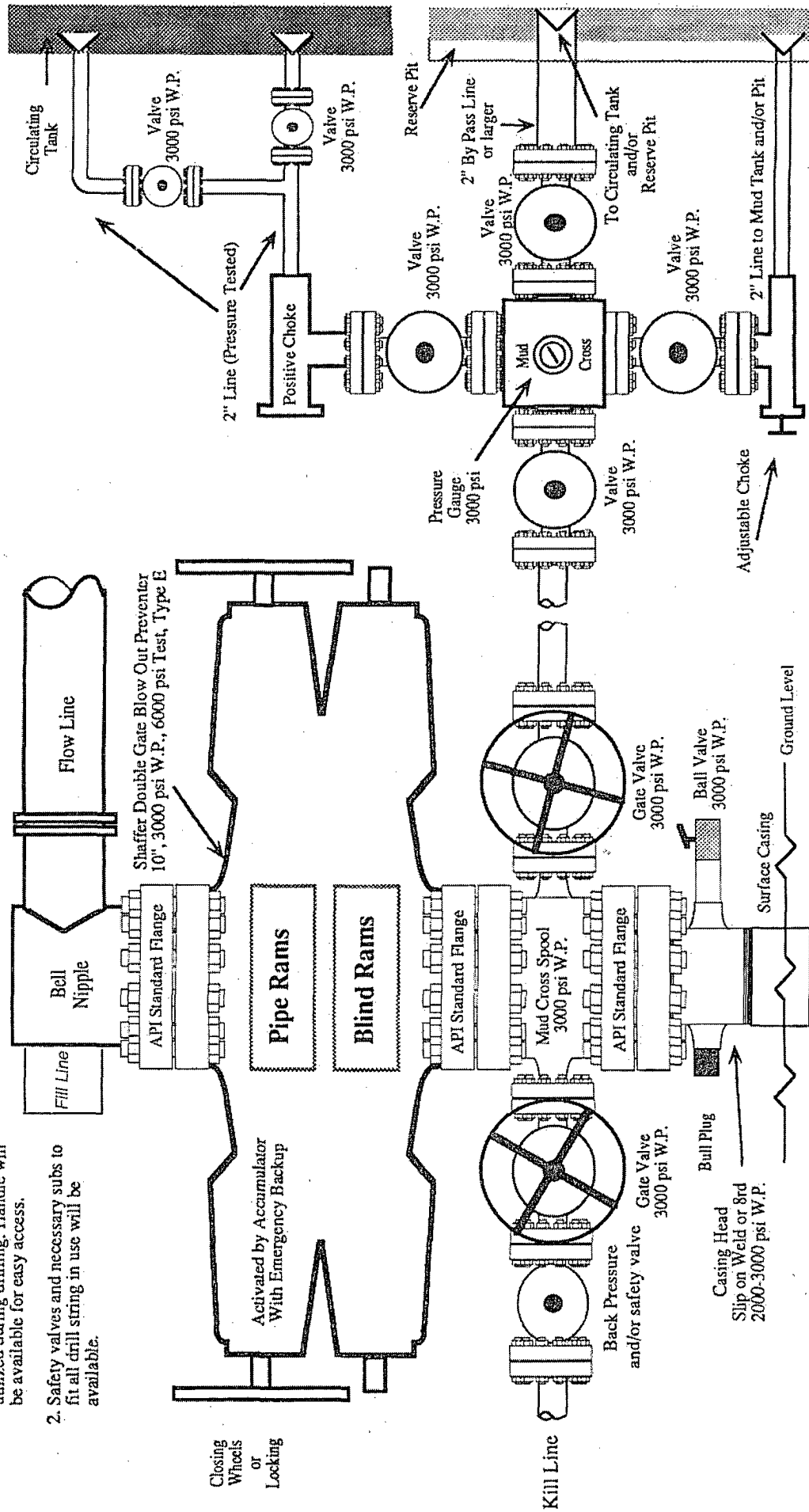
Surface casing will be cemented to the surface with 190 cubic feet (135 sacks) Type III with 3% CaCl_2 + 1/4 pound per sack cello flake. Yield = 1.41 cubic feet per sack. Weight = 14.5 pounds per gallon. Volume: $\geq 100\%$ excess. A guide shoe and insert float will be used. W. O. C. = 12 hours. Surface casing will be tested to 1,500 psi for 30 minutes. At least 3 centralizers will be used.

Production casing will be cemented to the surface. Total cement: ≥ 395 cubic feet. Volumes are calculated at $>50\%$ excess. If cement does not circulate to the surface, then a temperature survey will be run to determine the actual cement top as needed. W. O. C. = 12 hours. Test to $\approx 2,000$ psi.

2,000 PSI BOP SYSTEM

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

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Lead with \approx 120 sacks premium light high strength FM + 2% potassium chloride + 1/2 pound per sack cello flake + 0.2% CD-32 + 0.5% FL-52 + 2% phenoseal. Weight = 12.5 pounds per gallon. Yield = 2.01 cubic feet per sack. Tail with 100 sacks Type III cement + 0.3% CD-32 + 0.2% FL-52 + 1/4 pound per sack cello flake + 2% phenoseal. Weight = 14.2 pounds per gallon. yield = 1.54 cubic feet per sack. Cement equipment will include a guide shoe, float collar, and approximately 7 centralizers.

5. MUD PROGRAM

<u>Range</u>	<u>Mud Type</u>	<u>Weight</u>
0' - 225'	Fresh-Spud	8.4
225' - TD	LSND	8.6

Lost circulation and absorption material will be on location.

6. CORING, TESTING, & LOGGING

No cores or drill stem tests are planned. GR, Neutron-Density, and Induction logs will be run.

7. DOWN HOLE CONDITIONS

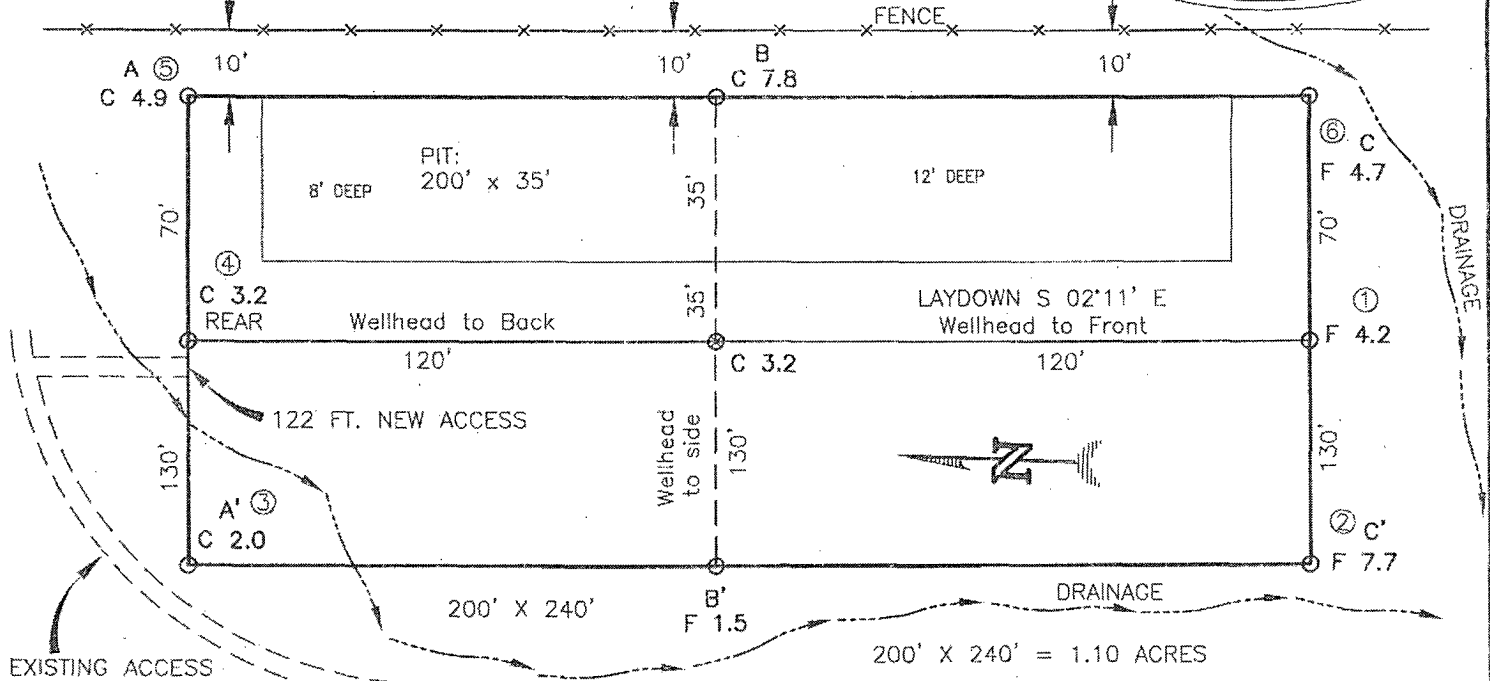
No abnormal pressures, temperatures, or hydrogen sulfide are expected. Maximum expected bottom hole pressure will be \leq 600 psi.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take about 1 week to drill and about 1 week to complete the well.

XTO ENERGY INC.
 FEDERAL GAS COM G No. 11, 935 FSL 1940 FWL
 SECTION 8, T27N, R12W, N.M.P.M., SAN JUAN COUNTY, N.M.
 GROUND ELEVATION: 5731' DATE: JUNE 12, 2008

NAD 83
 LAT. = 36.58506° N
 LONG. = 108.13738° W
 NAD 27
 LAT. = 36°35'06.2" N
 LONG. = 108°08'12.3" 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.

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			
5740				
5730				
5720				
5710				

ELEV. B-B'	C/L			
5740				
5730				
5720				
5710				

ELEV. C-C'	C/L			
5740				
5730				
5720				
5710				

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:	REMOVED BY:
<p>Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 510 • Farmington, NM 87499 Phone (505) 326-1772 • Fax (505) 326-6019 NEW MEXICO L.S. No. 8894 CAGE: CR1003_CFB DATE: 06/20/08</p>		
<p>DRAWN BY: B.K. ROW#: CR1003</p>		

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NORTH

