

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address XTO ENERGY, INC 2700 FARMINGTON AVENUE FARMINGTON , NM 87401		2. OGRID Number 5380
4. Property Code 22824		3. API Number 30-045-34064
5. Property Name STATE GAS COM BJ		6. Well No. 003R

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	2	30N	13W	F	2515	N	1935	W	SAN JUAN

8. Pool Information

BASIN FRUITLAND COAL (GAS)	71629
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 5902
14. Multiple N	15. Proposed Depth 2185	16. Formation Fruitland Coal	17. Contractor	18. Spud Date 12/15/2006
Depth to Ground water 250		Distance from nearest fresh water well > 1000		Distance to nearest surface water 500
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 3000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	225	134	0
Prod	7.875	5.5	15.5	2185	287	0

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	4000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Cheryl Moore Title: Regulatory Analyst Email Address: Cheryl_moore@xtoenergy.com Date: 11/15/2006	<div style="text-align: center; border-bottom: 1px solid black; padding-bottom: 5px;">OIL CONSERVATION DIVISION</div> Approved By: Charlie Perrin Title: District Supervisor Approved Date: 11/29/2006 Expiration Date: 11/29/2007 Conditions of Approval Attached
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District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
 Permit 41666

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-34064	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 22824	5. Property Name STATE GAS COM BJ	6. Well No. 003R
7. OGRID No. 5380	8. Operator Name XTO ENERGY, INC	9. Elevation 5902

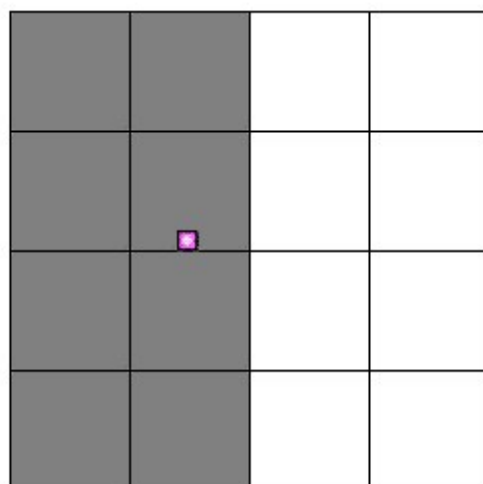
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 319.10		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



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(s) 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.

E-Signed By: Cheryl Moore
 Title: Regulatory Analyst
 Date: 11/15/2006

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.

Surveyed By: Roy Rush
 Date of Survey: 8/28/2006
 Certificate Number: 8894

Permit Conditions of Approval

Operator: XTO ENERGY, INC , 5380

Well: STATE GAS COM BJ #003R

API: 30-045-34064

OCD Reviewer	Condition
SHAYDEN	Spacing rule violation. Operator must follow up with Change of Status notification on other well to be shut in or abandoned