State of New Mexico

Form C-101 Permit 62622

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

2700 F	Operator Name and Address KTO ENERGY, INC 'ARMINGTON AVENUE MINGTON , NM 87401	2. OGRID Number 5380 3. API Number 30-045-34469		
4. Property Code	5. Property Name	6. Well No.		
300818	PICWAY	003		

7. Surface Location

	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
1	M	32	30N	13W	M	900	S	665	W	SAN JUAN

8. Pool Information

BASIN FRUITLAND COAL (GAS) 71629

Additional Well Information

	561				1100111111		(16)
9. Work Type New Well	39/23/13	ell Type AS		11. Cable/Rotary		12. Lease Type Private	13. Ground Level Elevation 5294
14. Multiple N	15. Prop	osed Depth	16. Formation Fruitland Coal		17. Contractor	18. Spud Date 11/30/2007	
Depth to Ground 10	Depth to Ground water Distance from nearest fresh water we				11	Distance to nearest surface water	
tit: Liner: Synthetic Closed Loop Syste	 m 🔀	mils thick	Clay	Pit Volume:		rilling Method: Tesh Water Brine	Diesel/Oil-based Gas/Air

19. Proposed Casing and Cement Program

Туре	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	1350	86	
Prod	7.875	5.5	15.5	1350	100	0

Casing/Cement Program: Additional Comments

Surface: 8.625", 24.0#, J-55, ST&C casing to be set at ? 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. Production: LEAD: ±86 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.

Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	4000	8-

of my knowledge and belief.	tion given above is true and complete to the best ting pit will be constructed according to	OIL CONSERVATION DIVISION				
NMOCD guidelines a ger OCD-approved plan	neral permit , or an (attached) alternative	Approved By: Charlie Perrin				
Printed Name: Electronic	ally filed by Cheryl Moore	Title: District Supervisor				
Title: Regulatory Analysi	t	Approved Date: 10/19/2007	Expiration Date: 10/19/2008			
Email Address: Cheryl_n	noore@xtoenergy.com					
Date: 10/17/2007	Phone: 505-564-6706	Conditions of Approval Attached				

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

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

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

State of New Mexico

Form C-102 Pennit 62622

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION DLAT

VV.	ELL LOCATION AND ACK	AGE DEDICATION PLAT
1. API Number	2. Pool Code	3. Pool Name
30-045-34469	71629 BASIN FRUITLAND COAL (GAS	
4. Property Code	5. Property 1	Name 6. Well No.
300818	PICWA	Y 003
7. OGRID No.	8. Operator 1	Name 9. Elevation
5380	XTO ENERG	Y. INC 5294

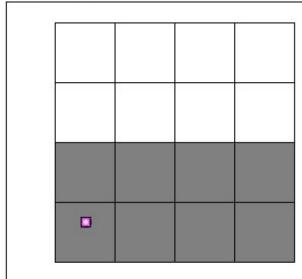
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	32	30N	13W		900	S	665	W	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Т	ownship Range		Lot	Lot Idn Feet From N/S Line		ine	Feet From	E/W Line	County	
1277127	ated Acres		13. 1	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: 10/17/2007

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: 6/26/2007 Certificate Number: 8894

Permit Comments

Operator: XTO ENERGY, INC , 5380 Well: PICWAY #003

API: 30-045-34469

Created By	Comment	Comment Date		
SHAYDEN	Mineral ownership is Fee for Gas and Oil	10/18/2007		

Permit Conditions of Approval

Operator: XTO ENERGY, INC , 5380 Well: PICWAY #003 API: 30-045-34469

OCD Reviewer	Condition
CPerrin	no pit or below grade tanks