

**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 382 ROAD 3100 AZTEC , NM 87410		2. OGRID Number 5380
		3. API Number 30-045-34733
4. Property Code 37193	5. Property Name STEWART 2	6. Well No. 001

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	2	23N	11W	4	700	N	820	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 6420
14. Multiple N	15. Proposed Depth 1001	16. Formation Fruitland Coal	17. Contractor	18. Spud Date 7/1/2008
Depth to Ground water 150		Distance from nearest fresh water well > 1000		Distance to nearest surface water 200
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 20 miles thick Clay <input type="checkbox"/> Pit Volume: 3000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input 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	
Prod	7.875	5.5	15.5	1001	44	
Prod	7.875	5.5	15.5	1001	100	

**Casing/Cement Program: Additional Comments**

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 ? 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 ?1001' in 7.875" hole. 1st Stage LEAD: ±44 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 249 ft3. Note: The slurry design may change slightly based upon a

**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: Production Accounting Supervisor Email Address: Cheryl_moore@xtoenergy.com Date: 6/2/2008	<b>OIL CONSERVATION DIVISION</b>  Approved By: Steve Hayden Title: Geologist Approved Date: 6/10/2008    Expiration Date: 6/10/2010  Phone: 505-333-3143
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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 76043

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-34733	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 37193	5. Property Name STEWART 2	6. Well No. 001
7. OGRID No. 5380	8. Operator Name XTO ENERGY, INC	9. Elevation 6420

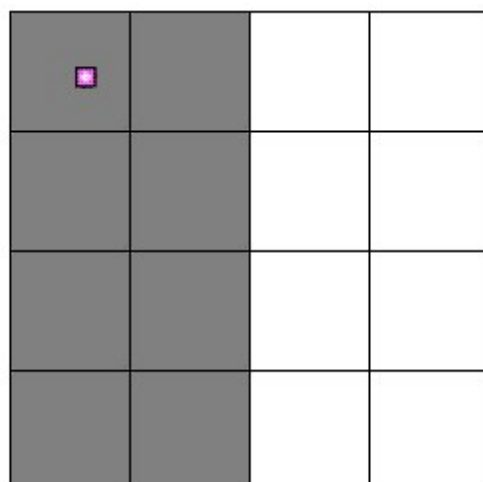
**10. Surface Location**

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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 319.39		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: Production Accounting Supervisor  
 Date: 6/2/2008

**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: Robert Pounds  
 Date of Survey: 9/18/2007  
 Certificate Number: 6846