

1. Operator Name and Address XTO ENERGY, INC 382 ROAD 3100 AZTEC, NM 87410		2. OGRID Number 5380
		3. API Number 30-045-34879
4. Property Code 33339	5. Property Name GRACIA STATE 32 O	6. Well No. 005

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	32	26N	11W	L	1530	S	460	W	SAN JUAN

BASIN FRUITLAND COAL (GAS)	71629
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9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 6250
14. Multiple N	15. Proposed Depth 5146	16. Formation Fruitland Coal	17. Contractor	18. Spud Date 1/3/2009
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick      Clay <input type="checkbox"/> Pit Volume:      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"/>				

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	225	140	0
Int1	8.75	7	23	1992	72	0
Int1	8.75	7	23	1992	100	
Prod	6.125	4.5	10.5	1707	0	

A. Surface: 9.625", 36.0#, J-55, ST&C casing to be set at ? 225' in 12-1/4" hole. 140 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft<sup>3</sup>/sk, & 6.70 gal wtr/sk. Total slurry volume is 177 ft<sup>3</sup>, 100% excess of calculated annular volume to 225'. B. Production Casing: 7", 23#/ft, J-55, ST&C casing to be set at ?1509' MD, 1249' TVD in 8.75" hole. LEAD: ± 72 sx of Premium Lite FM or CBM Lite typically containing accelerator, LCM, dispersant, and fluid loss additives at 12.1 ppg, 2.22 ft<sup>3</sup>/sk, & 12.04 gal wtr/sk. TAIL: ± 100 sx of Type III or V cement typically containing accelerator, LCM, dispersant, and fluid loss additives at 14.2 ppg, 1.48 ft<sup>3</sup>/sk, & 7.34 gal wtr/sk. Total estimated slurry volume for the 7" production casing is 380 ft<sup>3</sup>. C. Production Liner: 4.5", 10.5#/ft, J-55, ST&C casing is to be set at 5146' MD, 1249' TVD in 6.125" hole. The production liner will be set using an uncemented liner hanger

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	4000	

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

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

Form C-102  
 Permit 87274

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-045-34879	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 33339	5. Property Name GRACIA STATE 32 O	6. Well No. 005
7. OGRID No. 5380	8. Operator Name XTO ENERGY, INC	9. Elevation 6250

**10. Surface Location**

UL - Lot L	Section 32	Township 26N	Range 11W	Lot Idn	Feet From 1530	N/S Line S	Feet From 460	E/W Line W	County SAN JUAN
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**11. Bottom Hole Location If Different From Surface**

11. Bottom Hole Location If Different From Surface									
UL - Lot P	Section 32	Township 26N	Range 11W	Lot Idn P	Feet From 700	N/S Line S	Feet From 700	E/W Line E	County SAN JUAN
12. Dedicated Acres 320.00		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**

	<b>OPERATOR CERTIFICATION</b>			
	<i>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.</i>			
	E-Signed By: Cheryl Moore Title: Regulatory Compliance Manager Date: 12/17/2008			
	<b>SURVEYOR CERTIFICATION</b>			
<i>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.</i>				
Surveyed By: Roy Rush Date of Survey: 7/3/2008 Certificate Number: 8894				

## Permit Comments

Operator: XTO ENERGY, INC , 5380

Well: GRACIA STATE 32 O #005

API: 30-045-34879

Created By	Comment	Comment Date
CPerrin	Approval held for Rule 40 compliance	12/19/2008

# Permit Conditions of Approval

Operator: XTO ENERGY, INC , 5380

Well: GRACIA STATE 32 O #005

API: 30-045-34879

OCD Reviewer	Condition
SHAYDEN	A complete C-144 must be submitted to, and approved by, the NM OCD for: a pit, closed loop system, below grade tank, or proposed alternative method, pursuant to NMOCDC part 16.15.17, prior to the use or construction of the above applications.
SHAYDEN	Will require a directional survey with the C-104
SHAYDEN	Spacing rule violation. Operator must follow up with Change of Status notification on other well to be shut in or abandoned
SHAYDEN	Lateral will be in simultaneous dedication with wells in SW/4 and SE/4. Hold C-104 for shut in or abandonment of #3 and #4 wells in UL L and UL O.