District I 1625 N. French Dr., Hobbs, NM 88240

Phone:(575) 393-6161 Fax:(575) 393-0720 District II

District IV

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

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

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-101 August 1, 2011

Permit 140356

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

XTOE	Name and Address NERGY, INC	OGRID Number 5380		
	Energy, Inc. , NM 87410	3. API Number 30-045-35325		
4. Property Code	5. Property Name	6. Well No.		
38949	HARE GAS COM	003		

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	14	29N	11W	G	2235	N	1590	E	SAN JUAN

8. Pool Information

BASIN FRUITLAND COAL (GAS)	71629

Additional Well Information

	T	. Idditional Well Inform	1111111	17	
9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lesse Type Private	13. Ground Level Elevation 5575	
14. Multiple 15. Proposed Depth N 1920		16. Formation Fruitland Coal	17. Contractor	18. Spud Date 1/1/2012	
Depth to Ground		Distance from nearest fresh water	r well	Distance to nearest surface water	

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	360	214	
Prod	7.875	5.5	15.5	1920	155	
Prod	7.875	5.5	15.5	1920	100	

Casing/Cement Program: Additional Comments

WELLHEAD: Casing Head: Larkin Fig 92 (or equivalent), 9" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom and 11-3/4" 8rnd thread on top. Tubing Head: Larkin Fig 612 (or equivalent), 6.456" nominal, 2,000 psig WP (4,000 psig test), 5-1/2" 8rnd female thread on bottom (or slip-on, weld-on), 8-5/8" 8rnd thread on top.4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings): Surface: 8.625", 24.0#, J-55, ST&C casing to be set at ? 360' in 12-1/4" hole. 214 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 297 ft3, 100% excess of calculated annular volume to 360'. B. Production: 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at ?1920' in 7.875" hole. 1st StageLEAD:±155 sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5

Proposed Blowout Prevention Program

	Troposed Dismont Frederica Frederica							
Туре	Working Pressure	Test Pressure	Manufacturer					
DoubleRam	2000	3000						

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	OIL CONSERVATION DIVISION				
NMOCD guidelines , a general permit , or an (attached) alternative	Approved By: Charlie Perrin				
Printed Name: Electronically filed by DIANE JARAMILLO	Title: District Supervisor				
Title:	Approved Date: 12/1/2011	Expiration Date: 12/1/2013			
Email Address: diane_jaramillo@xtoenergy.com					
Date: 11/16/2011 Phone: 505-333-3109					

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 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 August 1, 2011

Permit 140356

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-35325	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (G.
4. Property Code 38949	5. Propert HARE GA	
7. OGRID No. 5380	8. Operato XTO ENER	

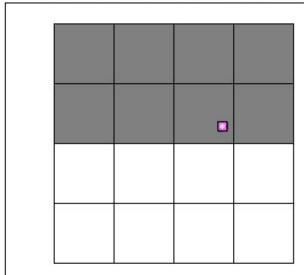
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	14	29N	11W		2235	N	1590	E	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Ide	Feet From	N/S Line	Feet From	E/W Line	County
100000000000000000000000000000000000000	cated 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: DIANE JARAMILLO

Title:

Date: 11/16/2011

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: 1/24/2007 Certificate Number: 8894