

# LCS COMPANY, INC

P. O. Box 2058  
Farmington, NM 87499-2058  
PH: (505) 326-0550 FAX: (505) 326-2149

June 13, 2007

XTO Energy, Inc.  
Attn: Chris Spencer  
810 Houston Street  
Fort Worth, Texas 76102

RE: AFE  
Jacque #1 & Jacque #2  
E/2 Sec 27, T29N, R11W  
San Juan, N.M.

Dear Chris:

Enclosed is an AFE for XTO's review and execution. The Operating Agreement will be forwarded under separate cover.

We propose to drill two E/2 Fruitland Coal wells in the NE/4 and SE/4 of Section 27, T29N, R11W, San Juan County, New Mexico.

Each well is projected to cost \$380,400. XTO's Working Interest is 37.5% based upon a June '07 drill site title opinion prepared by Michael Cunningham.

Your prompt attention to this matter would be appreciated.

Sincerely,



W.J. Holcomb

WJH:glc

Enclosures

OCD Case# 13918  
Holcomb Oil & Gas  
June 21, 07 Ex# 5

From: Origin ID: FMNA (505)326-0550  
WILLIAM J. HOLCOMB  
HOLCOMB OIL & GAS, INC  
P.O. BOX 2058  
512 West Arrington  
FARMINGTON, NM 87401



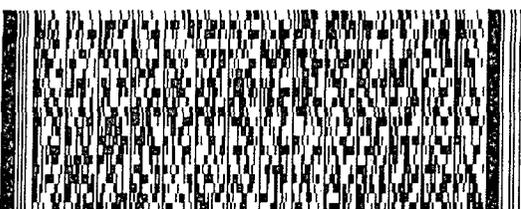
CL50223072123

SHIP TO: (817)885-2540 BILL SENDER  
**CHRISTOPHER SPENCER**  
**XTO ENERGY INC.**  
**810 HOUSTON STREET**  
  
**FORT WORTH, TX 761026298**

Ship Date: 13JUN07  
ActWgt: 1 LB  
System#: 3953647/INET7011  
Account#: S \*\*\*\*\*

Delivery Address Ref Code

Ref # TAFE Jacque 1 & 2  
Invoice #  
PO #  
Dept #



**STANDARD OVERNIGHT**

**THU**

Deliver By:  
14JUN07

TRK# 7981 9677 2646

FORM  
0201

DFW A1

76102 -TX-US



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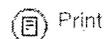
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Detailed Results



<b>Tracking number</b>	798196772646	<b>Reference</b>	AFE Jacque 1 & 2
<b>Signed for by</b>	W.HOLLIE	<b>Destination</b>	FORT WORTH, TX
<b>Ship date</b>	Jun 13, 2007	<b>Delivered to</b>	Mailroom
<b>Delivery date</b>	Jun 14, 2007 9:14 AM	<b>Service type</b>	Standard Envelope
		<b>Weight</b>	0.5 lbs.

**Status** Delivered

**Signature image available** Yes

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	4:56 AM	At dest sort facility	DALLAS, TX
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Jun 13, 2007	11:45 PM	Arrived at FedEx location	MEMPHIS, TN
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