

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505

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

Form C-101

APPLICATION FOR PERMIT TO DRILL

| | | |
|--|--|----------------------------------|
| Operator Name and Address XTO Energy Inc. 2700 Farmington Ave Farmington, NM 87410 | | OGRID Number 167067 |
| | | API Number 30-45-31329 |
| Property Code 22641 | Property Name Stedje Gas Com | Well No. 003 |

Surface Location

| UL or Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|-----------|---------|----------|-------|---------|-----------|----------|-----------|----------|----------|
| F | 27 | 30N | 12W | | 1695 | N | 1770 | W | San Juan |

Proposed Pools

| | |
|-----------------------------------|--------------|
| BASIN FRUITLAND COAL (GAS) | 71629 |
|-----------------------------------|--------------|

| | | | | |
|------------------------------|-------------------------------|------------------------------------|------------------------------|---------------------------------------|
| Work Type New Well | Well Type Gas | Cable/Rotary | Lease Type Private | Ground Level Elevation 5472 |
| Multiple N | Proposed Depth 1825 | Formation Fruitland Coal | Contractor | Spud Date 12/1/2003 |

Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 8.75 | 7 | 20 | 200 | 75 | 0 |
| Prod | 6.25 | 4.5 | 10.5 | 1825 | 150 | 0 |

Casing/Cement Program: Additional Comments

Surf: 75 sx Type III cmt w/2% CC & 1/4#/sx cello (14.8 ppg, 1.39 cuft). Circ to surf. Prod: 150 sx Type III Prem Lite FM (65%/35%/6%) w/1/4#/sx cello & 2% CC (12.5 ppg & 2.01 cuft/sx). Circ to surf. Use 40% excess over volume calculated fr/open hole logs to determine final cmt volume.

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 2000 | 250 | CAMERON |

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Holly Perkins

Title: Manager

Date: 1/10/2003

Phone: 505-564-6720

OIL CONSERVATION DIVISION

Electronically Approved By: Charlie Perrin

Title: Manager

Approval Date: 1/10/2003 Expiration Date: 1/10/2004

Conditions of Approval:
No Conditions

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Form C-102

Oil Conservation Division

1220 S. St Francis Dr.

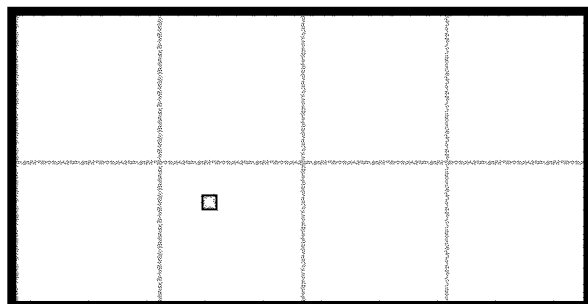
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---------------------------|---|--------------------|
| API Number 30-45-31329 | Pool Name BASIN FRUITLAND COAL (GAS) | Pool Code 71629 |
| Property Code 22641 | Property Name Stedje Gas Com | Well No. 003 |
| OGRID No. 167067 | Operator Name XTO Energy Inc. | Elevation 5472 |

Surface And Bottom Hole Location

| | | | | | | | | | |
|------------------------|---------------|-----------------|--------------|--------------------|-------------------|---------------|-------------------|---------------|--------------------|
| UL or Lot F | Section 27 | Township 30N | Range 12W | Lot Idn | Feet From 1695 | N/S Line N | Feet From 1770 | E/W Line W | County San Juan |
| Dedicated Acres 320 | | Joint or Infill | | Consolidation Code | | Order No. | | | |



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Electronically Signed By: Holly Perkins

Title: Manager

Date: 1/10/2003

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.

Electronically Signed By: DAVID JOHNSON

Date of Survey: 1/9/2003

Certificate Number: 14827