

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 2700 FARMINGTON AVENUE FARMINGTON , NM 87401		2. OGRID Number 5380
		3. API Number 30-045-34468
4. Property Code 300818	5. Property Name PICWAY	6. Well No. 004

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	32	30N	13W	P	1050	S	1145	E	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 5394
14. Multiple N	15. Proposed Depth 1450	16. Formation Fruitland Coal	17. Contractor	18. Spud Date 11/15/2007
Depth to Ground water 101		Distance from nearest fresh water well > 1000		Distance to nearest surface water 250
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 miles thick Clay <input type="checkbox"/> Pit Volume: 3000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" 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	0
Prod	7.875	5.5	15.5	1450	98	
Prod	7.875	5.5	15.5	1450	100	0

Casing/Cement Program: Additional Comments

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 ?1450' in 7.875" hole 1st Stage LEAD: ±98 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.

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: Regulatory Analyst Email Address: Cheryl_moore@xtoenergy.com Date: 10/15/2007 Phone: 505-564-6706	OIL CONSERVATION DIVISION	
	Approved By: Charlie Perrin	
	Title: District Supervisor	
	Approved Date: 10/19/2007	Expiration Date: 10/19/2008

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 62636

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-34468	2. Pool Code 71629	3. Pool Name BASIN FRUITLAND COAL (GAS)
4. Property Code 300818	5. Property Name PICWAY	6. Well No. 004
7. OGRID No. 5380	8. Operator Name XTO ENERGY, INC	9. Elevation 5394

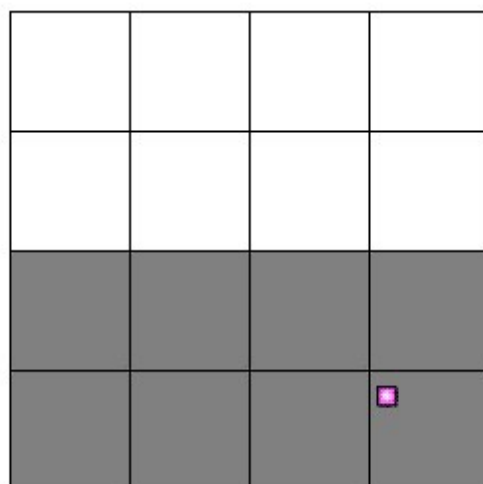
10. Surface Location

UL - Lot P	Section 32	Township 30N	Range 13W	Lot Idn	Feet From 1050	N/S Line S	Feet From 1145	E/W Line E	County SAN JUAN
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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 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



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: Regulatory Analyst
 Date: 10/15/2007

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: 3/6/2006
 Certificate Number: 8894