

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 382 ROAD 3100 AZTEC, NM 87410 | | 2. OGRID Number 5380 |
| | | 3. API Number 30-045-34549 |
| 4. Property Code 23074 | 5. Property Name MORRIS GAS COM C | 6. Well No. 001G |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|----------|
| N | 26 | 29N | 10W | N | 875 | S | 1785 | W | SAN JUAN |

8. Pool Information

| | |
|---------------------------------|-------|
| BASIN DAKOTA (PRORATED GAS) | 71599 |
| BLANCO-MESAVERDE (PRORATED GAS) | 72319 |
| ARMENTA-GALLUP (O) | 2290 |
| OTERO CHACRA (GAS) | 82329 |

Additional Well Information

| | | | | |
|--|----------------------------|--|---------------------------|--|
| 9. Work Type New Well | 10. Well Type GAS | 11. Cable/Rotary | 12. Lease Type Private | 13. Ground Level Elevation 5546 |
| 14. Multiple Y | 15. Proposed Depth 6650 | 16. Formation Dakota Formation | 17. Contractor | 18. Spud Date |
| Depth to Ground water 50 | | Distance from nearest fresh water well > 1000 | | Distance to nearest surface water 700 |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 8000 _____ 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"/> | | | | |

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 | 360 | 214 | 0 |
| Prod | 7.875 | 5.5 | 15.5 | 6650 | 193 | 0 |
| Prod | 7.875 | 5.5 | 15.5 | 6650 | 150 | |
| Prod | 7.875 | 5.5 | 15.5 | 4100 | 100 | 0 |
| Prod | 7.875 | 5.5 | 15.5 | 4100 | 341 | |

Casing/Cement Program: Additional Comments

A. 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 ?6650' in 7.875" hole. DV Tool set @ ±4100' 1st Stage LEAD: ±193 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: 150 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. 2nd Stage LEAD: ±341 sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 ft3/sk, 15.00 gal wtr/sx. TAIL: 100 sx Type III neat mixed at 14.5 ppg, 1.39 cuft/sx, 6.3 gal/sx. Total estimated slurry volume

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"/> . | OIL CONSERVATION DIVISION |
| Printed Name: Electronically filed by Cheryl Moore | Approved By: Charlie Perrin |
| Title: Production Accounting Supervisor | Title: District Supervisor |
| Email Address: Cheryl_moore@xtoenergy.com | Approved Date: 12/26/2007 Expiration Date: 12/26/2008 |
| Date: 12/21/2007 Phone: 505-333-3143 | Conditions of Approval Attached |

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
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 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
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District IV
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Form C-102
 Permit 66517

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|--------------------------------------|---|
| 1. API Number 30-045-34549 | 2. Pool Code 71599 | 3. Pool Name BASIN DAKOTA (PRORATED GAS) |
| 4. Property Code 23074 | 5. Property Name MORRIS GAS COM C | 6. Well No. 001G |
| 7. OGRID No. 5380 | 8. Operator Name XTO ENERGY, INC | 9. Elevation 5546 |

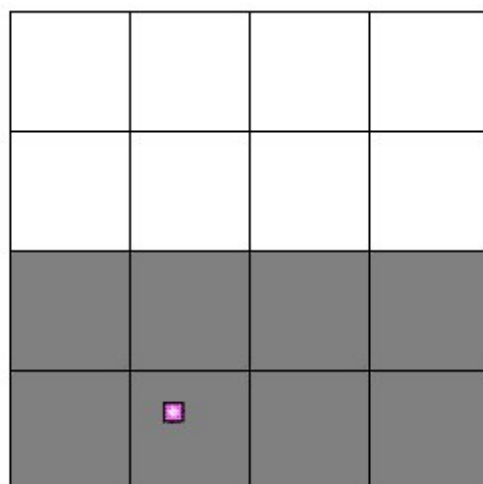
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11. Bottom Hole Location If Different From Surface

| 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: Production Accounting Supervisor
 Date: 12/21/2007

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: 10/17/2006
 Certificate Number: 8894

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| 1. API Number 30-045-34549 | 2. Pool Code 72319 | 3. Pool Name BLANCO-MESAVERDE (PRORATED GAS) |
| 4. Property Code 23074 | 5. Property Name MORRIS GAS COM C | 6. Well No. 001G |
| 7. OGRID No. 5380 | 8. Operator Name XTO ENERGY, INC | 9. Elevation 5546 |

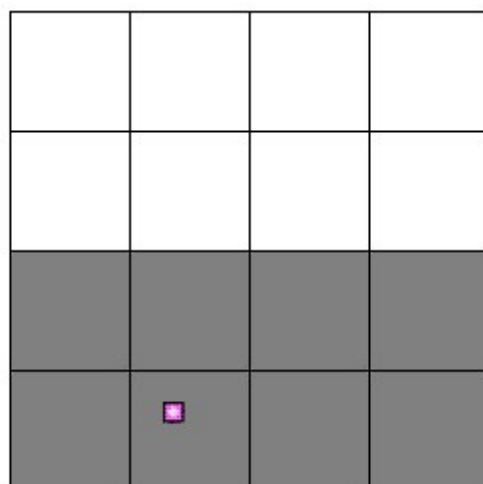
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| 1. API Number 30-045-34549 | 2. Pool Code 2290 | 3. Pool Name ARMENTA-GALLUP (O) |
| 4. Property Code 23074 | 5. Property Name MORRIS GAS COM C | 6. Well No. 001G |
| 7. OGRID No. 5380 | 8. Operator Name XTO ENERGY, INC | 9. Elevation 5546 |

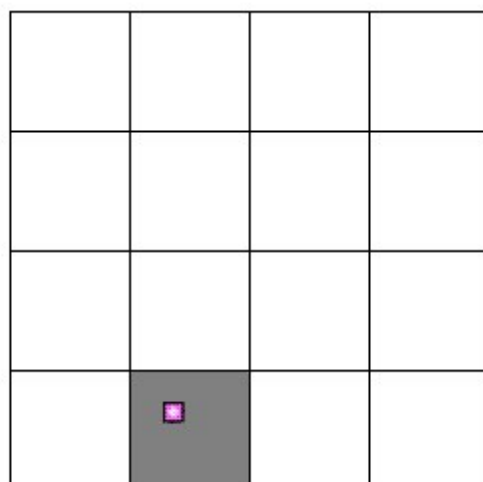
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| 12. Dedicated Acres 40.00 | | 13. Joint or Infill | | 14. Consolidation Code | | 15. Order No. | | | |

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| 4. Property Code 23074 | 5. Property Name MORRIS GAS COM C | 6. Well No. 001G |
| 7. OGRID No. 5380 | 8. Operator Name XTO ENERGY, INC | 9. Elevation 5546 |

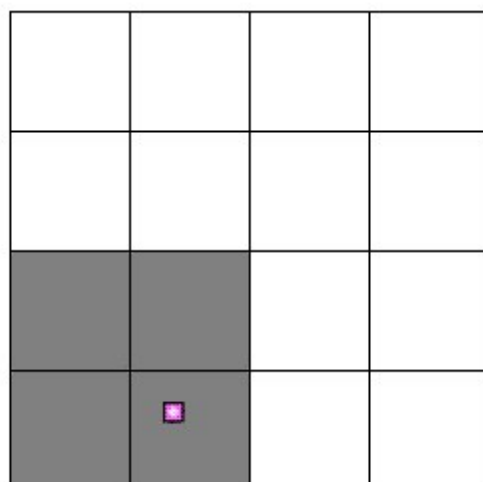
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| 12. Dedicated Acres 160.00 | | 13. Joint or Infill | | 14. Consolidation Code | | 15. Order No. | | | |

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 Date of Survey: 10/17/2006
 Certificate Number: 8894

Permit Conditions of Approval

Operator: XTO ENERGY, INC , 5380

Well: MORRIS GAS COM C #001G

API: 30-045-34549

| OCD Reviewer | Condition |
|-----------------|---|
| SHAYDEN | Spacing rule violation. Operator must follow up with Change of Status notification on other well to be shut in or abandoned |
| SHAYDEN | Hold C-104 pending change of status to Beach Com #1, API# 30 045 07827 for Otero Chacra pool. |