API No. 42-419-31462

Drilling Permit # 680715

SWR Exception Case/Docket No.

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

This facsimile W-1 was generated electronically from data submitted to the RRC.
A certification of the automated data is available in the RRC's Austin office.

FORM W-1 07/2004

Permit Status: Approved

1. RRC Operator No. 945936

2. Operator's Name (as shown on form P-5, Organization Report): XTO ENERGY INC.

3. Operator Address (include street, city, state, zip):

4. Lease Name: OWLS DU

5. Well No. 1H

GENERAL INFORMATION

6. Purpose of filing (mark ALL appropriate boxes): [X] New Drill [ ] Recompletion [ ] Reclass [ ] Field Transfer [ ] Re-Enter [X] Amended [ ] Amended as Drilled (BHL) (Also File Form W-1D)

7. Wellbore Profile (mark ALL appropriate boxes): [ ] Vertical [X] Horizontal (Also File Form W-1H) [ ] Directional (Also File Form W-1D) [ ] Sidetrack

8. Total Depth: 14000

9. Do you have the right to develop the minerals under any right-of-way ? [X] Yes [ ] No

10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? [X] Yes [ ] No

SURFACE LOCATION AND ACREAGE INFORMATION

11. RRC District No. 06

12. County: SHELBY

13. Surface Location [X] Land [ ] Bay/Estuary [ ] Inland Waterway [ ] Offshore

14. This well is to be located 10 miles in a SW direction from Center which is the nearest town in the county of the well site.

15. Section:

16. Block:

17. Survey: HUNT, N

18. Abstract No. A-272

19. Distance to nearest lease line: 330 ft.

20. Number of contiguous acres in lease, pooled unit, or unitized tract: 589.4

21. Lease Perpendiculars: 943 ft from the SOUTH line and 1544 ft from the EAST line.

22. Survey Perpendiculars: 943 ft from the SOUTH line and 1263 ft from the EAST line.

23. Is this a pooled unit? [X] Yes [ ] No

24. Unitization Docket No:

25. Are you applying for Substandard Acreage Field? [ ] Yes (attach Form W-1A) [X] No

FIELD INFORMATION List all fields of anticipated completion including Wildcat. List one zone per line.

26. RRC District No.	27. Field No.	28. Field Name (exactly as shown in RRC records)	29. Well Type	30. Completion Depth	31. Distance to Nearest Well in this Reservoir	32. Number of Wells on this lease in this Reservoir
06	16032300	CARTHAGE (HAYNESVILLE SHALE)	Gas Well	10529	0.00	1

BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1H attachment)

Remarks

[FILER May 20, 2010 1:11 PM]: BH, PP, & Unit Configuration changed

Certificate:

I certify that information stated in this application is true and complete, to the best of my knowledge.

Name of filer: Cynthia Rainwater, Regulatory Compliance Technician

Date submitted: May 20, 2010

Phone: (903)5793091, x118

E-mail Address (OPTIONAL): Cynthia_Rainwater@xtoenergy.com

RRC Use Only Data Validation Time Stamp: May 26, 2010 11:04 AM('As Approved' Version)

Permit Status: Approved

The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.

RAILROAD COMMISSION OF TEXAS
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APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER

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Form W-1H 07/2004
Supplemental Horizontal Well Information

Permit # 680715

Approved Date: May 26, 2010

1. RRC Operator No.	2. Operator's Name (exactly as shown on form P-5, Organization Report)	3. Lease Name	4. Well No.
945936	XTO ENERGY INC.	OWLS DU	1H

Lateral Drainhole Location Information

5. Field as shown on Form W-1: CARTHAGE (HAYNESVILLE SHALE) (Field # 16032300, RRC District 06)

6. Section	7. Block	8. Survey	9. Abstract	10. County of BHL
		COLE, L	108	SHELBY

11. Terminus Lease Line Perpendiculars
330 ft. from the north line. and 1000 ft. from the east line

12. Terminus Survey Line Perpendiculars
2198 ft. from the north line. and 2102 ft. from the west line

13. Penetration Point Lease Line Perpendiculars
1024 ft. from the east line. and 330 ft. from the south line

Additional Unit Tract Information			
Tract No.	Acreage	Ownership	Vol./Pg.
6	3.25 Ac.	Bernard H. Mask	301/63
7	0.75 Ac.	Loyce Deloney et vir	301/63
8	(8.536 Ac.)	Loyce Deloney et vir	174/439
9	0.125 Ac.	Bernard H. Mask	120/85
10	(3.954 Ac.)	Loyce Deloney et vir	203/489
11	18.50 Ac.	Bernard H. Mask	203/489
13	(7.568 Ac.)	Bernard H. Mask, et al	131/311
14	(5.345 Ac.)	Bernard H. Mask	132/209
16	28.5 Ac.	Bernard H. Mask	202/239
17	(36.219 Ac.)	Darsie Lee Adams	865/444
18	7.5 Ac.	James O. Ellington, et al	168/114
19	7.5 Ac.	Robert P. Kidd, et al	168/114
20	10.0 Ac.	Robert P. Kidd, et al	168/114
21	7.5 Ac.	T. O. David, Jr., et al	168/114
22	7.5 Ac.	Jo Ruth R. Rector, et al	168/114
23	6.000 Ac.	Timberstar Nacogdoches I.L.P.	1065/171
24	1.300 Ac.	Noah McCauley	229/423
25	(4.72 Ac.)	Exxon Mobile Corporation	124/326

Owls DU Well No. 1H Surface Location is staked 943' from the south line and 1263' from the east line of the Nathaniel Hunt Survey, A-272 and being 943' from a south line and 1544' from an east line of the Owls DU.

Owls DU Well No. 1H Penetration Point is located 330' from the south line and 740' from the east line of the Nathaniel Hunt Survey, A-272 and being 1024' from an east line and 330' from a south line of the Owls DU.

Owls DU Well No. 1H Bottom Hole is located 2198' from the north line and 2102' from the west line of the Levi Cole Survey, A-108 and being 330' from a north line, 1000' from an east line and 2102' from the west line of the Owls DU.

Additional Well Tie Information
Owls DU 1H SL to Owls DU 1H BH = N02°44'E-5055'

STATE PLANE COORDINATE DATUM
1927 NAD - TEXAS CENTRAL ZONE

OWLS DU WELL NO. 1H SL
X = 3,907,492.64' LAT = 31°39'04.43" N
Y = 774,370.14' LONG = 94°12'00.84" W

OWLS DU WELL NO. 1H PP
X = 3,908,047.98' LAT = 31°38'58.31" N
Y = 773,782.27' LONG = 94°11'54.80" W

OWLS DU WELL NO. 1H BH
X = 3,907,734.06' LAT = 31°39'54.19" N
Y = 779,419.77' LONG = 94°11'54.84" W

FOR THE EXCLUSIVE USE OF
XTO ENERGY INC.

I, E. L. Sartain, Registered Professional Land Surveyor. do hereby certify the above plat to be true and correct to best of my knowledge.
Date: May 18, 2010 Tyler, Texas
E.L.S. Surveying & Mapping, Inc.
Harry L. Johnson & Associates

Registered Professional Land Surveyor No. 1978

The location shown hereon was staked from tract lines as evidenced by occupation. Distances shown are not intended to be definitive in establishing title boundaries. The acreages shown hereon were provided by others.

STATE OF TEXAS
REGISTERED
E. L. SARTAIN
1978
PROFESSIONAL
LAND SURVEYOR

WELL LOCATION PLAT
XTO ENERGY INC.
OWLS DU WELL NO. 1H
NATHANIEL HUNT SURVEY, A-272
LEVI COLE SURVEY, A-108
SHELBY COUNTY, TEXAS

1000' 500' 0 1000'
1" = 1000'

From the Office of E.L.S. Surveying & Mapping, Inc. /
Harry L. Johnson & Associates - Tyler, Texas
2004 W. Grande Blvd. - Tyler, TX (903) 581-7759

Drafter: BSA FB 1773-30 (JP) Job No. 295890 Map No. SH-872-2