Form 3160-3
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: BIA 142060462

1a. Type of Work: [x] DRILL [ ] REENTER

1b Type of Well: [ ] Oil Well [x] Gas Well [ ] Other [x] Single Zone [ ] Multiple Zone

6. If Indian, Allotee or Tribe Name: Ute Mountain Ute

7. Unit or CA Agreement Name and No.: N/A

2. Name of Operator: XTO Energy Inc.

8. Lease Name and Well No.: Ute Indians A #57

3a. Address: 382 CR 3100, Aztec, NM 87410

3b. Phone No. *(include area code)*: 505-333-3100

9. API Well No.: 30045345 55

4. Location of Well *(Report location clearly and in accordance with any State equirements)**

At surface: 870' FSL x 1710' FWL in Sec 27, T32N, R14W

At proposed prod zone: SAME Lot L00

10. Field and Pool, or Exploratory: Ute Dome Paradox

11 Sec., T., R., M., or Blk. and Survey or Area: (N) Sec 27, T32N, R14W

14 Distance in miles and direction from nearest town or post office*: Approximately 14 miles Northwest of Farmington, NM post office

12. County or Parish: San Juan

13. State: NM

15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg. unit line, if any): 870'

16. No. of Acres in lease: ~~600.59~~

17. Spacing Unit dedicated to this well: 640

RCVD NOV 15'11

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.: 1000'

19. Proposed Depth: 8850'

20. BLM/BIA Bond No. on file: 104312078RS ~~UTB 000138~~

OIL CONS. DIV.

21. Elevations (Show whether DF, KDB, RT, GL, etc.: 6015' Ground Elevation

22. Approximate date work will start*: January 2011

23. Estimated duration: 4 weeks

DIST. 3

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

1. Well plat certified by a registered surveyor
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the BLM

25. Signature: Malia Villers — Name *(Printed/Typed)*: Malia Villers — Date: 1/3/2011

Title: Permitting Tech.

APPROVED FOR A PERIOD NOT TO EXCEED 2 YEARS

Approved by *(Signature)*: /S/ BRAD DODD — Name *(Printed/Typed)*: — Date: NOV 10 2011

Title: Associate Field Manager — Office: Tres Rios Field Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached

Title 18 U.S.C Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

Venting / Flaring approved for 30 days per NTL-4A

*(Instructions on page 2)

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject lease which are committed hereto...

SEE ATTACHED CONDITIONS OF APPROVAL

RECEIVED
JAN - 4 2011
Bureau of Land Management
Durango, Colorado

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

DEC 05 2011

NMOCD

NOTIFY AZTEC OCD 24 HRS. PRIOR TO CASING & CEMENT

RECEIVED

MAR 28 2011

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July, 16, 2010
Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-34155	86760	Ute Dome Paradox

[4] Property Code	[5] Property Name	[6] Well Number
~~[illegible]~~ 22645	UTE INDIANS A	57

[7] OGRID No	[8] Operator Name	[9] Elevation
5380	XTO ENERGY INC.	6015'

[10] Surface Location

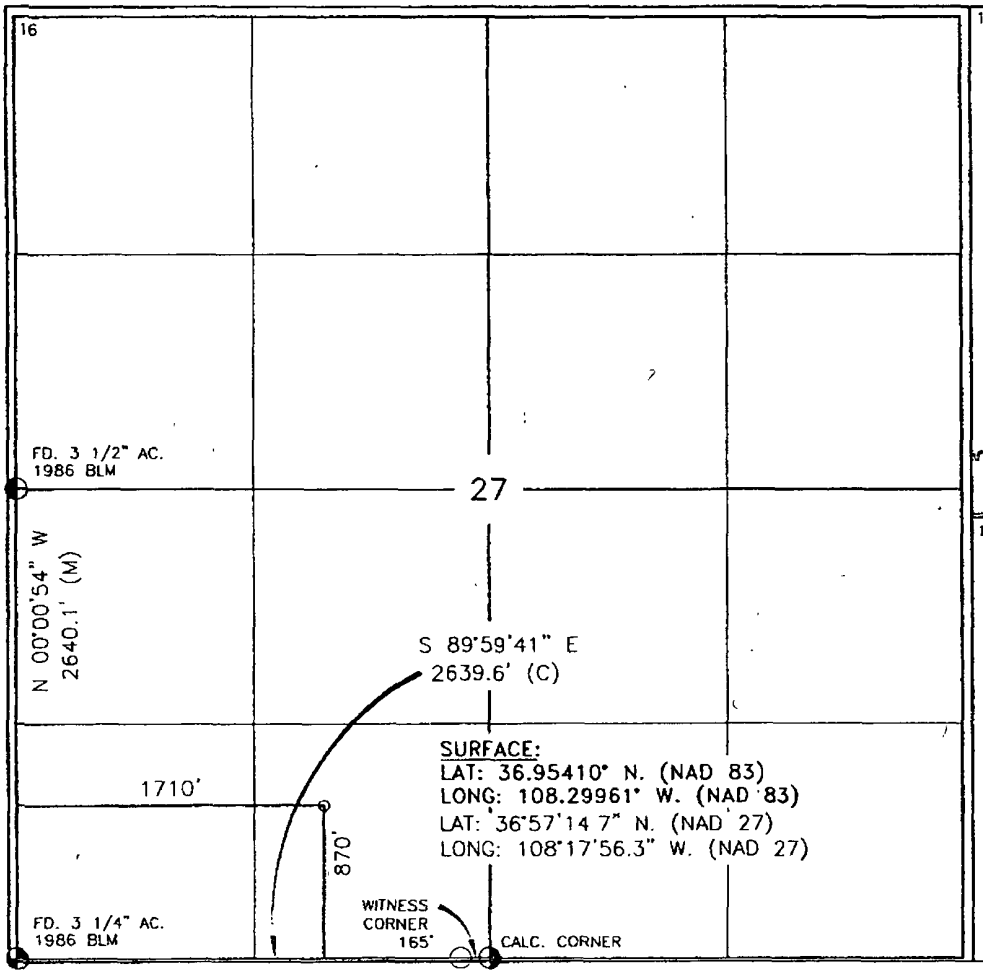
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	27	32-N	14-W		870	SOUTH	1710	WEST	SAN JUAN

[11] Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
640			

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



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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 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.

Malia Villers 3/25/11
Signature Date

Malia Villers
Printed Name

malia_villers@xtoenergy.com
E-mail Address

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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.

NOVEMBER 2010
Date of Survey

Signature and Seal of Professional Surveyor:

ROY A. RUSH
NEW MEXICO
8894
REGISTERED PROFESSIONAL LAND SURVEYOR
3-09-10

8894
Certificate Number

XTO ENERGY INC.

Ute Indians A #57
APD Data
March 17, 2011

Location: 870' FSL x 1710' FWL Sec 27, T32N, R14W **County**: San Juan **State**: New Mexico

GREATEST PROJECTED TD: 8850' OBJECTIVE: Ute Dome Paradox
APPROX GR ELEV: 6015' Est KB ELEV: 6027' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 850'	850' to 2500'	2500' to 8850
HOLE SIZE	12.25"	8.75"	8.75"-7.875"
MUD TYPE	FW/Spud Mud	FW/Polymer	LSND / Gel Chemical
WEIGHT	8.6-9.0	8.4-8.8	8.6- 9.20
VISCOSITY	28-32	28-32	45-60
WATER LOSS	NC	NC	8-10

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes.

2. CASING PROGRAM:

Surface Casing: 9.625" casing to be set at ± 850' in a 12-1/4" hole filled with 9.20 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-850'	850'	36.0#	J-55	ST&C	2020	3520	394	8.921	8.765	4.967	8.66	12.88

Production Casing: 5.5" casing to be set at TD (±8850') in 8.75" hole filled with 9.20 ppg mud.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-8850	8850'	17.0#	L-80	LT&C	6280	7740	348	4.892	4.767	1.48	1.83	2.31

3. WELLHEAD:

A. Casing Head: C-22, 11" 3,000 psi WP, 9-5/8" 8-rnd with 2 2" line pipe outlets.
B. Tubing Head: TCM 11" 3,000 psi WP by 7-1/16" 3,000 psi WP with two 2-1/16" 5,000 studded side outlets, with 9" BG Bottom Viton Seal. (Casing spool, if needed, C-22 11" 3,000 psi WP by 11" 3,000 psi WP, 18" tall.)

4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):

A. Surface: 9.625", 36.0#, J-55, ST&C casing to be set at ± 850' in 12-1/4" hole.

383 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft^3/sk, & 6.70 gal wtr/sk.

Total slurry volume is 532 ft^3, 100% excess of calculated annular volume to 850'.

B. Production: 5.5", 17.0#, L-80, LT&C casing to be set at ±8850' in 8.75" hole. DV Tool set @ ±4500'

1st Stage

LEAD:
±598 sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft^3/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:
±551 sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 ft^3/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 for the 5-1/2" production casing is 2973 ft^3 based upon entire hole being drilled with 8-3/4" bit.

Note: The production hole will be drilled with an 8-3/4" drill bit. Should no hole problems be encountered, then the bit may be changed to a 7-7/8" bit to TD the well with. The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs plus 40%. It will be attempted to circulate cement to the surface.

5. LOGGING PROGRAM:

A. Mud Logger: The mud logger will come on at 2,900' and will remain on the hole until TD. The mud will be logged in 10' intervals.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (8850') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (8850') to 3,000'.

C. No coring (Wire line side wall or Rotary "whole" core) operations are planned for this well.
D. No open hole formation tests are planned for this well.

6. FORMATION TOPS:

Est. KB Elevation: 6027'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Cliffhouse			Carmel Fmtn	2318	3709
Menefee	6027	0	Wingate SS	2090	3937
Point Lookout	5928	99	Chinle Fmtn	1932	4095
Mancos	5487	540	Shinarump Congl.	1483	4544
Gallup SS	4315	1712	Moenkopi Fmtn	1091	4936
Greenhorn LS	3780	2247	Cutler Group	860	5167
Graneros Shale	3730	2297	Hermosa Group	-969	6996
Dakota SS	3649	2378	Paradox Fmtn	-1438	7465
Burro Canyon SS	3457	2570	Ismay Member*	-1800	7827
Morrison Fmtn	3408	2619	Desert Creek *	-1738	7765
Bluff SS	2850	3177	Akah *	-2003	8030
Summerville Fmtn	2660	3367	Barker Creek*	-2292	8319
Todilto LS	2541	3486	Alkali Gulch	-2526	8553
Entrada SS	2557	3470	**TD**	-2826	**8850**

** Primary Objective* *** Secondary Objective*

**** Maximum anticipated BHP should be <5,000 psig (<0.58 psi/ft) *****

7. ANTICIPATED OIL, GAS, & WATER ZONES:

A.

Formation	Expected Fluids	Well Depth Top
Cliffhouse	Water	
Menefee	Water	0
Point Lookout	Water	99
Gallup	Water	1712
Dakota SS	Gas	2378
Burro Canyon SS	Gas	2570
Morrison Formation	Water	2619
Bluff SS	Water	3177
Entrada SS	Water	3470
Wingate SS	Water	3937
Ismay Member	Gas	7827
Desert Creek	Gas	7765
Akah	Gas	8030
Barker Creek	Gas	8319
Alkali Gulch	Gas	8553

B. No Appreciable Water Zones are anticipated.
C. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.
D. Once the Morrison is drilled the well will be treated as a potential source of H_2S.
E. No abnormally pressured zones or zones of lost circulation are anticipated.
F. No shallow gas zones are anticipated.

8. **BOP Equipment:**

Minimum specification for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double ram with annular, 3000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10% in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50% of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

a. when initially installed:

b. whenever any seal subject to test pressure is broken

c. following related repairs: and

d. at 30 day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) shall be held open or the ball removed.

Annular preventers (if used) shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No.2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests. Pressure tests shall apply to all related well control equipment.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place.

Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The BLM in Durango, Colorado shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a BLM representative on location during pressure testing.

a. The size and rating of the BOP stack is shown on the attached diagram.

b. A choke line and a kill line are to be properly installed.

c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.

d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

e. See attached BOP & Choke Manifold diagrams.

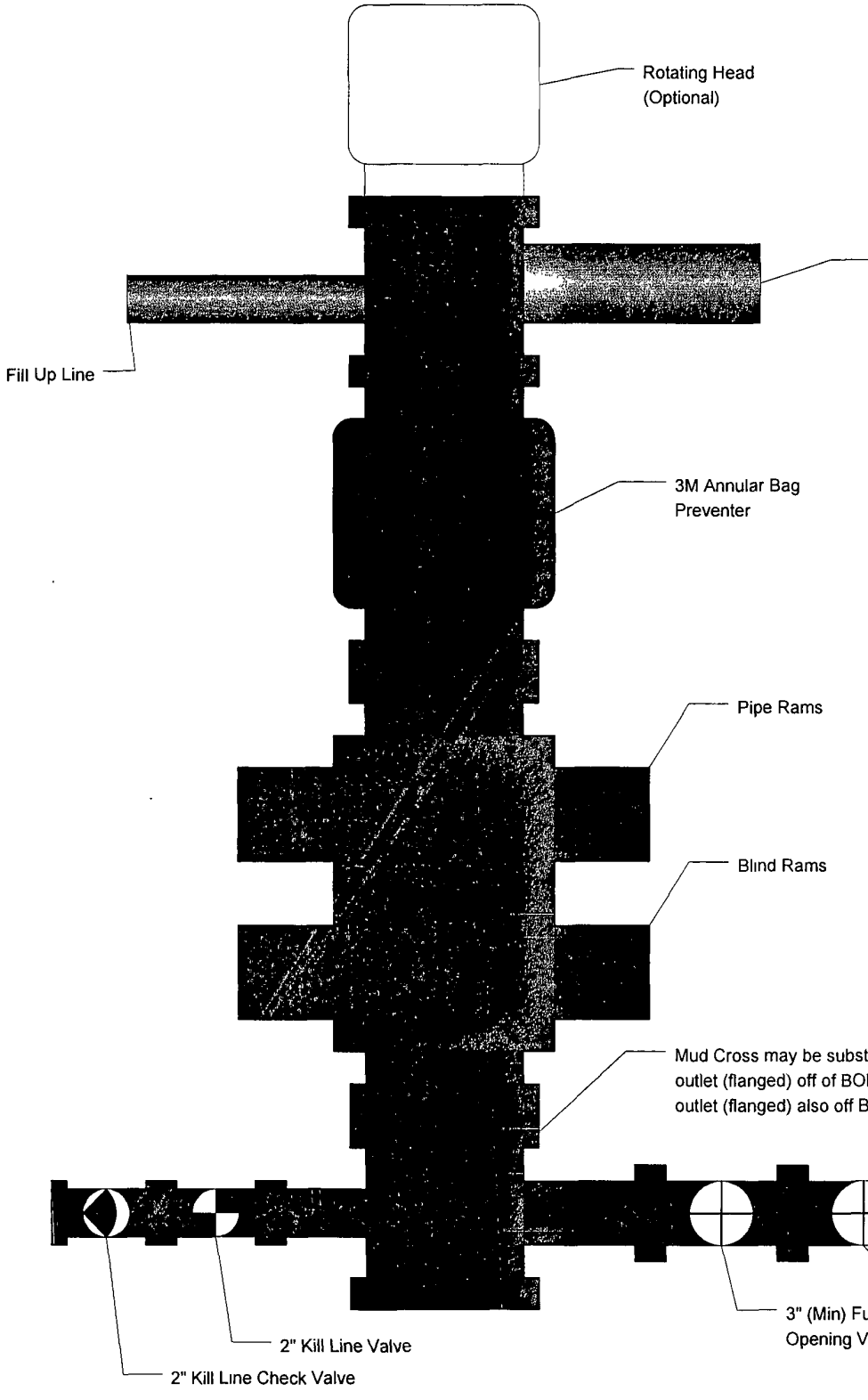
9. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
Justin Niederhofer	Drilling Engineer	505-333-3199	505-320-0158
Bobby Jackson	Drilling Superintendent	505-333-3224	505-486-4706
Reed Meek	Project Geologist	817-885-2800	--

JDN
3/17/11

XTO Energy

3M BOP Stack	11/29/2010	



Testing Procedure

1. Test Bop After Installation:
A.) Pressure test BOP to 200-300 psig (low pressure) for 5 minutes.
B.) Test BOP to Working pressure or 70% internal yield of surface casing for 10 minutes.
C) Test Annular preventer to 50% of working pressure for 10 minutes.

2. Test operation of both rams on each trip. Test annular preventer function weekly.

3. Check and record Accumulator pressure on every tour.

4. Re-pressure test BOP after changing rams or breaking any pressure tested seal.

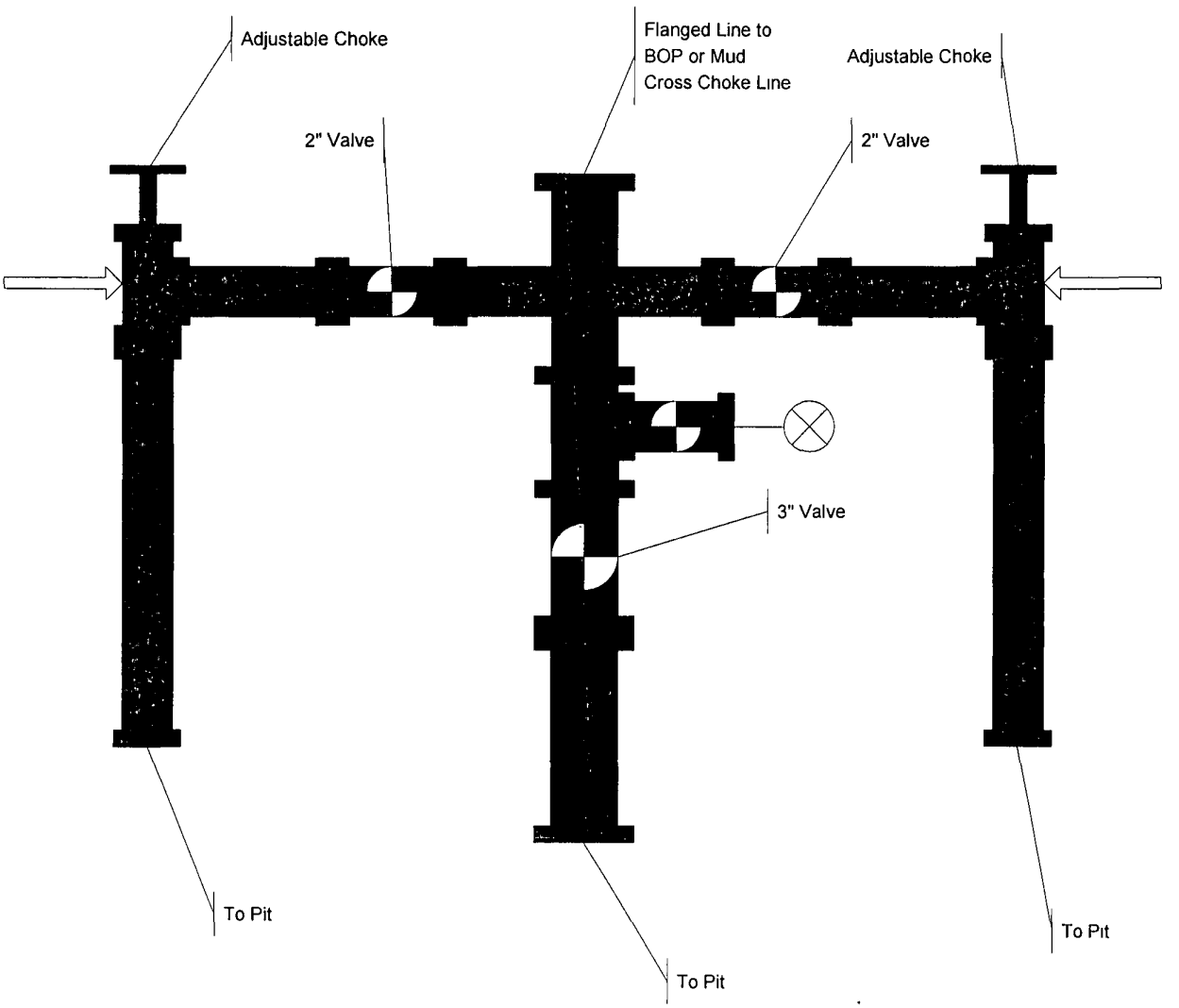
5. Have kelly cock valve with handle available on rig floor.

6. Have safety valve and subs to fit all sizes of drill string.

7 Record all BOP tests in IADC book.

XTO Energy

3M Choke Manifold	11/29/2010	



RECEIVED
NOV 09 2011
Bureau of Land Management
Durango Colorado

XTO ENERGY INC.
UTE INDIANS A No. 57, 870 FSL 1710 FWL
(PROPOSED EQUIPMENT LAYOUT PLAN)
SECTION 27, T-32-N, R-14-W, N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 6015'

RECEIVED
NOV 09 2011
Bureau of Land Management
Durango Colorado

WELL FLAG
NAD 83
LAT. = 36.95410° N.
LONG. = 108.29961° W.

CENTER OF PIT
ELEV. 6019'
NAD 83
LAT. = 36.95424° N.
LONG. = 108.29942° W.

A (5) C 7.9 — 170' — B C 7.2 — E.D. (6) C 5.8

TO REFERENCE STAKE
N 45°43'04" E-200'
FROM WELL FLAG

TO REFERENCE STAKE
S 44°17'58" E-200'
FROM WELL FLAG

8' DEEP — RESERVE PIT — 12' DEEP
C.O.P.
PIT: 200' X 60'
R.A. R.A.

147' 73' 45' 78'

(4) C 1.8 REAR — Wellhead to back 145' — C 0.0 — LAYDOWN S 44°17' E — (1) F 0.4
Wellhead to Front 145'
T.U.A. T.U.A.

NEW ACCESS ± 789'

"PROPOSED EQUIPMENT LAYOUT"
APPROX. BERM (35'x 85')

METER RUN — R.A. — R.A.
SEPARATOR — LINE HEATER — PRODUCTION TANK
H_2O PIT TANK
Wellhead to side 155'

0 25 50
SCALE: 1"=50'

E.D. — A' (3) F 5.1 — 170' — B' F 7.2 — 170' — (2) C' — E.D.

(NOTE: E.D. – EDGE DISTURBANCE)

NOTE:
DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. CONTRACTOR SHOULD CALL NEW MEXICO ONE CALL CENTER TO NOTIFY 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.

REVISION:	DATE:	REVISED BY:
CORRECTED ACCESS LENGTH	06/14/2011	G.V.
CORRECTED ACCESS LENGTH	06/08/2011	G.V.
REVISE PER BLM REQUIREMENTS	03/11/2011	G.V.
REVISE PER BLM REQUIREMENTS	02/24/2011	G.V.
REVISE PER BLM REQUIREMENTS	01/27/11	G.V.
ADDED C.O.P.	11/01/10	G.V.
WELL RESTAKE	02/09/06	A.G.

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 510 · Farmington, NM 87499
Phone (505) 326-1772 · Fax (505) 326-6019
NEW MEXICO L.S. No. 8894

DRAWN BY: G.V. | CADFILE: CR589_PL8_EQ
ROW#: CR589 | DATE: 01/16/06