

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. BIA 142060462	
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name Ute Mountain Ute	
2. Name of Operator. XTO Energy Inc.		7. Unit or CA Agreement Name and No. N/A	
3a. Address 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM		8. Lease Name and Well No. Ute Indians A #63	
3b. Phone No. (include area code) 505-324-1090		9. API Well No. 30-045-34154	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1955' ENL x 730' FWL in Sec 25, T32N, R14W At proposed prod. zone SAME		10. Field and Pool, or Exploratory Ute Dome Paradox	
11. Distance in miles and direction from nearest town or post office* Approximately 14 miles Northwest of Farmington, NM post office		11. Sec., T., R., M., or Blk. and Survey or Area (E) Sec 25, T32N, R14W	
12. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 730'		12. County or Parish San Juan	
13. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 240'		13. State NM	
14. No. of Acres in lease 4251.90		17. Spacing Unit dedicated to this well 640 all	
15. Proposed Depth 9576'		20. BLM/BIA Bond No. on file UTB-000138	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6821' Ground Elevation		22. Approximate date work will start* January 2007	
23. Estimated duration 5 weeks		24. Attachments Venting / Flaring approved for 30 days per NTL-4A	

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

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

RCVD FEB8'07

OIL CONS. DIV.

DIST. 3

25. Signature <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 09/12/06
Title Regulatory Compliance Tech		APPROVED FOR A PERIOD NOT TO EXCEED 1 YEAR.
Approved by (Signature) <i>Brian W. Duns</i>		
Name (Printed/Typed) Brian W. Duns		Date 2/6/07
Title Assistant Center Mgr Physical Resource		Office San Juan Public Lands

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.

*(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...

NOTIFY AZTEC OGD
IN TIME TO WITNESS

RECEIVED

**Bureau of Land Management
Durango, Colorado**

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 June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-34154		*Pool Code 86760		*Pool Name Ute Dome Paradox	
*Property Code 22645		*Property Name UTE INDIANS A		*Well Number 63	
*OCRD No. 16700-7 5380		*Operator Name XTO ENERGY INC.		*Elevation 6821	

10 Surface Location

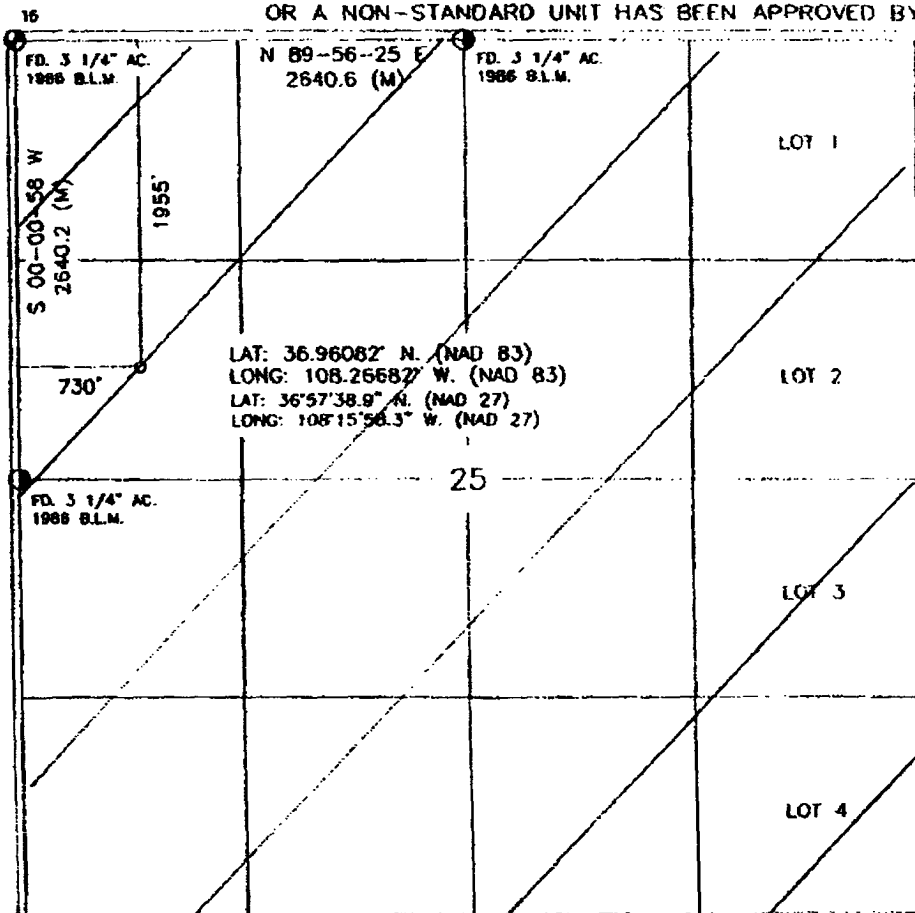
UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
E	25	32-N	14-W		1955	NORTH	730	WEST	SAN JUAN

11 Bottom Hole Location If Different from Surface

UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County

*Dedicated Acres All 640	*Joint or split	*Consolidation Code	*Order No.
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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



17 OPERATOR CERTIFICATION

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

[Signature]
Signature
Small
Printed Name
Vigilant Compliance
Title
5/9/06
Date

18 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.

Date of Survey: 5/9/06
Signature: *[Signature]*
Printed Name: *[Name]*
Title: *[Title]*
Certificate Number: 14831
Registered Professional Surveyor

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
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

Form C-103
May 27, 2004

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

WELL API NO. <u>30-045-34154</u>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <u>BTA 142060462</u>
7. Lease Name or Unit Agreement Name: <u>Ute Indians A</u>
8. Well Number <u>#63</u>
9. OGRID Number <u>167067</u>
10. Pool name or Wildcat <u>Ute Dome Paradox</u>

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	8. Well Number <u>#63</u>
2. Name of Operator <u>XTO Energy Inc.</u>	9. OGRID Number <u>167067</u>
3. Address of Operator <u>2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401</u>	10. Pool name or Wildcat <u>Ute Dome Paradox</u>
4. Well Location Unit Letter <u>E</u> : <u>1955</u> feet from the <u>North</u> line and <u>730</u> feet from the <u>West</u> line Section <u>25</u> Township <u>32N</u> Range <u>14W</u> NMPM <u>NMPM</u> County <u>SAN JUAN</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>6821' Ground Elevation</u>	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/> Pit type <u>DRILL</u> Depth to Groundwater <u>>100</u> Distance from nearest fresh water well <u>>1000</u> Distance from nearest surface water <u>>1000</u> Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: PIT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy intends to install a pit on location for drilling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Kyla Vaughan TITLE Regulatory Compliance Tech DATE 09/12/06
Type or print name Kyla Vaughan E-mail address: kyla_vaughan@xtoenergy.com
Telephone No. 505-564-6726

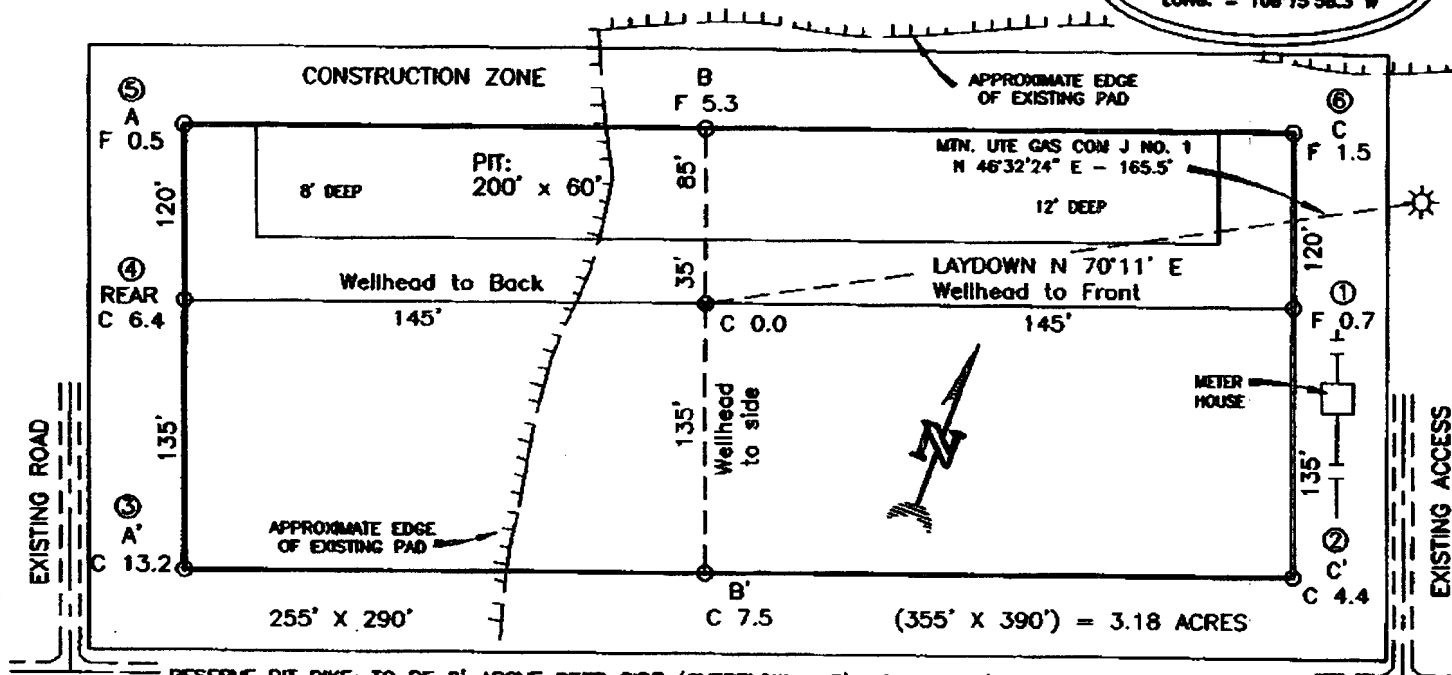
For State Use Only

APPROVED BY [Signature] DEPUTY OIL & GAS INSPECTOR, DIST. # 1 DATE FEB 13 2007
Conditions of Approval, if any:

EXHIBIT D

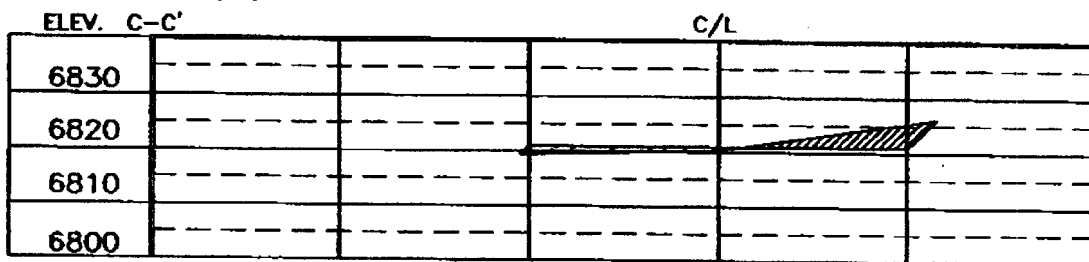
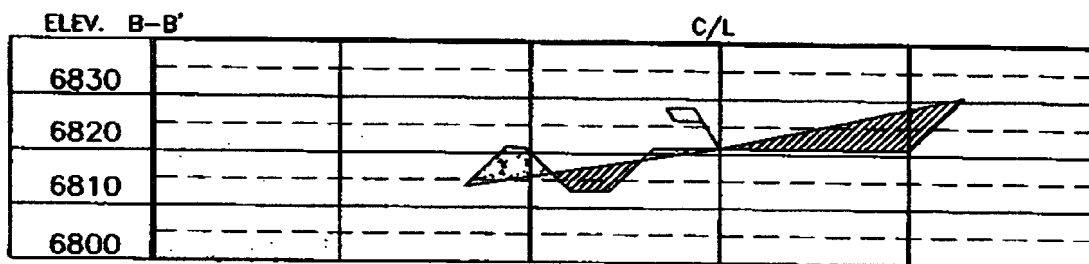
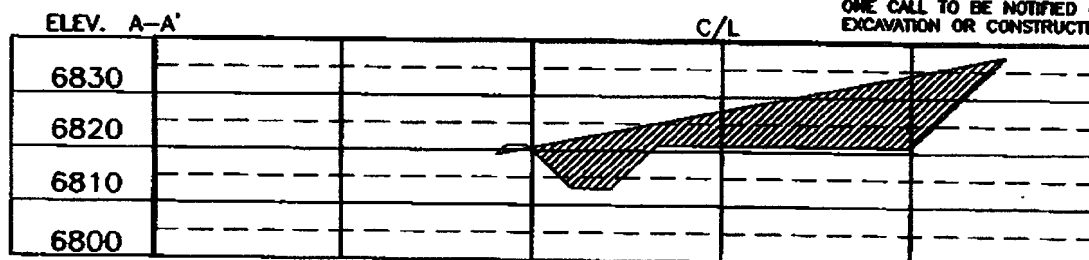
XTO ENERGY INC.
 UTE INDIANS A No. 63, 1955 FNL 730 FWL
 SECTION 25, T32N, R14W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 6821' DATE: JANUARY 4, 2006

NAD 83
 LAT. = 36.96082° N
 LONG. = 108.26682° W
 NAD 27
 LAT. = 36°57'38.9" N
 LONG. = 108°15'38.3" W



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
 BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

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



NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 19008 • Farmington, NM 87401
 Phone (505) 328-1772 • Fax (505) 328-6019
 NEW MEXICO L.S. No. 14831
 dated 01/18/06



EXHIBIT E

XTO ENERGY INC.

Ute Indians A #63

APD Data

November 9, 2006

RECEIVED

DEC 4 2006

**Bureau of Land Management
Durango Colorado**Location: 1955' FNL x 730' FWL Sec 25, T32N, R14W County: San JuanState: New MexicoGREATEST PROJECTED TD: 9576'
APPROX GR ELEV: 6821'OBJECTIVE: Ute Dome Paradox
Est KB ELEV: 6833' (12' AGL)**1. MUD PROGRAM:**

INTERVAL	0' to 360'	360' to 2500'	2500' to 9576
HOLE SIZE	12.25"	8.75"	8.75"
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 \pm 360' 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'-360'	360'	36.0#	J-55	ST&C	2020	3520	394	8.921	8.765	11.73	20.44	30.40

Production Casing: 5.5" casing to be set at TD (\pm 9576') 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'-9576	9576'	17.0#	L-80	LT&C	6280	7740	348	4.892	4.767	1.37	1.69	2.14

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 $\pm 360'$ in 12-1/4" hole.

~~162~~ 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 225 ft³, 100% excess of calculated annular volume to 360'.

B. Production: 5.5", 17.0#, L-80, LT&C casing to be set at $\pm 9576'$ in 8.75" hole. DV Tool set @ $\pm 4650'$

1st Stage

LEAD:

~~±752~~ 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:

~~±596~~ 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 for the 5-1/2" production casing is 3395 ft³.

Note: 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 (9576') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (9576') to 3,000'.

6. FORMATION TOPS:

Est. KB Elevation: 6833'

FORMATION	Sub-Sea Elev.	WELL DEPTH	FORMATION	Sub-Sea Elev.	WELL DEPTH
Gallup SS	4493	2,340	Chinle Fmtn	1953	4,880
Greenhorn LS	3772	3,061	Shinarump Congl.	1283	5,550
Graneros Shale	3713	3,120	Moenkopi Fmtn	1162	5,671
Dakota SS	3645	3,188	Cutler Group	970	5,863
Burro Canyon SS	3408	3,425	Hermosa Group	-887	7,720
Morrison Fmtn	3408	3,425	Paradox Fmtn	-1565	8,398
Bluff SS	3050	3,783	Ismay Member*	-1705	8,538
Summerville Fmtn	2660	4,173	Desert Creek *	-1895	8,728
Todilto LS	2465	4,368	Akah *	-2019	8,852
Entrada SS	2445	4,388	Barker Creek*	-2202	9,035
Carmel Fmtn	2420	4,413	Alkali Gulch	-2443	9,276
Wingate SS	2280	4,553	Total Depth	-2743	9,576

* Primary Objective

** Secondary Objective

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

7. ANTICIPATED OIL, GAS, & WATER ZONES:

- A. Oil & Gas Zones are anticipated at 3188'-3783' & 8538'-9276'.
- 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 surface shoe is drilled the well will be treated as a potential source of H₂S.

8. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
John Egelston	Drilling Engineer	505-564-6734	505-330-6902
Jerry Lacy	Drilling Superintendent	505-566-7917	505-320-6543
Reed Meek	Project Geologist	817-885-2800	--

JWE
11/9/06

XTO Energy

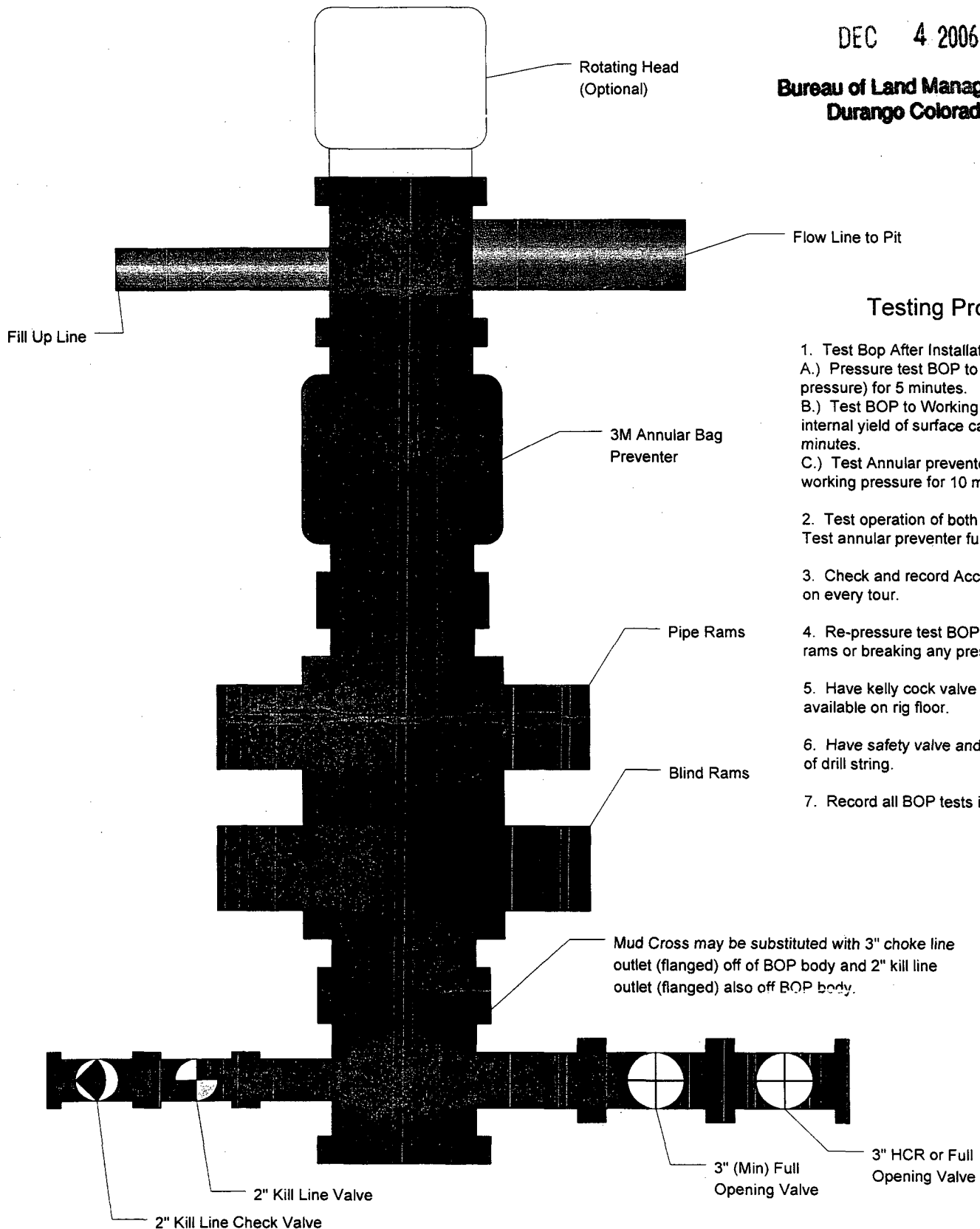
3M BOP Stack

11/8/2006

RECEIVED

DEC 4 2006

Bureau of Land Management
Durango Colorado



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

11/9/2006

