

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 #43	
3b. Phone No. (include area code) 505-324-1090		9. API Well No. 30-045-34326	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1170' FNL x 1370' FNL in Sec 1, T31N, R14W At proposed prod. zone SAME		10. Field and Pool, or Exploratory UTE DOME PARADOX	
14. 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 Bk. and Survey or Area (C) Sec 1, T31N, R14W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1170'		12. County or Parish San Juan	
16. No. of Acres in lease 4251.9		13. State NM	
17. Spacing Unit dedicated to this well RCVD MAY24'07 688 14 All ON CONS. DIV.		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1476'	
19. Proposed Depth 8529'		20. BLM/BIA Bond No. on file DIST. 3 UTB 000138	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6065' Ground Elevation		22. Approximate date work will start* December 2006	
		23. Estimated duration 4 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:

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

25. Signature <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 09/11/06
Title Regulatory Compliance Tech		
Approved by (Signature) <i>Robert L. Sieger</i>	Name (Printed/Typed) Robert L. Sieger	Date 5/22/2007
Title Assistant		
Office San Juan Public Lands Center		

APPROVED FOR A PERIOD
NOT TO EXCEED 2 YEARS

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.

SEE ATTACHED
CONDITIONS OF APPROVAL

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)

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

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...

RECEIVED

SEP 15 2006

Bureau of Land Management
Durango, Colorado

06-07-07
BH

DISTRICT 1
1525 N. French Dr., Hobbs, N.M. 88240

DISTRICT #
1308 W. Grand Ave., Arivaca, N.M. 85210

DISTRICT IN
1000 N. Bruce 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 Less - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-34326		*Pool Code 867160	*Pool Name Lite Dome Paradox	
*Property Code 22645	*Property Name UTE INDIANS A			*Well Number 43
*OGS# No. H070707	*Operator Name XTO ENERGY INC.			*Elevation 6085

¹⁰ Surface Location

UR. or lot no.	Section	Township	Range	Lot no.	Feet from the	North/South line	Feet from the	East/West line	County
C	1	31-N	14-W	3	1170	NORTH	1370	WEST	SAN JUAN

19 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Id#	Feet from the	North/South line	Feet from the	East/West line	County
* Dedicated Horse		* Joint or (W)		* Consolidation Code		* Order No.		RCUD MAY 24 07 OIL CONS. DIV DIST. 3	
A11 1088.14									

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

OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION			
SCL PROP. CALC. CORNER	N 89-59-44 E 2640.1' (C)	QTR. CORNER FD 3 1/4" AC 1985 BLM	
LOT 4	LOT 3	LOT 2	LOT 1
1370'	LAT: 36°34'00" N. (NAD 83) LONG: 108°26'46" W. (NAD 83)		
5 00-09-23 W 2644.1' (C)	LAT: 36°36'02.3" N. (NAD 27) LONG: 108°15'30.4" W. (NAD 27)		
QTR. CORNER FD 3 1/4" AC 1985 BLM	LOT 5		
	LOT 6		
	LOT 7		

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]

Printed Name: Regulatory Compliance

Title: 5/19/06

Date: _____

18 SURVEYOR CERTIFICATION

I hereby certify that the real location shown on this plot 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.

FEDERAL BUREAU OF SURVEY
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
2-13-06

Date: _____

Signature: _____

Certificate Number: _____

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>30-045-343210</u>	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. <u>ETA 142060462</u>	
7. Lease Name or Unit Agreement Name: <u>Ute Indians A</u>	
8. Well Number <u>#43</u>	
9. OGRID Number <u>167067</u>	
10. Pool name or Wildcat <u>Ute Dome Paradox</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>6065' 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 _____	

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	
2. Name of Operator <u>XTO Energy Inc.</u>	
3. Address of Operator <u>2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401</u>	
4. Well Location Unit Letter <u>C</u> : <u>1170</u> feet from the <u>North</u> line and <u>1370</u> feet from the <u>West</u> line Section <u>1</u> Township <u>31N</u> Range <u>14W</u> NMPM NMCM County <u>SAN JUAN</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>6065' 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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <u>PIT</u> <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 _____ TITLE Regulatory Compliance Tech DATE 09/11/06

Type or print name Kyla Vaughan

E-mail address: kyla_vaughan@xtoenergy.com
Telephone No. 505-564-6726

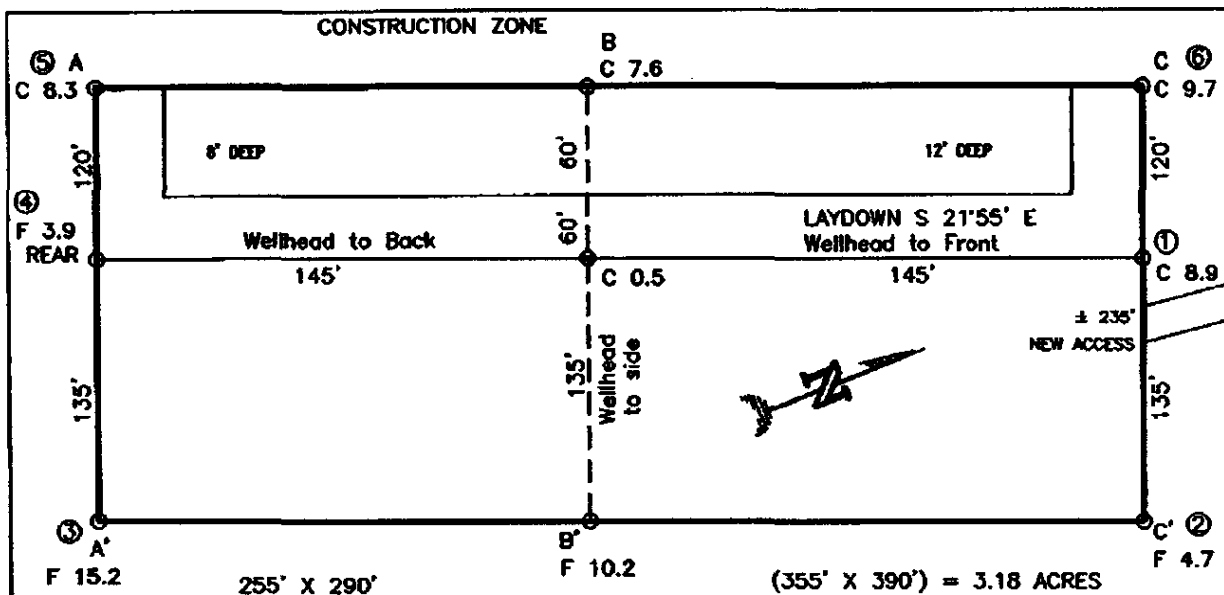
For State Use Only

APPROVED BY _____ TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE JUN 07 2007
Conditions of Approval, if any:

EXHIBIT D

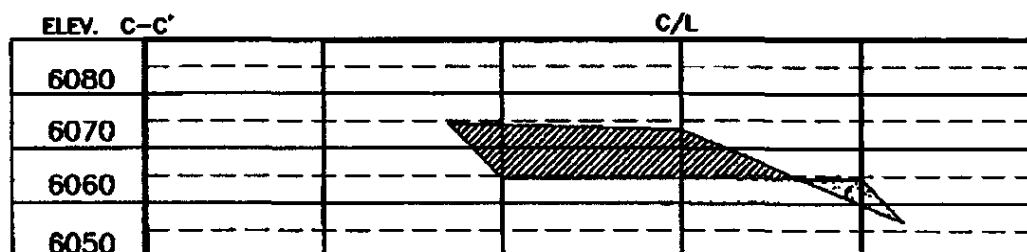
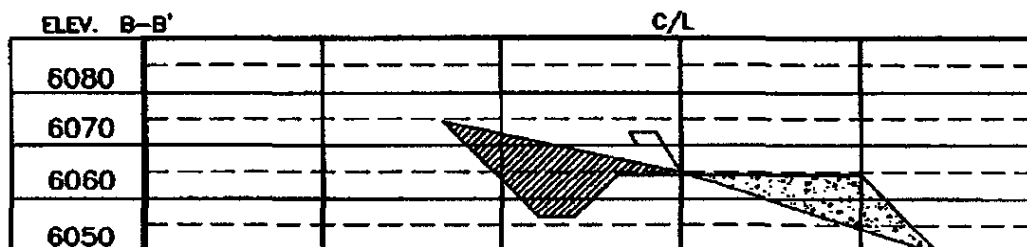
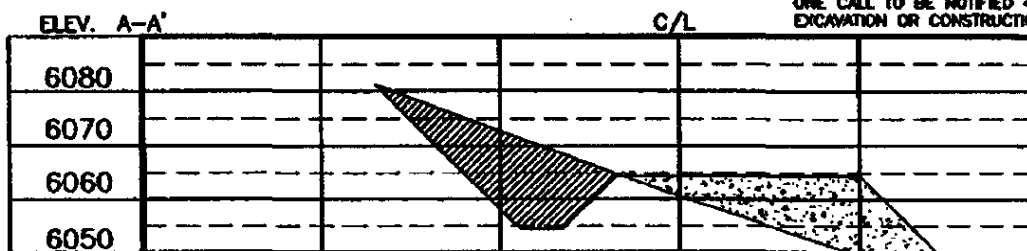
XTO ENERGY INC.
 UTE INDIANS A No. 43, 1170 FNL 1370 FWL
 SECTION 1, T31N, R14W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 6065' DATE: FEBRUARY 1, 2006

NAD 83
 LAT. = 36.93400° N.
 LONG. = 108.26466° W
 NAD 27
 LAT. = 36°56'02.3" N.
 LONG. = 108°15'50.4" W



RESERVE PIT DIKE: TO BE 6" 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 15088 • Farmington, NM 87401
 Phone (505) 398-1772 • Fax (505) 326-6018
 NEW MEXICO L.S. No. 14831



Scale: 1" = 40'
 Date: 01/18/06
 Drawn: 01572

EXHIBIT E

XTO ENERGY INC.

Ute Indians A #43

APD Data

November 9, 2006

Location: 1170' FNL x 1370' FWL Sec 1, T31N, R14W County: San Juan State: New Mexico

GREATEST PROJECTED TD: 8529'
APPROX GR ELEV: 6065'

OBJECTIVE: Ute Dome Paradox
Est KB ELEV: 6077' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 8529
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 ($\pm 8529'$) 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'-8529'	8529'	17.0#	L-80	LT&C	6280	7740	348	4.892	4.767	1.54	1.90	2.40

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 $\pm 8529'$ in 8.75" hole. DV Tool set @ ~~4600'~~

1st Stage

LEAD:

~~±576~~ 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:

~~±589~~ 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:

~~600~~ 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 3024 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 (8529') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (8529') to 3,000'.

6. FORMATION TOPS:

Est. KB Elevation: 6077'

FORMATION	Sub-Sea Elev.	WELL DEPTH	FORMATION	Sub-Sea Elev.	WELL DEPTH
Gallup SS	4398	1,679	Chinle Fmtn	1960	4,117
Greenhorn LS	3814	2,263	Shinarump Congl.	1315	4,762
Graneros Shale	3769	2,308	Moenkopi Fmtn	1183	4,894
Dakota SS	3716	2,361	Cutler Group	930	5,147
Burro Canyon SS	3526	2,551	Hermosa Group	-262	6,339
Morrison Fmtn	3448	2,629	Paradox Fmtn	-1262	7,339
Bluff SS	2930	3,147	Ismay Member*	-1420	7,497
Summerville Fmtn	2570	3,507	Desert Creek *	-1597	7,674
Todilto LS	2678	3,399	Akah *	-1735	7,812
Entrada SS	2658	3,419	Barker Creek*	-1917	7,994
Carmel Fmtn	2355	3,722	Alkali Gulch	-2152	8,229
Wingate SS	2285	3,792	Total Depth	-2452	8,529

* Primary Objective ** Secondary Objective

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

Too high

7. ANTICIPATED OIL, GAS, & WATER ZONES:

- Oil & Gas Zones are anticipated at 2361'-3147' & 7497'-8229'.
- No Appreciable Water Zones are anticipated.
- 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.
- Once the surface shoe is drilled the well will be treated as a potential source of H₂S.

8. COMPANY PERSONNEL:

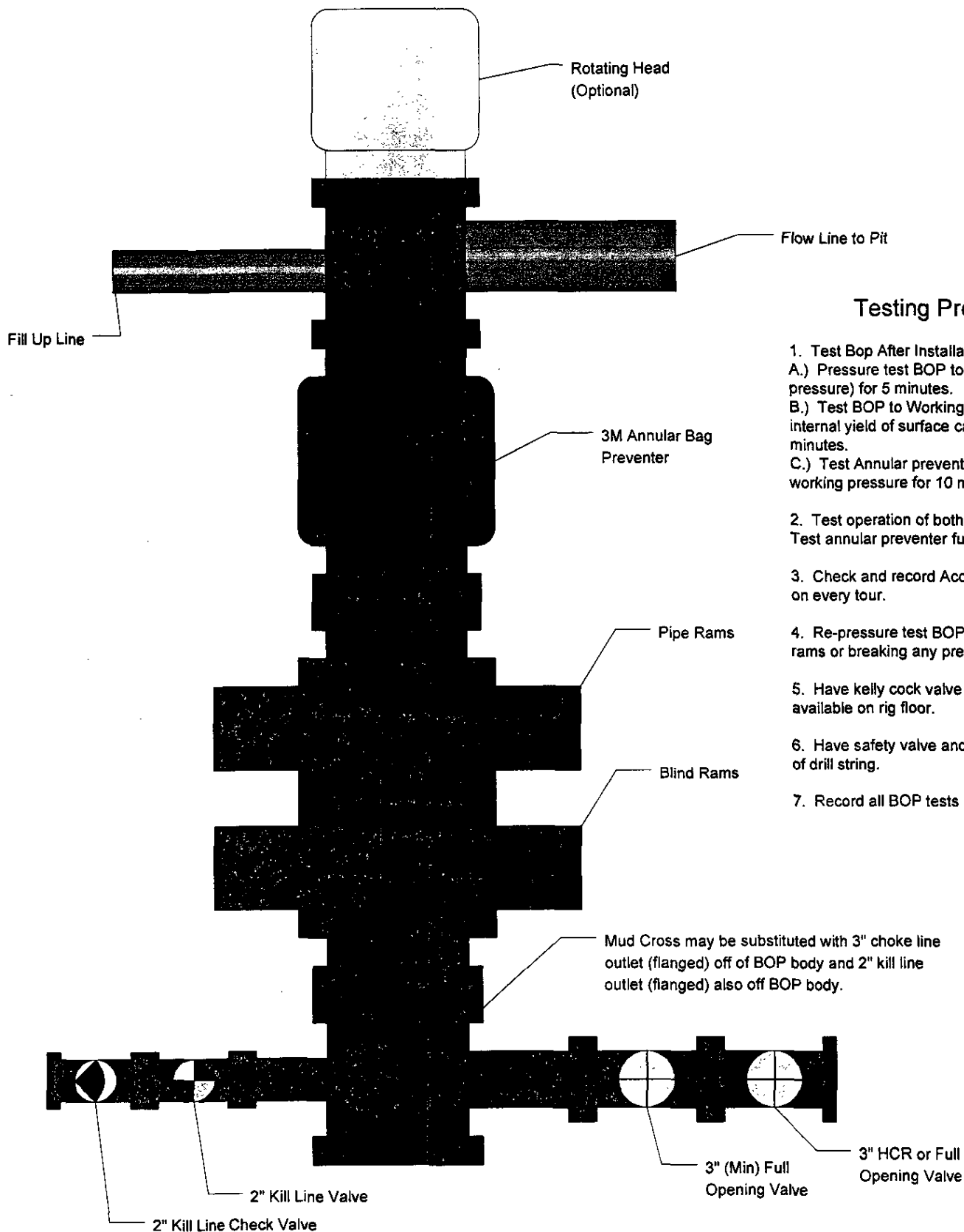
Name	Title	Office Phone	Home Phone
John Egelston	Drilling Engineer	505-564-6734	505-330-6902
Jerry Lacy	Drilling Superintendent	505-566-7917	505-320-6543
Reed Meek	Project Geologist	817-885-2800	--

JWE
11/9/06

XTO Energy

3M BOP Stack

11/8/2006



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

