

Form 3160-3
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

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 type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator XTO Energy, Inc.		7. If Unit or CA Agreement, Name and No N/A
3a. Address 382 CR 3100 AZTEC, NM 87410	3b. Phone No. (include area code) 505-333-3100	8. Lease Name and Well No. Ute Indians A #49X
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1890' FNL x 1305' FWL At proposed prod. zone same		9. API Well No. 30-045-34461
14. Distance in miles and direction from nearest town or post office* Approximately 14 miles Northwest of Farmington, NM post office		10. Field and Pool, or Exploratory Ute Dome Paradox
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1295'	16. No. of acres in lease 4251.90	11. Sec., T. R. M. or Blk. and Survey or Area (E) Sec 35, T32N, R14W
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 240'	19. Proposed Depth 8723'	12. County or Parish San Juan
21. Elevations (Show whether <u>DE, KDB, RT, GL, etc.</u>) 6074' Ground Elevation		13. State NM
22. Approximate date work will start* 10/05/2007		17. Spacing Unit dedicated to this well 640 all
23. Estimated duration 2 weeks		20. BLM/BIA Bond No. on file UTB-000138
24. Attachments SEE ATTACHED		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, must 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 must 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 BLM.

25. Signature <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 11/01/2007
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Title
Regulatory Compliance

APPROVED FOR A PERIOD
NOT TO EXCEED 2 YEARS

Approved by (Signature) /S/ Richard A. Rymerson	Name (Printed/Typed)	Date NOV 13 2007
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Title ACTING CENTER MANAGER	Office SAN JUAN PUBLIC LANDS CENTER
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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...

NOV 06 2007

RECEIVED

NOV - 6 2007

Bureau of Land Management
Durango, Colorado

NOV 27 2007

AV

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-34461	² Pool Code 86760	³ Pool Name UTE DOME PARADOX
⁴ Property Code 22645	⁵ Property Name UTE INDIANS A	⁶ Well Number 49X
⁷ GRID No. 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6074

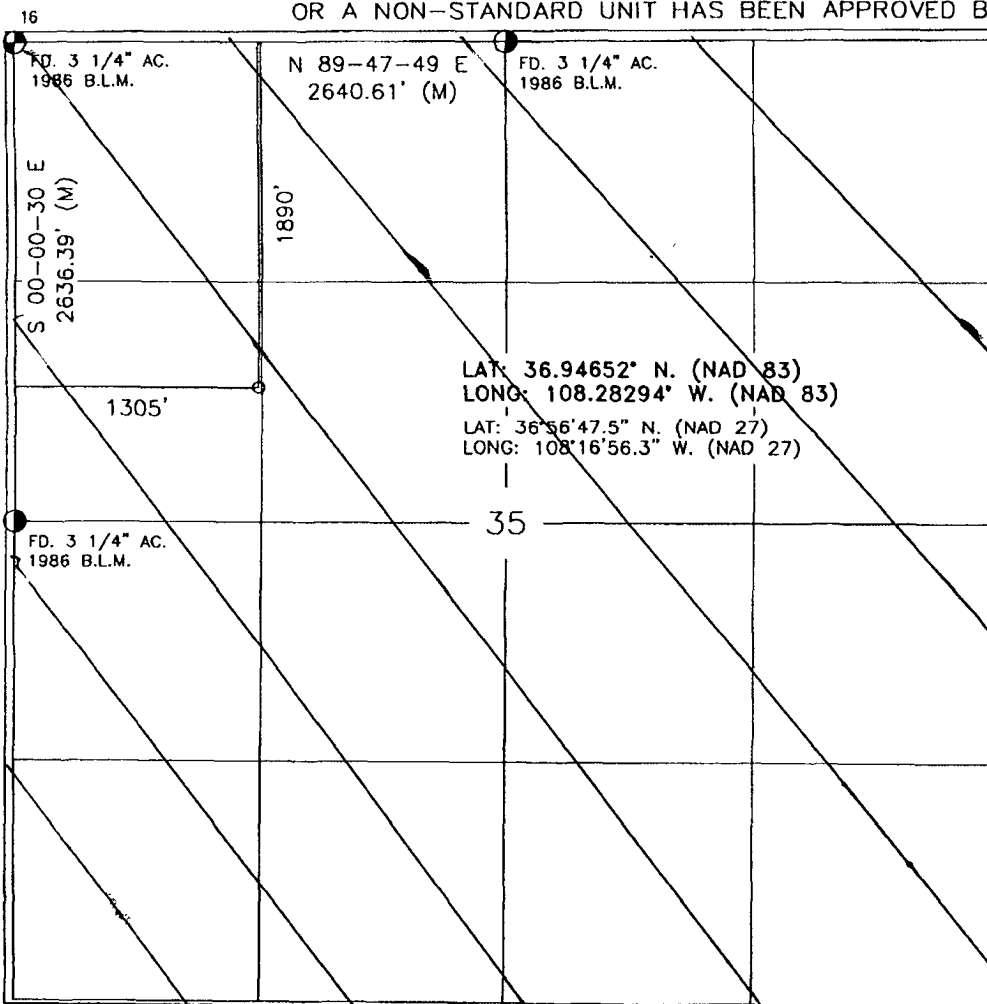
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	35	32-N	14-W		1890	NORTH	1305	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 ALL 640			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



17

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.

Kyla Vaughan 11/1/07
Signature Date
Kyla Vaughan
Printed Name

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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.

OCTOBER 16, 2007
Date of Survey
Signature and Seal of Registered Surveyor:
[Signature]
8894
18-07
REGISTERED PROFESSIONAL LAND SURVEYOR
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.
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. BIA 142060462
7. Lease Name or Unit Agreement Name: Ute Indians A
8. Well Number #49X
9. OGRID Number 5380
10. Pool name or Wildcat Ute Dome Paradox

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 XTO Energy Inc.
3. Address of Operator 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401
4. Well Location Unit Letter <u>E</u> : <u>1890</u> feet from the <u>North</u> line and <u>1305</u> feet from the <u>West</u> line Section <u>35</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.) 6074' Ground Elevation
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 11/01/2007

Type or print name Kyla Vaughan E-mail address: kyla_vaughan@xtoenergy.com Telephone No. 505-333-3159

For State Use Only

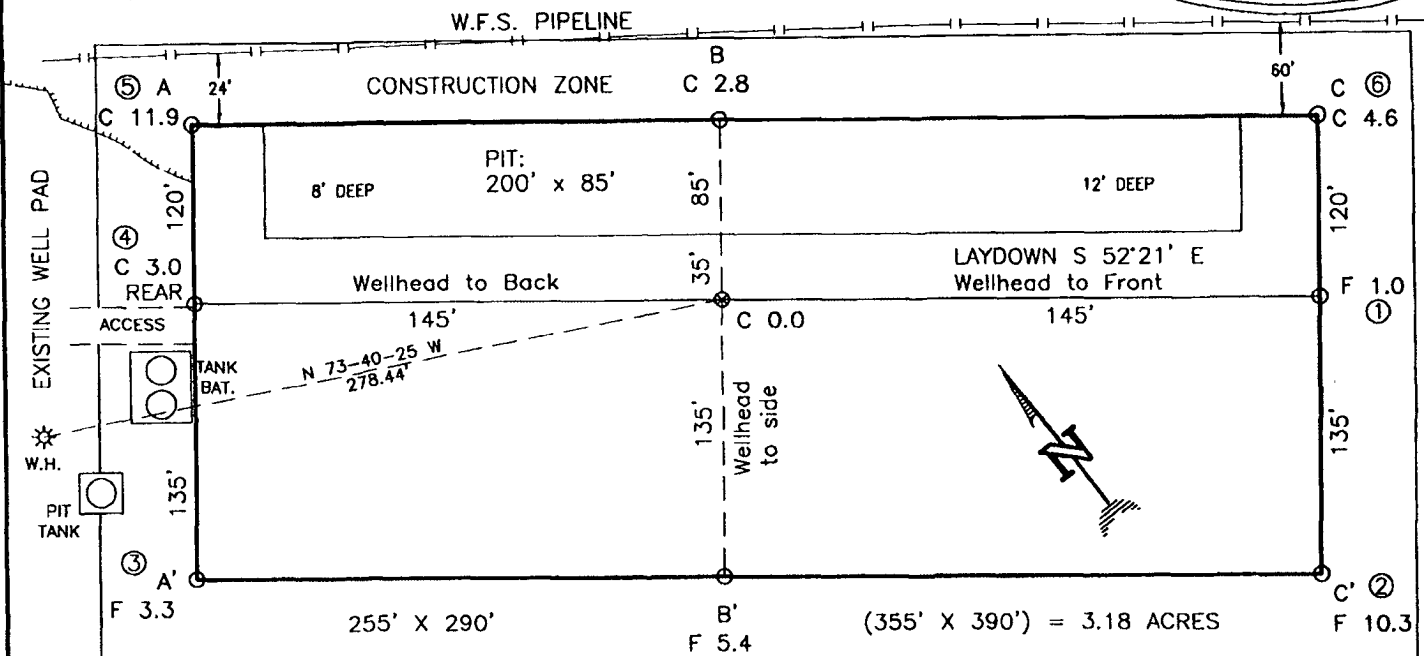
APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE NOV 27 2007

Conditions of Approval, if any:

EXHIBIT D

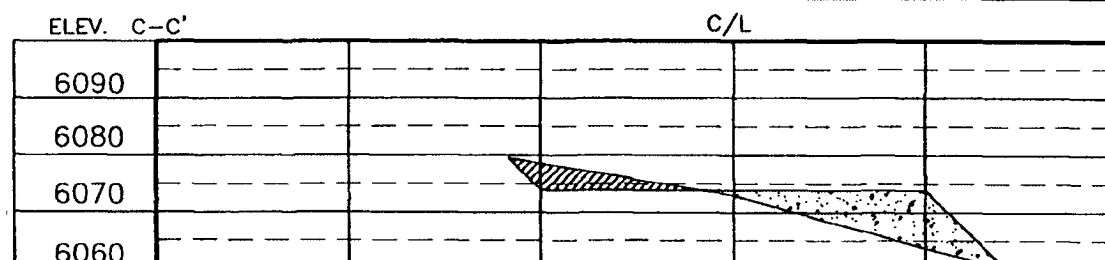
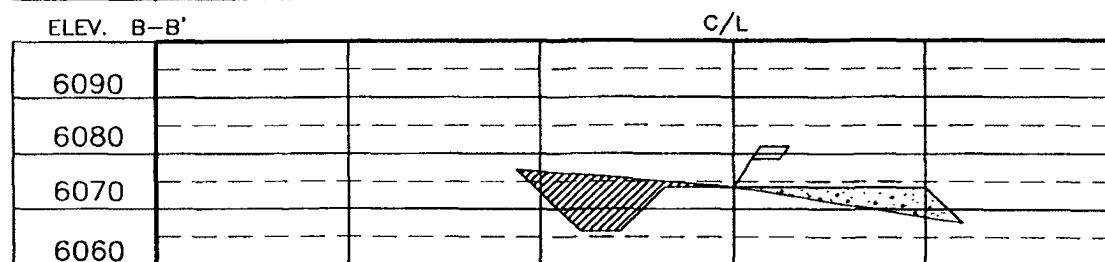
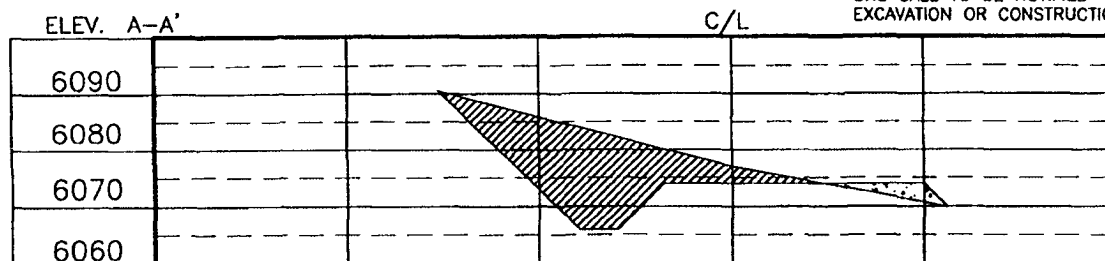
NAD 83
LAT. = 36.94652° N
LONG. = 108.28294° W

NAD 27
LAT. = 36°56'47.5" N
LONG. = 108°16'56.3 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.

REVISION:	DATE	REVISED BY:
WELL LOCATION RESAKE	02/09/06	A.C.
NAME CHANGE & FOOTAGES	10/17/07	G.V.



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. 14831

DRAWN BY: G.V.	CADFILE: CR581_PUB
ROW#: CR581	DATE: 01/10/06

EXHIBIT E

XTO ENERGY INC.

Ute Indians A #49X

APD Data

November 2, 2007

Location: 1890' FNL x 1305' FWL Sec 35, T32N, R14W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 8723'

OBJECTIVE: Ute Dome Paradox

APPROX GR ELEV: 6074'

Est KB ELEV: 6086' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 8723
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 12.25" 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 0	20.44	30.40

Production Casing: 5.5" casing to be set at TD (\pm 8723') 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'-8723	8723'	17.0#	L-80	LT&C	6280	7740	348	4.892	4.767	1.50	1.85	2.35

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 studed 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.)

EXHIBIT F

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 $\pm 8723'$ in 8.75" hole. DV Tool set @ $\pm 4600'$

1st Stage

LEAD:

± 610 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:

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 3093 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 (8723') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (8723') to 3,000'.

EXHIBIT F

6. **FORMATION TOPS:**

Est. KB Elevation: 6086'

FORMATION	Sub-Sea Elev.	WELL DEPTH	FORMATION	Sub-Sea Elev.	WELL DEPTH
Gallup SS	4566	1,520	Chinle Fmtn	1975	4,111
Greenhorn LS	3832	2,254	Shinarump Congl.	1279	4,807
Graneros Shale	3769	2,317	Moenkopi Fmtn	1164	4,922
Dakota SS	3708	2,378	Cutler Group	940	5,146
Burro Canyon SS	3488	2,598	Hermosa Group	-863	6,949
Morrison Fmtn	3458	2,628	Paradox Fmtn	-1456	7,542
Bluff SS	2930	3,156	Ismay Member*	-1610	7,696
Summerville Fmtn	2570	3,516	Desert Creek *	-1710	7,796
Todilto LS	2495	3,591	Akah *	-1928	8,014
Entrada SS	2475	3,611	Barker Creek*	-2104	8,190
Carmel Fmtn	2355	3,731	Alkali Gulch	-2337	8,423
Wingate SS	2285	3,801	Total Depth	-2637	8,723

* Primary Objective

** Secondary Objective

**** Maximum anticipated BHP should be <4,000 psig (<0.45 psi/ft) ****

7. **ANTICIPATED OIL, GAS, & WATER ZONES:**

- A. Oil & Gas Zones are anticipated at 2378'-2628' & 7696'-8423'.
- B. No Appreciable Water Zones are anticipated.
- C. Appropriately weighted mud will be used to isolate gas 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 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
11/2/07

EXHIBIT F

XTO Energy

3M Choke
Manifold

11/9/2006

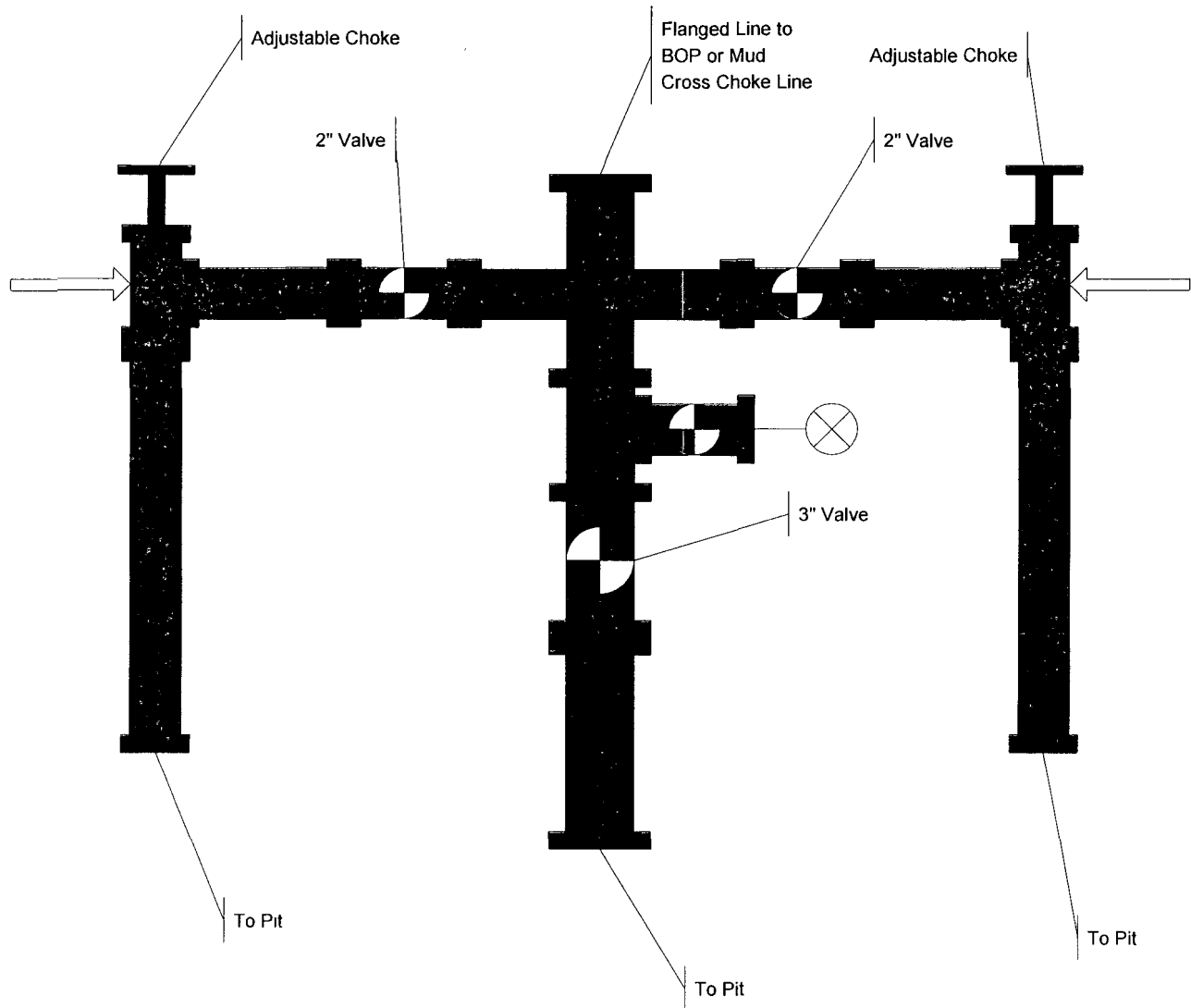
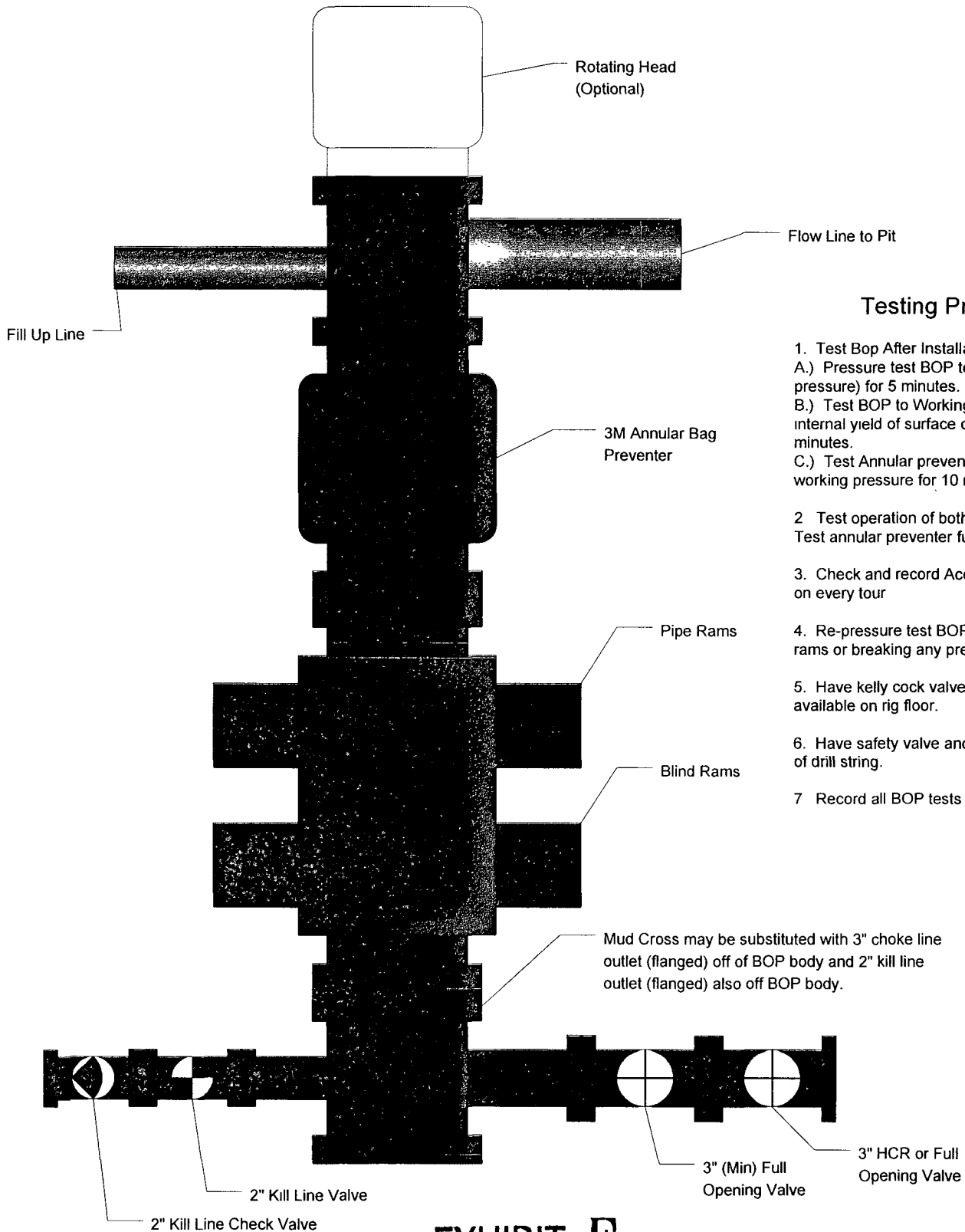


EXHIBIT F

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

EXHIBIT F