Form 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

RECEIVED
JUL 18 2002
Bureau of Land Management
Durango Colorado

MAR 2003

5. LEASE DESIGNATION AND SERIAL NO.: 14-20-604-79 Tribal D

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Mountain Ute Tribe

7. UNIT AGREEMENT NAME: 22646

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME, WELL NO.: Ute Mountain Tribal #8 "D"

2. NAME OF OPERATOR: XTO Energy Inc.

9. API WELL NO.: 30-045-31603

3. ADDRESS AND TELEPHONE NO.: 2700 Farmington Ave., Bldg. K, Ste 1 Farmington, NM 87401

10. FIELD AND POOL, OR WILDCAT: Ute Dome Paradox

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1159' FNL & 1113' FEL Sec 4, T31N, R14W
At proposed prod. zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec 4, T31N, R14W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approx 10 mile NW of the La Plata, 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 drlg. unit line, if any): 1,113'

16. NO. OF ACRES IN LEASE: 2,080

17. NO. OF ACRES ASSIGNED TO THIS WELL: 640.48 Sec 4

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 4,000'

19. PROPOSED DEPTH: 9,375'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF,RT, GR, etc.): 6,628' Ground Level

22. APPROX. DATE WORK WILL START*: Winter 2002

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12/-1/4"	8-5/8" J-55	24.0#	850'	360 sx Type III
7-7/8"	5-1/2" J-55	17.0#	9,375'	790 sx in two stages

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

Set 8-5/8", 24.0#, J-55 STC surface csg @ 850'. Cmt w/approx 220 sx Type III cmt w/additives followed by 100 sx Type III cement w/additives. Attempt to circ cmt to surface.

Install & test BOP equipment as required. Drill 7-7/8" hole to approx 9,375'.

Set 5-1/2", 17.0#, J-55, LTC production csg @ 9,375' TVD. Cmt first stage w/approx 490 sx Class H cmt w/additives. TOC designed for 6,000'. Cmt second stg w/200 sx Liteweight cmt w/additives followed by 100 sx Class B cmt w/additives. Final cement volumes will be otained fr/caliper log + 30% excess. Attempt to circ cmt to surface (second stg).

HOLD C104 FOR NSL

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...

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposalis to deepen,give dataon presentproductivezone and proposednew productivezone. If proposals to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED J W Patton TITLE Drilling Engineer DATE 7/10/02

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

SEE ATTACHED CONDITIONS OF APPROVAL

APPROVED FOR A PERIOD NOT TO EXCEED 1 YEAR

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:

APPROVED BY /s/ Mike Gerald TITLE Acting Field Office Manager DATE MAR 21 2003

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

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

DISTRICT II
811 South First, Artesia, N.M. 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-31603	96760	UTE DOME PARADOX

[4] Property Code	[5] Property Name	[6] Well Number
22646	UTE MOUNTAIN TRIBAL "D"	8

[7] OGRID No.	[8] Operator Name	[9] Elevation
167067	XTO ENERGY INC.	6628'

[10] Surface Location

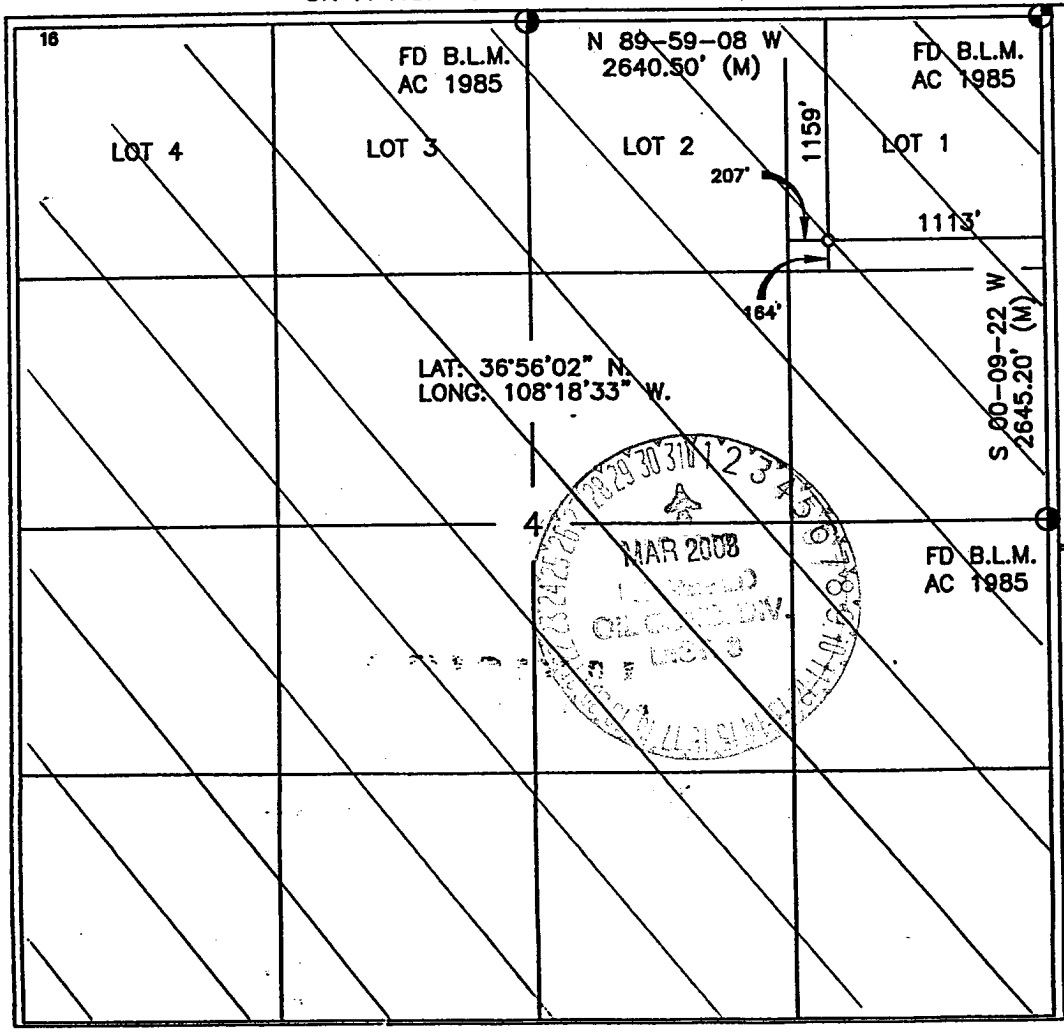
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	4	31-N	14-W		1159'	NORTH	1113'	EAST	SAN JUAN

[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.
640.48			

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

JW Patton
Signature

JEFFREY W PATTON
Printed Name

DRILLING ENGINEER
Title

7-10-02
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.

8-23-01
Date of Survey

ROY A. RUSH
NEW MEXICO
8894
REGISTERED PROFESSIONAL SURVEYOR
Signature and Seal of Professional Surveyor

8894
Certificate Number

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
DEC 13 2002
Bureau of Land Management
Durango, Colorado

FORM APPROVED
Budget Bureau No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
14-20-604-79 TRIBAL D

6. If Indian, Allottee or Tribe Name
UTE MTN UTE TRIBE

7. If Unit or CA/Agreement, Name and/or No

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
UTE MTN TRIBAL D #8

2. Name of Operator
XTO Energy Inc.

9. API Well No.

3a. Address
2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

3b. PhoneNo. *(include area code)*
505-324-1090

10. Field and Pool, or Exploratory Area
UTE DOME PARADOX

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1159 FNL & 1113' FEL UL A SEC 04, T31N, R14W

11. County or Parish, State
SAN JUAN NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☒ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or CoommpletedOperation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final AbandonmentNotices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

XTO Energy Inc. has modified the casing design that was originally proposed in the APD for the above mentioned well. Please replace the original proposed drilling procedure with the revised procedure attached.

MAR 2003

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
JEFF PATTON

Title
DRILLING ENGINEER

Date 12/11/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ Mike Arnold
Acting Field Office Manager

Title

Date
MAR 21 2003

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Title 18 U.S.C. Section 1001, makes 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.

NMOCD

(Instructions on reverse)

XTO ENERGY INC.

Ute Mountain Tribal "D" #8

Proposed Drilling Procedure

December 10, 2002

Surface Location: 1159' FNL & 1113' FEL, Sec 4, T31N, R14W **County:** San Juan **State:** New Mexico

PROJECTED TOTAL VERTICAL DEPTH: ±9,375'
GR ELEV: 6,628'

OBJECTIVE: Ute Dome Paradox
EST KB ELEV: 6,640' (12' AGL)

1. GENERALIZED DRILLING PROCEDURE:

A. MIRT. Drill a 12-1/4" hole to ±850', run and cement 8-5/8", 24.0#, J-55, STC casing. Circulate cement to surface.
B. NU wellhead and BOP equipment. Test stack, wellhead, choke manifold and casing to 250/1,000 psig.
C. Drill an 7-7/8" hole to approximately TD (±9,375'). Note: Due to geological structure it is possible that directional drilling tools (mud motor with MWD) may be required to maintain a straight (vertical) hole.
D. Log well as prescribed by geological department.
E. Run 5-1/2", 17.00#, J-55, LT&C production casing. Set DV tool just below the Morrison Formation. Attempt to cement the first stage from TD to ±6,000'. Attempt to cement the second stage from the DV tool to surface. RDRT and prepare well for completion.

2. MUD PROGRAM:

INTERVAL	0' to 850'	850' to 8,000'	8,000' to TD	Logging @ TD
HOLE SIZE	12-1/4"	7-7/8"	7-7/8"	7-7/8"
MUD TYPE	FW/Gel/Lime	FW/Polymer/LCM	LSND	LSND
WEIGHT	8.6-8.8	8.4-8.8	8.8-9.0	8.8-9.0
VISCOSITY	28-32	28-32	42-60	100-120
WATER LOSS	NC	NC	8-10	8-10

Remarks: Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes.

3. CASING PROGRAM:

Surface Casing: 8-5/8" casing to be set at ± 850' in ±8.8 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'	24.0#	J-55	STC	1370	2950	244	8.097	7.972	3.44	4.62	12.0

Optimum makeup torque for 24.0#, J-55, STC casing is **2,440 ft-lbs** (Min - 1,830 ft-lbs, Max - 3,050 ft-lbs).

Production Casing: 5-1/2" casing to be set at TD in ±9.0 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'-8,875'	8,875'	17.0#	J-55	LTC	4910	5320	247	4.892	4.767	1.19	1.95	1.55
8,875'-9,375'	500'	17.0#	N-80	LTC	6280	7740	348	4.892	4.767	1.43	3.1	41

Optimum makeup torque for 17.0#, J-55, LT&C casing is **2,470 ft-lbs** (Min – 1,850 ft-lbs, Max – 3,090 ft-lbs).

4. WELLHEAD:

A. Casing Head: Larkin Fig 92 (or equivalent), 9" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom and 11-3/4" 8rnd thread on top.
B. Tubing Head: Larkin Fig 612 (or equivalent), 3,000 psig WP (6,000 psig test) with 4-1/2" ID (designed to slip over 4-1/2" OD) weld-on, slip-on body and 7-1/16" (3,000 psig WP) flange on top.

5. CEMENT PROGRAM:

A. Surface: 8-5/8", 24.0#, J-55, STC casing to be set at ± 850'.

Lead: **260** sx of Type III (equivalent to Class "C") cement containing 8% gel, 2% $CaCl_2$, ¼ pps celloflake, mixed at 12.5 ppg, 2.19 ft^3/sk, & 12.40 gal wtr/sk.
Tail: **100** sx of Type III (equivalent to Class "C") cement containing 2% CaCl2, 1/4 pps celloflake mixed at 14.5 ppg, 1.40 cuft/sx & 6.5 gals wtr/sx.

Total slurry volume is 710 ft^3, ±100% excess of calculated annular volume to 850'.

B. Production: 5-1/2", 17.0#, J-55 & N-80, LT&C casing to be set at ±9,375' MD. DV Tool Set @ 3,500'.

First Stage:

Lead: **490*** sx of Class "H" cement containing 6% gel, ¼ pps celloflake, 0.5% fluid loss, 0.25% dispersant & 2% Phenoseal (LCM), mixed at 14.1 ppg, 1.55 ft^3/sk, 7.88 gal wtr/sk.

Second Stage:

Lead: **200*** sx of Class "B" cement containing 2% extender, 1/4 pps celloflake & 2% CaCl2 mixed at 11.4 ppg, 2.82 cuft/sx & 17.5 gal wtr/sx.
Tail: **100*** sx of Class "B" cement containing 2% extender, 1/4 pps celloflake & 2% CaCl2 mixed at 12.5 ppg, 2.06 cuft/sx & 11.8 gal wtr/sx.

Total estimated slurry volume for the 4-1/2" production casing is 1,529 ft^3.

*** This volume includes 30% *excess* over the gauge hole volume. Actual cement volume will be based on log caliper volume plus 30% *excess* to circulate cement to the surface.**

- **Note: The slurry mixture may change slightly based upon final design, but our plan is to circulate cement to surface from TD.**

6. DRILLING HAZARDS:

A. Deviation should be watched carefully from below surface casing. Due to geological structure it is possible that directional drilling tools may be required to maintain a straight (vertical) hole.

B. Hydrogen Sulfide Gas (H_2S) could be encountered at this depth (±8,200'), since the Paradox formation will be penetrated.

C. Seepage and/or lost circulation could be encountered below surface casing, though there is no indication that the problem should be severe.

7. LOGGING PROGRAM:

A. Mud Logger: A mud logger will be brought on between 2,200'-8,825'. The mud logger will remain on the hole until TD.

B. Open Hole Logs as follows (logging company to be determined):
Dual Induction/SFL/GR/Cal from TD (±9,375') to bottom of surface casing.
CNL/LDT/GR/Cal/Pe/Sonic from TD (±9,375') to 2,000'.
FMI log from 8,325'-9,175' & 3,025'- 3,425' (Actual depth and interval will be determined from logs).

8. **FORMATION TOPS (estimated):** (Note: Formation tops are ***estimated***. Due to complex geological structure (faulting), formation tops will be determined from actual well logs. Actual formation tops will be reported on the completion report.)

Formation	Sub Surface Depth	Well Depth (TVD)
Gallup SS	4448'	2195'
Greenhorn LS	3715'	2928'
Graneros Shale	3656'	2987'
First Dakota SS	3581'	3062'
Burro Canyon SS	3384'	3259'
Morrison SS	3369'	3274'
Junction Creek	2821'	3822'
Summerville	2491'	4152'
Todilito	2393'	4250'
Entrada SS	2377'	4266'
Carmel Formation	2272'	4371'
Wingate SS	2227'	4416'
Chinle Formation	1878'	4765'
Shinarump Congl	1220'	5423'
Moenkopi Formation	1130'	5513'
Cutler Group	823'	5820'
Hermosa Group	-752'	7395'
Paradox Formatiom	-1601'	8244'
Ismay Member*	-1745'	8388'
Desert Creek Member*	-1971'	8614'
Akah Member*	-2077'	8720'
Baker Creek Member*	-2265'	8908'
Alkali Gulch Member	-2500'	9143'
Projected TD	-2732'	9375'

* Available pressure data from the off-set wells indicate that the BHP should ±2,500 psig.

BOP SCEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

TESTING PROCEDURE

1. Test BOP after installation:
   Pressure test BOP to 200-300 psig (low pressure) for 5 min.
   Test BOP to Working Press or to 70% internal yield of surf csg (10 min).
2. Test operation of (both) rams on every trip.
3. Check and record Accumulator pressure on every tour.
4. Re-pressure test BOP stack after changing out rams.
5. Have kelly cock valve with handle available.
6. Have safety valve and subs to fit all sizes of drill string.