

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER ☐

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

XTO Energy Inc.

3. ADDRESS AND TELEPHONE NO.

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

932' FSL & 845' FEL Sec 27, T32N, R14W

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approx 10 mile NW of the La Plata, NM Post Office

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any) 845'

16. NO. OF ACRES IN LEASE

4,852.49

17. NO. OF ACRES ASSIGNED

640 Sec 27

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

1,600'

19. PROPOSED DEPTH

8,700'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5,983' 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#	8,700'	660 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 8,700'.

Set 5-1/2", 17.0#, J-55, LTC production csg @ 8,700' TVD. Cmt first stage w/approx 410 sx Class H cmt w/additives. TOC designed for 6,000'. Cmt second stg w/150 sx Liteweight cmt w/additives followed by 100 sx Class B cmt w/additives. Final cement volumes will be obtained fr/caliper log + 30% excess. Attempt to circ cmt to surface (second stg).

HOLD C104 FOR NSL

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present production and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if applicable.

24.

SIGNED

AW Patton

TITLE Drilling Engineer

Approval of this agreement does not warrant or certify that the operator, its officers, directors, employees, agents, or other holders of operating rights hold legal or equitable title to those rights in the subject lease which are committed hereto.

(This space for Federal or State office use)

PERMIT NO.

SEE ATTACHED
CONDITIONS OF APPROVAL

APPROVAL DATE

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

Mike Zuercher

Acting Field Office Manager

TITLE

DATE

MAR 21 2003

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

Form C-102
Revised August 15, 2000

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31604		² Pool Code 86760		³ Pool Name UTE DOME PARADOX	
⁴ Property Code 22645		⁵ Property Name UTE INDIANS A			⁶ Well Number 36
⁷ GRID No. 167067		⁸ Operator Name XTO ENERGY INC.			⁹ Elevation 5983'

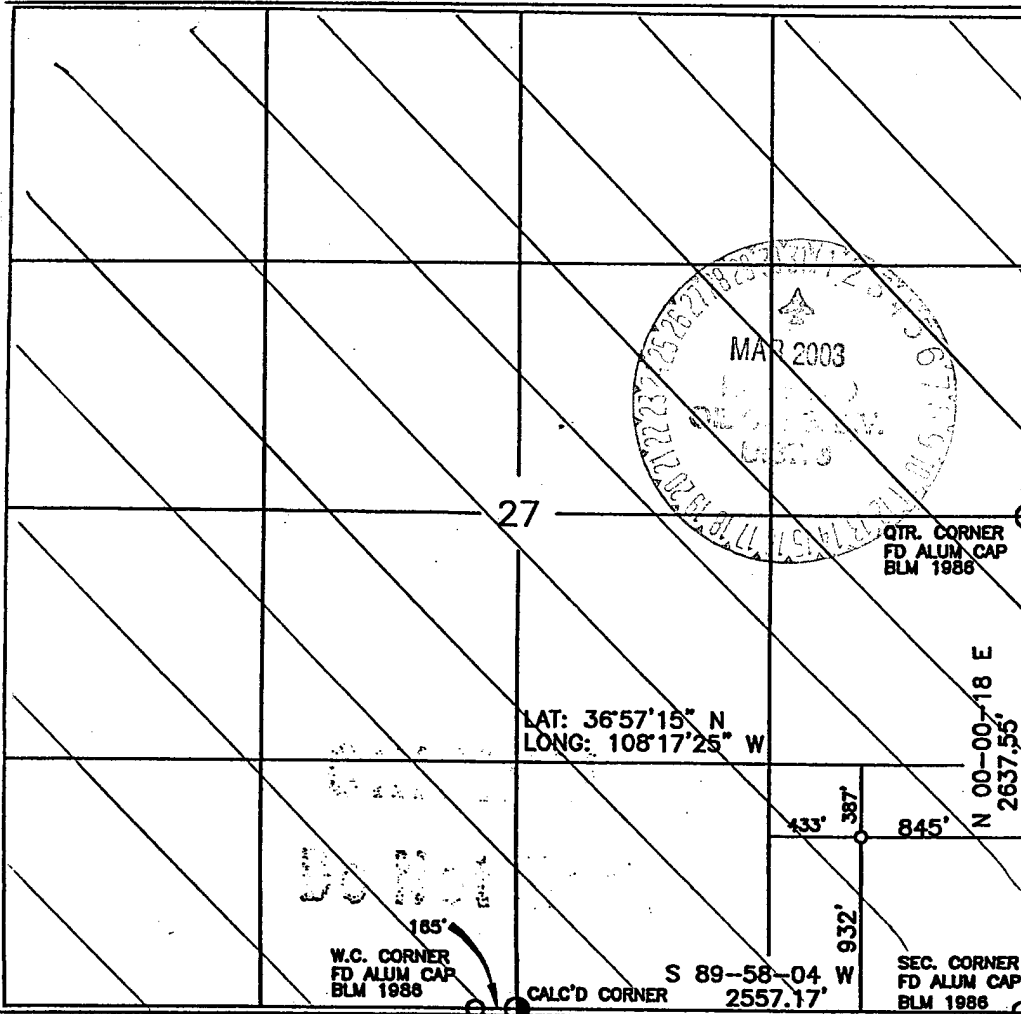
¹⁰Surface Location

UL or lot no. P	Section 27	Township 32-N	Range 14-W	Lot Idn	Feet from the 932	North/South line SOUTH	Feet from the 845	East/West line EAST	County SAN JUAN
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¹¹Bottom 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 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.

Signature Jeffrey W. Patton

Printed Name JEFFREY W PATTON

Title DRILLING ENGINEER

Date 7-10-02

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 8-2-02
Signature and Seal of Professional Surveyor ROY A. RUSH
Professional Surveyor No. 8894

Certificate Number

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

SUNDRY NOTICES AND REPORTS ON WELLS

DEC 13 2002

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

Bureau of Land Management
Durango, Colorado

5. Lease Serial No.

14-20-604-62 TRIBAL A

6. If Indian, Allottee or Tribe Name

UTE MTN UTE TRIBE

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

8. Well Name and No.

UTE INDIANS A #36

9. API Well No.

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

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

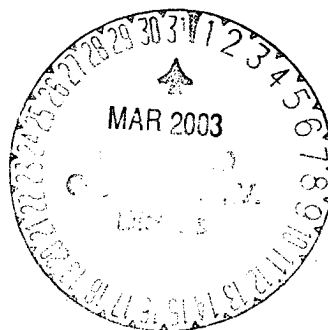
- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|--|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| <input checked="" type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximated duration thereof. If the proposal is to deepen directionally or recompleat 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 recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices 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.



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

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not 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.

Acting Field Office Manager

MAR 21 2003

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.

XTO ENERGY INC.

Ute Indians A #36

Proposed Drilling Procedure

December 10, 2002

Surface Location: 932' FSL & 845' FEL, Sec 27, T32N, R14W County: San Juan State: New Mexico

PROJECTED TOTAL VERTICAL DEPTH: ±8,700'
GR ELEV: 5,983'

OBJECTIVE: Ute Dome Paradox
EST KB ELEV: 5,995' (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 (±8,700'). 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	8.6-9.0	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 $\pm 850'$ 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	3.52	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'-TD	8,700'	17.0#	J-55	LTC	4910	5320	247	4.982	4.767	1.20	2.13	1.67

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 $\pm 850'$.

Lead: 260 sx of Type III (equivalent to Class "C") cement containing 8% gel, 2% CaCl_2 , 1/4 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% CaCl_2 , 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 , $\pm 100\%$ excess of calculated annular volume to 850'.

- B. Production: 5-1/2", 17.0#, J-55, LT&C casing to be set at $\pm 8,700'$ MD. DV Tool Set @ 2,750'.

First Stage:

Lead: 410* sx of Class "H" cement containing 6% gel, 1/4 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: 150* sx of Class "B" cement containing 2% extender, 1/4 pps celloflake & 2% CaCl_2 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% CaCl_2 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 1,265 ft³.

*** 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 (H₂S) could be encountered at this depth ($\pm 7,500'$), 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:

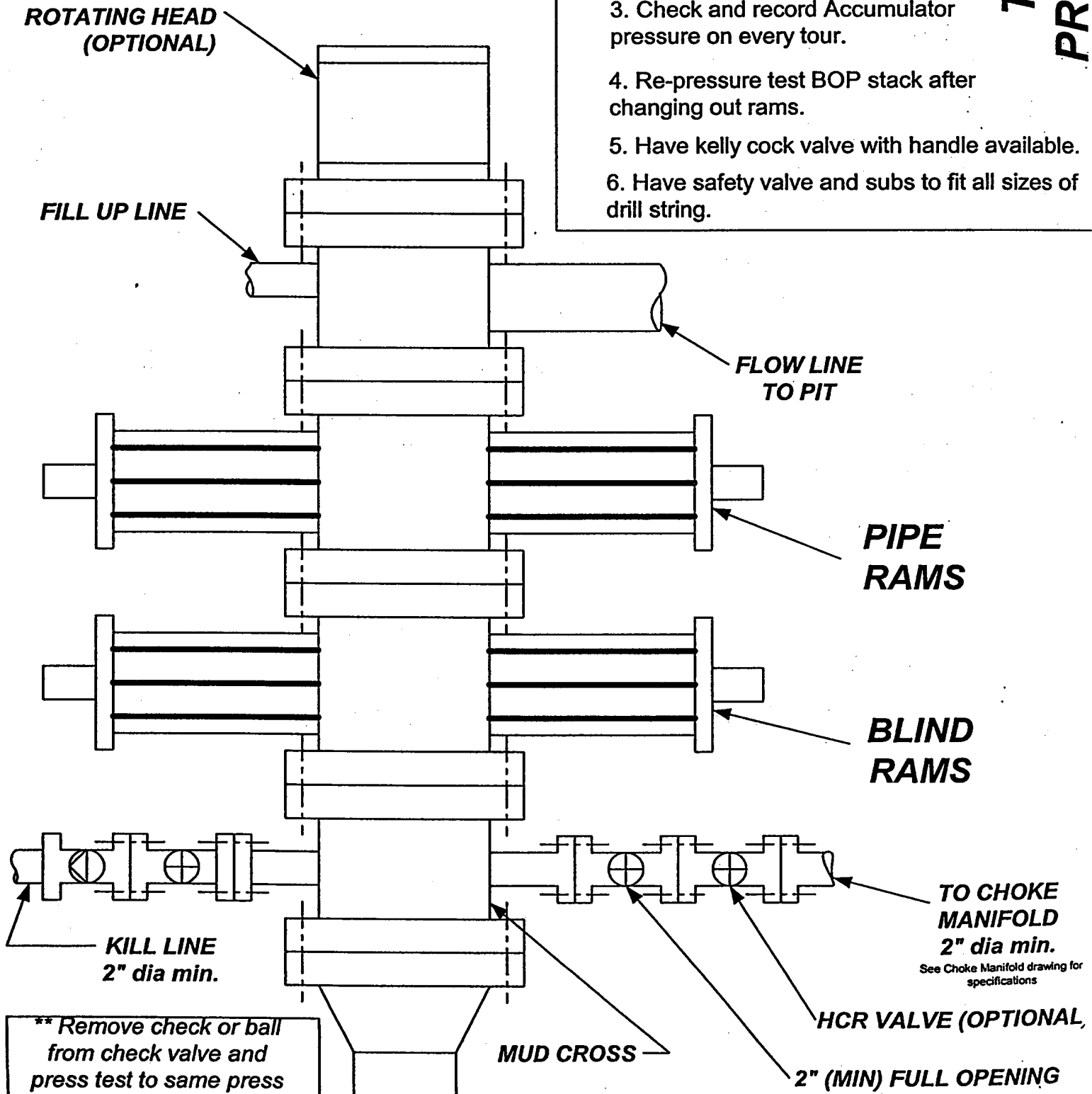
- A. Mud Logger: A mud logger will be brought on between 2,200'-8,825'. The mud logger will remain on the hole until TD.
- B. Open Hole Logs as follows (logging company to be determined):
 - Dual Induction/SFL/GR/Cal from TD ($\pm 8,700'$) to bottom of surface casing.
 - CNL/LDT/GR/Cal/Pe/Sonic from TD ($\pm 8,700'$) to 1,200'.
 - FMI log from 8,500'-7,650' & 2,675'- 2,275' (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	4547'	1451'
Greenhorn LS	3817'	2181'
Graneros Shale	3762'	2236'
First Dakota SS	3696'	2302'
Burro Canyon SS	3501'	2497'
Morrison SS	3466'	2532'
Junction Creek	2954'	3,044'
Summerville	2597'	3401'
Todilito	2510'	3488'
Entrada SS	2495'	3503'
Carmel Formation	2377'	3621'
Wingate SS	2341'	3657'
Chinle Formation	1997'	4001'
Shinarump Congl	1357'	4641'
Moenkopi Formation	1224'	4774'
Cutler Group	945'	5053'
Hermosa Group	-679'	6677'
Paradox Formatiom	-1563'	7561'
Ismay Member*	-1731'	7729'
Desert Creek Member*	-1946'	7944'
Akah Member*	-2045'	8043'
Baker Creek Member*	-2243'	8241'
Alkali Gulch Member	-2483'	8481'
Projected TD	-2702'	8700'

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

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



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.

**TESTING
PROCEDURE**