DATE IN 1/5/09	SUSPENSE	ENGINEER W. JONES	LOGGED IN 1/28/09	TYPE SWD	APP NO. pKAA0902848882

30-045-34817

ABOVE THIS LINE FOR DIVISION USE ONLY

Kutz Federal SWD #1
XTO Energy
5380

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

SWD-1097-A

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☒ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Loren Fothergill	Loren W Fothergill	Sr Prod Engineer	1-14-09
Print or Type Name	Signature	Title	Date

Loren W Fothergill Sr Prod Engineer 6-21-07

Loren_Fothergill@xtoenergy.com
e-mail Address

XTO ENERGY

382 CR 3100, Aztec, New Mexico 87410
Phone: (505) 333-3100 FAX: (505) 333-3285

January 14, 2009

State of New Mexico
Oil Conservation Division
Mr. William Jones
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Salt Water Disposal Application
Kutz Federal SWD #1
Section 6, Township 27 North, Range 10 West, NMPM
San Juan County, New Mexico

Dear Mr. Jones:

XTO Energy Inc. is resubmitting the application for the referenced salt-water disposal well, due to the well not completed and injecting prior to the one year permit approval limit. Enclosed please find one original and one copy of the complete application. A copy has been furnished to the Aztec OCD Office and the Farmington BLM Office.

Should you require further documentation please call 505-333-3109 or e-mail Diane_Jaramillo@xtoenergy.com and I will be happy to furnish any additional information.

Mr. Loren Fothergill is the engineer in charge should you need clarification of engineering data and is available at the number listed above.

Thank you for your prompt attention to this matter.

Yours truly,

Diane Jaramillo
Supervisor, Accounting/Engineering Techs

Cc: Aztec OCD
BLM - Farmington

2700 Farmington Ave, K-1 Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

KUTZ FEDERAL SWD #1

~~PROPOSED~~ SALT WATER DISPOSAL WELL

Sec 6 T27N – R10W NMPM

SAN JUAN COUNTY, NEW MEXICO

TABLE OF EXHIBITS

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance ___X___Disposal _____Storage
Application qualifies for administrative approval? _____Yes _____No

II. OPERATOR: XTO Energy Inc.

ADDRESS: 2700 Farmington Avenue, Bldg K, Ste 1, Farmington, NM 87401

CONTACT PARTY: Loren Fothergill PHONE: 505-564-6703

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____Yes ___X___No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Loren Fothergill TITLE: _____

SIGNATURE: Loren w Fothergill Loren w Fothergill DATE: 1-14-09 6-25-09

E-MAIL ADDRESS: Loren_Fothergill@xtoenergy.com

If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8", 6.5#, J-55 Lining Material: Plastic

Type of Packer: Baker Model D

Packer Setting Depth: ± 3900'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? X Yes _____ No

   If no, for what purpose was the well originally drilled? _____

2. Name of the Injection Formation: Mesa Verde Point Lookout

3. Name of Field or Pool (if applicable): _____

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: OVERLYING Fruitland Formation 1347'-1645', Lower Fruitland Coal 1645'-1652', Pictured Cliffs Sandstone 1652'1842',

   UNDERLYING Gallup Sandstone 5212'-5958', Dakota Sandstone 6059'-6306'

XTO ENERGY, INC.
KUTZ FEDERAL SWD #1
2060'FNL & 1500' FWL
SEC. 6, T. 27 N., R. 10 W.
SAN JUAN COUNTY, NEW MEXICO

I. Purpose is water disposal.

II. Operator is: XTO Energy, Inc. (formerly Cross Timbers Operating Company)
Operator phone number is: (505) 324-1090
Operator address is: 2700 Farmington Ave., Bldg. K, Suite 1
Farmington, NM 87401
Contact is: Loren Fothergill, Engineer, Phone is (505) 324-1090.

III. A. (1) Lease is 2,108.35 acres.
Lease includes SENW of Section 6, T27N, R10W.
Well is 1,445' from the closest lease line.
Well name and number will be the Kutz Federal SWD #1.
Well will be at 2,375' FNL and 1,445' FWL Sec. 6, T. 27 N., R. 10 W.

A. (2) Surface casing (9-5/8", 36#, J-55, ST&C) will be set at ≈ 600' in a 12-1/4" hole and cemented to the surface with ≈270 sacks (100% excess) type III cement. Top will be determined by visual observation. Cement will be mixed at ≈ 14.2 ppg and ≈ 1.54 cubic feet per sack with ¼ #/sk cello and 2 % CaCl2. Production casing (7", 23#, J-55, ST&C) will be set at ≈ 4,260' in a 8-3/4" hole with DV tool @ 3,000'. Cement 1st stage with 172 sx Type III or equivalent cement with bonding additive, LCM, dispersant, & fluid loss mixed at 14.2 ppg, 1.54 cu ft/sx, 8.00 gal/sx. Cement 2nd Stage with ±199 sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 ft^3/sk, 15.00 gal wtr/sx. Tail in with 100 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. Exact volume will be determined by open hole caliper log + 35 % excess.
Casing will be hydraulically pressure tested before perforating.

A. (3) Tubing will be 2-7/8" 6.5# internal plastic lined injection string. It will be set at ≈ 3,900' (disposal interval will be ≈ 4,000' to ≈ 4,100').

A. (4). If a permanent packer is used, then a Baker Model D packer or its equivalent will be set at ≈ 3,900' (which will be ≈ 85' above top perforation) with an anchor seal assembly stung into the packer. If a retrievable packer is used, then a Baker Lok-set packer or its equivalent with an on/off tool assembly will be set at ≈ 3,900'.

B. (1) Disposal zone will be Mesaverde sandstone. Fracture gradient is expected to be a normal ≈0.65 psi per foot.

B. (2) Disposal interval will be ≈4,000' to ≈ 4,100' (well logs will determine exact interval after drilling). It will be perforated (0.40") with four shots per foots.

B. (3) ~~Well has not yet been drilled.~~ It will be drilled for the exclusive purpose of water disposal from present and future XTO wells. (See Exhibit A list of current XTO wells.) Water analyses from the Dakota, Gallup, Blanco Mesaverde, Otero Chacra, Fruitland Coal, and Pictured Cliffs are attached, (Exhibit F)

See Completion

B. (4) ~~Wellbore has not yet been perforated since it has not been drilled.~~ It will only be perforated from ≈ 4,000' to ≈ 4,100' (logs will determine exact interval after drilling).

B. (5) Top of the Mesaverde sandstone (Cliff House) is at ≈ 3,103' and top of the Point Lookout section is at ≈3,973' . Oil and gas are produced elsewhere in the San Juan Basin from this formation. Closest Mesaverde field is the Blanco Mesaverde which is ≈ 4.86 miles North East. Bottom of the closest overlying productive formation (Pictured Cliffs) is at 1,722'. There will be minimum 2,251' interval between highest injection perforation and bottom of the Pictured Cliffs. Closest underlying potentially productive formation is the Gallup.

IV. This is not an expansion of an existing injection project.

V. Maps are attached showing all fourteen wells (4 P&A + 10 PGW) within a half mile radius (See Exhibit C) and within a two mile radius (See Exhibit D). According to the Office of the State Engineer, there are no water wells within the half mile radius. According to the Office of the State Engineer there are no water wells within the two mile radius of the proposed well. Details on the oil and gas wells within a half mile radius are below. Wellbore diagrams and data for plugged & abandoned wells (Exhibit "G") are attached.

OPERATOR	WELL	LOCATION ((27N-10W)	ZONE	TD	STATUS
XTO	Kutz J Federal #2	NWNE Sec. 6	Dakota	6580	PGW
XTO	M N Galt J#2	NWNW Sec. 6	Dakota	6439	PGW
XTO	M N Galt B #1R	NWSW Sec. 6	FC / PC	6611	PGW
XTO	M N Galt B #2R	NWNW Sec. 6	Pictured Cliffs	1860	PGW
XTO	M N Galt B #1Y	NESW Sec. 6	Dakota	6906	PGW
Burlington	Galt A #1R	SWNE Sec. 6	Pictured Cliffs	1922	PGW
XTO	M N Galt B #3	SENW Sec. 6	Fruitland Coal	1942	PGW
XTO	M N Galt J #3	SENW Sec. 6	Dakota/Gallup	6698	PGW
BP Amoco	Madeline N. Galt B #1	SESW Sec. 6	PC / FC	1904	P & A
Pan American Petro.	M N Galt J #1	SESW Sec. 6	Dakota	6500	P & A
El Paso Natl. Gas	Madeline N.Galt # A#1	SWSE Sec. 6	Pictured Cliffs	1795	P & A
BP Amoco	Madeline N. Galt B #2	NENW Sec 6	Pictured Cliffs	1886	P & A

OPERATOR	WELL	LOCATION ((27N-11W)	ZONE	TD	STATUS
XTO	E H Pipkin #10-E	SENE Sec. 1	Gallup	6255	PGW
XTO	E H Pipkin # 27	SENE Sec. 1	Fruitland Coal	1866	PGW

Maps showing all Mesaverde leases (fee or BLM) within a half mile and within 2 miles (see Exhibit E) are attached.

VI. Fourteen wells are within a half mile. Five wells penetrate the Mesaverde. Top of the Mesaverde is ≈ 3,103'. Deepest well within a half mile was 6,906'. Closest well to penetrate the Mesaverde is the M N Galt J #3.

XTO ENERGY, INC.
KUTZ FEDERAL SWD #1
2060'FNL & 1500' FWL
SEC. 6, T. 27 N., R. 10 W.
SAN JUAN COUNTY, NEW MEXICO

VII. 1. Average injection rate = 3,000 bwpd. Maximum = 5,000 bwpd.
2. System will be open (water will be trucked). Facilities will include skimmer tank, 300 bbl oil tank, 6 - 500 barrel settling tanks, 5- 500 barrel storage tanks, centrifugal charge pump, two filtering systems (housed) for injection pump suction, and a house for the injection pump may also be installed. A security fence will surround the facility.
3. Average injection pressure = 800 psi.

Water source will be present and future XTO wells in the San Juan Basin (See Exhibit A). Thirteen produced water analyses (Exhibit F) are attached. A summary follows.

Zone	Bicarbonate	Calcium	Chloride	Iron	Magnesium	pH	Sulfate	TDS
Blanco Mesaverde	124	3	3200	0	10	8.0	0	5435
Otero Chacra/Blanco Mesaverde	976	60	18000	0	12	7.1	0	31017
Blanco Mesaverde	265	177	25000	0	24	9.11	600	50736
Blanco Mesaverde	194	7	1000	0	8	8.0	0	1916
Basin Dakota	585	256	8000	3.8	0	7.3	22	13987
Dakota / Gallup	495	1184	15000	95.6	39	6.7	0	25283
Dakota / Gallup	585	256	8000	3.8	0	7.3	22	13987
Dakota	680	48	2788	0	19	7.97	398	6230
Pictured Cliffs	244	336	532	0	22	6.97	1600	4081
Gallup	1305	604	23341	25	165	6.79	0	41456
Fruitland Coal	1867	94	17490	20.56	88	6.87	7	33216
Fruitland Coal	820	944	40000	12.3	0	7.5	0	66915
Fruitland Coal	800	848	41000	10.2	0	7.8	0	68548

5. The Mesaverde has not been proven productive within 4.86 miles of the proposed well. (XTO will attempt to swab load water back after the acid job and then catch an Mesaverde water sample. If successful, then the analysis will be provided to the NMOCD). In general, Mesaverde water near recharge zones (basin fringe) has a specific conductance of <1,500 µmhos. Stone et al in Hydrogeology and water resources of San Juan Basin, New Mexico state, "Generally, however, water from the Mesaverde is not suitable for drinking, especially in deeper parts of the basin." Summaries of analyses of Mesaverde produced water follow. The samples (see Exhibit H) are from XTO's Dawson Federal #1B at SWNW Sec. 6, T29N-R8W, Federal Gas Com #4, at NESW Sec 27, T27N-R10W.

XTO ENERGY, INC.
KUTZ FEDERAL SWD #1
2060'FNL & 1500' FWL
SEC. 6, T. 27 N., R. 10 W.
SAN JUAN COUNTY, NEW MEXICO

Parameter	Dawson Federal 1B	Federal Gas Com. #4
Bicarbonate	976	1342
Calcium	60	180
Chloride	18000	11800
Iron	0	0
Magnesium	12	27
pH	7.1	7.5
Sodium	11901	7103
Sulfate	0	65
Specific Gravity	1.015	1.015
Total Dissolved Solids	31017	21917

VIII. The Mesaverde sandstone is a very porous and permeable sandstone. It produces oil and gas elsewhere in the Basin. The gross estimated thickness is 1,156' thick in the wellbore. The Point Lookout gross thickness is 296'. Top is ≈ 3,103' and bottom is ≈ 4,259'. Estimated wellbore formation tops are:

Alluvium: 0'
Nacimiento Mudstone & Sandstone:
Ojo Alamo Sandstone: 437'
Kirtland Shale: 567'
Farmington Sandstone: '
Fruitland Formation: 1,068'
Lower Fruitland Coal: 1,535'
Pictured Cliffs Sandstone: 1,555'
Lewis Shale: 1,722'
Chacra Sandstone: 2,489'
Cliffhouse Sandstone: 3,103'
Menefee Formation: 3,230'
Point Lookout Sandstone: 3,973'
Mancos Shale: 4,259'
Total Depth: 4,260'

No existing underground drinking water sources are below the Mesaverde within a two mile radius. Underground sources of drinking water above the Mesaverde are generally alluvial and average 52' deep. The deepest bedrock aquifer is the Ojo Alamo sandstone, base of which is at 687'. There will be ≈ 3,250' vertical separation between the bottom of the lowest underground drinking water source and the top of the Mesaverde Point Lookout. In addition, five oil or gas wells within a half mile radius produce from two different oil or gas zones (Fruitland and Pictured Cliffs) above the Mesaverde.

IX. The well will be stimulated with ≈ 1,000 to ≈ 1,500 gallons of 15% HCL acid. If needed, a small cross linked gel water sand frac job will be done.

XTO ENERGY, INC.
KUTZ FEDERAL SWD #1
2060'FNL & 1500' FWL
SEC. 6, T. 27 N., R. 10 W.
SAN JUAN COUNTY, NEW MEXICO

X. Array Induction/SFL/GR/SP will be ran from TD (4,260') to the bottom of the surface casing. Neutron/Lithodensity/Pe/GR/Cal will be ran from TD (4260') to 3,000'. Copies will then be provided to the NMOCD.

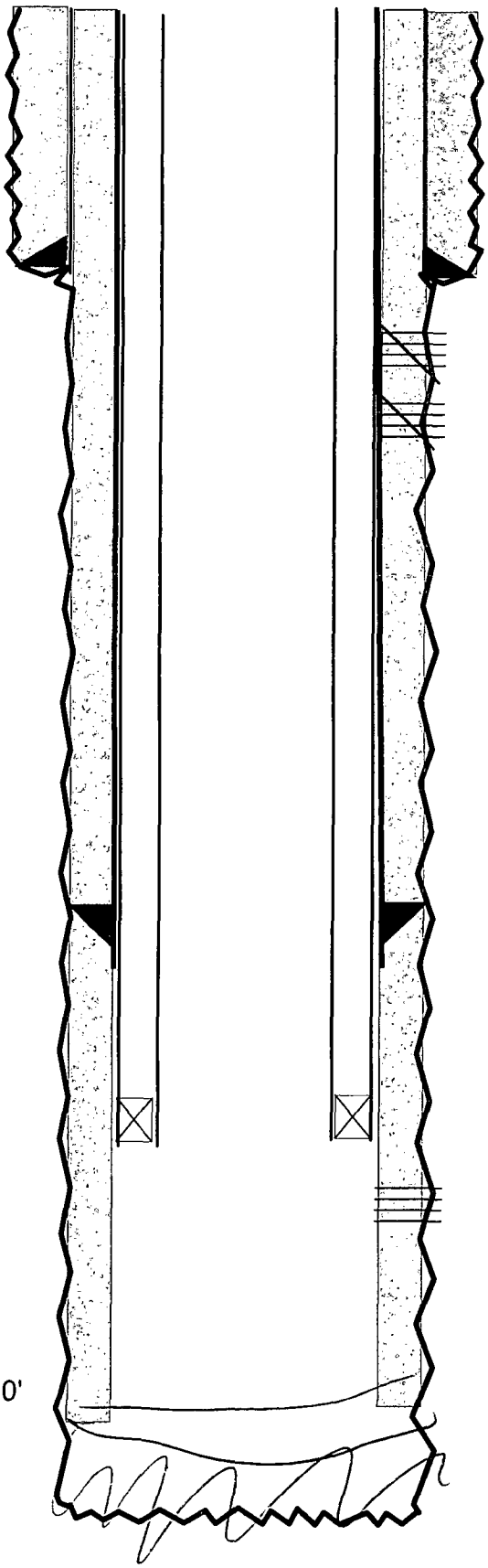
There are no water wells within two miles which penetrate or come within a vertical mile of penetrating the Mesaverde.

XI. XTO is not aware of any geologic or engineering data which may indicate the Mesaverde is in hydrologic connection with any underground sources of water. There will be at least 3,250' of vertical separation between the Mesaverde Point Lookout and any underground sources of water.

XII. Notice (this application) has been sent to Burlington Resources Oil & Gas Company, Inc. (Conoco/Phillips) operator of the M N Galt 1R, the only non XTO operated well within half mile of the proposed SWD. A legal ad (see Exhibit J) was published on June 18, 2007, in the Farmington Daily Times.

XTO ENERGY INC.
KUTZ FEDERAL SWD #1
2375' FNL & 1445' FWL
Section 6, Township 27 North, Range 10 West, NMPM
San Juan County, New Mexico

KB: 5804'
GL : 5792'



12.25" HOLE

9.625". 23#, J-55 ST&C CSG @ 600'.
CMTD W/270 SX TYPE III CMT TO SURF

REMEDIAL CMT SQZ 1,150' – 1,151'
CIRC CMT TO SURF

8.75" HOLE

REMEDIAL CMT SQZ 1,500' – 1,501'

7.0". 23.0# J-55 LT&C CSG @ 4260'.

2 STG CMT
1st STAGE 172 SX TYPE III @ 14.2 PPG, 1.54 CUFT/SX, 8,00 GAL/SX
2nd STAGE LEAD ±199 SX TYPE III, 8% GEL & LCM MX @ 11.9 PPG, 2.54 FT³/SK, 15.00 GAL WTR/SX
TAIL100 SX Type III CMT W/LCM, @ 14.2 PPG, 1.54 CUFT/SX, 8.00 GAL/SX

DV ± 3,000'

Packer location ≈3,915'

PERF'S ~~4000'-4100'~~ 4048 4104

TD ±4,260'

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
JUN 02 2008
Bureau of Land Management
Farmington Field Office

FORM APPROVED
OMB NO 1004-0137
Expires July 31, 2010

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 page 2

5 Lease Serial No
NMSF-077384

6 If Indian, Allottee or Tribe Name

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

1 Type of Well
[ ] Oil Well [X] Gas Well [ ] Other

8 Well Name and No.
KUTZ FEDERAL SWD # 1

2 Name of Operator
XTO Energy Inc.

9 API Well No
30-045-34317

3a Address
382 CR 3100 Aztec, NM 87410

3b Phone No *(include area code)*
505-333-3100

10 Field and Pool, or Exploratory Area
MESA VERDE

4 Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
2375' FNL & 1445' FWL SENW SEC 6(F)-T27N-R10W

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
[X] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[X] Other TD & SET PROD CSG
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[ ] Water Disposal	

13 Describe Proposed or Completed Operation (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 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. drilled 8-3/4" hole to 4300' (TD) on 05/25/2008. Set 7", 23#, J-55, LT&C csg @ 4290' on 05/26/2008 & cemented prod csg w/260 sx 50/50 Poz cement (13.5 ppg & 1.29 cuft/sx) f/b 210 sx Type G cement (14.5 ppg & 2.66 cuft/sx). Circ 20 bbls cement to surface. Finished cement job on 05/27/2008. Rig release @ 17:00 hrs, 05/27/2008.

Production casing will be tested upon completion. ✓

RCVD JUN 4 '08
OIL CONS. DIV.
DIST. 3

ACCEPTED FOR RECORD
JUN 03 2008
FARMINGTON FIELD OFFICE
BY T. Salyers

14 I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* DOLENA JOHNSON
Title OFFICE CLERK

Signature Dolena C Johnson
Date 05/30/2008

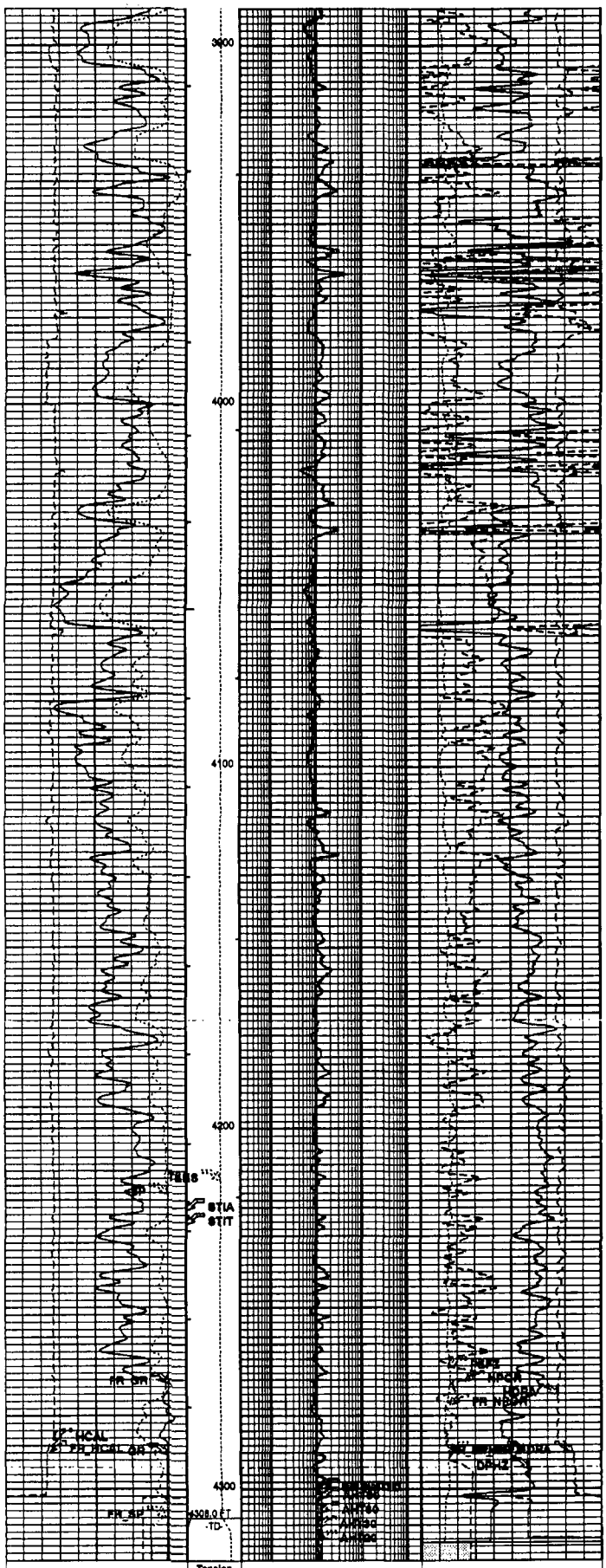
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
Title
Date

Conditions of approval, if any, are attached Approval of this notice does not 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, and Title 43 U S C Section 1212, 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



Gamma Ray (GR) 0 (GAPI) 200	Tension (TENS) (LBF) 5000 0	AIT-H 20 Inch Investigation (AHT20) 0.2 (OHMM) 2000	Std. Res. Density Porosity (DPHZ) 0.3 (V/V) -0.1
Mud Caliper (HCAL) 0 (IN) 16	Stuck Stretch (STIT) 0 (F) 50	AIT-H 30 Inch Investigation (AHT30) 0.2 (OHMM) 2000	Alpha Processed Neutron Porosity (NPOR) 0.3 (V/V) -0.1
SP (SP) -160 (MV) 40		AIT-H 60 Inch Investigation (AHT60) 0.2 (OHMM) 2000	GAS From DPHZ to NPOR
		AIT-H 90 Inch Investigation (AHT90) 0.2 (OHMM) 2000	Std. Res. Formation Pe (PEFZ) 0 (---) 10 / Density Correction (HDRA) -0.25 (G/C3) 0.25

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
NOV 26 2008
Bureau of Land Management
Farmington Field Office

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

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 page 2*

5. Lease Serial No.
NMSF-077384

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
[ ] Oil Well [X] Gas Well [ ] Other

8. Well Name and No.
KUTZ FEDERAL SWD # 1

2. Name of Operator
XTO Energy Inc.

9. API Well No.
30-045-34317

3a. Address
382 CR 3100 Aztec, NM 87410

3b. Phone No. (*include area code*)
505-333-3100

10. Field and Pool, or Exploratory Area
BLANCO MESAVERDE

4. Location of Well (*Footage, Sec., T., R., M., or Survey Description*)
2375' FNL & 1445' FWL SEC 6F-T27N-R10W

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			
[X] 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	[X] Other STEP-RATE TEST
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[ ] Water Disposal	

13. Describe Proposed or Completed Operation (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 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. proposes to perform a step rate test, during the week of December 8th, on the Kutz Federal SWD #1 per the following:

MIRU Tefteller slickline unit. RIH with tandem 10K press bombs to 4,098'. MIRU pump truck. Run step rate test. 1st step 0.25 BPM. Hold each step for 15 minutes. Increase rate in 1/4 BPM increments up to 10 BPM or maximum pressure of 2,000 psig. Record ISIP, 5, 10 and 15 minutes SIP's. POH with Tefteller bottom hole pressure guages 24 hours after step rate test. RDMO SL.

Please see also, the attached wellbore sketch showing configuration of the wellbore.

RCVD DEC 2 '08
OIL CONS. DIV.
DIST. 3

Need NMOCD approval as well

CONDUCT BRADENHEAD TEST PRIOR TO START OF WORK - MONITOR + RECORD PRESSURES ON ALL CASING STRINGS THROUGHOUT TEST - CONTACT NMOCD AZTEC 24 HOURS PRIOR TO START OF WORK.

14. I hereby certify that the foregoing is true and correct
Name (*Printed/Typed*) LORRI D. BINGHAM
Title REGULATORY COMPLIANCE TECH
Signature
Date 11/25/08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Original Signed: Stephen Mason**
Title
Date DEC 01 2008

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, and Title 43 U.S.C. Section 1212, 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
12/1/08

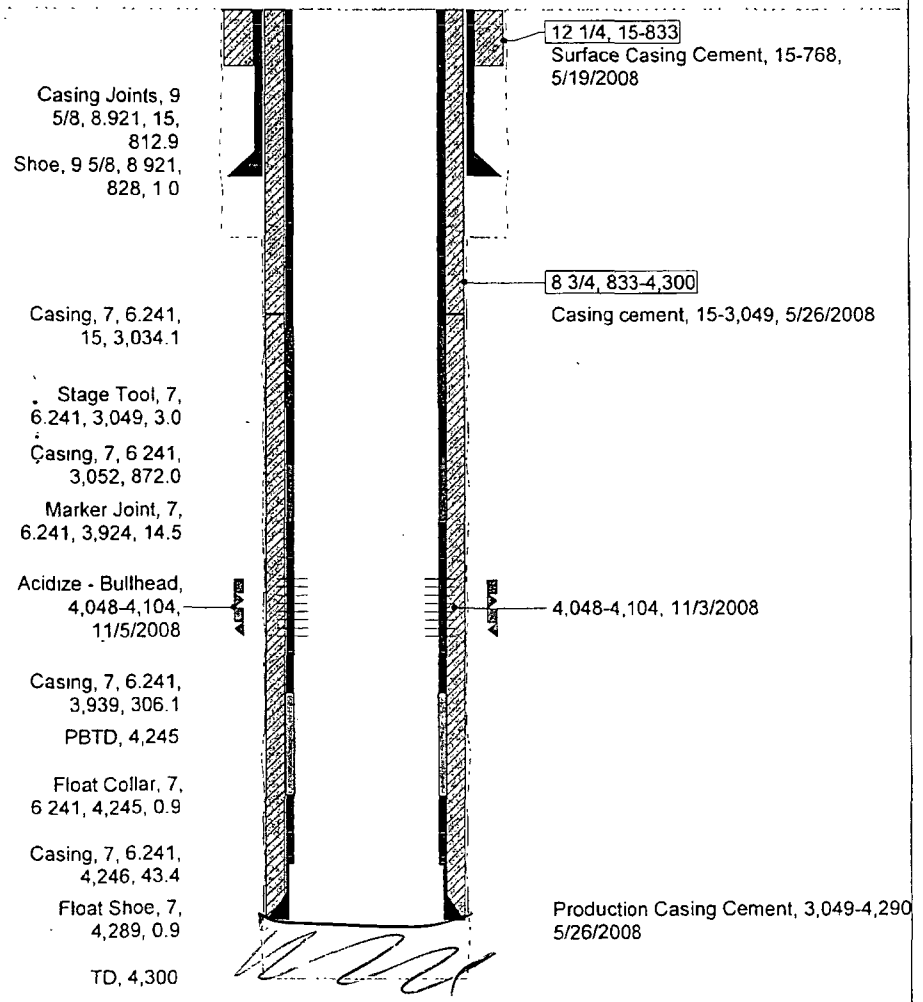
WELLBORE HISTORY REPORT
Kutz Federal SWD 01

Well Header

API/UWI	Location	County	State	Field Name	Method Of Production	Lease	XTO Well ID Number	Block	N/S Dist (ft)	N/S	E/W Dist (ft)	E/W
30045343170000	T27N-R10W-S06	San Juan	New Mexico	Blanco Mesaverde	Not Completed	NMSF077384	701160	F	7,792.0	FNL	4,740 8	FWL

Well Config: Vertical - Original Hole, 11/25/2008 9 27:10 AM

Schematic - Actual



ftKB (MD)
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768
828
829
833
3,049
3,049
3,052
3,924
3,939
4,048
4,104
4,245
4,245
4,246
4,289
4,290
4,300

JOB HISTORY

Start Date	Job Cat	Summary
5/17/2008	DRILLING	

Tubing Strings

Tubing Description	Run Date	Set Depth (ftKB)

Rods

Rod Description	Run Date	Set Depth (ftKB)

Perforations

Date	Zone	Top (ftKB)	Btm (ftKB)
11/3/2008	MV 701160, Original Hole	4,048.0	4,104 0

EXHIBIT "B"

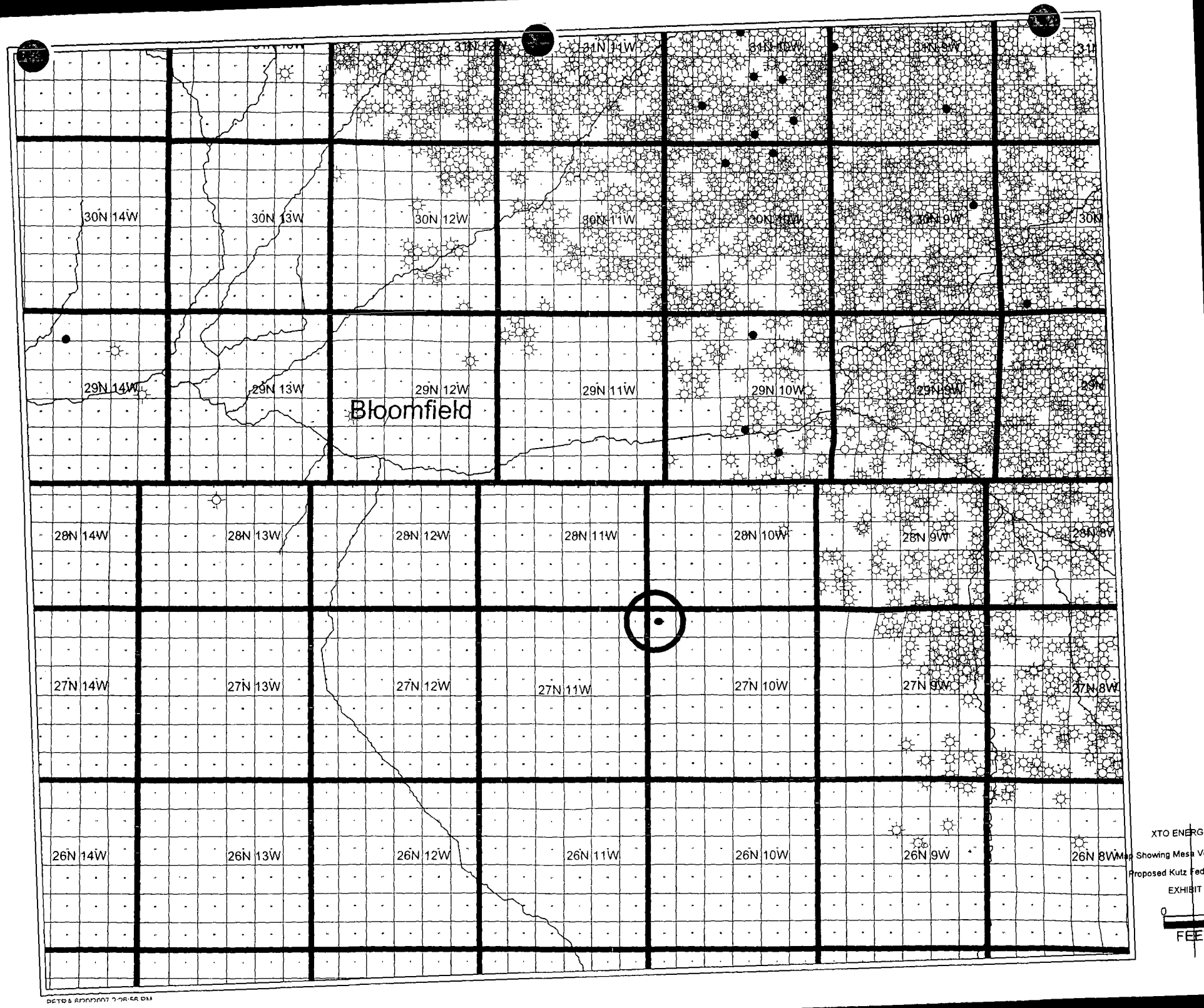
MAP INDICATING MESA VERDE PRODUCTION

XTO ENERGY INC.

KUTZ FEDERAL SWD #1

NW/4 Sec. 6 T27N-R10W

SAN JUAN COUNTY, NEW MEXICO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XTO ENERG
Map Showing Mesa Ve
Proposed Kutz Fed
EXHIBIT
0
FEET

EXHIBIT "C"

MAP IDENTIFYING ALL WELLS

WITHIN 1/2 MILE OF

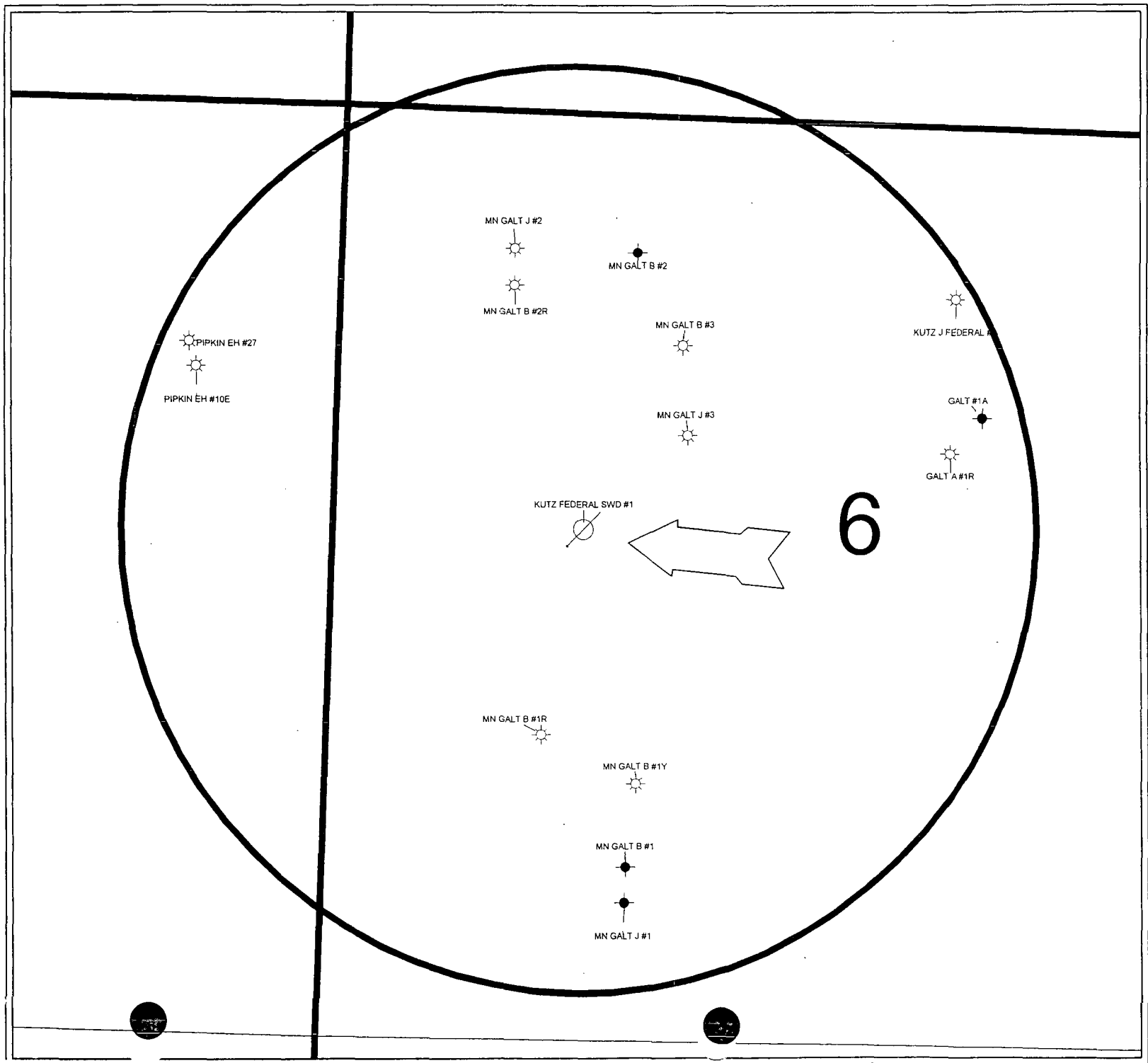
PROPOSED

XTO ENERGY INC.

KUTZ FEDERAL SWD #1

NW/4 Sec. 6 T27N-R10W

SAN JUAN COUNTY, NEW MEXICO



XTO ENERGY INC.

1/2 MILE RADIUS

Proposed KUTZ FEDERAL SWD #1

EXHIBIT "C"

0 770

FEET

WELL SYMBOLS

Gas Well

Injectio

Plugge Abandoned

EXHIBIT "D"

MAP IDENTIFYING ALL WELLS

WITHIN 2 MILES OF

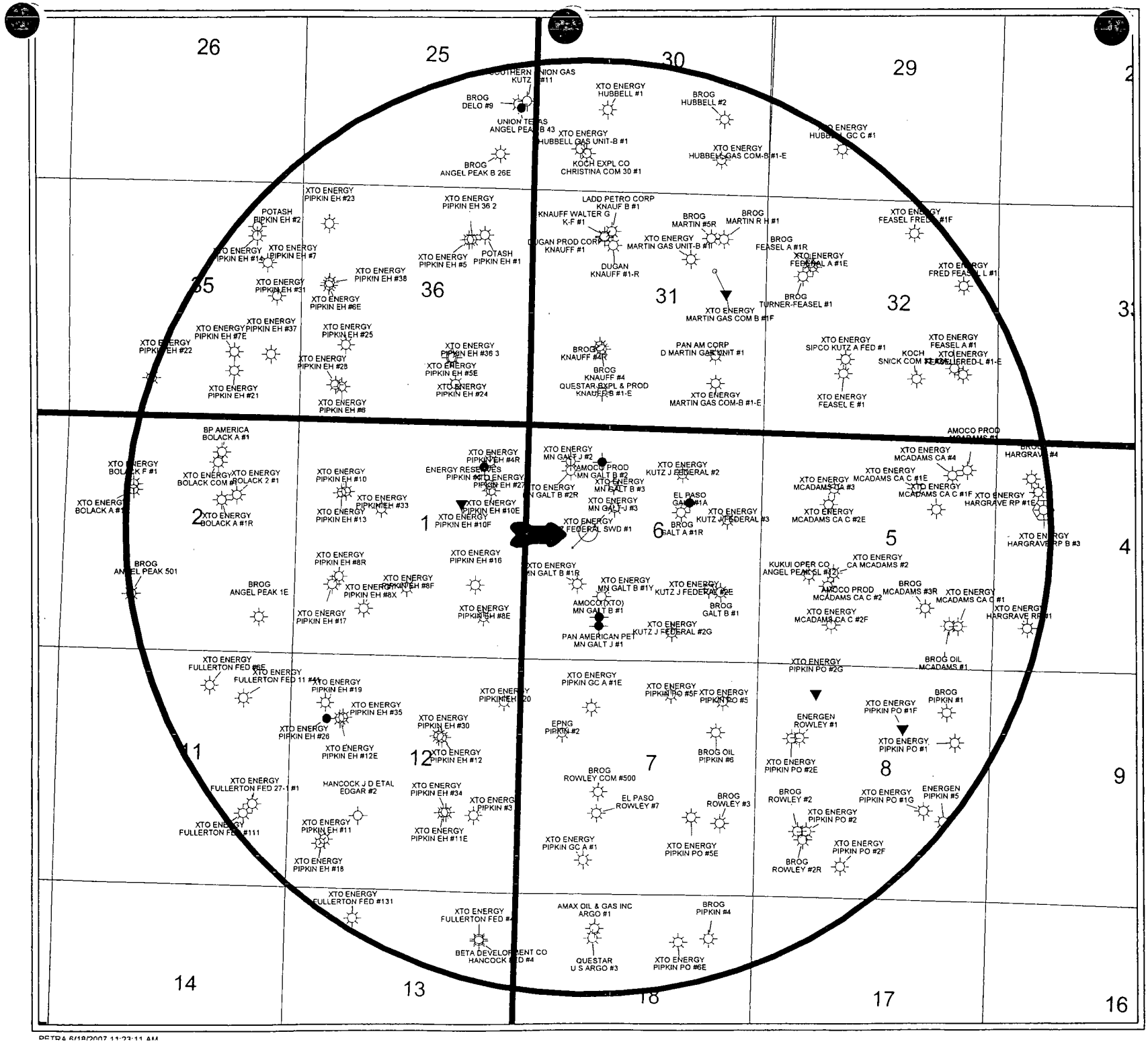
PROPOSED

XTO ENERGY INC.

KUTZ FEDERAL SWD #1

NW/4 Sec. 6 T27N-R10W

SAN JUAN COUNTY, NEW MEXICO


XTO ENERGY INC
KUTZ FEDERAL SWD #
Wells Within 2 Mi Radiu
EXHIBIT "D"
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WELL SYMBOLS
Oil We
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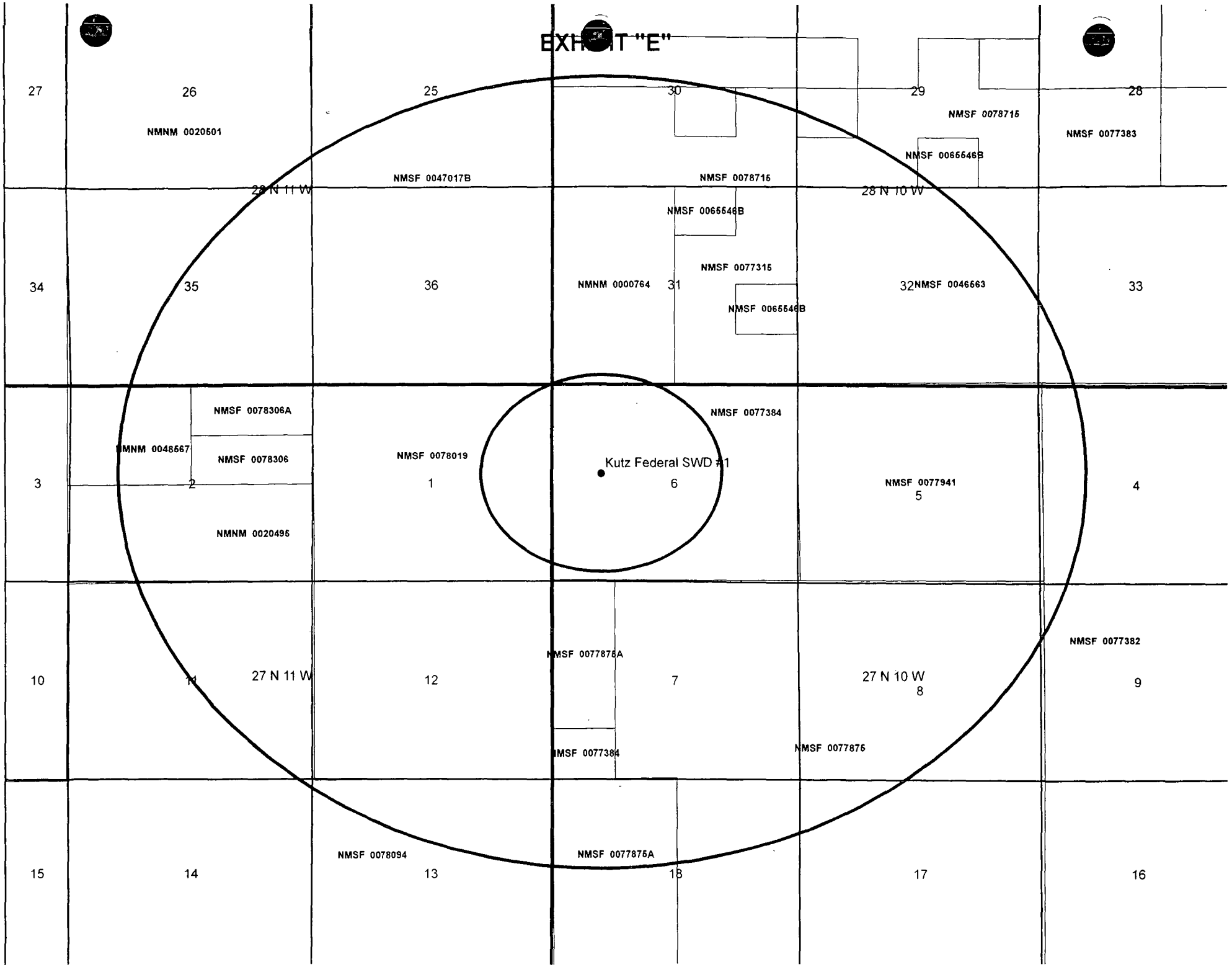
Dry Ho
Injectio
Plugge
Coal G
XTO L

EXHIBIT "E"

MAP IDENTIFYING ALL LEASES WITHIN
1/2 MILE & 2 MILE RADIUS
XTO ENERGY INC.
KUTZ FEDERAL SWD #1
NW/4 Sec. 6 T27N-R10W
SAN JUAN COUNTY, NEW MEXICO

EXHIBIT "E"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NMSF 0065646B
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NMNM 0048667
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NMSF 0078019
Kutz Federal SWD #1
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NMSF 0077875A
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NMSF 0077384
NMSF 0077875
NMSF 0078094
NMSF 0077875A
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EXHIBIT "F"

WATER ANALYSIS REPORT

XTO ENERGY INC.

KUTZ FEDERAL SWD #1

NW/4 Sec. 6 T27N-R10W

SAN JUAN COUNTY, NEW MEXICO

HALLIBURTON

Water Analysis Report

To:	XTO	Date:	5/17/2006
Submitted by:	Halliburton Energy Services	Date Rec:	5/17/2006
Attention:	Loren Fothergill	Report #:	FLMM6504
Well Name:	Dryden 4A		

MVRD

Specific Gravity	1.005	
pH	8.0	
Resistivity	1.43	@ 70° F
Iron (Fe)	0	Mg / L
Potassium (K)	0	Mg / L
Sodium (Na)	2097	Mg / L
Calcium (Ca)	3	Mg / L
Magnesium (Mg)	10	Mg / L
Chlorides (Cl)	3200	Mg / L
Sulfates (SO4)	0	Mg / L
Carbonates (CO3)	0	Mg / L
Bicarbonates (HCO3)	124	Mg / L
Total Dissolved Solids	5435	Mg / L

Respectfully: Holly Lopez

Title: Lab Technician

Location: Farmington, NM

HALLIBURTON

Water Analysis Report

To:	XTO	Date:	5/19/2006
Submitted by:	Halliburton Energy Services	Date Rec:	5/17/2006
Attention:	Loren Fothergill	Report #:	FLMM6506
Well Name:	Dawson Federal 1B		

Chozra/MVRD

Specific Gravity	1.015	
pH	7.1	
Resistivity	0.29	@ 70° F
Iron (Fe)	0	Mg / L
Potassium (K)	68	Mg / L
Sodium (Na)	11901	Mg / L
Calcium (Ca)	60	Mg / L
Magnesium (Mg)	12	Mg / L
Chlorides (Cl)	18000	Mg / L
Sulfates (SO4)	0	Mg / L
Carbonates (CO3)	0	Mg / L
Bicarbonates (HCO3)	976	Mg / L
Total Dissolved Solids	31017	Mg / L

Respectfully: Holly Lopez

Title: Lab Technician

Location: Farmington, NM

HALLIBURTON

Water Analysis Report

To:	XTO Energy, Inc	Date:	7/17/2004
Submitted by:	Halliburton Energy Services	Date Rec:	7/17/2004
Attention:	Call Sheets	Report #:	FLMM4514
Well Name:	VCU #45B	Formation:	Location (7)

MVRD

Specific Gravity	1.030	
pH	9.11	
Resistivity	0.20	@ 70° F
Iron (Fe)	0	Mg / L
Potassium (K)	20000	Mg / L
Sodium (Na)	4600	Mg / L
Calcium (Ca)	177	Mg / L
Magnesium (Mg)	24	Mg / L
Chlorides (Cl)	25000	Mg / L
Sulfates (SO_4)	600	Mg / L
Carbonates (CO_3)	69.6	Mg / L
Bicarbonates (HCO_3)	265	Mg / L
Total Dissolved Solids	50736	Mg / L

Respectfully: Deidra Benally

Title: Lab Technician

Location: Farmington, NM

Bio Tech, Inc.

Water Analysis Form

Operator :	XTO	Date :	07/01/04
Lease :	Galt, MN	County :	San Juan
Wellid :	J #3	State :	NM
Bio Tech Dist :	OKC	Requested By :	L. Christian

DKTA

Lab Measurements

Oxygen	1.3	mg/L	Specific Gravity	1.0100	
Carbon Dioxide	120	mg/L	Total Dissolved Solids (TDS) Calc.	13,987	mg/L
Bicarbonate	585	mg/L	Barium	0	mg/L
Hydrogen Sulfide	0.0	mg/L	Sulfate	22	mg/L
pH	7.3		Chloride	8,000	mg/L
Temperature	72	°F	Total Hardness	640	mg/L
Iron	3.80	mg/L	Calcium Hardness	640	mg/L
Oil in Water	n/a	mg/L			

Cations (+)	mg/L	mEq/L
Barium (Ba)	0	0.00
Calcium (Ca)	256	12.80
Magnesium (Mg)	0	0.00
Sodium (Na) Calc	5,120	222.60
Iron (Fe) Total	3.80	0.14

Anions (-)	mg/L	mEq/L
Carbonate (CO_3)	0	0.00
Bicarbonate (HCO_3)	585	9.59
Chloride (Cl)	8,000	225.35
Sulfate (SO_4)	22	0.46

Probable Scale Composition

Compound	mEq/L	mg/L	Saturation mg/L	Scale Formation Potential @ 70°F
Barium Sulfate	0.00	0	2.40	Scale Formation Potential Exists
Calcium Carbonate	9.59	777	13.00	
Calcium Sulfate	0.46	31	2090	

HALLIBURTON

Water Analysis Report

To:	XTO	Date:	5/19/2006
Submitted by:	Halliburton Energy Services	Date Rec:	5/17/2006
Attention:	Loren Fothergill	Report #:	FLMM6507
Well Name:	Schw A 12		

MV RD

Specific Gravity	1.005	
pH	8.0	
Resistivity	10.41	@ 70° F
Iron (Fe)	0	Mg / L
Potassium (K)	21	Mg / L
Sodium (Na)	686	Mg / L
Calcium (Ca)	7	Mg / L
Magnesium (Mg)	8	Mg / L
Chlorides (Cl)	1000	Mg / L
Sulfates (SO4)	0	Mg / L
Carbonates (CO3)	0	Mg / L
Bicarbonates (HCO3)	194	Mg / L
Total Dissolved Solids	1916	Mg / L

Respectfully: Holly Lopez

Title: Lab Technician

Location: Farmington, NM

Bio Tech, Inc.

Water Analysis Form

DKTA Gallup

Operator :	XTO	Date :	08/16/04
Lease :	Galt Mine	County:	San Juan
Wellid :	B 1 Y	State :	NM
Bio Tech Dist :	OKC	Requested By :	L. Westmoreland

Lab Measurements

Oxygen	2.0	mg/L	Specific Gravity	1.0110	
Carbon Dioxide	250	mg/L	Total Dissolved Solids (TDS) Calc.	25,283	mg/L
Bicarbonate	495	mg/L	Barium	0	mg/L
Hydrogen Sulfide	0.0	mg/L	Sulfate	0	mg/L
pH	6.7		Chloride	15,000	mg/L
Temperature	72	°F	Total Hardness	3,120	mg/L
Iron	95.60	mg/L	Calcium Hardness	2,960	mg/L
Oil in Water	n/a	mg/L			

Cations (+)	mg/L	mEq/L
Barium (Ba)	0	0.00
Calcium (Ca)	1,184	59.20
Magnesium (Mg)	39	3.20
Sodium (Na) Calc.	8,470	368.25
Iron (Fe) Total	95.60	3.43

Anions (-)	mg/L	mEq/L
Carbonate (CO_3)	0	0.00
Bicarbonate (HCO_3)	495	8.11
Chloride (Cl)	15,000	422.54
Sulfate (SO_4)	0	0.00

Probable Scale Composition

Compound	mEq/L	mg/L	Saturation mg/L	Scale Formation Potential @ 70°F
Barium Sulfate	0.00	0	2.40	Scale Formation Potential Exists
Calcium Carbonate	8.11	658	13.00	
Calcium Sulfate	0.00	0	2090	

Bio Tech, Inc.

Water Analysis Form

DKTA

Operator :	XTO	Date :	07/01/04
Lease :	Galt, MN	County :	San Juan
Wellid :	J #3	State :	NM
Bio Tech Dist :	OKC	Requested By :	L. Christian

Lab Measurements

Oxygen	1.3	mg/L	Specific Gravity	1.0100	
Carbon Dioxide	120	mg/L	Total Dissolved Solids (TDS) Calc.	13,987	mg/L
Bicarbonate	585	mg/L	Barium	0	mg/L
Hydrogen Sulfide	0.0	mg/L	Sulfate	22	mg/L
pH	7.3		Chloride	8,000	mg/L
Temperature	72	°F	Total Hardness	640	mg/L
Iron	3.80	mg/L	Calcium Hardness	640	mg/L
Oil in Water	n/a	mg/L			

Cations (+)	mg/L	mEq/L
Barium (Ba)	0	0.00
Calcium (Ca)	256	12.80
Magnesium (Mg)	0	0.00
Sodium (Na) Calc	5,120	222.60
Iron (Fe) Total	3.80	0.14

Anions (-)	mg/L	mEq/L
Carbonate (CO_3)	0	0.00
Bicarbonate (HCO_3)	585	9.59
Chloride (Cl)	8,000	225.35
Sulfate (SO_4)	22	0.46

Probable Scale Composition

Compound	mEq/L	mg/L	Saturation mg/L	Scale Formation Potential @ 70°F
Barium Sulfate	0.00	0	2.40	Scale Formation Potential Exists
Calcium Carbonate	9.59	777	13.00	
Calcium Sulfate	0.46	31	2090	

W855

BJ SERVICES COMPANY

WATER ANALYSIS #FW01W855

FARMINGTON LAB

DKTA

GENERAL INFORMATION			
OPERATOR:	CROSS TIMBERS	DEPTH:	
WELL:	KUTZ FED. J-2	DATE SAMPLED: 06/05/00	
FIELD:		DATE RECEIVED: 06/05/00	
SUBMITTED BY:	LOREN FOTHERGILL	COUNTY: SAN JUAN	STATE: NM
WORKED BY	D. SHEPHERD	FORMATION: DAKOTA	
PHONE NUMBER:			

SAMPLE DESCRIPTION

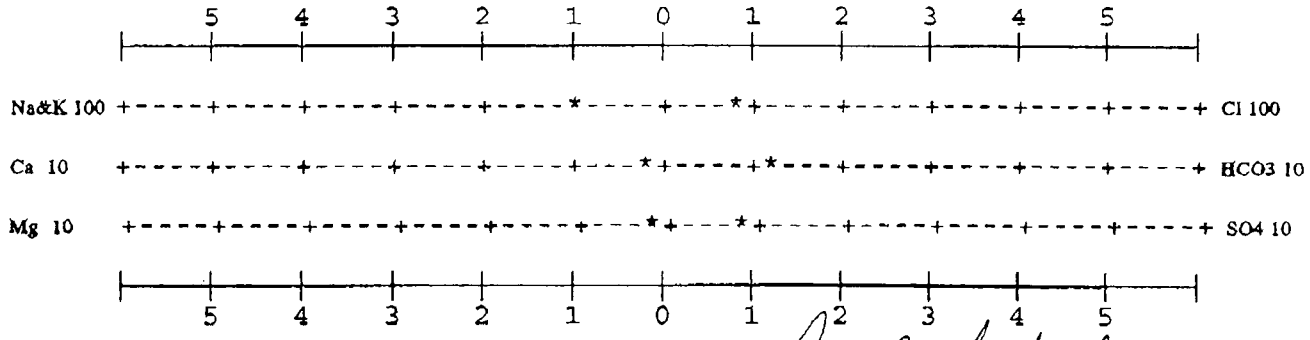
sample for analysis

PHYSICAL AND CHEMICAL DETERMINATIONS

SPECIFIC GRAVITY:	1.004 @ 77°F	PH:	7.97
RESISTIVITY (MEASURED):	0.900 ohms @ 78°F		
IRON (FE++) :	0 ppm	SULFATE:	398 ppm
CALCIUM:	48 ppm	TOTAL HARDNESS	199 ppm
MAGNESIUM:	19 ppm	BICARBONATE:	680 ppm
CHLORIDE:	2,788 ppm	SODIUM CHLORIDE(Calc)	4,587 ppm
SODIUM+POTASS:	2,163 ppm	TOT. DISSOLVED SOLIDS:	6,230 ppm
H2S: no trace		POTASSIUM (PPM): 29	

REMARKS

STIFF TYPE PLOT (IN MEQ/L)



ANALYST David Shepherd

D. SHEPHERD

P.C.

WTR flow

BJ SERVICES COMPANY

WATER ANALYSIS #FW01W767

FARMINGTON LAB

GENERAL INFORMATION			
OPERATOR:	CROSS TIMBERS	DEPTH:	
WELL:	MN GALT B #2R	DATE SAMPLED:	01/20/00
FIELD:		DATE RECEIVED:	01/21/00
SUBMITTED BY:	ND	COUNTY: ND	STATE: NM
WORKED BY	:D. SHEPHERD	FORMATION:	ND
PHONE NUMBER:			

SAMPLE DESCRIPTION

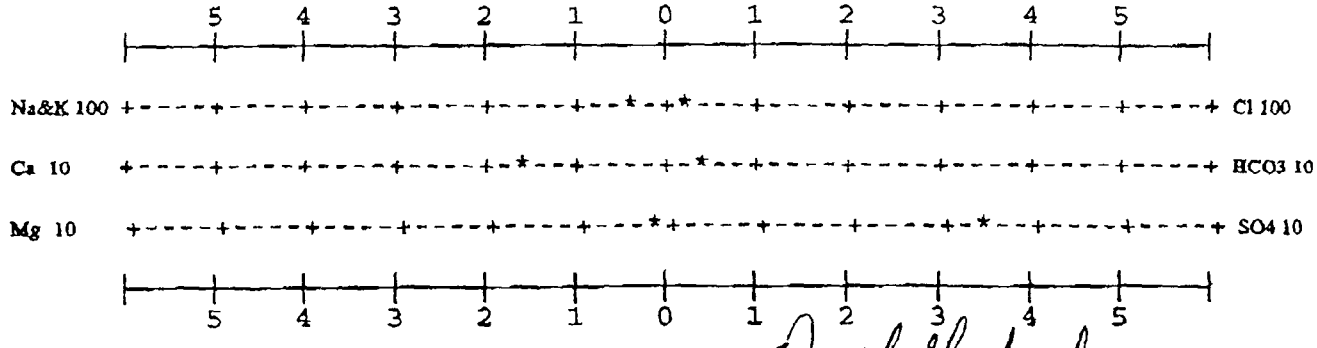
sample for analysis

PHYSICAL AND CHEMICAL DETERMINATIONS

SPECIFIC GRAVITY:	1.000 @ 74°F	PH:	6.97
RESISTIVITY (MEASURED):	2.800 ohms @ 74°F		
IRON (FE++) :	0 ppm	SULFATE:	1,600 ppm
CALCIUM:	336 ppm	TOTAL HARDNESS	931 ppm
MAGNESIUM:	22 ppm	BICARBONATE:	244 ppm
CHLORIDE:	532 ppm	SODIUM CHLORIDE(Calc)	875 ppm
SODIUM+POTASS:	775 ppm	TOT. DISSOLVED SOLIDS:	4,081 ppm
H2S: NO TRACE		POTASSIUM (PPM): 19	

REMARKS

STIFF TYPE PLOT (IN MEQ/L)



ANALYST David Shepherd

D. SHEPHERD

w844

BJ SERVICES COMPANY

WATER ANALYSIS #FW01W844

FARMINGTON LAB

Gallup

GENERAL INFORMATION			
OPERATOR:	CROSS TIMBERS	DEPTH:	6180'
WELL:	E.H PIPKEN ~~T-E~~ 10 E	DATE SAMPLED:	05/26/00
FIELD:		DATE RECEIVED:	05/26/00
SUBMITTED BY:	LOREN FOTHERGILL	COUNTY:	SAN JUAN STATE: NM
WORKED BY	:D. SHEPHERD	FORMATION:	DAKOTA
PHONE NUMBER:			

SAMPLE DESCRIPTION

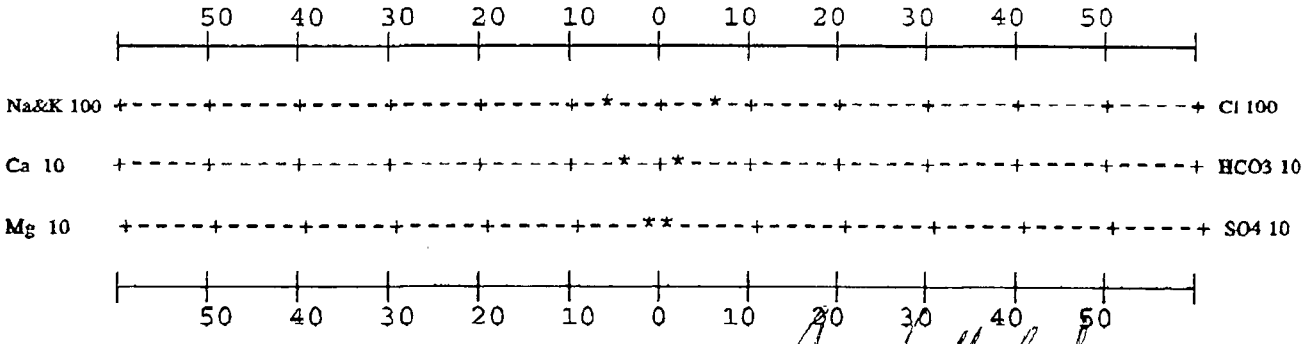
sample for analysis

PHYSICAL AND CHEMICAL DETERMINATIONS

SPECIFIC GRAVITY:	1.028 @ 67°F	PH:	6.79
RESISTIVITY (MEASURED):	0.250 ohms @ 72°F		
IRON (FE++) :	25 ppm	SULFATE:	0 ppm
CALCIUM:	604 ppm	TOTAL HARDNESS	2,190 ppm
MAGNESIUM:	165 ppm	BICARBONATE:	1,305 ppm
CHLORIDE:	23,341 ppm	SODIUM CHLORIDE(Calc)	38,396 ppm
SODIUM+POTASS:	14,619 ppm	TOT. DISSOLVED SOLIDS:	41,456 ppm
H2S: no trace		POTASSIUM (PPM): 220	

REMARKS

STIFF TYPE PLOT (IN MEQ/L)



ANALYST D. SHEPHERD

Analytical Laboratory Report for:

XTO Energy

BJ Unichem Chemical Services

UNICHEM Representative: Tony Snow

Production Water Analysis

REC'D / SAN JUAN

JUL 1 1 2002

Listed below please find water analysis report from: ~~Pan Am Fed GC, B-2~~ Fruitland Coal

Lab Test No:	2002124116	Sample Date:	~~06/19/2002~~
Specific Gravity:	1.023		
TDS:	33216		
pH:	6.87		

Cations:	mg/L	as:
Calcium	94	(Ca^{++})
Magnesium	88	(Mg^{++})
Sodium	13509	(Na^{+})
Iron	20.56	(Fe^{++})
Barium	84.50	(Ba^{++})
Strontium	57.42	(Sr^{++})
Manganese	0.22	(Mn^{++})
Anions:	**mg/L**	**as:**
Bicarbonate	1867	(HCO_3^{-})
Sulfate	7	($SO_4^{=}$)
Chloride	17490	(Cl^{-})
Gases:		
Carbon Dioxide	255	(CO_2)
Hydrogen Sulfide	0	(H_2S)

Bio Tech, Inc.
Water Analysis Form

FR COAL

Operator :	XTO	Date :	08/23/04
Lease :	Bolack	County :	San Juan
Wellid :	4-1	State :	NM
Bio Tech Dist :	OKC	Requested By :	L. Westmoreland

Lab Measurements

Oxygen	1.4	mg/L	Specific Gravity	1.0410	
Carbon Dioxide	140	mg/L	Total Dissolved Solids (TDS) Calc.	66,915	mg/L
Bicarbonate	820	mg/L	Barium	0	mg/L
Hydrogen Sulfide	0.0	mg/L	Sulfate	0	mg/L
pH	7.5		Chloride	40,000	mg/L
Temperature	72	°F	Total Hardness	2,360	mg/L
Iron	12.30	mg/L	Calcium Hardness	2,360	mg/L
Oil in Water	n/a	mg/L			

Cations (+)	mg/L	mEq/L
Barium (Ba)	0	0.00
Calcium (Ca)	944	47.20
Magnesium (Mg)	0	0.00
Sodium (Na) Calc.	25,139	1093.00
Iron (Fe) Total	12.30	0.44

Anions (-)	mg/L	mEq/L
Carbonate (CO_3)	0	0.00
Bicarbonate (HCO_3)	820	13.44
Chloride (Cl)	40,000	1126.76
Sulfate (SO_4)	0	0.00

Probable Scale Composition

Compound	mEq/L	mg/L	Saturation mg/L	Scale Formation Potential @ 70°F
Barium Sulfate	0.00	0	2.40	Scale Formation Potential Exists
Calcium Carbonate	13.44	1,089	13.00	
Calcium Sulfate	0.00	0	2090	

Bio Tech, Inc.

Water Analysis Form

FRCAL

Operator :	XTO	Date :	08/23/04
Lease :	Bolack	County :	San Juan
Wellid :	4-2	State :	NM
Bio Tech Dist :	OKC	Requested By :	L. Westmoreland

Lab Measurements

Oxygen	1.5	mg/L	Specific Gravity	1.0440	
Carbon Dioxide	100	mg/L	Total Dissolved Solids (TDS) Calc.	68,548	mg/L
Bicarbonate	800	mg/L	Barium	0	mg/L
Hydrogen Sulfide	0.0	mg/L	Sulfate	0	mg/L
pH	7.8		Chloride	41,000	mg/L
Temperature	72	°F	Total Hardness	2,120	mg/L
Iron	10.20	mg/L	Calcium Hardness	2,120	mg/L
Oil in Water	n/a	mg/L			

Cations (+)	mg/L	mEq/L
Barium (Ba)	0	0.00
Calcium (Ca)	848	42.40
Magnesium (Mg)	0	0.00
Sodium (Na) Calc	25,890	1125.64
Iron (Fe) Total	10.20	0.37

Anions (-)	mg/L	mEq/L
Carbonate (CO_3)	0	0.00
Bicarbonate (HCO_3)	800	13.11
Chloride (Cl)	41,000	1154.93
Sulfate (SO_4)	0	0.00

Probable Scale Composition

Compound	mEq/L	mg/L	Saturation mg/L	Scale Formation Potential @ 70°F
Barium Sulfate	0.00	0	2.40	Scale Formation Potential Exists
Calcium Carbonate	13.11	1,063	13.00	
Calcium Sulfate	0.00	0	2090	

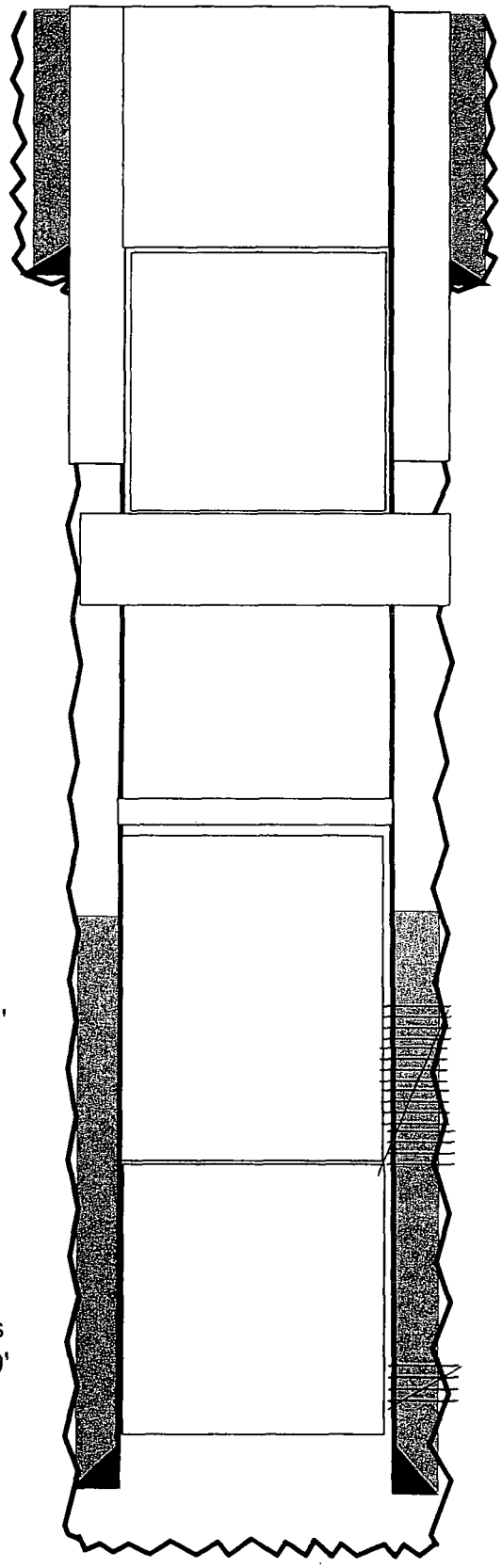
EXHIBIT "G"

WELLBORE DIAGRAM OF
ALL PLUGGED & ABANDONDED WELLS
WITHIN 1/2 MILE
XTO ENERGY INC.
KUTZ FEDERAL SWD #1
NW/4 Sec. 6 T27N-R10W
SAN JUAN COUNTY, NEW MEXICO

MADELINE N GALT B-1

Sec 6 T27N-R10W
990' FSL & 1752' FWL
Plugged 5/30/1995

KB: 5,972'
GL: 5,963' (est)



50' CMT plug on top

150' to surface cement

Ojo Alamo
763' – 1,549'

CMT retainer @ 686'

CMT 813 - 913'

CMT retainer @ 1603'

SQ perfs 1656' - 1822', 98 cuft cmt

Fruitland
1,549' – 1,826'

Recompleted to FC
Perfs. 1656' - 1660', 1676' - 1700', 1752' - 1760', 1804' - 1822'

Pictured Cliffs
1,826' – 1,899'

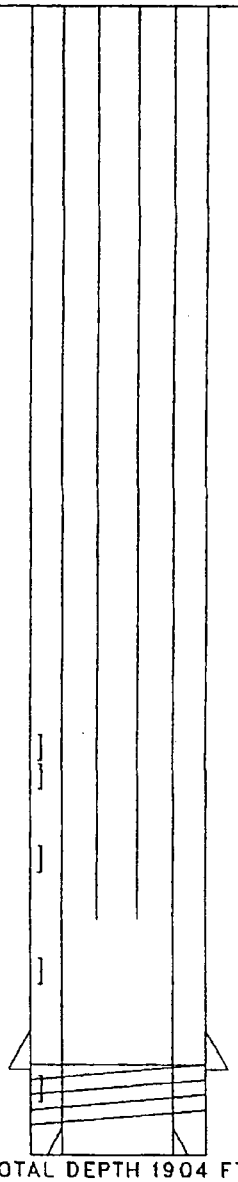
PC Perf's 1868' - 1873'

TD 1,904'
PBTD 1,899'

M.N. GALT B #1
LOCATION 6-27N-10W
SINGLE FRUITLAND COAL
ORIGINAL COMPLETION 2/50
LAST FILE UPDATE 5/92 BY CSW

070 FARMINGTON, NM

NAC-Surface
OJ 763
Kirtland 899
Fruitland 1549



BOT OF 8.625 IN OD CSA 92
36 LB/FT

FT-4SPF PERF 1656-1660
1676-1700

1752-1760

SN @1761

BOT OF 1.25 IN OD TBG AT 1794

1804-1822

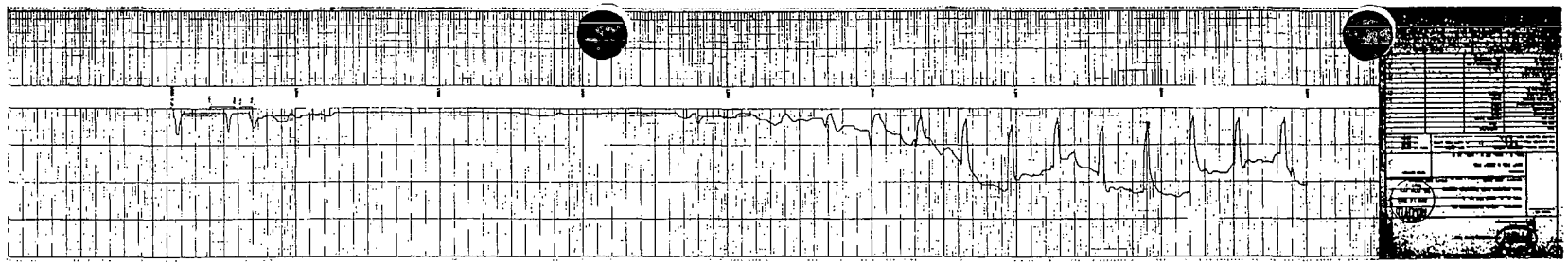
PBTD AT 1828 FT.
PC-2SPF PERF 1830-1860
PC PERF 1830-1860
SQUEEZED 1992

BOT OF 5.5 IN OD CSA 1832
15.5 LB/FT

TOTAL DEPTH 1904 FT.

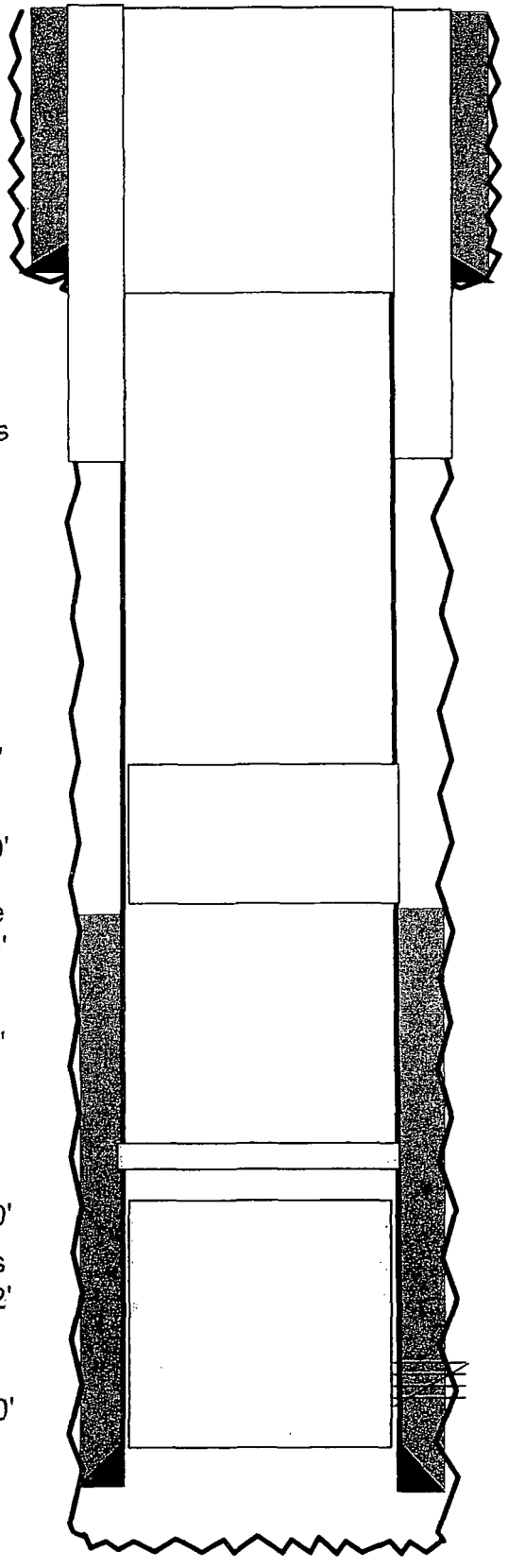
BOT OF 3.5 IN OD CSA 1904
9.3 LB/FT, J-55 CASING

FILENAME:
04506911



M N GALT "J"
Sec 6 T27N-R10W
790' FSL & 1750' FWL
Plugged 11/17/68

KB: 5,981'
GL: 5,969'



Ojo Alamo
800' - 915'

Kirtland Shales
915' – 1,635'

Fruitland
1,635' – 1,840'

Pictured Cliffs
[illegible]0' – 1,895'

Lewis Shale
1,895' – 3,370'

Mesa Verde
3,370' – 4,450'

Mancos Shale
4,520' – 5,375'

Gallup Sands
5,375' – 6,153'

Greenhorn
6,153' – 6,242'

Graneros
6,242' – 6,270'

Dakota sands
6,270' – 6,322'

Dakota Pay
[illegible]22' – 6,500'

TD 6,500'
PBTD 6,461'

Spot 10 sks 65' to surface

SQ 50 sks down 4 ½' - 8 5/8" annulus

Spot 20 sks 1,000' - 800' in 4 ½" casing

Cement retainer set at 2711', SQ 150 sks into Mesa Verde formation, left 60 sks type C cmt in 4 ½" casing

CMT retainer set @ 6,207'

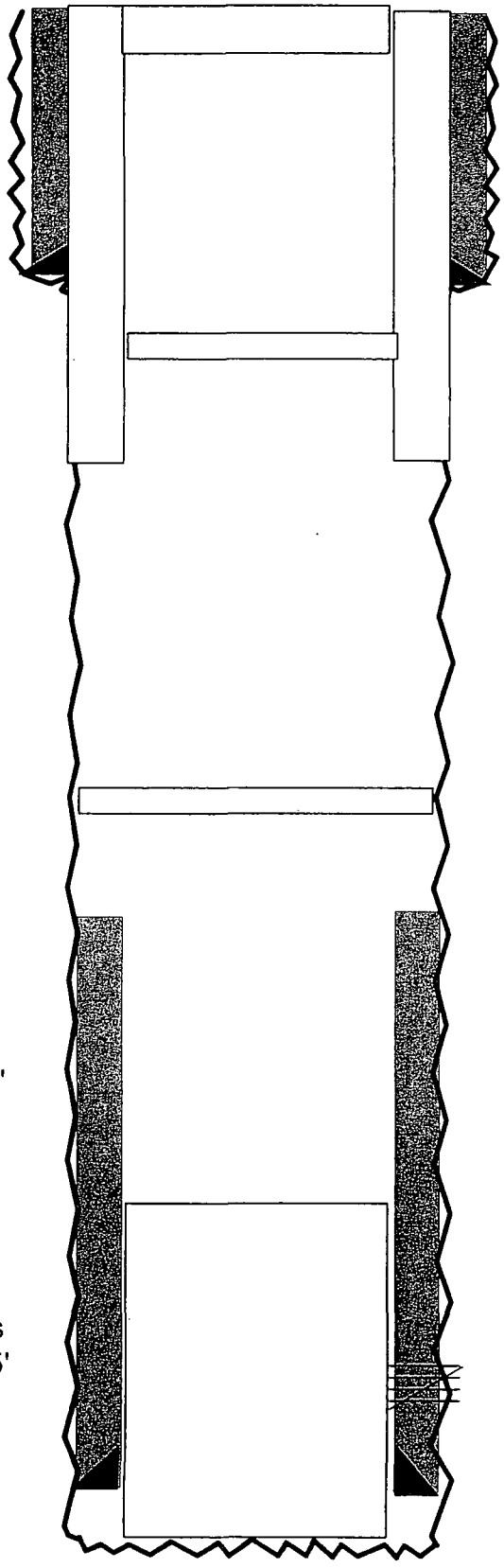
Squeezed notch at 6,343' with 40 sks type C CMT left 10 sks in 4 ½" casing

Hydraulic jet cut
6,342'

MADELINE N GALT 1-A

Sec 6 T27N-R10W
1650' FNL & 1650' FEL
Plugged 2/2/1960

KB: 5,820'
GL: 5,802' (est)



Spot 20 sks plug at surface

Ojo Alamo
830' – 1,035'

Spot 15 sks plug on stub @ 520'

Farmington
1,035' – 1,480'

Shot & pulled 520' casing,
spot 15 sks plug on stub
@ 520'

Fruitland
1,480' – 1,714'

CMT 25 sks from 1,723 to TD

Pictured Cliffs
1,714' – 1,795'

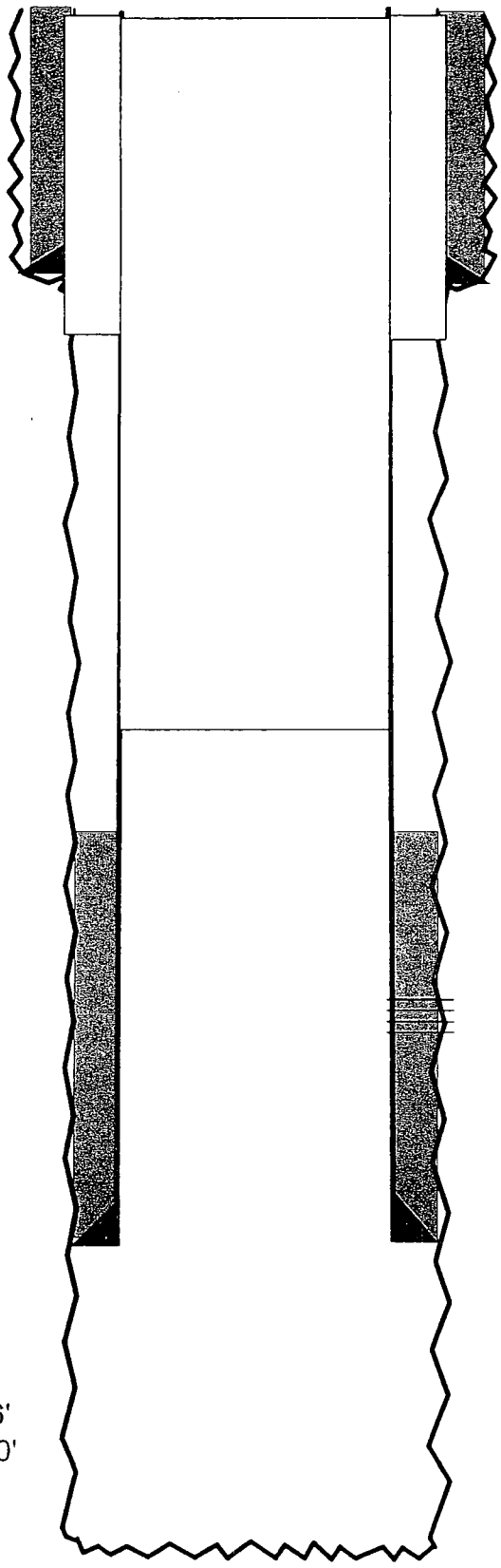
Perf's 1775' - 1780'

TD 1,795'
PBTD 1,785'

MADELINE N. GALT B #2

Sec 6 T27N-R10W
790' FNL & 1700' FWL
Plugged 6/16/1993

KB: 5,783'
GL : 5,768'



Ojo Alamo
630' - 740'

Fruitland
1,420' – 1,678'

Pictured Cliffs
1,678' – 1,710'

TD 1,886'
BTD 1,830'

TIH & shoot 4holes @ 50'. Pump 20 sks CL B CMT, circ good CMT to surf

SQ perfs @ 350' & shoot hole @ 50'. Mix & pump 65 sks CL B CMT, SQ perfs @ 300#, CMT at surf, CSG full of CMT, bleed off SQ press,

Trip in hole w/ cmt ret, set @ 1,624'. Mix & pump 25 sks Cl B CMT, drop wiper plug pump 33 sks Cl B CMT, SQZ perfs W/25 sks land wiper plug on RET with 33 sks CL B CMT on top of RET

PC 2JSPF PERF
1,680' – 1,758'

WILSON

SERVICE COMPANY

FORM 332 2

TEMPERATURE SURVEY

COMPANY Amoco Production

WELL #2 LEASE M.N. Salt B

COUNTY San Juan STATE New Mexico

SEC 6 TWP 27N RGE 10W

APPROX. TOP CEMENT 400'

Survey Begins at 100' Ft. Ends at 1850' Ft.

Approx. Fill-Up ____ Max. Temp. ____

Log Measured From KB Run No. 1

Casing Size	Casing Depth	Diam of Hole	Depth
2 7/8" from	to	from 6 3/4"	to
from	to	from	to

Date of Cementing 10/26/85 Time 6:00 AM

Date of Survey 10/26/85 Time 2:00 PM

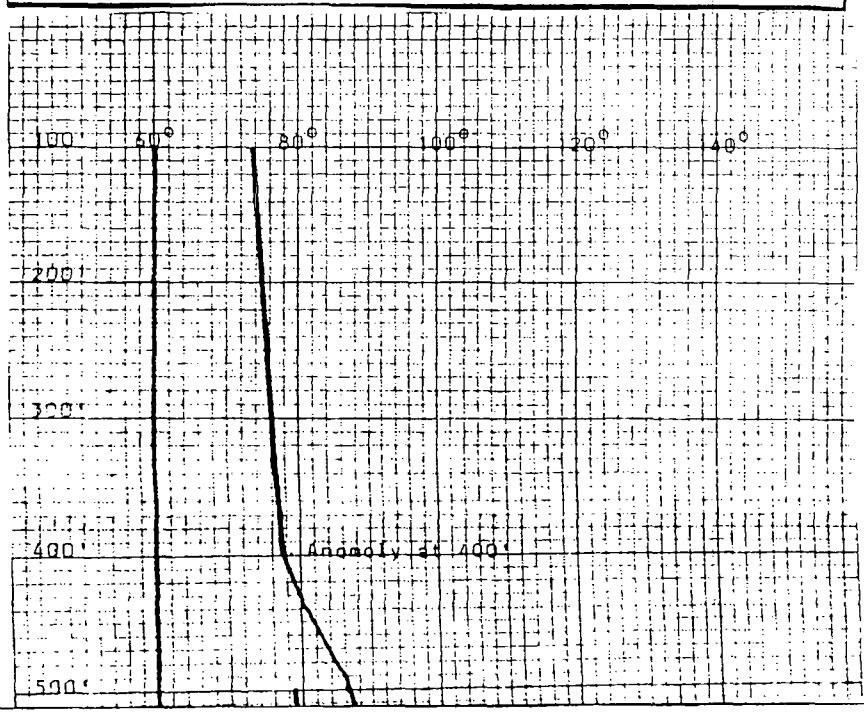
Amount of Cement 375 sx.

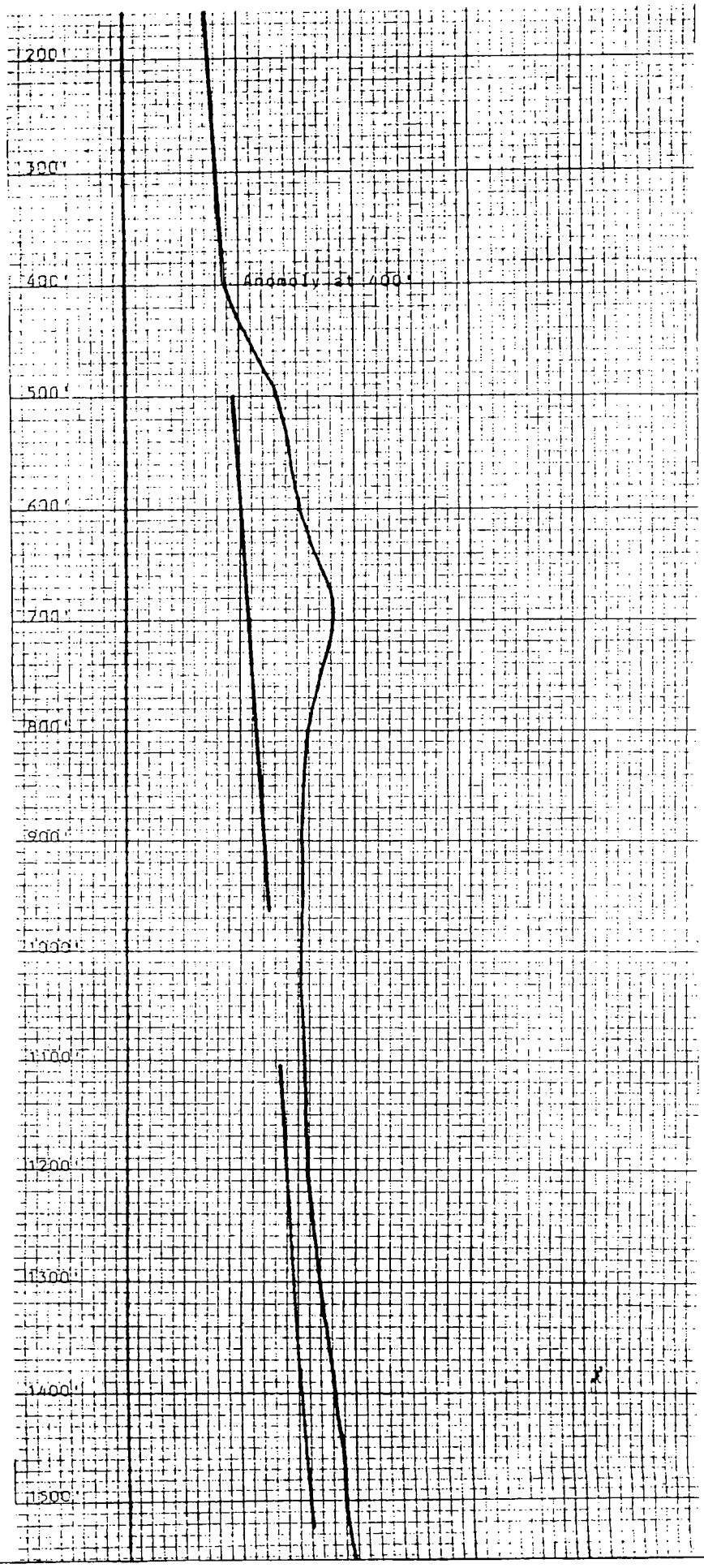
Recorded by Eberl Witnessed by ____

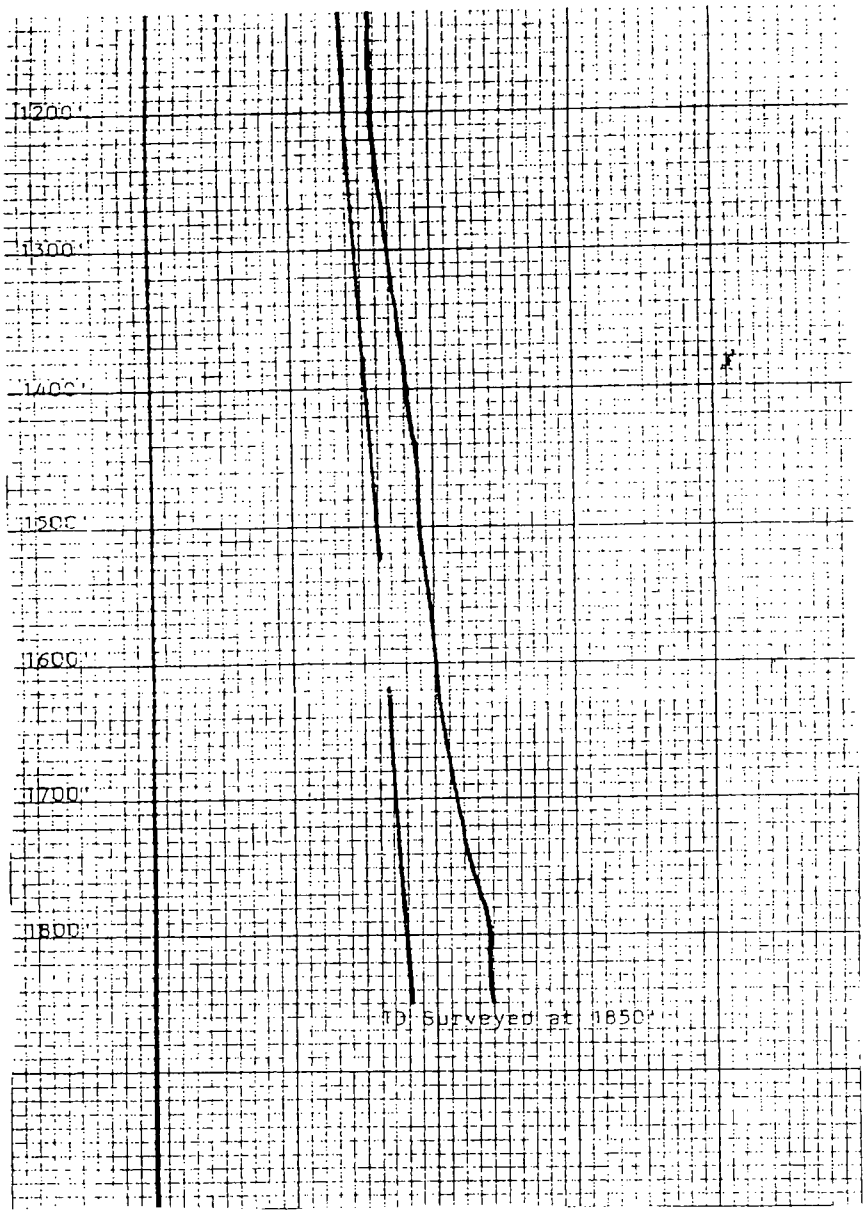
REMARKS OR OTHER DATA

TC 1850'

TEMPERATURE IN DEGREES FAHRENHEIT

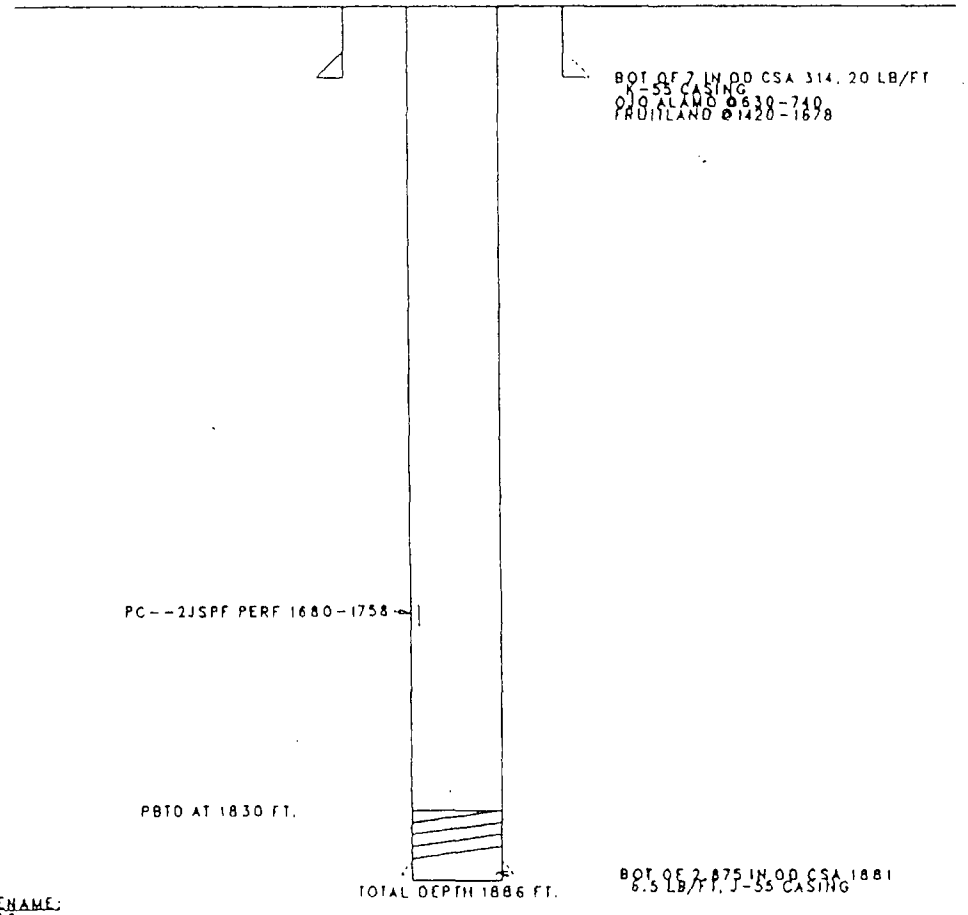



200'
300'
400'
Anomaly at 400'
500'
600'
700'
800'
900'
1000'
1100'
1200'
1300'
1400'
1500'


1200'
1300'
1400'
1500'
1600'
1700'
1800'
TD Surveyed at 1850'

ZCSW10 DEN214 01/17/92 10:49:1

M N GALT B #2
LOCATION, 06 27N 10W
SINGE PC
ORIGINAL COMPLETION 11/85
LAST FILE UPDATE 1/92 BY CSW



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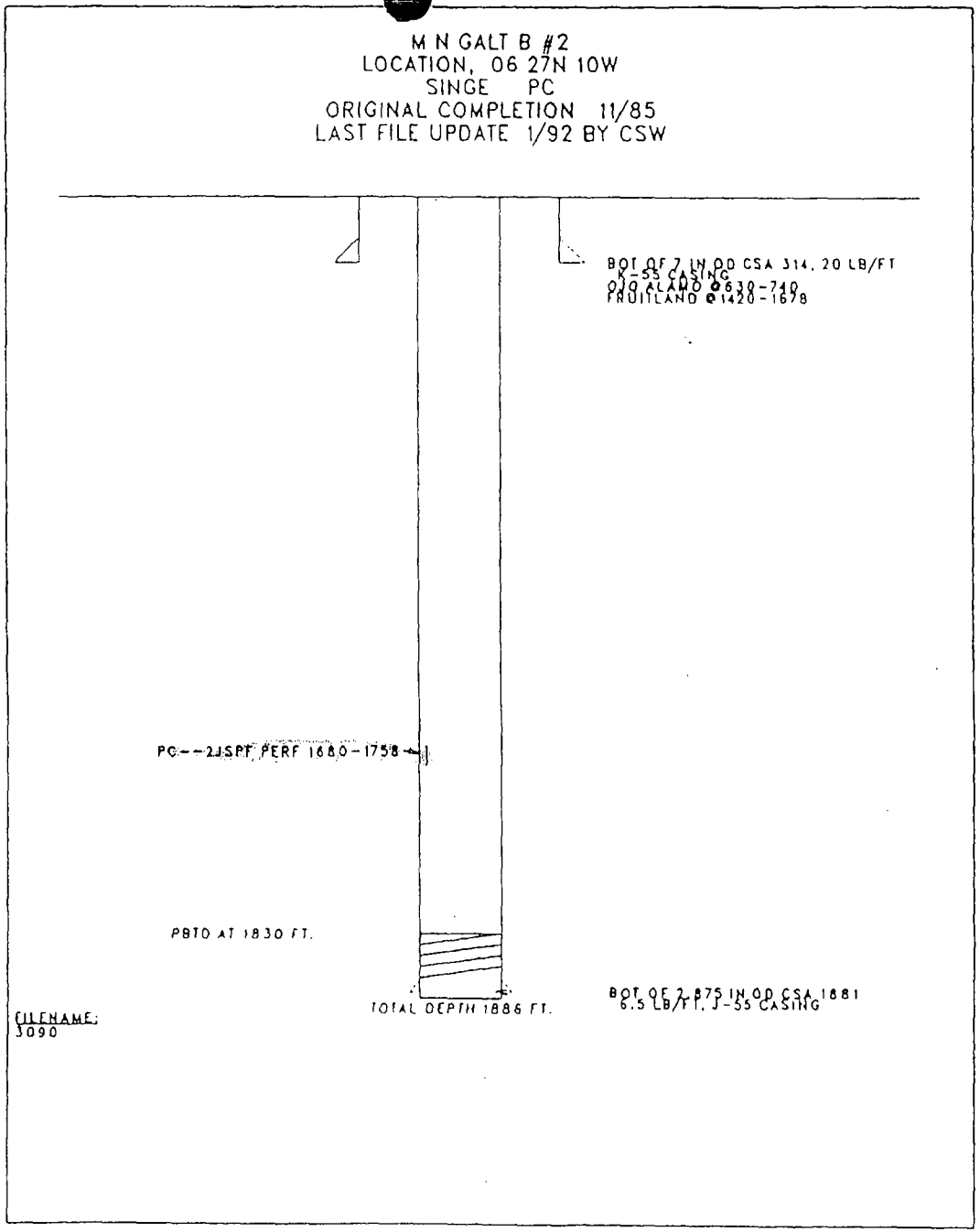


EXHIBIT "H"

WATER ANALYSIS OF MESA VERDE FORMATION

XTO ENERGY INC.

KUTZ FEDERAL SWD #1

NW/4 Sec. 6 T27N-R10W

SAN JUAN COUNTY, NEW MEXICO

HALLIBURTON

Water Analysis Report

To:	XTO	Date:	5/19/2006
Submitted by:	Halliburton Energy Services	Date Rec:	5/17/2006
Attention:	Loren Fothergill	Report #:	FLMM6506
Well Name:	Dawson Federal 1B		

Specific Gravity	1.015	
pH	7.1	
Resistivity	0.29	@ 70° F
Iron (Fe)	0	Mg / L
Potassium (K)	68	Mg / L
Sodium (Na)	11901	Mg / L
Calcium (Ca)	60	Mg / L
Magnesium (Mg)	12	Mg / L
Chlorides (Cl)	18000	Mg / L
Sulfates (SO4)	0	Mg / L
Carbonates (CO3)	0	Mg / L
Bicarbonates (HCO3)	976	Mg / L
Total Dissolved Solids	31017	Mg / L

Respectfully: Holly Lopez

Title: Lab Technician

Location: Farmington, NM

HALLIBURTON

Water Analysis Report

To:	XTO	Date:	12/27/2005
Submitted by:	Halliburton Energy Services	Date Rec:	12/26/2005
Attention:	Jimmy Costalez	Report #:	FLMM5B76
Well Name:	Federal Gas Com #4	Formation:	Mesa Verde

Specific Gravity	1.015	
pH	7.5	
Resistivity	0.33	@ 70° F
Iron (Fe)	0	Mg / L
Potassium (K)	1400	Mg / L
Sodium (Na)	7103	Mg / L
Calcium (Ca)	180	Mg / L
Magnesium (Mg)	27	Mg / L
Chlorides (Cl)	11800	Mg / L
Sulfates (SO4)	65	Mg / L
Carbonates (CO3)	0	Mg / L
Bicarbonates (HCO3)	1342	Mg / L
Total Dissolved Solids	21917	Mg / L

Respectfully: Holly Lopez

Title: Lab Technician

Location: Farmington, NM

EXHIBIT "J"

AFFIDAVIT OF PUBLICATION

XTO ENERGY INC.

KUTZ FEDERAL SWD #1

NW/4 Sec. 6 T27N-R10W

SAN JUAN COUNTY, NEW MEXICO

AFFIDAVIT OF PUBLICATION

Ad No. 55287

STATE OF NEW MEXICO
County of San Juan:

ROBIN ALLISON, being duly sworn says: That she is the CLASSIFIED MANAGER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Monday, June 18, 2007

And the cost of the publication is $48.96

Robin Allison

ON 6/19/07 ROBIN ALLISON appeared before me, whom I know personally to be the person who signed the above document.

Wynell Corey

My Commission Expires November 17, 2008

COPY OF PUBLICATION

Public Noitce

XTO Energy Inc. is applying with the New Mexico Oil Conservation Division (NMOCD) to drill the Kutz Federal SWD #1, as a water disposal well. The Kutz Federal SWD #1 will be located at 2375' FNL & 1445' FWL, Sec 6, T27N-R10W, San Juan County, NM. The well will dispose of water produced from oil and gas wells into the Mesa Verde formation at a depth of 3,973' to 4,259' at a maximum rate of 3000 barrels of water per day and a maximum pressure of 1,800 psi. Interested parties must file objections or requests for hearing with the NM Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, NM 87505, within 15 days. Additional information can be obtained by contacting Loren Forthergill, 2700 Farmington Avenue, Building K, Suite 1, Farmington, NM 87401, (505) 324-1090

Legal No. 55287 published in The Daily Times, Farmington, New Mexico on Monday June 18, 2007

2700 Farmington Ave, K-1 Farmington, NM 87401
Phone: (505) 324-1090 FAX: (505) 564-6700

CERTIFIED MAIL 7006-0100-0005-2533-3043

June 25, 2007

Conoco/Phillips
Burlington Resources Oil & Gas LP
3401 East 30th
Farmington, NM 87402

Re: XTO Energy Inc. Kutz Federal SWD #1
2375' FNL & 1445' FWL
Sec. 6, T27N-R10W
San Juan County, New Mexico

To Whom It May Concern:

XTO Energy Inc. is proposing the drill the subject disposal well to the Mesa Verde formation at a depth of 3,973' to 4,259' at a maximum rate of 3000 barrels of water per day and a maximum pressure of 800 psi. A complete copy of the application is enclosed to comply with OCD Regulations.

Interested parties must file objections or requests for hearing with the NM Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505 within 15 days.

Additional information may be obtained by contacting Loren Fothergill, 2700 Farmington Avenue, Building K, Suite 1, Farmington, NM 87401, (505)324-1090.

Yours truly,

Anne Jones
Surface Use Coordinator

7006 0100 0005 2533 3043

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

FARMINGTON NM JUN 25 2007 USPS

Sent To: Conoco Phillips
Street, Apt. No.; or PO Box No.: 3401 E 30th
City, State, ZIP+4: Farmington NM 87402

PS Form 3800, June 2002 — See Reverse for Instructions

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Conoco/Phillips
3401 E. 30th
Farmington NM
87402

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Rachel Grant ☐ Agent ☐ Addressee

B. Received by (Printed Name): Rachel Grant
C. Date of Delivery:

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☑ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number *(Transfer from service label)* 7006 0100 0005 2533 3043

PS Form 3811, February 2004 — Domestic Return Receipt — Kurtz Fed SWD — 102595-02-M-1540

Form 3160-3
(April 2004)

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

5. Lease Serial No.
NMSF 0777384

1a. Type of Work: [x] DRILL [ ] REENTER

1b. Type of Well: [ ] Oil Well [x] Gas Well [ ] Other [x] Single Zone [ ] Multiple Zone

6. If Indian, Allotee or Tribe Name
N/A

7. Unit or CA Agreement Name and No.
N/A

2. Name of Operator
XTO Energy Inc.

8. Lease Name and Well No.
KUTZ FEDERAL SWD #1

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

3b. Phone No. (include area code)
505-324-1090

9. API Well No.
30-045-

4. Location of Well (*Report location clearly and in accordance with any State equirements*)*

At surface 2375' FNL x 1445' FWL

At proposed prod. zone SAME

10. Field and Pool, or Exploratory
BLANCO MESAVERDE

11. Sec., T., R., M., or Blk. and Survey or Area
(F) SEC 6, T27N, R10W

14. Distance in miles and direction from nearest town or post office*
Approximately 12 miles Southeast of Bloomfield, 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 drg. unit line, if any)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
1445'	2108.35	N/A
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	**19. Proposed Depth**	**20. BLM/BIA Bond No. on file**
766'	4260'	UTB000138
21. Elevations (Show whether DF, KDB, RT, GL, etc.	**22. Approximate date work will start***	**23. Estimated duration**
5792' Ground Elevation	July 2007	2 weeks

24. Attachments

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

25. Signuature	Name (*Printed/Typed*)	Date
Kyla Vaughan	Kyla Vaughan	05/10/07

Title
Regulatory Compliance Tech

Approved by (Signautre)	Name (*Printed/Typed*)	Date
Title	**Office**	

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)

APD/ROW

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

DISTRICT II
1301 W. Grand Avenue, Artesia, NM. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM. 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 87504-2088

Form C-102
Revised October 12, 2005
Instructions on back
Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT (water disposal)

[1] API Number	[2] Pool Code	[3] Pool Name
	72319	(SWD) BLANCO MESAVERDE

[4] Property Code	[5] Property Name	[6] Well Number
	KUTZ FEDERAL S.W.D.	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
5380	XTO ENERGY INC.	5792'

[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
F	6	27-N	10-W		2375	NORTH	1445	WEST	SAN JUAN

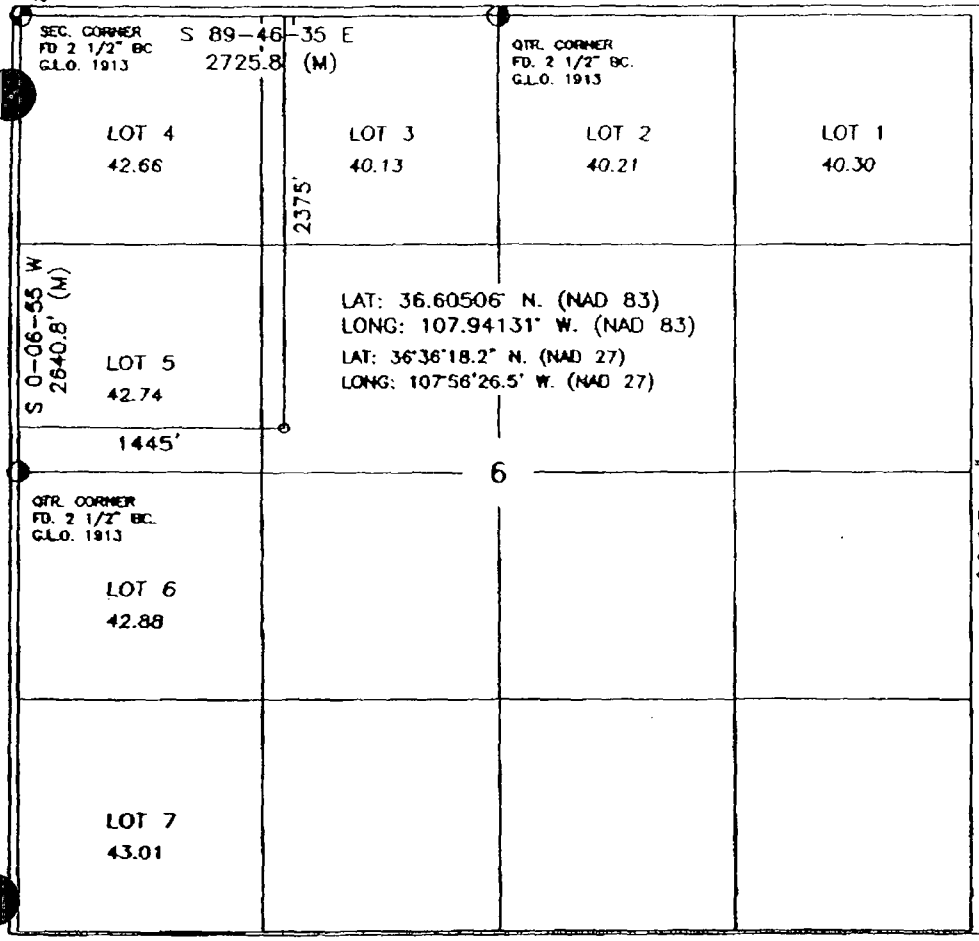
[11] Bottom Hole Location If Different From Surface

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	[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

[16]



[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 5/9/07
Signature Date

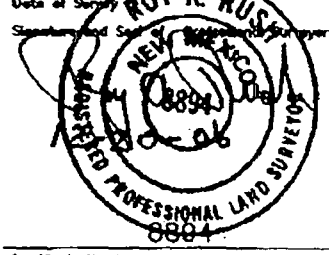
Kyla Vaughan
Printed Name

[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.

DECEMBER 15, 2006
Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number

SURFACE USE PLAN

XTO Energy Inc.
Kutz Federal SWD #1
2375' FNL x 1445' FWL
Section 6, T27N, R10W
San Juan County, New Mexico

THIRTEEN POINT SURFACE USE PLAN

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

1. Existing Roads:

   a. Proposed route to location is shown on the East Fork Kutz Canyon USGS quadrangle map. **See Exhibit "A".**

   b. Location of proposed well in relation to town or other reference point: **From the intersection of Hwy 64 & Hwy 550 in Bloomfield go South on Hwy 550 8.4 miles and turn East. Follow road 4 miles and turn South. Follow road 0.1 miles to location.**

   c. All existing roads within 1 mile of the drill site are shown on Exhibit "A". **If necessary, all existing roads that will be used for access to the well location will be maintained to their current condition or better unless BLM approval or consent is given to upgrade the existing road(s).**

2. Planned Access Roads:

   a. Location (centerline): **Starting from a point along an existing road in the SENW of sec 6, T27N, R10W.**

   b. Length of new access to be constructed: **Approx 0 feet of new access will be constructed in order to gain safe access to the wellpad. See Exhibit "A"**

   c. Length of existing roads to be upgraded: **No additional upgrades should be necessary to existing oilfield service roads.**

   d. Maximum total disturbed width: **Typically both existing roads and new access roads require up to 40' of disturbed width in order to obtain a 20' driving surface. If both the road and pipeline are capable of sharing the ROW, then only 50' of disturbed width may be needed.**

   e. Maximum travel surface width: **25' or less**

   f. Maximum grades: **Maximum grades will not exceed 10% after construction.**

   g. Turnouts: **No turnouts are planned at this time. Turnouts may be specified in the approved APD.**

XTO ENERGY INC.

Kutz Federal SWD #1
APD Data
May 9, 2007

Location: 2375' FNL x 1445' FWL Sec 6, T27N, R10W **County**: San Juan **State**: New Mexico

GREATEST PROJECTED TD: 4260'
APPROX GR ELEV: 5792'

OBJECTIVE: Mesaverde Disposal
Est KB ELEV: 5804' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 600'	600' to 2500'	2500' to 4260'
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 ± 600' 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'-600'	600'	36.0#	J-55	ST&C	2020	3520	394	8.921	8.765	7.040	12.26	18.24

Production Casing: 7" casing to be set at TD (±4260') 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'-4260	4260'	23.0#	J-55	LT&C	3270	4360	313	6.366	6.241	1.60	2.14	3.19

3. 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), 6.456" nominal, 2,000 psig WP (4,000 psig test), 5-1/2" 8rnd female thread on bottom (or slip-on, weld-on), 8-5/8" 8rnd thread on top.

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 ± 600' in 12-1/4" hole.

270 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft^3/sk, & 6.70 gal wtr/sk.

Total slurry volume is 376 ft^3, 100% excess of calculated annular volume to 600'.

B. Production: 7", 23.0#, J-55 (or K-55), LT&C casing to be set at ±4260' in 8.75" hole. DV Tool set @ ±3000'

1st Stage

172 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:
±199 sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 ft^3/sk, 15.00 gal wtr/sx.

TAIL:
100 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.

Total estimated slurry volume for the 7" production casing is 910 ft^3.

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: None.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (4260') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (4260') to 3,000'.

EXHIBIT F

6. FORMATION TOPS:

Est. KB Elevation: 5804'

FORMATION	Sub-Sea	MD
Ojo Alamo SS	5367	437
Kirtland Shale	5237	567
Farmington SS		
Fruitland Formation	4736	1,068
Lower Fruitland Coal	4269	1535
Pictured Cliffs SS	4249	1,555
Lewis Shale	4082	1,722
Chacra SS	3315	2,489
Cliffhouse SS	2701	3,103
Menefee	2574	3,230
Point Lookout SS*	1831	3,973
Mancos Shale	1545	4,259
TD	1544	**4,260**

** Primary Objective* *** Secondary Objective*

**** Maximum anticipated BHP should be <2,000 psig (<0.30 psi/ft) *****

7. 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
John Klutsch	Project Geologist	817-885-2800	--

JWE
5/9/07

EXHIBIT F

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

DISTRICT II
1301 W. Grand Avenue, 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 87504-2088

Form C-102
Revised October 12, 2005
Instructions on back
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

[4] Property Code	[5] Property Name	[6] Well Number
	KUTZ FEDERAL S.W.D.	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
	XTO ENERGY INC.	5792'

[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
F	6	27-N	10-W		2375	NORTH	1445	WEST	SAN JUAN

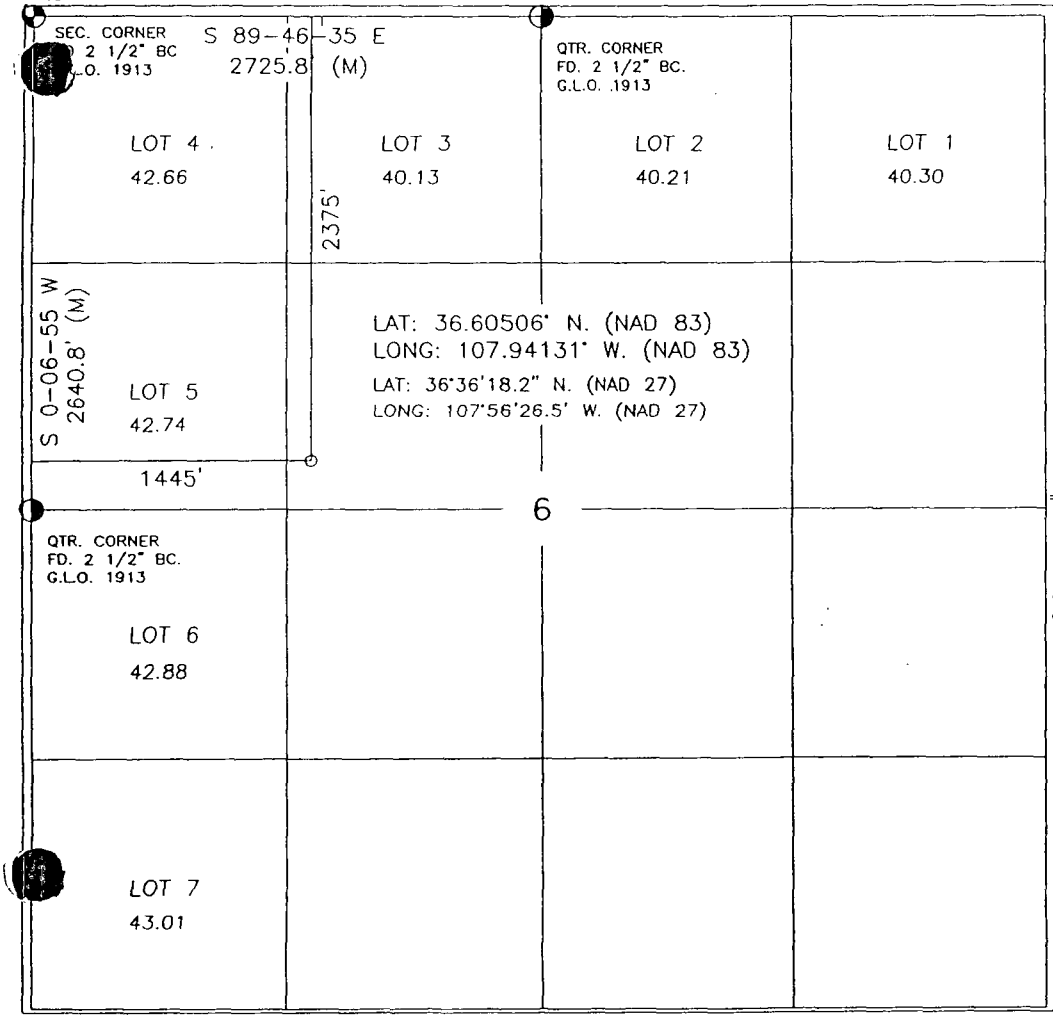
[11] Bottom Hole Location If Different From Surface

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	[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

16



[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.

Signature Date

Printed Name

[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.

DECEMBER 15, 2006
Date of Survey

Signature and Seal of Professional Surveyor:

ROY A. RUSH
NEW MEXICO
8894
REGISTERED PROFESSIONAL LAND SURVEYOR

8894
Certificate Number

OPER	API #	WELL	LOCATION	DATE DRILLED	DATE COMPLETED	ZONE	TD	STATUS	CASING SIZE	CASING DEPTH	CEMENT VOLUMES	CEMENT TOPS	Mtd Det TOPS
XTO	30-045-06909	Kutz J.Federal #2	NW/NE Sec 6 T27N-R10W 990' FNL & 1831' FEL	1/30/1959	2/12/1959	Dakota	6580	PGW	10 3/4" 5 1/2"	278' KB 6396' KB	240 SX 458 CU FT SQZ 350 SX 482 CU FT	1360' Not confirmed	CBL 4327' - surf
XTO	30-045-20365	M N Galt J #2	NWNW Sec 6 T27N-R10W 790' FWL & 990' FWL	12/15/1968	1/14/1969	Dakota	6439	PGW	8 5/8" 4 1/2"	338' 6439'	244 SX 1925 SX	Surface 1stg 70 bbls cmt 2nd stg (DV 4,429') 75 bbls cmt 3rd stg (DV 1,843)'Circ 35bbls cmt.	Visual
XTO	30-045-29136	M N Galt B #1R	NWSW Sec 6 T27N-R10W 1740' FSL & 1240' FWL	9/14/1994	1/8/1996	Fruitland Coal Pictured Cliffs	6611	PGW	9 5/8" 7"	474' 6607'	230 SX 1335 SX	900'	Temp Survey
XTO	30-045-30354	M N Galt B #1Y	NESW Sec 6 T27N-R10W 1450' FSL & 1800' FWL	1/6/2001	2/7/2001	Dakota	6906	PGW	8 5/8" 4 1/2"	392' 6906'	275 SX 1630 SX	SURFACE. Circ 89 cuft cmt on 1st stg & 140 cuft cmt on 2nd stg (DV 3,320')	Visual
XTO	30-045-31691	M N Galt J #3	SENW Sec 6 T27N-R10W 1880' FNL & 2030' FWL	11/2/2003	12/13/2003	Dakota Gallup	6698	PGW	13.37" 8.625" 5.50"	80' 881' 6696'	92 SX 560 SX 1200 SX	SURFACE. Circ 21 bbls cmt on 1st stg & 130 bbls cmt on 2nd stg (DV 3,914')	Visual
XTO	30-045-32697	Kutz J. Federal #2G	SWSE Sec 6 T27N-R10W 665' FSL & 1860' FEL	6/9/2005	8/19/2005	Gallup Mancos	6815	PGW	8 5/8" 5 1/2"	380' 6810'	244 SX 1325 SX	SURFACE. Circ 70 bbls cmt on 1st stg & 125 bbls cmt on 2nd stg DV 3,990'.	Visual
XTO	30-045-23781	E H Pipkin 10-E	SENE Sec 1 T27N-R11W 1520' FNL & 810' FEL	3/11/1980	7/24/2003	Gallup	6255		8 5/8" 4 1/2"	768' KB 6243' KB	500 SX 1580 SX	2nd stg (DV 4,377') 700' 1st stg unknown Cal 4,955' @ 50%	Temp Survey

OPER		WELL	LOCATION	DATE DRILLED	Date P & A	ZONE	TD	STATUS
Pan American Petro.	30-045-06775	M N Galt J #1	SESW Sec 6 T27N-R10W 790' FSL & 1750' FWL	3/3/1960	11/17/1968	Dakota	6500	P&A

AOR Well REPAIR "INTENT"

Kutz J Federal #2
Unit B, Sec 6 T 27 N, R 10 W
San Juan County, New Mexico

Squeeze Casing Procedure

XTO Energy proposes to squeeze the un cemented casing across the Mesaverde formation in this well per the following procedure.

1. MIRU PU.
2. ND WH. NU BOP.
3. Release packer. If unable to release packer, RIH with free point tool and determine free point. Cut off 2-3/8" tubing
4. Fish tubing and packer with overshot and grapple. If unable to fish, mill over packer and recover.
5. MIRU WL equipment. RIH with 5-1/2" CIBP and set at 4,800'. Pressure test casing and CIBP to 550 psig. If pressure test fails, the casing leak will be determined and BLM and New Mexico Oil Conservation office will be contacted to determine a course of action.
6. If weel passes pressure test. Perforate 4 squeeze holes at 4,400'. POH with casing gun. TIH with 5-1/2" packer and tubing to 4,350'. Breakdown and establish injection rate into squeeze holes. TOH with packer and tubing.
7. RIH with 5-1/2" CICR to 2,100'. Set CICR.
8. Perforate 4 squeeze holes at 2,000'. POH with casing gun. RDMO WL equipment.
9. TIH with 5-1/2" CICR stinger and 2-3/8" tubing. Establish circulation down tubing and up tubing casing annulus. Circulate trash out wellbore.
10. MIRU Cement equipment. Mix and pump 250 sx class "G" cement with 6% gel, 5#/sx Gilsonite (12.6 PPG and 2.04 Cuft/sx). Displace with 2,940 gals 2% KCL water. Sting out of CICR. TOH with 10 jts tubing and reverse circulate out cement. TOH with tubing.
11. WOC 48 hours. TIH with 4-3/4" bit, SN and tubing. Tag cement. Drill out cement to CICR at 2,100'. Pressure test casing and squeeze hole at 2,000' to 550 psig. If the pressure test passes, DO CICR at 2,100'. TIH and tag cement. DO cement. Pressure test casing and squeeze holes at 4,400' to 550 psig for 30 minutes.
12. If pressure test fails, contact Loren Fothergill for instructions.
13. TIH and tag CIBP at 4,800'. DO CIBP. TIH and tag PBTD.
14. TOH with tubing, SN and bit. TIH with NC, SN and 2-3/8" tbg to 6,250'.
15. RDMO PU. Report rates and pressures to Loren W Fothergill.

Injection Permit Checklist 2/8/07

New well

SWD Order Number 1097-A Dates: Division Approved _____ District Approved _____

Well Name/Num: Kutz Federal SWD #1 Date Spudded: New well SPUD 5/18/08

API Num: (30-) 045-34317 County: San Juan

Footages 2375 FNL/1445 FWL Sec 6 Tsp 27N Rge 10W Loren Fothergill

Operator Name: XTO Energy (OGRID 5380) Contact Anne Jones

Operator Address: 2700 Farmington Ave, K-1, Farmington NM 87401

Current Status of Well: Not Drilled Planned Work: Inj. Tubing Size: 2 7/8 @ 3900' 15'

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	12 1/4 9 5/8	600'	270	Surf
Intermediate				
Production	8 3/4 7	4260'	(910 CF)	Surf.
Last DV Tool	→	3000'		
Open Hole/Liner				
Plug Back Depth			4260' Planned	

Diagrams Included (Y/N): Before Conversion ✓ After Conversion _____

Checks (Y/N): Well File Reviewed ✓ ELogs in Imaging will be Run

Intervals:	Depths	Formation	Producing (Yes/No)
~~Salt/Potash~~			
~~Capitan Reef~~			
Cliff House, Etc:	410 418		
Formation Above	~~2405~~	~~CLIFF HOUSE~~	
Top Inj Interval	~~3985~~ 4104	PLO.	
Bottom Inj Interval	~~4184~~	PLO.	
Formation Below			

SP

~~715~~ PSI Max. WHIP

NO Open Hole (Y/N)

NO Deviated Hole (Y/N)

Fresh Water: Depths: 0-687' Wells(Y/N): NO Analysis Included (Y/N): _____ Affirmative Statement ✓

Salt Water Analysis: Injection Zone (Y/N/NA) _____ DispWaters (Y/N/NA) _____ Types: ~~DKTA~~, ~~Gallup~~, ~~MVRD~~, ~~Chacra~~, FRC, PC

3913 / 7946

Notice: Newspaper(Y/N) _____ Surface Owner BLM Mineral Owner(s) _____

Other Affected Parties: Burl.

AOR/Repairs: NumActiveWells ~~100~~ Repairs? 1 Producing in Injection Interval in AOR NO

AOR Num of P&A Wells ~~21~~ Repairs? 0 Diagrams Included? X-3 RBDMS Updated (Y/N) _____

Well Table Adequate (Y/N) _____ AOR STRs: Sec _____ Tsp _____ Rge _____ UIC Form Completed (Y/N) _____

New AOR Table Filename _____ Sec _____ Tsp _____ Rge _____ This Form completed _____

Conditions of Approval: Sec _____ Tsp _____ Rge _____ Data Request Sent _____

SWAB or other Test & report results & catch water for analysis

AOR Required Work: One well.

Required Work to this Well: _____