RECEIVED

OCT 8 2002

Bureau of Land Management
Durango, Colorado

Form 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

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

b. TYPE OF WELL
OIL WELL [ ] GAS WELL [X] OTHER SINGLE ZONE [X] 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
1705' FNL & 1660' FEL Sec 26, T32N, R14W
At proposed prod. zone

5. LEASE DESIGNATION AND SERIAL NO.
14-20-604-62 Tribal A

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

7. UNIT AGREEMENT NAME
22645

8. FARM OR LEASE NAME, WELL NO.
Ute Indians A #38

9. API WELL NO.
30-045-31688

10. FIELD AND POOL, OR WILDCAT
Ute Dome Dakota

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 26, T32N, R14W

12. COUNTY OR PARISH
San Juan

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Please see Attched Surface Use Program

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 933'

16. NO. OF ACRES IN LEASE
4852.49

17. NO. OF ACRES ASSIGNED TO THIS WELL
NE/4 160 acres

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2600'

19. PROPOSED DEPTH
3,350'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF,RT, GR, etc.)
6,213' GL

22. APPROX. DATE WORK WILL START*
Winter 2003

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#	~~220~~ 350	140 sx Type III
7-7/8"	4-1/2" J-55	10.5#	3,450'	510 sx Premium Lite HS

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

Set 8-5/8", 24.0#, J-55 STC surface csg @ 220'. Cmt w/approx 140 sx Type III cmt w/additives. Attempt to circ cmt to surface.

Install & test BOP equipment as required. Drill 7-7/8" hole to approx 3,450'.

Set 4-1/2", 10.5#, J-55, STC production csg @ 3,450' TVD. Cmt w/approx 510 sx Premium Lite High Strength cmt w/additives. Final cmt volumes will be obtained fr/caliper log + 30% excess. Attempt to circ cmt to surface.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject lease which are committed hereto...

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone 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 any.

24.

SIGNED J W Patton TITLE Drilling Engineer DATE 10/3/02

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

SEE ATTACHED CONDITIONS OF APPROVAL

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 FOR A PERIOD NOT TO EXCEED 1 YEAR

APPROVED BY /s/ Brian W Davis TITLE Acting Field Office Manager DATE MAY 13 2003

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD

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

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

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-31688	86720	UTE DOME DAKOTA

[4] Property Code	[5] Property Name	[6] Well Number
22645	UTE INDIANS "A"	38

[7] OGRID No.	[8] Operator Name	[9] Elevation
167067	XTO ENERGY INC.	6213'

[10] Surface Location

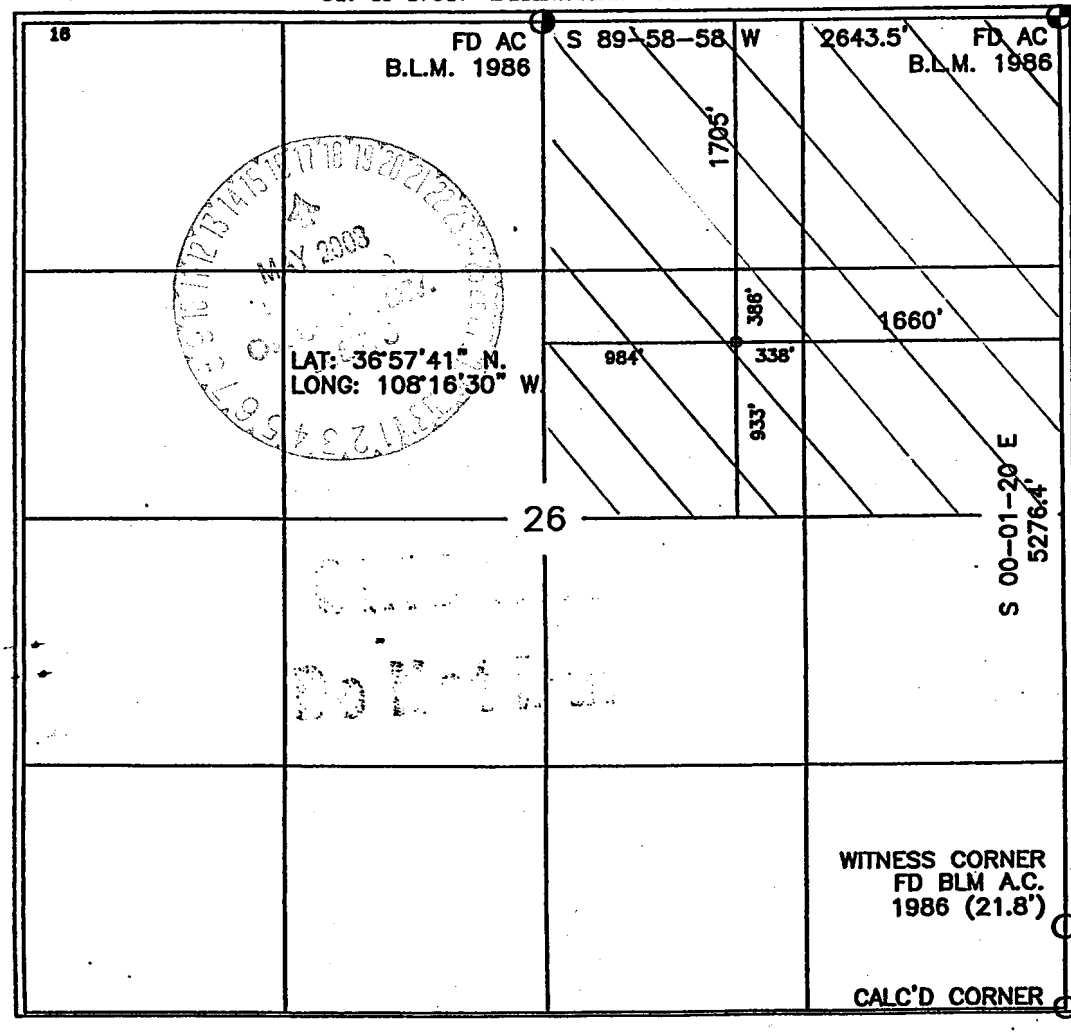
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	26	32-N	14-W		1705	NORTH	1660	EAST	SAN JUAN

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
160 NE/4			

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: JW Patton

Printed Name: JEFFREY W PATTON

Title: DRILLING ENGINEER

Date: 8-7-02

[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: MAY 29, 2002

Signature and Seal of Professional Surveyor:

DAVID A. JOHNSON
NEW MEXICO
14827
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number: 14827

XTO Energy Inc.
Ute Indians A #38
Proposed Drilling Procedure
October 4, 2002

Surface Location: 1705' FNL & 1660' FEL of Sec 26, T32N, R14W **County:** San Juan **State:** New Mexico

PROJECTED TOTAL VERTICAL DEPTH: ±3,350' OBJECTIVE: Ute Dome Dakota & Morrison
GR ELEV: 6,213' EST KB ELEV: 6,225' (12' AGL)

1. GENERALIZED DRILLING PROCEDURE:

A. MIRT. Drill a 12-1/4" hole to 220', 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 250/1500 psig.
C. Drill an 7-7/8" hole to approximately TD (±3,350'). 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 4-1/2", 10.50#, J-55, STC production casing. Attempt to circulate cement to surface. RDRT and prepare well for completion.

2. MUD PROGRAM:

INTERVAL	0' to ~~220'~~ 350'	350' to 3,350'	Logging @ TD
HOLE SIZE	12-1/4"	7-7/8"	7-7/8"
MUD TYPE	FW/Gel/Lime	FW/Polymer/LCM	FW/Polymer/LCM
WEIGHT	8.6-9.0	8.4-8.8	8.8-9.1
VISCOSITY	28-32	28-32	80-100
WATER LOSS	NC	NC	10-12

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 ± 220' 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'-~~220'~~ 350	~~220~~ 350'	24.0#	J-55	STC	1370	2950	244	8.097	7.972	5.99	1.71	18.1

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: 4-1/2" casing to be set at TD in ±9.1 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	3,350'	10.5#	J-55	STC	4010	4790	132	4.095	3.927	1.33	2.20	3.76

Optimum makeup torque for 10.5#, J-55, STC casing is **1,320 ft-lbs** (Min - 990 ft-lbs, Max - 1,650 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.

5. CEMENT PROGRAM:

A. Surface: 8-5/8", 24.0#, J-55, STC casing to be set at ± 220'. circulate cement

Lead: 140 sx of Type III cement containing 2% $CaCl_2$, ¼ pps celloflake, mixed at 14.8 ppg, 1.32 ft^3/sk, & 6.30 gal wtr/sk.

Total slurry volume is 185 ft^3, 100% excess of calculated annular volume to 220'.

B. Production: 4-1/2", 10.5#, J-55, STC casing to be set at ± 3,350' MD. TOC at 250' or higher

Lead: 510* sx of Premium Lite High Strength 2% KCl, ¼ pps celloflake, 0.2 % dispersant, 0.5% fluid loss & 2% Phenoseal (LCM), mixed at 12.5 ppg, 2.01 ft^3/sk, 10.55 gal wtr/sk.

Total estimated slurry volume for the 4-1/2" production casing is 1,025 ft^3.

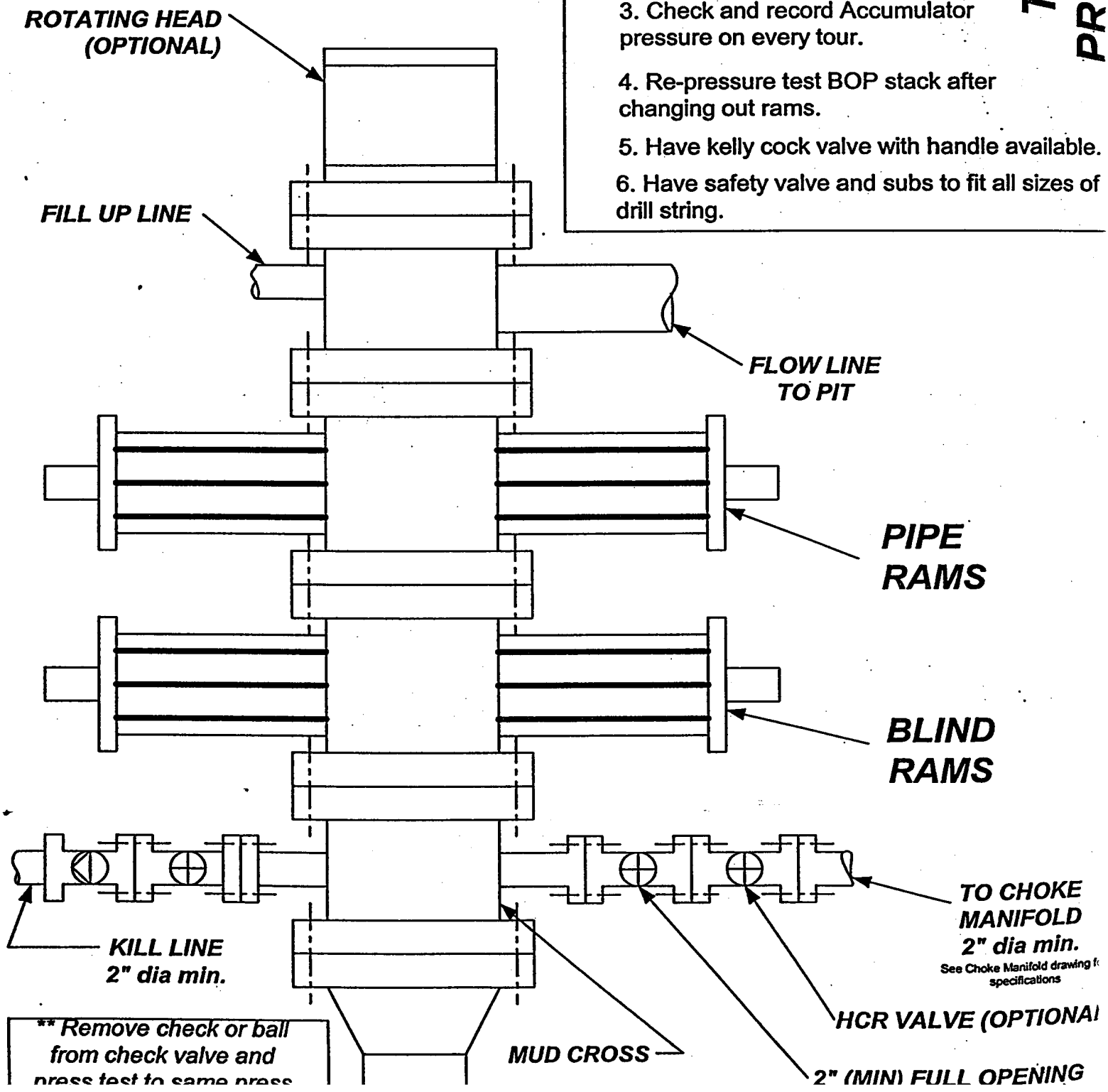
*** This volume includes 30% *excess* over the gauge hole volume. Actual cement volume will be based on log caliper volume plus 30% *excess* to circulate cement to the surface.**

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

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

TESTING PROCEDURE

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



XTO Energy Inc.
Tribal Lease: 14-20-604-62
Well: Ute Indians A #38
Location: 1705' FNL & 1660' FWL
Sec. 26, T. 32 N., R. 14 W.
San Juan County, New Mexico

Conditions of Approval - Drilling Plan:

1. **Surface casing must be set to 350' not 220'.**

2. All drilling locations must be built as drilled, not constructed back to back prior to drilling.

3. No additional zones will be commingled without UMU Tribal and BLM approval.

4. Stabilized Bottom hole pressures must be taken from each perforated zone.

5. Notify this office during working hours **at least 72 hours** prior to:

    a. spudding the well*

    b. running casing strings and cementing

    c. BOP tests

    d. Drill Stem testing

* at this time provide phone numbers for the rig and your field representative (mobile and office) to facilitate the scheduling of BLM Technicians to witness the above operations.

6. All BOP tests will be performed with a test plug in place. BOP will be tested to full stack working pressure and annular preventer to 50% maximum stack working pressure. All accumulators will be function tested as per Onshore Order #2. All 2M or greater systems require **adjustable** chokes as per Onshore Order #2.

7. If a BLM Inspector is not present during the initial BOP test, please provide chart record.

Continued on page 2.

8. Cementing of the 8-5/8" Surface Casing: If cement does not circulate or cement circulates but falls back in the annular beyond visual sight, a temperature survey or other preferred method may be employed to determine the amount of fall back.

Cementing of the 4-1/2" Production Casing: A cement bond log will be run prior to perforating. A 360 degree cement evaluation log is recommended, but the conventional bond log would be acceptable. Whether or not the cement circulates to the surface, a cement bond log will be run prior to perforating for completion.

9. Submit copies of all logs to the BLM office in both paper and in Log ASCII Standard (LAS) format.

10. If any operations are to start over the weekend, notify this office by noon Friday. If any problems arise after hours or on weekends, call BLM personnel using the home phone numbers listed on the following 'INFORMATIONAL NOTICE - APD's'.

11. If commingling becomes a permanent part of the well completion and a change in production performance indicates that one particular zone's capacity becomes altered due to a drop in bottom hole pressure, a drop in fluid capacity, an inflow of water, or an inflow of either oil or gas, the BLM will has the authority to request sufficient testing to determine what particular zone and to what degree that zone is contributing to the decrease in production or change in fluids. The operator is on notice that after a three to five year period you could be requested to retest the producing zones if the BLM believes there is a significant change in one or more commingled zones. Should an unexpected change take place within a short period of time following the initial completion, it is required to provide a reason for that change and the technical data to support the cause of such change.