State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division

New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: November 11, 2013

Application Type:

☒ P&A ☐ Drilling/Casing Change ☐ Recomplete/DHC

☐ Location Change ☐ Other: _____

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-31689-00-00	UTE INDIANS A	037	XTO ENERGY, INC	G	T	San Juan	U	J	34	32	N	14	W

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Add an inside plug from 2500 to 2600 feet to isolate the Morrison. The Ute Dome Morrison pool is 0.5 miles southeast.

Brandon Powell

NMOCD Approved by Signature

2-26-14
Date

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.
142060462

6. If Indian, Allottee or Tribe Name
UTE MIN UTE

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

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

8. Well Name and No.
UTE INDIANS A #37

2. Name of Operator
XTO ENERGY INC.

9. API Well No.
30-045-31689

3a. Address
382 CR 3100 AZTEC, NM 87410

3b. Phone No. *(include area code)*
505-333-3630

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

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1900' FSL & 1690' FEL NWSE SEC.34(J)-T32N-R14W N.M.P.M.

11. County or Parish, State
SAN JUAN NM

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

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

13. Describe Proposed or 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.)

In reference to your letter dated August 28, 2013, XTO Energy Inc. proposes to plug and abandon this well per the attached procedure and will be using a Closed Loop System. Please see also the current and proposed wellbore diagrams.

RCVD JAN 31'14
OIL CONS. DIV.
DIST. 3

SEE ATTACHED CONDITIONS OF APPROVAL

RECEIVED

OCT 17 2013

Bureau of Land Management
Durango, Colorado

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* SHERRY J. MORROW Title REGULATORY ANALYST

Signature Sherry J. Morrow Date 10/11/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Title MSE Date 1/29/14

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 TRES RIOS FIELD 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.

PLUG AND ABANDONMENT PROCEDURE

October 8, 2013

Ute Indians A #37

Ute Dome Dakota
1900' FSL and 1690' FEL, Section 34, T32N, R14W
San Juan County, New Mexico / API 30-045-31689
Lat: _____ / Lat: _____

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.

2. Rods: Yes____, No__X__, Unknown_____.
   Tubing: Yes ____, No __X__, Unknown_____, Size _____, Length _____.
   Packer: Yes____, No __X___, Unknown_____, Type _____.
   If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

3. **Plug #1 (Dakota perforations and top, 2220' – 2120'):** PU tubing workstring. TIH and tag existing CIBP (2010) at 2220'. Pressure test tubing to 1000 PSI. *Pressure test casing to 800 PSI. If casing does not test, then spot or tag subsequent plug as appropriate.* Mix and pump 12 sxs Class B cement above CIBP to isolate the Dakota interval. PUH.

4. **Plug #2 (Gallup top, 1459' – 1359'):** Mix and pump 12 sxs Class B cement and spot a balanced plug inside casing to cover the Gallup top. PUH.

5. **Plug #3 (Mancos top, 8-5/8" Surface Casing shoe, 505' to Surface):** Attempt to pressure test the bradenhead annulus to 300 PSI; note the volume to load. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 45 sxs cement and spot a balanced plug from 505' to surface, circulate good cement out casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing from 505' and the annulus from the squeeze holes to surface. Shut in well and WOC.

6. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

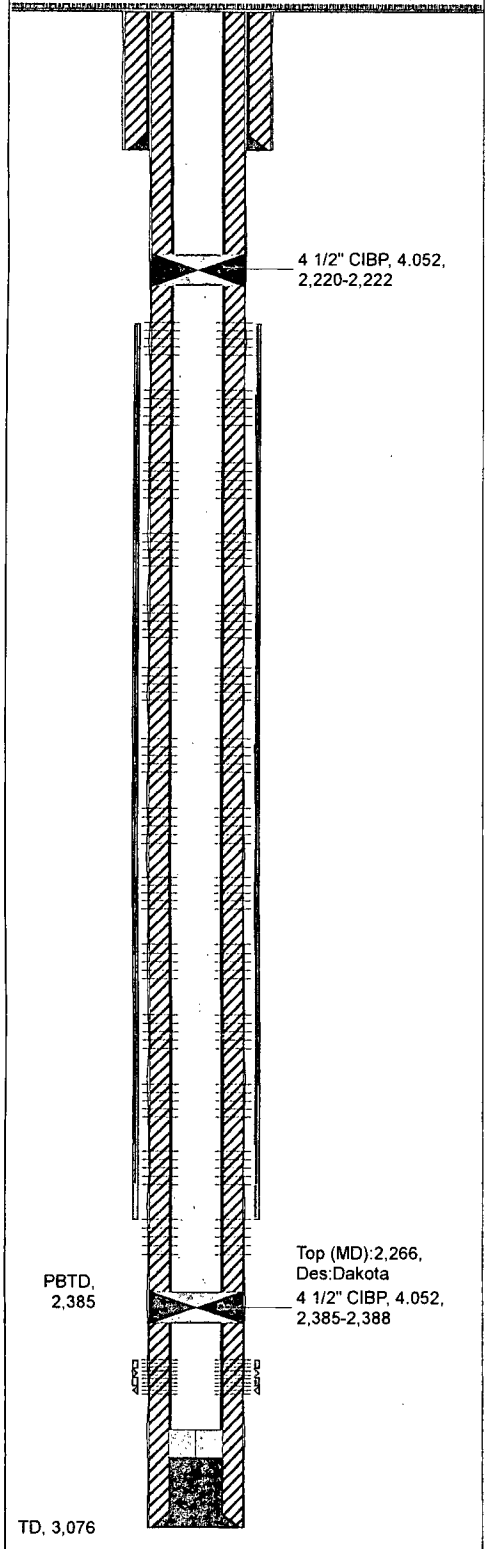
XTO - Wellbore Diagram

Well Name: Ute Indians A 37

API/UWI	E/W Dist (ft)	E/W Ref	N/S Dist (ft)	N/S Ref	Location	Field Name	County	State/Province
30045316890000	1,690.0	FEL	1,900.0	FSL	T32N-R14W-S34	Ute Dome Dakota	San Juan	New Mexico

Well Configuration Type	XTO ID B	Orig KB Elev (ft)	Gr Elev (ft)	KB-Grd (ft)	Spud Date	PBTD (All) (ftKB)	Total Depth (ftKB)	Method Of Production
Vertical	72387	5,959.00	5,947.00	12.00	7/23/2003	Original Hole - 2385.0	3,076.0	None

Well Config: Vertical - Original Hole, 9/6/2013 9:59:41 AM



Incl	ftKB (TVD)	ftKB (MD)
		12
		15
		315
		359
		360
		2,135
		2,150
		2,220
		2,222
		2,266
		2,267
		2,268
		2,269
		2,274
		2,275
		2,276
		2,277
		2,280
		2,281
		2,283
		2,284
		2,288
		2,289
		2,291
		2,292
		2,306
		2,307
		2,308
		2,309
		2,312
		2,313
		2,315
		2,316
		2,331
		2,332
		2,333
		2,334
		2,385
		2,388
		2,419
		2,425
		3,033
		3,033
		3,075
		3,076

Zones

Zone	Top (ftKB)	Btm (ftKB)
Dakota	2,266.0	2,425.0

Casing Strings

Casing Description	OD (in)	Wt (lbs/ft)	String Grade	Top Connection	Set Depth (ftK...
Surface	8 5/8	24.00	J-55	ST&C	360.0
Production	4 1/2	10.50	J-55	ST&C	3,076.0

Cement

Description	Type	String
Surface Casing Cement	casing	Surface, 360.0ftKB

Comment: Circ 20 bbl to surf

Description	Type	String
Production Casing Cement	casing	Production, 3,076.0ftKB

Comment: Circ 30 bbl to surf

Perforations

Date	Top (ftKB)	Btm (ftKB)	Shot Dens (shots/ft)	Hole Diameter (in)	Phasing (°)	Curr... Status	Zone
8/27/2003	2,266.0	2,267.0	2.0	0.300			Dakota
8/27/2003	2,268.0	2,269.0	2.0	0.300			Dakota
8/27/2003	2,274.0	2,275.0	2.0	0.300			Dakota
8/27/2003	2,276.0	2,277.0	2.0	0.300			Dakota
8/27/2003	2,280.0	2,281.0	2.0	0.300			Dakota
8/27/2003	2,283.0	2,284.0	2.0	0.300			Dakota
8/27/2003	2,288.0	2,289.0	2.0	0.300			Dakota
8/27/2003	2,291.0	2,292.0	2.0	0.300			Dakota
8/27/2003	2,306.0	2,307.0	2.0	0.300			Dakota
8/27/2003	2,308.0	2,309.0	2.0	0.300			Dakota
8/27/2003	2,312.0	2,313.0	2.0	0.300			Dakota
8/27/2003	2,315.0	2,316.0	2.0	0.300			Dakota
8/27/2003	2,331.0	2,332.0	2.0	0.300			Dakota
8/27/2003	2,333.0	2,334.0	2.0	0.300			Dakota
8/22/2003	2,419.0	2,425.0	2.0	0.400		In...	Dakota

Tubing Strings

Tubing Description	Run Date	Set Depth (ftKB)

Tubing Components

Item Description	Jts	Model	OD (in)	Wt (lbs/...	Gra...	Top Thread	Len (ft)	Top (ftKB)	Btm (ftKB)

Rods

Rod Description	Run Date	String Length (ft)	Set Depth (ftKB)

Rod Components

Item Description	Jts	Model	OD (in)	Grade	Len (ft)	Top (ftKB)	Btm (ftKB)

Stimulations & Treatments

Frac Start Date	Top Perf (ft...	Bottom Pe...	V (slurry) (...	Total Prop...	AIR (b...	ATP (psi)	MTP (psi)	ISIP (psi)
8/23/2003	2419	2425			4	1,200.0		1,050.0

Comment: BD perfs w/500 gals 15% HCl ac.

Frac Start Date	Top Perf (ft...	Bottom Pe...	V (slurry) (...	Total Prop...	AIR (b...	ATP (psi)	MTP (psi)	ISIP (psi)
8/29/2003	2226	2333		90,000.0	43	2,637.0	2,90...	1,784.0

Comment: Ppd a 70Q N@ 20# gel carrying 90,000# 20/40 sd.

Ute Indians A #37

Proposed P&A

Ute Dome Dakota

1900' FSL, 1690' FEL, Section 34, T-32-N, R-14-W,

San Juan County, NM / API #30-045-31689

Lat _____ / Long _____

Today's Date: **10/8/13**
Spud: 7/23/03
Completed: 9/22/03
Elevation: 5947' GL

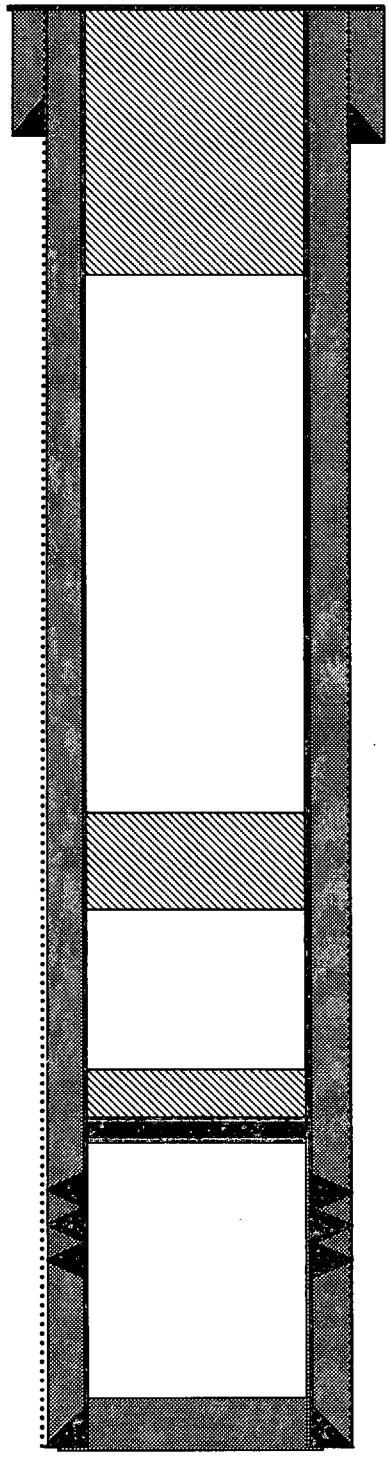
12-1/4" hole

Mancos @ 455'

Gallup @ 1409'

Dakota @ 2265'

7-7/8" hole



TOC @ Surface per Sundry

8-5/8" 24#, J-55 Casing set @ 360'
Cement with 215 sxs (Circulated to Surface)

Plug #3: 505' – 0'
Class B cement, 45 sxs

Plug #2: 1459' – 1359'
Class B cement, 12 sxs

Plug #1: 2220' – 2120'
Class B cement, 12 sxs

CIBP set at 2220'. Circulated 34 bbls C-1000 pkr fluid to surface (2010)

Dakota Perforations:
2266' – 2425'

4.5",10.5#, J-55 Casing set @ 3076'
Cement with 570 sxs,
Circulate 30 bbls to surface

TD 3081'
PBTD 2860'

XTO Energy Inc.
Tribal Lease: 14-20-604-62
Well: Ute Indians A #37
Location: 1900' FSL & 1690' FEL
Sec. 34, T. 32 N., R. 14 W.
San Juan County, NM

Conditions of Approval - Notice of Intent to Abandon:

1. Notify this office at least **72 hours** prior to commencing plugging operations.

2. Approval of this Notice of Intent to Abandon (NIA) is for down hole plugging only.

3. Materials used will be accurately measured.

4. A tank or approved pit must be used for containment of any fluids from the wellbore during plugging operations. All unattended pits are to be fenced.

5. Pits are not to be used for disposal of any unauthorized materials.

6. All cement plugs are to be placed through a work string. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.

6a. Cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100 ft. of the casing or annular void(s) between casings, plus 10% excess volume per 1000 ft. of depth.

6b. Surface plugs must be a minimum of 50 ft. within casing and annular voids.

6c. Cement plugs placed to fill an open hole shall have sufficient volume to fill a minimum of 100 ft. of open hole, plus 10% excess volume per 1000 ft. of depth.

7. The well must be filled with a wellbore mud sufficient to stabilize the wellbore. In the absence of any formation pressure data provided by the operator, this mud will have a minimum weight of **9 ppg**. The mud must be left between all plugs.

8. A blowout preventer and related equipment shall be installed and tested prior to working in a wellbore with any exposed zones (a) that are overpressured, (b) where pressures are unknown, or (c) known to contain H_2S.

Continued on Page 2.

9. Within 30 days after plugging of the well, file 4 copies of a Subsequent Report of Abandonment (SRA) via Sundry Notice. This report should include the following information:

a. Date(s) of plugging operations.
b. Procedure used to plug the well.
c. Depth of plugs.
d. Type and volume of plugs set.
e. Casing types/lengths left in the well.

Continued on Page 3.

Surface Use Directions:

This approval is for the completion of the downhole plugging only. Surface reclamation must be completed, weed free vegetation established, and site accepted by the BIA prior to closure and bond release.

NOTIFICATION:

- **The BLM Colorado Minerals Division – Physical Scientist/Natural Resources Specialist (970) 385-1242 shall be notified 5 days prior to the onset of pad/road surface reclamation activity.**

- **The BLM Colorado Minerals Division – Physical Scientist/Natural Resources Specialist (970) 385-1242 shall be notified at least 48 hours prior to commencement of final surface reclamation activities.**

REQUIREMENTS AT ALL SITES:

1. **All tanks on-pad, used in plugging or reclamation activities will employ the use of earthen berms or another appropriate form of secondary containment, capable of holding a minimum of 110% of the contained tank volume(s).**
2. **Any cement wash or other fluids shall be placed in a self-contained tank, surrounded by containment dike of 110% of contained volumes for storage and removed for disposal at an approved location off-site.**
3. **Any free liquid accumulating should be vacuumed off to insure a minimum of 2ft. of freeboard on all tanks consistently and removed to an approved facility with receipts for chain of custody submitted to BLM –Minerals Division.**
4. **All stormwater mitigations will be in accordance with BLM gold book BMP standards and practices.**

According to the regulations in 43 CFR 3162.3-4, a well site is to be reclaimed and re-vegetated directly following plugging. Onshore Orders #1 stipulates that **surface reclamation** be completed within 180 days of final plugging operation completion. Once notified of plugging, a field inspection will be arranged between the Operator, UMU Tribe, the BLM and the respective BIA agency, so that the well pad can be inspected for reclamation requirements and BLM approval, before release from bond liability.