

RECEIVED

JUL 07 2005

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Bureau of Land Management
Durango, Colorado

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

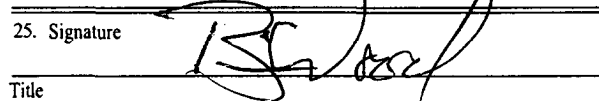

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. BIA 14-20-604-62
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name UTE MOUNTAIN UTE
2. Name of Operator XTO ENERGY INC		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 2700 FARMINGTON AVE., BLDG. K-1 FARMINGTON, NM 87401	3b. Phone No. (include area code) (505) 324-1090	8. Lease Name and Well No. UTE INDIANS A 40
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1760 FSL & 1905 FVL At proposed prod. zone SAME		9. API Well No. 30-045- 33675
14. Distance in miles and direction from nearest town or right-of-way 6 AIR MILES WEST OF LaPLATA		10. Field and Pool, or Exploratory UTE DOME DAKOTA
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1,760'		11. Sec., T. R. M. or Blk. and Survey or Area K 34-32N-14W NMPM
16. No. of acres in lease 4,251.9		12. County or Parish SAN JUAN
17. Spacing Unit dedicated to this well SW4 160		13. State NM
18. Distance from proposed* location to nearest well, drilling, completed, applied for, on this lease, ft. 1,690' (XTO's A-37)		19. Proposed Depth 3,250'
20. BLM/BIA Bond No. on file BIA NATIONWIDE 104312789		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,082' GL		22. Approximate date work will start* 09/01/2005
23. Estimated duration 1 MONTH		

24. Attachments

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

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

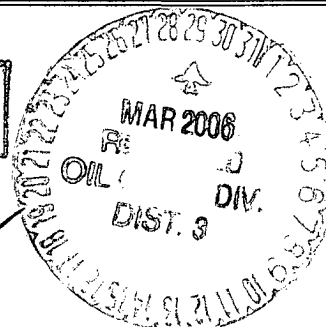
25. Signature 	Name (Printed/Typed) BRIAN WOOD	Date 07/01/2005
Title CONSULTANT	PHONE: (505) 466-8120 FAX: (505) 466-9682	APPROVED FOR A PERIOD NOT TO EXCEED 1 YEAR.
Approved by (Signature) 	Name (Printed/Typed) Brian W. Davis	Date MAR 24 2006
Title Acting Field Office Manager		

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)

SEE ATTACHED
CONDITIONS OF APPROVAL



WOOD

by

WOOD

WOOD

✓

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

DISTRICT II
1301 W. Grand Ave., 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 87505

Form C-102
Revised June 10, 2003

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-33675	² Pool Code 86720	³ Pool Name UTE DOME DAKOTA
⁴ Property Code 22645	⁵ Property Name UTE INDIANS A	⁶ Well Number 40
⁷ GRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6082

¹⁰ Surface Location

UL or lot no. K	Section 34	Township 32-N	Range 14-W	Lot Idn Unnumbered	Feet from the 1760	North/South line SOUTH	Feet from the 1905	East/West line WEST	County SAN JUAN
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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 160		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

<p>16</p> <p>QTR. CORNER FD 3 1/4" AC 1985 BLM</p> <p>SEC. CORNER FD 3 1/4" AC 1985 BLM</p> <p>1905'</p> <p>N 00-01-59 W 2638.5' (M)</p> <p>N 90-00-00 E 2639.4' (M)</p> <p>1760'</p> <p>LAT: 36°56'31.4" N. (NAD 27) LONG: 108°17'53.9" W. (NAD 27)</p> <p>QTR. CORNER FD 3 1/4" AC 1985 BLM</p> <p>MAR 2006</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Brian Wood</i></p> <p>Signature</p> <p>Printed Name</p> <p>BRIAN WOOD</p> <p>Title</p> <p>CONSULTANT</p> <p>Date</p> <p>JULY 1, 2005</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>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 knowledge and belief.</p> <p>JOHN A. WUKONICH NEW MEXICO Date of Survey 14831 Signature and Seal of Professional Surveyor 14831</p> <p>Certificate Number</p>

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.	30-045- <u>33675</u>
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	BIA 14-20-604-62
7. Lease Name or Unit Agreement Name	UTE INDIANS A
8. Well Number	40
9. OGRID Number	167067
10. Pool name or Wildcat	UTE DOME DAKOTA

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

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

2. Name of Operator XTO ENERGY INC.

3. Address of Operator 2700 FARMINGTON AVE., BLDG. K-1,
FARMINGTON, NM 87401

4. Well Location

Unit Letter K : 1760 feet from the SOUTH line and 1905 feet from the WEST line
Section 34 Township 32N Range 14W NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6,082' GL

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type DRILLING Depth to Groundwater ~100' Distance from nearest fresh water well >1000' Distance from nearest surface water ~100'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: DRILLING PIT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed & closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

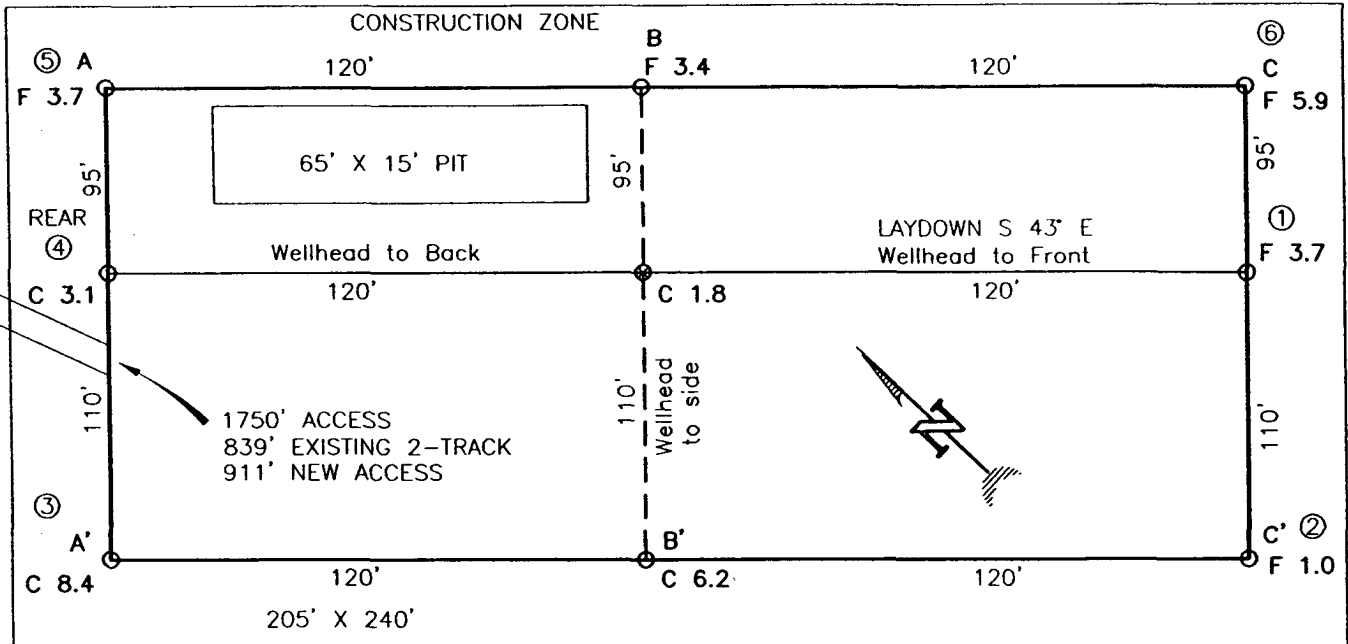
SIGNATURE Brian Wood TITLE CONSULTANT DATE 7-1-05
BRIAN WOOD

Type or print name E-mail address: brian@permitswest.com Telephone No. (505) 466-8120
For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. IV DATE MAR 29 2006
Conditions of Approval (if any):

XTO ENERGY INC.
 UTE INDIANS A NO. 40 1760' FSL 1905' FWL
 SECTION 34, T32N, R14W, N.M.P.M., SAN JUAN COUNTY, N.M.
 GROUND ELEVATION: 6082', DATE: DECEMBER 22, 2004

LAT. = 36°56'31.4" N
 LONG. = 108°17'53.9" W
 NAD 27

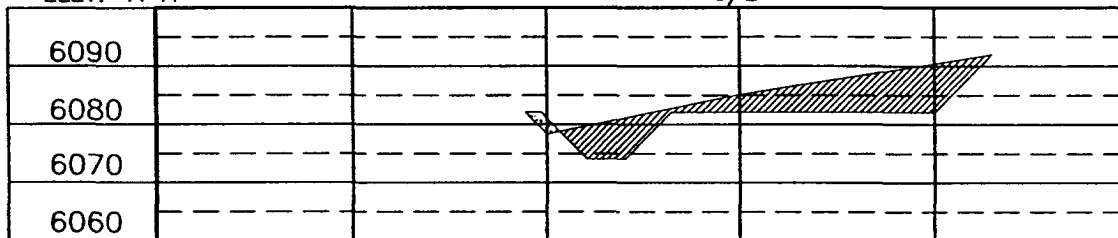


RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
 BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.

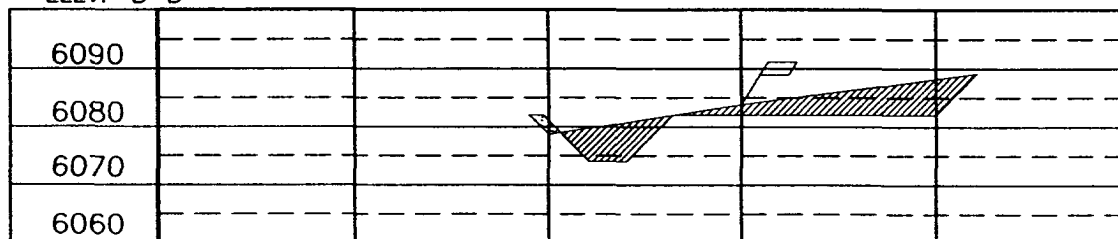
ELEV. A-A'

C/L



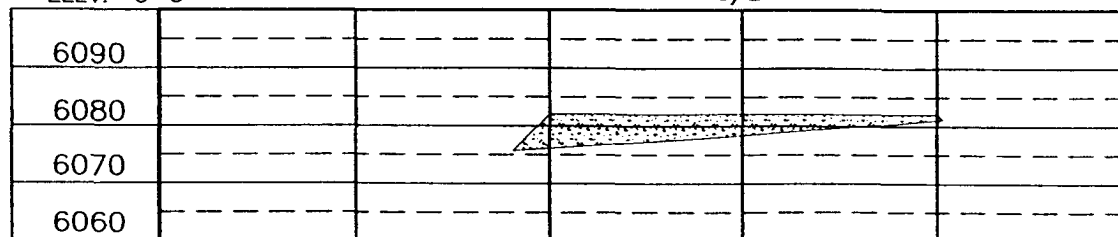
ELEV. B-B'

C/L



ELEV. C-C'

C/L



NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

REVISION:	DATE:	REVISED BY:
RESTAKE LOCATION	12/28/04	G.V.

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15068 • Farmington, NM 87401
 Phone (505) 326-1772 • Fax (505) 326-6019
 NEW MEXICO L.S. No. 14831

CAJLE CR265-CFB
 DATE: 10/15/04

DRAWN BY: B.L.
ROW# CR265

XTO Energy Inc.
Ute Indians A 40
1760' FSL & 1905' FWL
Sec. 34, T. 32 N., R. 14 W.
San Juan County, New Mexico

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Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Menefee Shale	0'	12'	+6,082'
Mancos Shale	532'	544'	+5,550'
Gallup Sandstone	1,557'	1,569'	+4,525'
Greenhorn Limestone	2,257'	2,269'	+3,825'
Graneros Shale	2,332'	2,344'	+3,750'
Dakota Sandstone	2,407'	2,359'	+3,675'
Burro Canyon	2,582'	2,594'	+3,500'
Morrison	2,632'	2,644'	+3,450'
Total Depth	3,250'	3,262'	+2,832'

2. NOTABLE ZONES

<u>Gas & Oil Zone</u>	<u>Water Zone</u>	<u>Coal Zone</u>
Dakota	Surface Alluvium	Menefee

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. (A typical 2,000 psi model is on PAGE 3.) An 8-5/8" x 11" 2,000 pound double ram BOP system with a choke manifold and mud cross will be tested to \approx 250 psi and then to \approx 1,000 psi. Upper and lower Kelly cocks with valve handle and subs to fit all drill string connections which are in use will be available on the rig floor.

Tests will be run when:

XTO Energy Inc.
Ute Indians A 40
1760' FSL & 1905' FWL
Sec. 34, T. 32 N., R. 14 W.
San Juan County, New Mexico

PAGE 2

- 1) installed
- 2) anytime a pressure seal is broken (test only affected equipment)
- 3) at least every 30 days
- 4) blind & pipe rams will be activated each trip, but no more than daily

BOP systems will be consistent with API RP 53. Blowout preventers will be installed and tested before drilling surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated daily to ensure good mechanical working order and this inspection recorded on the daily drilling report. Preventers and casing will be pressure tested before drilling casing cement plugs. Maximum expected bottom hole pressure will be $\approx 1,300$ psi.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Setting Depth</u>
12-1/4"	8-5/8"	24	J-55	New	350'
7-7/8"	5-1/2"	15.5	J-55	New	3,250'

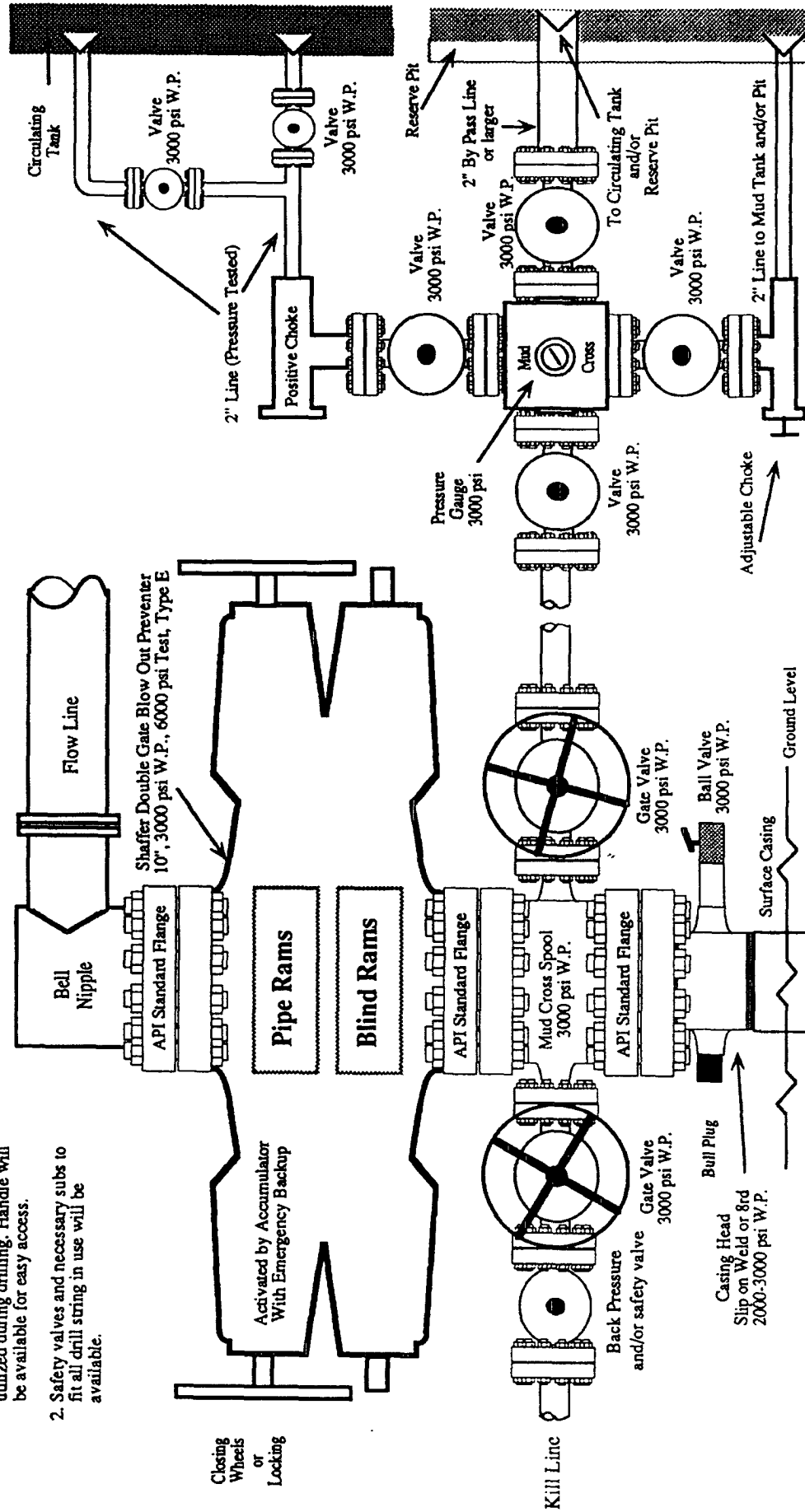
Surface casing will be cemented to the surface with ≈ 288 cubic feet (≈ 225 sacks) Class B Neat + 1/4 pound per sack cello-flake + 2% CaCl_2 . Yield = 1.27 cubic feet per sack. Weight = 15.2 pounds per gallon. Excess = 100%.

Production casing will be cemented to the surface with $\approx 100\%$ excess. Total cement: $> 1,125$ cubic feet. If cement does not circulate to surface, then a temperature survey will be run to determine the actual cement top as needed. W. O. C. = 12 hours. Test to 2,000 psi.

Lead cement will be ≈ 495 sacks (≈ 988 cubic feet) Class B light (65% cement/35% Poz with 6% gel) with 5 #/sack gilsonite + 1/4 #/sack Flocele. Yield = 1.99 cu ft/sk. Weight = 12.4 #/gal. Tail cement will be ≈ 100 sacks (138 cubic feet) 50/50 Class B Poz with 2% gel + 1/4#/sack Flocele + 0.5% Halad 9. Yield = 1.38 cubic feet/sack. Weight = 13.5 #/gallon.

2,000 PSI BOP SYSTEM

- Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.
2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

XTO Energy Inc.
Ute Indians A 40
1760' FSL & 1905' FWL
Sec. 34, T. 32 N., R. 14 W.
San Juan County, New Mexico

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5. MUD PROGRAM

<u>RANGE</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>WATER LOSS</u>
0' - 350'	Fresh water/gel/line	8.6-8.8	28-32	NC
350' - TD	LSND	8.8-9.0	42-60	8-10 cc

Lost circulation and absorption material will be on location.

6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. Induction logs and neutron density - GR logs will be run from TD to base of surface casing.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take \approx 1 week to drill and \approx 2 weeks to complete the well.