

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. BIA 751-06-1034
2. Name of Operator XTO Energy Inc.		6. If Indian, Allottee or Tribe Name UTE MOUNTAIN UTE
3a. Address 382 CR 3100 Aztec, NM 87410	3b. Phone No. (include area code) 505-333-3100	7. If Unit or CA/Agreement, Name and/or No. N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 360' ENL x 865' FEL NENE (A) Sec 33-T32N-R14W		8. Well Name and No. UTE MIN TRIBAL K #2
		9. API Well No. 30-045-34785
		10. Field and Pool, or Exploratory Area UTE DOME PARADOX
		11. County or Parish, State SAN JUAN NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other <u>CHANGE</u>
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <u>DRILLING PROGRAM</u>
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

XTO Energy Inc., would like to change the TD of the above mentioned well to 9000'. Attached is the revised drilling program with the changes shown in the TD, Geologic tops and cement amount for the production casing.

RCVD NOV 7 '08
OIL CONS. DIV.

DIST. 3

RECEIVED

OCT 17 2008

Bureau of Land Management
Durango, Colorado

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) JENNIFER M. HEMERY		Title FILE CLERK
Signature <i>Jennifer M. Hemery</i>		Date 10/16/2008
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by <i>[Signature]</i>	Title <i>AmSC</i>	Date <i>10/21/08</i>
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 <i>Spre</i>

NMDCB

XTO ENERGY INC.

Ute Mountain Tribal K #2

APD Data

October 15, 2008

Location: 580' FNL x 820' FEL Sec 33, T32N, R14W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 9000'

OBJECTIVE: Paradox

APPROX GR ELEV: 6072'

Est KB ELEV: 6084' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 850'	850' to 2500'	2500' to 9000'
HOLE SIZE	12.25"	7.875"	7.875"
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: 8.625" casing to be set at \pm 850' 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'-850'	850'	24.0#	J-55	ST&C	1370	2950	244	8.097	7.972	3.370	7.25	11.96

Production Casing: 5.5" casing to be set at TD (\pm 9000') in 7.875" 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'-9000	9000'	17.0#	N-80	LT&C	6280	7740	348	4.892	4.767	1.46	1.80	2.27

Remarks: All Casing strings will be centralized in accordance with Onshore Order #2 and NTL FRA-90-1.

3. WELLHEAD:

- 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.
- 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.

4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):

A. Surface: 8.625", 24.0#, J-55, ST&C casing to be set at $\pm 850'$ in 12-1/4" hole.

505 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft³/sk, & 6.70 gal wtr/sk.

Total slurry volume is 702 ft³, 100% excess of calculated annular volume to 850'.

B. Production: 5.5", 17.0#, N-80 (or K-55), LT&C casing to be set at $\pm 9000'$ in 7.875" hole.

1st Stage

LEAD:

± 813 sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft³/sk, 10.55 gal wtr/sx.

TAIL:

250 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 5-1/2" production casing is 2206 ft³.

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 (9000') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (9000') to 3,000'.

6. FORMATION TOPS:

Est. KB Elevation: 6084'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Cliffhouse			Carmel Fmtn	2180	3904
Menefee	6072	12	Wingate SS	2002	4082
Point Lookout	5839	245	Chinle Fmtn	1799	4285
Mancos	5402	682	Shinarump Congl.	1359	4689
Gallup SS	4125	1959	Moenkopi Fmtn	964	5120
Greenhorn LS	3530	2554	Cutler Group	726	5358
Graneros Shale	3495	2589	Hermosa Group	-1036	7120
Dakota SS	3430	2654	Paradox Fmtn	-1691	7775
Burro Canyon SS	3350	2734	Ismay Member*	-1842	7926
Morrison Fmtn	3251	2833	Desert Creek *	-2013	8097
Bluff SS	2618	3466	Akah *	-2163	8247
Summerville Fmtn	2413	3671	Barker Creek*	-2353	8437
Todilto LS	2315	3769	Alkali Gulch	-2583	8667
Entrada SS	2299	3785	TD	-2916	9000

* Primary Objective

** Secondary Objective

**** Maximum anticipated BHP should be <5,800 psig (<0.63 psi/ft) *****

7. ANTICIPATED OIL, GAS, & WATER ZONES:

A.

Formation	Expected Fluids	Well Depth Top
Cliffhouse	Water	
Menefee	Water	12
Point Lookout	Water	245
Gallup	Water	1959
Dakota SS	Gas	2654
Burro Canyon SS	Gas	2734
Morrison Formation	Water	2833
Bluff SS	Water	3466
Entrada SS	Water	3785
Wingate SS	Water	4082
Ismay Member	Gas	7926
Desert Creek	Gas	8097
Akah	Gas	8247
Barker Creek	Gas	8437
Alkali Gulch	Gas	8667

A. No Appreciable Water Zones are anticipated.

B. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.

C. Once the Morrison is drilled the well will be treated as a potential source of H₂S.

8. BOP Equipment:

Minimum specification for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double ram with annular, 3000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10% in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50% of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed:
- b. whenever any seal subject to test pressure is broken
- c. following related repairs: and
- d. at 30 day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) shall be held open or the ball removed.

Annular preventers (if used) shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No.2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests. Pressure tests shall apply to all related well control equipment.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place.

Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The BLM in Durango, Colorado shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram.

- b. A choke line and a kill line are to be properly installed.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.
- e. See attached BOP & Choke Manifold diagrams.

9. **COMPANY PERSONNEL:**

Name	Title	Office Phone	Home Phone
Justin Niederhofer	Drilling Engineer	505-333-3199	505-320-0158
Jerry Lacy	Drilling Superintendent	505-333-3177	505-320-6543
John Klutsch	Project Geologist	817-885-2800	--

JDN
10/15/08