

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

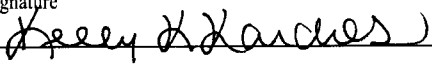
FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. I-22-IND-2759
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name SOUTHERN UTE INDIAN TRIBE
2. Name of Operator XTO ENERGY INC.		7. If Unit or CA Agreement, Name and No.
3a. Address 382 ROAD 3100	3b. Phone No. (include area code) 505-333-3145	8. Lease Name and Well No. UTE GOVT #101
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 1419' FSL & 1351' FWL At proposed prod. zone 1896' FSL & 2341' FWL, BHL: 1994' FSL & 2500' FWL		9. API Well No.
14. Distance in miles and direction from nearest town or post office* Aprox 13+ miles southeast of Ignacio, CO		10. Field and Pool, or Exploratory IGNACIO BLANCO FRUITLAND COAL
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 637'	16. No. of acres in lease 480	11. Sec., T. R. M. or Blk. and Survey or Area NESW SEC. 36, T33N, R7W
17. Spacing Unit dedicated to this well S/2 320	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1060'	12. County or Parish LA PLATA
19. Proposed Depth 3308' MD	20. BLM/BIA Bond No. on file 104312789	13. State NM
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6412' GL	22. Approximate date work will start* 10/01/2010	23. Estimated duration 2 WEEKS

24. Attachments

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

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed/Typed) KELLY K. KARDOS	Date 07/19/2010
Title SR. PERMITTING TECH		
Approved by (Signature)	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.

(Continued on page 2)

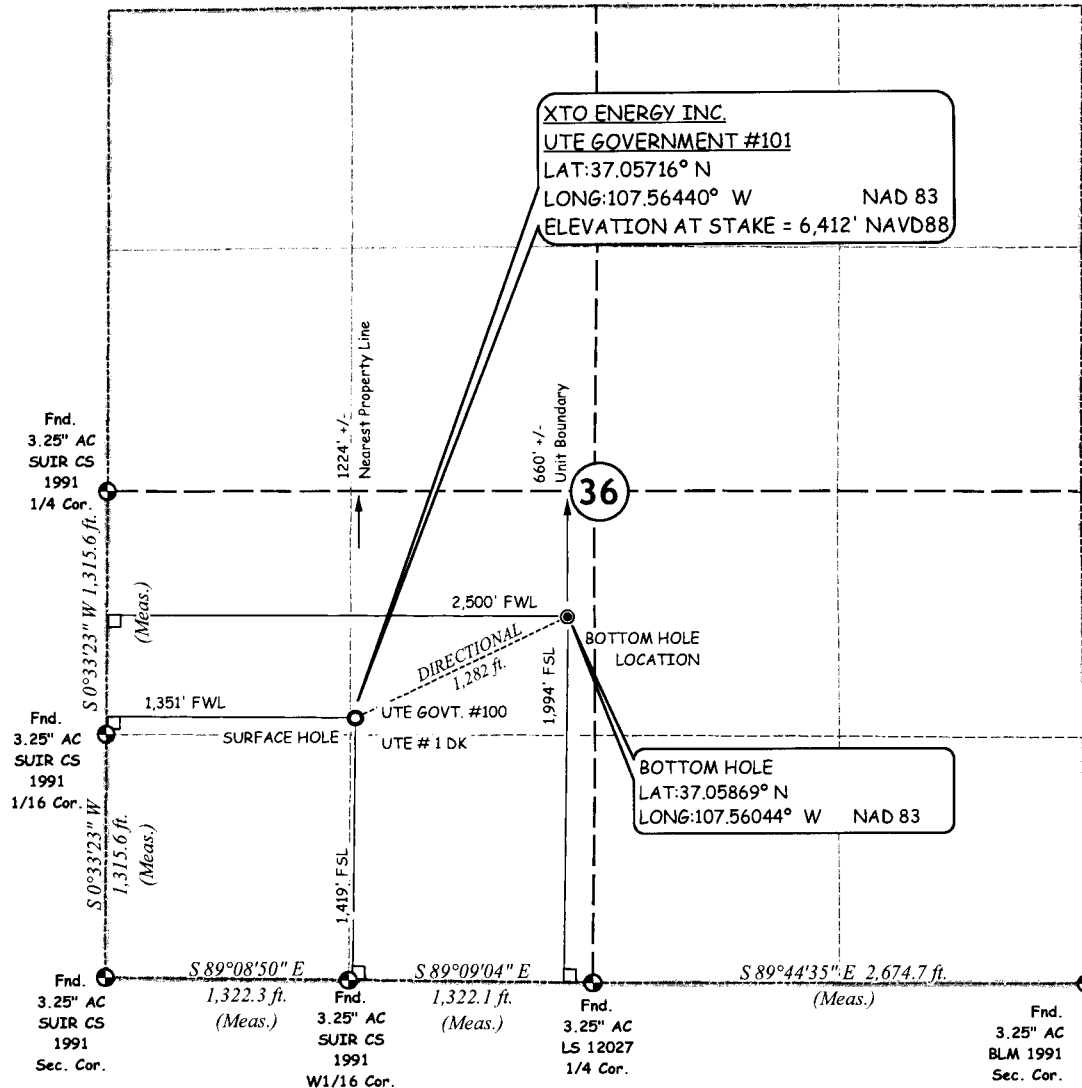
*(Instructions on page 2)

**XTO ENERGY INC.
UTE GOVERNMENT #101**

**SURFACE HOLE 1,419' FSL, 1,351' FWL
BOTTOM HOLE LOCATION 1,994 FSL, 2,500' FWL
SECTION 36, T-33-N, R-07-W, N.M.P.M.,
LA PLATA COUNTY, COLORADO
LAT:37.05716° N LONG:107.56440° W NAD 83
ELEVATION AT STAKE = 6,412' NAVD88**

Legend

- BOTTOM HOLE
- SURFACE LOCATION
- ⊙ FOUND MON.
- DIRECTIONAL
- FOOTAGE
- QUARTER
- SECTION
- SIXTEENTH

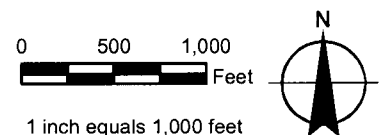


NOTES:

1. SURFACE USE IS EXISTING WELL LOCATION AND AGRICULTURAL.
2. SEE ATTACHED ADDENDUM FOR IMPROVEMENTS, AND PROPERTY LINES WITHIN 200' OF BORE.
3. DATE OF SURVEY 1/2/07-3/27/07
4. BASIS OF ELEVATION = NAVD88 AS PREDICTED BY GEOID03.
5. GPS POSITIONS COLLECTED AT PDOP VALUE OF 6 OR LESS.
6. LOCATION OFFSETS TO SECTION LINE MEASURED AT 90° TO SECTION LINE.

BASIS OF BEARING = BETWEEN MONUMENTS FOUND AT THE SOUTH SIXTEENTH CORNER ON THE WEST LINE AND THE SOUTH WEST CORNER OF SECTION 36, T-33-N, R-07-W, N.M.P.M., LA PLATA COUNTY, COLORADO, LINE BEARS S0°33'23" W BY GPS MEASUREMENT.

**NAD 27 Surface Location
LAT:37.05716° N
LONG:107.56379° W**

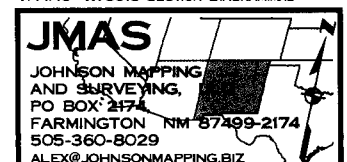


THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

DAVID ALEXANDER JOHNSON LICENSE NO. 33648 DATE
STATE OF COLORADO



7/14/10 XT0016 SECTION DIAGRAM.MXD



XTO ENERGY INC.

Ute Government #101

APD Data

August 25, 2010

Location: 1419' FSL x 1351' FWL Sec 36, T33N, R07W County: LaPlata

State: CO

Bottomhole Location: 1994' FSL x 2500' FWL Sec 36, T33N, R07W

GREATEST PROJECTED TD: 3308' MD, 2925 TVD

OBJECTIVE: Fruitland Coal

APPROX GR ELEV: 6412'

Est KB ELEV: 6424' (12' AGL)

Please note attached directional program.

1. MUD PROGRAM:

INTERVAL	0' to 225'	200' to 3308'
HOLE SIZE	12.25"	7.875"
MUD TYPE	FW/Spud Mud	FW/Polymer
WEIGHT	8.6-9.0	8.4-9.2
VISCOSITY	28-32	28-32
WATER LOSS	NC	NC

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 $\pm 225'$ in a 12-1/4" hole filled with 8.50 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'-225'	225'	24.0#	J-55	ST&C	1370	2950	244	8.097	7.972	13.78	29.66	45.19

Production Casing: 5.5" casing to be set at TD ($\pm 3308'$) in 7-7/8" hole filled with 9.20ppg 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'-3308	3308'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	2.89	3.44	3.94

Note: Safety factors are calculated based on a 9.2 ppg mwe with no backup using measured depth assumed to be in a vertical wellbore.

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.

B. Production: 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at $\pm 3308'$ in 7.875" hole.

LEAD:

± 317 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:

± 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 5-1/2" production casing is 791 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.

7. LOGGING PROGRAM:

A. Mud Logger: If requested by Fort Worth Geology, the mud logger will come on at 1,500' and will remain on the hole until TD. The mud will be logged in 10' intervals.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (3308') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (3308') to the projected top of the Fruitland Formation.

C. Coring and Drill stem Testing: No operations are planned for this site.

8. FORMATION TOPS:

Est. KB Elevation: 6424'

FORMATION	Sub-Sea	TVD
Nacimiento Formation	Surface	Surface
Animas Formation	5520	904
Ojo Alamo SS	5116	1308
Kirtland Shale	5013	1411
Farmington SS		
Fruitland Formation	4202	2222
Upper Fruitland Coal	3956	2468
Middle Fruitland Coal*	3898	2526
Pictured Cliffs Tongue	3799	2625
Lower Fruitland Coal**	3618	2806
Pictured Cliffs SS	3608	2816
TD	3499	2925

* Primary Objective

** Secondary Objective

**** Maximum anticipated BHP should be <1,500 psig ****

**** Target formations will be Fracture Stimulated. ****

9. **ANTICIPATED OIL, GAS, & WATER ZONES:**

A.

Formation	Expected Fluids	Well Depth TVD
Nacimiento Formation	Water	Surface
Animas Formation	Water	947
Ojo Alamo SS	Water	1188
Kirtland Shale	Water	1243
Farmington SS	Water	
Fruitland Formation	Water	2365
Upper Fruitland Coal	Gas	2776
Middle Fruitland Coal	Gas	2998
Pictured Cliffs Tongue	Gas	
Lower Fruitland Coal	Gas	3085
Pictured Cliffs SS	Gas	3116

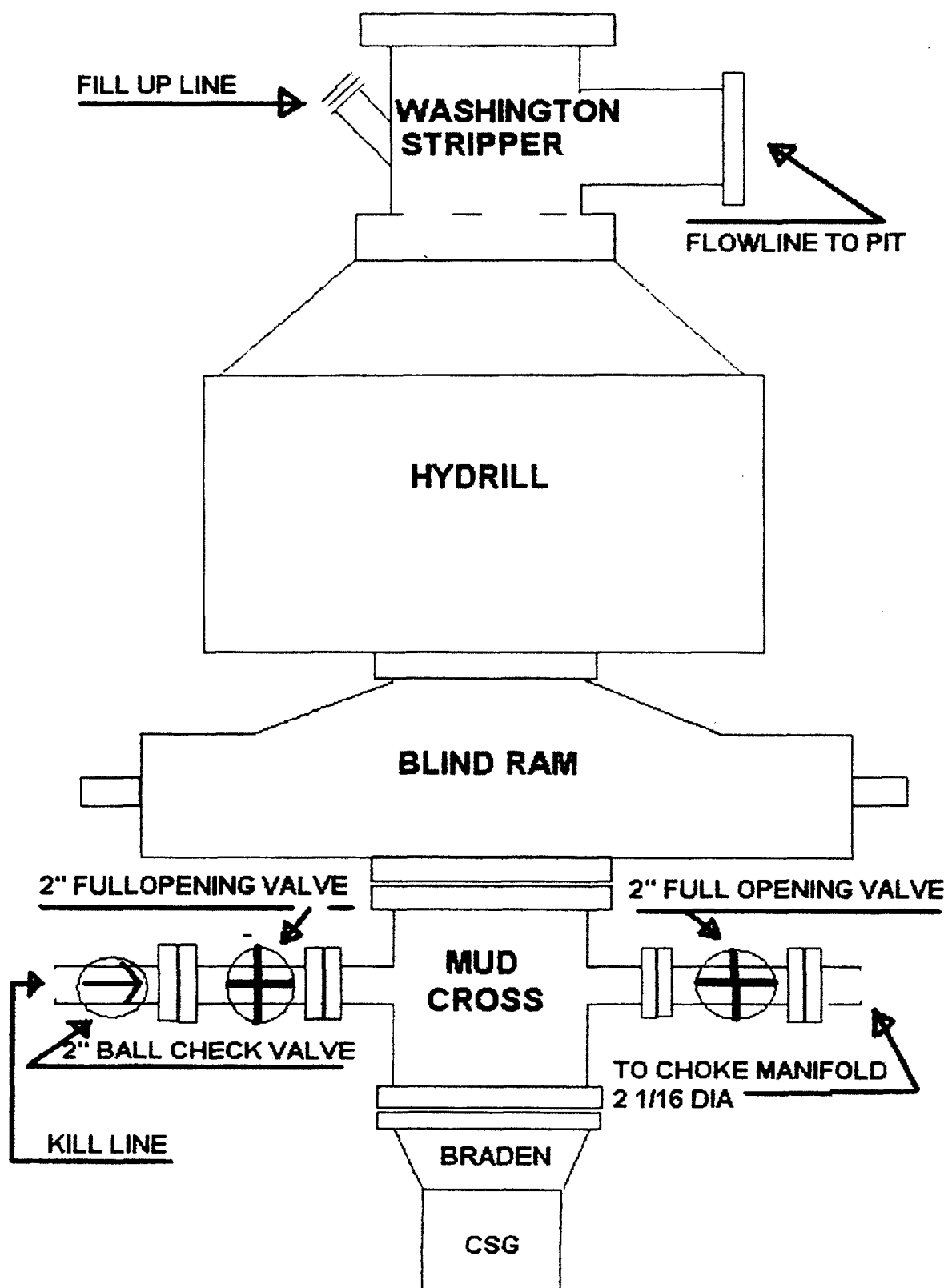
- A. All anticipated Appreciable Water Zones will be covered by surface casing.
- B. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.
- C. H₂S is not anticipated at this site.
- D. Shallow gas may be encountered due to the JF Hill #1 in Sec. 01, T32N, R07W.

10. **COMPANY PERSONNEL:**

Name	Title	Office Phone	Home Phone
Justin Niederhofer	Drilling Engineer	505-333-3199	505-320-0158
Bobby Jackson	Drilling Superintendent	505-333-3224	505-486-4706
Brian Henthorne	Project Geologist	817-885-2800	N/A

JDN
8/25/10

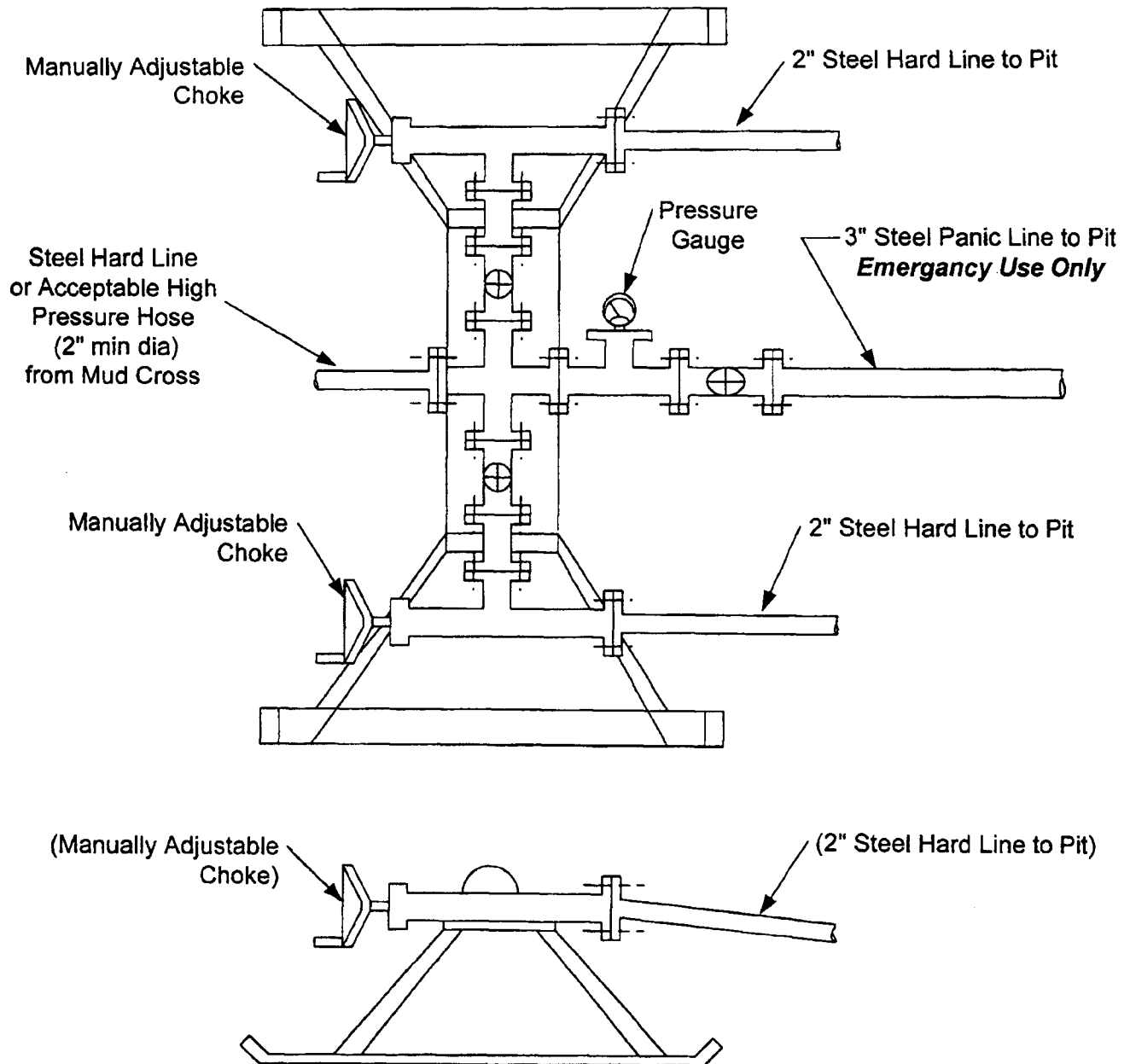
AWS 507



CHOKE MANIFOLD SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

1. Stake all lines from choke manifold to pit.
2. Pressure test choke manifold after installation.
3. Pressure test manifold at the same time with the BOP Stack. Test manifold to the same test pressures.

TESTING PROCEDURE



XTO Energy

LaPlata County Directionals

Ute Government #101

Ute Government #101

Ute Government #101

Plan: Ute Government #101--Permitted BHL

Standard Planning Report

28 January, 2010

XTO Energy Inc.

Planning Report

Database: EDM 2003.21 Single User Db
Company: XTO Energy
Project: LaPlata County Directionals
Site: Ute Government #101
Well: Ute Government #101
Wellbore: Ute Government #101
Design: Ute Government #101--Permitted BHL

Local Co-ordinate Reference: Well Ute Government #101
TVD Reference: Rig KB @ 6424.0ft (Aztec)
MD Reference: Rig KB @ 6424.0ft (Aztec)
North Reference: True
Survey Calculation Method: Minimum Curvature

Project	LaPlata County Directionals, LaPlata County, Colorado, Directional Fruitland Coal Wells		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		Using Well Reference Point
Map Zone:	Colorado Southern Zone		

Site	Ute Government #101, T33N, R7W				
Site Position:		Northing:	350,168.54 m	Latitude:	37° 3' 25.776 N
From:	Lat/Long	Easting:	730,791.99 m	Longitude:	107° 33' 51.840 W
Position Uncertainty:	0.0 ft	Slot Radius:	in	Grid Convergence:	-1.27 °

Well	Ute Government #101, S-well to top of FC				
Well Position	+N/-S	0.0 ft	Northing:	350,168.54 m	Latitude: 37° 3' 25.776 N
	+E/-W	0.0 ft	Easting:	730,791.99 m	Longitude: 107° 33' 51.840 W
Position Uncertainty		0.0 ft	Wellhead Elevation:	6,412.0 ft	Ground Level: 6,412.0 ft

Wellbore	Ute Government #101				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	12/31/2009	10.01	63.82	51,117

Design	Ute Government #101--Permitted BHL			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	12.0
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	12.0	0.0	0.0	64.26

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
12.0	0.00	0.00	12.0	0.0	0.0	0.00	0.00	0.00	0.00	
312.0	0.00	0.00	312.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,597.7	45.00	64.26	1,469.5	208.2	431.9	3.50	3.50	0.00	64.26	
2,020.4	45.00	64.26	1,768.4	338.0	701.1	0.00	0.00	0.00	0.00	
3,020.4	10.00	64.26	2,641.7	535.4	1,110.6	3.50	-3.50	0.00	180.00	
3,308.0	10.00	64.26	2,925.0	557.1	1,155.6	0.00	0.00	0.00	0.00	Ute Government #101

XTO Energy Inc.

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MD Reference: Rig KB @ 6424.0ft (Aztec)
North Reference: True
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
12.0	0.00	0.00	12.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
225.0	0.00	0.00	225.0	0.0	0.0	0.0	0.00	0.00	0.00
8 5/8"									
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
312.0	0.00	0.00	312.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	3.08	64.26	400.0	1.0	2.1	2.4	3.50	3.50	0.00
500.0	6.58	64.26	499.6	4.7	9.7	10.8	3.50	3.50	0.00
600.0	10.08	64.26	598.5	11.0	22.8	25.3	3.50	3.50	0.00
700.0	13.58	64.26	696.4	19.9	41.2	45.8	3.50	3.50	0.00
800.0	17.08	64.26	792.8	31.4	65.0	72.2	3.50	3.50	0.00
900.0	20.58	64.26	887.4	45.4	94.1	104.5	3.50	3.50	0.00
1,000.0	24.08	64.26	979.9	61.9	128.3	142.5	3.50	3.50	0.00
1,100.0	27.58	64.26	1,069.9	80.8	167.6	186.0	3.50	3.50	0.00
1,200.0	31.08	64.26	1,157.1	102.1	211.7	235.0	3.50	3.50	0.00
1,300.0	34.58	64.26	1,241.1	125.6	260.5	289.2	3.50	3.50	0.00
1,382.7	37.48	64.26	1,308.0	146.7	304.3	337.9	3.50	3.50	0.00
Ojo Alamo									
1,400.0	38.08	64.26	1,321.7	151.3	313.9	348.4	3.50	3.50	0.00
1,500.0	41.58	64.26	1,398.4	179.1	371.6	412.5	3.50	3.50	0.00
1,516.9	42.17	64.26	1,411.0	184.0	381.7	423.7	3.50	3.50	0.00
Kirtland Shale									
1,597.7	45.00	64.26	1,469.5	208.2	431.9	479.5	3.50	3.50	0.00
1,600.0	45.00	64.26	1,471.2	208.9	433.4	481.1	0.00	0.00	0.00
1,700.0	45.00	64.26	1,541.9	239.6	497.1	551.8	0.00	0.00	0.00
1,800.0	45.00	64.26	1,612.6	270.3	560.7	622.5	0.00	0.00	0.00
1,900.0	45.00	64.26	1,683.3	301.0	624.4	693.2	0.00	0.00	0.00
2,000.0	45.00	64.26	1,754.0	331.8	688.1	763.9	0.00	0.00	0.00
2,020.4	45.00	64.26	1,768.4	338.0	701.1	778.3	0.00	0.00	0.00
2,100.0	42.21	64.26	1,826.1	361.9	750.6	833.3	3.50	-3.50	0.00
2,200.0	38.71	64.26	1,902.1	390.0	809.0	898.1	3.50	-3.50	0.00
2,300.0	35.21	64.26	1,982.0	416.1	863.2	958.3	3.50	-3.50	0.00
2,400.0	31.71	64.26	2,065.4	440.1	912.8	1,013.4	3.50	-3.50	0.00
2,500.0	28.21	64.26	2,152.1	461.8	957.8	1,063.3	3.50	-3.50	0.00
2,578.4	25.47	64.26	2,222.0	477.1	989.7	1,098.7	3.50	-3.50	0.00
Fruitland Formation									
2,600.0	24.71	64.26	2,241.6	481.1	998.0	1,107.9	3.50	-3.50	0.00
2,700.0	21.21	64.26	2,333.6	498.1	1,033.1	1,146.9	3.50	-3.50	0.00
2,800.0	17.71	64.26	2,427.9	512.5	1,063.1	1,180.2	3.50	-3.50	0.00
2,841.9	16.25	64.26	2,468.0	517.8	1,074.1	1,192.4	3.50	-3.50	0.00
Upper Fruitland Coal									
2,900.0	14.21	64.26	2,524.0	524.5	1,087.9	1,207.7	3.50	-3.50	0.00
2,902.0	14.14	64.26	2,526.0	524.7	1,088.3	1,208.2	3.50	-3.50	0.00
Middle Fruitland Coal									
3,000.0	10.71	64.26	2,621.7	533.8	1,107.3	1,229.3	3.50	-3.50	0.00
3,003.4	10.59	64.26	2,625.0	534.1	1,107.9	1,229.9	3.50	-3.50	0.00
Pictured Cliffs Tongue									
3,020.4	10.00	64.26	2,641.7	535.4	1,110.6	1,232.9	3.50	-3.50	0.00
3,100.0	10.00	64.26	2,720.1	541.4	1,123.1	1,246.8	0.00	0.00	0.00
3,187.2	10.00	64.26	2,806.0	548.0	1,136.7	1,261.9	0.00	0.00	0.00
Lower Fruitland Coal									
3,197.4	10.00	64.26	2,816.0	548.8	1,138.3	1,263.7	0.00	0.00	0.00

XTO Energy Inc.

Planning Report

Database: EDM 2003.21 Single User Db
Company: XTO Energy
Project: LaPlata County Directionals
Site: Ute Government #101
Well: Ute Government #101
Wellbore: Ute Government #101
Design: Ute Government #101--Permitted BHL

Local Co-ordinate Reference: Well Ute Government #101
TVD Reference: Rig KB @ 6424.0ft (Aztec)
MD Reference: Rig KB @ 6424.0ft (Aztec)
North Reference: True
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
Pictured Cliffs									
3,200.0	10.00	64.26	2,818.6	549.0	1,138.7	1,264.1	0.00	0.00	0.00
3,308.0	10.00	64.26	2,925.0	557.1	1,155.6	1,282.9	0.00	0.00	0.00

5 1/2"

Design Targets

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (m)	Easting (m)	Latitude	Longitude
- hit/miss target									
- Shape									
Ute Government #101--	0.00	0.00	2,925.0	557.1	1,155.6	350,330.52	731,147.89	37° 3' 31.284 N	107° 33' 37.584 W
- plan hits target									
- Rectangle (sides W10.0 H10.0 D0.0)									

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
225.0	225.0	8 5/8"	8.625	12.250
3,308.0	2,925.0	5 1/2"	5.500	7.875

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,382.7	1,308.0	Ojo Alamo		0.00	
1,516.9	1,411.0	Kirtland Shale		0.00	
2,578.4	2,222.0	Fruitland Formation		0.00	
2,841.9	2,468.0	Upper Fruitland Coal		0.00	
2,902.0	2,526.0	Middle Fruitland Coal		0.00	
3,003.4	2,625.0	Pictured Cliffs Tongue		0.00	
3,187.2	2,806.0	Lower Fruitland Coal		0.00	
3,197.4	2,816.0	Pictured Cliffs		0.00	

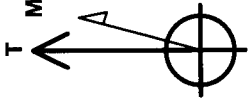


Well Name: Ute Government #101

San Juan Division
Drilling Department

Calculation Method: Minimum Curvature
Geodetic Datum: North American Datum 1983
Lat: 37° 3' 25.776 N
Long: 107° 33' 51.840 W

Azimuths to True North
Magnetic North: 10.01°
Magnetic Field
Strength: 51117.5snT
Dip Angle: 63.82°
Date: 12/31/2009
Model: IGRF200510

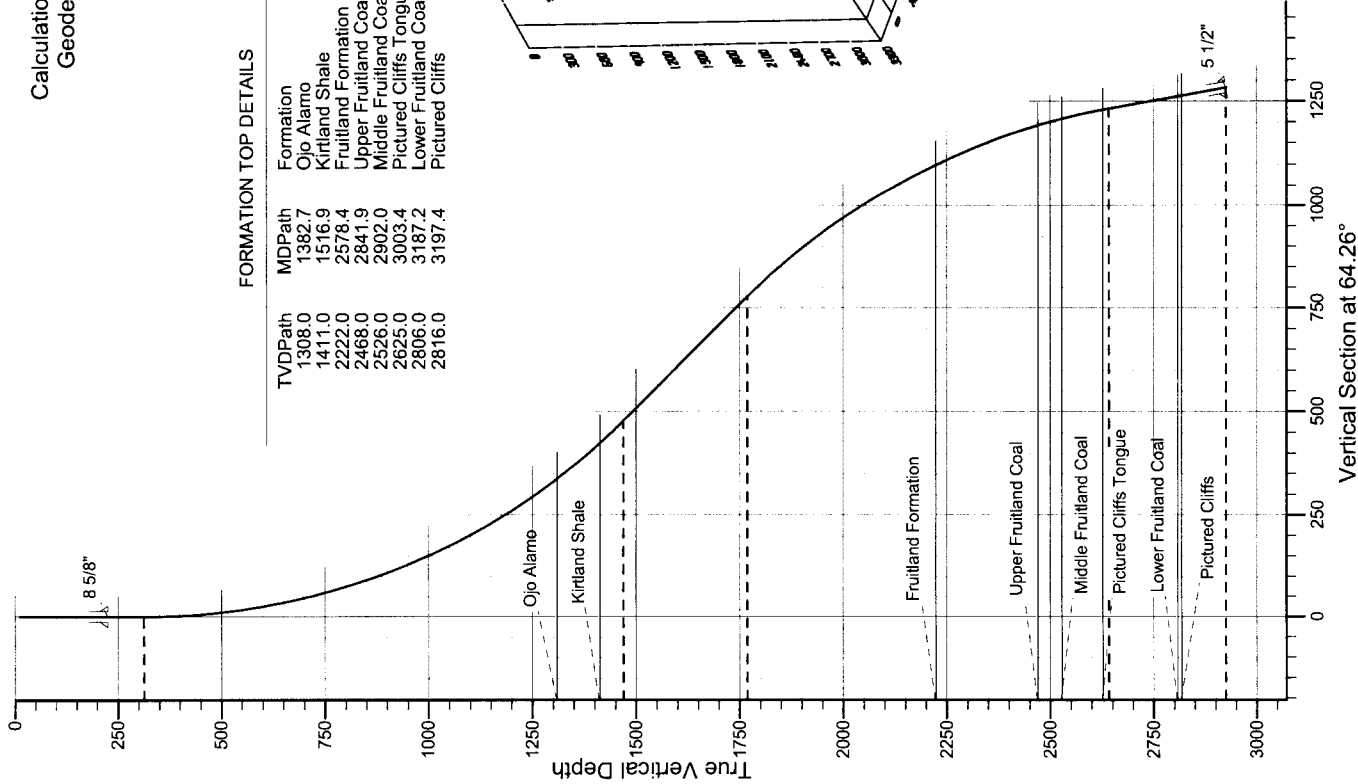


FORMATION TOP DETAILS

TVDPath	MDPath	Formation
1308.0	1382.7	Ojo Alamo
1411.0	1516.9	Kirtland Shale
2222.0	2578.4	Fruitland Formation
2468.0	2841.9	Upper Fruitland Coal
2526.0	2902.0	Middle Fruitland Coal
2625.0	3003.4	Pictured Cliffs Tongue
2806.0	3187.2	Lower Fruitland Coal
2816.0	3197.4	Pictured Cliffs

CASING DETAILS

TVDP	MD	Name	Size
225.0	225.0	8 5/8"	8.625
2925.0	3308.0	5 1/2"	5.500



SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSec	Target
1	12.0	0.00	0.00	12.0	0.0	0.0	0.00	0.00	0.0	
2	312.0	0.00	0.00	312.0	0.0	0.0	0.00	0.00	0.0	
3	1597.7	45.00	64.26	1469.5	208.2	431.9	3.50	64.26	479.5	
4	2020.4	45.00	64.26	1768.4	338.0	701.1	0.00	0.00	778.3	
5	3020.4	10.00	64.26	2641.7	535.4	1110.6	3.50	180.00	1232.9	
6	3308.0	10.00	64.26	2925.0	557.1	1155.6	0.00	0.00	1282.9	

Ute Government #101-- Proposed BHL

SURFACE USE PLAN

**XTO Energy Inc.
Ute Govt #101
1419' FSL x 1351' FWL
Section 36, T33N, R7W
La Plata County, Colorado**

TWELVE 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 USGS quadrangle map:
See Exhibit "A".
- b. Location of proposed well in relation to town or other reference point:
From the intersection of HWY 172 and Hwy 151 in Ignacio, CO head east on Hwy 151 9.7 miles. Bear right onto CR 328, go south 0.5 miles. Turn right onto CR 321, go northwesterly 2.9 miles. Turn right onto existing field road, go north 600'. Turn left onto existing access road, go southwest 300' to existing Ute Govt #100 well 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 SESW of Sec 36, T33N, R7W.**
- b. Length of new access to be constructed: **No new access will be constructed. See Exhibit "A"**
- c. Length of existing roads to be upgraded: **None**
- 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.**
- h. Surface materials: **Only native materials will be used during construction. If**

necessary, gravel or rock maybe purchased and used to improve road conditions and travel.

- i. Drainage (crowning, ditching, culverts, etc): **Roads will be crowned and bar ditches will be located along either side. 18-24" dia CMP culverts will be installed as necessary.**
- j. Cattleguards: **No cattle guards are planned at this time. Cattle guards will be specified in the stipulations if necessary.**
- k. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- l. Length of new and/or existing roads which lie outside the lease or unit boundary for which a BLM/state/fee right-of-way is required: **None**
- m. Other: **See general information below.**

Surface disturbance and vehicular travel will be limited to the approved location and access road only. Any additional surface area needed must be approved by BLM in advance.

If any additional right-of-way is necessary, no surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. The holder will adhere to conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.

If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.

If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligations as determined by the BLM.

If the well is productive, the access road will be rehabilitated as needed and brought to Resource (Class III) Road Standards within a time period specified by the BLM. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Field Office Manager will be notified so that temporary drainage control can be installed along the access road.

- 3. Location of Existing Wells within a one mile radius of the proposed well:
See **Exhibit "B"** for existing wells and offset water wells.
- 4. Location of Production Facilities:
 - a. On-site facilities: **Typical on-site facilities will consist of a wellhead, flow lines (typ 3" dia.), artificial lifting system (if necessary), wellhead compression (if necessary), gas/oil/water separator (3 phase), gas measurement and water measurement equipment, and a heated enclosure/building for weather and environmental protection. The tank battery will typically be constructed and surrounded by a berm of sufficient capacity to contain 1½ times the storage capacity of the largest tank(s). The tanks necessary for the production of this**

well (and existing Ute Govt #100 well) are 2 – 400 bbl steel, above ground tanks for produced water and 1 – 120 bbl steel, below grade tank for produced water (existing Ute #1). All loading lines and valves for these tanks will be placed inside the berm surrounding the tank battery. See Exhibit “D”

All oil/condensate production and measurement shall conform to the provisions of 43 CFR § 3162.7 and Onshore Oil and Gas Order No. 4, if applicable. Other on-site equipment and system may include methanol injection and winter weather protection.

All permanent (in place for six months or longer) structures constructed or installed on the well site location will be painted a flat, nonreflective color to match the standard environmental colors, as specified by the COA's in the APD. All facilities will be painted within six months of installation. Facilities required by comply with the Occupational Safety and Health Act (OSHA) may be excluded.

- b. Off-site facilities: **N/A**
- c. Pipelines: **The well will be produced into a 6" steelgas pipeline and 4" water pipeline and transported to either an existing pipeline ROW (3rd party transporter) or gas gathering facility. See Exhibit "C" for the proposed pipeline route.**
- d. Powerlines: **There are no plans to include powerlines in this application. In the event power is required, a ROW application will be submitted to the appropriate agencies.**

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or show on a map): **Water will be purchased from a commercial water source and trucked via third party to the location over approved access roads.**

Water obtained on private land, or land administered by another agencies, will require approval from the owner or agency for use of said water.

6. Source of Construction Material:

Pad construction material will be obtained from (if the material source is Federally owned, a map will be included showing the location of the material): **All construction material will be purchased from private landowners and or from a commercial gravel/materials pit. All material will be trucked to location via third party trucking using only approved access roads.**

The use of materials under BLM jurisdiction will conform to 43 CFR § 3610.2-3, if applicable.

7. Methods of Handling Waste Disposal:

Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc.

Drill fluid will be maintained in a closed loop mud system and may be reused for drilling activities on the next location or disposed of at an approved Waste Disposal Facility. The dry drill cuttings will be disposed of at Bondad Landfill. A reserve pit will not be utilized.

Trash must be contained in a trash cage and hauled away to an approved disposal

site as necessary but no later than at the completion of drilling operations.

Sewage from trailers and chemical portable toilets will be removed on a regular basis by a third party contractor and disposed of at an authorized sanitary waste facility.

Any and all chemicals used during the drilling and completion of the well will be kept to a minimum and stored within the boundaries of the well pad. The third party chemical contractor will be responsible for containment and clean-up and removal of all spilled chemicals on location.

8. Ancillary Facilities: No ancillary facilities will be required during the drilling or completion of the well.
9. Well Site Layout -depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1"=50'. **See Exhibit "D" & "E"**.
10. Plans for Restoration of the Surface: (Interim Reclamation and Final Reclamation) *Interim reclamation will be conducted on areas not required for ongoing production operations. **See Exhibit "F"**.*

Prior to disturbance, the topsoil will be separately removed and segregated from other materials.

Topsoil along the access road will be reserved in place adjacent to the road as indicted

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be re-contoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

Reseeding of the site will be conducted using a seed mix appropriate to the area reclaimed as directed by the surface owner. *CDOW recommended wildlife appropriate seed mixes will be used if acceptable to the surface owner.*

The operator will control non-native, invasive species (noxious weeds) in accordance with the Federal Noxious Weed Act. Control of non-native, invasive species will be completed on all disturbed sites associated with the development and final reclamation of well pads, access roads and pipelines.

A field wide storm water management plan has been developed and site specific best management practices will be utilized as appropriate.

Upon final abandonment, reclamation will be conducted as stipulated in the original conditions of approval contained in the approved APD.

If necessary, an abandonment marker will be one of the following, as specified by BLM:

- 1) at least four feet above ground level,
- 2) at restored ground level, or
- 3) below ground level.

In any case the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

Additional requirements: **None**

11. Surface and Mineral Ownership:

Surface Ownership (well location):

Southern Ute Mineral Tribe, PO Box 737, Ignacio, CO 81137

Surface Ownership (lands crossed to access location):

Southern Ute Mineral Tribe, PO Box 737, Ignacio, CO 81137

*All surface ownership off of CR 321 is SUIT (see attached). No new access will be constructed and the flowline will tie-in to an existing pipeline.

*The well site access road was approved under the Mineral Access Agreement for the existing Ute Govt #100 (BIA Transaction No. 750-23-00077-04).

Minerals:

Southern Ute Mineral Tribe, PO Box 737, Ignacio, CO 81137

12. Other Information:

- a. Archeological Concerns: **A BLM approved contractor has submitted the appropriate reports to the agency as required. Special stipulations will be included in the COA's of the approved APD.**

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the appropriate BLM Field Office for further instructions.

- b. Threatened and Endangered Species Concerns: **A BLM approved contractor has submitted the appropriate reports to the agencies as required. Special stipulation will be included in the COA's of the approved APD.**
- c. Wildlife Seasonal Restrictions: **Current wildlife restrictions and closure dates, if applicable, will be specified in the approved APD.**
- d. **On-site took place on May 17th 2007. Per Dave Swanson (BLM), re-onsite is not necessary because there have been no proposed changes since the original onsite.**

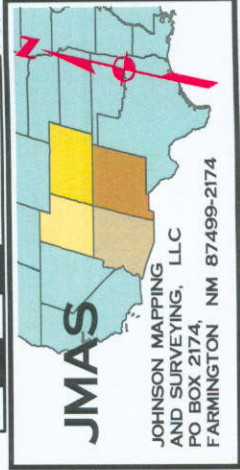
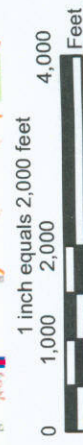
XTO ENERGY INC.
UTE GOVERNMENT #101
1,419' FSL, 1,351' FWL
SECTION 36, T-33-N, R-07-W, N.M.P.M.,
LA PLATA COUNTY, COLORADO
LAT:37.05716°N LONG:107.56440°W NAD 83
ELEVATION AT STAKE = 6,412' NAVD88

XTO ENERGY INC.
UTE GOVERNMENT #101
ON EXISTING
UTE GOVERNMENT #100
WELL PAD

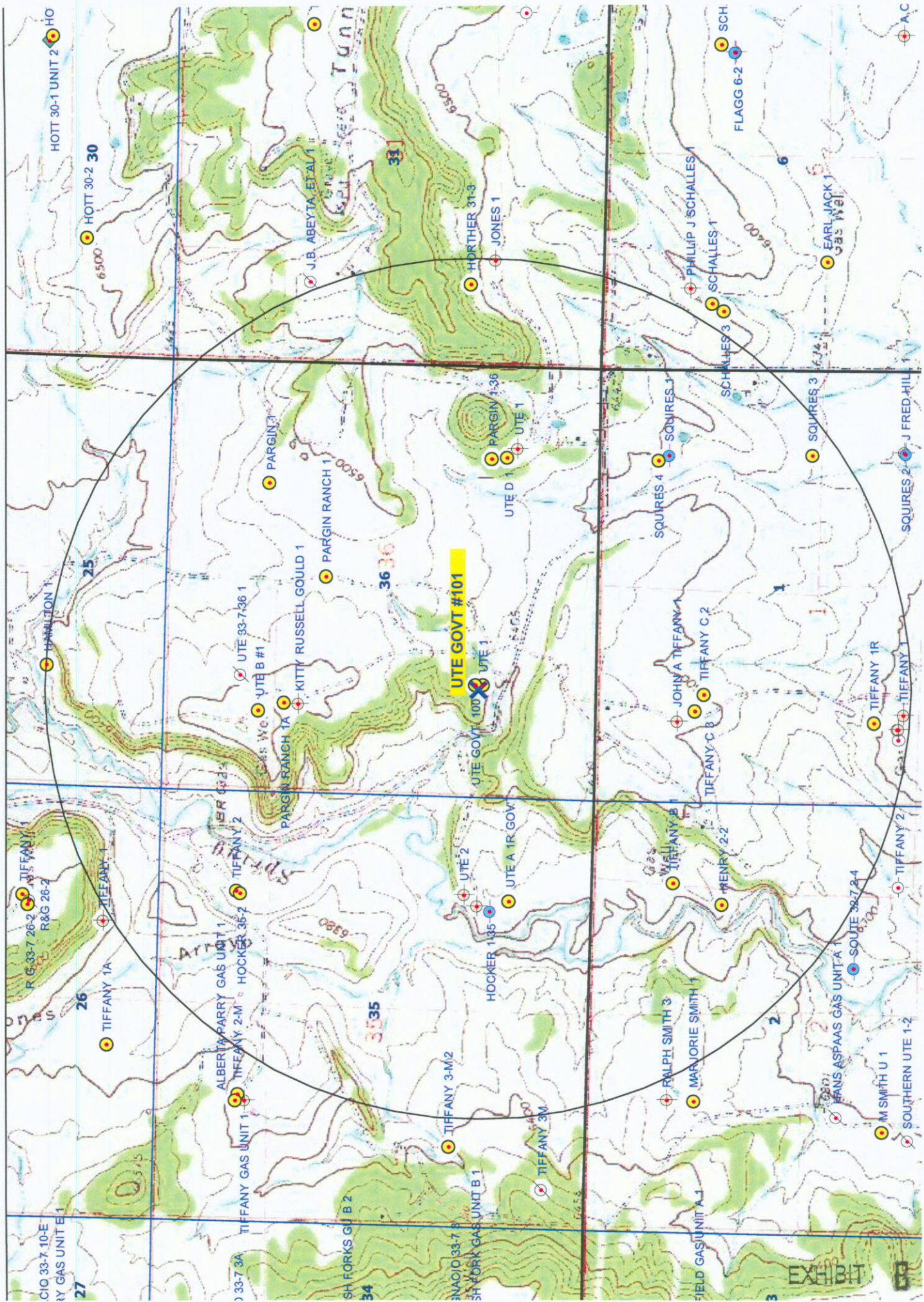
DRIVING DIRECTIONS

- From the Intersection of Hwy 172 and Hwy 151 in Ignacio, Colorado,
 - Head East on Hwy 151 9.7 miles.
 - Bear Right onto CR 328, go South 0.5 miles.
 - Turn Right onto CR 321, go Northwesterly 2.9 miles.
 - Turn Right onto existing field road, go North 600 ft.
 - Turn Left onto existing well access road, go Southwest 300 ft.
- New location is staked on existing Ute Govt. #100 Well Location.

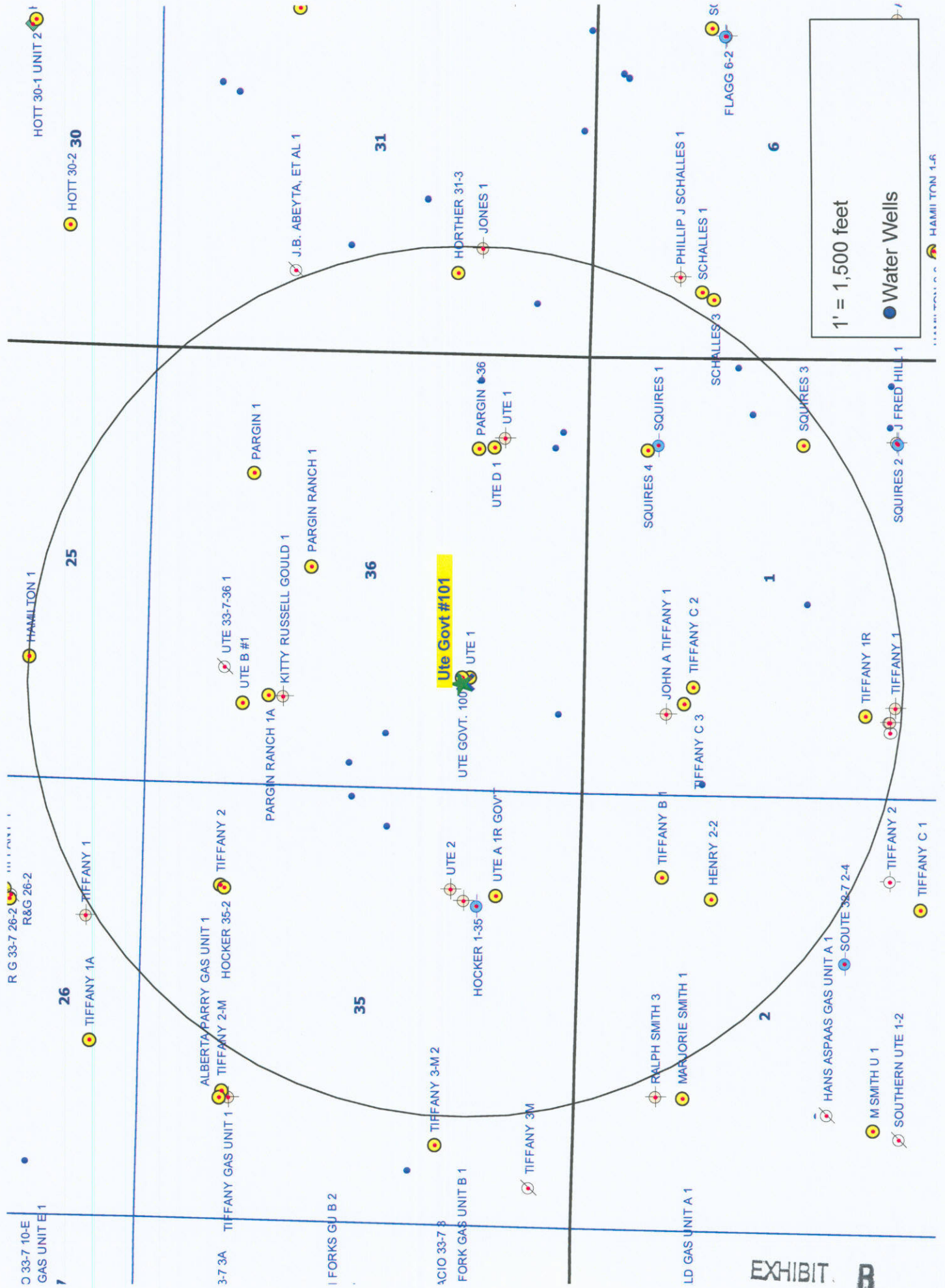
900' OF EXISTING ACCESS
FROM CR #321
NO NEW ACCESS



EXISTING WELLS MAP



EXISTING WATER WELLS WITHIN 1 MILE RADIUS



**Colorado
Oil & Gas Conservation Commission**

COGCC Results
Selected Items Report
Oil and Gas Wells Selected

 Filter Results by Formation
WELL DESCRIPTION
LOCATION
WELL INFORMATION
Facilities Selected
FACILITY DESCRIPTION
LOCATION
PIT INFORMATION

Type

Unlined

Status

Water Wells Selected From Map
WELL DESCRIPTION
LOCATION

 This water well information is supplied as a courtesy of the [Colorado Division of Water Resources \(CDWR\)](#). Please contact CDWR for additional information.

Disclaimer:

The Colorado Division of Water Resources (CDWR) information is provided for informational purposes only. CDWR makes no express or implied warranties or representations as to the accuracy, usefulness, timeliness or completeness of the information. CDWR assumes no liability for any damages that may result to any user as a direct or indirect result of any decision or action taken or not taken, based in whole or in part on use of the information. The user shall assume all risk of using the information.

[Receipt=0015281, Permit=0089387-VE-](#)

 SENE 1
32 N-7W

[Receipt=0303945, Permit=0017002--A](#)

 SENE 1
32 N-7W

[Receipt=9122120, Permit=0017002--](#)

 SENE 1
32 N-7W

[Receipt=0477993, Permit=0056109-F-](#)

 SWNW 1
32 N-7W

[Receipt=9702632, Permit=0275035--](#)

 SW 1
32 N-7W

[Receipt=9702434, Permit=0272806--](#)

 SWSW 31
33 N-6W

[Receipt=0288981A, Permit=0033841-M-](#)

 SENE 35
33 N-7W

[Receipt=9123463, Permit=0085578--](#)

 NESE 35
33 N-7W

[Receipt=0288981B, Permit=0033842-M-](#)

 SWNW 36
33 N-7W

[Receipt=0328498A, Permit=0161014--](#)

 SESE 36
33 N-7W

[Receipt=0328498B, Permit=0161014--A](#)

 SESE 36
33 N-7W

[Receipt=9123286, Permit=0078986--](#)

 SESE 36
33 N-7W

[Receipt=0034793, Permit=0050739-F-](#)

 NWSW 36
33 N-7W

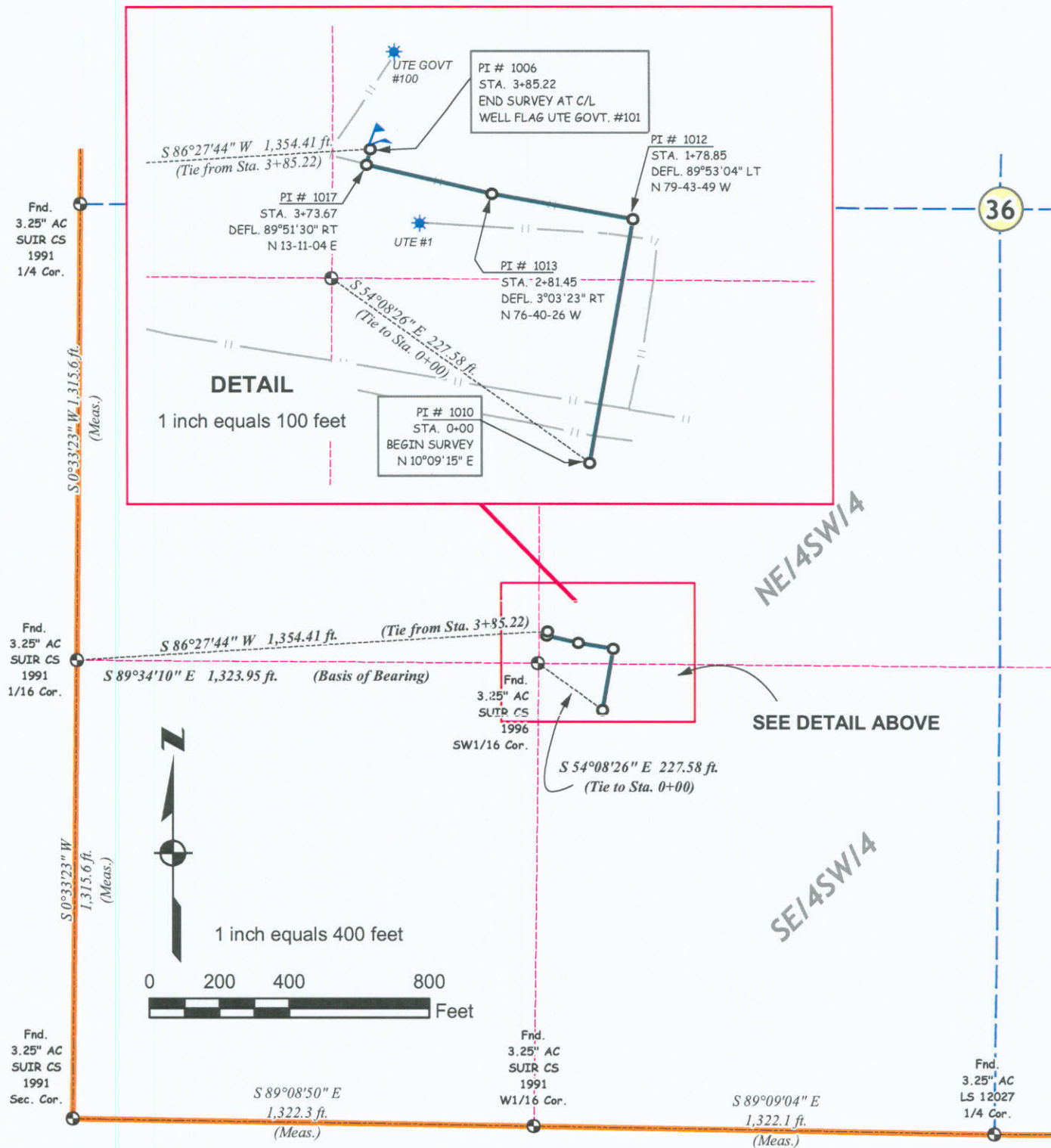
[Receipt=0026925D, Permit=0045619-F-](#)

 SWSW 36
33 N-7W

EXHIBIT B

XTO ENERGY INC.: UTE GOVERNMENT #101
PROPOSED GAS AND WATER PIPELINE SURVEY

SE/4SW/4, NE/4SW/4 SECTION 36, T-33-N, R-07-W, N.M.P.M.,
LA PLATA COUNTY, COLORADO



NOTES:

DATE OF FIELD WORK: 1/02/07 - 8/16/07

-THE LOCATIONS OF UNDERGROUND UTILITIES DEPICTED ARE APPROXIMATE.
ACTUAL LOCATIONS OF UNDERGROUND UTILITIES MUST BE FIELD VERIFIED PRIOR TO
CONSTRUCTION.

BASIS OF BEARING = AS MEASURED BETWEEN
FOUND MONUMENTS AT THE SOUTH SIXTEENTH
ON THE WEST LINE AND THE SOUTHWEST SIXTEENTH
CORNER OF SECTION 36, T-33-N, R-7-W, N.M.P.M.,
LA PLATA COUNTY, COLORADO,
LINE BEARS:
S 89°34'10" E A DISTANCE OF 1,323.95 FT.

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED
FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR
UNDER MY DIRECT SUPERVISION AND THAT SAME ARE TRUE
AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

DAVID ALEXANDER JOHNSON LICENSE NO. 33648 DATE
STATE OF COLORADO



DATA FILE	XT0016668-2.DC, XT0025STK01-2.DC
ARC MAP:	XT0016 PIPE01.MXD
PROJ ID	XT0016 UTE GOVT 101
PREPARED	9/21/07
REVISION	7-15-10



**XTO ENERGY INC.: UTE GOVERNMENT #101
PROPOSED GAS AND WATER PIPELINE SURVEY**

**SE/4SW/4, NE/4SW/4 SECTION 36, T-33-N, R-07-W, N.M.P.M.,
LA PLATA COUNTY, COLORADO**

Centerline Description

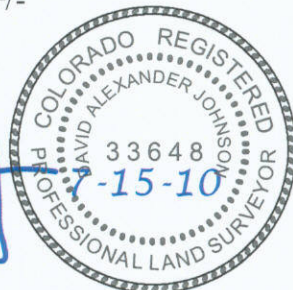
An easement 40 feet in width, located in the Southeast Quarter of the Southwest Quarter and the Northeast Quarter of the Southwest Quarter of Section 36, Township 33 North, Range 7 West, of the New Mexico Principal Meridian, La Plata County, State of Colorado, being more particularly described by the following centerline:

BEGINNING at a point located in said Southeast Quarter of the Southwest Quarter, which bears S 54°08'26" E a distance of 227.58 feet, from a 3.25" Aluminum Cap found for the Southwest Sixteenth Corner of said Section 36,

THENCE	N 10°09'15" E	a distance of	178.85 feet,
THENCE	N 79°43'49" W	a distance of	102.60 feet,
THENCE	N 76°40'26" W	a distance of	92.22 feet,
THENCE	N 13°11'04" E	a distance of	11.55 feet,

to the Well Flag staked for the proposed XTO Energy Inc., Ute Government #101, which is the **POINT OF ENDING** for this description, and from which a 3.25" Aluminum Cap found for the South Sixteenth Corner on the West Line of said Section 36 bears S 86°27'44" W a distance of 1,354.41 feet.

CONTAINING: 385.22 feet, 23.35 rods and 0.35 acre +/-



DAVID ALEXANDER JOHNSON, L.S. NO. 33648

DATE

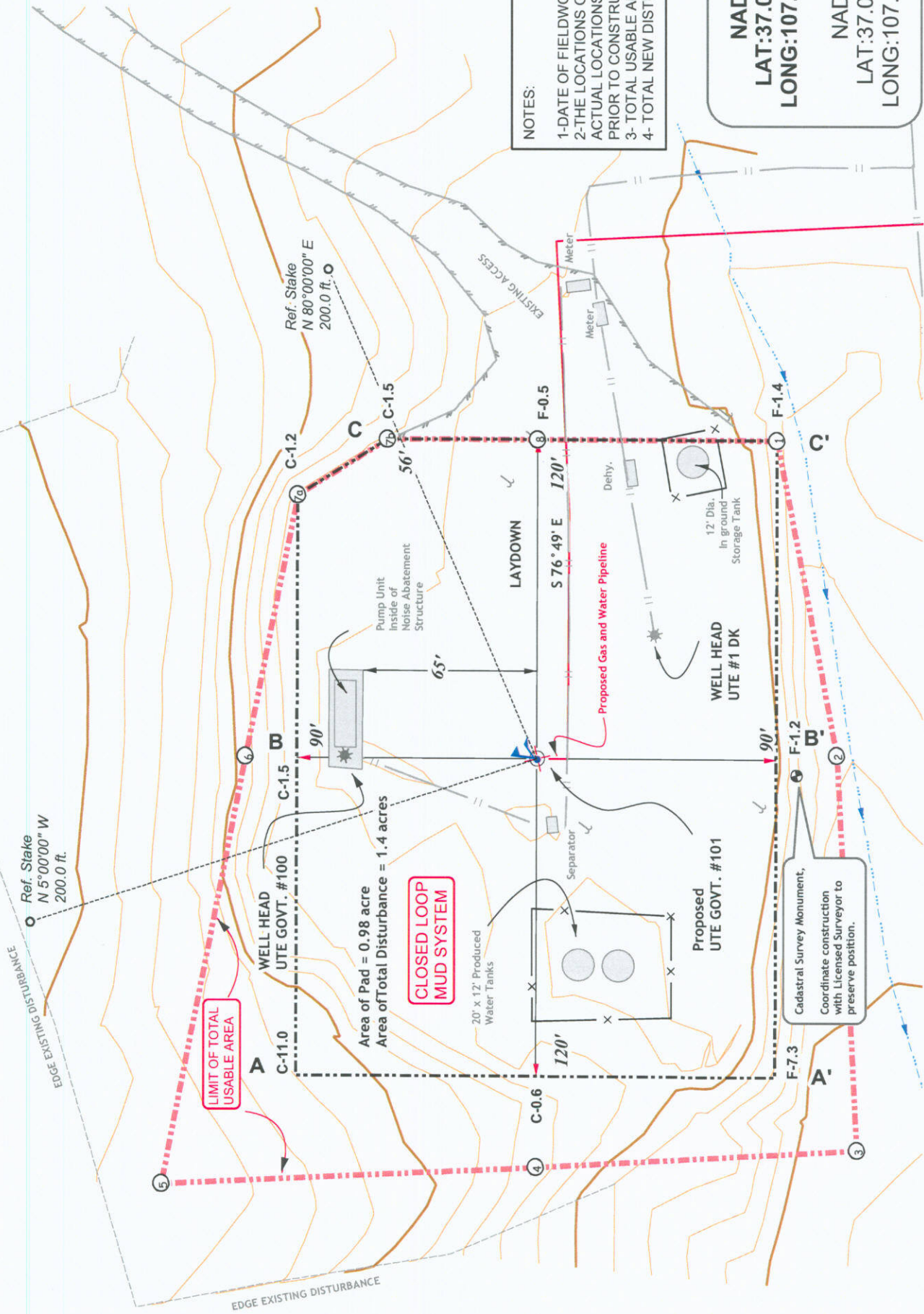
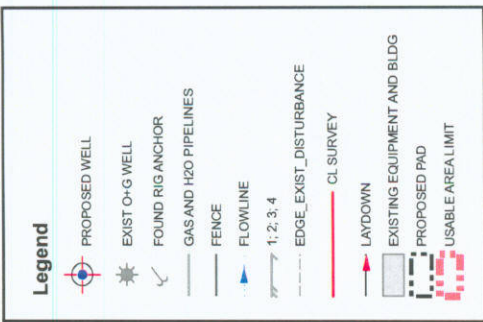
BASIS OF BEARINGS between found monuments at the South Sixteenth corner on the West Line and the Southwest 1/16 corner of Section 36, T33N, R7W, N.M.P.M., La Plata County, Colorado. Line bears S89°34'10" E, a distance of 1,323.95 feet as measured by GPS.

Ref. Drawing: XTO016 PIPE01.mxd

X:\PROJECTS\XTO016 UTE GOVT 101\SURVEY\GEODATA\PROJECT GEOD\ALIGNMENT\XTO016 PIPE DESC.doc
7/15/2010 3:21 PM

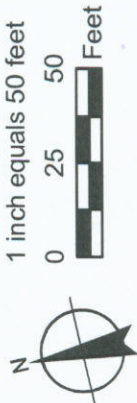
WELL TO BE DRILLED WITH CLOSED LOOP
MUD SYSTEM WITH ABOVE GROUND STEEL
DRILLING MUD CONTAINER

XTO ENERGY INC., UTE GOVERNMENT #101
1,419' FSL, 1,351' FWL, SECTION 36, T-33-N, R-07-W, N.M.P.M.,
LA PLATA COUNTY, COLORADO, ELEVATION AT STAKE = 6,412' NAVD88



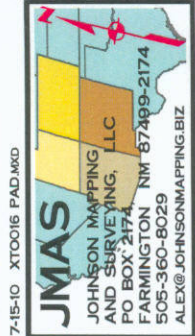
NOTES:

- 1-DATE OF FIELDWORK 27 Mar 2007
- 2-THE LOCATIONS OF UNDERGROUND UTILITIES DEPICTED ARE APPROXIMATE. ACTUAL LOCATIONS OF UNDERGROUND UTILITIES MUST BE FIELD VERIFIED PRIOR TO CONSTRUCTION.
- 3-TOTAL USABLE AREA = 1.4 ACRES
- 4-TOTAL NEW DISTURBANCE = 0.0 ACRES



NAD 83
LAT:37.05716° N
LONG:107.56440° W

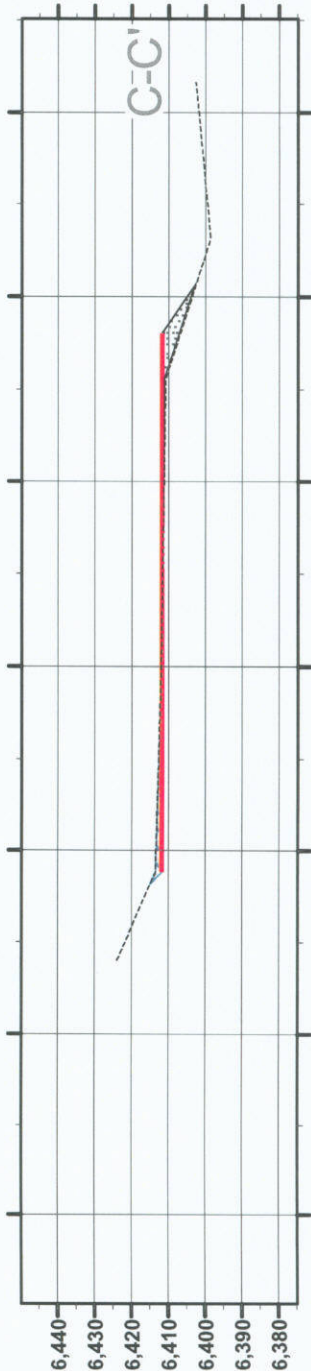
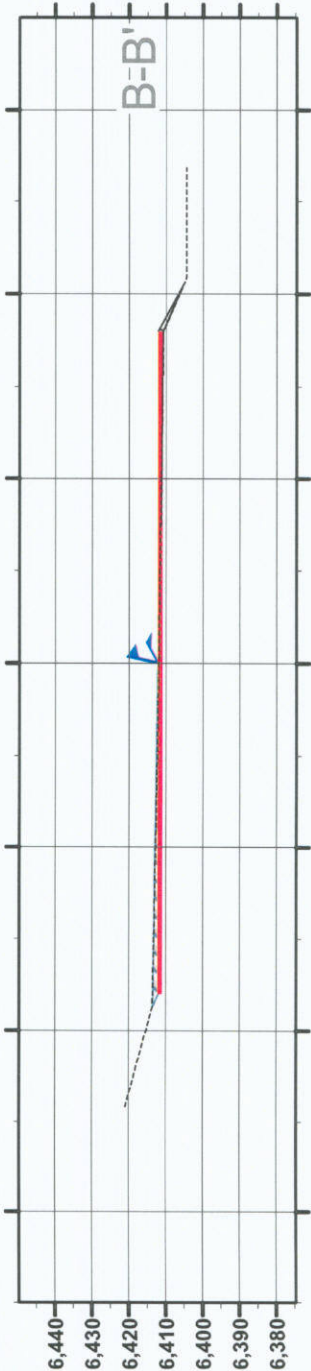
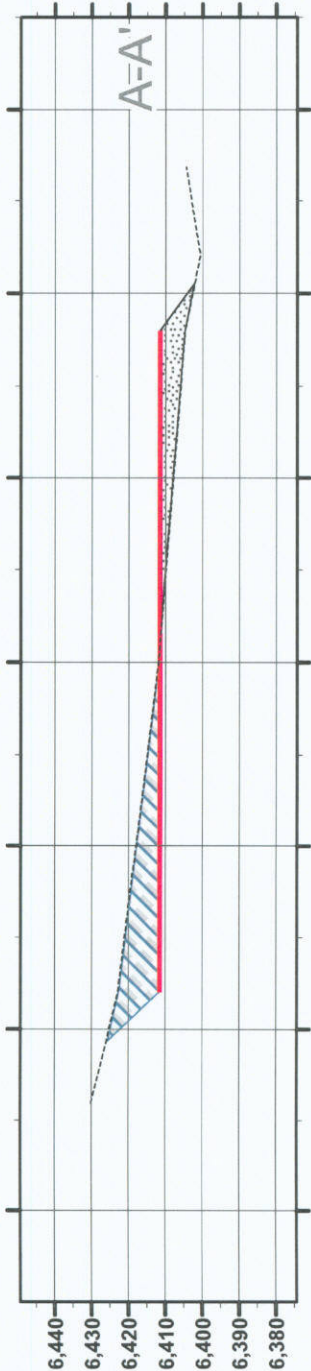
NAD 27
LAT:37.05716° N
LONG:107.56379° W



XTO ENERGY INC., UTE GOVERNMENT #101
1,419' FSL, 1,351' FWL, SECTION 36, T-33-N, R-07-W, N.M.P.M.,
LA PLATA COUNTY, COLORADO
ELEVATION AT STAKE = 6,412' NAVD88

PROPOSED PAD CROSS SECTIONS

1 inch equals 50 feet



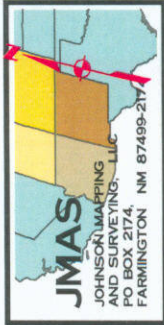
NAD 83
LAT:37.05716° N
LONG:107.56440° W

NAD 27
LAT:37.05716° N
LONG:107.56379° W

NOTES:

- 1-DATE OF FIELDWORK 27 Mar 2007
- 2-THE LOCATIONS OF UNDERGROUND UTILITIES DEPICTED ARE APPROXIMATE. ACTUAL LOCATIONS OF UNDERGROUND UTILITIES MUST BE FIELD VERIFIED PRIOR TO CONSTRUCTION.
- 3- TOTAL DISTURBANCE = 1.4 ACRES
- 4- TOTAL NEW DISTURBANCE = 0.0 ACRES

2-12-09 XTO016 X-S.MXD



RECLAIMED PAD AREA

XTO ENERGY INC., UTE GOVERNMENT #101
1,419' FSL, 1,351' FWL, SECTION 36,
T-33-N, R-07-W, N.M.P.M.,
LA PLATA COUNTY, COLORADO

STAKED BOUNDARY OF
TOTAL DISTURBANCE

WELL HEAD
UTE GOVT. #100

Proposed
UTE GOVT. #101

LAYDOWN
S 76° 49' E

Proposed Gas and Water Pipeline

WELL HEAD
UTE #1 DK

EXISTING ACCESS

Dehy.

Meter

Meter

12' Dia.
In ground
Storage Tank

20' x 12' Produced
Water Tanks

Separator

TOTAL USABLE AREA = 1.4 ACRES
AREA OF PAD AFTER RECLAMATION = 0.91 acre



1 inch equals 50 feet



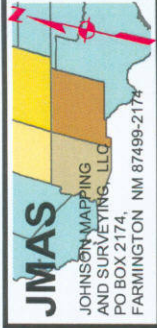
Legend

FINAL PAD AFTER RECLAMATION
USABLE AREA LIMIT

NOTES:

- 1-DATE OF FIELDWORK 27 Mar 2007
- 2-THE LOCATIONS OF UNDERGROUND UTILITIES DEPICTED ARE APPROXIMATE. ACTUAL LOCATIONS OF UNDERGROUND UTILITIES MUST BE FIELD VERIFIED PRIOR TO CONSTRUCTION.

XTO016_RECLAIMPAD.mxd 2010_07_15



Operator Certification:

a. Permitting and Compliance:

Kelly Kardos
Sr. Permitting Tech.
XTO Energy Inc.
382 CR 3100
Aztec NM 87410
505-333-3100

b. Certification:

I hereby certify that I, or someone under my direct supervision, have provided a copy of the Surface Use Plan of Operations to the surface owners of the well site location.

I also certify that XTO Energy Inc., has obtained road access agreements with surface owners that have lands that are crossed to access the well site location.

Executed this **19th** day of July 2010.

Signature: Kelly Kardos
Kelly Kardos

Operator Certification:

a. Permitting and Compliance:

Kelly Kardos
Sr. Permitting Tech.
XTO Energy Inc.
382 CR 3100
Aztec NM 87410
505-333-3100

b. Drilling and Completions:

Justin Niederhofer
XTO Energy Inc.
382 CR 3100
Aztec, NM 87410
505-333-3100

c. Certification:

I hereby certify that, I or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or XTO Energy Inc., are responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this **19th** day of July 2010.

Signature: _____


Kelly Kardos