

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

5. Lease Serial No.
I-22-IND-2788

6. If Indian, Allottee or Tribe Name
SOUTHERN UTE

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☐ Gas Well ☒ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator XTO ENERGY INC

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

8. Lease Name and Well No.
JONES KK #2

9. API Well No.

3a. Address 382 ROAD 3100
AZTEC, NM 87410

3b. Phone No. (include area code)
505-333-3145

10. Field and Pool, or Exploratory
IGNACIO BLANCO FRUITLAND COAL

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface 1,201' FNL & 1,295' FEL

At proposed prod. zone 713' FNL & 720' FEL, 665' FNL & 665' FEL (BHL)

11. Sec., T. R. M. or Blk. and Survey or Area
NENE SEC. 26, T33N, R7W, N.M.P.M.

14. Distance in miles and direction from nearest town or post office*
APROX 5 MILES EAST OF IGNACIO, CO

12. County or Parish
LA PLATA

13. State
CO

15. Distance from proposed* location to nearest property or lease line, ft.
(Also to nearest drig. unit line, if any) 665'

16. No. of acres in lease
160

17. Spacing Unit dedicated to this well
E/2 320

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 785'

19. Proposed Depth
3,678' MD

20. BLM/BIA Bond No. on file
104312789

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6,422' GL

22. Approximate date work will start*
07/15/2011

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.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
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
04/26/2011

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.

COMPANY: XTO ENERGY INC.

LEASE: JONES KK No. 2

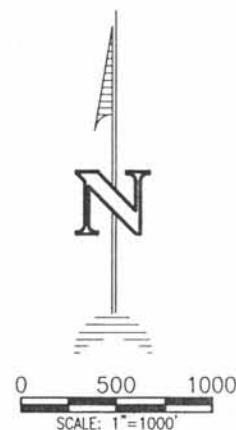
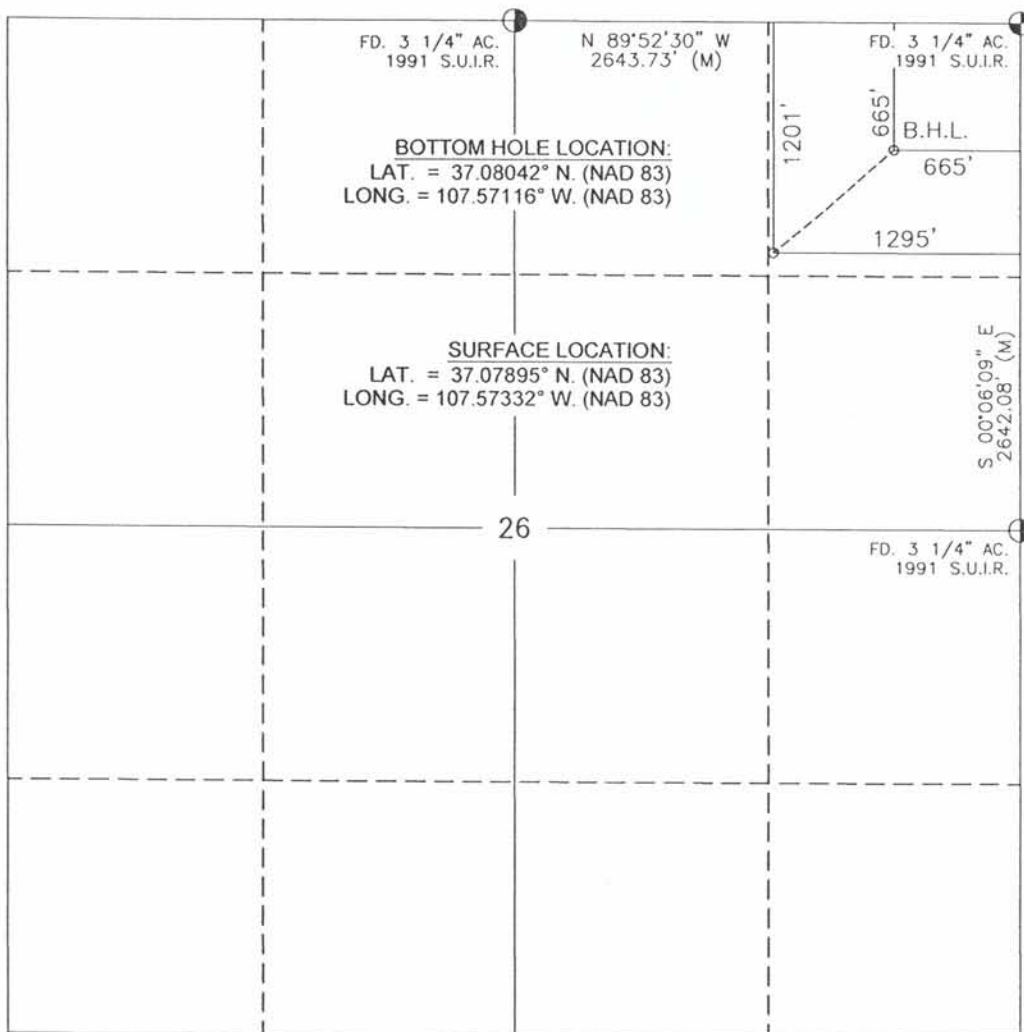
FOOTAGE: 1201 FNL 1295 FEL BOTTOM HOLE LOC: 665 FNL 665 FEL

SEC.: 26 TWN: 33-N RNG: 7-W NMPM,

COUNTY: LA PLATA STATE: COLORADO

ELEVATION: 6422'

NOTICE: ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.



NOTES:

- 1.) BASIS OF BEARING: BETWEEN FOUND MONUMENTS AT THE NORTHEAST CORNER AND THE EAST QUARTER CORNER OF SECTION 26, T33N, R7W, N.M.P.M., LINE BEARS S 00°06'09" E A DISTANCE OF 2642.08 FEET AS MEASURED BY GPS OBSERVATION.
- 2.) BASIS OF ELEVATION: NAVD 1983
- 3.) P.D.O.P. VALUE: 3.9
- 4.) DATE OF SURVEY: DECEMBER 3, 2009
- 5.) SURFACE USE FOR THE AREA SURROUNDING THIS WELL FLAG IS POSSIBLE GRAZING.
- 6.) THERE PRESENTLY EXISTS NO VISIBLE IMPROVEMENTS WITHIN 200 FEET OF THIS WELL FLAG OTHER THAN THOSE AS SHOWN HEREON.

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 THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

ROY A. BUSH, L.S. No. 20693
STATE OF COLORADO

12-29-09
DATE

REVISION	REV. BY	DATE
Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 510 Farmington, NM 87499 Phone (505) 326-1772 Fax (505) 326-6019 REGISTERED LAND SURVEYOR COLORADO LS No. 20693		
SHEET 1 OF 1		CADFILE: CR1127_W08
DRAWN BY: B.K.	ROW#: CR1127	DATE: 12/16/09

XTO ENERGY INC.

Jones KK #2

APD Data

April 7, 2011

Location: 1201' FNL x 1295' FEL Sec 26, T33N, R07W County: LaPlata

State: CO

Bottomhole Location: 665' FNL x 665' FEL Sec 26, T33N, R07W

GREATEST PROJECTED TD: 3678' MD, 3550 TVD

APPROX GR ELEV: 6422'

OBJECTIVE: Fruitland Coal

Est KB ELEV: 6434' (12' AGL)

Please note attached directional program.

1. MUD PROGRAM:

INTERVAL	0' to 225'	225' to 3678'
HOLE SIZE	12.25"	7.875"
MUD TYPE	FW/Spud Mud	FW/Polymer
WEIGHT	8.6-9.0	8.4-9.6
VISCOSITY	28-32	28-38
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 ($\pm 3678'$) 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'-3678	3678'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	2.38	2.83	3.54

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.

4. OPERATORS MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL

- A. Production Hole: Prior to drilling out the surface casing shoe, 3000 psi or even higher pressure rated BOP equipment shall be installed. This system will be compliant with BLM Onshore Order #2 for 3M psi Well Control Systems.

Note: See attached BOP and Choke Manifold diagrams for the Description of the Well Control Systems that are to be used.

5. BOPE testing procedures and frequency:

- A. All BOPE tests will be performed using clear water.
- B. 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 if BOP stack is not isolated from casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer.
- C. Annular type preventers 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.
- D. 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.
- E. Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.
- F. When testing the kill line valve(s), the check valve shall be held open or the ball removed.
- G. Annular preventers shall be functionally operated at least once weekly.
- H. Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.
- I. A BOPE pit level drill shall be conducted weekly for each drilling crew.
- J. Pressure tests shall apply to all related well control equipment.
- K. All of the above described tests and/or drills shall be recorded in the drilling log.

6. 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 $\pm 225'$ in 12-1/4" hole.

134 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 186 ft³, 100% excess of calculated annular volume to 225'.

B. Production: 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at ±3678' in 7.875" hole.

LEAD:

±362 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 881 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 after setting surface casing 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 (3678') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (3678') 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: 6434'

FORMATION	Sub-Sea	TVD
Nacimiento Formation	Surface	Surface
Animas Formation	4981	1453
Ojo Alamo SS	4335	2099
Kirtland Shale	4201	2233
Farmington SS		
Fruitland Formation	3568	2866
Upper Fruitland Coal**	3361	3073
Middle Fruitland Coal*	3271	3163
Pictured Cliffs Tongue	3184	3250
Lower Fruitland Coal**	3000	3434
Pictured Cliffs SS	2994	3440
TD	2884	3550

* 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	1453
Ojo Alamo SS	Water	2099
Kirtland Shale	Water	2233
Farmington SS	Water	
Fruitland Formation	Water	2866
Upper Fruitland Coal	Gas	3073
Middle Fruitland Coal	Gas	3163
Pictured Cliffs Tongue	Gas	3250
Lower Fruitland Coal	Gas	3434
Pictured Cliffs SS	Gas	3440

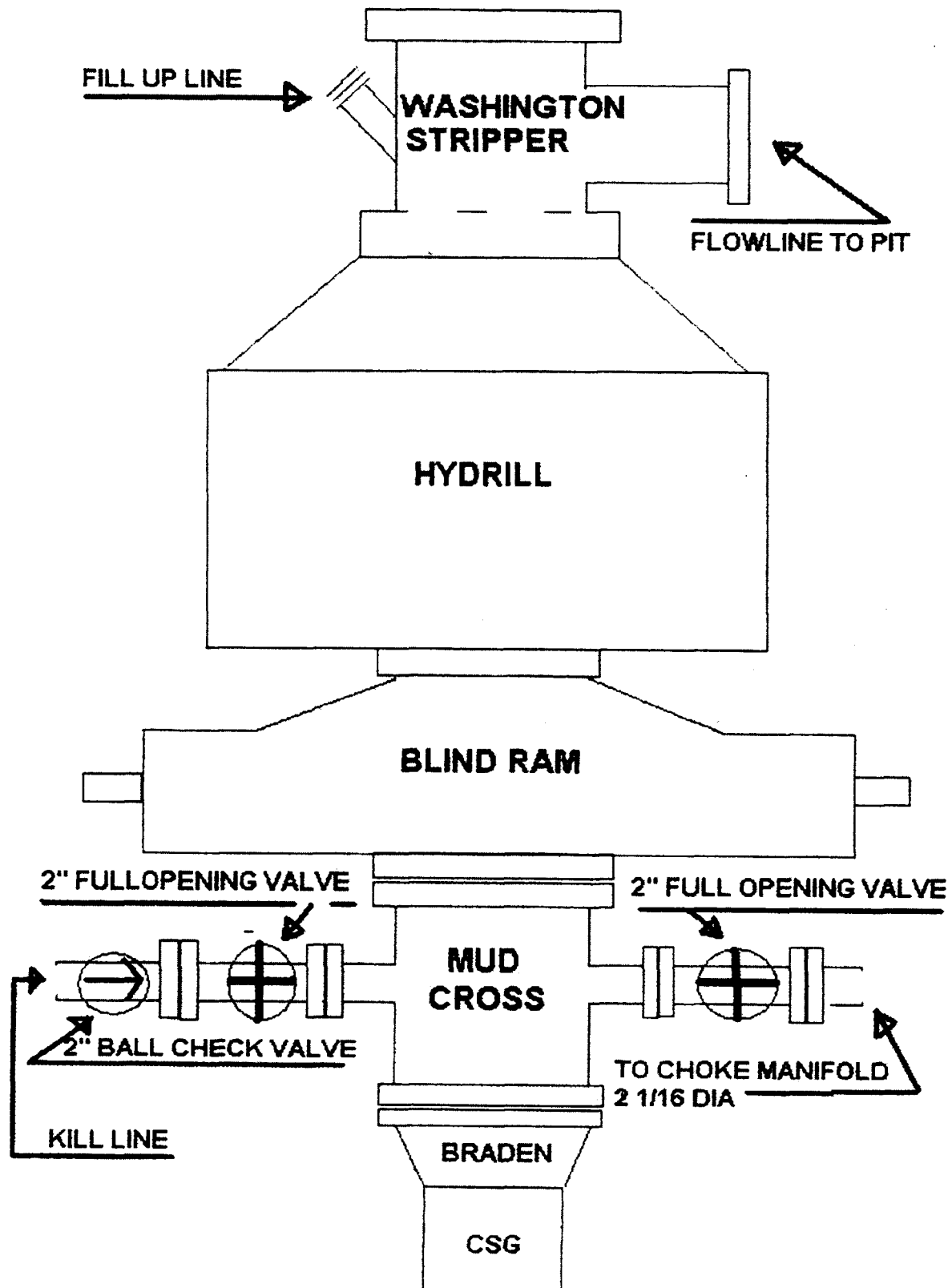
- A. All anticipated Appreciable Water Zones will be covered by surface casing.
- B. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.
- C. H₂S is not anticipated at this site.

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
4/7/11

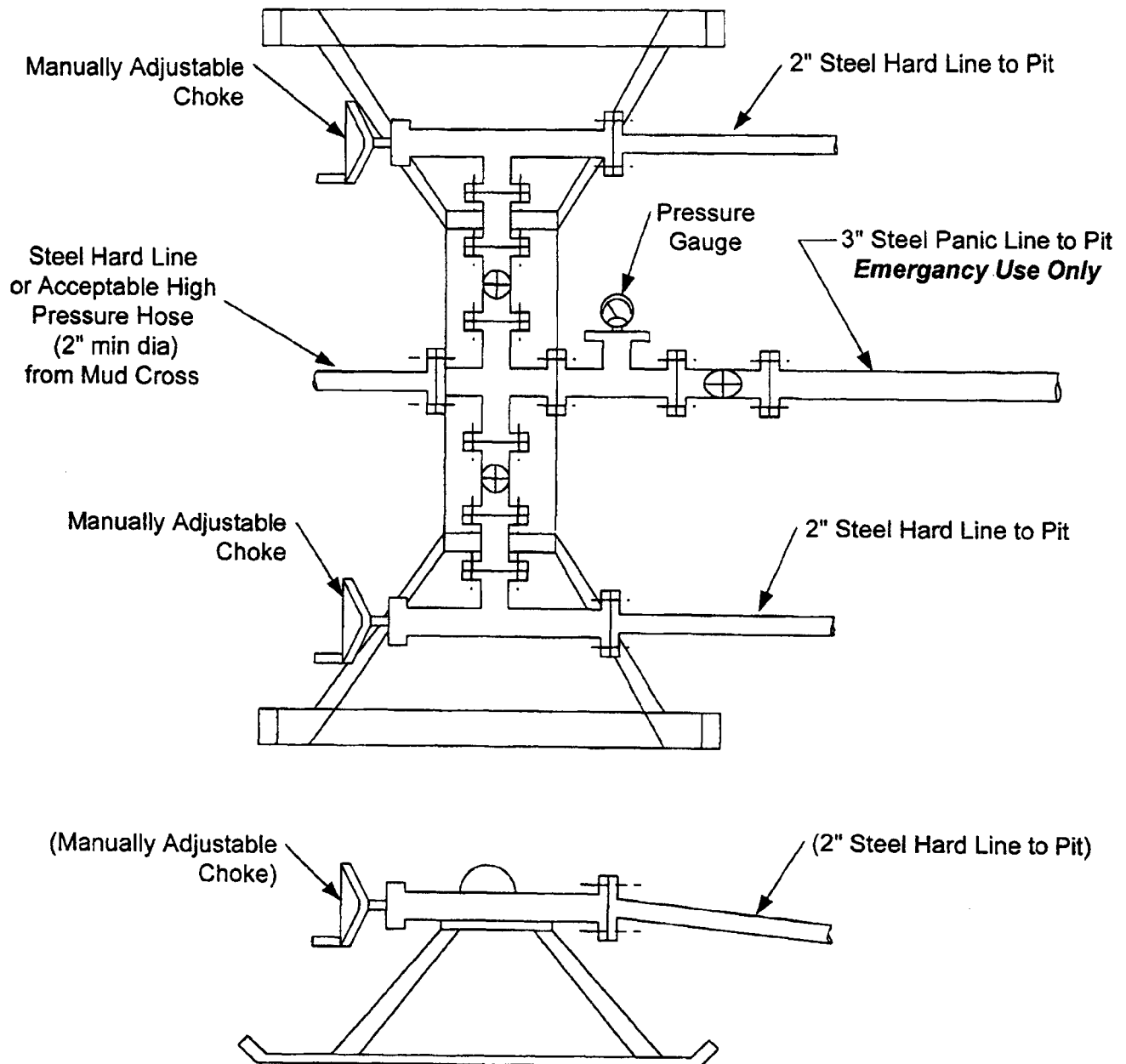
AWS 507



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

Jones KK #2

Jones KK #2

Jones KK #2

Plan: Permitted wellbore -- Jones KK #2

Standard Planning Report

16 March, 2011

XTO Energy Inc.

Planning Report

Database: EDM	Local Co-ordinate Reference: Well Jones KK #2
Company: XTO Energy	TVD Reference: Rig KB @ 6434.00ft (Aztec 507)
Project: LaPlata County Directionals	MD Reference: Rig KB @ 6434.00ft (Aztec 507)
Site: Jones KK #2	North Reference: True
Well: Jones KK #2	Survey Calculation Method: Minimum Curvature
Wellbore: Jones KK #2	
Design: Permitted wellbore -- Jones KK #2	

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	Jones KK #2, 33N, 7W		
Site Position:		Northing:	1,156,834.38 ft
From:	Lat/Long	Easting:	2,395,180.39 ft
Position Uncertainty:	0.00 ft	Slot Radius:	in
		Latitude:	37° 4' 44.22 N
		Longitude:	107° 34' 23.95 W
		Grid Convergence:	-1.27 °

Well	Jones KK #2, S-well to top of FC		
Well Position	+N/-S	0.00 ft	Northing: 1,156,834.38 ft
	+E/-W	0.00 ft	Easting: 2,395,180.39 ft
Position Uncertainty	0.00 ft	Wellhead Elevation:	6,422.00 ft
		Latitude:	37° 4' 44.22 N
		Longitude:	107° 34' 23.95 W
		Ground Level:	6,422.00 ft

Wellbore	Jones KK #2				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	12/31/2009	10.02	63.84	51,179

Design	Permitted wellbore -- Jones KK #2			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.00	0.00	0.00	49.65

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
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,066.67	20.00	49.65	1,053.21	74.57	87.78	3.00	3.00	0.00	49.65	
2,713.45	20.00	49.65	2,600.68	439.20	517.06	0.00	0.00	0.00	0.00	
3,213.45	5.00	49.65	3,087.44	509.06	599.30	3.00	-3.00	0.00	180.00	
3,677.78	5.00	49.65	3,550.00	535.26	630.15	0.00	0.00	0.00	0.00	Proposed BHL -- Jones

XTO Energy Inc.

Planning Report

Database: EDM
Company: XTO Energy
Project: LaPlata County Directionals
Site: Jones KK #2
Well: Jones KK #2
Wellbore: Jones KK #2
Design: Permitted wellbore -- Jones KK #2

Local Co-ordinate Reference: Well Jones KK #2
TVD Reference: Rig KB @ 6434.00ft (Aztec 507)
MD Reference: Rig KB @ 6434.00ft (Aztec 507)
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)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
225.00	0.00	0.00	225.00	0.00	0.00	0.00	0.00	0.00	0.00
8 5/8"									
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	3.00	49.65	499.95	1.69	1.99	2.62	3.00	3.00	0.00
600.00	6.00	49.65	599.63	6.77	7.97	10.46	3.00	3.00	0.00
700.00	9.00	49.65	698.77	15.22	17.92	23.51	3.00	3.00	0.00
800.00	12.00	49.65	797.08	27.02	31.81	41.73	3.00	3.00	0.00
900.00	15.00	49.65	894.31	42.13	49.60	65.08	3.00	3.00	0.00
1,000.00	18.00	49.65	990.18	60.51	71.24	93.47	3.00	3.00	0.00
1,066.67	20.00	49.65	1,053.21	74.57	87.78	115.18	3.00	3.00	0.00
1,100.00	20.00	49.65	1,084.53	81.95	96.47	126.58	0.00	0.00	0.00
1,200.00	20.00	49.65	1,178.50	104.09	122.54	160.78	0.00	0.00	0.00
1,300.00	20.00	49.65	1,272.47	126.23	148.61	194.98	0.00	0.00	0.00
1,400.00	20.00	49.65	1,366.44	148.37	174.68	229.19	0.00	0.00	0.00
1,492.11	20.00	49.65	1,453.00	168.77	198.69	260.69	0.00	0.00	0.00
Animas Formation									
1,500.00	20.00	49.65	1,460.41	170.51	200.74	263.39	0.00	0.00	0.00
1,600.00	20.00	49.65	1,554.38	192.66	226.81	297.59	0.00	0.00	0.00
1,700.00	20.00	49.65	1,648.35	214.80	252.88	331.79	0.00	0.00	0.00
1,800.00	20.00	49.65	1,742.32	236.94	278.94	365.99	0.00	0.00	0.00
1,900.00	20.00	49.65	1,836.29	259.08	305.01	400.20	0.00	0.00	0.00
2,000.00	20.00	49.65	1,930.26	281.22	331.08	434.40	0.00	0.00	0.00
2,100.00	20.00	49.65	2,024.23	303.37	357.15	468.60	0.00	0.00	0.00
2,179.57	20.00	49.65	2,099.00	320.99	377.89	495.81	0.00	0.00	0.00
Ojo Alamo SS									
2,200.00	20.00	49.65	2,118.20	325.51	383.21	502.80	0.00	0.00	0.00
2,300.00	20.00	49.65	2,212.16	347.65	409.28	537.00	0.00	0.00	0.00
2,322.17	20.00	49.65	2,233.00	352.56	415.06	544.59	0.00	0.00	0.00
Kirtland Shale									
2,400.00	20.00	49.65	2,306.13	369.79	435.35	571.21	0.00	0.00	0.00
2,500.00	20.00	49.65	2,400.10	391.94	461.42	605.41	0.00	0.00	0.00
2,600.00	20.00	49.65	2,494.07	414.08	487.48	639.61	0.00	0.00	0.00
2,700.00	20.00	49.65	2,588.04	436.22	513.55	673.81	0.00	0.00	0.00
2,713.45	20.00	49.65	2,600.68	439.20	517.06	678.41	0.00	0.00	0.00
2,800.00	17.40	49.65	2,682.65	457.16	538.21	706.16	3.00	-3.00	0.00
2,900.00	14.40	49.65	2,778.82	474.90	559.09	733.56	3.00	-3.00	0.00
2,989.51	11.72	49.65	2,866.00	487.99	574.50	753.79	3.00	-3.00	0.00
Fruitland Formation									
3,000.00	11.40	49.65	2,876.28	489.36	576.11	755.89	3.00	-3.00	0.00
3,100.00	8.40	49.65	2,974.78	500.49	589.21	773.09	3.00	-3.00	0.00
3,198.95	5.43	49.65	3,073.00	508.21	598.30	785.00	3.00	-3.00	0.00
Upper Fruitland Coal									
3,200.00	5.40	49.65	3,074.04	508.27	598.37	785.10	3.00	-3.00	0.00
3,213.45	5.00	49.65	3,087.44	509.06	599.30	786.32	3.00	-3.00	0.00
3,289.30	5.00	49.65	3,163.00	513.34	604.34	792.93	0.00	0.00	0.00
Middle Fruitland Coal									
3,300.00	5.00	49.65	3,173.66	513.94	605.05	793.87	0.00	0.00	0.00
3,376.64	5.00	49.65	3,250.00	518.27	610.14	800.55	0.00	0.00	0.00
Pictured Cliffs Tongue									

XTO Energy Inc.

Planning Report

Database: EDM
Company: XTO Energy
Project: LaPlata County Directionals
Site: Jones KK #2
Well: Jones KK #2
Wellbore: Jones KK #2
Design: Permitted wellbore -- Jones KK #2

Local Co-ordinate Reference: Well Jones KK #2
TVD Reference: Rig KB @ 6434.00ft (Aztec 507)
MD Reference: Rig KB @ 6434.00ft (Aztec 507)
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)
3,400.00	5.00	49.65	3,273.28	519.58	611.69	802.58	0.00	0.00	0.00
3,500.00	5.00	49.65	3,372.90	525.23	618.34	811.30	0.00	0.00	0.00
3,561.34	5.00	49.65	3,434.00	528.69	622.41	816.64	0.00	0.00	0.00
Lower Fruitland Coal									
3,567.36	5.00	49.65	3,440.00	529.03	622.81	817.17	0.00	0.00	0.00
Pictured Cliffs SS									
3,600.00	5.00	49.65	3,472.51	530.87	624.98	820.01	0.00	0.00	0.00
3,677.78	5.00	49.65	3,550.00	535.26	630.15	826.79	0.00	0.00	0.00
5 1/2"									

Design Targets

Target Name

- hit/miss target	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
- Shape									
Proposed BHL -- Jones	0.00	0.00	3,550.00	535.26	630.15	1,157,355.52	2,395,822.26	37° 4' 49.51 N	107° 34' 16.18 W
- plan hits target									
- Rectangle (sides W10.00 H10.00 D0.00)									

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (in)	Hole Diameter (in)
225.00	225.00	8 5/8"	8.625	12.250
3,677.78	3,550.00	5 1/2"	5.500	7.875

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,492.11	1,453.00	Animas Formation		0.00	
2,179.57	2,099.00	Ojo Alamo SS		0.00	
2,322.17	2,233.00	Kirtland Shale		0.00	
2,989.51	2,866.00	Fruitland Formation		0.00	
3,198.95	3,073.00	Upper Fruitland Coal		0.00	
3,289.30	3,163.00	Middle Fruitland Coal		0.00	
3,376.64	3,250.00	Pictured Cliffs Tongue		0.00	
3,561.34	3,434.00	Lower Fruitland Coal		0.00	
3,567.36	3,440.00	Pictured Cliffs SS		0.00	



Well Name: Jones KK #2

San Juan Division
Drilling Department

Calculation Method: Minimum Curvature
Geodetic Datum: North American Datum 1983
Lat: 37° 4' 44.22 N
Long: 107° 34' 23.95 W

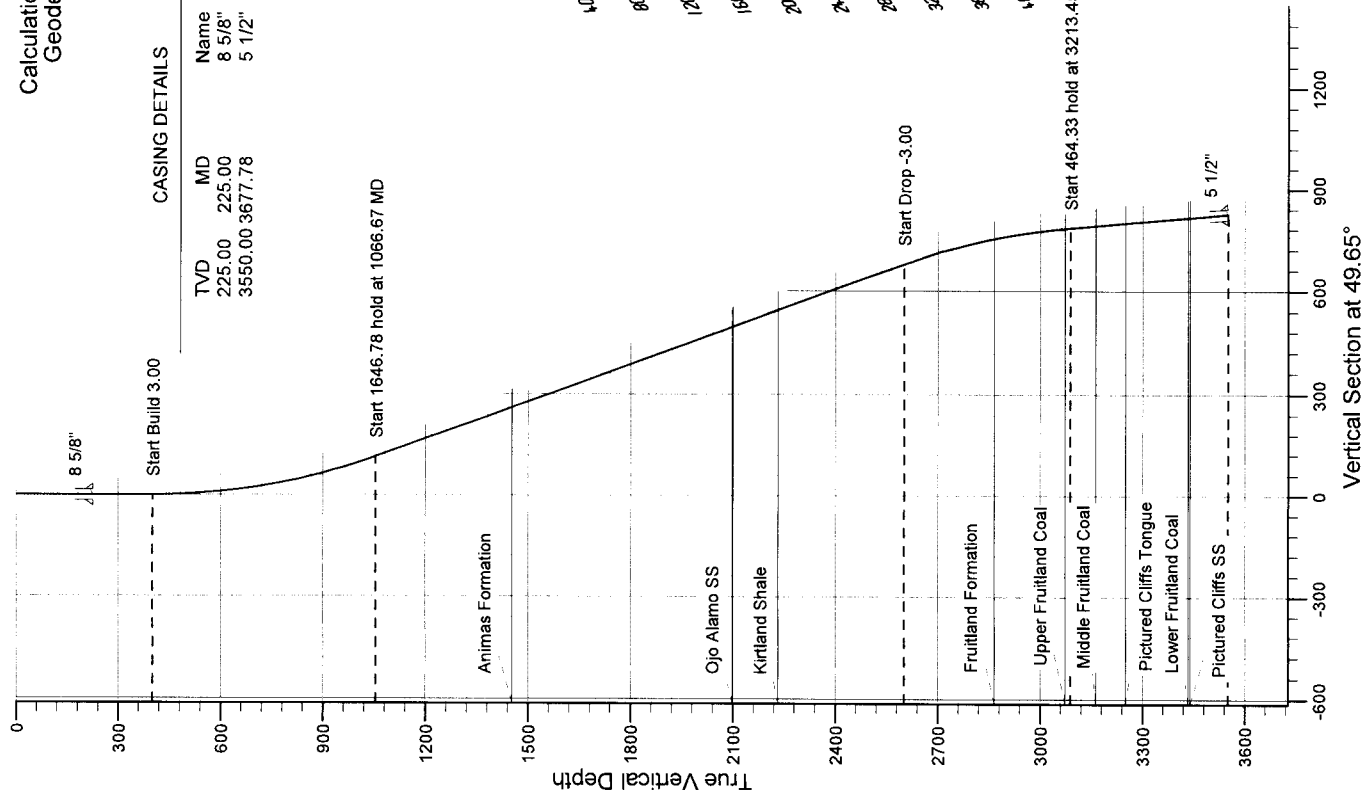
Azimuths to True North
Magnetic North: 10.02°
Magnetic Field
Strength: 51179.1snT
Dip Angle: 63.84°
Date: 12/31/2009
Model: IGRF200510

CASING DETAILS

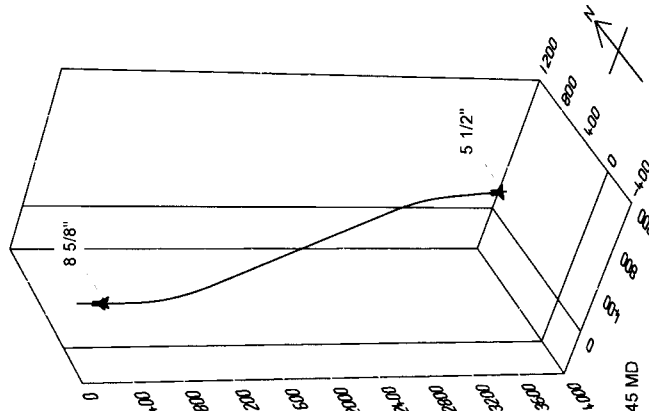
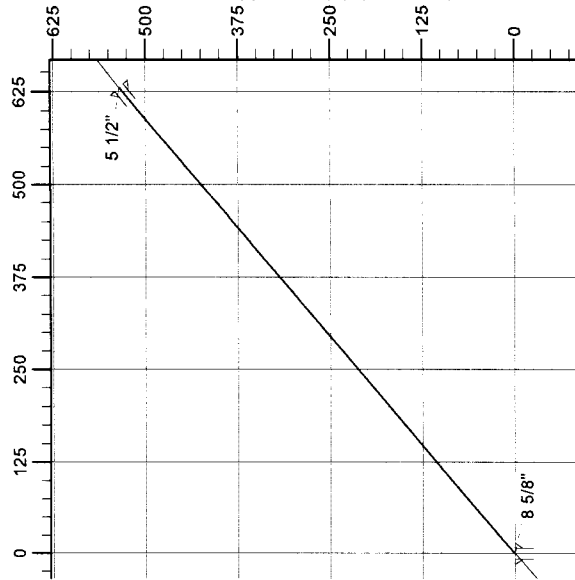
TV	MD	Name	Size
225.00	225.00	8 5/8"	8.625
3550.00	3677.78	5 1/2"	5.500

FORMATION TOP DETAILS

MDPath	Formation
1492.11	Animas Formation
2179.57	Ojo Alamo SS
2322.17	Kirtland Shale
2866.00	Fruitland Formation
3198.95	Upper Fruitland Coal
3289.30	Middle Fruitland Coal
3376.64	Pictured Cliffs Tongue
3561.34	Lower Fruitland Coal
3567.36	Pictured Cliffs SS



West(-)/East(+) (250 ft/in)



SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	
3	1066.67	20.00	49.65	1053.21	74.57	87.78	3.00	49.65	115.18	
4	2713.45	20.00	49.65	2600.88	439.20	517.06	0.00	0.00	678.41	
5	3213.45	5.00	49.65	3087.44	509.06	599.30	3.00	180.00	786.32	
6	3677.78	5.00	49.65	3550.00	535.26	630.15	0.00	0.00	826.79	Proposed BHL -- Jones KK #2

SURFACE USE PLAN

**XTO Energy Inc.
JONES KK #2
1,201' FNL x 1,295' FEL
Section 26, 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 Ignacio, CO., proceed east on Highway 151 for 3.2 miles to CR 324. Turn right on CR 324 and proceed south for 2 miles to CR 321. Turn left on CR 321 and proceed east for 0.2 mile & turn left onto access road to existing KK Jones #1 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 NE/4 of Sec 26, T33N, R7W.**
- b. Length of new access to be constructed: **None. This well will be drilled on an existing location. 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.**
- 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 additional 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 typically necessary for the production of this well will be 2 – 400 bbl steel, above ground tanks produced**

water. All loading lines and valves for these tanks will be placed inside the berm surrounding the tank battery. 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: **Off-site facilities are typically located at the CDP station and usually include central compression, gas processing, separation, tanks, pits, electronics, gas measurement and possibly a produced water disposal (SWD) well.**
- c. Pipelines: **The well will be produced into a 4" steel gas 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".**

All equipment and vehicles that will be used to drill and complete this well will remain within the boundaries of the approved wellpad. Any equipment and or vehicles park or stored off of the location will be considered trespassing on federal lands and will NOT be tolerated.

Materials obtained from the construction of location, like topsoil and vegetation will be stock piled as indicated and permitted by the approved APD. The stock piles themselves may be outside the approved boundaries of the wellpad.

10. Plans for Restoration of the Surface: (Interim Reclamation and Final Reclamation)

The stripped topsoil (generally 6-8") shall be stockpiled separately and clearly marked for interim reclamation. Where soil is placed over Temporary Use Areas care will be taken so as not to disturb topsoil.

Topsoil along the access road will be salvaged where available during construction and re-spread to the greatest degree practical on cut slopes, fill slopes and borrow ditches prior to seeding.

On pre-existing well pads, repairs will be made to erosion gullies on cut and fill slopes.

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

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.

Interim Reclamation

The well pad will be contoured to blend with the surrounding natural landscape. All topsoil shall be evenly spread on over the disturbed area. Re-seeding of the site will be conducted using a BIA approved weed-free seed mix **as specified in the approved APD.**

Final Reclamation

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

An identifying above ground abandonment marker shall be inscribed with the following: operator name, lease number, well name and number, plugging date and surveyed

description (township, range, section and either quarter-quarter or footages).

Additional requirements: **If required shall be included in the COA's of the approved APD.**

11. Surface and Mineral Ownership:

Surface Ownership (well location and lands crossed to access location):

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

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.

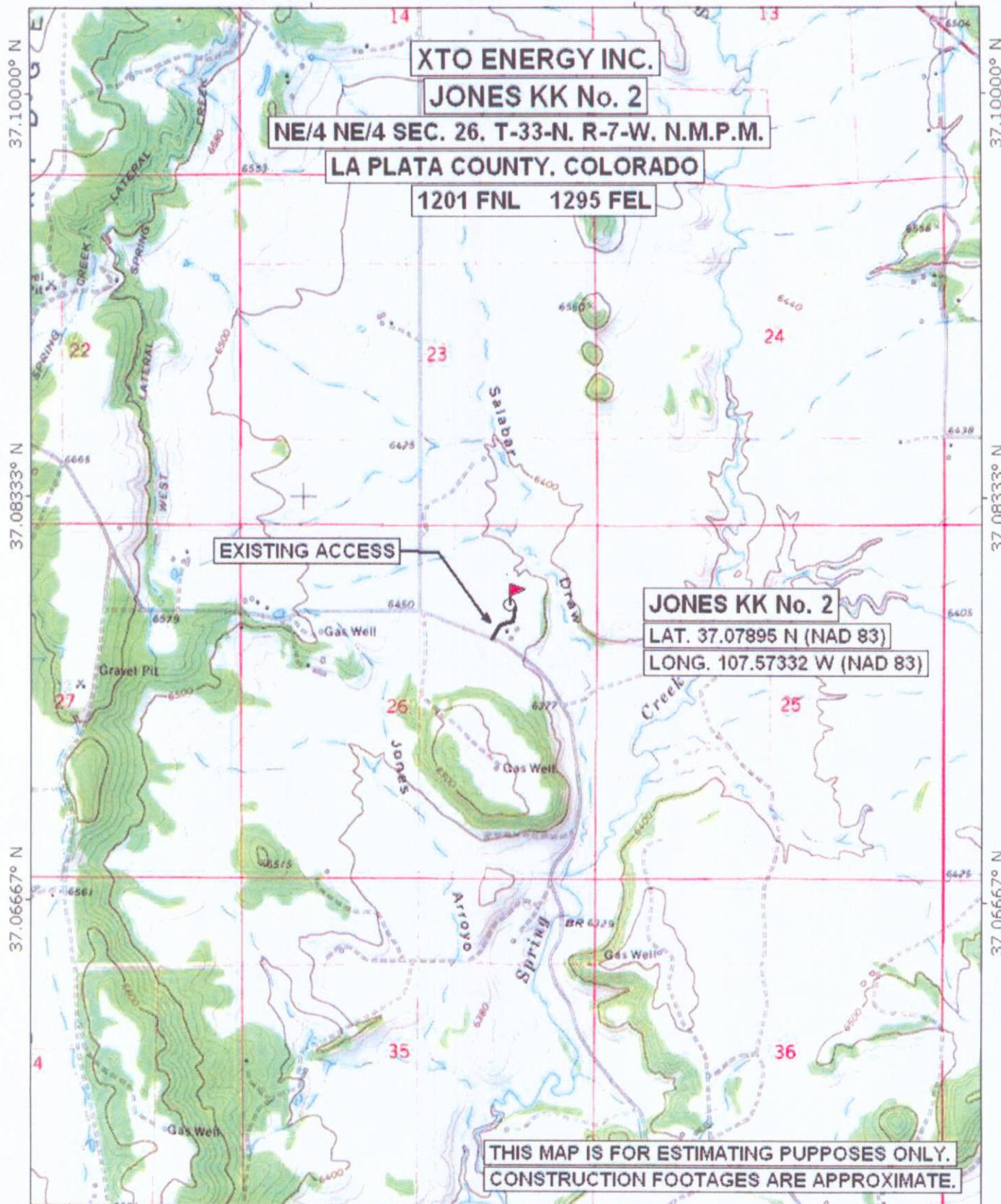
- b. Threatened and Endangered Species Concerns: **A BLM approved contractor has submitted the appropriate reports to the agencies as required. Special stipulation will be included in the COA's of the approved APD.**
- c. Wildlife Seasonal Restrictions: **Current wildlife restrictions and closure dates, if applicable, will be specified in the approved APD.**
- d. **On-site took place on August 11, 2010 - Dave Swanson (BLM), Kelly Kardos, Ben Schmidt, Bob Percell, Paul Lerhman, Mark Neitzel, Mike Simon (XTO), Randy Watson (Daggett), Nancy Eisenhower, Amanda Kuenzi (SWCA), Ed Trahan, Germain Ewing, 2 addl reps (SUIT)**

TOPO! map printed on 08/31/10 from "Colorado.tpo" and "Untitled.tpg"

107.58333° W

107.56667° W

WGS84 107.55000° W



XTO ENERGY INC.

JONES KK No. 2

NE/4 NE/4 SEC. 26. T-33-N. R-7-W. N.M.P.M.

LA PLATA COUNTY. COLORADO

1201 FNL 1295 FEL

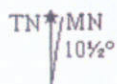
EXISTING ACCESS

JONES KK No. 2

LAT. 37.07895 N (NAD 83)

LONG. 107.57332 W (NAD 83)

**THIS MAP IS FOR ESTIMATING PURPOSES ONLY.
CONSTRUCTION FOOTAGES ARE APPROXIMATE.**



107.58333° W

107.56667° W

WGS84 107.55000° W

0 1000 FEET 0 1000 METERS

Printed from TOPO! ©2001 National Geographic Holdings (www.topo.com)

EXHIBIT

A



Surface Ownership (well location):

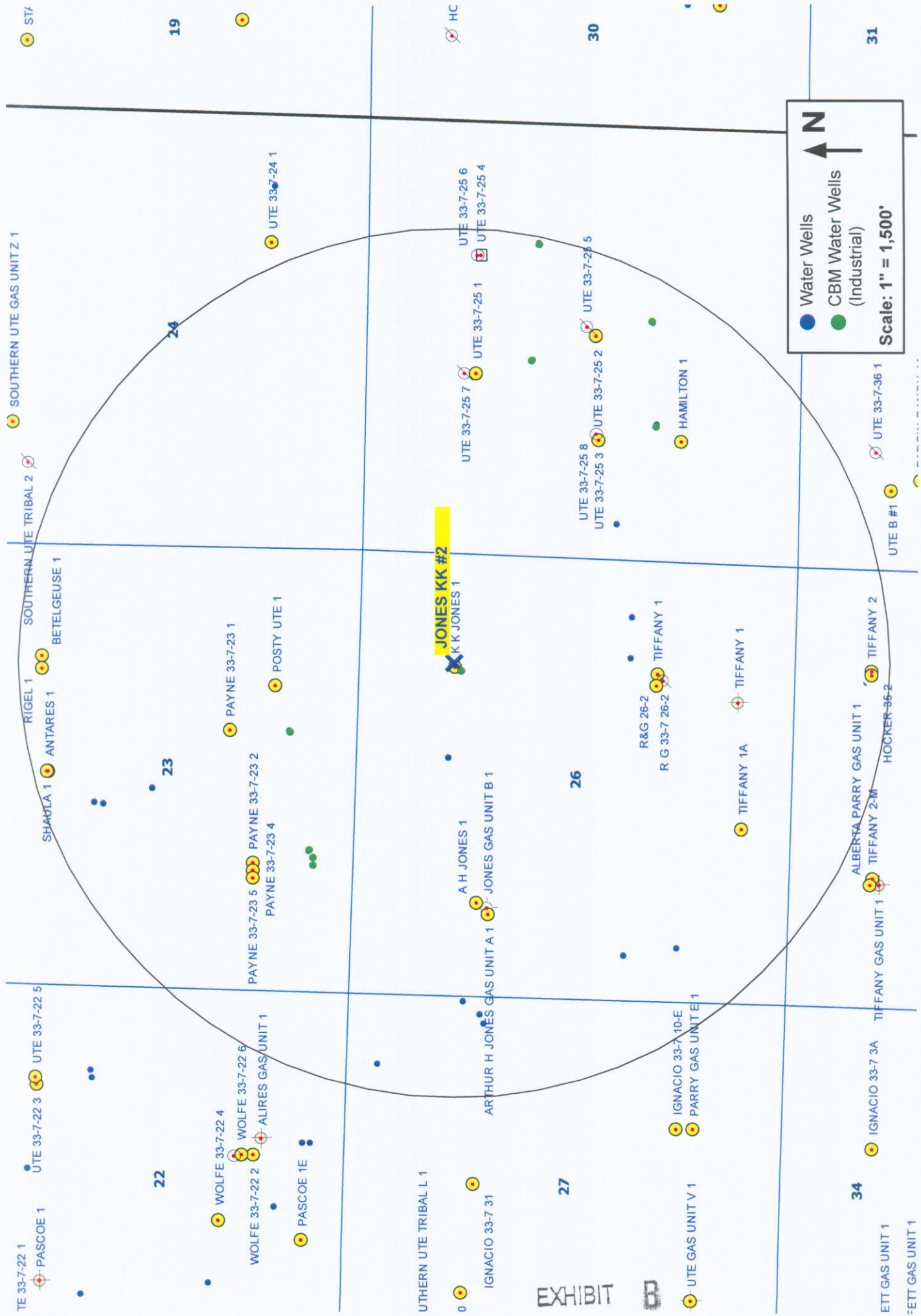
Southern Ute Mineral Tribe, PO Box 737, Ignacio, CO 81137

Surface Ownership (lands crossed to access location):

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

EXHIBIT A

EXISTING WELLS & WATER WELLS WITHIN 1 MILE



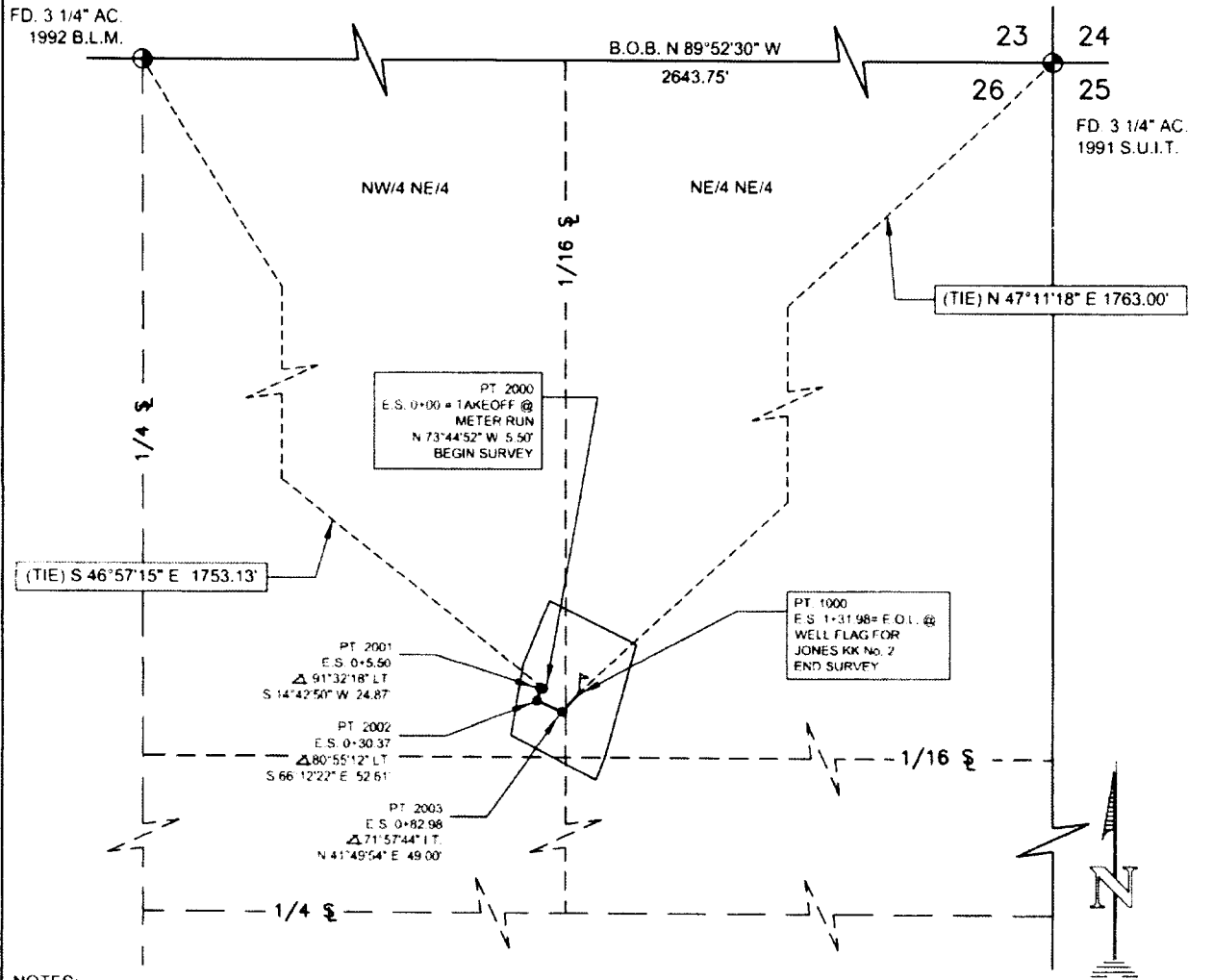
A PRELIMINARY SURVEY OF A 40 FOOT EASEMENT CROSSING SOUTHERN UTE INDIAN TRIBAL LANDS FOR

XTO ENERGY INC.

PROPOSED JONES KK No. 2 PIPELINE

NW/4 NE/4, NE/4 NE/4 OF SEC. 26, TOWNSHIP 33 NORTH, RANGE 7 WEST, N.M.P.M.

LA PLATA COUNTY, COLORADO



NOTES:

1. BASIS OF BEARING: BETWEEN MONUMENTS FOUND AT THE NORTHEAST CORNER AND THE NORTH QUARTER CORNER OF SEC. 26, T33N, R7W, N.M.P.M. LINE BEARS N 89°52'30\" W A DISTANCE OF 2643.75' PER G.P.S. MEASUREMENT.

2. DATE OF SURVEY: AUGUST 17, 2010

3. DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. COLORADO ONE CALL TO BE NOTIFIED 72 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.

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 THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

ROY A. RUSH, L.S. No. 20693
STATE OF COLORADO

DATE

08-26-10

OWNER	STATION	FT./RODS
SO. UTE INDIAN TRIBE	E.S. 0+00 TO E.S. 1+31.98	131.98/8.00
TOTAL		131.98/8.00


REVISION	REV. BY	DATE
SURVEY	G.V.	8/24/10
 Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 510, Farmington, NM 87499 Phone (505) 326-1772 Fax (505) 326-6019 REGISTERED LAND SURVEYOR COLORADO LS No. 20693		
SHEET 1 OF 1		CADFILE: CR1127_P01
DRAWN BY: G.V.	ROW#: CR1127	DATE: 7/14/10

EXHIBIT C

Daggett Enterprises, Inc.

Surveying and Oil Field Services

P. O. Box 510 • Farmington, NM 87499 U.S.A.
Phone (505) 326-1772 (800) 264-6692 Fax (505) 326-6019

**A LEGAL DESCRIPTION FOR XTO ENERGY INC.
CROSSING SOUTHERN UTE INDIAN TRIBAL LANDS
PROPOSED JONES KK No. 2 PIPELINE**

A 40 FOOT EASEMENT FOR XTO ENERGY INC., LOCATED IN THE NW/4 NE/4, NE/4 NE/4 OF SECTION 26, TOWNSHIP 33 NORTH, RANGE 7 WEST, N.M.P.M., LA PLATA COUNTY, COLORADO. BEING MORE PARTICULARLY DESCRIBED AS BEING 20 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

COMMENCING AT A POINT LOCATED IN THE NW/4 NE/4 OF SAID SECTION 26, BEING THE "TRUE POINT OF BEGINNING", SAID POINT BEARS S 46°57'15" E, A DISTANCE OF 1753.13 FEET, FROM A FOUND 3 1/4" ALUMINUM CAP FOR THE NORTH QUARTER CORNER OF SECTION 26, TOWNSHIP 33 NORTH, RANGE 7 WEST, N.M.P.M..

THENCE: N 73°44'52" W A DISTANCE OF 5.50 FEET;

THENCE: S 14°42'50" W A DISTANCE OF 24.87 FEET;

THENCE: S 66°12'22" E A DISTANCE OF 52.61 FEET;

THENCE: N 41°49'54" E A DISTANCE OF 49.00 FEET TO THE "TRUE POINT OF ENDING" FOR THIS DESCRIPTION;

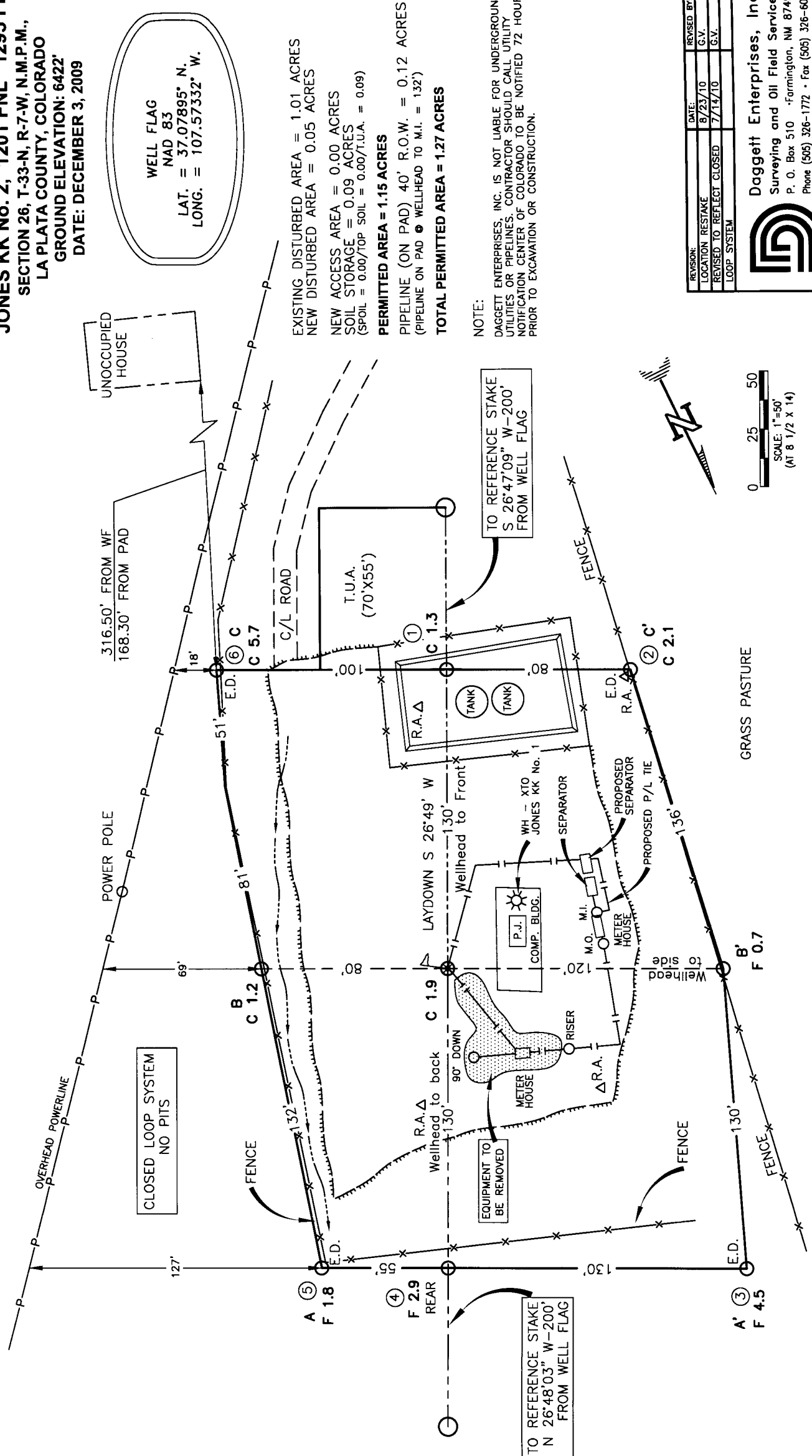
THENCE THE NORTHEAST CORNER OF SAID SECTION 26, BEING A FOUND 3 1/4" ALUMINUM CAP, BEARS N 47°11'18" E, A DISTANCE OF 1763.00 FEET.

BASIS OF BEARING: BETWEEN THE NORTHEAST CORNER AND THE NORTH QUARTER CORNER OF SAID SECTION 26. LINE BEARS N 89°52'30" W A DISTANCE OF 2643.75 FEET PER G.P.S. MEASUREMENT.

TOTAL LENGTH IS 131.98 FEET OR 8.00 RODS. CONTAINS 0.12 ACRES OF LAND MORE OR LESS.



XTO ENERGY INC.
JONES KK No. 2, 1201 FNL 1295 FEL
 SECTION 26, T-33-N, R-7-W, N.M.P.M.,
 LA PLATA COUNTY, COLORADO
 GROUND ELEVATION: 6422'
 DATE: DECEMBER 3, 2009



XTO ENERGY INC.
JONES KK No. 2, 1201 FNL 1295 FEL
SECTION 26, T-33-N, R-7-W, N.M.P.M., LA PLATA COUNTY, COLORADO
GROUND ELEVATION: 6422'
DATE: DECEMBER 3, 2009

WELL FLAG
NAD 83
LAT. = 37.07895° N.
LONG. = 107.57332° W.

ELEV. A-A'		C/L	
6430			
6420			
6410			
6400			

ELEV. B-B'		C/L	
6430			
6420			
6410			
6400			

ELEV. C-C'		C/L	
6430			
6420			
6410			
6400			

NOTE:
DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND
UTILITIES OR PIPELINES. CONTRACTOR SHOULD CALL UTILITY
NOTIFICATION CENTER OF COLORADO TO BE NOTIFIED 72
HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.



Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 510 • Farmington, NM 87499
Phone (505) 326-1772 • Fax (505) 326-6019
COLORADO L.S. 2069.3

DRAWN BY: B.K.
ROW#: CR1127

CADFILE: CR1127.CFB
DATE: 12/17/09

REVISION:	DATE:	REVISED BY:
CHANGE CUT/FILL VALUES	8/23/10	G.V.
CLOSED LOOP SYSTEM/NO PITS	7/30/10	G.V.

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 **26th** day of **April 2011**.

Signature: _____


Kelly Kardos