

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

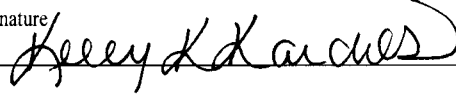
APPLICATION FOR PERMIT TO DRILL OR REENTER

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
2. Name of Operator XTO ENERGY INC		7. If Unit or CA Agreement, Name and No.
3a. Address 382 ROAD 3100 AZTEC, NM 87410	3b. Phone No. (include area code) 505-333-3145	8. Lease Name and Well No. PARGIN #2-36
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1,235' FSL & 1,130' FEL At proposed prod. zone 1,835' FSL & 755' FEL, 1,980' FSL & 660' FEL (BHL)		9. API Well No.
14. Distance in miles and direction from nearest town or post office* APROX 6 MILES SOUTHEAST OF DURANGO, 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) 660'	16. No. of acres in lease 480	11. Sec., T. R. M. or Blk. and Survey or Area SESE SEC. 36, T33N, R7W, N.M.P.M.
17. Spacing Unit dedicated to this well S/2 320	18. Distance from proposed location* to nearest well, drilling, completed, 560' applied for, on this lease, ft.	12. County or Parish LA PLATA
19. Proposed Depth 3,278' MD	20. BLM/BIA Bond No. on file 104312789	13. State CO
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,462' GL	22. Approximate date work will start* 06/01/2011	23. Estimated duration 2 WEEKS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. I, 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 03/30/2011
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.

XTO ENERGY INC.

PARGIN #2-36

SURFACE HOLE: 1,235' FSL, 1,130' FEL

BOTTOM HOLE LOCATION: 1,980' FSL, 660' FEL

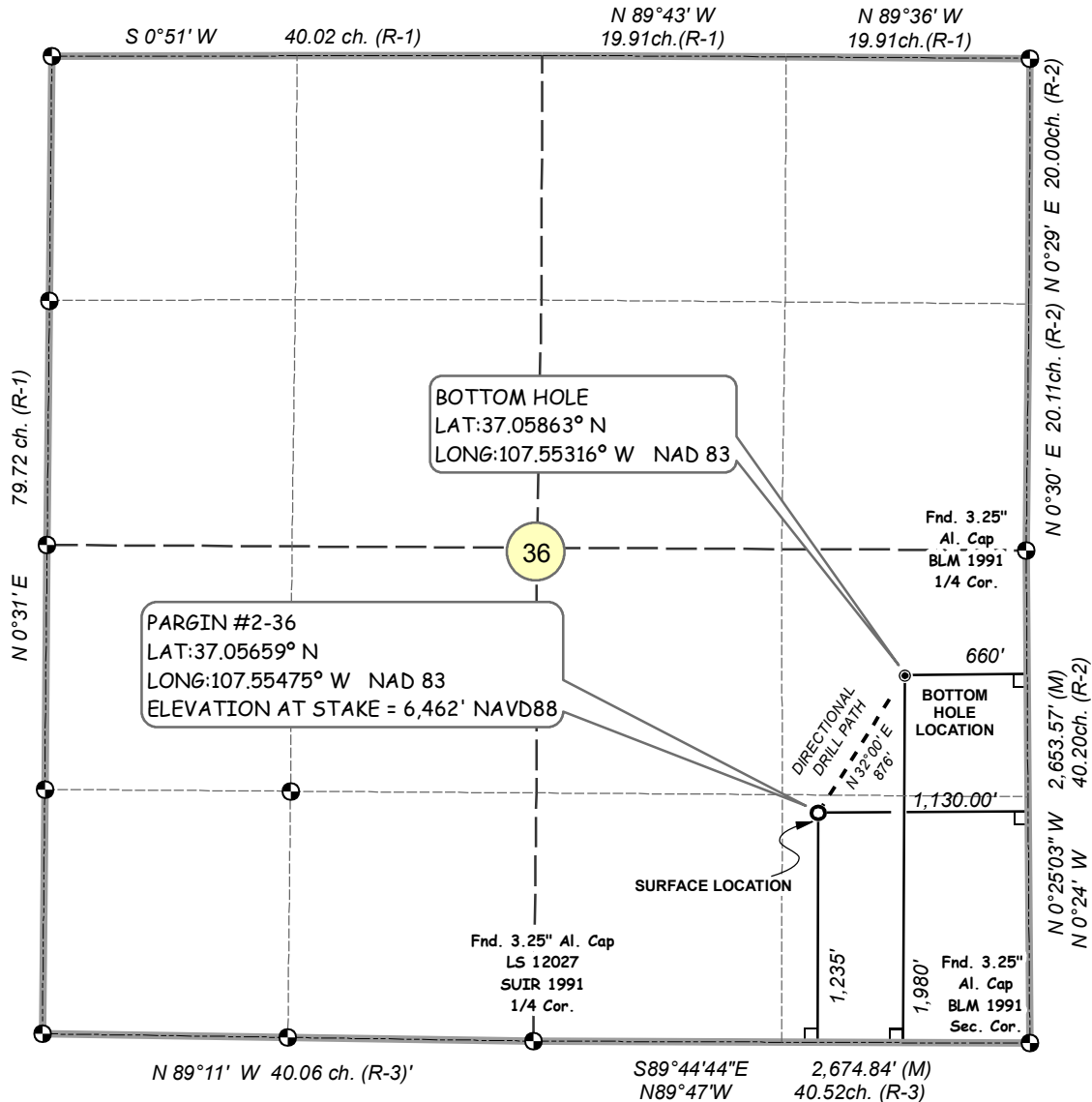
SECTION 36, T-33-N, R-07-W, N.M.P.M.,
LA PLATA COUNTY, COLORADO

LAT: 37.05659° N LONG: 107.55475° W NAD 83

ELEVATION AT STAKE = 6,462' NAVD88

Legend

- BOTTOM HOLE
- SURFACE LOCATION
- QUARTER
- SECTION
- SIXTEENTH
- - - DIRECTIONAL_ALIGNMENT
- 90° TIE

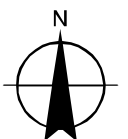


NOTES:

1. SURFACE USE IS EXISTING WELL LOCATION AND AGRICULTURAL.
2. SEE ATTACHED ADDENDUM FOR IMPROVEMENTS, AND PROPERTY LINES WITHIN 400' OF PROPOSED WELL.
3. DATE OF SURVEY 4/27/10
4. BASIS OF ELEVATION = NAVD88 AS PREDICTED BY GEOID03.
5. PDOP OF GPS OBSERVATION OF WELL STAKE = 1.3
6. FOOTAGE DIMENSION FIELD MEASURED AT 90° FROM SECTION LINES
7. (R-1) = Record Survey BLM PLAT AUG. 16, 1995.
(R-2) BLM PLAT JAN 4, 1994. (R-3) BLM PLAT JUNE 7, 1994.
8. (M) = FIELD MEASURED.

NAD 27 Surface Location
LAT: 37.05659° N
LONG: 107.55414° W

0 500 1,000
Feet
1 inch equals 1,000 feet

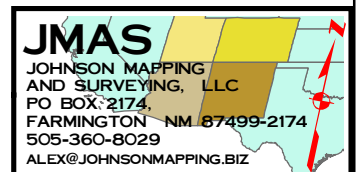


THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY DIRECT SUPERVISION AND THAT SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

DAVID ALEXANDER JOHNSON LICENSE NO. 33648 DATE
STATE OF COLORADO



6-30-10 XEN078 SD.MXD



XTO ENERGY INC.

Pargin #2-36

APD Data

March 3, 2011

Location: 1235' FSL x 1130' FEL Sec 36, T33N, R07W County: LaPlata

State: CO

Bottomhole Location: 1980' FSL x 660' FEL Sec 36, T33N, R07W

GREATEST PROJECTED TD: 3278' MD, 3100 TVD

APPROX GR ELEV: 6462'

OBJECTIVE: Fruitland Coal

Est KB ELEV: 6474' (12' AGL)

Please note attached directional program.

1. MUD PROGRAM:

INTERVAL	0' to 225'	225' to 3278'
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 3278') 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'-3278'	3278'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	2.57	3.07	3.98

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:

- A. 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.
- B. 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 $\pm 3278'$ in 7.875" hole.

LEAD:

± 314 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 784 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 (3278') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (3278') 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: 6474'

FORMATION	Sub-Sea	TVD
Nacimiento Formation	Surface	Surface
Animas Formation		
Ojo Alamo SS	5078	1396
Kirtland Shale	4965	1509
Farmington SS		
Fruitland Formation	4176	2298
Upper Fruitland Coal**	3899	2575
Middle Fruitland Coal*	3819	2655
Pictured Cliffs Tongue	3712	2762
Lower Fruitland Coal**	3519	2955
Pictured Cliffs SS	3497	2977
TD	3374	3100

* 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.

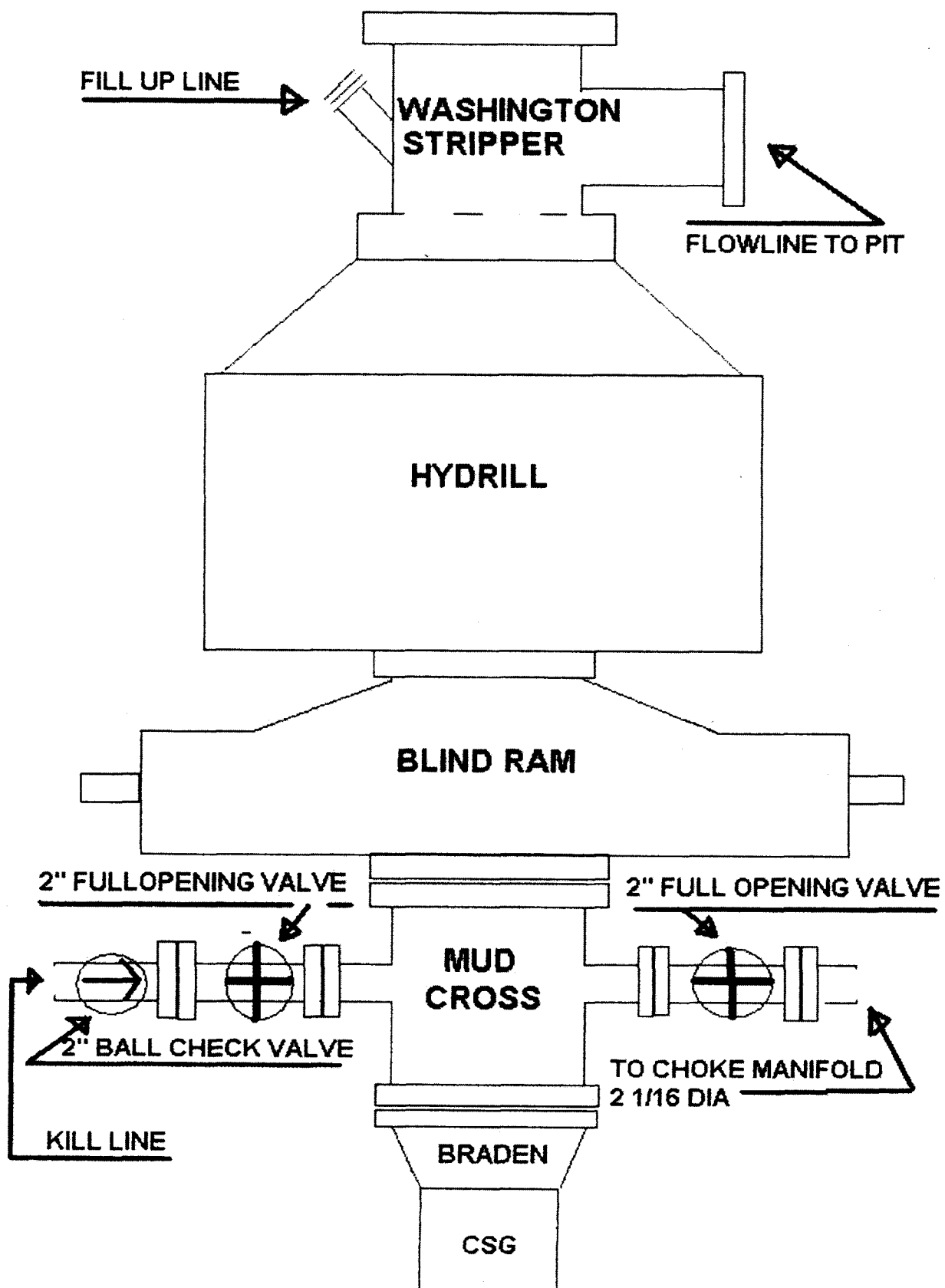
Formation	Expected Fluids	Well Depth TVD
Nacimiento Formation	Water	Surface
Animas Formation	Water	
Ojo Alamo SS	Water	1396
Kirtland Shale	Water	1509
Farmington SS	Water	
Fruitland Formation	Water	2298
Upper Fruitland Coal	Gas	2575
Middle Fruitland Coal	Gas	2655
Pictured Cliffs Tongue	Gas	2762
Lower Fruitland Coal	Gas	2955
Pictured Cliffs SS	Gas	2977

- 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

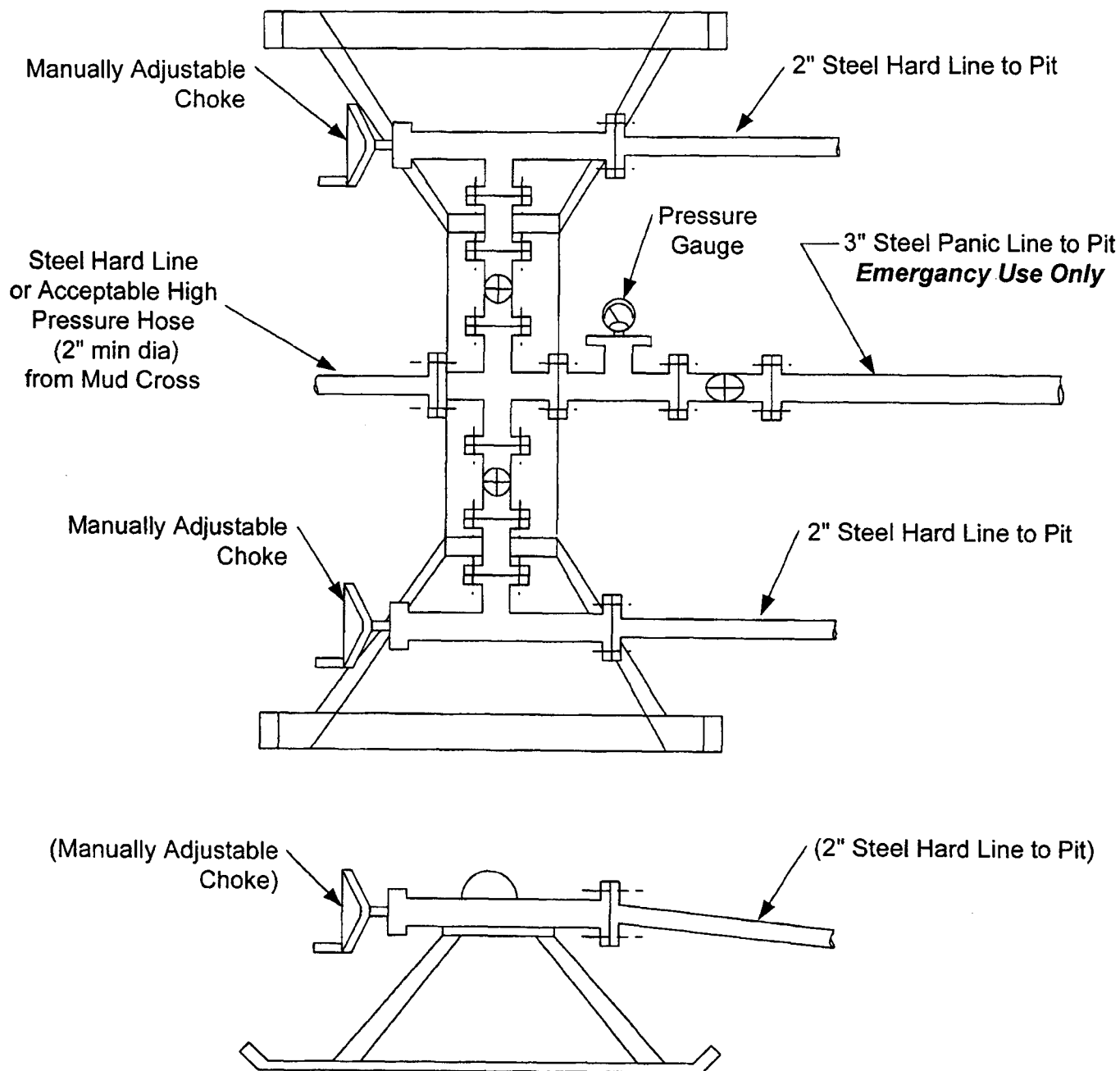
JDN
3/3/11



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

Pargin #2-36

Pargin #2-36

Pargin #2-36

Plan: Permitted Wellbore--Pargin #2-36

Standard Planning Report

20 July, 2010

XTO Energy Inc.

Planning Report

Database:	EDM 2003.21 Single User Db	Local Co-ordinate Reference:	Well Pargin #2-36
Company:	XTO Energy	TVD Reference:	Rig KB @ 6474.0ft (Aztec 507)
Project:	LaPlata County Directionals	MD Reference:	Rig KB @ 6474.0ft (Aztec 507)
Site:	Pargin #2-36	North Reference:	True
Well:	Pargin #2-36	Survey Calculation Method:	Minimum Curvature
Wellbore:	Pargin #2-36		
Design:	Permitted Wellbore--Pargin #2-36		

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	Pargin #2-36, T33N, R7W		
Site Position:		Northing:	1,148,575.03 ft
From:	Lat/Long	Easting:	2,400,417.59 ft
Position Uncertainty:	0.0 ft	Slot Radius:	"
		Latitude:	37° 3' 23.724 N
		Longitude:	107° 33' 17.100 W
		Grid Convergence:	-1.26 °

Well	Pargin #2-36, S-well to top of FC		
Well Position	+N/-S	0.0 ft	Northing: 1,148,575.03 ft
	+E/-W	0.0 ft	Easting: 2,400,417.59 ft
Position Uncertainty	0.0 ft	Wellhead Elevation:	6,462.0 ft
		Ground Level:	6,462.0 ft

Wellbore	Pargin #2-36				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	12/31/2009	10.01	63.82	51,118

Design	Permitted Wellbore--Pargin #2-36			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction
	(ft)	(ft)	(ft)	(°)
	0.0	0.0	0.0	31.99

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
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,500.0	30.00	31.99	1,454.9	217.0	135.6	3.00	3.00	0.00	31.99	
2,113.1	30.00	31.99	1,985.9	477.0	298.0	0.00	0.00	0.00	0.00	
2,779.7	10.00	31.99	2,609.1	669.4	418.1	3.00	-3.00	0.00	180.00	
3,278.2	10.00	31.99	3,100.0	742.8	464.0	0.00	0.00	0.00	0.00	Proposed BHL--Pargi

XTO Energy Inc.

Planning Report

Database:	EDM 2003.21 Single User Db	Local Co-ordinate Reference:	Well Pargin #2-36
Company:	XTO Energy	TVD Reference:	Rig KB @ 6474.0ft (Aztec 507)
Project:	LaPlata County Directionals	MD Reference:	Rig KB @ 6474.0ft (Aztec 507)
Site:	Pargin #2-36	North Reference:	True
Well:	Pargin #2-36	Survey Calculation Method:	Minimum Curvature
Wellbore:	Pargin #2-36		
Design:	Permitted Wellbore--Pargin #2-36		

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)
0.0	0.00	0.00	0.0	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
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	3.00	31.99	600.0	2.2	1.4	2.6	3.00	3.00	0.00
700.0	6.00	31.99	699.6	8.9	5.5	10.5	3.00	3.00	0.00
800.0	9.00	31.99	798.8	19.9	12.5	23.5	3.00	3.00	0.00
900.0	12.00	31.99	897.1	35.4	22.1	41.7	3.00	3.00	0.00
1,000.0	15.00	31.99	994.3	55.2	34.5	65.1	3.00	3.00	0.00
1,100.0	18.00	31.99	1,090.2	79.3	49.5	93.5	3.00	3.00	0.00
1,200.0	21.00	31.99	1,184.4	107.6	67.2	126.9	3.00	3.00	0.00
1,300.0	24.00	31.99	1,276.8	140.0	87.5	165.1	3.00	3.00	0.00
1,400.0	27.00	31.99	1,367.1	176.5	110.3	208.2	3.00	3.00	0.00
1,432.6	27.98	31.99	1,396.0	189.3	118.3	223.2	3.00	3.00	0.00
Ojo Alamo									
1,500.0	30.00	31.99	1,454.9	217.0	135.6	255.9	3.00	3.00	0.00
1,562.4	30.00	31.99	1,509.0	243.5	152.1	287.1	0.00	0.00	0.00
Kirtland Shale									
1,600.0	30.00	31.99	1,541.5	259.4	162.0	305.9	0.00	0.00	0.00
1,700.0	30.00	31.99	1,628.1	301.8	188.5	355.9	0.00	0.00	0.00
1,800.0	30.00	31.99	1,714.7	344.2	215.0	405.9	0.00	0.00	0.00
1,900.0	30.00	31.99	1,801.3	386.6	241.5	455.9	0.00	0.00	0.00
2,000.0	30.00	31.99	1,887.9	429.0	268.0	505.9	0.00	0.00	0.00
2,100.0	30.00	31.99	1,974.5	471.5	294.5	555.9	0.00	0.00	0.00
2,113.1	30.00	31.99	1,985.9	477.0	298.0	562.4	0.00	0.00	0.00
2,200.0	27.39	31.99	2,062.1	512.4	320.1	604.1	3.00	-3.00	0.00
2,300.0	24.39	31.99	2,152.1	549.4	343.2	647.8	3.00	-3.00	0.00
2,400.0	21.39	31.99	2,244.2	582.4	363.8	686.7	3.00	-3.00	0.00
2,457.5	19.67	31.99	2,298.0	599.5	374.5	706.9	3.00	-3.00	0.00
Fruitland Formation									
2,500.0	18.39	31.99	2,338.2	611.3	381.8	720.7	3.00	-3.00	0.00
2,600.0	15.39	31.99	2,433.9	635.9	397.2	749.8	3.00	-3.00	0.00
2,700.0	12.39	31.99	2,530.9	656.3	409.9	773.8	3.00	-3.00	0.00
2,745.0	11.04	31.99	2,575.0	664.0	414.8	782.9	3.00	-3.00	0.00
Upper Fruitland Coal									
2,779.7	10.00	31.99	2,609.1	669.4	418.1	789.3	3.00	-3.00	0.00
2,800.0	10.00	31.99	2,629.1	672.4	420.0	792.8	0.00	0.00	0.00
2,826.3	10.00	31.99	2,655.0	676.3	422.4	797.3	0.00	0.00	0.00
Middle Fruitland Coal									
2,900.0	10.00	31.99	2,727.6	687.1	429.2	810.1	0.00	0.00	0.00
2,934.9	10.00	31.99	2,762.0	692.3	432.4	816.2	0.00	0.00	0.00
Pictured Cliffs Tongue									
3,000.0	10.00	31.99	2,826.1	701.8	438.4	827.5	0.00	0.00	0.00
3,100.0	10.00	31.99	2,924.5	716.6	447.6	844.9	0.00	0.00	0.00
3,130.9	10.00	31.99	2,955.0	721.1	450.4	850.2	0.00	0.00	0.00
Lower Fruitland Coal									
3,153.3	10.00	31.99	2,977.0	724.4	452.5	854.1	0.00	0.00	0.00
Pictured Cliffs SS									
3,200.0	10.00	31.99	3,023.0	731.3	456.8	862.2	0.00	0.00	0.00

XTO Energy Inc.

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Project:	LaPlata County Directionals	MD Reference:	Rig KB @ 6474.0ft (Aztec 507)
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Well:	Pargin #2-36	Survey Calculation Method:	Minimum Curvature
Wellbore:	Pargin #2-36		
Design:	Permitted Wellbore--Pargin #2-36		

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)
3,278.2	10.00	31.99	3,100.0	742.8	464.0	875.8	0.00	0.00	0.00

Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
- hit/miss target									
- Shape									
Proposed BHL--Pargin #	0.00	0.00	3,100.0	742.8	464.0	1,149,307.44	2,400,897.81	37° 3' 31.068 N	107° 33' 11.376 W
- plan hits target									
- Rectangle (sides W10.0 H10.0 D0.0)									

Casing Points					
Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")	
225.0	225.0	8 5/8"	8-5/8	12-1/4	
3,278.2	3,100.0	5 1/2"	5-1/2	7-7/8	

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
1,432.6	1,396.0	Ojo Alamo		0.00		
1,562.4	1,509.0	Kirtland Shale		0.00		
2,457.5	2,298.0	Fruitland Formation		0.00		
2,745.0	2,575.0	Upper Fruitland Coal		0.00		
2,826.3	2,655.0	Middle Fruitland Coal		0.00		
2,934.9	2,762.0	Pictured Cliffs Tongue		0.00		
3,130.9	2,955.0	Lower Fruitland Coal		0.00		
3,153.3	2,977.0	Pictured Cliffs SS		0.00		



Well Name: Pargin #2-36

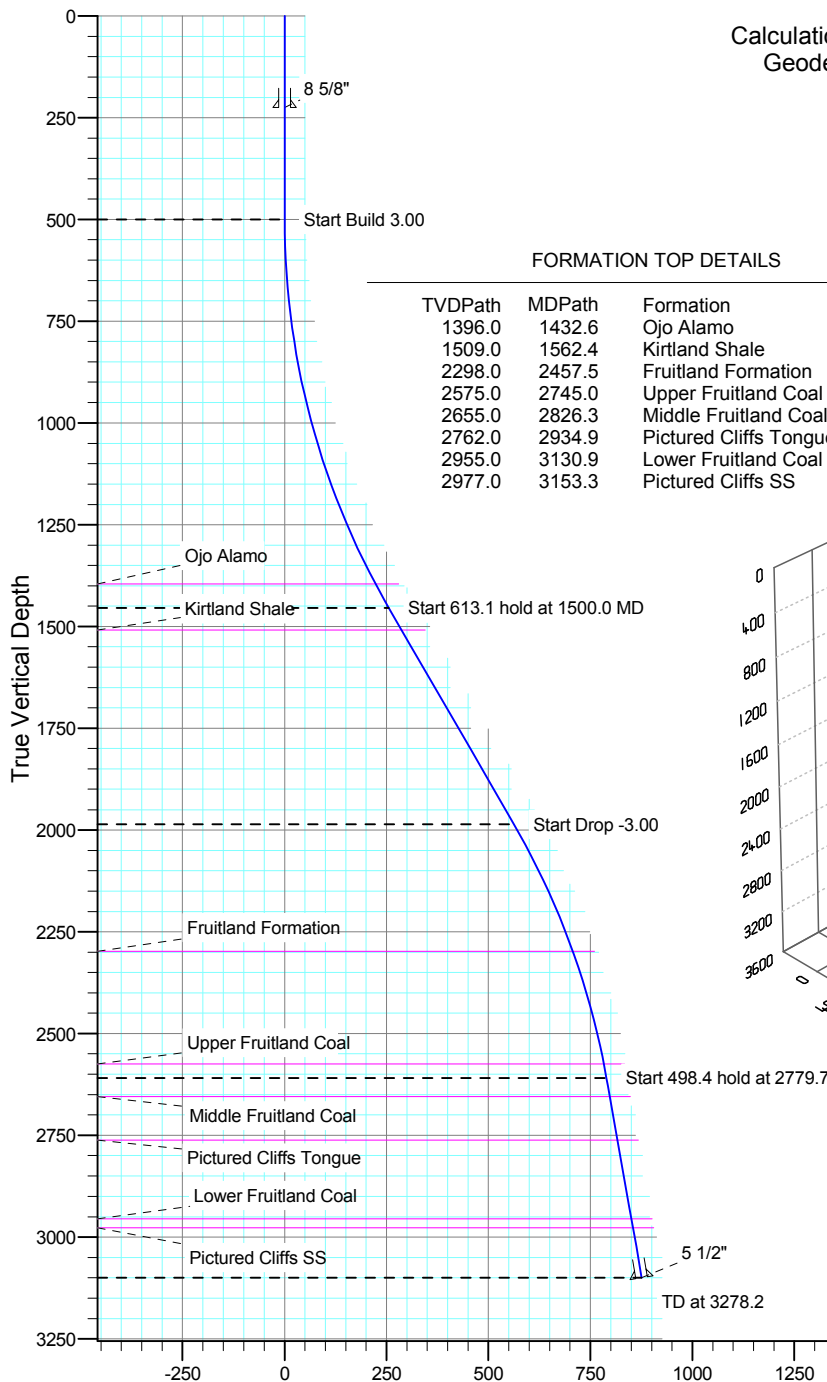
San Juan Division
Drilling Department

Calculation Method: Minimum Curvature
Geodetic Datum: North American Datum 1983
Lat: 37° 3' 23.724 N
Long: 107° 33' 17.100 W



Azimuths to True North
Magnetic North: 10.01°

Magnetic Field
Strength: 51118.0snT
Dip Angle: 63.82°
Date: 12/31/2009
Model: IGRF200510

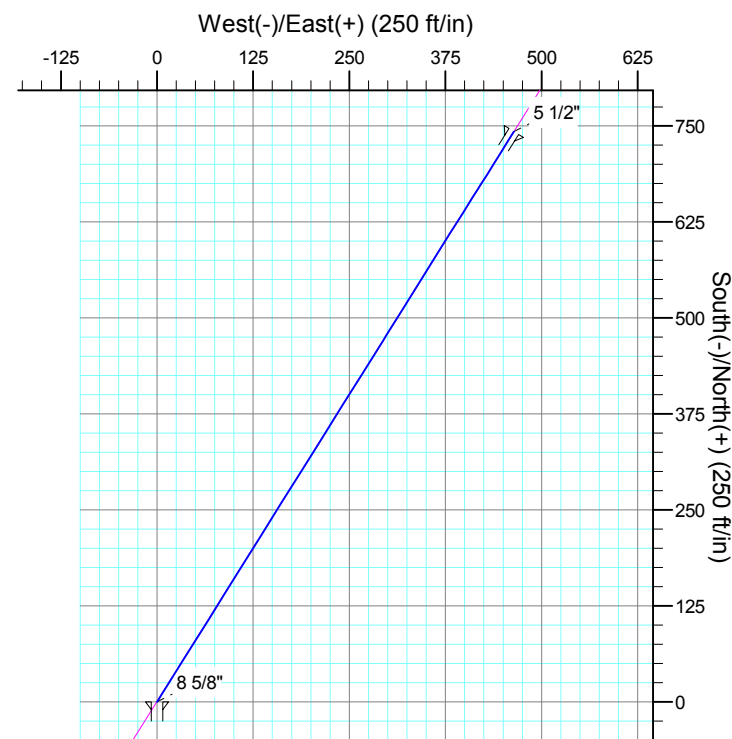
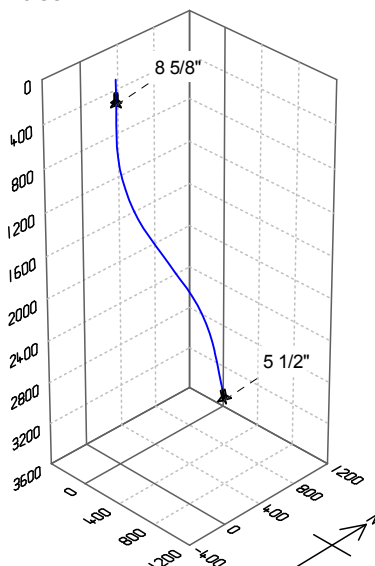


FORMATION TOP DETAILS

TVDPath	MDPath	Formation
1396.0	1432.6	Ojo Alamo
1509.0	1562.4	Kirtland Shale
2298.0	2457.5	Fruitland Formation
2575.0	2745.0	Upper Fruitland Coal
2655.0	2826.3	Middle Fruitland Coal
2762.0	2934.9	Pictured Cliffs Tongue
2955.0	3130.9	Lower Fruitland Coal
2977.0	3153.3	Pictured Cliffs SS

CASING DETAILS

TVD	MD	Name	Size
225.0	225.0	8 5/8"	8-5/8
3100.0	3278.2	5 1/2"	5-1/2



SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	500.0	0.00	0.00	500.0	0.0	0.0	0.00	0.00	0.0	
3	1500.0	30.00	31.99	1454.9	217.0	135.6	3.00	31.99	255.9	
4	2113.1	30.00	31.99	1985.9	477.0	298.0	0.00	0.00	562.4	
5	2779.7	10.00	31.99	2609.1	669.4	418.1	3.00	180.00	789.3	
6	3278.2	10.00	31.99	3100.0	742.8	464.0	0.00	0.00	875.8	Proposed BHL--Pargin #2-36

SURFACE USE PLAN

**XTO Energy Inc.
PARGIN #2-36
1,235' FSL x 1,130' FEL
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 3.4 miles. Turn right onto CR 324 2.0 miles. Turn left onto CR 321 2.75 miles. Turn left onto field road through gate, continue through 3 more gates 0.4 mile to location staked on existing Pargin #1-36 well pad.
- 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 SE/4 of Sec 36, 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 new 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, if necessary 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 1 – 210 bbl steel, above ground tank for**

oil/condensate and 1 – 100 bbl steel, below grade tank for 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. See Exhibit "E"**.

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):
Pargin Ranch, 7940 St, Hwy 151, Ignacio, CO 81137

Memorandum of Surface Use Agreement: **See Exhibit "F"**.

Minerals:

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

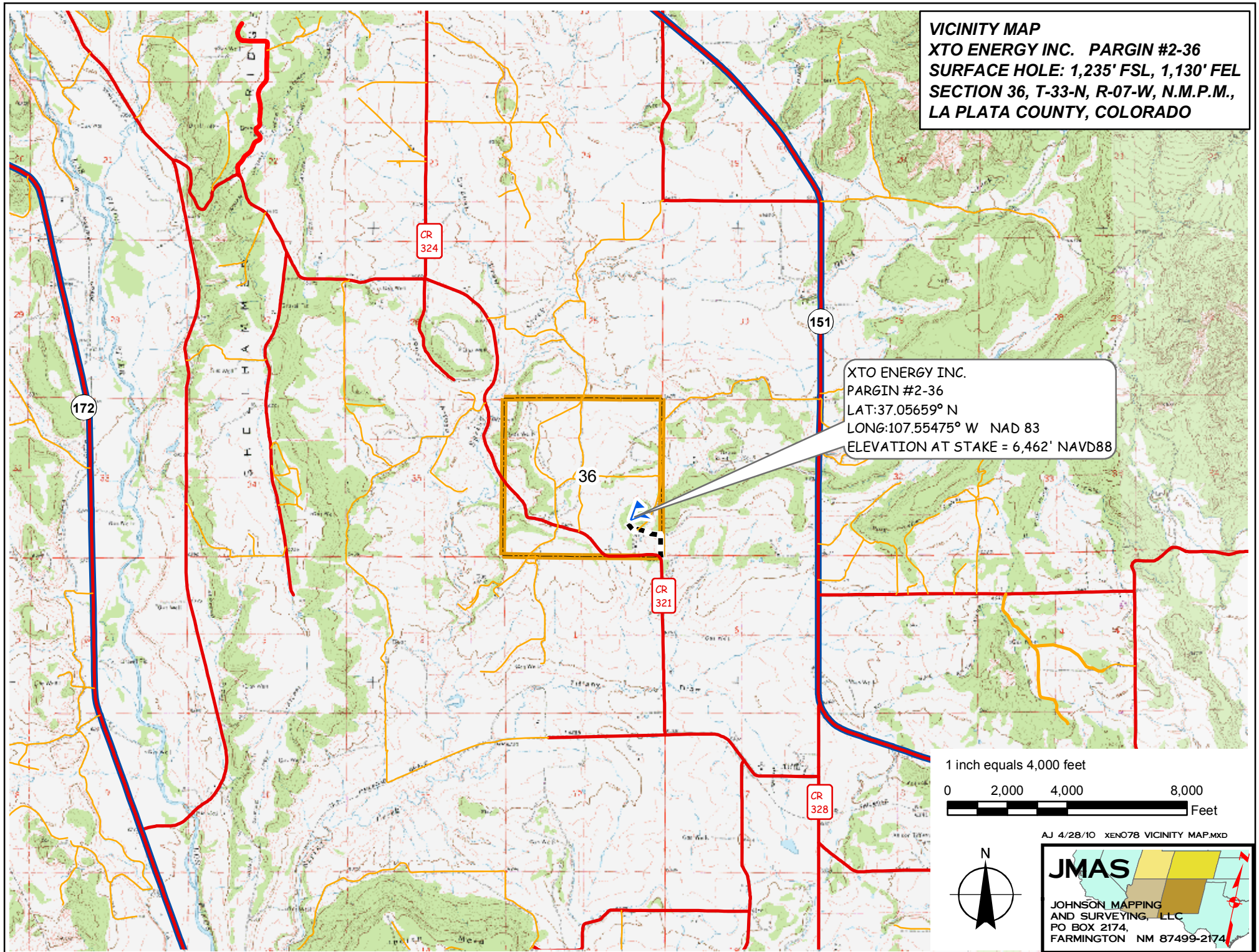
12. Other Information:

- 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.

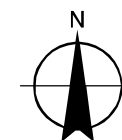
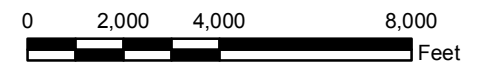
- b. Threatened and Endangered Species Concerns: **A BLM approved contractor has submitted the appropriate reports to the agencies as required. Special stipulation will be included in the COA's of the approved APD.**
- c. Wildlife Seasonal Restrictions: **Current wildlife restrictions and closure dates, if applicable, will be specified in the approved APD.**
- d. **On-site took place on June 29, 2010** - Dave Swanson (BLM), Kelly Kardos, Ben Schmidt, Bob Percell, Dusty Mecham, Paul Lerhman, Mike Simon (XTO), Alex Johnson (JMAS).

VICINITY MAP
XTO ENERGY INC. PARGIN #2-36
SURFACE HOLE: 1,235' FSL, 1,130' FEL
SECTION 36, T-33-N, R-07-W, N.M.P.M.,
LA PLATA COUNTY, COLORADO



XTO ENERGY INC.
PARGIN #2-36
LAT:37.05659° N
LONG:107.55475° W NAD 83
ELEVATION AT STAKE = 6,462' NAVD88

1 inch equals 4,000 feet



AJ 4/28/10 XEN078 VICINITY MAP.MXD

JMAS

JOHNSON MAPPING
AND SURVEYING, LLC
PO BOX 2174,
FARMINGTON NM 87499-2174

EXISTING WELLS & WATER WELLS WITHIN 1 MILE

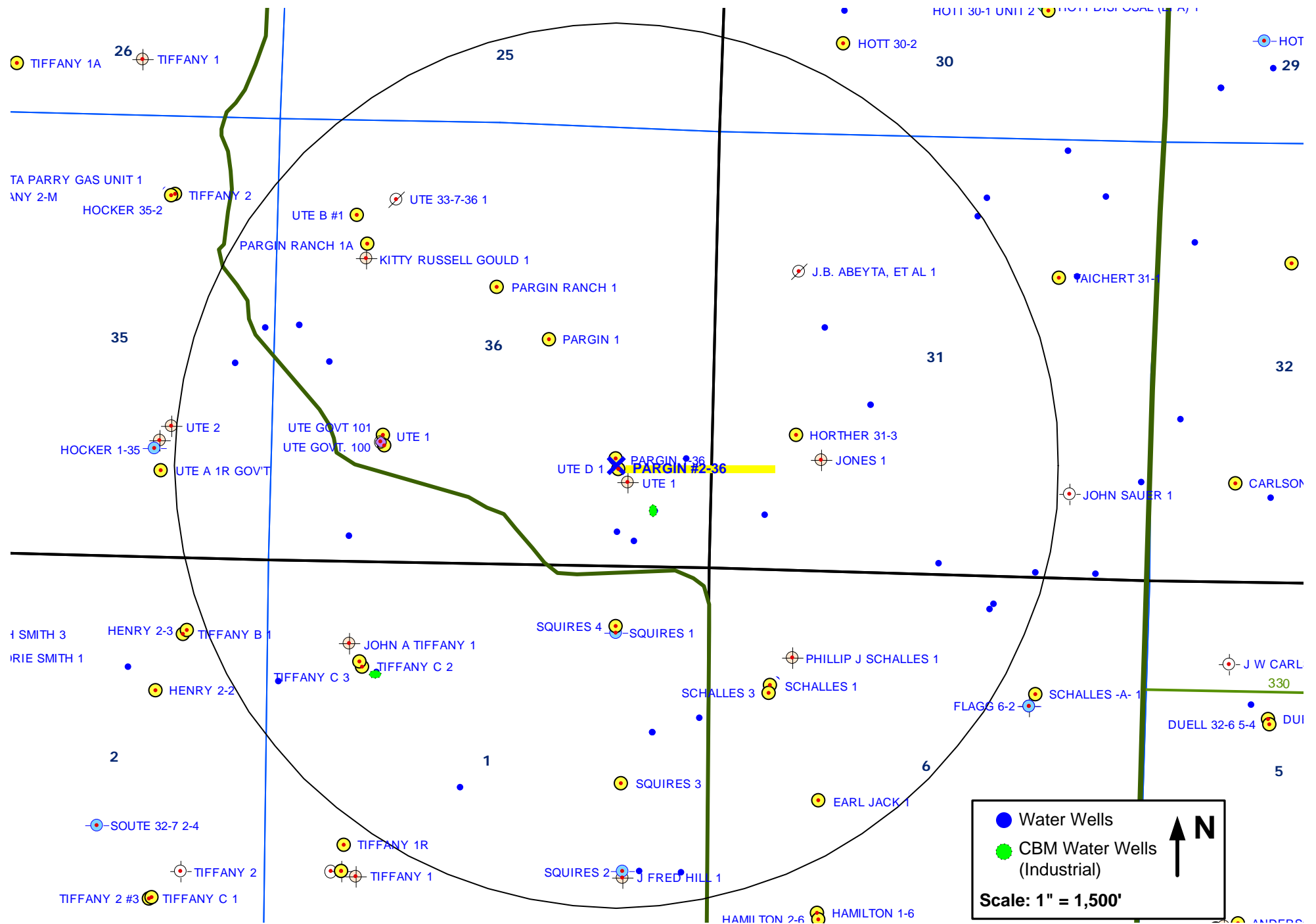
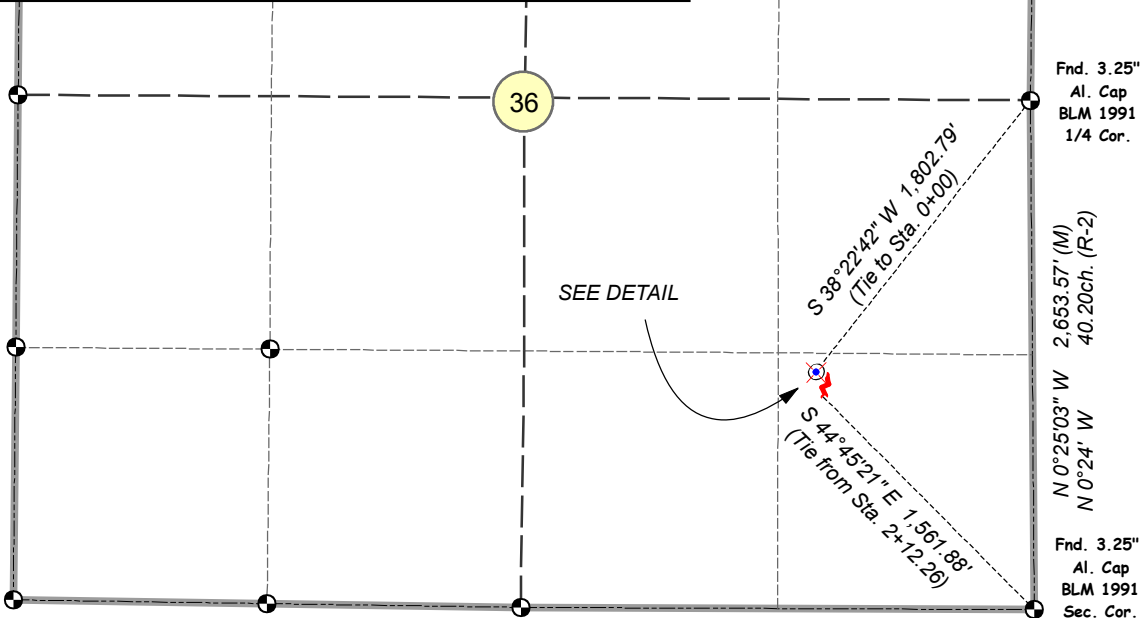
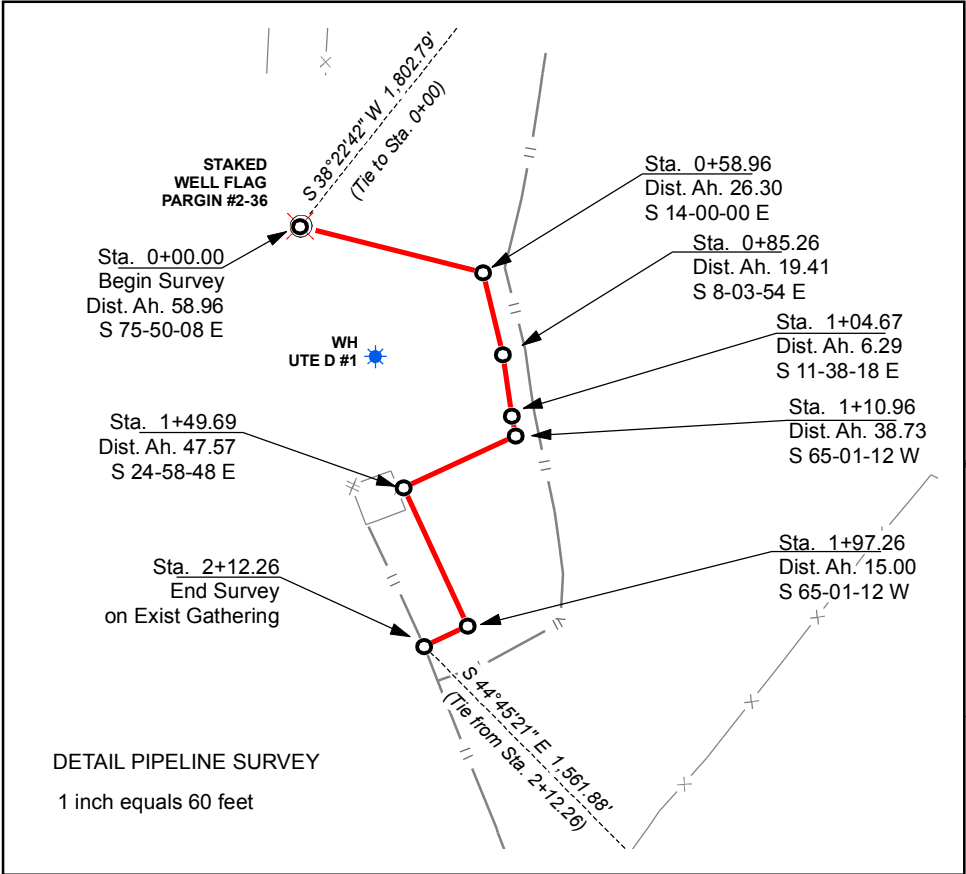


EXHIBIT B

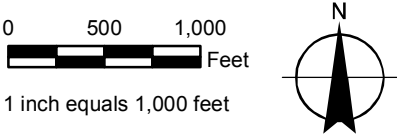
XTO ENERGY INC. - PARGIN #2-36
PROPOSED GAS AND WATER PIPELINE SURVEY

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



NOTES:

1. DATE OF SURVEY 4/27/10
2. THE LOCATIONS OF UNDERGROUND UTILITIES DEPICTED ARE APPROXIMATE, ACTUAL LOCATIONS OF UNDERGROUND UTILITIES MUST BE FIELD VERIFIED PRIOR TO CONSTRUCTION.
3. (R-1) = Record Survey BLM PLAT AUG. 16, 1995.
(R-2) BLM PLAT JAN 4, 1994. (R-3) BLM PLAT JUNE 7, 1994.
4. (M) = FIELD MEASURED.



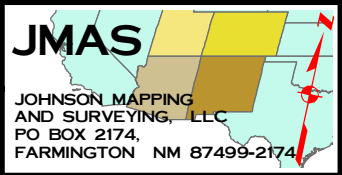
BASIS OF BEARING = AS MEASURED BETWEEN
FOUND MONUMENTS AT THE SOUTHEAST CORNER
AND THE EAST QUARTER CORNER OF SECTION 36,
T-33-N, R-7-W, N.M.P.M.,
LA PLATA COUNTY, COLORADO
LINE BEARS:
N 0°25'03" W A DISTANCE OF 2,653.57 FT.

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



5/27/10 XENO78 PIPE01.MXD



XTO ENERGY INC. - PARGIN #2-36
PROPOSED GAS AND WATER PIPELINE SURVEY

LEGAL DESCRIPTION
SE/4SE/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 Southeast 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 the Well Flag staked for the proposed XTO Energy Inc., Pargin #2-36, a point located in said Southeast Quarter of the Southeast Quarter, which bears S 38°22'42" W a distance of 1,802.79 feet, from a 3.25" Aluminum Cap found for the East Quarter Corner of said Section 36,

THENCE	S 75°50'08" E	a distance of	58.96	feet,
THENCE	S 14°00'00" E	a distance of	26.30	feet,
THENCE	S 8°03'54" E	a distance of	19.41	feet,
THENCE	S 11°38'18" E	a distance of	6.29	feet,
THENCE	S 65°01'12" W	a distance of	38.73	feet,
THENCE	S 24°58'48" E	a distance of	47.57	feet,
THENCE	S 65°01'12" W	a distance of	15.00	feet,

to a point on an existing pipeline which is the **POINT OF ENDING** for this description, and from which a 3.25" Aluminum Cap found for the Southeast Corner of said Section 36 bears S 44°45'21" E a distance of 1,561.88 feet.

CONTAINING: 212.26 feet, 12.86 rods and 0.19 acre +/-



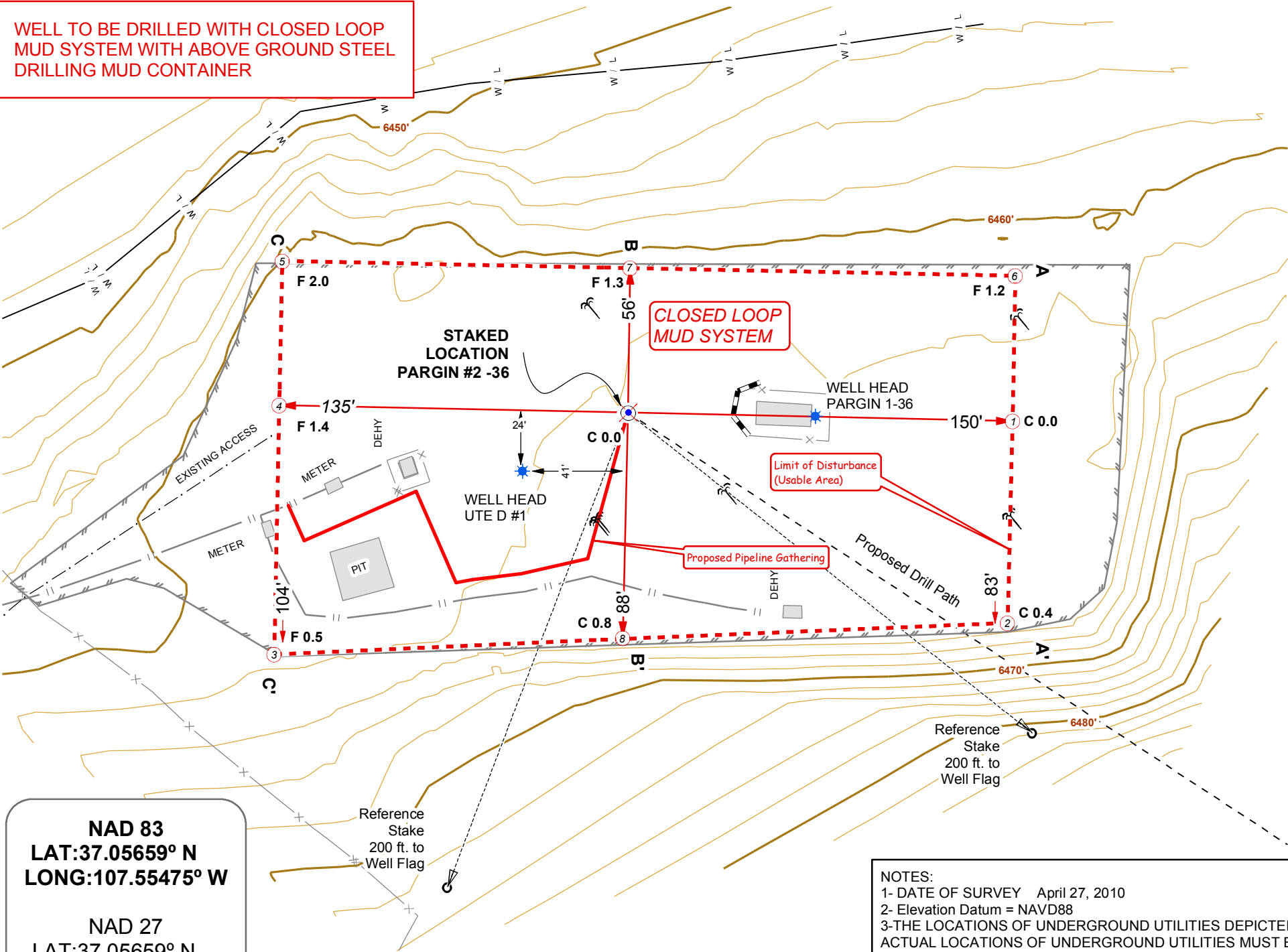
DAVID ALEXANDER JOHNSON, L.S. NO. 33648

DATE

BASIS OF BEARINGS AS MEASURED BETWEEN FOUND MONUMENTS AT THE SOUTHEAST CORNER AND THE EAST QUARTER CORNER OF SECTION 36, T-33-N, R-7-W, N.M.P.M., LA PLATA COUNTY, COLORADO
LINE BEARS: N 0°25'03" W A DISTANCE OF 2,653.57 FT.
Ref. Drawing: XEN078 PIPE01.mxd
X:\PROJECTS\XEN078_PARGIN236\SURVEY\MXD\ALIGNMENT\XEN078 PIPE DESC.doc
5/27/2010 11:34 AM

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

PAD DIAGRAM
XTO ENERGY INC., PARGIN #2-36
SURFACE HOLE: 1,235' FSL, 1,130' FEL
SECTION 36, T-33-N, R-07-W, N.M.P.M.,
LA PLATA COUNTY, COLORADO

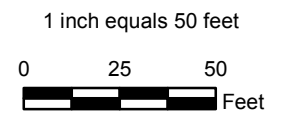
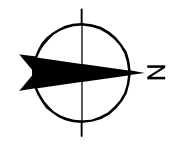


Legend

- ① USABLE AREA LIMIT MARKER
- ⌵ EXIST RIG ANCHOR
- WF PARGIN 2-36
- ★ EXISTING WELL HEAD
- 200' REFERENCE MARK
- ➔ PAD DIMENSION
- - - LIMIT OF DISTURBANCE
- - - 400 FT PAD BUFFER
- ▭ EXISTING STRUCTURES
- ▨ EXISTING WELLPAD AREA
- PROPOSED PIPELINE
- - - DRILL PATH
- ▤ ABATEMENT_WALL
- X — EXISTING FENCE
- . - . - . INSTALL DITCH
- || — EXISTING PIPE
- . - . - . EXISTING FARM ROAD
- W / L — WATERLINE
- - - Δ - - - REFERENCE DIMENSION
- 2 FT. CONTOUR
- 10 FT. CONTOUR

NAD 83
LAT:37.05659° N
LONG:107.55475° W

NAD 27
LAT:37.05659° N
LONG:107.55414° W



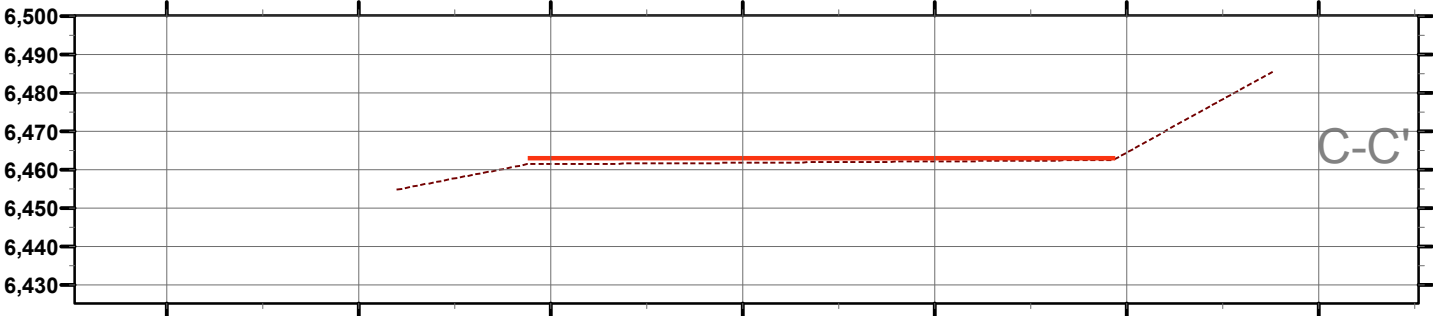
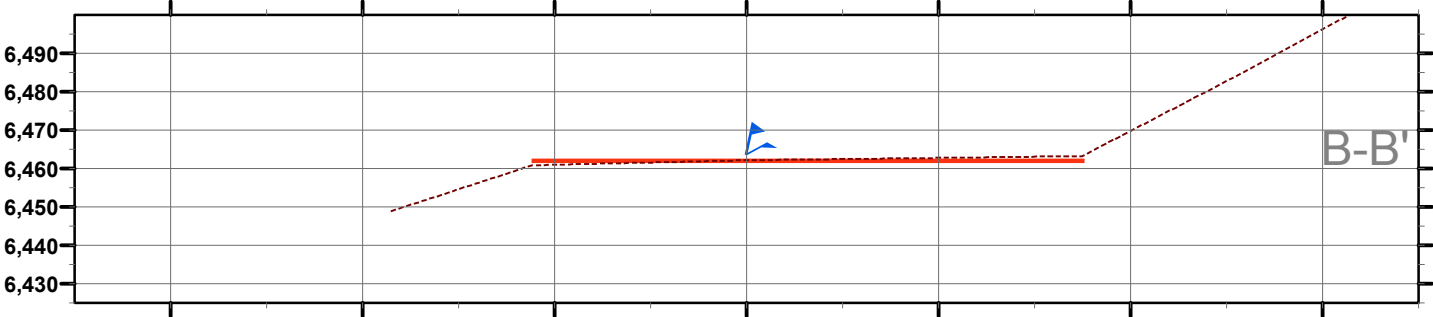
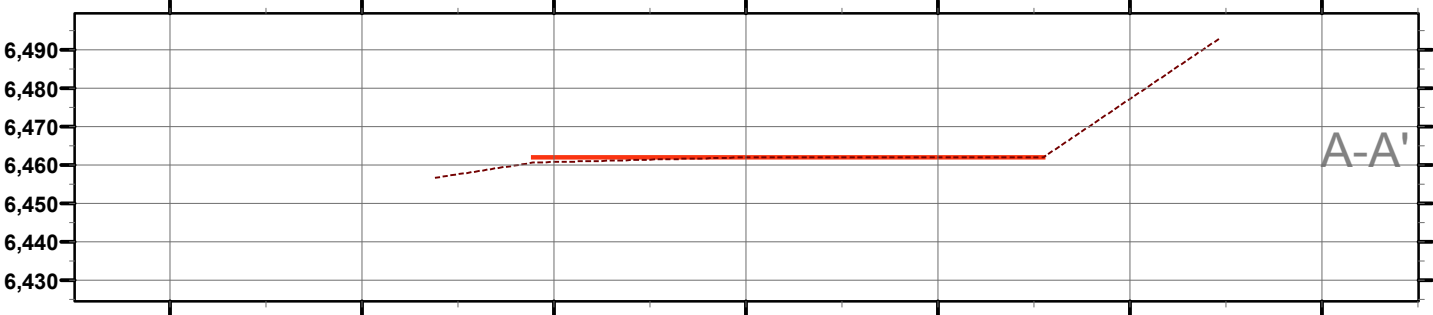
NOTES:
1- DATE OF SURVEY April 27, 2010
2- Elevation Datum = NAVD88
3-THE LOCATIONS OF UNDERGROUND UTILITIES DEPICTED ARE APPROXIMATE, ACTUAL LOCATIONS OF UNDERGROUND UTILITIES MUST BE FIELD VERIFIED PRIOR TO CONSTRUCTION.
4- TOTAL DISTURBANCE = 0.93 ACRES
5- AREA OF PAD AFTER RECLAMATION = 0.93 ACRES

6/30/10 XEN078 PAD.MXD

JMAS
JOHNSON MAPPING
AND SURVEYING, LLC
PO BOX 2174
FARMINGTON NM 87499-2174
505-360-8029
ALEX@JOHNSONMAPPING.BIZ

PROPOSED PAD CROSS SECTIONS
X-SECTION PROFILES - 1 inch equals 50 feet

CUT AND FILL X-SECTIONS
XTO ENERGY INC., PARGIN #2-36
SURFACE HOLE: 1,235' FSL, 1,130' FEL
SECTION 36, T-33-N, R-07-W, N.M.P.M.,
LA PLATA COUNTY, COLORADO



NAD 83
LAT:37.05659° N
LONG:107.55475° W

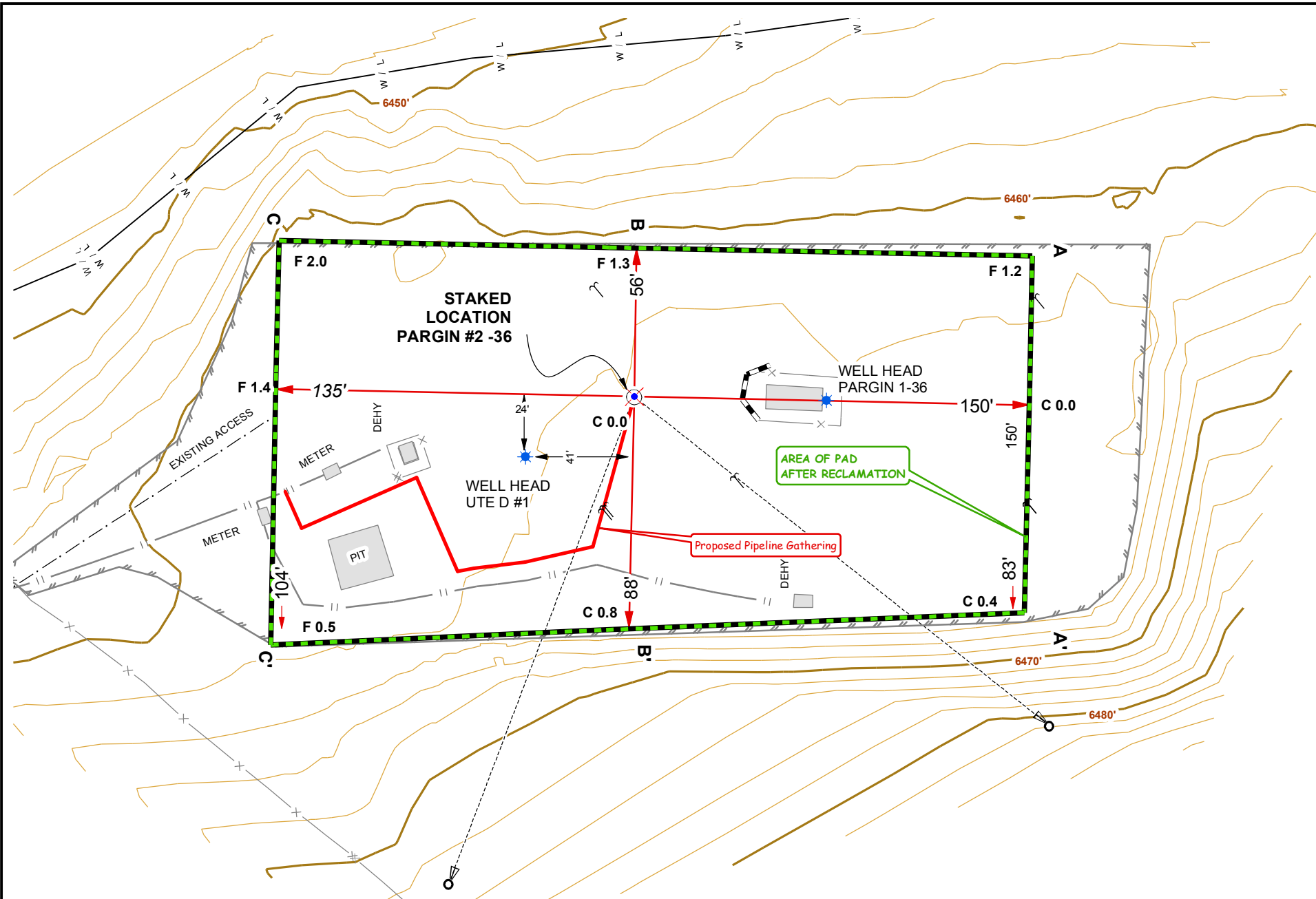
NAD 27
LAT:37.05659° N
LONG:107.55414° W

NOTES:
- DATE OF SURVEY April 27, 2010
- Elevation Datum = NAVD88
- THE LOCATIONS OF UNDERGROUND UTILITIES DEPICTED ARE APPROXIMATE, ACTUAL LOCATIONS OF UNDERGROUND UTILITIES MUST BE FIELD VERIFIED PRIOR TO CONSTRUCTION.
3- TOTAL DISTURBANCE = 0.93 ACRES
4- TOTAL NEW DISTURBANCE = 0.0 ACRES

5/27/10 XEN078 X-S.MXD

JMAS
JOHNSON MAPPING
AND SURVEYING, LLC
PO BOX 2174
FARMINGTON NM 87499-2174
505-360-8029
ALEX@JOHNSONMAPPING.BIZ

RECLAIMED PAD DIAGRAM
XTO ENERGY INC., PARGIN #2-36
SURFACE HOLE: 1,235' FSL, 1,130' FEL
SECTION 36, T-33-N, R-07-W, N.M.P.M.,
LA PLATA COUNTY, COLORADO



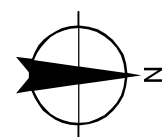
Legend

- EXIST RIG ANCHOR
- WF PARGIN 2-36
- EXISTING WELL HEAD
- PROPOSED PIPELINE
- ABATEMENT_WALL
- EXISTING FENCE
- INSTALL DITCH
- EXISTING PIPE
- EXISTING FARM ROAD
- WATERLINE
- 200' REFERENCE MARK
- REFERENCE DIMENSION
- 2 FT. CONTOUR
- 10 FT. CONTOUR
- 400 FT PAD BUFFER
- EXISTING STRUCTURES
- EXISTING WELLPAD AREA

NAD 83
LAT:37.05659° N
LONG:107.55475° W

NAD 27
LAT:37.05659° N
LONG:107.55414° W

NOTES:
 - DATE OF SURVEY April 27, 2010, 16 Jun 2010
 1- Elevation Datum = NAVD88
 2-THE LOCATIONS OF UNDERGROUND UTILITIES DEPICTED ARE APPROXIMATE, ACTUAL LOCATIONS OF UNDERGROUND UTILITIES MUST BE FIELD VERIFIED PRIOR TO CONSTRUCTION.
 3- AREA OF PAD AFTER RECLAMATION = 0.93 ACRES



1 inch equals 50 feet
 0 25 50 Feet

6/23/10 XEN078 PAD.MXD

JMAS
 JOHNSON MAPPING
 AND SURVEYING, LLC
 PO BOX 2174
 FARMINGTON NM 87499-2174
 505-360-8029
 ALEX@JOHNSONMAPPING.BIZ

MEMORANDUM OF SURFACE USE AGREEMENT

(Pargin No.2-36 from the Pargin No.1-36 Well Location)

This MEMORANDUM OF SURFACE USE AGREEMENT ("Memorandum") is provided by XTO Energy Inc., a Delaware Corporation, the address of which is 810 Houston Street, Fort Worth, TX 76102-6298 ("XTO or "Operator), and "Pargin Ranch, a Limited Partnership", a/k/a Pargin Ranch, Ltd., a Limited Partnership whose address is 7940 State Highway 151, Ignacio, CO 81137 ("Surface Owner").

Notice is hereby given that XTO and Surface Owner have entered in a Surface Use Agreement dated the 2nd of March, 2011, concerning a proposed gas well known as the Pargin No. 2-36 (the "Additional Well") to be located on the well pad of an existing gas well known as the Pargin No.1-36 (the "Existing Well") or reasonable expansion or modification thereof. Both wells are or will be located on the below described property and will be or have been drilled pursuant to underlying oil and gas lease(s) and applicable permits. Under the Surface Use Agreement, Surface Owner and Operator have agreed to certain specific matters in connection with XTO's right to use the surface estate of the following property:

SE1/4 of Section 36, Township 33 North, Range 07 West, N.M.P.M.,
being more particularly described under that certain Warranty Deed, with
other lands, dated October 24, 1981, recorded October 26, 1981,
Reception No. 462455, La Plata County, Colorado

This memorandum constitutes notice to all interested parties of the existence of the Surface Use Agreement. Furthermore, any successor or assign of either XTO or Surface Owner shall be bound by the terms and conditions of the Surface Use Agreement. In the event that any party acquires any rights or interests in the surface estate of the Property, such rights or interests shall be subject to the terms and conditions set forth in the Surface Use Agreement. For more information, contact either XTO or Surface Owner.

Under Colorado Oil and Gas Conservation Commission (the "COGCC") Notice and Consultation Rules 305.e, 305.e(1)(A), 305.e(7), 306.a. and 306.a(3), Surface Owner acknowledges and agrees that Operator has complied with all notice and consultation requirements of COGCC Rules 305 and 306. The 305.e(7) Waiver being only applicable to planned drilling and completion activities under the aforementioned Surface Use Agreement. XTO in compliance with COGCC Rules shall provide Surface Owner Notice as required for all subsequent activities. Surface Owner also waives the right to receive notices under the La Plata County Code ~~including, but not limited to~~, Section 90-77 of said Code. SP.
MPS

SURFACE OWNER:

"Pargin Ranch, a Limited Partnership", a/k/a Pargin Ranch, Ltd., a Limited Partnership

By: Steve Pargin

Date: 3/2/11

Name: Stephen Pargin

Title: Limited and General Partner

OPERATOR:

XTO Energy Inc., a Delaware corporation

By: Edwin S. Ryan, Jr.

Name: Edwin S. Ryan, Jr.

Title: Senior Vice President – Land Administration

ACKNOWLEDGEMENTS

STATE OF COLORADO)
COUNTY OF LA PLATA) ss.

This instrument was acknowledged before me this 3RD day of MARCH, 2011 by Stephen Pargin, Limited and General Partner of “Pargin Ranch, a Limited Partnership”, a/k/a Pargin Ranch, Ltd., a Limited Partnership, on behalf of said partnership.

WITNESS my hand and official seal.

Mike Simone
Notary Public

(SEAL)



My Commission Expires 5-11-14

MAY 11, 2014
My Commission Expires

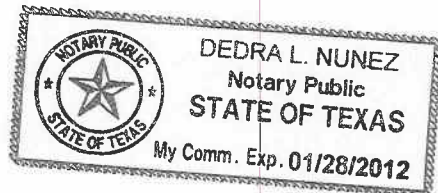
STATE OF TEXAS)
COUNTY OF TARRANT) ss.

This instrument was acknowledged before me on the 21st day of MARCH, 2011 by Edwin S. Ryan, Jr., Senior Vice President – Land Administration of XTO Energy Inc., a Delaware corporation, on behalf of said corporation.

WITNESS my hand and official seal.

Dedra L. Nunez
Notary Public

(SEAL)



Jan. 28, 2012
My Commission Expires

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 21st day of March 2011.

Signature: _____


Kelly Kardos