

XTO ENERGY INC.

Huber Culhane 2#32

APD Data

July 12, 2013

Surface Location: 1503' FNL x 1703' FEL, Sec 32, T35N, R08W County: La Plata

State: Colorado

OBJECTIVE: Fruitland Coal

Est KB ELEV: 7031' (12' AGL)

APPROX GR ELEV: 7019

1. MUD PROGRAM:

| | Surface | Intermediate | Lower Lateral | Upper Lateral |
|------------|-------------|---------------|---------------|---------------|
| INTERVAL | 0' to 225' | 225' to 2000' | 1476' to TD | 1406' to TD |
| HOLE SIZE | 12.25" | 8.75" | 6.125" | 6.125" |
| MUD TYPE | FW/Spud Mud | FW/Polymer | FW/ Polymer | FW/ Polymer |
| WEIGHT | 8.6-9.0 | 8.4-9.2 | 8.4-8.6 | 8.4-8.6 |
| VISCOSITY | 28-32 | 28-36 | 28-36 | 28-36 |
| WATER LOSS | NC | NC | NC | NC |

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning.

2. CASING PROGRAM:

Surface Casing: 9.625" casing to be set at $\pm 225'$ in a 12-1/4" hole filled with 9.20 ppg mud

| Interval | Length | Wt | Gr | Cplg | Coll Rating (psi) | Burst Rating (psi) | Jt Str (M-lbs) | ID (in) | Drift (in) | SF Coll ¹ | SF Burst ² | SF Ten ³ |
|----------|--------|-------|------|------|-------------------|--------------------|----------------|---------|------------|----------------------|-----------------------|---------------------|
| 0'-225' | 225' | 36.0# | J-55 | ST&C | 2020 | 3520 | 394 | 8.921 | 8.765 | 18.76 | 32.7 | 48.6 |

Intermediate Casing: 7" casing to be set at $\pm 2000'$ MD, 2000' TVD in 8.75" hole filled with 9.20 ppg mud.

Bottomhole Location: 1503' FNL x 1703' FEL, Sec 32, T35N, R08W

| Interval | Length | Wt | Gr | Cplg | Coll Rating (psi) | Burst Rating (psi) | Jt Str (M-lbs) | ID (in) | Drift (in) | SF Coll ¹ | SF Burst ² | SF Ten ³ |
|----------|--------|-------|------|------|-------------------|--------------------|----------------|---------|------------|----------------------|-----------------------|---------------------|
| 0'-2000' | 2000' | 23.0# | J-55 | ST&C | 3270 | 4360 | 284 | 6.276 | 6.151 | 3.42 | 4.56 | 6.17 |

Lower Lateral Production Casing: 4.5" casing to be set at $\pm 4734'$ MD, 1866' TVD in 6.125" hole filled with 8.4 ppg mud.

Bottomhole Location: 660' FNL x 660' FWL, Sec 32, T35N, R08W

| Interval | Length | Wt | Gr | Cplg | Coll Rating (psi) | Burst Rating (psi) | Jt Str (M-lbs) | ID (in) | Drift (in) | SF Coll ¹ | SF Burst ² | SF Ten ³ |
|-------------|--------|------|------|------|-------------------|--------------------|----------------|---------|------------|----------------------|-----------------------|---------------------|
| 1476'-4734' | 3255' | 10.5 | J-55 | ST&C | 4010 | 4790 | 132 | 4.052 | 3.927 | 4.92 | 5.88 | 3.86 |

Upper Lateral Production Casing: 4.5" casing to be set at $\pm 4707'$ MD, 1851' TVD in 6.125" hole filled with 8.4 ppg mud.

Bottomhole Location: 700' FNL x 660' FWL, Sec 32, T35N, R08W

| Interval | Length | Wt | Gr | Cplg | Coll Rating (psi) | Burst Rating (psi) | Jt Str (M-lbs) | ID (in) | Drift (in) | SF Coll ¹ | SF Burst ² | SF Ten ³ |
|-------------|--------|------|------|------|-------------------|--------------------|----------------|---------|------------|----------------------|-----------------------|---------------------|
| 1406'-4707' | 3301' | 10.5 | J-55 | ST&C | 4010 | 4790 | 132 | 4.052 | 3.927 | 4.96 | 5.92 | 3.81 |

¹Collapse SF is based on evacuated casing and hydrostatic at TVD.

²Burst SF is based on evacuated annulus and hydrostatic at TVD.

³Tensile SF is based on hanging air weight of casing in a vertical hole at measured depth.

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

- A. Surface: 9.625", 36.0#, J-55, ST&C casing to be set at $\pm 225'$ in 13-1/2" hole.

± 188 sx of Type V cement (or equivalent) typically containing accelerator and LCM, mixed at 15.8 ppg, 1.17 ft³/sk, & 5.01 gal wtr/sk.

Total slurry volume is 220 ft³, 100% excess of calculated annular volume to 225'.

- B. Production Casing: 7", 23#/ft, J-55, ST&C casing to be set at $\pm 2000'$ MD, 2000' TVD in 8.75" hole.

LEAD:

± 102 sx of Type V (or equivalent) typically containing accelerator, LCM, dispersant, and fluid loss additives at 12.3 ppg, 2.36 ft³/sk, & 12.95 gal wtr/sk.

TAIL:

± 100 sx of Type V or Class G cement typically containing accelerator, LCM, dispersant, and fluid loss additives at 13.5 ppg, 1.81 ft³/sk, & 8.85 gal wtr/sk.

Total estimated slurry volume for the 7" production casing is 420 ft³.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs (if available) plus 40%. It will be attempted to circulate cement to the surface.

C. Production Liners:

Lower Lateral: 4.5", 10.5#/ft, J-55, ST&C casing is to be set at 4734' MD, 1866' TVD in 6.125" hole.

Upper Lateral: 4.5", 10.5#/ft, J-55, ST&C casing is to be set at 4707' MD, 1851' TVD in 6.125" hole

Note: The production liners will be left uncemented using drop-off liners.

5. 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 from Intermediate Hole TD (2000') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from Intermediate TD (2000') to the bottom of the surface csg. MWD Gamma Ray will be run in the Laterals.

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

6. FORMATION TOPS:

Est. KB Elevation: 7031'

| FORMATION | Sub-Sea | TVD |
|-------------------------|---------|---------|
| Nacimiento Formation | Surface | Surface |
| Animas Formation | | |
| Ojo Alamo SS | 6515 | 516 |
| Kirtland Shale | 6455 | 566 |
| Farmington SS | | |
| Fruitland Formation | | |
| Upper Fruitland Coal | 5635 | 1396 |
| Middle Fruitland Coal** | | |
| Pictured Cliffs Tongue | | |
| Lower Fruitland Coal* | 5194 | 1837 |
| Pictured Cliffs SS | 5060 | 1971 |

* Primary Objective

** Secondary Objective

**** Maximum anticipated BHP should be <1,100 psig ****

7. ANTICIPATED OIL, GAS, & WATER ZONES:

A.

| Formation | Expected Fluids | Well Depth TVD |
|------------------------|-----------------|----------------|
| Nacimiento Formation | Water | |
| Animas Formation | Water | |
| Ojo Alamo SS | Water | 516 |
| Kirtland Shale | Water | 566 |
| Farmington SS | Water | |
| Fruitland Formation | Water | |
| Upper Fruitland Coal | Gas | 1396 |
| Middle Fruitland Coal | Gas | |
| Pictured Cliffs Tongue | Gas | |
| Lower Fruitland Coal | Gas | 1837 |
| Pictured Cliffs SS | Gas | 1971 |
| | | |

- 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.

8. **COMPANY PERSONNEL:**

| Name | Title | Office Phone | Cellular Phone |
|--------------------|-------------------------|--------------|----------------|
| Ross Lubbers | Drilling Manager | 303-397-3721 | |
| Justin Niederhofer | Drilling Engineer | 303-397-3719 | 505-320-0158 |
| Bobby Jackson | Drilling Superintendent | 303-397-3720 | 505-486-4706 |
| Charles Musekamp | Project Geologist | 817-885-2800 | N/A |

JDN
7/12/13