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JAN 18 2011

Form 3160-3
(April 2004)Farmington Field Office
Bureau of Land Management
FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RCVD JUN 10 '11

OIL CONS. DIV.

DIST. 3

1a. Type of work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No. NMNM-03553	
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6 If Indian, Allottee or Tribe Name N/A	
2. Name of Operator XTO Energy Inc.		7 If Unit or CA Agreement, Name and No. N/A	
3a. Address 382 CR 3100 Aztec, NM 87410		8 Lease Name and Well No. BREECH D #240G	
3b. Phone No. (include area code) 505/ 333-3100		9 API Well No. 30-045-039-31013	
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 915' FNL x 1010' FWL At proposed prod zone Same NWNW		10 Field and Pool, or Exploratory Basin DK/Blanco MV/Blanco TO	
11 Sec, T R. M or Blk and Survey or Area (D) Sec 15, T26N, R6W		12 County or Parish RIO ARRIBA	
13 State NM		14 Distance in miles and direction from nearest town or post office* 32.7 miles SE of Bloomfield P.O.	
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg unit line, if any) 915'		16 No. of acres in lease 1920	
17 Spacing Unit dedicated to this well 320 N/2		18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 77'	
19 Proposed Depth 7600'		20 BLM/BIA Bond No. on file UTB000138	
21 Elevations (Show whether DF, KDB, RT, GL, etc) 6493' Ground Elevation		22 Approximate date work will start* 02/28/2011	
23 Estimated duration 2 Weeks			

This action is subject to technical and procedural review pursuant to 43 CFR 3165.9

24. Attachments

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

The following completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall 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 shall be filed with the appropriate Forest Service Office) | 6 Such other site specific information and/or plans as may be required by the authorized officer |

25 Signature Malia Villers	Name (Printed/Typed) Malia Villers	Date 1/14/11
Title Permitting Tech.		
Approved by (signature) [Signature]	Name (Printed/Typed) AFM	Date 6/7/11
Title FFO		

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 USC Section 1001 and Title 43 USC 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

*(Instructions on page 2)

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

JUN 22 2011

NMOC

BLM'S APPROVAL OR ACCEPTANCE OF THIS
ACTION DOES NOT RELIEVE THE LESSEE AND
OPERATOR FROM OBTAINING ANY OTHER
AUTHORIZATION REQUIRED FOR OPERATIONS
ON FEDERAL AND INDIAN LANDS

DISTRICT I
1625 N Fench Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

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OIL CONSERVATION DIVISION

1220 South St Francis Dr., Santa Fe, NM 87504-2088
San Antonio Field Office
Surface Land Management

Form C-102

Revised October 12, 2005

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-31013		² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 304752	⁵ Property Name BREECH D		⁶ Well Number 240G
⁷ OGRID No 538D	⁸ Operator Name XTO ENERGY INC.		⁹ Elevation 6493'

¹⁰ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	26-N	6-W		915	NORTH	1010	WEST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres N/2 320.		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16

FD 3 1/4" BC
1957 BLM

N 89°50'25" E
2649.41' (M)

FD 3 1/4" BC
1957 BLM

915'

1010'

S 00°33'14" W
2687.04' (M)

FD 3 1/4" BC
1957 BLM

15

SURFACE:
LAT: 36.49197° N. (NAD 83)
LONG: 107.46075° W. (NAD 83)
LAT 36°29'31.06204" N (NAD 27)
LONG 107°27'36.53085" W (NAD 27)

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

Signature Maria Villers Date 1/14/11

Printed Name Maria Villers

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief

NOVEMBER 26, 2008

Date of Survey

Signature and Seal of Registered Professional Surveyor

8894

8894

Certificate Number

DISTRICT I
1625 N Fench Dr., Hobbs, NM 88240

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1301 W Grand Avenue, Artesia, NM 88210

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-31013	² Pool Code 72319	³ Pool Name Blanco mesaverde
⁴ Property Code 304752	⁵ Property Name BREECH D	⁶ Well Number 240G
⁷ GRID No 538D	⁸ Operator Name XTO ENERGY INC	⁹ Elevation 6493'

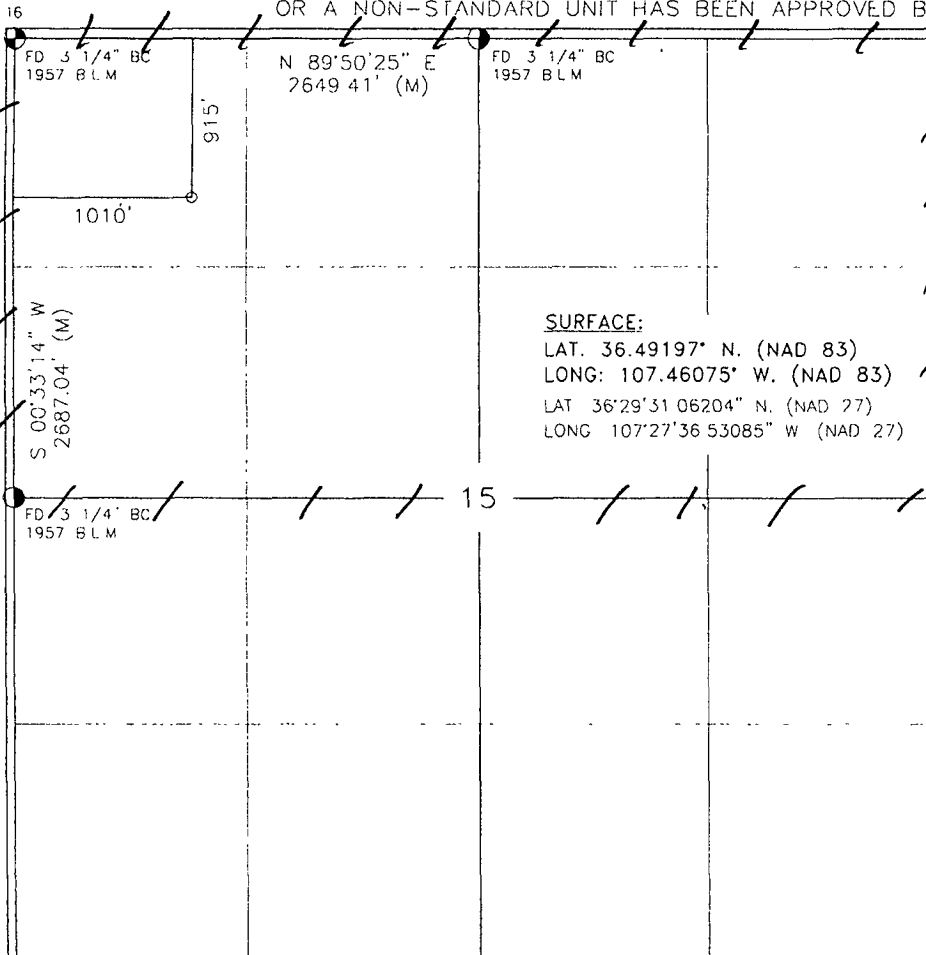
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UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	26-N	6-W		915	NORTH	1010	WEST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres N/2 320					¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No

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Maria Villers 1/14/11
Signature Date
Maria Villers
Printed Name

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-31013	² Pool Code 06460	³ Pool Name South Blanca Tacito
⁴ Property Code 304752	⁵ Property Name BREECH D	⁶ Well Number 240G
⁷ GRID No 5380	⁸ Operator Name XTO ENERGY INC	⁹ Elevation 6493'

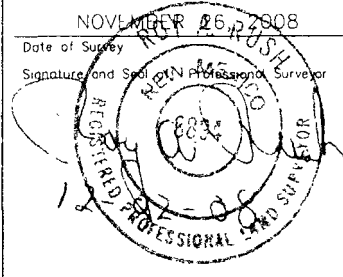
¹⁰ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	26--N	6--W		915	NORTH	1010	WEST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres N12 320			¹³ Joint or Infill		¹⁴ Consolidation Code			¹⁵ Order No	

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¹⁶ FD 3 1/4" BC 1957 BLM 1010' S 00°33'14" W 2687 04' (M) FD 3 1/4" BC 1957 BLM	N 89°50'25" E 2649 41' (M)	FD 3 1/4" BC 1957 BLM	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <u>Maria Villers</u> Date: <u>1/14/11</u> Printed Name: <u>Maria Villers</u>
SURFACE: LAT. 36.49197° N. (NAD 83) LONG: 107.46075° W. (NAD 83) LAT 36°29'31.06204" N (NAD 27) LONG 107°27'36.53085" W (NAD 27)			¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. NOVEMBER 26, 2008 Date of Survey Signature and Seal of Registered Professional Surveyor  8894 Certificate Number

XTO ENERGY INC.

Breech D #240G

APD Data

January 13, 2011

Location: 915' FNL x 1010' FWL Sec 15, T26N, R6W

County: Rio Arriba

State: New Mexico

GREATEST PROJECTED TD: 7600'

OBJECTIVE: Basin Dakota / Tocito / Mesaverde

APPROX GR ELEV: 6493'

Est KB ELEV: 6505' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 7600'
HOLE SIZE	12.25"	7.875"	7.875"
MUD TYPE	FW/Spud Mud	LSND	LSND
WEIGHT	8.6-9.0	8.4-8.8	8.6- 9.8
VISCOSITY	28-32	28-32	45-70
WATER LOSS	NC	NC	6-8

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 $\pm 360'$ in a 12.25" hole filled with 9.20 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-360'	360'	24.0#	J-55	ST&C	1370	2950	244	8.097	7.972	7.950	17.13	28.24

Production Casing: 5.5" casing to be set at TD ($\pm 7600'$) in 7.875" hole filled with 9.20 ppg mud.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-7600	7600'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.11	1.32	1.71

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 casing strings):

A. Surface: 8.625", 24.0#, J-55, ST&C casing to be set at $\pm 360'$ in 12-1/4" hole.

260 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 297 ft³, 100% excess of calculated annular volume to 360'.

B. Production: 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at $\pm 7600'$ in 7.875" hole. DV Tools set @ $\pm 6150'$ and @ $\pm 3125'$.

1st Stage

LEAD:

± 75 sx of Type V (or equivalent) typically containing dispersant, fluid loss additives, accelerator, & LCM mixed at 12.3 ppg, 2.36 ft³/sk, 12.95 gal wtr/sx.

TAIL:

100 sx Type V or Class 'G' cement typically containing accelerator, LCM, dispersant, & fluid loss additives mixed at 13.5 ppg, 1.81 cuft/sx, 8.85 gal/sx.

2nd Stage

LEAD:

± 235 of Type V (or equivalent) typically containing dispersant, fluid loss additives, accelerator, & LCM mixed at 12.3 ppg, 2.36 ft³/sk, 12.95 gal wtr/sx.

TAIL:

100 sx Type V or Class 'G' cement typically containing accelerator, LCM, dispersant, & fluid loss additives mixed at 13.5 ppg, 1.81 cuft/sx, 8.85 gal/sx.

3rd Stage:

LEAD:

± 245 sx of Type V (or equivalent) typically containing dispersant, fluid loss additives, accelerator, & LCM mixed at 12.3 ppg, 2.36 ft³/sk, 12.95 gal wtr/sx.

TAIL:

100 sx Type V or Class 'G' cement typically containing accelerator, LCM, dispersant, & fluid loss additives mixed at 13.5 ppg, 1.81 cuft/sx, 8.85 gal/sx.

Total estimated slurry volume for the 5-1/2" production casing is 1853 ft³.

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

5. LOGGING PROGRAM:

A. Mud Logger: None.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (7600') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (7600') to 2,500'.

6. FORMATION TOPS:

Est. KB Elevation: 6539'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Nacimiento	5230	1,275	Gallup	266	6,239
Ojo Alamo SS	4271	2,234	Greenhorn	-529	7,034
Kirtland Shale	4107	2,398	Graneros	-584	7,089
Fruitland Formation	3971	2,534	Dakota 1	-616	7,121
Lower Fruitland Coal			Dakota 2	-673	7,178
Pictured Cliffs SS	3612	2,893	Dakota 3	-717	7,222
Lewis Shale	3439	3,066	Dakota 4	-756	7,261
Chacra SS	2723	3,782	Dakota 5	-788	7,293
Cliffhouse SS	1923	4,582	Dakota 6	-839	7,344
Menefee	1895	4,610	Burro Canyon	-900	7,405
Point Lookout SS	1411	5,094	Morrison	-946	7,451
Mancos Shale	1027	5,478	TD	-1095	7600

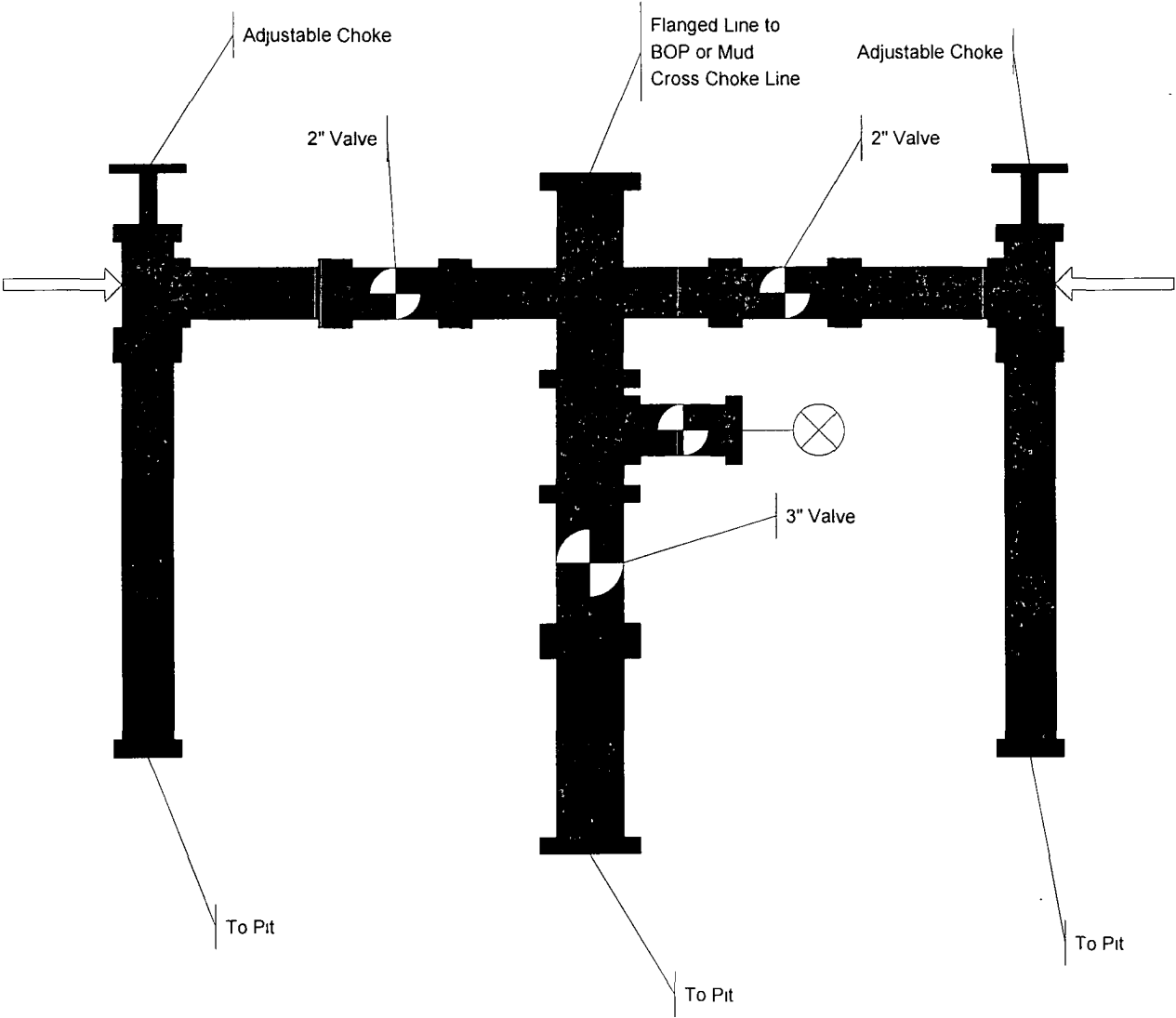
**** Maximum anticipated BHP should be <2,000 psig (<0.30 psi/ft) ****

7. 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
John Klutsch	Project Geologist	817-885-2800	--

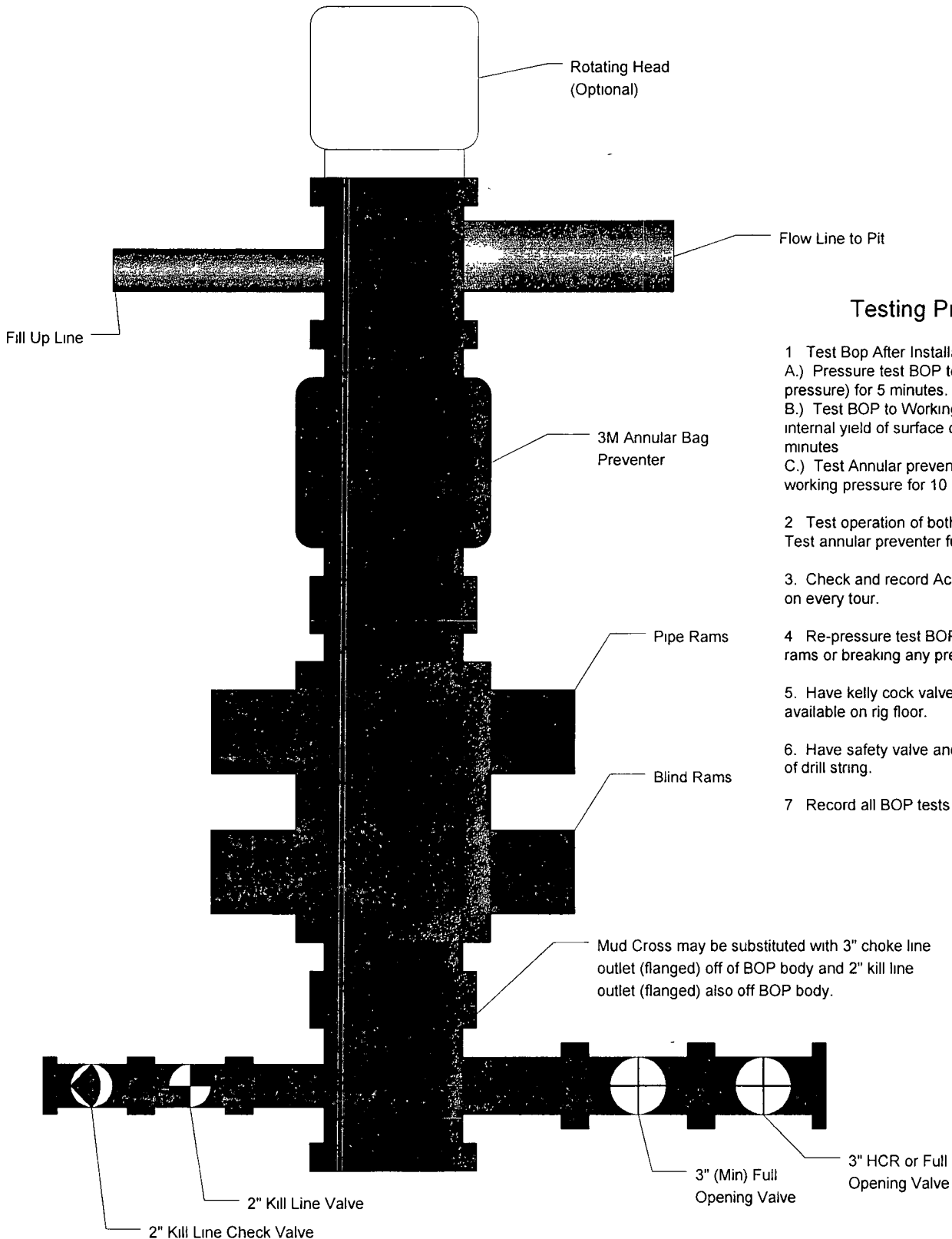
JN
1/13/11

XTO Energy		
3M Choke Manifold		



XTO Energy

3M BOP Stack



Testing Procedure

- 1 Test Bop After Installation
 - A.) Pressure test BOP to 200-300 psig (low pressure) for 5 minutes.
 - B.) Test BOP to Working pressure or 70% internal yield of surface casing for 10 minutes
 - C.) Test Annular preventer to 50% of working pressure for 10 minutes.
- 2 Test operation of both rams on each trip. Test annular preventer function weekly
3. Check and record Accumulator pressure on every tour.
- 4 Re-pressure test BOP after changing rams or breaking any pressure tested seal.
5. Have kelly cock valve with handle available on rig floor.
6. Have safety valve and subs to fit all sizes of drill string.
- 7 Record all BOP tests in IADC book.