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Travis D. Bowles
Associate Landman
(817) 885-1255
Fax (817) 885-1806

March 25, 2014

By Certified Mail

United States Department of Interior
Bureau of Land Management
Attention: Mr. Wesley B. Ingram
620 E. Greene Street
Carlsbad, NM 88240-1157

RE: NASH DELAWARE UNIT
Fourth Revision to the Delaware
Formation Participating Area
PA #NM-70992C
Eddy County, New Mexico

Gentlemen:

XTO Energy Inc. (XTO) hereby applies for approval of the Fourth Revision to the Nash Delaware Participating Unit.

The Third Revised Delaware Participating Area has been approved effective March 4, 2011 and is now in effect, consisting of 3,600.78 acres described as follows:

Township 23 South, Range 29 East, NMPM

Section 1: Lots 3, 4, S/2 NW/4, SW/4, S/2SE/4, NE/4SE/4
Section 11: All
Section 12: All
Section 13: N/2, N/2S/2, SE/4SW/4
Section 14: N/2, N/2S/2

Township 23 South, Range 30 East, NMPM

Section 6: Lots 6 & 7, E/2SW/4
Section 7: Lots 1, 2, 3, 4, E/2W/2
Section 18: Lots 1, 2, and 3, E/2NW/4, NE/4SW/4, NE/4
Containing 3,600.78 acres
Eddy County, New Mexico

By this application, XTO requests the Fourth Revision of the Delaware Participating Area be made effective March 1, 2012 by adding the following lands to the above described Third Revision of the Delaware Participating Area:

Township 23 South, Range 29 East, NMPM

Section 13: S/2SE/4, SW/4SW/4

Section 14 S/2S/2 280.00

Township 23 South, Range 30 East, NMPM

Section 18 SE/4, S/2SW/4 240.00

520.00 420.25
520.25 Ac

The Fourth Revised Delaware Participating Area, for which approval is hereby requested effective March 1, 2012, consists of the above-described Third Delaware Participating Area and the above-described 520.00 acres, being a total of 4,120.78 acres described as follows:

Township 23 South, Range 29 East, NMPM

Section 1: Lots 3, 4, S/2NW/4, SW/4, S/2SE/4, NE/4SE/4

Section 11: All

Section 12: All

Section 13: All

Section 14: All

Township 23 South, Range 30 East, NMPM

Section 6: Lots 6, 7, E/2SW/4

Section 7: Lots 1, 2, 3, 4, E/2W/2

Section 18: All

Containing 4,120.78 acres 4,121.02 Ac
Eddy County, New Mexico

Attached is a plat outlining the existing Third Delaware Participating Area (Exhibit "A") and the requested Fourth Delaware Participating Area along with a schedule (Exhibit "B") showing the lands to be included within the Participating Area along with corresponding tracts, lease numbers, participating areas and percentage of participation.

The attached geological mapping and the production data indicate there are commercial reserves being produced outside of the current Nash Delaware Participating Area. As described in the 2013 Plan of Development, All three wells, Nash #50H, Nash #51H, and Nash #58H, were planned to reach TD outside the PA. All of the wells reached their permitted TD and all three wells reported excellent oil and gas shows at TD. The completed interval in each well was either partially or entirely outside of the current PA.

Should you have any questions, please feel free to call me at 817-885-1255.

Sincerely,



Travis Bowles

Associate Landman – Permian Basin

EXHIBIT A

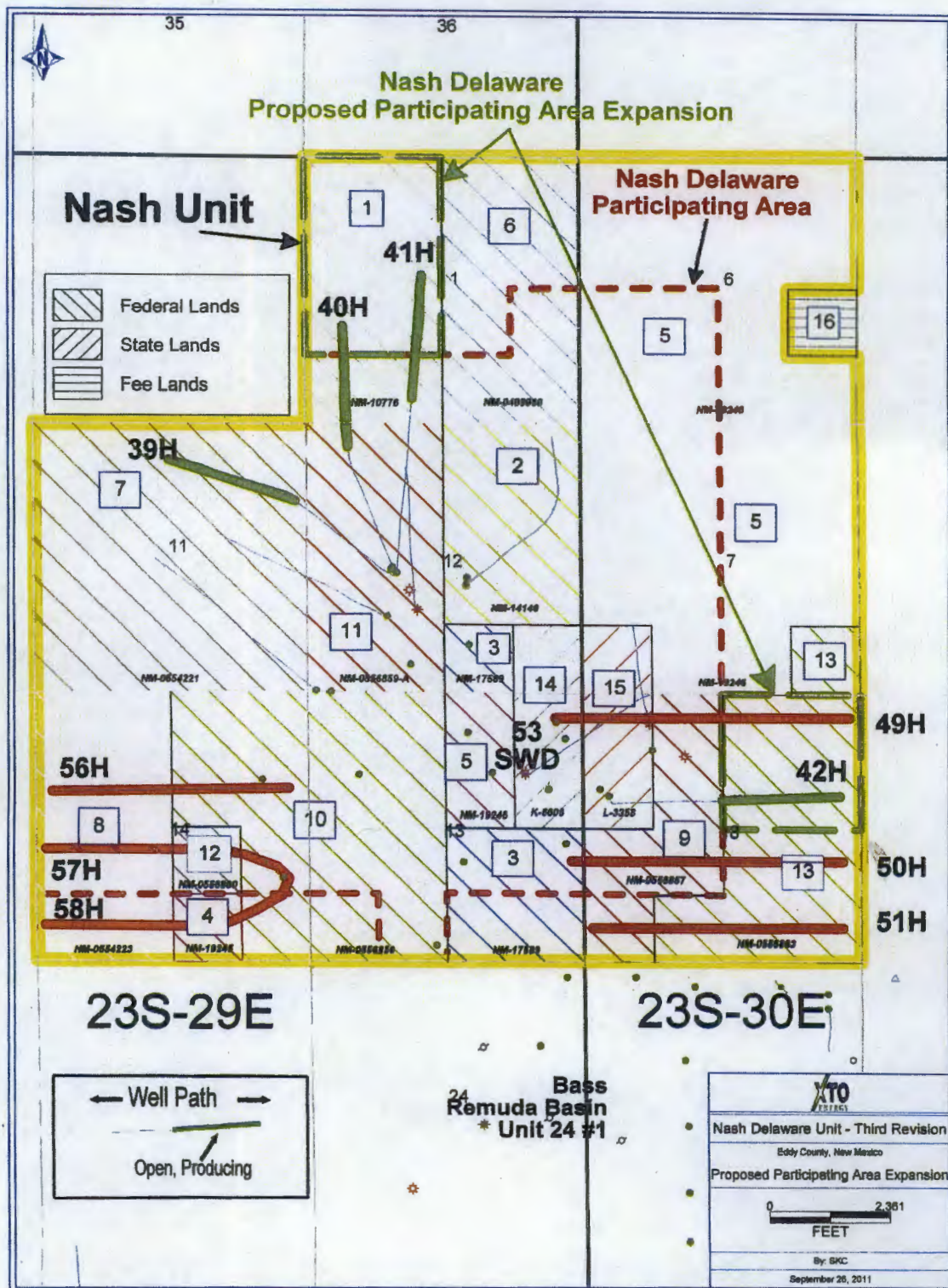
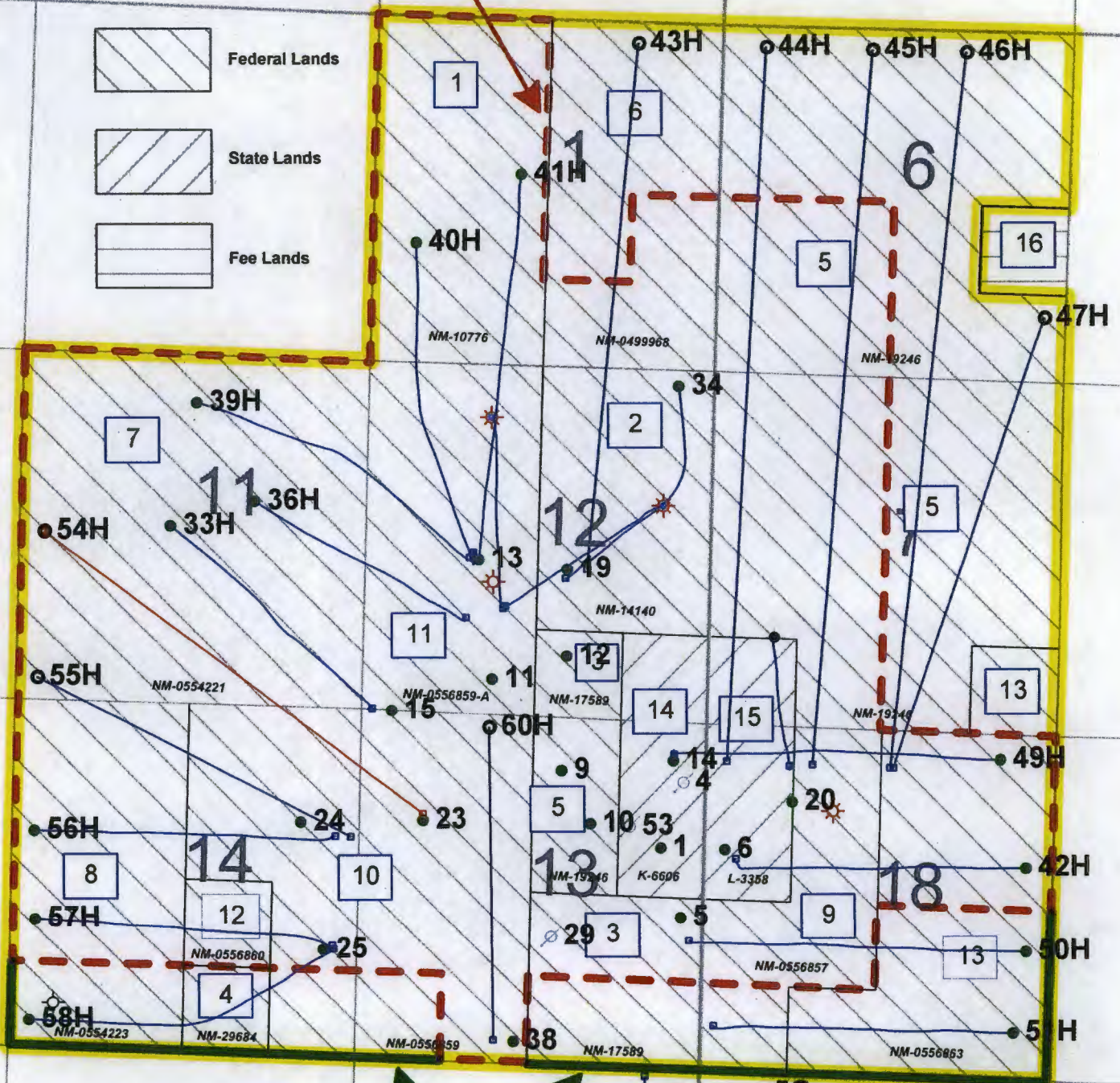
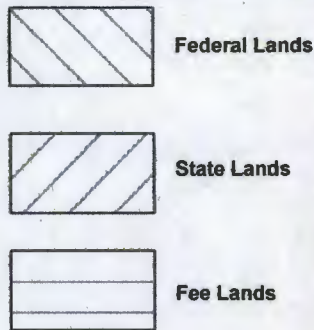


EXHIBIT A

**Nash Delaware
Participating Area**



23S-29E

23

24

**Nash Delaware
Proposed Participating Area Expansion**



Nash Delaware Unit - Fourth Revision

Proposed Participating Area Expansion

Eddy County, New Mexico

By: B. Henthorn

March 25, 2014



EXHIBIT "B"

Fourth Revision to the Nash Unit Delaware Formation Participation Area
Nash Unit Agreement
Eddy County, New Mexico

TRACT NO	LEASE NO.	DESCRIPTION	PARTICIPATING ACRES	PERCENT OF PARTICIPATION
1	NM-10776	T-23S, R-29-E, NMPM Section 1: Lots 3, 4, S/2 NW/4, SW/4	319.09	7.7430%
2	NM-14140	T-23S, R-29-E, NMPM Section 12: NE/4, N/2 SE/4	240.00	5.8238%
3	NM-17589	T-23S, R-29-E, NMPM Section 12: SW/4 SE/4 Section 13: SE/4	200.00	4.8532%
4	NM-29684	T-23S, R-29-E, NMPM Section 14: SW/4 SE/4 T-23S, R-29-E, NMPM Section 13: W/2 NE/4	40.00	0.9706%
5	NM-19246	T-23S, R-30-E, NMPM Section 6: Lots 6 & 7, E/2SW/4 Section 7: Lots 1, 2, and 3, E/2W/2	521.01	12.6427%
6	NM-0499988	T-23S, R-29-E, NMPM Section 1: S/2SE/4, NE/4SE/4	120.00	2.9119%
7	NM-0554221	T-23S, R-29-E, NMPM Section 11: ALL	640.00	15.5301%
8	NM-0554223	T-23S, R-29-E, NMPM Section 14: W/2	320.00	7.7650%
9	NM-0556857	T-23S, R-30-E, NMPM Section 18: Lots 3, 4, E/2 NW/4, NE/4 SW/4	200.47	4.8646%
10	NM-0556859	T-23S, R-29-E, NMPM Section 13: W/2 Section 14: NE/4, E/2 SE/4	560.00	13.5888%
11	NM-0556859-A	T-23S, R-29-E, NMPM Section 12: W/2	320.00	7.7650%
12	NM-0556860	T-23S, R-29-E, NMPM Section 14: NW/4 SE/4	40.00	0.9706%
13	NM-0556863	T-23S, R-30-E, NMPM Section 18: SE/4SW/4, E/2	360.00	8.7357%
14	K-6600	T-23S, R-29-E, NMPM Section 12: SE/4 SE/4 Section: 13: E/2 NE/4	120.00	2.9119%
15	L-3358	T-23S, R-29-E, NMPM Section 7: Lot 4 section: 18: Lots 1 & 2	120.46	2.9231%
			4121.03	100.0000%
TOTAL FEDERAL LANDS:			3880.57	94.1651%
TOTAL STATE LANDS:			240.46	5.8349%
			4121.03	100.0000%

*The acreage being added to the Fourth Revised Delaware Participating Area is as follows:

T-23S, R-29-E, NMPM

Section 13: S/2 SE/4, SW/4 SW/4

Section 14: S/2 S/2

T-23S, R-30-E, NMPM

Section 18: SE/4, S/2 SW/4



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.nm.blm.gov



NM70992C
3180 (P0220)

Reference:
Nash Delaware Unit NM70992C
Fourth Revision of Delaware Participating Area
Township 23 South, Range 29 East, NMPM
Township 23 South, Range 30 East, NMPM
Eddy County, New Mexico

SEP 24 2014

CERTIFIED—RETURN RECEIPT REQUESTED
7010 1670 0000 9577 2079

XTO Energy
810 Houston Street
Fort Worth, Texas 76102

Gentlemen:

Your application dated March 25, 2014 with Exhibit "A" and "B", requesting approval of the Fourth Revision of the Delaware Participating Area, Nash Unit, is hereby approved and is effective March 1, 2012, pursuant to Section 11 of the Nash Unit Agreement, Eddy County, New Mexico. Approval is subject to like approval by the State Commissioner of Public Lands

The Fourth Revision of the Nash Delaware Participating Area results in the addition of 520.25 acres to the participating area, for a total of 3600.78 acres and is based upon the completion of Unit Wells 50H, 51H and 58H, as wells capable of producing unitized substances in paying quantities.

The Fourth Revision of the Nash Delaware Participating Area now includes the following described lands:

<u>Township 23 South, Range 29 East, NMPM</u>		
Adds: Section 13:	S/2SE, SWSW:	
Section 14:	S2S2:	280.00 acres
<u>Township 23 South, Range 30 East, NMPM</u>		
Adds: Section 18:	Lot 4, SESW, SE4:	<u>240.25 acres</u>
	Total	520.25 acres

The Fourth Revision of the Nash Delaware Participating Area now includes all of the following described lands:

Township 23 South, Range 29 East, NMPM

Section 1: Lots 3, 4, S2NW, SW4, S2SE4, NESE;

Section 11: All;

Section 12: All;

Section 13: All;

Section 14: All;

Township 23 South, Range 30 East, NMPM

Section 6: Lots 6, 7, E2SW4

Section 7: Lots 1, 2, 3, 4, E2W2

Section 18: All

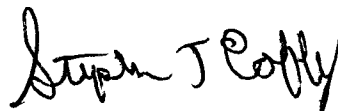
Containing 4,121.03 acres, more or less

Copies of this approval letter are being distributed to the appropriate Federal agencies and one copy is returned herewith. As Sub Operator, please advise all interested parties of the Fourth Revision of the Delaware Participating Area, NM70992C (891014168B - ONRR), Nash Unit, and the effective date of March 1, 2012, including the Operator of the Nash Unit.

For production and accounting reporting purposes all submissions pertaining to the Delaware participating area should refer to NM70992C (891014168B - ONRR). If you have any questions regarding this letter, please contact Edward G. Fernandez, Petroleum Engineer at the Division of Lands and Minerals at (575) 234-2220.

Since there is a well currently producing, this approval requires you to furnish all interested parties with the appropriate evidence of this approval and any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Caffey". The signature is fluid and cursive, with the first name "Stephen" and last name "Caffey" clearly distinguishable.

Stephen Caffey
Assistant Field Manager,
Lands and Minerals

Enclosure

cc: Commissioner of Public Lands
ONRR, Denver (MS357B-1)
New Mexico Taxation & Revenue Dept.
Revenue Processing Division
NMOCD
NM9210
NMP0220,(CFO I&E)