



September 13, 2011

Mr. Will Jones
New Mexico Oil Conversation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Nash 53SWD Application

Dear Mr. Jones,

The drilling application for the Nash 53SWD has been approved by Paul Kautz in the Hobbs NMOCD office, pending approval of the SWD application. I understand you need the API number to finish processing our SWD application. The API number issued is 30-015-39400.

This well's location has been revised since we submitted our original SWD application, but the surface owner remains the same. I have attached a copy of the revised C-102 form your information.

The revised location:
UL H, Sec 13, T-23-S, R-29-E
1620 FNL & 1120 FEL in Eddy County

Please let me know if any additional information is required.

Sincerely,

A handwritten signature in black ink that reads 'DeeAnn Kemp'.

DeeAnn Kemp
Regulatory/Proration Manager
Office 432-620-6724
Email: deeann_kemp@xtoenergy.com

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210
DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

REC/MIDLAND
AUG 23 2011

Form C-102
Revised July 16, 2010
Submit to Appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 91400	Pool Name Deuonian, Ash Draw
Property Code	Property Name NASH UNIT	Well Number 53 SWD
OGRID.No. 005380	Operator Name XTO ENERGY	Elevation 2999'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	13	23-S	29-E		1620	NORTH	1120	EAST	EDDY

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
Dedicated Acres		Joint or Infill	Consolidation Code		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

<p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=475918.1 N X=623750.5 E</p> <p>LAT.=32.307780° N LONG.=103.932789° W</p>	<p>1620'</p>	<p>1120'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Dee Ann Kemp</i> 9/8/11 Signature Date</p> <p>Dee Ann Kemp Printed Name</p> <p>deeann_kemp@xtoenergy.com E-mail Address</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>AUGUST 19, 2011</p> <p>Date of Survey</p> <p>Signature & Seal of Professional Surveyor:</p> <p><i>Ronald J. Eidson</i> 8/22/2011 Certificate Number Gary G. Eidson 12641 Ronald J. Eidson 3239</p> <p>DSS PROFESSIONAL SURVEYOR JWSC W.O.: 11.11.1799</p>		

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Monday, September 19, 2011 3:53 PM
To: 'Deeann_Kemp@xtoenergy.com'
Subject: RE: Nash #53SWD - Additional information to complete Nash 53 SWD Application

Hello Deeann,
Please notify the State Land Office as the surface owner of the new surface location.

Thank You,

Will Jones
New Mexico
Oil Conservation Division
[Images](#) [Contacts](#)

From: Jones, William V., EMNRD
Sent: Monday, September 19, 2011 8:15 AM
To: 'Deeann_Kemp@xtoenergy.com'
Subject: RE: Nash #53SWD - Additional information to complete Nash 53 SWD Application

Hello Deeann,
I think this is all fine – I should get you guys the amended permit this week.

Regards,

Will Jones
New Mexico
Oil Conservation Division
[Images](#) [Contacts](#)

From: [Deeann Kemp@xtoenergy.com \[mailto:Deeann_Kemp@xtoenergy.com\]](mailto:Deeann_Kemp@xtoenergy.com)
Sent: Friday, September 16, 2011 8:43 AM
To: Jones, William V., EMNRD
Subject: Fw: Nash #53SWD - Additional information to complete Nash 53 SWD Application

Good Morning Will,
Just wanted to see if you needed any additional information to be able to process our salt water disposal application on the Nash 53SWD.

DeeAnn Kemp
Regulatory/Proration Manager
Permian Basin Division
Office # 432-620-6724
Cell # 432-230-5986
Fax # 432-684-9681

----- Forwarded by Deeann Kemp/MID/CTOC on 09/16/2011 09:40 AM -----

Deeann Kemp/MID/CTOC

To William.V.Jones@state.nm.us

cc

09/13/2011 05:38 PM

Subject Fw: Nash #53SWD - Additional information to complete Nash 53 SWD Application

Will,

Paul Kautz with the Hobbs NMOCD has approved our drilling application for the Nash #53SWD, pending approval of our SWD application (see below email). The API No. 30-015-39400 has been issued for this well. Since we submitted our original SWD application, we have moved the location. I have attached a letter informing you of the API number and of our revised location along with a copy of the revised C-102 form for your review. (The surface owner does not change with our revised location)

If you need any additional information to process our SWD application please let me know. We are waiting until the SWD permit is issued before we start building our location.

Thanks for your help!

DeeAnn Kemp
Regulatory/Proration Manager
Permian Basin Division
Office # 432-620-6724
Cell # 432-230-5986
Fax # 432-684-9681

----- Forwarded by Deeann Kemp/MID/CTOC on 09/13/2011 04:04 PM -----

"Kautz, Paul, EMNRD" <paul.kautz@state.nm.us>

To "Deeann_Kemp@xtoenergy.com" <Deeann_Kemp@xtoenergy.com>

cc "Mull, Donna, EMNRD" <donna.mull@state.nm.us>, "Gray, Darold, EMNRD" <Darold.Gray@state.nm.us>

09/13/2011 01:47 PM

Subject FW: Nash #53SWD - Additional information attached for drilling permit

DeeAnn

I approved your APD to drill your Nash Unit SWD # 53 API # 30-015-39400. It is approved with the following conditions of approval. XTO Energy receives an amended SWD order and MIT is done prior to injecting water in this well. Please notify Darold Gray (575-748-1283 ext 113) in the Artesia office at least 48 hours prior to conducting the MIT.

Paul Kautz
Hobbs District Office
1625 N French Dr
Hobbs, NM 88240
575-393-6161 ext 104

From: Mull, Donna, EMNRD

Sent: Tuesday, September 13, 2011 7:52 AM

To: Kautz, Paul, EMNRD

Subject: FW: Nash #53SWD - Additional information attached for drilling permit

FYI

From: Deeann_Kemp@xtoenergy.com [mailto:Deeann_Kemp@xtoenergy.com]

Sent: Monday, September 12, 2011 11:00 AM

To: Mull, Donna, EMNRD

Subject: Nash #53SWD - Additional information attached for drilling permit

Donna,

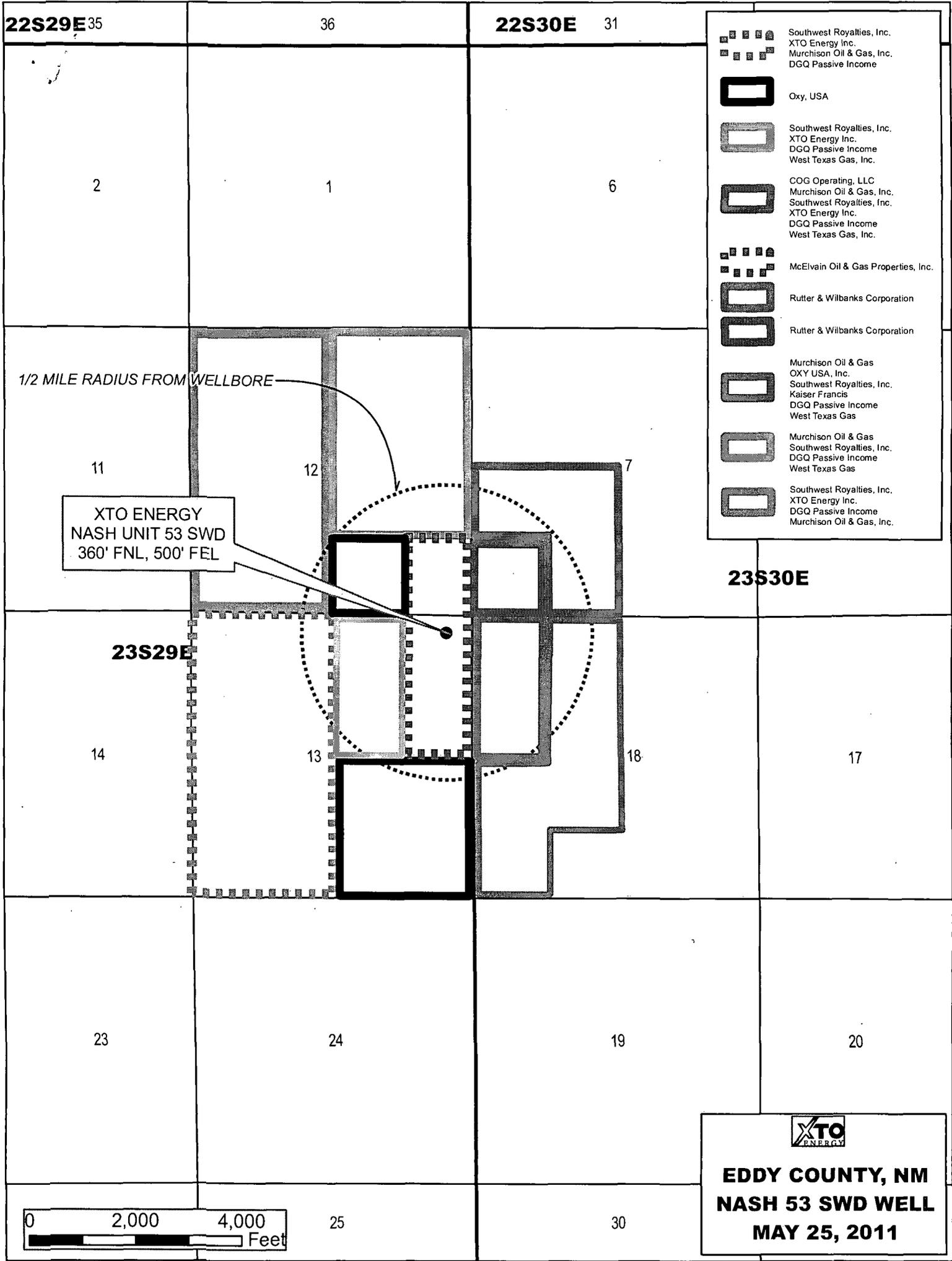
The drilling application, for the referenced well, was submitted a couple of weeks ago to Paul. Since the application was submitted the location has been moved to meet the Potash Mine requirements. I told Paul the location was going to change. He said if I submitted to him the corrected C-102 and the signed wavier he would change the location information on our application we submitted earlier.

Attached is the C-102 form showing the revised location and the signed waiver from Dan Morehouse from the Mosaic Potash Mine. (The wavier not only waives the location but the 20 day waiting period before drilling permit can be issued, Paul said the 20 day wavier needed to also be included or we would have to wait 20 days before the permit could be issued).

If you need anything else please let me know.

Thanks for your help!

DeeAnn Kemp
Regulatory/Proration Manager
Permian Basin Division
Office # 432-620-6724
Cell # 432-230-5986
Fax # 432-684-9681



22S29E35

36

22S30E 31

2

1

6

1/2 MILE RADIUS FROM WELLBORE

11

12

7

XTO ENERGY
NASH UNIT 53 SWD
360' FNL, 500' FEL

23S29E

14

13

18

23S30E

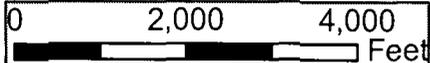
17

23

24

19

20



25

30

-  Southwest Royalties, Inc.
XTO Energy Inc.
Murchison Oil & Gas, Inc.
DGQ Passive Income
-  Oxy, USA
-  Southwest Royalties, Inc.
XTO Energy Inc.
DGQ Passive Income
West Texas Gas, Inc.
-  COG Operating, LLC
Murchison Oil & Gas, Inc.
Southwest Royalties, Inc.
XTO Energy Inc.
DGQ Passive Income
West Texas Gas, Inc.
-  McElvain Oil & Gas Properties, Inc.
-  Rutter & Wilbanks Corporation
-  Rutter & Wilbanks Corporation
-  Murchison Oil & Gas
OXY USA, Inc.
Southwest Royalties, Inc.
Kaiser Francis
DGQ Passive Income
West Texas Gas
-  Murchison Oil & Gas
Southwest Royalties, Inc.
DGQ Passive Income
West Texas Gas
-  Southwest Royalties, Inc.
XTO Energy Inc.
DGQ Passive Income
Murchison Oil & Gas, Inc.


EDDY COUNTY, NM
NASH 53 SWD WELL
MAY 25, 2011



Mosaic Potash Carlsbad Inc.
P.O. Box 71
1361 Potash Mines Road
Carlsbad, NM 88221-0071
www.mosaicco.com

Tel: 505-887-2871

September 7, 2011

XTO Energy Inc.
Attn: DeeAnn Kemp
200 N. Loraine, Ste 800
Midland, Texas 79701

Dear Ms. Kemp:

Per our discussions the Nash Unit #53 SWD well, located at 1620' FNL and 1120' FEL of Section 13, T-23-S, R-29-E; Mosaic Potash Carlsbad Inc. does have a potash lease within one mile of this area, this location is outside our LMR but within the ½ mile buffer required for wells of this depth. The location is "behind" previously drilled wells in the area that have already impacted the potash reserves. The drilling of this disposal well should cause no further loss of potash reserves, therefore Mosaic does not object to its location at this time and waives any 20 day waiting period required for further potash company response.

As more information becomes available, our estimates of the extent of potash resources in any given area may change. Therefore, please consider a "no objection" or "objection" to these locations to be valid for one year only. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

Mosaic Potash submits this letter in lieu of the forms requested.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Morehouse". The signature is fluid and cursive, with a long horizontal line extending to the right.

Dan Morehouse
Mine Engineering Superintendent