

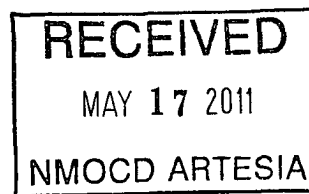


30-015-39304

November 3, 2010

Chip Amrock
XTO Energy Inc.
200 N. Loraine St., Ste. 800
Midland, TX 79701
432-620-4323
chip_amrock@xtoenergy.com

Bureau of Land Management
620 E. Greene
Carlsbad, NM 88220
575-887-6544



Dear Sirs:

XTO Energy Inc. does not anticipate encountering H₂S while drilling the Nash #58H located in Section 14, T23S, R29E, in Eddy County, New Mexico. As a precaution, I have attached an H₂S contingency plan along with a gas analysis of our well stream. If you need anything further, please contact me at the telephone number or email listed above.

Thank you,

A handwritten signature in cursive script that reads 'Chip Amrock'.

Chip Amrock
Sr. Drilling Engineer

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

Hydrogen Sulfide Training:

All regularly assigned personnel, contracted or employed by XTO Energy, Inc. will receive training from qualified instructor(s) in the following areas prior to commencing drilling possible hydrogen sulfide bearing formations in this well:

The hazards and characteristics of hydrogen sulfide (H₂S)

The proper use and maintenance of personal protective equipment and life support systems.

The proper use of H₂S detectors, alarms, warning systems, briefing area, evacuation procedures & prevailing winds.

The proper techniques for first aid and rescue procedures.

Supervisory personnel will be trained in the following areas:

The effects of H₂S on metal components. If high tensile tubulars are to be utilized, personnel will be trained in their special maintenance requirements.

Corrective action & shut-in procedures when drilling or reworking a well & blowout prevention / well control procedures.

The contents and requirements of the H₂S Drilling Operations Plan

H₂S SAFETY EQUIPMENT AND SYSTEMS:

Well Control Equipment:

Flare Line w/continuous pilot. Choke manifold with a minimum of one remote choke.

Blind rams and pipe rams to accommodate all pipe sizes w/properly sized closing unit.

Auxiliary equipment to include: annular preventer, ude-gas separator, rotating head & flare.

Protective Equipment for Essential Personnel:

Mark II Survive-air 30 minute units located in dog house & at briefing areas, as indicated on wellsite diagram.

H₂S Detection and Monitoring Equipment:

Two portable H₂S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H₂S levels of 20 ppm are reached.

One portable H₂S monitor positioned near flare line.

H₂S Visual Warning Systems:

Wind direction indicators are shown on wellsite diagram.

Caution / Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used when appropriate.

Mud Program:

The Mud Program has been designed to minimize the volume of H₂S circulated to the surface. Proper mud weights, safe drilling practices and the use of H₂S scavengers will minimize hazards when penetrating H₂S bearing zones. A mud-gas separator will be utilized as needed.

Metallurgy:

All drill strings, casing, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and line and valves will be suitable for H₂S service.

Communication:

Cellular telephone communications in company vehicles, rig floor and mud logging trailer.



HYDROGEN SULFIDE (H₂S) CONTINGENCY PLAN

Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H₂S monitors and air packs in order to control the release.
- Use the "buddy system" to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the
 - o Detection of H₂S, and
 - o Measures for protection against the gas,
 - o Equipment used for protection and emergency response.

Ignition of Gas source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever this is an ignition of the gas.

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

XTO Energy Inc's personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. (Operator Name)'s response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

EUNICE OFFICE – EDDY & LEA COUNTIES

EMSU @ Oil Center, NM, 8/10ths mile west of Hwy 8 on Hwy 175
Eunice, NM 575-394-2089

Buckeye Office @ Lea County: From Hobbs, NM take Hwy 62/180 West
Approx. 10 miles to SH 529, turn NW on SH 529 for 3 miles, turn North
On Hwy 238, proceed North approx 8 miles to Buckeye field office
(1/4 mile North of Buckeye store) 575-396-0542

XTO ENERGY INC PERSONNEL:

Boogie Armes, Sr. Drilling Superintendent	432-556-7403
Bob Chance, Drilling Superintendent	432-296-3926
Chip Amrock, Sr. Drilling Engineer	432-638-8372
Jeff Raines, Construction Foreman	432-557-3159
Dudley McMinn, EH & S Manager	432-557-7976
Rick Wilson, Production Foreman	575-441-1147
Jerry Parker, Buckeye Production Foreman	575-441-1628
David Paschal, Eunice Monument Production Foreman	575-390-7167
Gene Hudson, Maintenance Foreman	575-441-1634
Guy Haykus, Production Superintendent	575-634-5677

SHERIFF DEPARTMENTS:

Eddy County	575-887-7551
Lea County	575-396-3611

NEW MEXICO STATE POLICE: 575-392-5588

FIRE DEPARTMENTS:

	911
Carlsbad	575-885-2111
Eunice	575-394-2111
Hobbs	575-397-9308
Jal	575-395-2221
Lovington	575-396-2359

HOSPITALS:

	911
Carlsbad Medical Emergency	575-885-2111
Eunice Medical Emergency	575-394-2112
Hobbs Medical Emergency	575-397-9308
Jal Medical Emergency	575-395-2221
Lovington Medical Emergency	575-396-2359

AGENT NOTIFICATIONS:

Bureau of Land Management	575-393-3612
New Mexico Oil Conservation Division	575-393-6161
Mosaic Potash - Carlsbad	575-887-2871

CONTRACTORS:

ABC Rental – Light Towers	575-394-3155
Bulldog Services – Trucking/Forklift	575-391-8543
Champion – Chemical	575-393-7726
Indian Fire & Safety	575-393-3093
Key – Dirt Contractor	575-393-3180
Key Tools – Light Towers	575-393-2415
Sweatt – Dirt Contractor	575-397-4541
RWI – Contract Gang	575-393-5305

XTO ENERGY INC
H2S BATTERY SURVEY

LOCATION	RESULTS	COMMENTS	TYPE GAS
Bar 4 Fed #1	0	Oil & Water tanks	
Bridges State 514	0	Oil & Water tanks	
Bridges State 120	2100 ppm	Oil & Water tanks	Sour
Bridges State 126	10,000 ppm	Oil & Water tanks	Sour
Bridges State 12	16,000 ppm	Oil tanks	Sour
Bridges State 95	200 ppm	Oil tanks	Sour
Bridges State 14	4,200 ppm	Oil & Water tanks	Sour
Federal DM #1	180,000 ppm	Oil & Water tanks	Sour
Greenstar 22 #1	0	Oil & Water tanks	
Gulf 5 Federal #1	0	Oil & Water tanks	
NVA North Prod Wtr Station	300 ppm	Water tanks	Sour
NVAE	350 ppm	Oil & Water tanks	Sour
NVAU #204	600 ppm	Oil & Water tanks	Sour
NVAU #134	600 ppm	Oil & Water tanks	Sour
NVAU #120	200 ppm	Oil & Water tanks	Sour
NVAU #131	8,000 ppm	Oil & Water tanks	Sour
NVAU #203	100 ppm	Oil & Water tanks	Sour
NVA South Prod Wtr Station	9,000 ppm	Water tanks	Sour
NVAU #95	100 ppm	Oil tanks	Sour
Remuda Basin 24 #1	0	Oil & Water tanks	
Remuda Basin #19	0	Oil & Water tanks	
Ross Draw 25 #1	0	Oil & Water tanks	
Yates #8	0	Oil & Water tanks	
Nash # 1, 6, 9, 13, 15, 19, 24, 33,34, 36, 38	0	Oil & Water tanks	
SDE #31	20	Oil & Water tanks	Sour
SDE #19	0	Oil & Water tanks	
SEMGS AU Battery #1	16,000 ppm	Oil & Water tanks	Sour
SEMGS AU Battery #2	8,000 ppm	Oil & Water tanks	Sour
Sprinkle B Federal #2	50 ppm	Oil & Water tanks	Sour
State N	200 ppm	Oil & Water tanks	
State XX	0	Oil & Water tanks	
State K	25 ppm	Oil & Water tanks	Sour
NM State BO	9,000 ppm	Oil & Water tanks	Sour
State M	0	Oil & Water tanks	
State Sec 27 SWD	2,200 ppm	Water tanks	Sour
State L & PP	0	Oil & Water tanks	
NM J State	100 ppm	Oil & Water tanks	Sour
Tex-Mack 5 State Comm	0	Oil & Water tanks	