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Form 3160-3
(April 2004)

JAN 10 2011

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Farmington Field Office
Bureau of Land Management

APPLICATION FOR PERMIT TO DRILL OR REENTER

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	3b. Phone No. (include area code) 505/ 333-3100	8. Lease Name and Well No. BREECH D #685G
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1760' FSL x 1865' FEL At proposed prod. zone Same		9. API Well No. 30-045 039-31014
14. Distance in miles and direction from nearest town or post office* 33.9 miles SE of Bloomfield P.O.		10. Field and Pool, or Exploratory Basin DK/Blanco MV/Blanco TO
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig unit line, if any) 1760'	16. No of acres in lease 1920	11. Sec, T R M or Blk and Survey or Area (J) Sec 11, T26N, R6W
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1165'	19. Proposed Depth 7650'	12. County or Parish RIO ARriba
21. Elevations (Show whether DF, KDB, RT, GL, etc) 6577' Ground Elevation	22. Approximate date work will start* 01/31/2011	13. State NM
17. Spacing Unit dedicated to this well S/2 325.54 320		20. BLM/BIA Bond No. on file UTB000138
23. Estimated duration 2 Weeks		

This action is subject to technical and procedural review pursuant to 43 CFR 3165.9 and appeal pursuant to 43 CFR 3165.4

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 <i>Malia Villers</i>	Name (Printed/Typed) Malia Villers	Date 1/7/2011
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Title Permitting Tech.

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 6/7/11
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Title	Office FED
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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 U.S.C. Section 1001 and Title 43 U.S.C. 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

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NMOCD

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

PROD. UNIT 1010
OIL CO. 5.001

DIST. 3

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

DISTRICT II
1301 W Grand Ave., 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

OIL CONSERVATION DIVISION

1220 South St Francis Dr.
Santa Fe, NM 87505

Farmington Field Office
Bureau of Land Management

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Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-31014	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 304752	⁵ Property Name BREECH D	⁶ Well Number 685G
⁷ GRID No. 538D	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6577'

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
J	11	26-N	6-W		1760	SOUTH	1865	EAST	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 320.09 AC S12 325.54		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

<p>16</p> <p>LAT: 36.49930° N. (NAD 83) LONG: 107.43439° W. (NAD 83)</p> <p>LAT: 36°29'57.45" N. (NAD 27) LONG: 107°26'01.65" W (NAD 27)</p> <p>SURFACE:</p> <p>FD 3 1/4" BC 1957 BLM</p> <p>N 89°44'16" W 2650.91' (M)</p> <p>1760'</p> <p>1865'</p> <p>N 00°18'19" E 2672.02' (M)</p> <p>FD 3 1/4" BC 1957 BLM</p>	<p>17</p> <p>OPERATOR CERTIFICATION</p> <p>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</p> <p><u>Malia Villers 1/7/11</u> Signature Date</p> <p><u>Malia Villers</u> Printed Name</p> <p>18</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 knowledge & belief</p> <p>OCTOBER 27, 2008 Date of Survey</p> <p><u>ROSA RUSH</u> Signature and Seal of Registered Professional Surveyor</p> <p>8894 Certificate Number</p>
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ARMINGTON FIELD OFFICE
Bureau of Land Management

Form C-102

Revised October 12, 2005

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-31014	² Pool Code 72319	³ Pool Name Blanco mesa verde
⁴ Property Code 304752	⁵ Property Name BRECH D	⁶ Well Number 685G
⁷ GRID No 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6577'

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
J	11	26-N	6-W		1760	SOUTH	1865	EAST	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 320.0194 512	¹³ Joint or Infill 325.54	¹⁴ Consolidation Code	¹⁵ Order No
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<div data-bbox="170 1478 544 1606"> <p>SURFACE: LAT: 36.49930° N. (NAD 83) LONG: 107.43439° W (NAD 83) LAT 36°29'57.45" N (NAD 27) LONG. 107°26'01.65" W (NAD 27)</p> </div> <div data-bbox="446 1840 592 1883"> <p>FD 3 1/4" BC 1957 BLM</p> </div> <div data-bbox="625 1830 803 1893"> <p>N 89°44'16" W 2650.91' (M)</p> </div> <div data-bbox="917 1840 1063 1883"> <p>FD 3 1/4" BC. 1957 BLM</p> </div>	<div data-bbox="1096 968 1502 1415"> <p>17 OPERATOR CERTIFICATION</p> <p>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</p> <p><i>Maria Villers</i> 1/7/11 Signature Date</p> <p><i>Maria Villers</i> Printed Name</p> </div> <div data-bbox="1096 1447 1502 1883"> <p>18 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 knowledge & belief</p> <p>OCTOBER 27 2008 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 38943</p> <p>Certificate Number</p> </div>
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-31014	² Pool Code 064160	³ Pool Name South Blanco Tocito
⁴ Property Code 304752	⁵ Property Name BREECH D	⁶ Well Number 685G
⁷ GRID No. 5380	⁸ Operator Name XTO ENERGY INC	⁹ Elevation 6577'

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
J	11	26-N	6-W		1760	SOUTH	1865	EAST	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 320.0912 5 1/2		¹³ Joint or Intill 325.54		¹⁴ Consolidation Code		¹⁵ Order No			

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XTO ENERGY INC.

Breach D #685G

APD Data

January 7, 2011

Location: 1760' FSL x 1865' FEL Sec 11, T26N, R6W

County: Rio Arriba

State: New Mexico

GREATEST PROJECTED TD: 7650'

OBJECTIVE: Basin Dakota / Tocito / Mesaverde

APPROX GR ELEV: 6577'

Est KB ELEV: 6589' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 7650'
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 ($\pm 7650'$) 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'-7650	7650'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.10	1.31	1.70

3. WELLHEAD:

- 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.
- 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 @ $\pm 6300'$ and @ $\pm 3125'$.

1st Stage

LEAD:

± 65 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:

± 250 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 1865 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 (7650') to 2,500'.

6. FORMATION TOPS:

Est. KB Elevation: 6539'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Nacimiento	5232	1,357	Gallup	233	6,356
Ojo Alamo SS	4210	2,379	Greenhorn	-574	7,163
Kirtland Shale	4030	2,559	Graneros	-628	7,217
Fruitland Formation	3917	2,672	Dakota 1	-655	7,244
Lower Fruitland Coal	3566	3,023	Dakota 2	-699	7,288
Pictured Cliffs SS	3552	3,037	Dakota 3	-744	7,333
Lewis Shale	3411	3,178	Dakota 4	-780	7,369
Chacra SS	2663	3,926	Dakota 5	-821	7,410
Cliffhouse SS	1872	4,717	Dakota 6	-869	7,458
Menefee	1809	4,780	Burro Canyon	-921	7,510
Point Lookout SS	3522	3,037	Morrison	-981	7,570
Mancos Shale	962	5,627	TD	-1061	7650

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

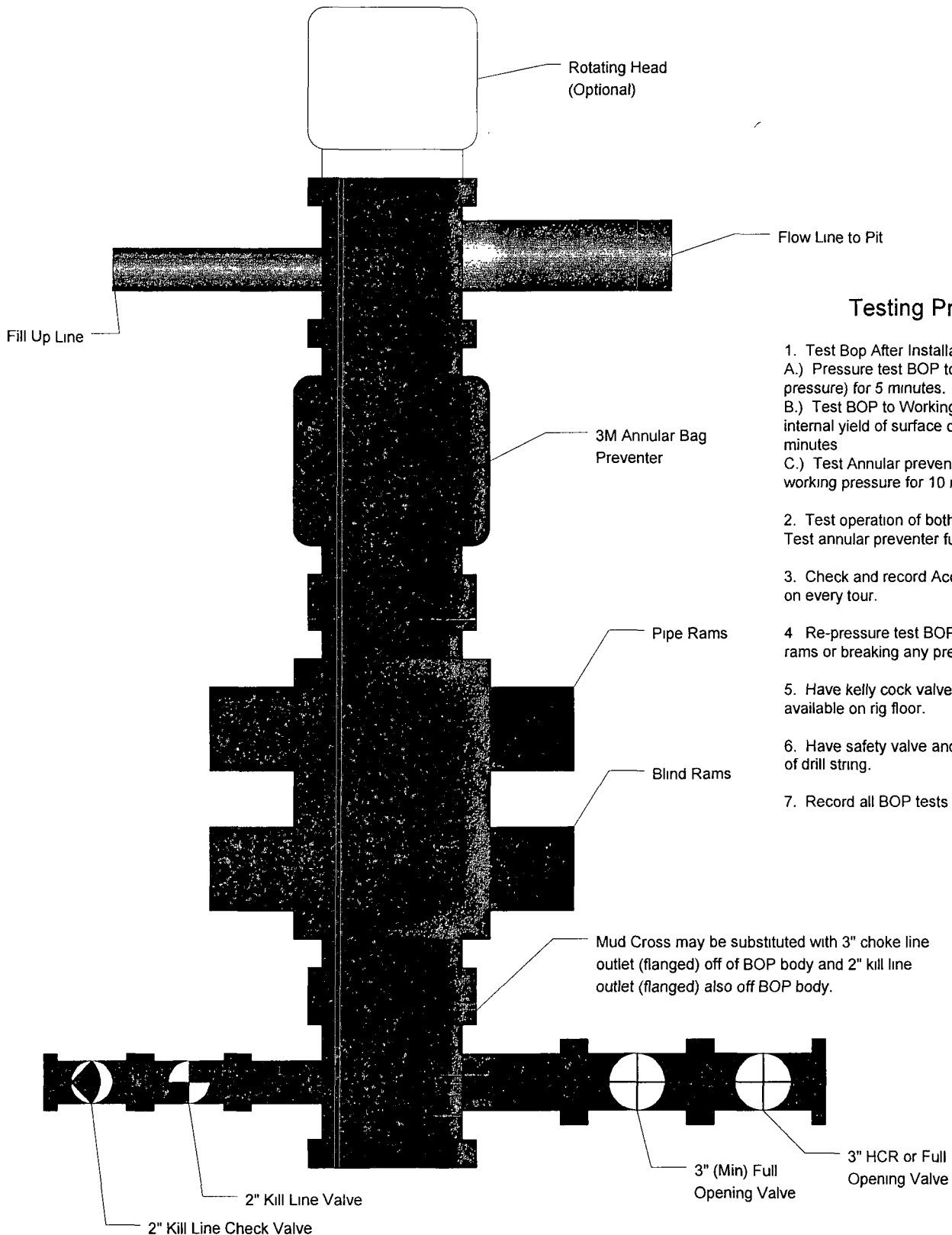
7. COMPANY PERSONNEL:

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
1/7/11

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.

XTO Energy

3M Choke
Manifold

