

RECEIVED

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

JUN 03 2011

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-03554
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. 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 C #144F
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1722' FNL x 1975' FEL At proposed prod. zone Same		9. API Well No 30-039- 31070
14. Distance in miles and direction from nearest town or post office* Approximately 35 miles SE of Bloomfield P.O.		10. Field and Pool, or Exploratory Basin DK/Basin Mancos/Blanco MV
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) 1722'	16. No of acres in lease 1760	11. Sec., T. R. M. or Blk. and Survey or Area (G) Sec 12, T26N, R6W
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft '1148'	19. Proposed Depth 7850'	12. County or Parish RIO ARRIBA
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6663' Ground Elevation	22. Approximate date work will start* 07/18/2011	13. State NM
17. Spacing Unit dedicated to this well N/2 320 RCVD OCT 14'11		
20. BLM/BIA Bond No. on file OIL CONS. DIV. DIST. 3 UTB000138		
23. Estimated duration 2 Weeks		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form:

- Well plat certified by a registered surveyor
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

SEE ATTACHED FOR

CONDITIONS OF APPROVAL

25. Signature <i>Malia Villers</i>	Name (Printed/Typed) Malia Villers	Date 6/2/11
Title Permitting Tech.		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 10/11/11
Title AFM	Office 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)

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

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

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

OCT 25 2011  
NMOC

NOTIFY AZTEC OCD 24 HRS. PRIOR TO CASING & CEMENT

APD/ROW

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised October 12, 2005

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

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-31070		*Pool Code 72319	*Pool Name Blanco mesa verde
*Property Code 304751	*Property Name BREECH C		*Well Number 144F
*OGRID No. 5380	*Operator Name XTO ENERGY		*Elevation 6663'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	12	26N	6W		1722'	NORTH	1975'	EAST	RIO ARriba

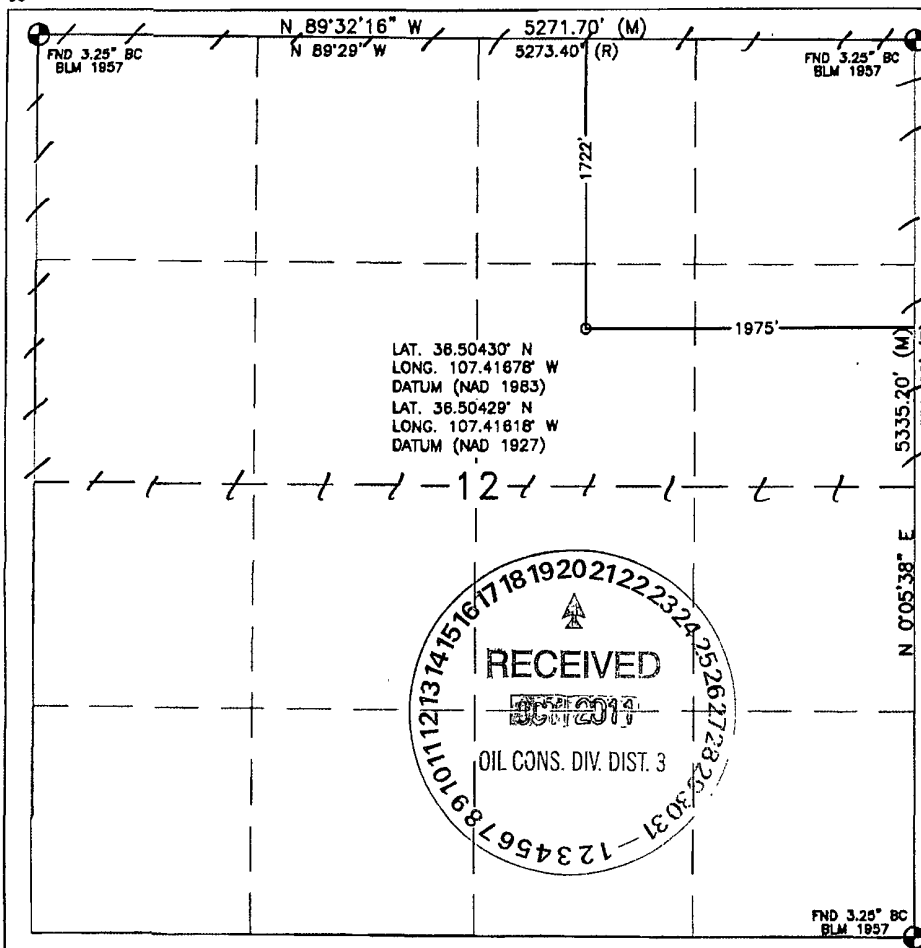
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres N12 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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



<sup>17</sup> 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 released 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 or a compulsory pooling order heretofore entered by the division.

Malia Villers 10/25/11  
Signature Date

Malia Villers  
Printed Name

<sup>18</sup> SURVEYOR CERTIFICATION

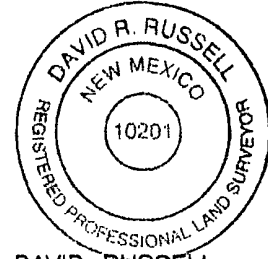
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 15, 2008

Date of Survey

Signature and Seal of Professional Surveyor:

David R. Russell



DAVID RUSSELL

Certificate Number

10201

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-31070	<sup>2</sup> Pool Code 71599	<sup>3</sup> Pool Name Basin Dakota
<sup>4</sup> Property Code 304751	<sup>5</sup> Property Name BREECH C	<sup>6</sup> Well Number 144F
<sup>7</sup> OGRD No. 5380	<sup>8</sup> Operator Name XTO ENERGY	<sup>9</sup> Elevation 6663'

<sup>10</sup> Surface Location

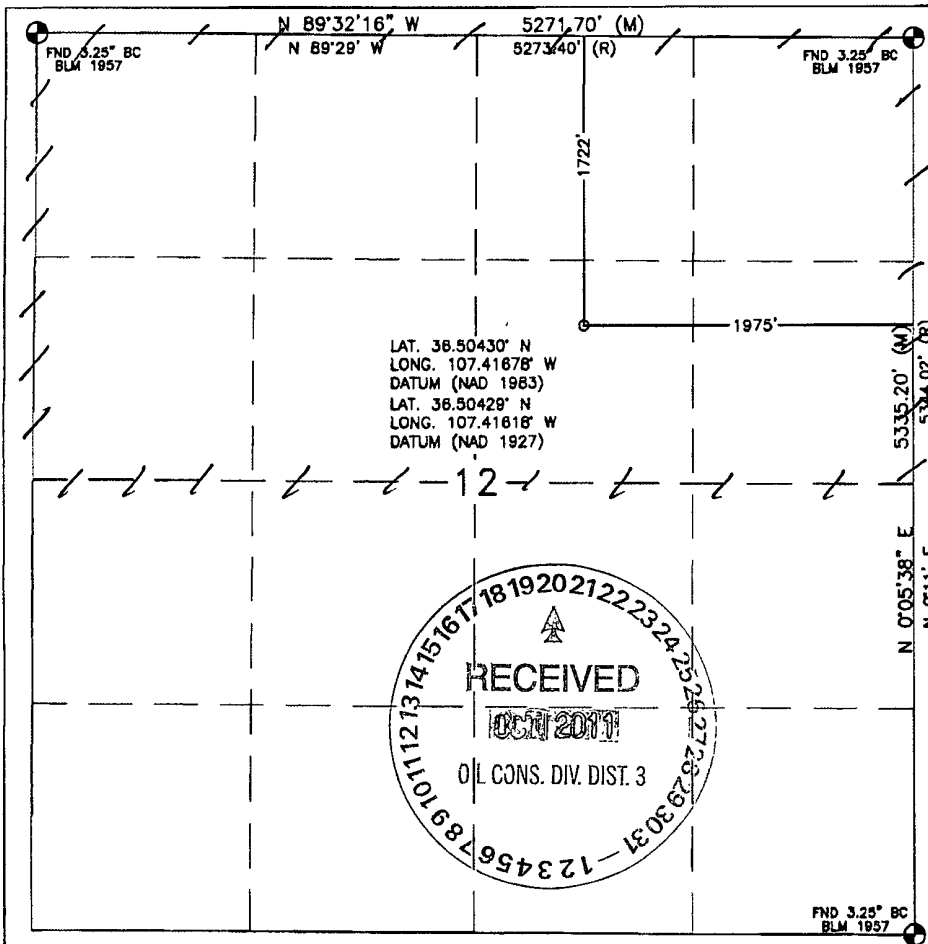
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<sup>12</sup> Dedicated Acres N12 320					<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.

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Malia Villers 10/20/11  
Signature Date

Malia Villers  
Printed Name

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David R. Russell



DAVID RUSSELL

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*Property Code 304751	*Property Name BREECH C		*Well Number 144F
*OGRD No. 5380	*Operator Name XTO ENERGY		*Elevation 6663'

<sup>10</sup> Surface Location

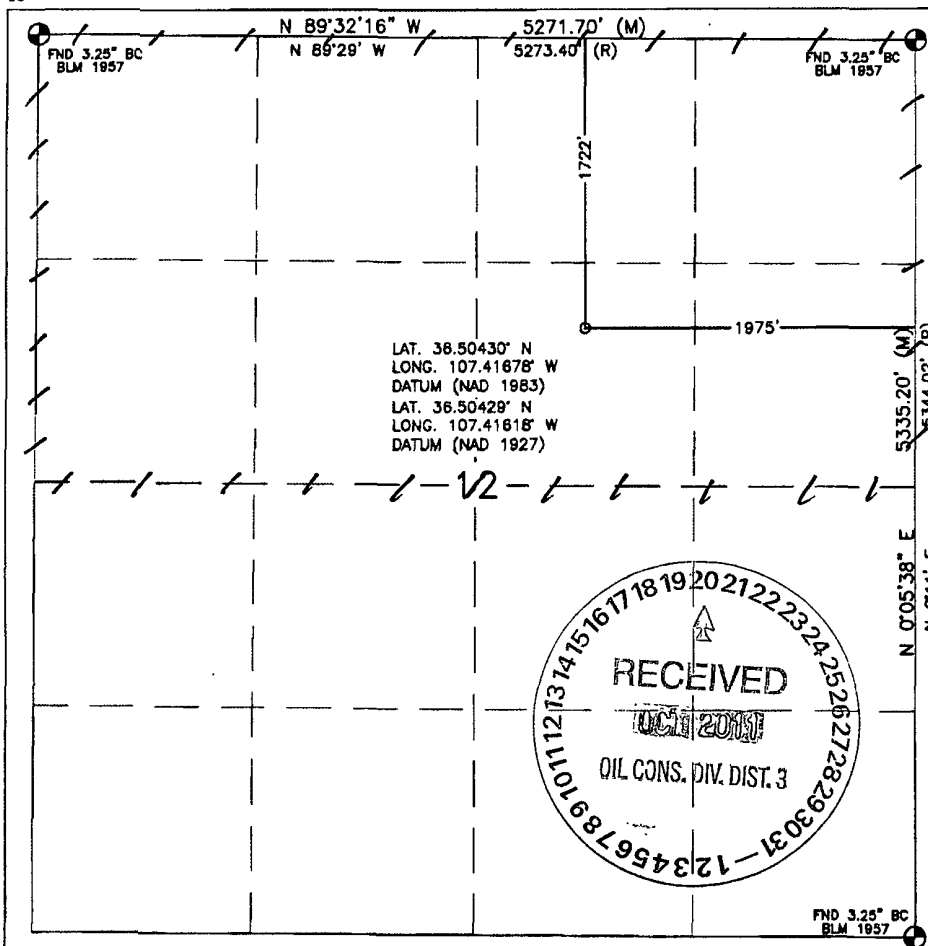
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Maria Villers 10/20/11  
Signature Date

Maria Villers  
Printed Name

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MAY 15, 2008

Date of Survey

Signature and Seal of Professional Surveyor:

David R. Russell



DAVID RUSSELL

Certificate Number

10201

# XTO ENERGY INC.

Breech C #144F

APD Data

May 24, 2011

Location: 1722' FNL x 1975' FEL Sec 12, T26N, R6W County: Rio Arriba State: New Mexico

GREATEST PROJECTED TD: 7850'

OBJECTIVE: Basin Dakota / Mancos / Mesaverde

APPROX GR ELEV: 6663'

Est KB ELEV: 6675' (12' AGL)

## 1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 7850'
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	8-10

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 ( $\pm 7850'$ ) 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'-7850	7850'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.08	1.29	1.67

## 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.

214 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft<sup>3</sup>/sk, & 6.70 gal wtr/sk.

*Total slurry volume is 297 ft<sup>3</sup>, 100% excess of calculated annular volume to 360'. Surface casing will be pressure tested to 600 psi for 30 min.*

B. Production: 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at  $\pm 7850'$  in 7.875" hole. DV Tools set @  $\pm 6460'$  and @  $\pm 3370'$ .

1<sup>st</sup> Stage

LEAD:

$\pm 67$  sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft<sup>3</sup>/sk, 10.55 gal wtr/sx.

TAIL:

100 sx Type III or equivalent cement with bonding additive, LCM, dispersant, & fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

2<sup>nd</sup> Stage

LEAD:

$\pm 243$  sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 ft<sup>3</sup>/sk, 15.00 gal wtr/sx.

TAIL:

100 sx Type III neat mixed at 14.5 ppg, 1.39 cuft/sx, 6.3 gal/sx.

3<sup>rd</sup> Stage:

LEAD:

$\pm 262$  sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 ft<sup>3</sup>/sk, 15.00 gal wtr/sx.

TAIL:

100 sx Type III neat mixed at 14.5 ppg, 1.39 cuft/sx, 6.3 gal/sx

*Total estimated slurry volume for the 5-1/2" production casing is 1888 ft<sup>3</sup>.*

*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 (7850') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (7850') to 3,000'.

## 6. FORMATION TOPS:

Est. KB Elevation: 6675'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Nacimiento	5161	1514			
Ojo Alamo SS	4097	2578	Tocito	-240	6915
Kirtland Shale	3928	2747	Greenhorn	-647	7322
Fruitland Formation	3857	2818	Graneros	-702	7377
Lower Fruitland Coal	3503	3172	Dakota 1*	-730	7405
Pictured Cliffs SS	3489	3186	Dakota 2*	-786	7461
Lewis Shale	3355	3320	Dakota 3*	-817	7492
Chacra SS	2587	4088	Dakota 4*	-861	7536
Cliffhouse SS*	1794	4881	Dakota 5*	-900	7575
Menefee**	1692	4983	Dakota 6*	-961	7636
Point Lookout SS**	1273	5402	Burro Canyon	-1047	7722
Mancos Shale	882	5793	Morrison*	-1125	7800
Gallup	159	6516	TD	-1175	7850

\* Primary Objective

\*\* Secondary Objective

\*\*\*\* Maximum anticipated BHP should be <2,500 psig ( <0.30 psi/ft) \*\*\*\*\*

## 7. COMPANY PERSONNEL:

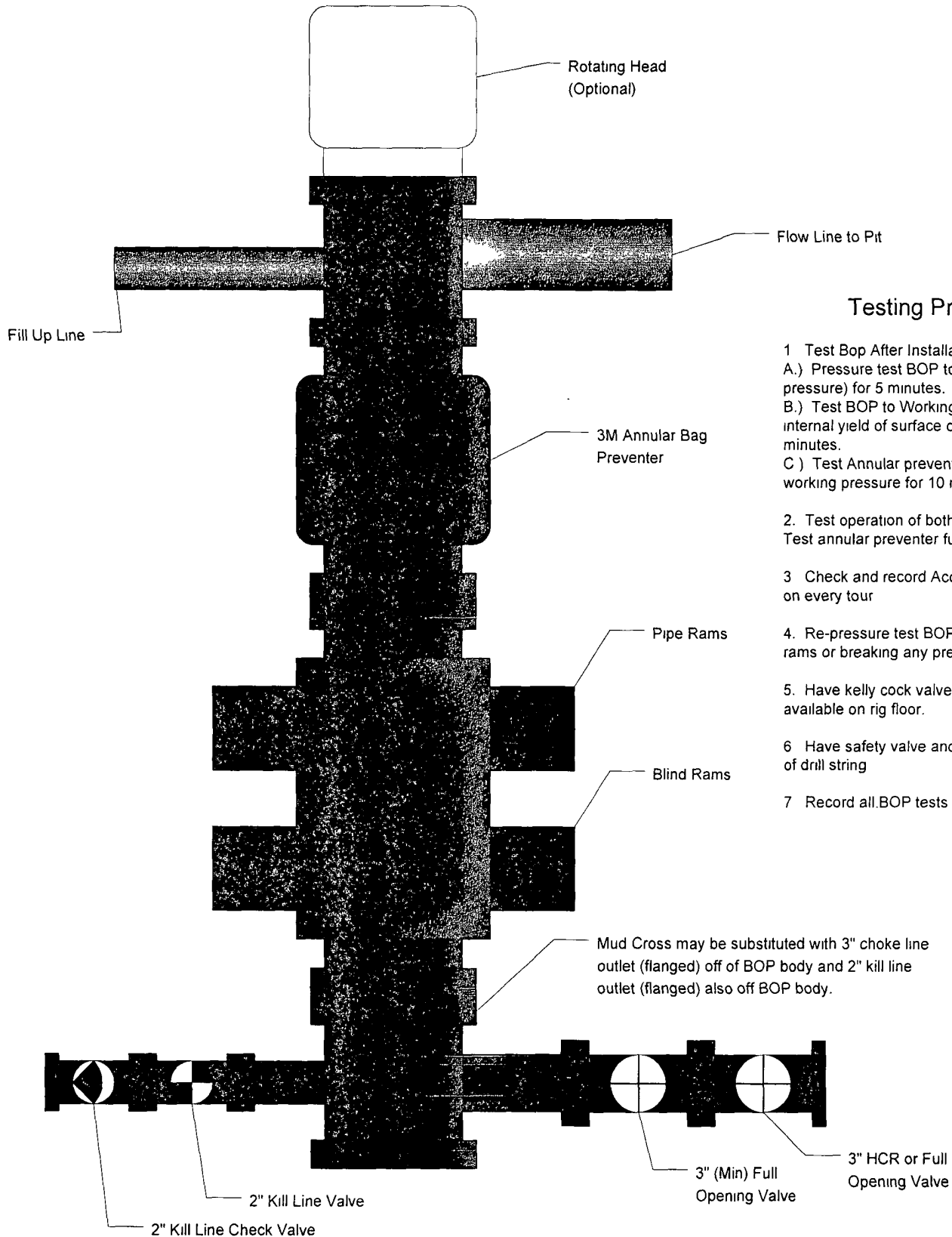
Name	Title	Office Phone	Home Phone
Justin Niederhofer	Drilling Engineer	505-333-3199	505-320-0158
Bobby Jackson	Drilling Superintendent	505-333-3224	505-486-4706
John Klutsch	Project Geologist	817-885-2800	--

JN

5/24/11

# XTO Energy

3M BOP Stack

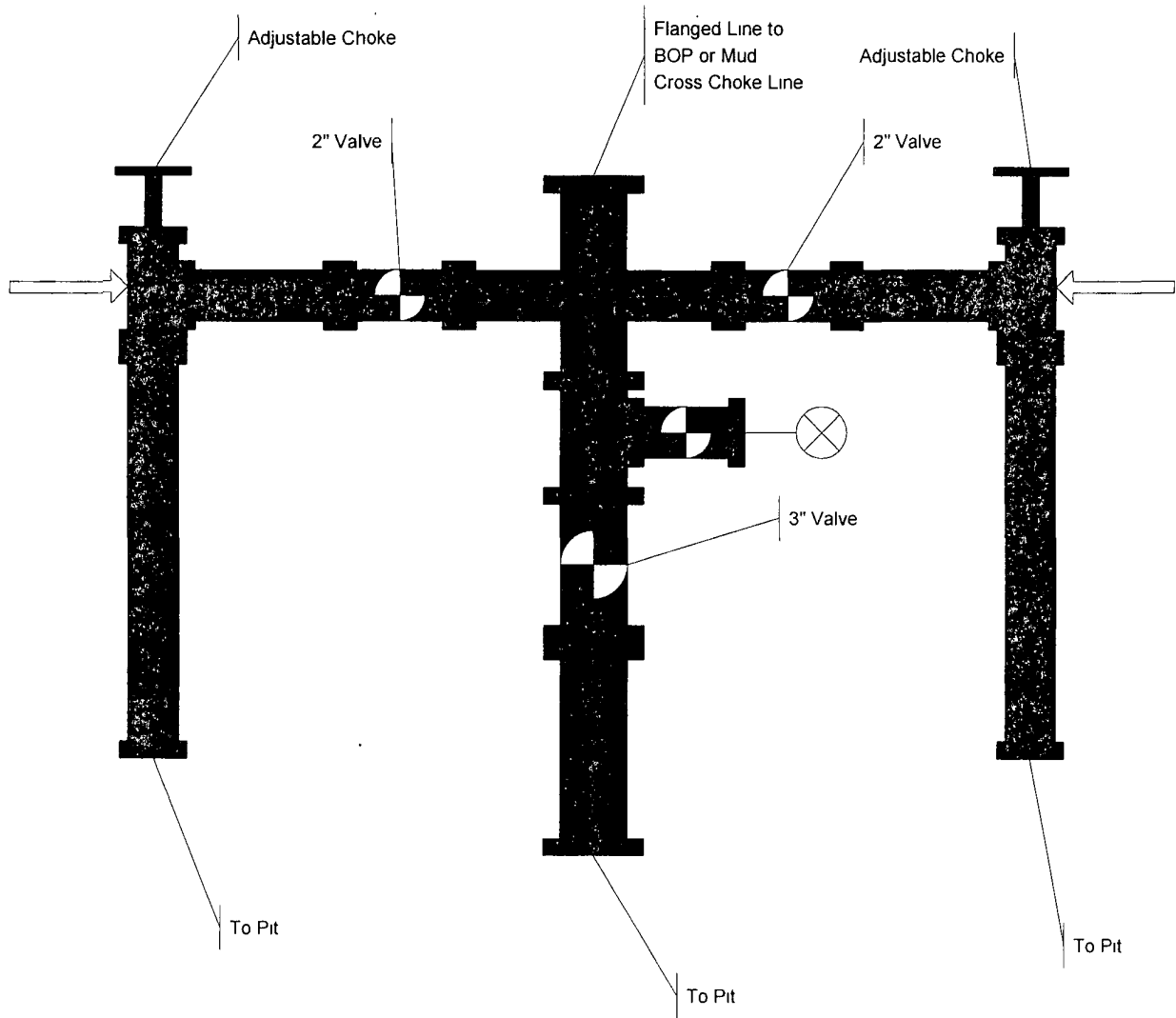


## Testing Procedure

- 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		



## ***DRILLING CONDITIONS OF APPROVAL***

**Operator:** XTO Energy Inc.  
**Lease No.:** NMNM-03554  
**Well Name:** Breech C #144F  
**Well Location:** Sec.12, T26N, R6W; 1722' FNL & 1975' FEL

To meet minimal requirements, XTO is to change the bottom 350 feet of production casing to 17 lb/ft casing. This is to meet our requirements for a collapse factor of 1.125.



After hour contact: Troy Salyers 505-360-9815