

RECEIVED

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUN 14 2011

APPLICATION FOR PERMIT TO DRILL OR REENTER

Farmington Field
Bureau of Land Management

Lease Serial No.
NMNM-03554
If Indian, Allottee or Tribe Name
N/A

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7 If Unit or CA Agreement, Name and No. N/A
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		8 Lease Name and Well No. BREECH C #248F
2. Name of Operator XTO Energy Inc.		9 API Well No. 30-039-31075
3a Address 382 CR 3100 Aztec, NM 87410	3b Phone No. (include area code) 505/ 333-3100	10 Field and Pool, or Exploratory Basin Dakota/Blanco Mesaverde/Basin Mancos
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 665' FNL x 2305' FEL At proposed prod. zone Same		11 Sec., T. R. M. or Blk and Survey or Area (B) Sec 13, T26N, R6W
14 Distance in miles and direction from nearest town or post office* Approximately 35 miles SE of Bloomfield P.O.		12 County or Parish RIO ARRIBA
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig unit line, if any) 665'		13 State NM
16 No. of acres in lease 1760		17 Spacing Unit dedicated to this well N/2 320
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 694'		20 BLM/BIA Bond No. on file UTB000138
21 Elevations (Show whether DF, KDB, RT, GL, etc) 6589' Ground Elevation		22 Approximate date work will start* 07/18/2011
23 Estimated duration 2 Weeks		SEE ATTACHED FOR

24. Attachments

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

CONDITIONS OF APPROVAL

- 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.

25 Signature Malia Villers	Name (Printed/Typed) Malia Villers	Date 6/13/11
Title Permitting Tech.		
Approved by (Signature) AFM	Name (Printed/Typed) FEO	Date 10/14/11
Title	Office	

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)

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

Ar

NMOCD

APD/ROW

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

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

State of New Mexico
Energy, Minerals & Natural Resources Department

RECEIVED

Form C-102
Revised October 12, 2005

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

OIL CONSERVATION DIVISION JUN 14 2011

1220 South St. Francis Dr.
Santa Fe, NM 87505

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

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

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87506

Armington Field Office
Bureau of Land Management

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-31075	*Pool Code 71599	*Pool Name Basin Dakota
*Property Code 304751	*Property Name BREECH C	*Well Number 248F
*OGRID No. 538D	*Operator Name XTO ENERGY	*Elevation 6589'

¹⁰ Surface Location

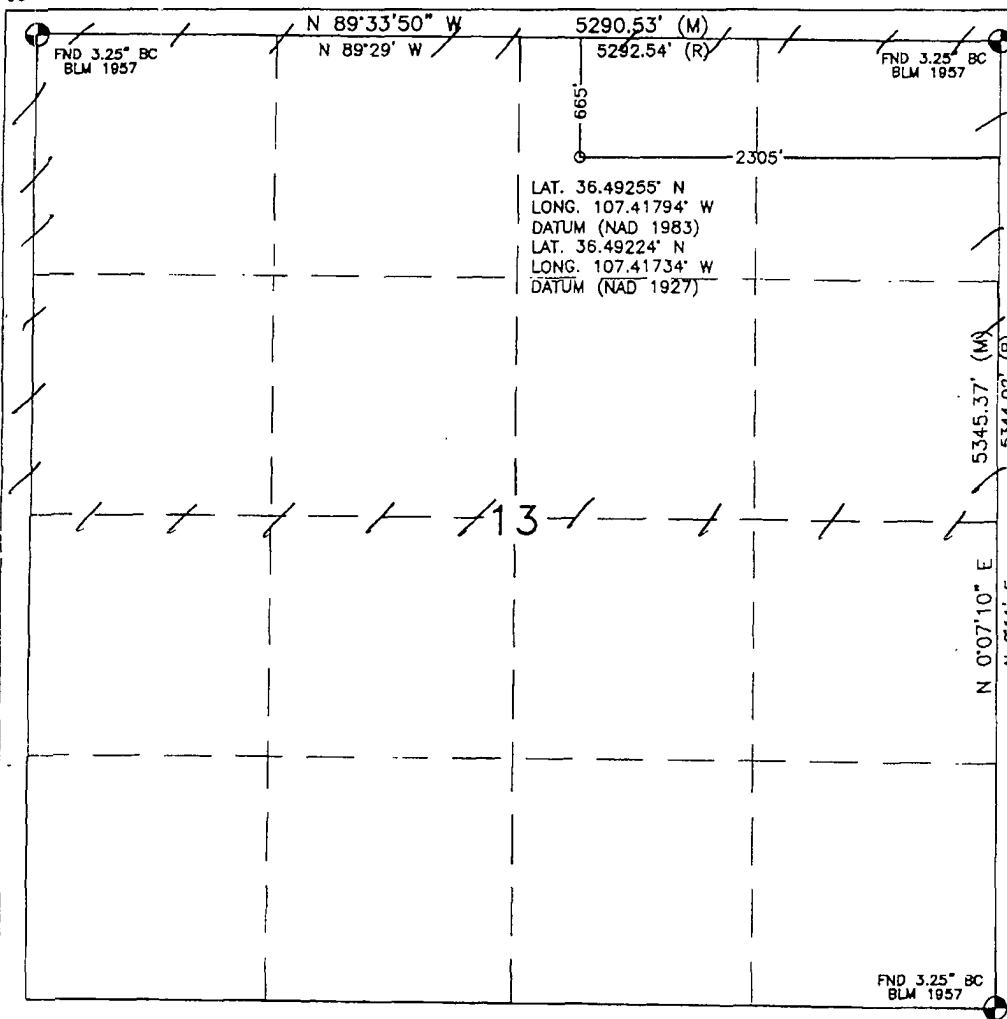
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	13	26N	6W		665'	NORTH	2305'	EAST	RIO ARRIBA

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
Dedicated Acres N 12 320			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

16



¹⁷ 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 6/13/11
Signature Date

Malia Villers
Printed Name

¹⁸ SURVEYOR CERTIFICATION

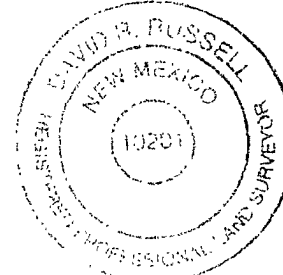
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 14, 2008

Date of Survey

Signature and Seal of Professional Surveyor:

David R. Russell



DAVID RUSSELL

Certificate Number

10201

DISTRICT I
1825 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 87506

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30039-31075	*Pool Code 72319	*Pool Name Blanco Mesaverte
*Property Code 304751	*Property Name BREECH C	*Well Number 248F
*CGRID No. 538D	*Operator Name XTO ENERGY	*Elevation 6589'

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
B	13	26N	6W		665'	NORTH	2305'	EAST	RIO ARriba

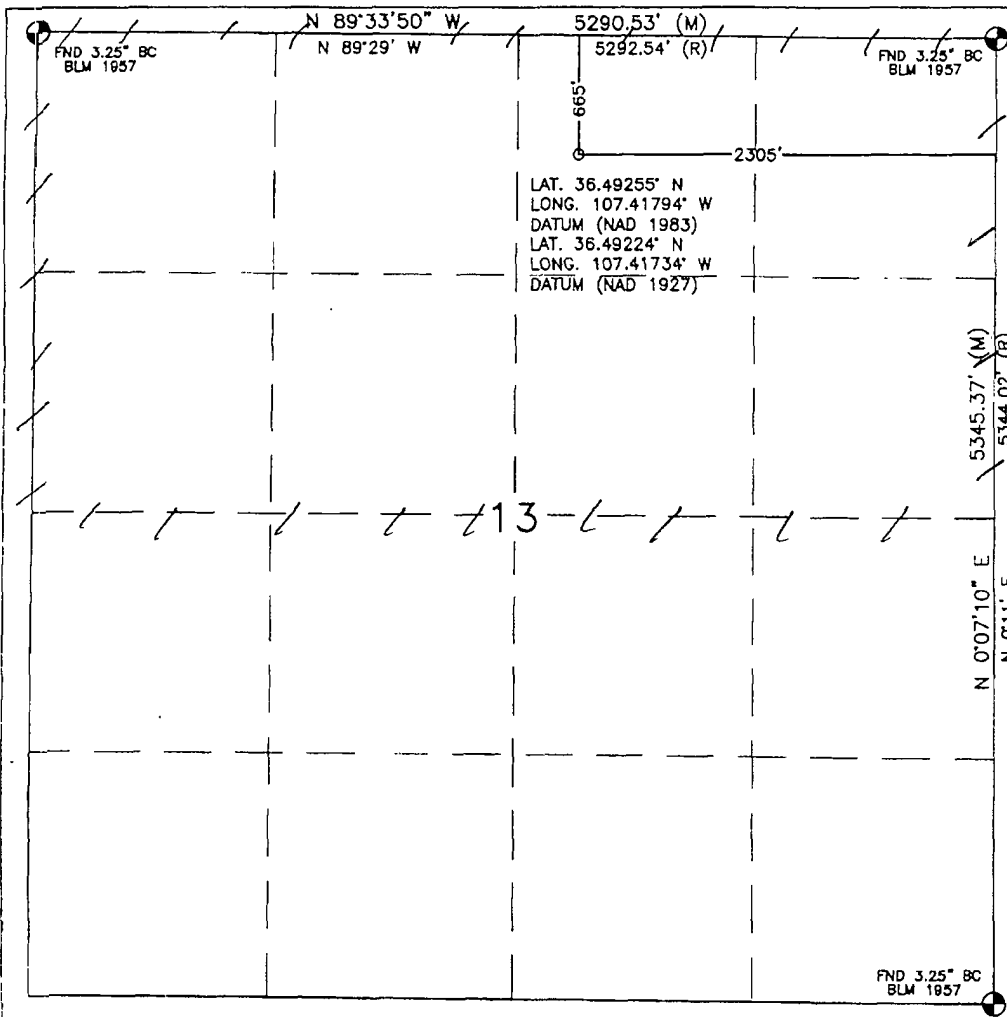
¹¹ Bottom Hole Location If Different From Surface

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 N/2 320	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

16



¹⁷ 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 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 or a compulsory pooling order heretofore entered by the division.

Maria Villers 6/13/11
Signature Date

Maria Villers
Printed Name

¹⁸ SURVEYOR CERTIFICATION

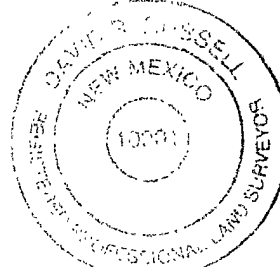
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 14, 2008

Date of Survey

Signature and Seal of Professional Surveyor:

David R. Russell



DAVID RUSSELL

Certificate Number

10201

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

☐ AMENDED REPORT

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87506

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30.039.31075	*Pool Code 97232	*Pool Name Basin Mancas
*Property Code 304751	*Property Name BREECH C	*Well Number 248F
*OGRID No. 5380	*Operator Name XTO ENERGY	*Elevation 6589'

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
B	13	26N	6W		665'	NORTH	2305'	EAST	RIO ARRIBA

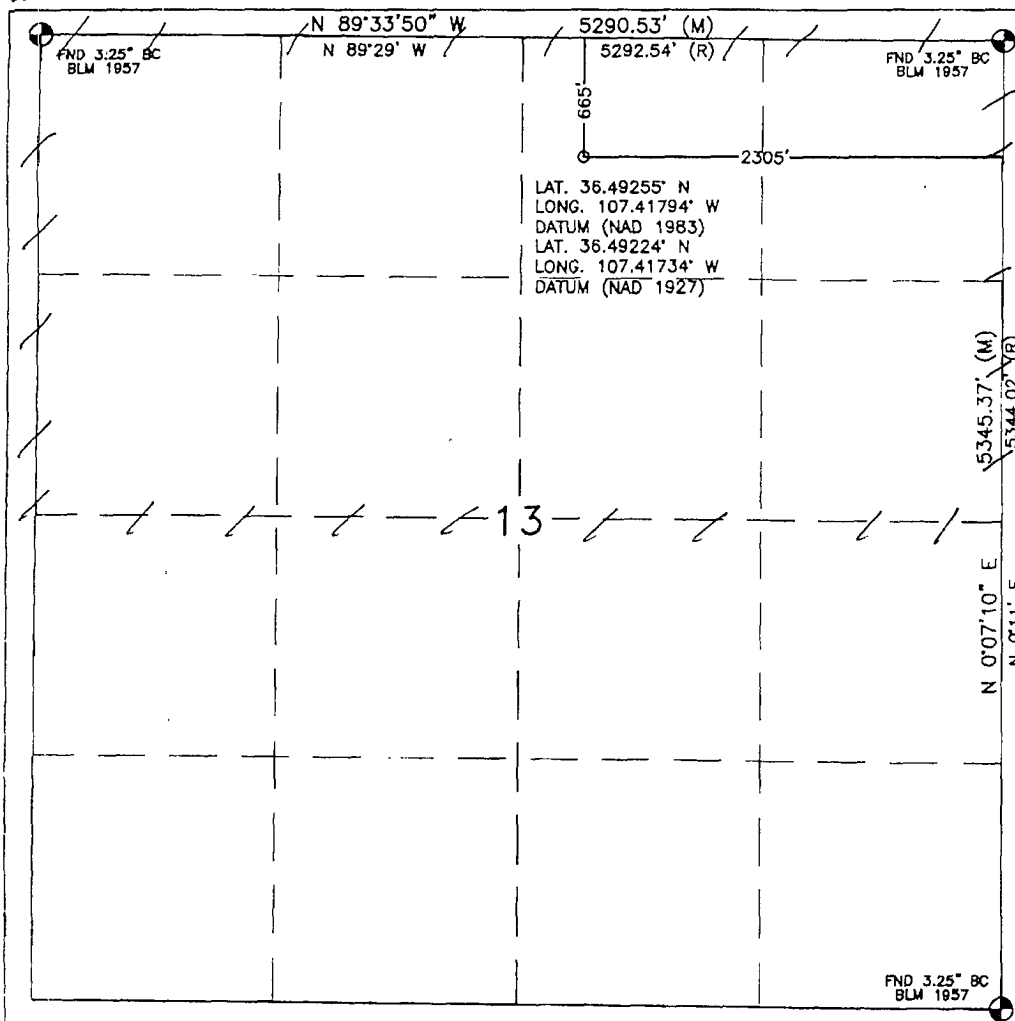
¹¹ Bottom Hole Location If Different From Surface

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 N/2 320	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

16



17 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 6/13/11
Signature Date

Malia Villers
Printed Name

18 SURVEYOR CERTIFICATION

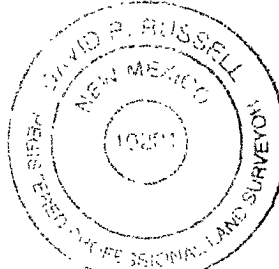
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 14, 2008

Date of Survey

Signature and Seal of Professional Surveyor:

David R. Russell



DAVID RUSSELL

Certificate Number

10201

XTO ENERGY INC.

Breach C #248F

APD Data

May 27, 2011

Location: 665' FNL x 2305' FEL Sec 13, T26N, R6W

County: Rio Arriba

State: New Mexico

GREATEST PROJECTED TD: 7750'

OBJECTIVE: Basin Dakota / Mancos / Mesaverde

APPROX GR ELEV: 6589'

Est KB ELEV: 6601' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 7750'
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 ($\pm 7750'$) 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'-7750	7750'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.09	1.30	1.68

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 ft³/sk, & 6.70 gal wtr/sk.

Total slurry volume is 297 ft³, 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 $\pm 7750'$ in 7.875" hole. DV Tools set @ $\pm 6350'$ and @ $\pm 3260'$.

1st Stage

LEAD:

± 70 sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft³/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.

2nd Stage

LEAD:

± 241 sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 ft³/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.

3rd Stage:

LEAD:

± 262 sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 ft³/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 1862 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 (7750') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (7750') to 3,000'.

6. FORMATION TOPS:

Est. KB Elevation: 6601'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Nacimiento	5190	1411			
Ojo Alamo SS	4123	2478	Tocito	-207	6808
Kirtland Shale	3978	2623	Greenhorn	-622	7223
Fruitland Formation	3885	2716	Graneros	-685	7286
Lower Fruitland Coal	3545	3056	Dakota 1*	-710	7311
Pictured Cliffs SS	3525	3076	Dakota 2*	-759	7360
Lewis Shale	3392	3209	Dakota 3*	-800	7401
Chacra SS	2627	3974	Dakota 4*	-836	7437
Cliffhouse SS*	1844	4757	Dakota 5*	-874	7475
Menefee**	1747	4854	Dakota 6*	-924	7525
Point Lookout SS**	1296	5305	Burro Canyon	-984	7585
Mancos Shale	908	5693	Morrison*	-1096	7697
Gallup	199	3402	TD	-1149	7750

* Primary Objective

** Secondary Objective

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

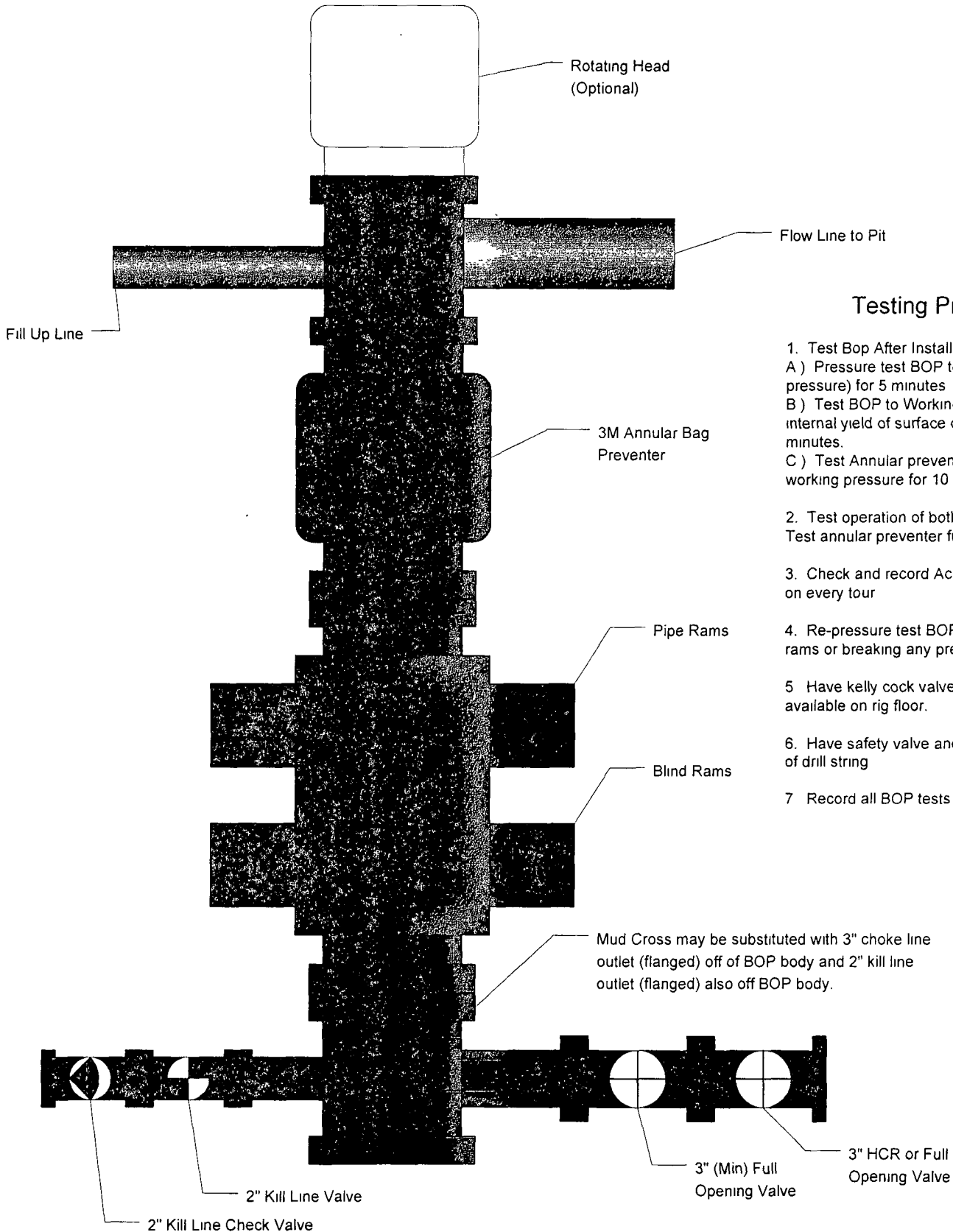
7. COMPANY PERSONNEL:

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
5/27/11

XTO Energy

3M BOP Stack

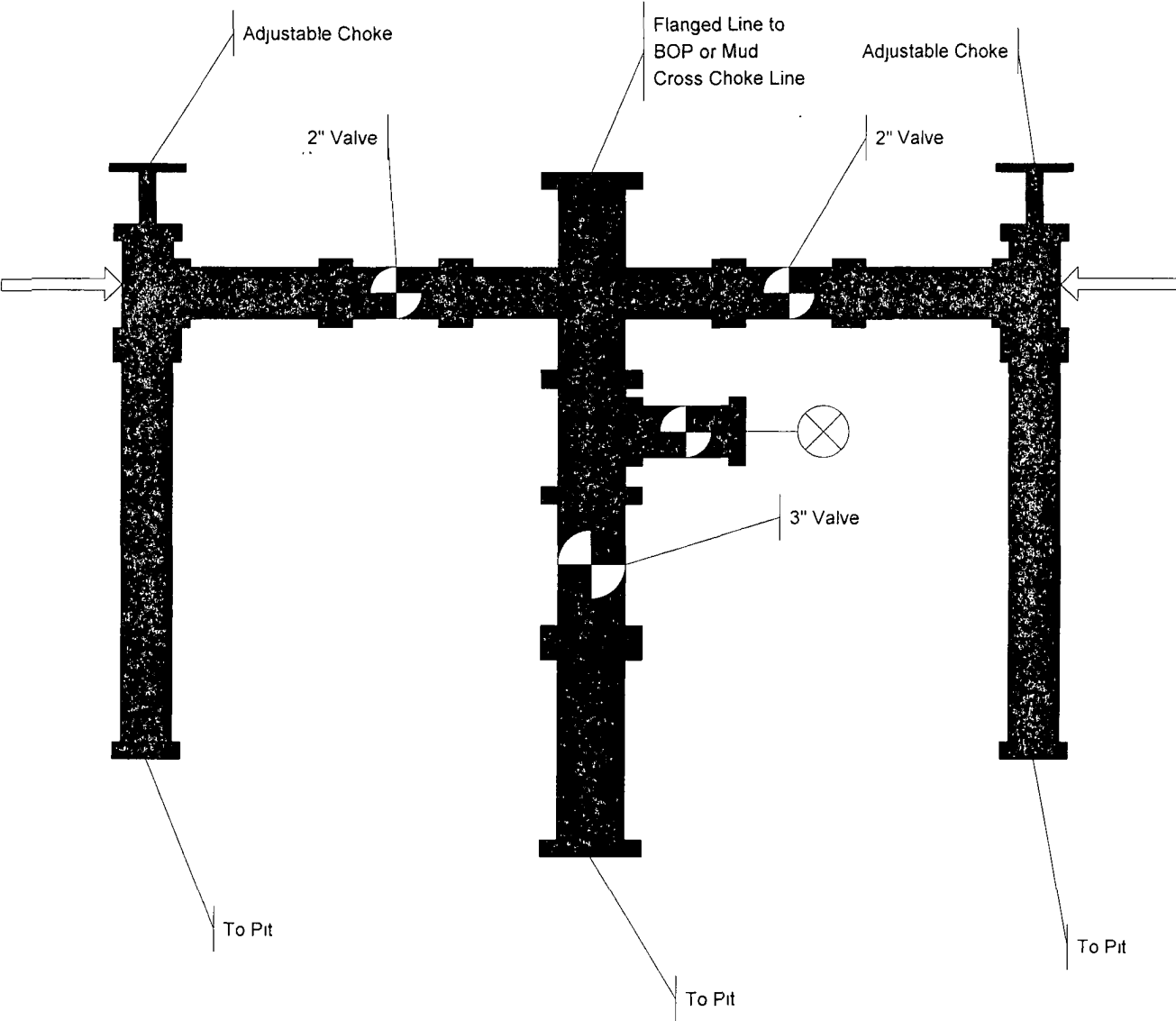


Testing Procedure

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 #248F
Well Location: Sec.13, T26N, R6W; 665' FNL & 2305' FEL

To meet minimal requirements, XTO is to change the bottom 250 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