

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0137  
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

XTO ENERGY INC.

3a. Address

382 CR 3100 AZTEC, NM 87410

3b. Phone No. (include area code)

505-333-3176

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL & 660' FEL SESE SEC. 5 (P) - T26N-R6W N.M.P.M.

5. Lease Serial No.

NMM-03551

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

BREECH E #104

9. API Well No.

30-039-06644

10. Field and Pool, or Exploratory Area

BLANCO MESAVERDE

11. County or Parish, State

SAN JUAN NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other DRILL CMT

PLUGS & DRILL

AHEAD VERBAL APPR

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

XTO Energy Inc. received verbal approval on 8/19/2010 and 8/23/2010 from Wayne Townsend w/BLM and Charlie Perrin w/OCD to drill out cement plugs and drill ahead in the Dakota formation of this well per the attached verbal worksheet.

Please also see the attaced conversation record.

RCVD AUG 30 '10

OIL CONS. DIV.

DIST. 3

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

TEENA M. WHITING

Title REGULATORY COMPLIANCE TECHNICIAN

Signature

*Teena M. Whiting*

Date 8/25/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date AUG 27 2010

Office

Conditions of approval, if any, are attached. Approval of this notice 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.

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes 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.

## CONVERSATION RECORD

TIME

1:45 PM

DATE

8-9-10

TYPE

☒ VISIT☐ CONFERENCE☒ TELEPHONE☐ INCOMING☐ OUTGOING

ROUTING

NAME/SYMBOL

INT

Location of Visit/Conference:

NAME OF PERSON(S) CONTACTED OR IN CONTACT WITH YOU

Mat Gurdorf &amp; Dusty M.

ORGANIZATION (Office, dept., bureau, etc.)

XTO

TELEPHONE NO.

SUBJECT

Breach E #104

NM 03551

SUMMARY

Sec 5 - 26N-6W

30 039 06677

1st- option

PC top @ 2889' - Peak @ 2939' establish  
circulation - circulate cnt. to  
surface - Filler cnt. w/ Neat  
fill in.

8/19/10 -

2:45 PM

Wte

Move stage pool on 4 1/2" Long string  
from ± 7600' to ± 6100'

CBL - TOC @ 2540' - peaked @ 2936'  
had circulation thru out most of the cnt.  
Job. Lost circulation toward the end of the  
cnt. job

ACTION REQUIRED

NAME OF PERSON DOCUMENTING CONVERSATION

SIGNATURE

DATE

Wayne Townsend

Wayne Townsend

8-9-10

ACTION TAKEN

SIGNATURE

TITLE

DATE

**XTO  
Verbal Approval Form**

Well Name	Well #	API #	County/State	XTO Employee Requesting Verbal Approval
Breech E	#104	30-039-06644	RIO ARRIBA	Matthew Gusdorf
<b>Detailed Description of Proposed Action Requiring Verbal Approval</b>				
BLM COA for Deepening Breech E #104 to Dakota indicates that XTO isolate all useable water zones and potentially productive zones behind the 7" production casing prior to deepening the wellbore to the Dakota.				
<b>8/10/2010</b>				
XTO(Matthew Gusdorf, Dusty Mecham) met with Wayne Townsend at 1:45 pm 8/10/10 to discuss plan and received approval to isolate the Pictured Cliffs, Fruitland Coal, Kirtland, Ojo Alamo and Nacimiento tops as follows:				
Perforate 2939' establish circulation , circulate cement to surface using filler cement with a neat tail cement.				
XTO (Matthew Gusdorf & Dusty Mecham) met with Charlie Perrin & Kelly Roberts, NMOCD at 3 pm 8/10/2010 to discuss cementing operations to isolate the Formation tops as dicussed above				
<b>8/19/2010</b>				
XTO (Matthew Gusdorf & Dusty Mecham) met with Wayne Townsend, BLM and Charlie Parrin NMOCD to review results from remedial cement job, perf 2939', cement w/580 sx 50/50 poz, & 50 sx neat cmt. CBL run on 8/19/10 shows top of cement at 540' Received approval to drill out cement plugs and PT from both BLM and NMOCD. Also discussed moving DV tool fr/ 4600' to 6100' on 4-1/2" casing string.				
<b>8/23/2010</b>				
XTO (Matthew Gusdorf & Dusty Mecham) discussed results of PT. PT fr/6740' - surf to 550 psig Pressure dropd fr/ 550 psig to 530 psig. Received verbal approval fr/ Wayne Townsend, BLM and Charlie Parrin NMOCD to drill drill ahead				
<b>Date/Time of Verbal Approval</b>				
<b>Name of Agency</b>	<b>Verbal Approval Given By</b>	<b>Date/Time of Verbal Approval</b>	<b>COA's</b>	
BLM	Wayne Townsend	8/10/2010		
NMOCD	Charlie Perrin	8/10/2010		
BLM	Wayne Townsend	8/19/2010		
NMOCD	Charlie Perrin	8/19/2010		
BLM	Wayne Townsend	8/23/2010		
NMOCD	Charlie Perrin	8/23/2010	Send plot to NMOCD to review PT plot.	
<b>Is Pit Permit C-144-CLEZ Required? (NM only)</b>				
yes	<b>Verbal Pit Approval Given By</b>	<b>Date/Time of Pit Verbal Approval</b>	<b>COA's</b>	
			Approved previously for deepening operation	