

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

MAY 23 2009

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF 079035A	
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. Unit or CA Agreement Name and No. N/A	
3a. Address 382 CR 3100 AZTEC, NM 87410		8. Lease Name and Well No. Breech A #136G	
3b. Phone No. (include area code) 505-333-3100		9. API Well No. 30-039-30705	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 2055' FNL x 1965' FEL At proposed prod. zone SAME		10. Field and Pool, or Exploratory Basin DK, Blanco MV, S Blanco TO	
14. Distance in miles and direction from nearest town or post office* Approximately 32.6 Miles SouthEast of Bloomfield, NM Post Office		11. Sec., T., R., M., or Blk. and Survey or Area (G) Sec 10, T26N, R6W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1965'	16. No. of Acres in lease 2400	17. Spacing Unit dedicated to this well DK/MV: E/2 320, TO:E/2 80 NE/4	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1053'	19. Proposed Depth 7750'	20. BLM/BIA Bond No. on file UTB000138	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) Ground Elevation 6593'	22. Approximate date work will start* 04/15/2009	23. Estimated duration 2 Weeks	

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 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, must 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 must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM |

RCVD MAY 27 '11

OIL CONS. DIV.

DIST. 3

25. Signature <i>Jennifer M. Hembry</i>	Name (Printed/Typed) JENNIFER M. HEMBRY	Date 03/03/2009
SEE ATTACHED FOR CONDITIONS OF APPROVAL		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 5/23/11
Title REGULATORY CLERK	Office FEO	

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.

(Continued on page 2)

*(Instructions on page 2)

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

JUN 10 2011

AV

NMOCD

APD/ROW

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

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MAR 24 2009

Form C-102

Revised October 12, 2005

Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

Bureau of Land Management
Farmington Field Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-30705	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 304749	⁵ Property Name BREECH A	⁶ Well Number 136G
⁷ GRID No. 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6593'

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
G	10	26--N	6--W		2055	NORTH	1965	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 E/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

<p>16</p> <p>FD. 3 1/4" BC. 1957 B.L.M.</p> <p>S 89°58'58" W 2631.94' (M)</p> <p>2055'</p> <p>10</p> <p>1965'</p> <p>FD. 3 1/4" BC. 1957 B.L.M.</p> <p>5 00°44'25" W 2677.63' (M)</p> <p>SURFACE: LAT: 36.50357° N. (NAD 83) LONG: 107.45265° W. (NAD 83) LAT: 36°30'12.87" N. (NAD 27) LONG: 107°27'09.54" W. (NAD 27)</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><i>J. Hembry</i> 3/2/09 Signature Date Jennifer M. Hembry 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 and belief.</p> <p>SEPTEMBER 22, 2008 Date of Survey Signature and Seal of Registered Surveyor: <i>ROY A. RUSH</i> NEW MEXICO 8894 REGISTERED PROFESSIONAL LAND SURVEYOR 10 8-08 Certificate Number</p>	

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-30705	² Pool Code 72319	³ Pool Name Blanco Mesa Verde
⁴ Property Code 304749	⁵ Property Name BREECH A	⁶ Well Number 136G
⁷ GRID No. 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6593'

¹⁰ Surface Location

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G	10	26-N	6-W		2055	NORTH	1965	EAST	RIO ARRIBA

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¹² Dedicated Acres E/2-320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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¹ API Number 30-039-30705	² Pool Code 06460	³ Pool Name South Blanco Tocito
⁴ Property Code 304749	⁵ Property Name BREECH A	⁶ Well Number 136G
⁷ OGRID No. 5380	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6593'

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
G	10	26-N	6-W		2055	NORTH	1965	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 W/2-NE/4-80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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XTO ENERGY INC.

Breach A #136G

APD Data

February 25, 2009

Location: 2055' FNL x 1965' FEL Sec 10, T26N, R6W County: Rio Arriba State: New Mexico

GREATEST PROJECTED TD: 7750'

OBJECTIVE: Basin Dakota / Tocito / Mesaverde

APPROX GR ELEV: 6593'

Est KB ELEV: 6605' (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'.

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 @ $\pm 6300'$ and @ $\pm 3200'$.

1st Stage

LEAD:

± 99 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:

± 242 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:

± 244 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 1863 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 +/- 2500'.

6. FORMATION TOPS:

Est. KB Elevation: 6593'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	4262	2343	Gallup	245	6360
Kirtland Shale	4065	2540	Greenhorn	-567	7172
Farmington SS			Graneros	-625	7230
Fruitland Formation	3951	2654	Dakota 1*	-653	7258
Lower Fruitland Coal	3589	3016	Dakota 2*	-708	7313
Pictured Cliffs SS	3568	3037	Dakota 3*	-754	7359
Lewis Shale	3441	3164	Dakota 4*	-792	7397
Chacra SS	2666	3939	Dakota 5*	-827	7432
Cliffhouse SS*	1869	4736	Dakota 6*	-867	7472
Menefee**	1831	4774	Burro Canyon	-920	7525
Point Lookout SS**	1332	5273	Morrison*	-964	7569
Mancos Shale	983	5622	TD	-1145	7750

* Primary Objective

** Secondary Objective

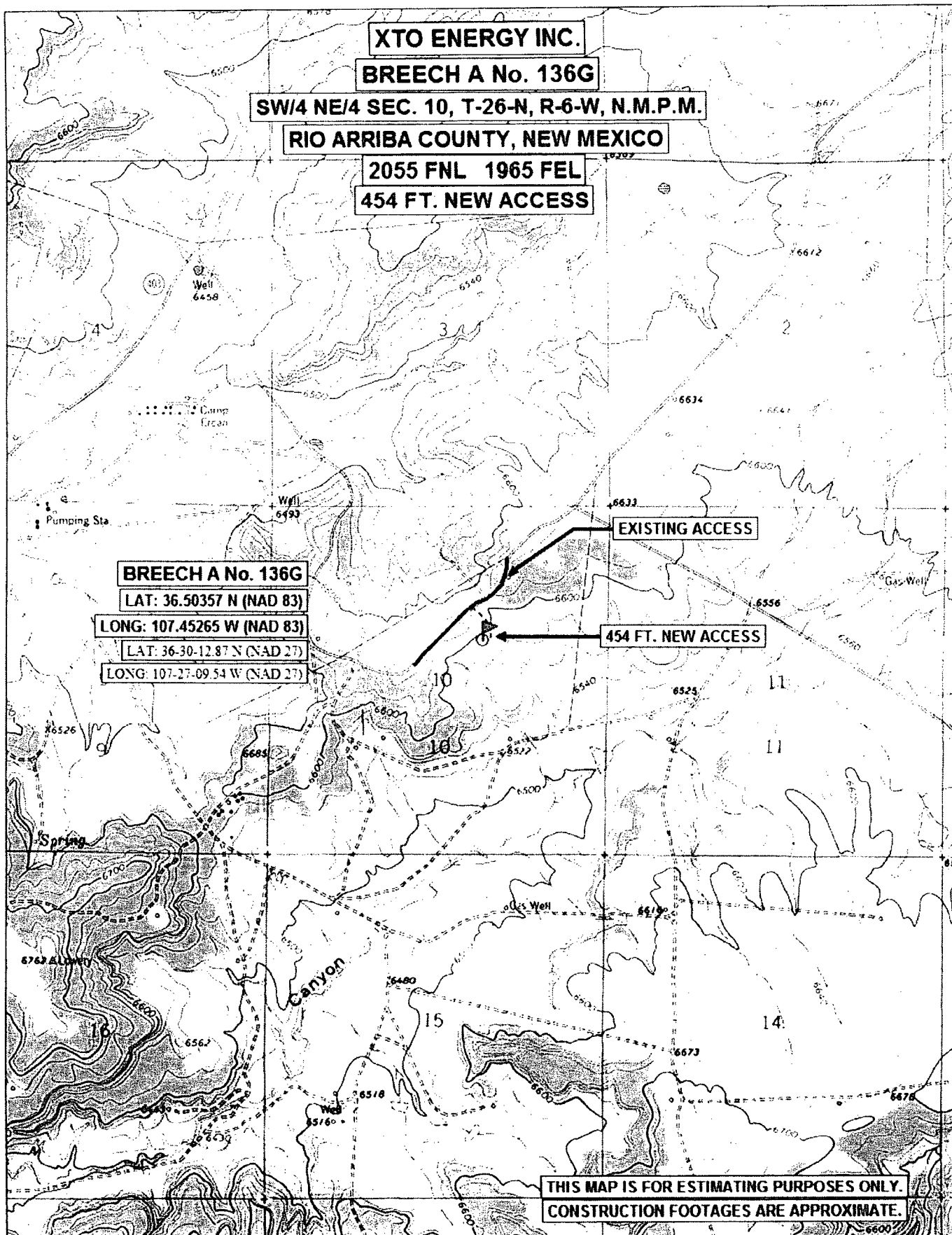
**** Maximum anticipated BHP should be <2,500 psig (<0.30 psi/ft) *****

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

2/25/09



0 1000 FEET 0 500 1000 METERS

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EXHIBIT A

DRILLING CONDITIONS OF APPROVAL

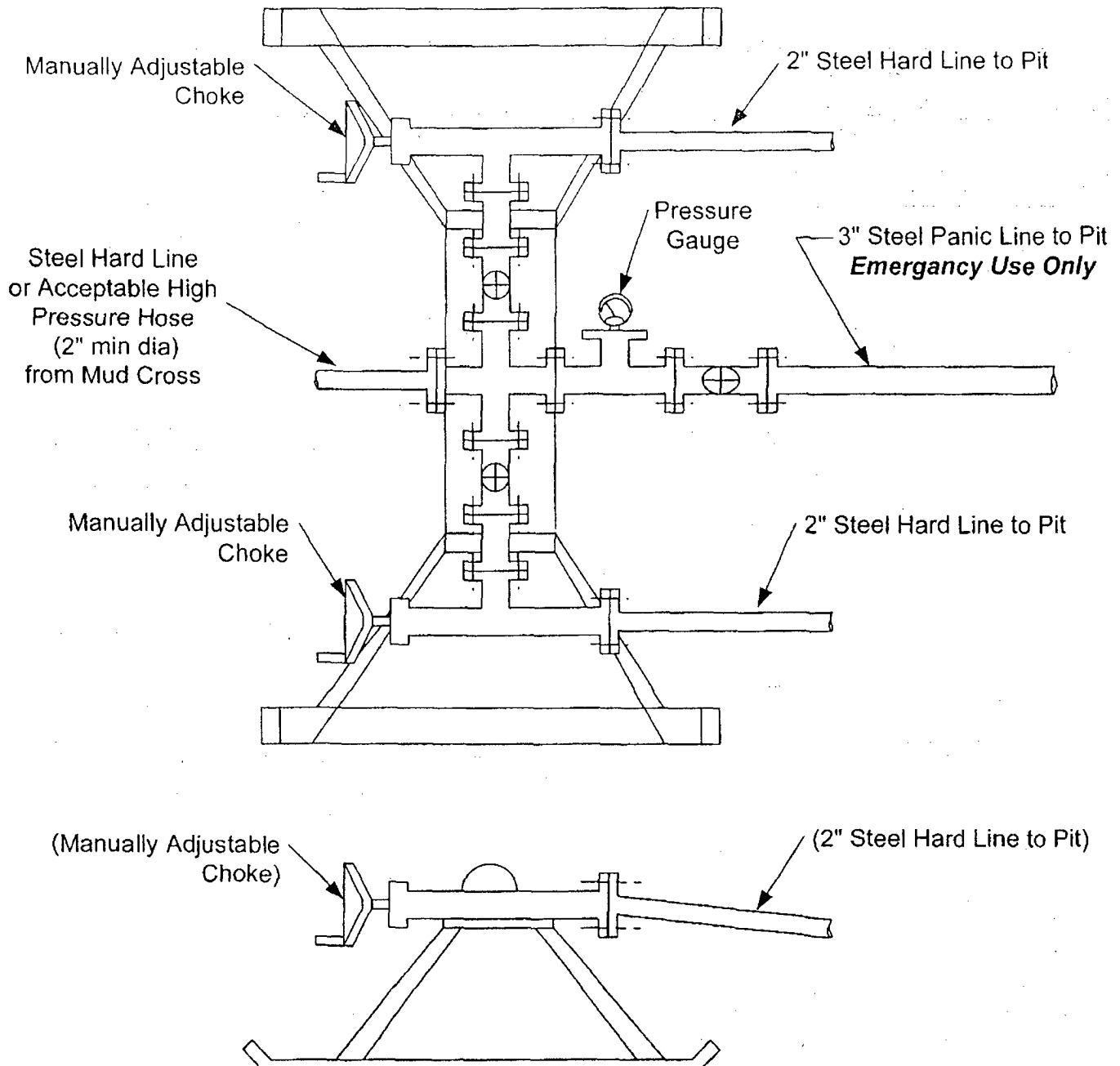
Operator: XTO Energy
Lease No.: NMSF-079035-A
Well Name: Breech A #136G
Well Location: Sec.10, T26N, R6W; 2055' FNL & 1965' FEL

- 1) As a requirement, approximately 750ft of 5.5" 17lb/ft J-55 casing must be integrated in the production casing design to meet the minimum collapse design factor of 1.125.

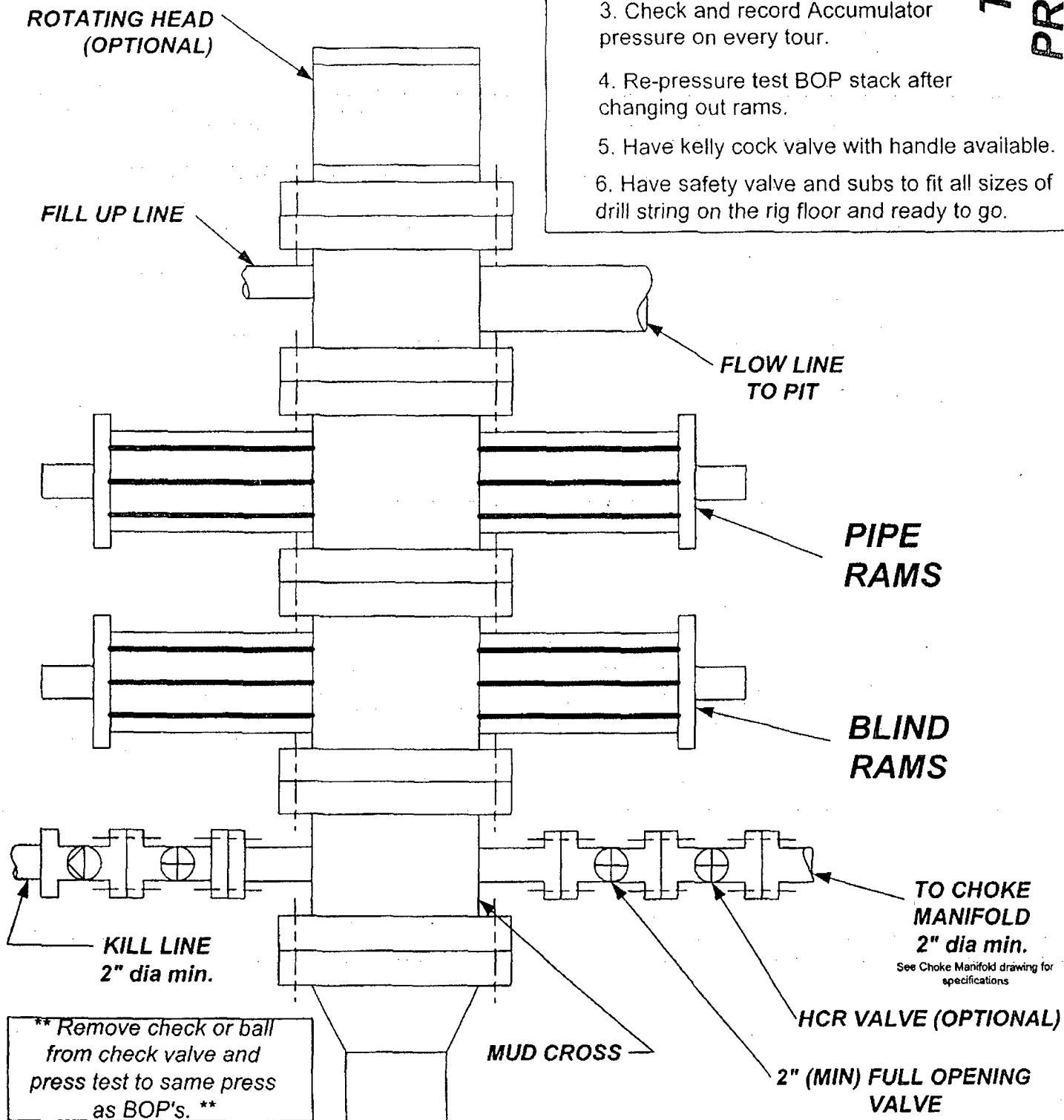
CHOKE MANIFOLD SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

1. Stake all lines from choke manifold to pit.
2. Pressure test choke manifold after installation.
3. Pressure test manifold at the same time with the BOP Stack. Test manifold to the same test pressures.

TESTING PROCEDURE



BOP SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE



1. Test BOP after installation:

Pressure test BOP to 200-300 psig (low pressure) for 10 min.

Test BOP to Working Press or to 70% internal yield of surf csg (10 min) or which ever is less.

2. Test operation of (both) rams on every trip.

3. Check and record Accumulator pressure on every tour.

4. Re-pressure test BOP stack after changing out rams.

5. Have kelly cock valve with handle available.

6. Have safety valve and subs to fit all sizes of drill string on the rig floor and ready to go.

TESTING PROCEDURE