AT5-11-96

R-111-POTASH

OCD-ARTESIA

Form 3160-3
(April 2004)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5 Lease Serial No.
NM-0556859,NM-0556860,NM0554223 BHL

6 If Indian, Allotee or Tribe Name

1a Type of work: ☑ DRILL ✓ ☐ REENTER

7 If Unit or CA Agreement, Name and No

1b. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8 Lease Name and Well No
Nash Unit 57H 303152

2 Name of Operator
XTO Energy Inc 5380

9 API Well No
30-015-39303

3a Address **200 N. Loraine, Ste. 800**
Midland, Texas 79701

3b Phone No. *(include area code)*
432-620-6749

10. Field and Pool, or Exploratory
Nash Draw, ~~Brushy Canyon~~ DRL-BS (AVSD)

4. Location of Well *(Report location clearly and in accordance with any State requirements *)*
At surface **1700' FSL & 350' FEL, Sec. 14, T23S, R29-E, UL:I**
At proposed prod zone **1980' FSL & 340' FWL, Sec. 14, T23-S, R29-E, UL:L**

11 Sec., T. R. M or Blk. and Survey or Area 47545
Sec 14, T23-S, R29-E, UL:I

14 Distance in miles and direction from nearest town or post office*
Approx 25 miles East Southeast of Carlsbad, NM

12. County or Parish
Eddy Co.

13. State
NM

15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg. unit line, if any)
340' (BHL)

16 No of acres in lease
5123 Unit

17 Spacing Unit dedicated to this well
160

18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft

19 Proposed Depth
TVD: 6799' TMD: 11052'

20 BLM/BIA Bond No on file
UTB000138

21 Elevations (Show whether DF, KDB, RT, GL, etc.)
2990'

22 Approximate date work will start*
06/12/2011

23 Estimated duration
35 Days

RECEIVED
MAY 17 2011
NMOCD ARTESIA

24. Attachments

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

25 Signature Chip Amrock
Name *(Printed/Typed)* **Chip Amrock**
Date 12/9/2010

Title
Sr. Drilling Engineer

Approved by *(Signature)* /S/ ROSEMARY HERRELL
Name *(Printed/Typed)* /S/ ROSEMARY HERRELL
Date MAY 05 2011

Title ACTING FOR **STATE DIRECTOR**
Office **NM STATE 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. **APPROVAL FOR TWO YEARS**

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)

CARLSBAD CONTROLLED WATER BASIN

Kz 05/11/11

SEE ATTACHED FOR CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

DRILLING PLAN: BLM COMPLIANCE
(Supplement to BLM 3160-3)

XTO Energy Inc.
Nash Well #57H
Projected TD: 11052 MD / TVD: 6790'
SHL: 1700' FSL & 350' FEL , SECTION 14, T23S, R29E (I)
BHL: 1980' FSL & 340' FWL, SECTION 14, T23S, R29E (L)
Eddy County, NM
Lease #: SHL: NM-0556859, NM-0556860, BHL: NM-0554223

1. GEOLOGIC NAME OF SURFACE FORMATION:

A. Salido

2. ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:

Formation	Subsea Depth	Well Depth	Water / Oil / Gas
Rustler		282'	Water
Base of Castille		3111'	Water
Bell Canyon		3156'	Water/Oil/Gas
Cherry Canyon		4022'	Water/Oil/Gas
Top Brushy Canyon		5538'	Water/Oil/Gas
Base Brushy Canyon		6564'	Water/Oil/Gas
Brushy Canyon E5 Zone		6766'	Water/Oil/Gas
Target/Land Curve		6790'	Water/Oil/Gas
TD/MD		11052'	Water/Oil/Gas

*** Hydrocarbons @ Brushy Canyon

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13-3/8" casing @ 285' and circulating cement back to surface. Potash/fresh water sands will be protected by setting 9-5/8" casing at 3250' and circulating cement to surface. The Brushy Canyon intervals will be isolated by setting 7" casing to the end of the directional curve at 7400' +/- and cementing back to surface. A 6-1/8" lateral hole will be drilled to MD/TD and 4-1/2" casing with Halliburton swell packers will be run for completion.

3. CASING PROGRAM:

Hole Size	Depth	OD Csg	Weight	Collar	Grade	New/Used	SF Burst	SF Collapse	SF Tension
17-1/2"	0' – 285' 225	13-3/8"	48#	STC	H-40	New	2.24	.96	4.56
12-1/4"	0' – 3250' 3100	9-5/8"	36#	LTC	J-55	New	2.12	1.38	3.35
8-3/4"	0' – 7400'	7"	26#	LTC	HCP-110	New	2.6	1.6	2.87
6-1/8"	7250 – 11052'	4-1/2"	11.6#	LTC	P-110	New	2.77	1.96	4.73

WELLHEAD:

A. Starting head: 13-5/8" 3000 psi top flange x 13-3/8" SOW bottom (to be removed upon setting intermediate casing)
B. Lower casing head: 11" 3000 psi top flange x 9-5/8" SOW bottom
C. Casing hanger 11" bowl x 7" casing
D. 'B' Section / Tubing spool: 11" 3000 psi bottom flange x 7-1/16" 5000 psi top flange

4. CEMENT PROGRAM: (Note yields and DV tool depts. If multiple stages)

See COA

A. **Surface Casing:** 13-3/8", 48#, NEW H-40, STC casing to be set at ± ~~285~~'.

500 sx HalCem-C + 2% CaCl (14.80 ppg, 1.35 cu ft/sx, 6.39gal/sx wtr)
Compr Strengths: 12 hr -900 psi 24 hr – 1500 psi
***All volumes 100% excess. Cement to surface.

In the event that loss circulation is encountered while drilling the surface hole (i.e. Nash #39H, #40H, #41H), an alternate cementing procedure will be to pump 150 sx Thixotropic + 10 pps CalSeal + 10 pps Gilsonite + 2% CaCl (14 ppg, 1.7 cu ft/sx) Compr Strengths 24 hr – 651 psi 48 hr – 847 psi followed by 200 sx HalCem C + 2% CaCl (properties above) Run temp survey to locate top of cement, top out with 1" to surface with the required amount of "Thixotropic" cement. These events and procedures to be coordinated and communicated with the designated BLM representative.

B. **1st Interm. Casing:** 9-5/8",36#, NEW J-55, LTC casing to be set at ± ~~3250~~'.

Stage 1:

Lead: 20 bbls FW, then 900 sx EconoCem-HLC + 5% salt (mixed at 12.8 ppg, 1.92 ft^3/sk, 10.44 gal/sx wtr) Compr Strengths 12 hr – 319 psi 24 hr – 653 psi

Tail: 250 sx HalCem-C + 1% CaCl (mixed at 14.8 ppg, 1.34 ft^3/sk, 6.36 gal/sx wtr)
Compr Strengths: 12 hr – 900 psi 24 hr – 1500 psi
***All volumes 100% excess. Cement to surface.

C. **2nd Interm. Casing:** 7", 26#, NEW HCP-110, LTC casing to be set at ± 7400' w/DVT @ 5500'

Stage 1:

Lead: 650 sx CorossaCem-H + 0.5% LAP-1 + 0.1% HR-800 + 5 lb/sx Gilsonite (14.4ppg, 1.23 cuft/sx, 5.18 gal/sx wtr). Compr Strengths: 24 hr – 681 psi 48 hr – 1561 psi.

Tail (Csg Shoe Cmt): 150 sx HalCem-H + .5% LAP-1 + .25% CFR-3 + 5 pps Gilsonite + .25 lb/sx D-air 3000 (15.8 ppg, 1.17 cuft/sx, 4.58 gal/sx
Compr Strengths - 24 hr – 2203 psi 48 hr – 2788 psi *** Cement to 5500'.

Stage 2: (thru DV Tool @ 5500' up to base of water flow area around 4000')
Lead: 100 sx EconoCem HLC + 5% Salt (mixed at 12.8 ppg, 1.92 cuft/sx, 10.44 gal/sx wtr)
Compr Strengths: 12 hr – 444 psi 24 hr – 755 psi

Tail: 150 sx HalCem C (mixed at 14.8 ppg, 1.33 cuft/sx, 6.34 gal/sx wtr)
Compr Strengths: 12 hr – 1404 psi 24 hr – 1909 psi

Cement to be pumped down the 7" x 9-5/8" annulus to eliminate and isolate the water flow area – cement to fill from 4000' to surface.

Lead: 500 sx EconoCem HLC + 5% Salt (mixed at 12.8 ppg, 1.92 cuft/sx, 10.44 gal/sx wtr)
Compr Strengths: 12 hr – 444 psi 24 hr – 755 psi

Tail: 50 sx HalCem C (mixed at 14.8 ppg, 1.33 cuft/sx, 6.34 gal/sx wtr)
Compr Strengths: 12 hr – 1404 psi 24 hr – 1909 psi *** Cement to Surface.

5. PRESSURE CONTROL EQUIPMENT:

The blow out preventer equipment (BOP) for this well consists of two groups of mechanical pressure equipment – 1) a 13-5/8" 3M Hydril and 2) an 11" 5M double ram BOP with Hydril and manifold.

The 13-5/8" 3M Hydril wil be rigged up on the 13-3/8" surface casing and utilized while drilling the 12-1/4" hole to 3250'. This Hydril will be tested to 1500 psi . Once the 9-5/8" casing is cemented, the 13-5/8" 3M Hydril will be removed and a 11" 3M x 9-5/8" bradenhead flange will be installed. The 11" 5M BOP & equipment will then be nippled up and tested. With the 11" 3M bradenhead flange being the limiting factor, the 11" 5M BOP will be tested to 3000 psi. The 3000 psi test pressure is sufficient for this well with formation pressures of 2500 psi or less. The 11" 5M BOP diagram is attached.

6. PROPOSED MUD CIRCULATION SYSTEM:

INTERVAL	Hole Size	Mud Type	MW (ppg)	Viscosity (sec/qt)	Fluid Loss (cc)
0' to 285' 225	17-1/2"	FW/Native	8.5-8.8	35-40	NC
285' to 3250' +/- 3100	12-1/4"	Brine/Gel Sweeps	9.8-10.2	30-32	NC
3250' to 7400'	8-3/4"	Cut Brine/ Poly-Sweeps	9.2-9.6	29-32	NC-30
7400' to 11052'	6-1/8"	Cut Brine/Poly-Starch	8.6-9	32-38	NC -30

The necessary mud products for weight addition and fluid loss control will be on location at all times.

Spud with fresh water/native mud. Drill out from under 13-3/8" surface casing with brine solution. Use fibrous materials as needed to control seepage and lost circulation. Pump viscous sweeps as needed for hole cleaning. Use available solids controls equipment to help keep mud weight down after mud up. Rig up Dynamic Energy Systems' solids control equipment to operate as a closed loop system.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

A. A Kelly cock will be in the drill string at all times.
B. A full opening drill pipe stabbing valve having appropriate connections will be on the rig floor at all times.
C. H2S monitors will be on location when drilling the 12-1/4" hole.

8. LOGGING, CORING AND TESTING PROGRAM: See COA

A. Mud Logger: Suttles Mud Logging Unit (2 man) on @ 6000'.
Catch 10' samples from 6000' to 11052' (TD/MD).
Send 1 set of dry samples to Midland Sample Library.

9. ABNORMAL PRESSURES AND TEMPERATURES / POTENTIAL HAZARDS:

None anticipated. Max bottom hole pressure should not exceed 2500psi. BHT of 175 F is anticipated. H2S can be present from 4600 – TD. Should these circumstances be encountered the operator and drilling contractor are prepared to take all necessary steps to ensure safety of all personnel and environment. Lost circulation could occur but is not expected to be a serious problem in this area and hole seepage will be compensated for by additions of small amounts of LCM in the drilling fluid.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

A. Road and location construction will begin after Santa Fe & BLM has approved APD. Anticipated spud date will be as soon after Santa Fe and BLM approval and as soon as rig will be available. Move in operations and drilling is expected to take 40 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.

11. SPECIAL INSTRUCTIONS:

A. Reports should be filled out on the XTO Drilling Report form, and the Casing/Cementing Detail Forms provided.

B. Deviation:
Surface Hole: Maximum of 1° and not more than 1° change per 100'.
Intermediate Hole: Maximum of 4° and not more than 1.5° change per 100'.
Production hole: Maximum of 6° and not more than 1.5° change per 100'.
Note: Maximum distance between surveys is 500'.

See COA C. WOC a minimum of ~~12~~ 24 hours before drilling out shoe joint on surface and intermediate casing strings. Use minimal WOB and RPM until drill collars are below the shoe joints.

D. Check BOP blind rams each trip and pipe rams each day. Strap out of hole for logging and/or casing jobs.

E. A trash trailer will be provided on each location. Keep trash picked up and the location as clean as possible. All drilling line, oil filters, etc. should be hauled away at the Drilling Contractor's expense. At the conclusion of drilling operations, the contents of the trash trailer will be disposed of into a commercial sanitary landfill.

F. The reserve pits should be lined with a plastic liner in order to contain the drill cuttings and drilling fluids. At the conclusion of the drilling operations, all re-usable drilling fluid should be moved to the next well in the drilling order.

XTO ENERGY

XTO
Eddy County
Nash Unit
#57H
OH

Plan: Plan #1

Pathfinder X & Y Planning Report

27 October, 2010

PATHFINDER®
A Schlumberger Company

Company:	XTO	**Local Co-ordinate Reference:**	Well #57H
Project:	Eddy County	**TVD Reference:**	WELL @ 3009 00ft (19' KB Correction)
Site:	Nash Unit	**MD Reference:**	WELL @ 3009 00ft (19' KB Correction)
Well:	#57H	**North Reference:**	Grid
Wellbore:	OH	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1	**Database:**	Midland Database

Project	Eddy County		
Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site	Nash Unit				
Site Position:		**Northing:**	474,205 800 ft	**Latitude:**	32° 18' 11 028 N
From:	Map	**Easting:**	624,676 800 ft	**Longitude:**	103° 55' 47 322 W
Position Uncertainty:	0 00 ft	**Slot Radius:**	"	**Grid Convergence:**	0 22 °

Well	#57H					
Well Position	**+N/-S**	0 00 ft	**Northing:**	473,931 800 ft	**Latitude:**	32° 18' 8 515 N
	+E/-W	0 00 ft	**Easting:**	619,224 600 ft	**Longitude:**	103° 56' 50 859 W
Position Uncertainty		0 00 ft	**Wellhead Elevation:**	ft	**Ground Level:**	2,990 00 ft

Wellbore OH

Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF200510	01/27/10	7 92	60 24	48,793

Design Plan #1

Audit Notes:

Version: **Phase:** PLAN **Tie On Depth:** 0 00

Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**
	0 00	0 00	0 00	273 26

Survey Tool Program **Date** 10/27/10

From (ft)	**To (ft)**	**Survey (Wellbore)**	**Tool Name**	**Description**
0 00	11,052 91	Plan #1 (OH)	MWD	MWD - Standard

Company:	XTO	**Local Co-ordinate Reference:**	Well #57H
Project:	Eddy County	**TVD Reference:**	WELL @ 3009 00ft (19' KB Correction)
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Well:	#57H	**North Reference:**	Grid
Wellbore:	OH	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1	**Database:**	Midland Database

Planned Survey

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	TVDSS (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Northing (ft)	Easting (ft)
0 00	0 00	0 00	0 00	-3,009 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
100 00	0 00	0 00	100 00	-2,909 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
200 00	0 00	0 00	200 00	-2,809 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
300 00	0 00	0 00	300 00	-2,709 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
400 00	0 00	0 00	400 00	-2,609 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
500 00	0 00	0 00	500 00	-2,509 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
600 00	0 00	0 00	600 00	-2,409 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
700 00	0 00	0 00	700 00	-2,309 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
800 00	0 00	0 00	800 00	-2,209 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
900 00	0 00	0 00	900 00	-2,109 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
1,000 00	0 00	0 00	1,000 00	-2,009 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
1,100 00	0 00	0 00	1,100 00	-1,909 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
1,200 00	0 00	0 00	1,200 00	-1,809 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
1,300 00	0 00	0 00	1,300 00	-1,709 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
1,400 00	0 00	0 00	1,400 00	-1,609 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
1,500 00	0 00	0 00	1,500 00	-1,509 00	0 00	0.00	0 00	0 00	473,931 80	619,224 60
1,600 00	0 00	0 00	1,600 00	-1,409.00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
1,700 00	0 00	0 00	1,700 00	-1,309 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
1,800 00	0 00	0 00	1,800 00	-1,209 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
1,900 00	0 00	0 00	1,900 00	-1,109 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
2,000 00	0 00	0 00	2,000 00	-1,009 00	0 00	0 00	0 00	0 00	473,931 80	619,224.60
2,100 00	0 00	0 00	2,100 00	-909 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
2,200 00	0 00	0 00	2,200 00	-809 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
2,300 00	0 00	0 00	2,300 00	-709 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
2,400 00	0 00	0 00	2,400 00	-609 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
2,500 00	0 00	0 00	2,500 00	-509 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
2,600 00	0 00	0 00	2,600 00	-409 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60

Company:	XTO	**Local Co-ordinate Reference:**	Well #57H
Project:	Eddy,County	**TVD Reference:**	WELL @ 3009 00ft (19' KB Correction)
Site:	Nash Unit	**MD Reference:**	WELL @ 3009 00ft (19' KB Correction)
Well:	#57H	**North Reference:**	Grid
Wellbore:	OH	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1	**Database:**	Midland Database

Planned Survey

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	TVDSS (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Northing (ft)	Easting (ft)
2,700 00	0 00	0 00	2,700 00	-309 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
2,800 00	0 00	0 00	2,800 00	-209 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
2,900 00	0 00	0 00	2,900 00	-109 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
3,000 00	0 00	0 00	3,000 00	-9 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
3,100.00	0 00	0 00	3,100 00	91 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
3,200 00	0 00	0 00	3,200 00	191 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
3,300 00	0 00	0 00	3,300 00	291 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
3,400 00	0 00	0 00	3,400 00	391 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
3,500 00	0 00	0 00	3,500 00	491 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
3,600 00	0 00	0 00	3,600 00	591 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
3,700 00	0 00	0 00	3,700 00	691 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
3,800 00	0 00	0 00	3,800 00	791 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
3,900 00	0 00	0 00	3,900 00	891 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
4,000 00	0 00	0 00	4,000 00	991 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
4,100 00	0 00	0 00	4,100 00	1,091 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
4,200 00	0 00	0 00	4,200 00	1,191 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
4,300 00	0.00	0 00	4,300 00	1,291 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
4,400 00	0 00	0 00	4,400 00	1,391 00	0 00	0 00	0 00	0.00	473,931 80	619,224 60
4,500 00	0 00	0 00	4,500 00	1,491 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
4,600 00	0 00	0 00	4,600 00	1,591 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
4,700 00	0 00	0 00	4,700 00	1,691 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
4,800 00	0 00	0.00	4,800 00	1,791 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
4,900 00	0 00	0 00	4,900 00	1,891 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
5,000 00	0 00	0 00	5,000 00	1,991 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
5,100.00	0 00	0 00	5,100 00	2,091 00	0 00	0 00	0 00	0 00	473,931 80	619,224.60
5,200 00	0 00	0 00	5,200 00	2,191 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
5,300 00	0 00	0 00	5,300 00	2,291 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60

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MD (ft)	Inc (°)	Azi (°)	TVD (ft)	TVDSS (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Northing (ft)	Easting (ft)
5,400 00	0 00	0 00	5,400 00	2,391 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
5,500 00	0 00	0 00	5,500 00	2,491 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
5,600 00	0 00	0 00	5,600 00	2,591 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
5,700 00	0 00	0 00	5,700 00	2,691 00	0 00	0 00	0 00	0 00	473,931 80	619,224 60
5,800 00	0 00	0 00	5,800 00	2,791 00	0 00	0 00	0.00	0 00	473,931 80	619,224 60
5,896 00	0 00	0 00	5,896 00	2,887 00	0 00	0.00	0 00	0 00	473,931 80	619,224 60
5,900 00	0 25	273 26	5,900 00	2,891 00	0 00	-0 01	0 01	6 37	473,931 80	619,224 59
5,950 00	3 44	273 26	5,949 97	2,940 97	0 09	-1 62	1 62	6 37	473,931 89	619,222 98
6,000 00	6 62	273 26	5,999 77	2,990 77	0 34	-5 99	6 00	6 37	473,932 14	619,218 61
6,050 00	9 80	273 26	6,049 25	3,040 25	0 75	-13 12	13 14	6 37	473,932 55	619,211 48
6,100 00	12 99	273 26	6,098 26	3,089 26	1 31	-22 98	23 02	6 37	473,933 11	619,201 62
6,150 00	16 17	273 26	6,146 64	3,137 64	2 02	-35 55	35 60	6 37	473,933 82	619,189 05
6,200 00	19 35	273 26	6,194 25	3,185 25	2 89	-50 77	50 86	6 37	473,934 69	619,173 83
6,250 00	22 54	273 26	6,240 94	3,231 94	3 91	-68 62	68 73	6 37	473,935 71	619,155 98
6,300 00	25 72	273 26	6,286 57	3,277 57	5 07	-89 02	89 16	6 37	473,936 87	619,135 58
6,350 00	28 90	273 26	6,330 99	3,321 99	6 37	-111 92	112 10	6 37	473,938 17	619,112 68
6,400 00	32 09	273 26	6,374 07	3,365 07	7 82	-137 25	137 47	6 37	473,939 62	619,087 35
6,450 00	35 27	273 26	6,415 67	3,406 67	9 39	-164 93	165 19	6 37	473,941 19	619,059 67
6,500 00	38 45	273 26	6,455 67	3,446 67	11 10	-194 87	195 18	6 37	473,942.90	619,029 73
6,550 00	41 63	273 26	6,493 94	3,484 94	12 93	-226 98	227 35	6 37	473,944 73	618,997 62
6,600 00	44 82	273 26	6,530 37	3,521 37	14 88	-261 16	261 59	6 37	473,946 68	618,963 44
6,650 00	48 00	273 26	6,564 84	3,555 84	16 93	-297 31	297 80	6 37	473,948 73	618,927 29
6,700 00	51 18	273 26	6,597 25	3,588 25	19 10	-335 32	335 86	6 37	473,950 90	618,889 28
6,750 00	54 37	273 26	6,627 49	3,618 49	21 36	-375 06	375 67	6 37	473,953 16	618,849 54
6,800 00	57 55	273 26	6,655 48	3,646 48	23 72	-416 42	417 10	6 37	473,955 52	618,808 18
6,850 00	60 73	273 26	6,681 12	3,672 12	26 16	-459 27	460 02	6 37	473,957 96	618,765 33
6,900 00	63 92	273 26	6,704 34	3,695 34	28 68	-503 47	504 29	6 37	473,960 48	618,721 13

Company:	XTO	**Local Co-ordinate Reference:**	Well #57H
Project:	Eddy County	**TVD Reference:**	WELL @ 3009 00ft (19' KB Correction)
Site:	Nash Unit	**MD Reference:**	WELL @ 3009 00ft (19' KB Correction)
Well:	#57H	**North Reference:**	Grid
Wellbore:	OH	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1	**Database:**	Midland Database

Planned Survey

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	TVDSS (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Northing (ft)	Easting (ft)
6,950 00	67 10	273 26	6,725 07	3,716 07	31 26	-548 89	549 78	6 37	473,963 06	618,675 71
7,000 00	70 28	273 26	6,743 23	3,734 23	33 91	-595 40	596 36	6 37	473,965 71	618,629 20
7,050 00	73 47	273 26	6,758 79	3,749 79	36 62	-642 83	643 87	6 37	473,968 42	618,581 77
7,100 00	76 65	273 26	6,771 68	3,762 68	39 36	-691 06	692 18	6 37	473,971 16	618,533 54
7,150 00	79 83	273 26	6,781 87	3,772 87	42 15	-739 92	741 12	6 37	473,973 95	618,484 68
7,200 00	83 02	273 26	6,789 32	3,780 32	44 96	-789 28	790 55	6 37	473,976 76	618,435 32
7,250 00	86 20	273 26	6,794 02	3,785 02	47 79	-838 97	840 33	6 37	473,979 59	618,385 63
7,300 00	89 38	273 26	6,795 95	3,786 95	50 63	-888 84	890 28	6 37	473,982 43	618,335 76
7,309 72	90 00	273 26	6,796 00	3,787 00	51 18	-898 54	900 00	6 37	473,982 98	618,326 06
7,400 00	90 00	273 26	6,796 00	3,787 00	56 31	-988 68	990 28	0 00	473,988 11	618,235 92
7,500 00	90 00	273 26	6,796 00	3,787 00	62 00	-1,088 52	1,090 28	0 00	473,993 80	618,136 08
7,600 00	90 00	273 26	6,796 00	3,787 00	67 69	-1,188 36	1,190 28	0 00	473,999 49	618,036 24
7,700 00	90 00	273 26	6,796 00	3,787 00	73 37	-1,288 20	1,290 28	0 00	474,005 17	617,936 40
7,800 00	90 00	273 26	6,796 00	3,787 00	79 06	-1,388 03	1,390 28	0 00	474,010 86	617,836 57
7,900 00	90 00	273 26	6,796 00	3,787 00	84 75	-1,487 87	1,490 28	0 00	474,016 55	617,736 73
8,000 00	90 00	273 26	6,796 00	3,787 00	90 43	-1,587 71	1,590 28	0 00	474,022 23	617,636 89
8,100 00	90 00	273 26	6,796 00	3,787 00	96 12	-1,687 55	1,690 28	0 00	474,027 92	617,537 05
8,200 00	90 00	273 26	6,796 00	3,787 00	101 81	-1,787 39	1,790 28	0 00	474,033 61	617,437 21
8,300 00	90 00	273 26	6,796 00	3,787 00	107 49	-1,887 22	1,890 28	0 00	474,039 29	617,337 38
8,400 00	90 00	273 26	6,796 00	3,787 00	113 18	-1,987 06	1,990 28	0 00	474,044 98	617,237 54
8,500 00	90 00	273 26	6,796 00	3,787 00	118 87	-2,086 90	2,090 28	0 00	474,050 67	617,137 70
8,600 00	90 00	273 26	6,796 00	3,787 00	124 55	-2,186 74	2,190 28	0 00	474,056 35	617,037 86
8,700 00	90 00	273 26	6,796 00	3,787 00	130 24	-2,286 58	2,290 28	0 00	474,062 04	616,938 02
8,800 00	90 00	273 26	6,796 00	3,787 00	135 93	-2,386 42	2,390 28	0 00	474,067 73	616,838 18
8,900 00	90 00	273 26	6,796 00	3,787 00	141 62	-2,486 25	2,490 28	0 00	474,073 42	616,738 35
9,000 00	90 00	273 26	6,796 00	3,787 00	147 30	-2,586 09	2,590 28	0.00	474,079 10	616,638 51
9,100 00	90 00	273 26	6,796 00	3,787 00	152 99	-2,685 93	2,690 28	0 00	474,084 79	616,538 67

Company:	XTO	**Local Co-ordinate Reference:**	Well #57H
Project:	Eddy County	**TVD Reference:**	WELL @ 3009 00ft (19' KB Correction)
Site:	Nash Unit	**MD Reference:**	WELL @ 3009 00ft (19' KB Correction)
Well:	#57H	**North Reference:**	Grid
Wellbore:	OH	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1	**Database:**	Midland Database

Planned Survey

MD (ft)	Inc (°)	Azi (°)	TVD (ft)	TVDSS (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Northing (ft)	Easting (ft)
9,200 00	90 00	273 26	6,796 00	3,787 00	158 68	-2,785 77	2,790 28	0 00	474,090 48	616,438 83
9,300 00	90 00	273 26	6,796 00	3,787.00	164 36	-2,885 61	2,890 28	0 00	474,096 16	616,338 99
9,400 00	90 00	273.26	6,796 00	3,787 00	170 05	-2,985 44	2,990 28	0.00	474,101 85	616,239.16
9,500 00	90 00	273 26	6,796 00	3,787 00	175 74	-3,085 28	3,090 28	0 00	474,107 54	616,139 32
9,600 00	90 00	273 26	6,796 00	3,787 00	181 42	-3,185 12	3,190 28	0 00	474,113 22	616,039 48
9,700 00	90 00	273 26	6,796 00	3,787 00	187 11	-3,284 96	3,290 28	0 00	474,118 91	615,939 64
9,800 00	90 00	273 26	6,796 00	3,787 00	192 80	-3,384 80	3,390 28	0 00	474,124 60	615,839 80
9,900 00	90 00	273 26	6,796 00	3,787 00	198 48	-3,484 64	3,490 28	0 00	474,130 28	615,739 96
10,000.00	90 00	273 26	6,796 00	3,787 00	204 17	-3,584 47	3,590 28	0 00	474,135 97	615,640.13
10,100 00	90 00	273 26	6,796 00	3,787 00	209 86	-3,684 31	3,690 28	0 00	474,141 66	615,540 29
10,200 00	90 00	273 26	6,796 00	3,787 00	215 54	-3,784 15	3,790 28	0 00	474,147 34	615,440 45
10,300 00	90 00	273 26	6,796 00	3,787 00	221 23	-3,883 99	3,890 28	0 00	474,153 03	615,340 61
10,400 00	90.00	273 26	6,796 00	3,787 00	226 92	-3,983 83	3,990 28	0 00	474,158 72	615,240 77
10,500 00	90 00	273 26	6,796 00	3,787 00	232 60	-4,083 66	4,090 28	0 00	474,164 40	615,140 94
10,600 00	90 00	273 26	6,796 00	3,787 00	238 29	-4,183 50	4,190 28	0 00	474,170 09	615,041 10
10,700 00	90 00	273 26	6,796 00	3,787 00	243 98	-4,283 34	4,290.28	0 00	474,175 78	614,941 26
10,800 00	90 00	273.26	6,796 00	3,787 00	249 66	-4,383 18	4,390 28	0 00	474,181 46	614,841 42
10,900 00	90 00	273 26	6,796 00	3,787 00	255 35	-4,483 02	4,490 28	0.00	474,187 15	614,741 58
11,000 00	90 00	273 26	6,796 00	3,787.00	261 04	-4,582 86	4,590 28	0 00	474,192 84	614,641 74
11,052 91	90 00	273 26	6,796 00	3,787 00	264 04	-4,635 67	4,643 19	0 00	474,195 84	614,588 93

Company:	XTO	**Local Co-ordinate Reference:**	Well #57H
Project:	Eddy County	**TVD Reference:**	WELL @ 3009.00ft (19' KB Correction)
Site:	Nash Unit	**MD Reference:**	WELL @ 3009 00ft (19' KB Correction)
Well:	#57H	**North Reference:**	Grid
Wellbore:	OH	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1	**Database:**	Midland Database

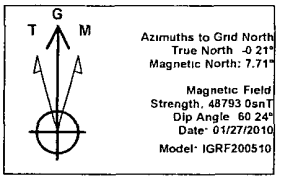
Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PBHL(N57) - plan hits target center - Point	0 00	0 00	6,796 00	263 60	-4,635 70	474,195 400	614,588 900	32° 18' 11 285 N	103° 57' 44 860 W

Checked By. _____ Approved By. _____ Date _____

XTO ENERGY

Project: Eddy County
Site: Nash Unit
Well: #57H
Wellbore: OH
Plan: Plan #1 (#57H/OH)



Azimuths to Grid North
True North: -0.21°
Magnetic North: 7.71°

Magnetic Field
Strength: 48793.0snT
Dip Angle: 60.24°
Date: 01/27/2010
Model: IGRF200510

PATHFINDER®
A Schlumberger Company

SECTION DETAILS

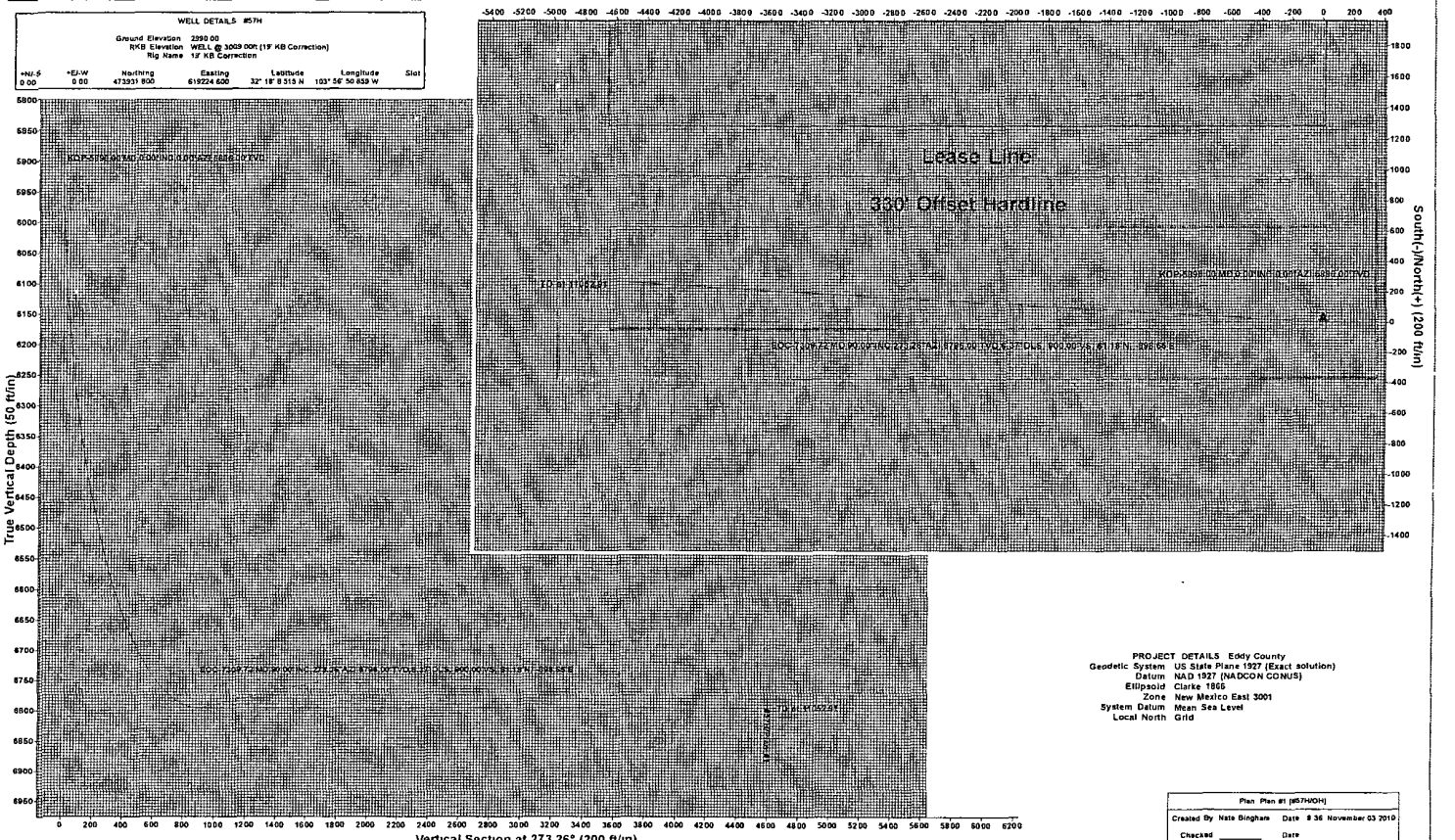
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	5896.00	0.00	0.00	5896.00	0.00	0.00	0.00	0.00	0.00	
3	7309.72	90.00	273.26	6796.00	51.18	-898.54	6.37	273.26	900.00	
4	11052.91	90.00	273.26	6796.00	264.84	-4635.67	0.00	0.00	4643.19	PBHL(NS7)

WELL DETAILS #57H

Ground Elevation: 2990.00
RKB Elevation: WELL @ 3009.00ft (19' KB Correction)
Rig Name: 19' KB Correction

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	473931.800	619224.600	32° 19' 8.513 N	103° 56' 50.633 W	

West(-)/East(+) (200 ft/in)



True Vertical Depth (50 ft/in)

5800 5850 5900 5950 6000 6050 6100 6150 6200 6250 6300 6350 6400 6450 6500 6550 6600 6650 6700 6750 6800 6850 6900 6950

South(-)/North(+) (200 ft/in)

0 200 400 600 800 1000 1200 1400 1600 1800 2000 2200 2400 2600 2800 3000 3200 3400 3600 3800 4000 4200 4400 4600 4800 5000 5200 5400 5600 5800 6000 6200

Vertical Section at 273.26° (200 ft/in)

PROJECT DETAILS: Eddy County

Geodetic System	US State Plane 1927 (Exact solution)
Datum	NAD 1927 (NADCON CONUS)
Ellipsoid	Clarke 1866
Zone	New Mexico East 3001
System Datum	Mean Sea Level
Local North	Grid

Plan: Plan #1 (#57H/OH)

Created By: Nate Bingham Date: 8:36, November 03 2010

Checked: _____ Date: _____

GEOLOGICAL WELL PLAN & AFE REQUEST

OPERATOR:		**XTO Energy Inc.**			
EXISTING WELLS:					**Ralph Nelson**
WELL NAME:		**NASH UNIT 57H**			DATE March 4, 2010
LOCATION:	**SHL: X=**	**619124.0**	**Y= 473907.0**	1700' FSL ~~450'~~ 350' FEL	**23S 29E Section 14 SE 1/4**
	BHL: X=	**614578.0**	**Y= 474222.0**	1980' FSL 340' FWL	**23S 29E Section 14 SW 1/4**
					EDDY COUNTY, NM

ENG. TJ MIDKIFF	LND. STEVE COBB		**CLASS H**
PROSPECT BASAL BYCN E5 ZONE	Delaware Mtn Horizontal Drillwell		**HBP**
EST T.D. 11,700 MD		SURFACE OWNER	BLM??

drill lateral at 283 degree azimuth to 1350' vertical section and turn to 270 degree azimuth with an inclination of 90.8 degrees

Land well at 900' VS at -3786 or 6796' TVD (3010' KB)

DEVELOPMENT	XX	NEW WELL XX	OIL with GAS. XX

MUD LOG:

DEPTH ON	DEPTH OFF	LOGGING COMPANY	TYPE UNIT
500' before KO	TD	TBD	2-man
SAMPLES	Caught & Bagged	Depth Interval	1 Set of samples delivered to:
Email mudlogs 3 times daily to ralph_nelson@xtoenergy com AM, 3 00 PM and 9.00 PM	6.30 Every 10' feet in vertical and deviated / every 30 feet in horizontal	surface casing - TD	International Midland Sample Library 707 S. Connell Midland, TX 79701 hand deliver or Fedex/UPS only

OPENHOLE LOGS: RUN 1

	TYPE LOGS	WELL DEPTH
Logging Company		none unless required by BLM
Other	GR (MWD)	**500' before kickoff to TD**

Remarks

Email GR and surveys Including MD, TVD, and TVD up log on 5"scale to ralph_nelson@xtoenergy com at 6:30 AM. 3.00 PM and 9 00 PM

Wellsite geological	Mud Logger	Consultant	Company
	XX		

SUPERVISION:

Geologist:	**Ralph Nelson**	**Office:**	**(817) 885-3440**
If no answer, leave message, wait 15 minutes before calling engineer below		**Cell:**	**(432) 528-7777**
Engineer:	**T.J. Midkiff**	**Office:**	**(817) 885-2823**
		Cell:	**(817) 312-3358**

EXPECTED FORMATION TOPS. K.B Elevation (feet) 3010' (Est XX Actual.)

Formation	Subsea Depth (feet)	Well Depth (feet)*	
Rustler/Salado	2,728'	282'	TVD
Base Castile	-101'	3,111'	TVD
Bell Canyon	-146'	3,156'	TVD
Cherry Canyon	-1,012'	4,022'	TVD
Brushy Canyon	-2,528'	5,538'	TVD
Basal Brushy Canyon*	-3,554'	6,564'	TVD
Brushy Canyon E5 zone*	-3,756'	6,766'	TVD
Target Interval*	-3,786'	6,796'	**TVD**

* At 0 vertical section

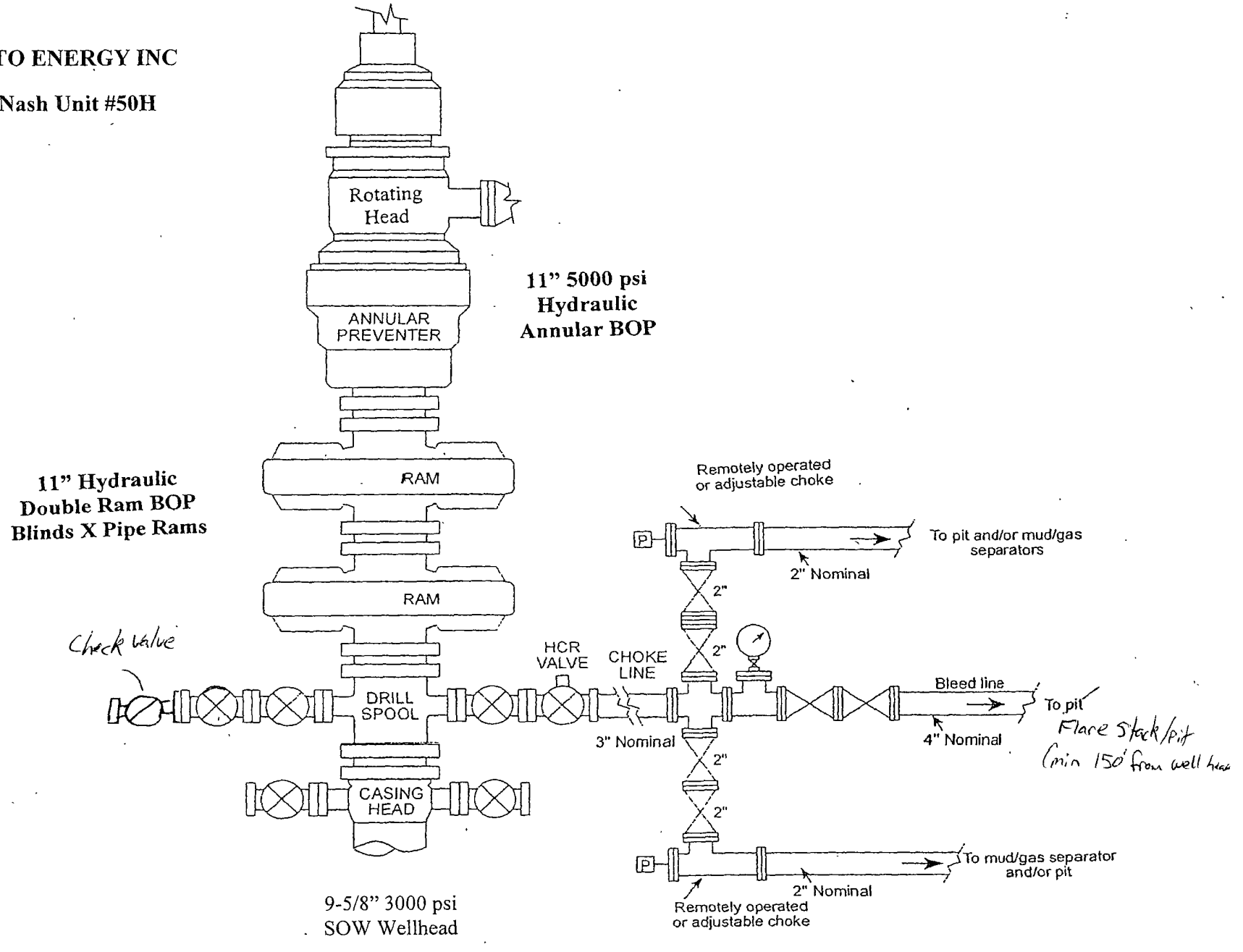
USE SUBSEA ONLY FOR CALCULATIONS

Special Instructions: Well has been planned to land approx. 900 feet from surface.
Location must be drilled on existing Nash # 25 pad

AFE 100678
ID 1545

XTO ENERGY INC

Nash Unit #50H



5000 psi Working Pressure
BOPE Configuration and Choke Manifold

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. GREENE STREET
CARLSBAD, NM 88220

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Operator Name: XTO ENERGY INC

Street or Box: 200 N. Loraine St., Ste. 800

City, State: Midland, TX

Zip Code: 79701

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No: SHL: NM-0556859, NM-0556860 (run thru), BHL: 0554223

Legal Description of Land: NASH #57H

UL: I Section: 14 Township: 23 South Range: 29 East

County: Eddy State: New Mexico

Bond Coverage: $1,184,600.00

NATIONWIDE Statewide Oil and Gas Surety Bond, XTO ENERGY INC.

BLM Bond File No.: UTB000138

Signature: _____ Printed Name: Don Eubank

Title: Drilling Manager

Date: 11/3/2010