

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. NMSF-079035-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		6. If 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 A #175G
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1750' FNL x 815' FEL At proposed prod. zone Same		9. API Well No. 30-039- 31069
14. Distance in miles and direction from nearest town or post office* 31 miles SE of Bloomfield P.O.		10. Field and Pool, or Exploratory Basin DK/Basin MC/Blanco MV
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) 815'	16. No. of acres in lease 2400	11. Sec., T. R. M. or Blk. and Survey or Area (H) Sec 8, T26N, R6W
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 1129'	19. Proposed Depth 7500'	12. County or Parish RIO ARriba
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6412' Ground Elevation The elevation is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4	22. Approximate date work will start* 07/18/2011	13. State NM
24. Attachments		17. Spacing Unit dedicated to this well E/2 320
The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:		20. BLM/BIA Bond No. on file UTB000138
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)		23. Estimated duration 2 Weeks
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.		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, 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.

25. Signature Malia Villers Name (Printed/Typed) Malia Villers Date 6/2/11

Title Permitting Tech.

Approved by (Signature) [Signature] Name (Printed/Typed) AFM Date 10/11/11

Title AFM Office PFO

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)*
**NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT**
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

**NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT**

APD/ROW

NMOCD OCT 25 2011

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

DISTRICT II
1501 W. Grand Avenue, Artesia, N.M. 88210

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

RECEIVED
JUN 03 2011
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
Bureau of Land Management ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-31069		*Pool Code 71599	*Pool Name Basin Dakota
*Property Code 304749	*Property Name BREECH A		*Well Number 175 G
*OGRID No. 5380	*Operator Name XTO ENERGY		*Elevation 6421'

¹⁰ Surface Location

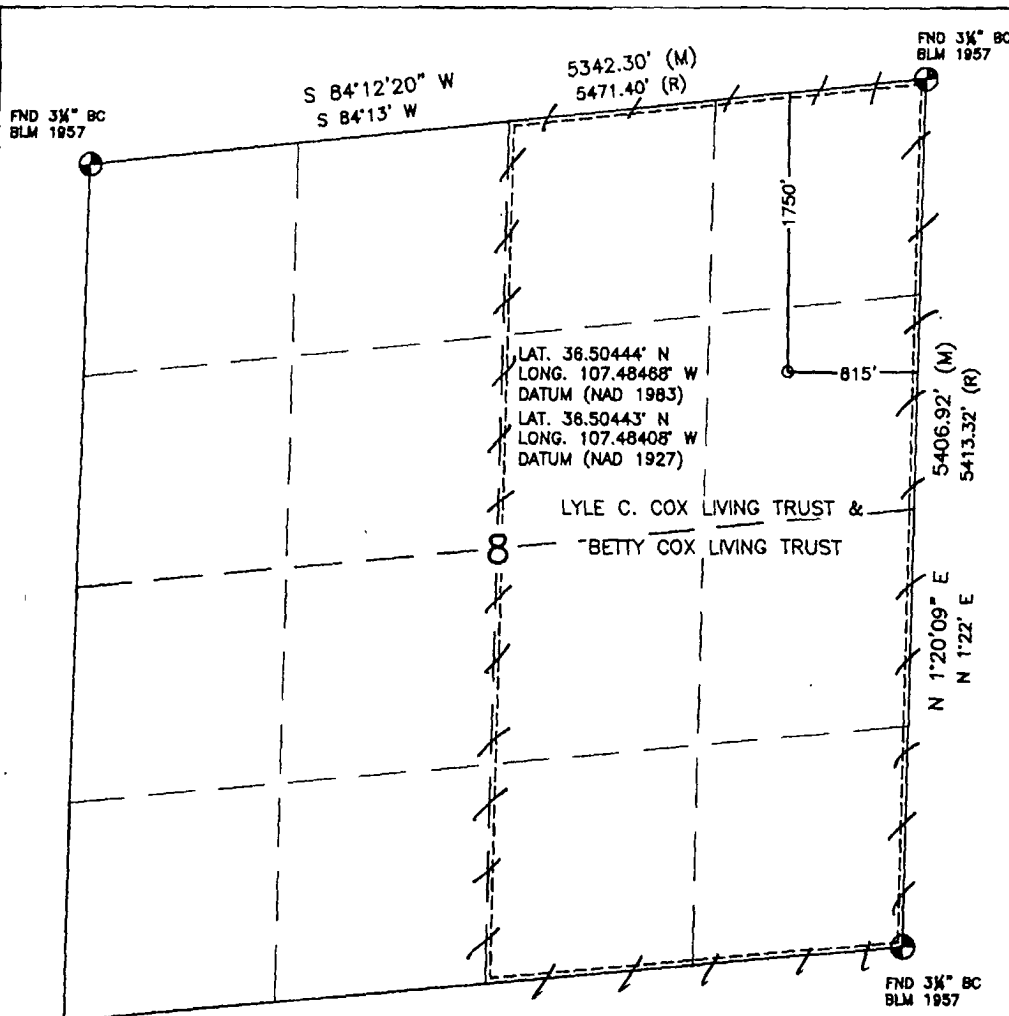
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	8	26N	6W		1750'	NORTH	815'	EAST	RIO ARriba

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 E/2 320					*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 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.

maia Villers 6/2/11
Signature Date

maia 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.

MARCH 7, 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

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

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

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1000 Rio Brazos Rd., Artec, 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

¹ API Number 30-039-31069	² Pool Code 72319	³ Pool Name Blanco Mesaverde
⁴ Property Code 304749	⁵ Property Name BREECH A	⁶ Well Number 175 G
⁷ GRID No. 5380	⁸ Operator Name XTO ENERGY	⁹ Elevation 6421'

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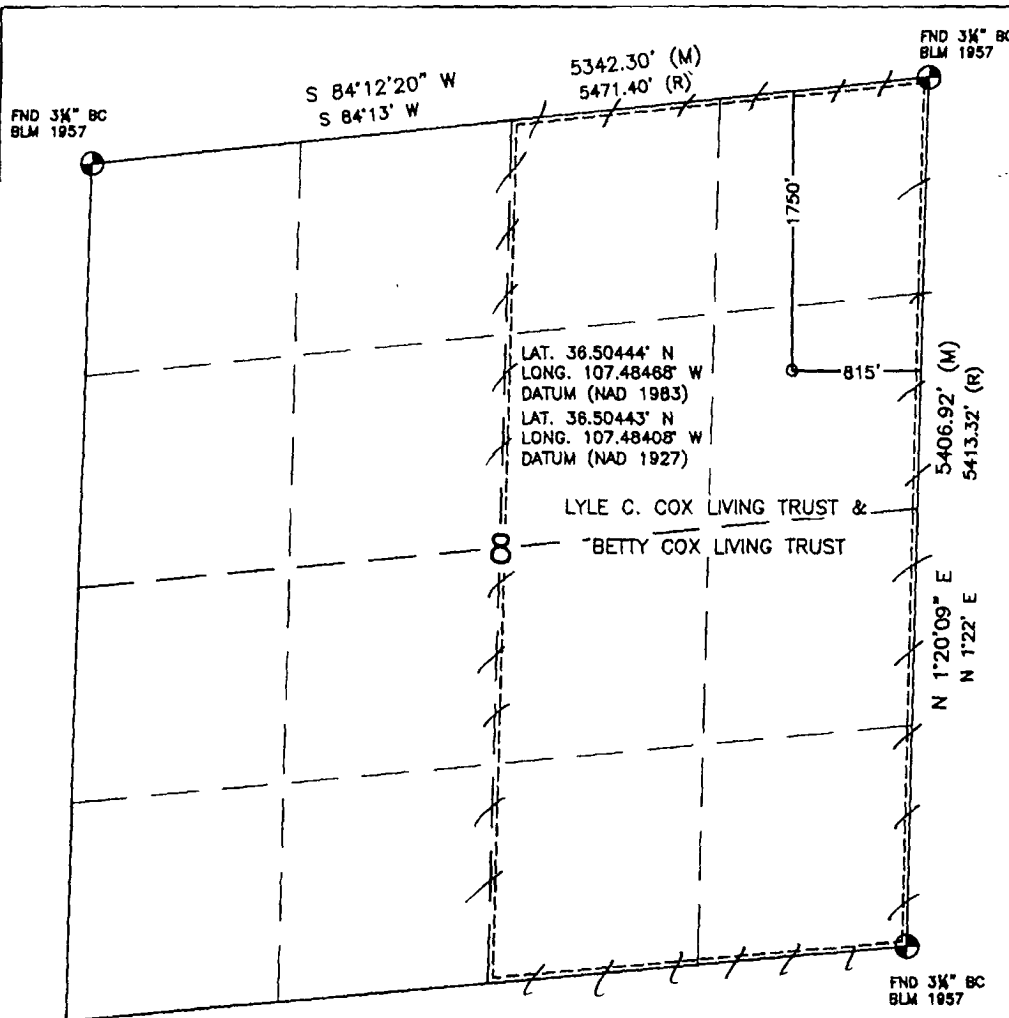
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E/2	320								
¹² Dedicated Acres			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.		

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Maria Villers 10/2/11
Signature Date

Maria Villers
Printed Name

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MARCH 7, 2008
Date of Survey

Signature and Seal of Professional Surveyor:
David R. Russell

DAVID R. RUSSELL
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
10201

DAVID RUSSELL
Certificate Number 10201

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

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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*Property Code 304749	*Property Name BREECH A		*Well Number 175 G
*OGRID No. 5380	*Operator Name XTO ENERGY		*Elevation 6421'

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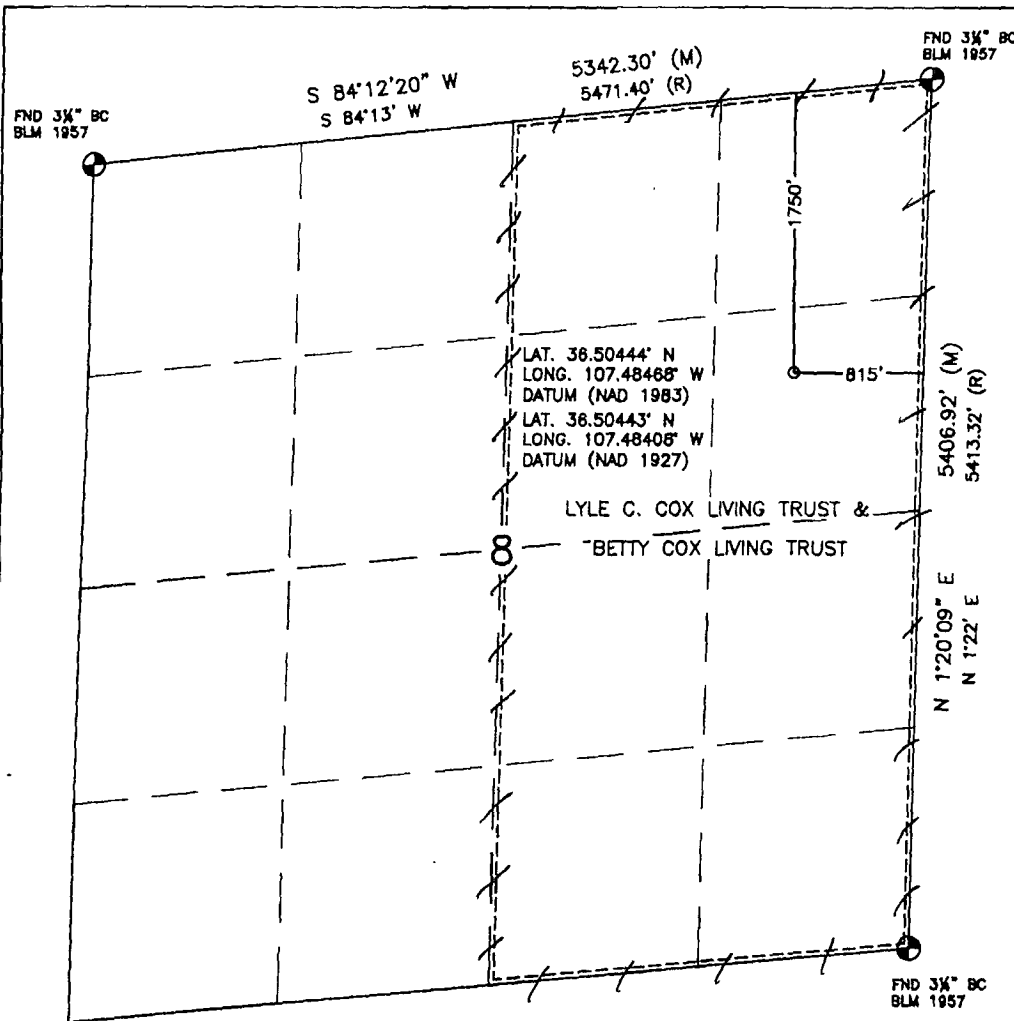
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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15 Dedicated Acres E/2 320	16 Joint or Infill	17 Consolidation Code	18 Order No.
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17	OPERATOR CERTIFICATION
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Maina Villers 6/2/11
Signature Date

Malia Villers
Printed Name

18 SURVEYOR CERTIFICATION

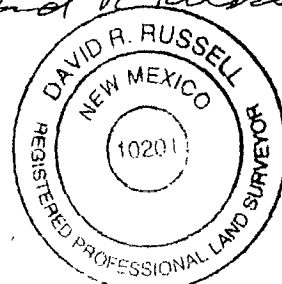
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MARCH 7, 2008

Date of Survey _____

Signature and Seal of Professional Surveyor:

John R. Russell



DAVID RUSSELL

Certificate Number

10201

XTO ENERGY INC.

Breech A #175G

APD Data

May 23, 2011

Location: 1750' FNL x 815' FEL Sec 8, T26N, R6W

County: Rio Arriba

State: New Mexico

GREATEST PROJECTED TD: 7500'

OBJECTIVE: Basin Dakota / Mancos / Mesaverde

APPROX GR ELEV: 6421'

Est KB ELEV: 6433' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 7500'
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 ($\pm 7500'$) 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'-7500'	7500'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.14	1.35	1.76

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 $\pm 7500'$ in 7.875" hole. DV Tools set @ $\pm 6100'$ and @ $\pm 2990'$.

1st Stage

LEAD:

± 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 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:

± 243 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:

± 223 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 1864 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 (7500') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (7500') to 3,000'.

6. FORMATION TOPS:

Est. KB Elevation: 6433'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Nacimiento	5260	1173			
Ojo Alamo SS	4334	2049	Tocito	132-	6565
Kirtland Shale	4133	2300	Greenhorn	-525	6958
Fruitland Formation	4016	2417	Graneros	-582	7015
Lower Fruitland Coal	3649	2784	Dakota 1*	-610	7043
Pictured Cliffs SS	3627	2806	Dakota 2*	-673	7106
Lewis Shale	3491	2942	Dakota 3*	-702	7135
Chacra SS	2736	3697	Dakota 4*	-744	7177
Cliffhouse SS*	1953	4480	Dakota 5*	-788	7221
Menefee**	1922	4511	Dakota 6*	-836	7261
Point Lookout SS**	1394	5039	Burro Canyon	-891	7324
Mancos Shale	1031	5402	Morrison*	-974	7407
Gallup	274	6159	TD	-1067	7500

* Primary Objective

** Secondary Objective

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

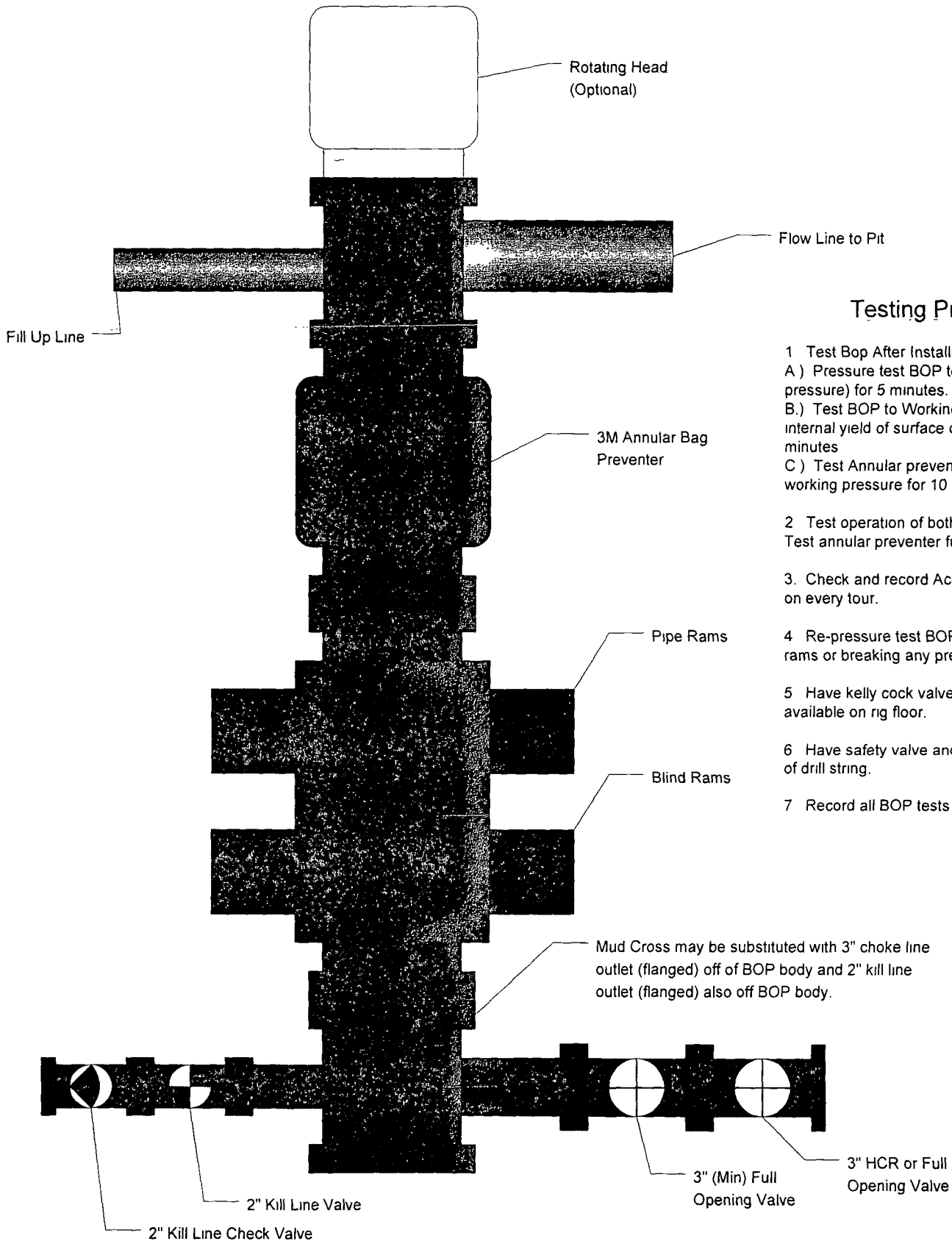
7. COMPANY PERSONNEL:

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
5/23/11

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		

