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Bureau of Land Management
Farmington Field Office

RCVD OCT 28 '09
OIL CONS. DIV.
DIST. 3

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

1a. Type of work: ☐ DRILL ☑ REENTER (Deepen)	5. Lease Serial No. NMNM-003551
	6. If Indian, Allotee or Tribe Name N/A
	7. If Unit or CA Agreement, Name and No. N/A
1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☐ Single Zone ☑ Multiple Zone	8. Lease Name and Well No. Breech E 102
2. Name of Operator XTO Energy, Inc.	9. API Well No. 30-039-06645
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
4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface 799' FSL x 2009' FWL; At proposed prod. zone Same	11. Sec., T. R. M. or Blk. and Survey or Area (N) Sec 5, T26N, R6W
14. Distance in miles and direction from nearest town or post office* Approximately 54 miles southeast from Bloomfield, NM post office	12. County or Parish Rio Arriba — 13. State NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 799'	16. No. of acres in lease 2241.44	17. Spacing Unit dedicated to this well DK: S/2 320
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1,900'	19. Proposed Depth 7,640'	20. BLM/BIA Bond No. on file UTB000138
21. Elevations (Show whether DF, KDB, RT, GL, etc.) ~~6,541'~~ 6538 GL	22. Approximate date work will start* 09/05/2009	23. Estimated duration 2 weeks

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 [signature]	Name (Printed/Typed) Kelly K. Small	Date 08/04/2009
Title Sr. Permitting Tech		
Approved by (Signature) [signature]	Name (Printed/Typed)	Date 10/26/09
Title AFM	Office FFO	

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

NMOCD
NOV 02 2009

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

DISTRICT II
1301 W. Grand Ave., Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 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

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-039-01045	71599	Basin Dakota

4 Property Code	5 Property Name	6 Well Number
304753	BREECH E	102

7 OGRID No.	8 Operator Name	9 Elevation
5380	XTO ENERGY INC.	6541'

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
N	5	26-N	6-W		799	SOUTH	2009	WEST	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	13 Joint or Infill	14 Consolidation Code	15 Order No
S/2 320			

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

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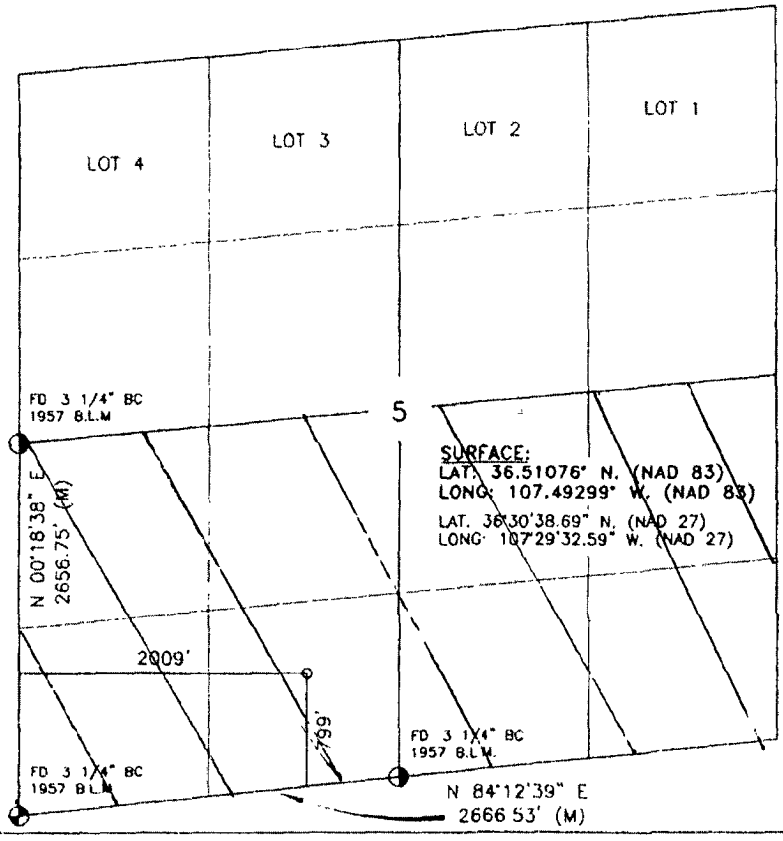

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OPERATOR CERTIFICATION

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 of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature — Date: 8/3/09

Eden Fine
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 knowledge & belief

JULY 27, 2009
Date of Survey

ROY A. RUSH
Signature and Seal of Professional Surveyor

NEW MEXICO
8894
REGISTERED PROFESSIONAL LAND SURVEYOR

8894
Certificate Number

DRILLING CONDITIONS OF APPROVAL

Operator:	**XTO Energy**
Lease No.:	**NMNM-03551**
Well Name:	**Breech E #102**
Well Location:	**Sec.5, T26N, R6W; 799' FSL & 2009' FWL**

A temperature survey was run in February 1960 indicating the top of cement to be approximately 6230'. One hundred sacks were pumped during the 2nd stage cement job with a DV tool set at 3053'. There is no record of cement top for the second stage cement operation. Therefore, this office has no documentation of cement above the TS results of 6230'. **This office will require XTO Energy to isolate all useable water zones and potentially productive zones behind the 7" production casing prior to deepening the wellbore to the Dakota.** - including CBL ~~if~~

Submit the following as a condition of approval:

Remedial cementing procedure on form 3160-5, Notice of Intent
CBL ~~if~~

Approve _____

BREECH E #102
Unit N Sec. 5, T 26 N, R 6 W
Rio Arriba County, New Mexico

Recomplete to Dakota

Formation:	Gallup
Production	7", 23# J-55 csg @ 6,768'. TOC 6,230' by TS.
Casing:	Cap = 1.6535 gal/ft = 0.0393 bbl/ft.
Tubing:	1-1/4", 2.3#, V-55, NU 10rd tbg. EOT @ 6,512'.
Perforations:	6,502'-10', 6,522'-30' & 6,546'-48' w/2 JSPF.

1. MIRU PU. Set flowback tank and 2 400 bbls frac tanks. Check and record casing, and bradenhead pressures.

2. Blow well down and kill well with 2% KCl water. ND WH.

3. NU and pressure test BOP's.

4. TOH and LD 1-1/4" tubing.

5. PU and TIH with 2-7/8" work string and string mill to 6,480'. TOH with tubing and string mill. Lay down string mill.

6. TIH with 7" packer and 2-7/8" tubing to 6,430'. Set 7" packer at 6,430'. Establish IR into Gallup perfs from 6,502'-48'. MIRU Cement equipment. Mix and pump 50 sx Type III cement with 2% CaCl2 down tubing. Displace cement with 38.5 BW.

7. Release packer. Reverse circulate tubing clean. TOH and lay down tubing and packer.

8. WOC 24 hours.

9. TIH with 6-1/4" bit, 3-1/2" DC's and 2-7/8" tubing. TIH and tag cement. DO cement and clean out to CICR at 6,571'. Pressure test casing and perforations to 500 psig for 15". DO CICR at 6,571' and cement to PBTD at 6,738'. Pressure test casing and perforations to 500 psig for 15". TOH and lay down 2-7/8" tubing, DC's and bit.

10. RDMO PU.

11. MIRU Drilling rig.

12. ND WH. NU and pressure test BOP's.

13. PU and TIH with 6-1/4" bit, DC's and DP. Drill new 6-1/4" hole from 6,678' to 7,640'.

14. Circulate and condition hole for logs. TOH with DP, DC's and bit.

15. MIRU Schlumberger logging trucks. Run Schlumberger Platform Express logs. RDMO Schlumberger equipment.

16. TIH with bit, DC's and DP. TOH and lay down DP, DC's and bit.

17. TIH with 4-1/2", 10.5#, J-55, EUE LT&C casing to 7,640' as follows:
    A. Texas Pattern Guide Shoe
    B. One joint 4-1/2"
    C. 4-1/2" Flapper float collar
    D. Weatherford 4-1/2" model 754 hydraulic stage tool set at 4,600'.
    E. 4-1/2", 10.5#, J-55 casing to surface.

18. MIRU Cement trucks. Cement 1st stage with 77 sx Prem lite cement with 8% bentonite, 0.5% CD-32, 0.9% FL-52, 5#/sx LCM-1 and 0.2 % sodium metasilicate (12.1 ppg, 2.09 cuft/sx). Tailed in with 150 sx Prem lite cement with 0.2% CD-32, .9% FL-52 and 5#/sx LCM-1 (12.5 ppg, 1.97 cuft/sx.). Cement 2nd stage with 107 sx perm lite cement with 8% bentonite, 0.5% CD-32, 0.9% FL-52, 5#/sx LCM-1 and 0.2 % sodium metasilicate (12.1 ppg, 2.09 cuft/sx). Tailed in with 100 sx Prem lite cement with 0.2% CD-32, .9% FL-52 and 5#/sx LCM-1 (12.5 ppg, 1.97 cuft/sx.). Displace cement with fresh water. Bump plug to 500 psig over final displacement pressure. Do not over displace.

19. ND BOP. Set slips. Cut off casing

20. RDMO Drilling Rig.

21. A completion procedure will be prepared upon analyzing the open hole logs.

REGULATORY REQUIREMENTS:

1. Pit Permit Required.

2. BLM approval to deepen well to Dakota.

SERVICES:

1. Casing Crews: None specified.

2. Cement: None specified.

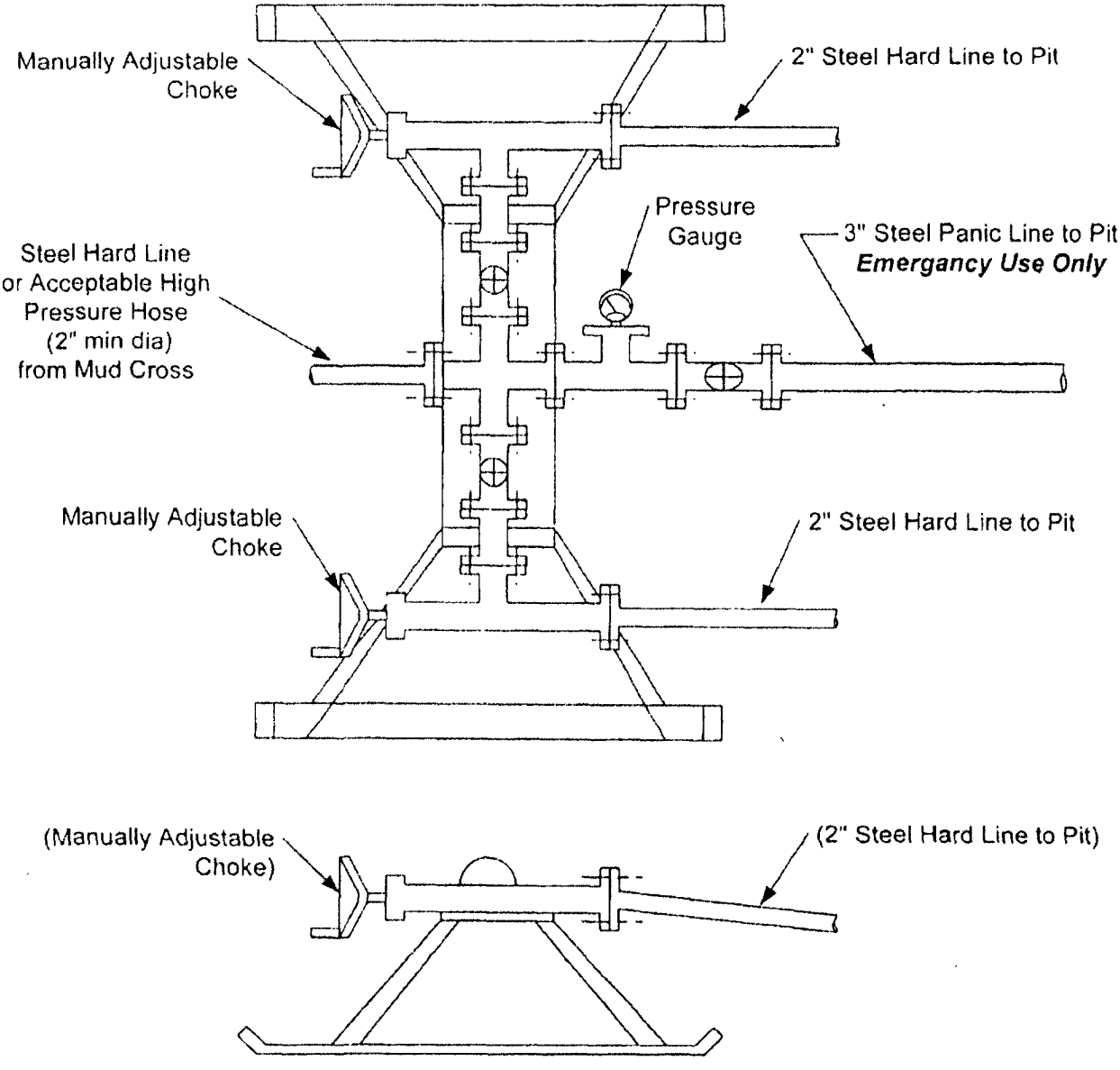
EQUIPMENT LIST:

1. 6-1/4" mill and 4 – 3-1/8" DC's.
2. 4-1/2" Weatherford model 1305 Flapper Float shoe, Weatherford 4-1/2" model 754 hydraulic stage tool.
3. 7,640' – 4-1/2", 10.5#, J-55, EUE casing.

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

TESTING PROCEDURE

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.



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

TESTING PROCEDURE

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.