

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.

SUBMIT IN TRIPLICATE - Other instructions on page

RECEIVED

JUL 29 2010

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)
505-333-3100

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

799' FSL & 2009' FWL SESW SEC.05 (N)-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 #102

9. API Well No.

30-039-06645

10. Field and Pool, or Exploratory Area

GALLUP

11. County or Parish, State

RIO ARRIBA NM

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other VERBAL |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | PERMISSION & |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | CEMENT BLOCK SOZS |

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 recomple 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 recomple 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 permission 7/27/2010 from Wayne Townsend w/BLM and Charlie Perrin w/OCD to complete the following: BLM COA for Deepening Breech E #102 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. XTO ran a CBL on the Breech E 102 on 7/26/10. CBL indicates that no isolation behind the 7" casing across the Mancos Top 5398', Mesa Verde Top 4622', Chacra Top 3825', and Nacimiento top at 1100'. XTO (Matthew Gusdorf, Danny Thompson) met with Wayne Townsend and Jim Lovato at 2 pm 7/27/10 to discuss plan and received approval to isolate the Mancos, Mesa Verde, Chacra and Nacimiento tops per the attached verbal worksheet.

BLM will have a compliance inspector on location witnessing the cementing operations XTO (Matthew Gusdorf & Danny Thompson) met with Charlie Perrin, Kelly Roberts, & Steve Hayden, NMOC at 3 pm 7/27/2010 to discuss cementing operations to isolate the Formation tops as discussed above. NMOC indicated that the cmt plugs be 200' and that a CBL be run after cementing operations.

Please also see the attached conversation record.

RCVD AUG 2'10
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 **7/28/2010**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Wayne Townsend

Title

Pet. Eng

Date

7/30/10

Office

FFO

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.

NMOC

K

| CONVERSATION RECORD | | | TIME | DATE 7-27-10 |
|--|---|--|------|-----------------|
| TYPE | <input type="checkbox"/> VISIT <input type="checkbox"/> CONFERENCE <input type="checkbox"/> TELEPHONE | <input type="checkbox"/> INCOMING <input type="checkbox"/> OUTGOING | | |
| Location of Visit/Conference: | | | | |
| NAME OF PERSON(S) CONTACTED OR IN CONTACT WITH YOU | | ORGANIZATION (Office, dept., bureau, etc.) | | TELEPHONE NO. |
| Matthew | | XTO | | |
| SUBJECT | | | | |
| Breach E #102E | | | | |
| Sec 5 - 26N-6W | | | | |
| SUMMARY | | | | |
| NM 03551 | | | | |

Manco's Top @ 5398' - Put @ 5478' - plug from 5478' to 5378' - outside pipe + 100 B excess

MU Top @ 4622' - Put @ 4672' - Plug from 4672' to 4572' - outside pipe + 100 B excess

Chen top @ 3825' - Put @ 3875' - Plug from 3875' to 3775' - outside pipe + 100 B excess

Nacimiento top @ 1100 - Put @ 1150' - circulate to surface

4 1/2" csp. move DV Tool from 4600' to 6100 ±

ACTION REQUIRED *Verbal Approval*

| | | |
|---|-----------------------|---------|
| NAME OF PERSON DOCUMENTING CONVERSATION | SIGNATURE | DATE |
| Wayne Townsend | <i>Wayne Townsend</i> | 7/27/10 |

| | | |
|-----------|-------|------|
| SIGNATURE | TITLE | DATE |
| | | |

XTO
Verbal Approval Form

| Well Name | Well # | API # | County/State | XTO Employee Requesting Verbal Approval |
|--|------------------------------|----------------------------------|--|---|
| Breech E | #102 | 30-039-06645 | RIO ARRIBA | MATTHEW GUSDORF |
| Detailed Description of Proposed Action Requiring Verbal Approval | | | | |
| BLM COA for Deepening Breech E #102 to Dakota indicates that XTO isolate all useable water zones and potentially productive zones behind the 7" production casing prior to deepening the weelbore to the Dakota | | | | |
| XTO ran a CBL on the Breech E 102 on 7/26/10. CBL indicates that no isolation behind the 7" casing across the Mancos Top 5398', Mesa Verde Top 4622', Chacra Top 3825', and Nacimiento top at 1100'. | | | | |
| XTO(Matthew Gusdorf, Danny Thompson) met with Wayne Townsend and Jim Lovato at 2 pm 7/27/10 to discuss plan and received approval to isolate the Mancos, Mesa Verde, Chacra and Nacimiento tops as follows: | | | | |
| 1. Mancos Top 5398', perf @ 5448' plug from 5448' - 5348' outside pipe + 100% excess | | | | |
| 2. Mesa Verde Top 4622', perf @ 4672', plug from 4672' - 4572' outside pipe + 100% excess | | | | |
| 3. Chacra Top 3825', perf @ 3875', plug from 3875' - 3775' outside pipe + 100% excess | | | | |
| 4. Nacimiento Top 1100', perf @ 1150 circulate cmt to surface | | | | |
| 5. 4 1/2" casing move DV tool from 4600' to +/- 6100' was granted | | | | |
| BLM will have a compliance inspector on location witnessing the cementing operations | | | | |
| XTO (Matthew Gusdorf & Danny Thompson) met with Charlie Perrin, Kelly Roberts, & Steve Hayden, NMOCD at 3 pm 7/27/2010 to discuss cementing operations to isolate the Formation tops as dicussed above. NMOCD indicated that the cmt plugs be 200' and that a CBL be run after cementing operations. | | | | |
| | | | | |
| Name of Agency | Verbal Approval Given By | Date/Time of Verbal Approval | COA's | |
| BLM | Wayne Townsend | 7/27/210 | Set 3 100' plugs + 100% excess across formation tops, and circ cmt to suf from nacimiento | |
| NMOCD | Charlie Perrin | 7/27/2010 | Send CBL run on 7/26/2010, set 200' plugs outside pipe and run and send CBL to NMOCD after cementing operations. | |
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| | | | | |
| Is Pit Permit C144-CLEZ Required? (NM only) | Verbal Pit Approval Given By | Date/Time of Pit Verbal Approval | COA's | |
| yes | | | Approved previously for deepening operation | |
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