

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMM 03554	
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 C #120	
3b. Phone No. (include area code) 505-333-3100		9. API Well No. 30-039-30651	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1180' FSL x 2255' FWL 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 34.1 Miles SouthEast of Bloomfield, NM Post Office		11. Sec., T., R., M., or Blk. and Survey or Area (N) Sec 12, T26N, R6W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1180'	16. No. of Acres in lease 1760.00	17. Spacing Unit dedicated to this well S/2SW/4 DK/MV:S/2 320, TO:E/2 80 SW/4	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1420'	19. Proposed Depth 7800'	20. BLM/BIA Bond No. on file UTB000138	
21. Elevations (Show whether DE, KDB, RT, GL, etc.) Ground Elevation 6619'	22. Approximate date work will start* 03/01/2009	23. Estimated duration 2 Weeks	

24. Attachments

RCVD MAY 27 '11

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              |

OIL CONS. DIV.  
DIST. 3

25. Signature Jennifer M. Hembry	Name (Printed/Typed) JENNIFER M. HEMBRY	Date 01/12/2009
SEE ATTACHED FOR CONDITIONS OF APPROVAL		
Approved by (Signature) [Signature]	Name (Printed/Typed) AFH	Date 5/23/11
Title REGULATORY CLERK	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. NMOCD approval is required for the Toer to NSL.

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)

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

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

APD/ROW

NOTIFY AZTEC OCD 24 HRS. PRIOR TO CASING & CEMENT

JUN 1-0 2011

**Certificate Number**

Form C-102  
 RECEIVED  
 Revised October 12, 2005  
 Instructions on back  
 Submit to: Appropriate District Office  
 JAN 13 2006  
 State Lease - 4 Copies  
 Bureau of Land Management  
 Farmington Field Office  
 Fee Lease - 3 Copies  
 AMENDED REPORT

DISTRICT II  
1301 W. Grand Avenue, 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

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87504-2088

Bureau of Land Management  
Farmington Field Office

AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30039-30051	<sup>2</sup> Pool Code 72319	<sup>3</sup> Pool Name Blanco Mesa Verde
<sup>4</sup> Property Code 304751	<sup>5</sup> Property Name BREECH C	<sup>6</sup> Well Number 120
<sup>7</sup> OGRIID No. 5380	<sup>8</sup> Operator Name XTO ENERGY INC.	<sup>9</sup> Elevation 6619'

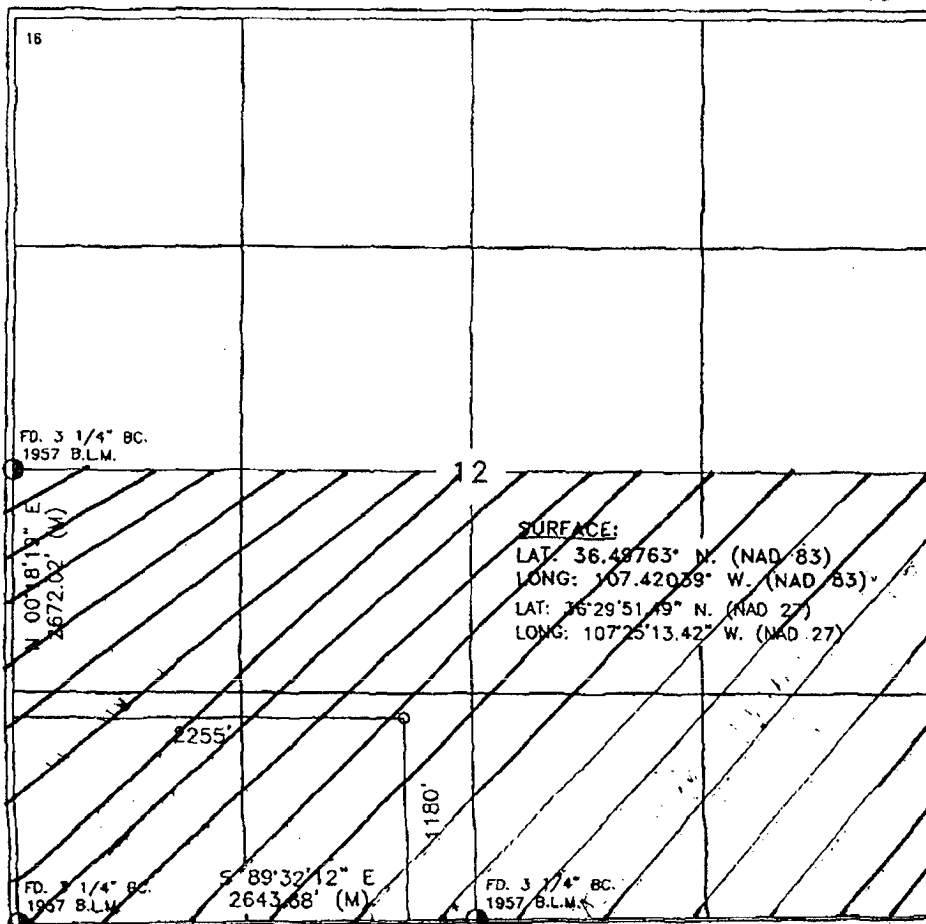
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lat Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	12	26-N	6-W		1180	SOUTH	2255	WEST	RIO ARriba

## 11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lat idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres S/2 320		<sup>13</sup> Joint or Infill			<sup>14</sup> Consolidation Code		<sup>15</sup> 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



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

Signature J. Hembry Date 1/9/09  
Printed Name Jennifer M. Hembry

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 and belief.

SEPTEMBER 23, 2008

Date of Survey \_\_\_\_\_  
Signature and Seal of Professional Surveyor \_\_\_\_\_



**Certificate Number**

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

DISTRICT II  
1301 W. Grand Avenue, 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 87504-2088

Form C-102

Revised October 12, 2005

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-30651		<sup>2</sup> Pool Code 06460		<sup>3</sup> Pool Name South Blanco Tocito	
<sup>4</sup> Property Code 304751		<sup>5</sup> Property Name BREECH C			<sup>6</sup> Well Number 120
<sup>7</sup> OCRID No. 5380		<sup>8</sup> Operator Name XTO ENERGY INC.			<sup>9</sup> Elevation 6619'

<sup>10</sup> Surface Location

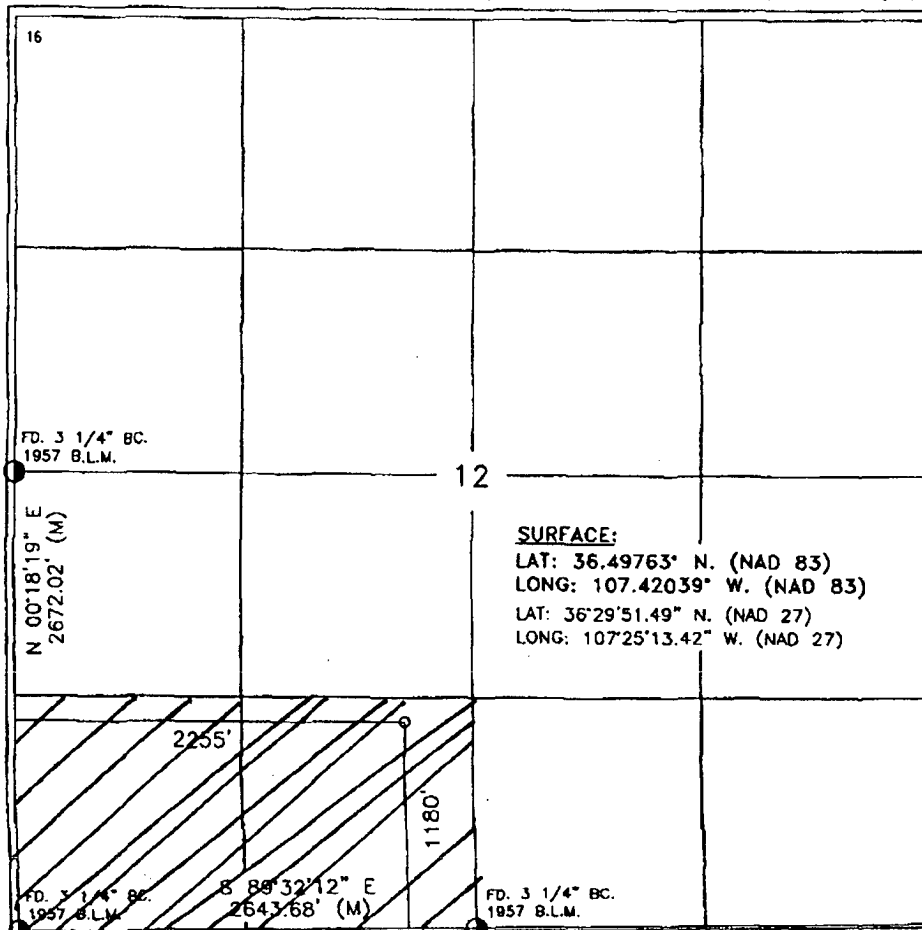
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	12	26-N	6-W		1180	SOUTH	2255	WEST	RIO ARriba

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 8 1/2 80 SW/4	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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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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.

*J. Hembry* 1/9/08  
Signature Date  
Jennifer M. Hembry  
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 and belief.

SEPTEMBER 23, 2008

Date of Survey  
Signature and Seal of Professional Land Surveyor



Certificate Number

# XTO ENERGY INC.

Breech C #120

APD Data

January 9, 2009

Location: 8 1160' FSL x 2255' FWL Sec 12, T26N, R6W County: Rio Arriba State: New Mexico

GREATEST PROJECTED TD: 7800'

OBJECTIVE: Basin Dakota / Tocito / Mesaverde

APPROX GR ELEV: 6619'

Est KB ELEV: 6631' (12' AGL)

## 1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 2500'	2500' to 7800'
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 ( $\pm$ 7800') 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'-7800	7800'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.08	1.29	1.67

## 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 ft<sup>3</sup>/sk, & 6.70 gal wtr/sk.

*Total slurry volume is 297 ft<sup>3</sup>, 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  $\pm 7800'$  in 7.875" hole. DV Tools set @  $\pm 6379'$  and @  $\pm 3288'$

1<sup>st</sup> Stage

LEAD:

$\pm 95$  sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft<sup>3</sup>/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.

2<sup>nd</sup> Stage

LEAD:

$\pm 241$  sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 ft<sup>3</sup>/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.

3<sup>rd</sup> Stage:

LEAD:

$\pm 253$  sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 ft<sup>3</sup>/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 1876 ft<sup>3</sup>.*

*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 (7800') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (7800') to 3,000'.

## 6. FORMATION TOPS:

Est. KB Elevation: 6631'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	4117	2514	Gallup	202	6429
Kirtland Shale	3975	2656	Greenhorn	-605	7236
Farmington SS			Graneros	-659	7290
Fruitland Formation	3875	2756	Dakota 1*	-684	7315
Lower Fruitland Coal	3546	3085	Dakota 2*	-736	7367
Pictured Cliffs SS	3534	3097	Dakota 3*	-774	7405
Lewis Shale	3393	3238	Dakota 4*	-817	7448
Chacra SS	2628	4003	Dakota 5*	-848	7479
Cliffhouse SS*	1841	4790	Dakota 6*	-968	7599
Menefee**	1746	4885	Burro Canyon	-968	7599
Point Lookout SS*	1302	5329	Morrison*	-1087	7718
Mancos Shale	934	5697	TD	-1169	7800

\* Primary Objective

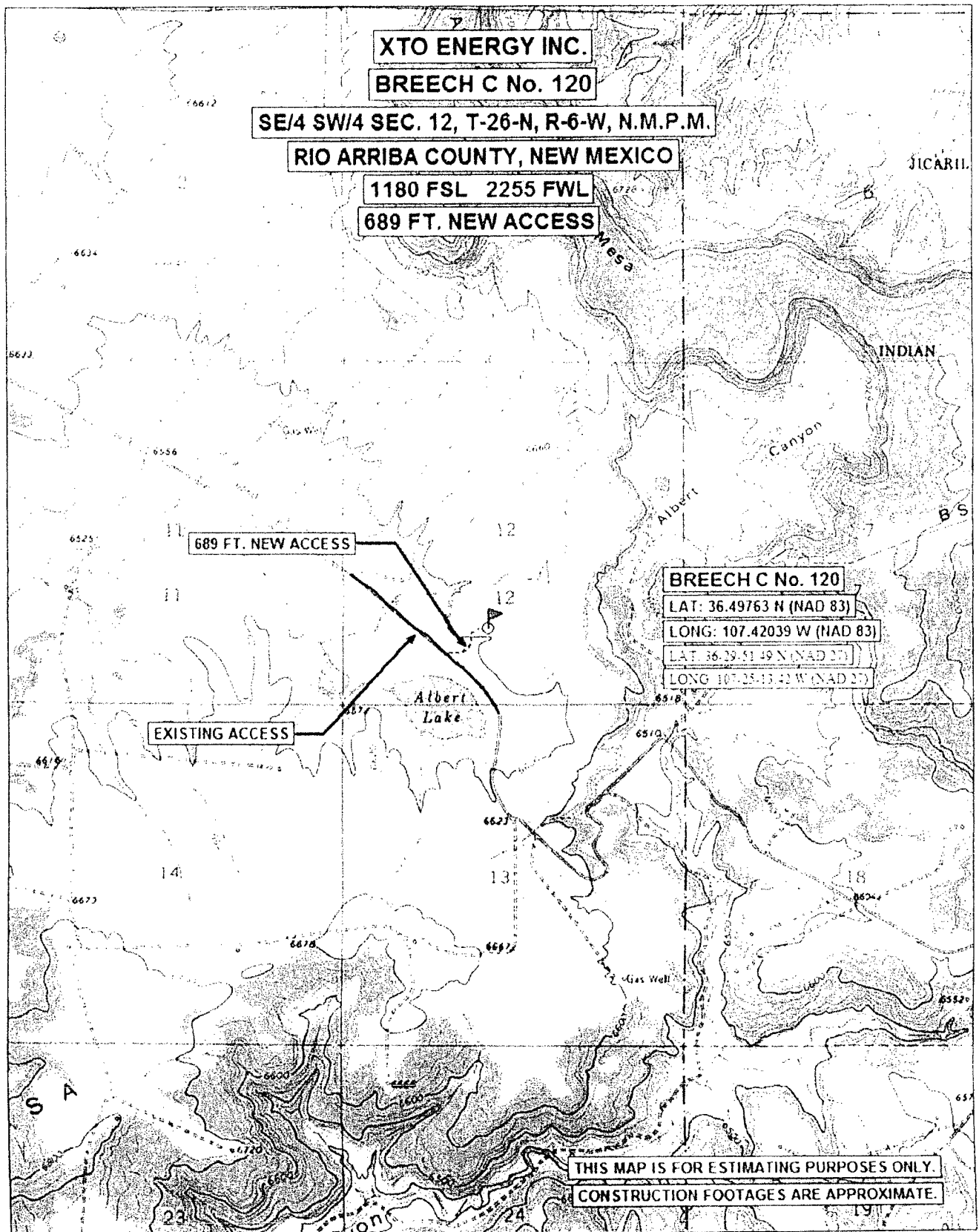
\*\* Secondary Objective

\*\*\*\* Maximum anticipated BHP should be <2,000 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  
1/9/09



**EXHIBIT A**



## **DRILLING CONDITIONS OF APPROVAL**

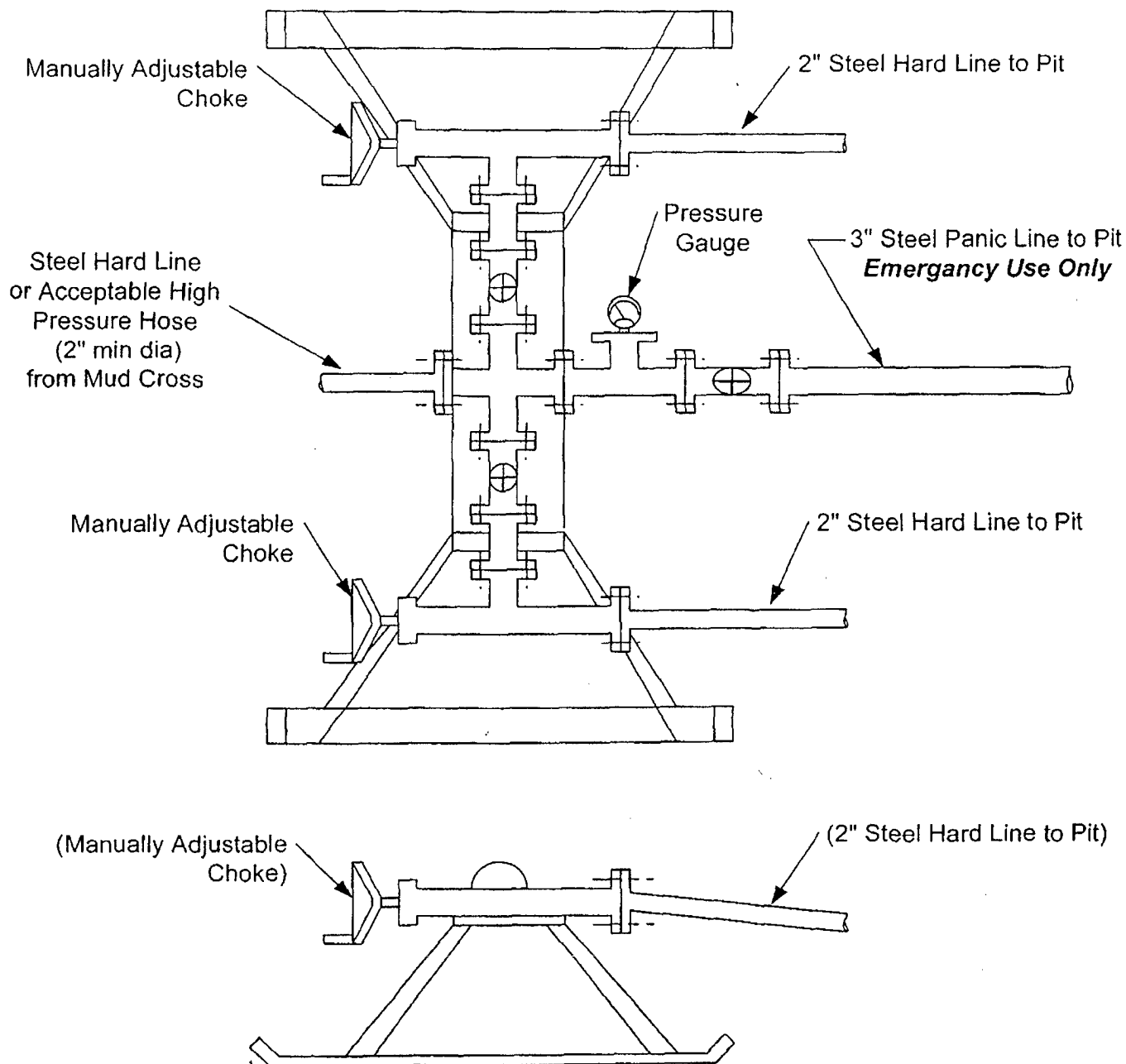
**Operator:** XTO Energy  
**Lease No.:** NMNM-03554  
**Well Name:** Breech C #120  
**Well Location:** Sec.12, T26N, R6W; 1180' FSL & 2255' FWL

- 1) As a requirement, approximately 300ft 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.

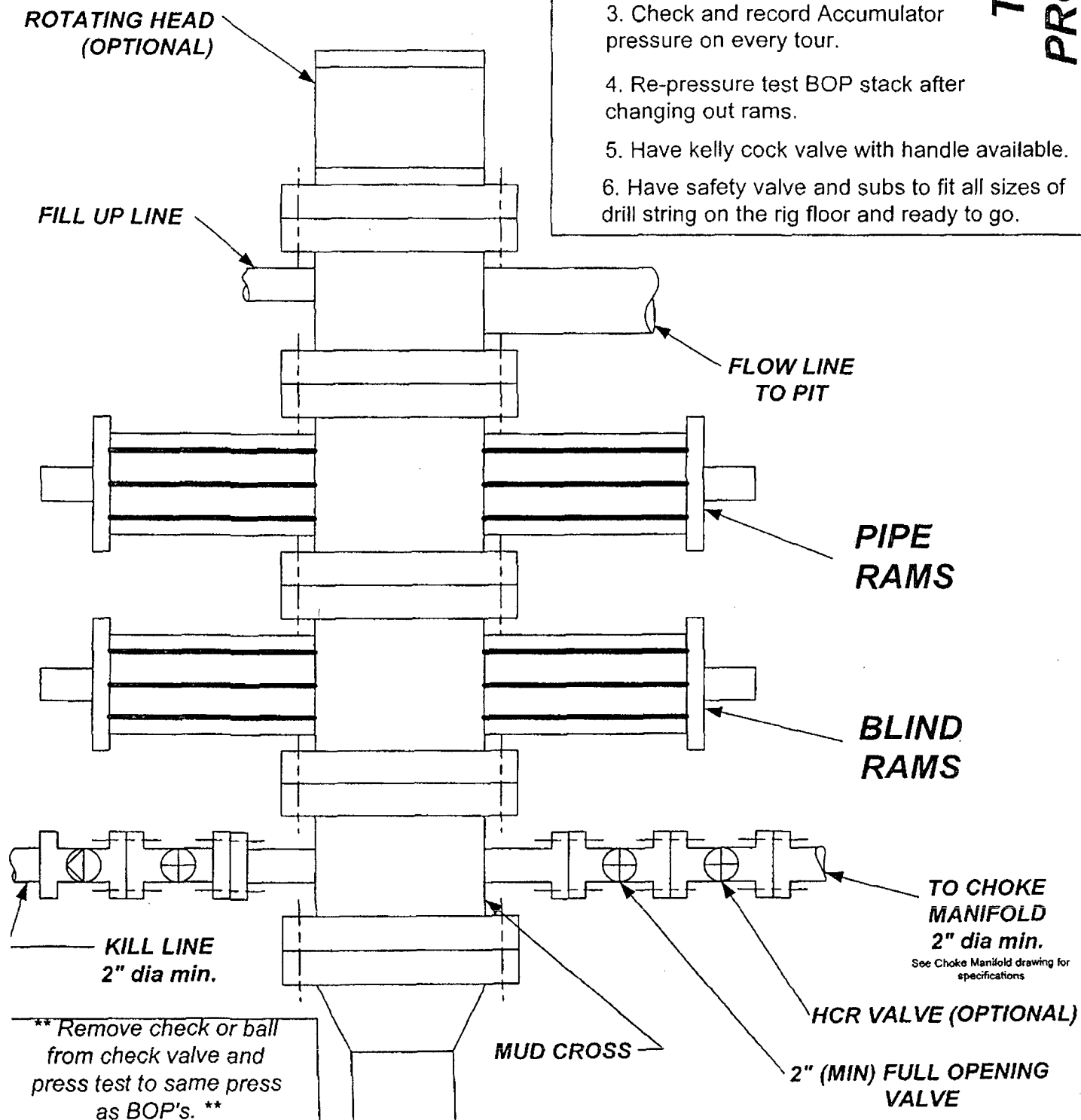
# **CHOKE MANIFOLD SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE**

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