Form 3160-5
(August 2007)

UNITED STATES OCD-ARTESIA
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 and Abandoned well. Use Form 3160-3 (APD) for such proposals

SUBMIT IN TRIPLICATE – Other instructions on page 2.

5. Lease Serial No.
SHL: NM 0556859-A BHL: NM 10776

6. If Indian, Allottee or Tribe Name

RECEIVED
FEB 17 2010
NMOCD ARTESIA

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
NASH UNIT #41H

2. Name of Operator
XTO ENERGY INC

9. API Well No.
30-015-~~36951~~ 37165 bm

3. Address
200 N. LORAINE ST., STE. 800
MIDLAND, TX 79701

3b. Phone No. *(include area Code)*
432-682-8873 / 432-620-6749

10. Field and Pool or Exploratory Area
NASH DRAW – BRUSHY CANYON

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
SHL: 2456' FSL & 1674' FWL Section 12 T23S, R29E, (K)
BHL: 2400' FNL & 2000' FWL Section 1, T23S, R29E, (F)

11. County or Parish, State
EDDY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Facture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☑ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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 directional or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attached the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

9/15/2009: BLM BOND #: UTB 000138

2/5/10: Change of Operations – Contingency plan for cementing 7" casing thru DV tool @ 5500' (+/-).

Based on our experiences from drilling the Nash Unit #40H & 39H, XTO Energy Inc is recommending a "Cementing Contingency Plan" for the 7" casing thru the DV Tool @ 5500' (+/-).

Contingent Proposal – if some partial or lost returns are encountered while drilling the 8-3/4" hole, or small losses are encountered while cementing the 7" 1st stage that A.) After opening the DV tool & circulating that the initial slurry pumped thru DV tool be only an estimated amount to fill annulus f/5500' to approx. 3800' (base of estimated inj interval). B.) The cement volume would be 100sx (12.8ppg, 1.92 cuft/sx, comp strength – 12 hr 444psi 24hr 755psi) followed by 150sx (14.8ppg, 1.33 cuft/sx, comp strength – 12hr 1404psi 24hr 1909psi). C.) We would allow cmt to set for 6 hrs, then would RU to 7" x 9-5/8" annulus & pmp 500sx of the 12.8ppg slurry w/50sx 14.8ppg cap down annulus to fill annulus & squeeze off "water flow".

While drilling 8-3/4" hole on the Nash Unit #40H & 39H to the KOP @ 6100' and then the curve to 7237' (7" csg pt), we encountered 20 BPH water flow w/9.6ppg wt brine, as we continued to drill to 7" csg landing point, small fluid losses were encountered. The 7" csg was run, 1st stage slurries around shoe was pumped w/some small fluid losses at end of job. DV tool was opened, circ for 6 hrs, began 2nd stage slurries, about halfway thru operation, partial lost returns encountered. During NU BOP, 7" x 9-5/8" annulus began flowing wtr (suspected flow due to area injection well @ interval of 3200' – 3800'). We let annulus flow continuously until we pumped 580sx of 12.8pppg w/50sx of 14.8ppg cap. The annulus was left shut in for 48 hrs then opened – no pressure, no flow.

2/5/10: Change surface Csg depth f/280'/285' to 300' based on experience from drilling the Nash Unit #40H & 39H.

over

14. I hereby certify that the foregoing is true and correct.
Name *(Printed/Typed)* **SORINA L. FLORES** Title **DRILLING TECH**

Signature Date **2/5/2010**

SEE ATTACHED FOR CONDITIONS OF APPROVAL

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED
FEB 8 2010
/s/ Chris Walls
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Approved by Title Date

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. Office

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)

BLM Sundry form 3160-5 (pg 2)
Operator: XTO Energy Inc

NASH UNIT #41H
30-015-37165
SHL: 2456' FSL & 1674' FWL Section 12 T23S, R29E, (K)
BHL: 2400' FNL & 2000' FWL Section 1, T23S, R29E, (F)

Notice of Intent: Change of Operations (cont.)

2/5/2010: Modify Surface Casing Cement Program –

XTO Energy proposes to pump 100sx of 14ppg, 1.7 cuft/sx "Thixotropic" slurry ahead of the planned 500sx HalCem C + 2% CaCL slurry. This is due to loss circulation while drilling to the 300' casing point depth. The two offset wells, Nash Unit #40H & 39H, encountered lost returns around 270' and required 1" jobs to bring cement to surface. The "Thixotropic" slurry was needed on the Nash Unit #39H after "8" 25sx tries down 1". Once 50sx of Thixotropic was pumped, circulation was regained and cement was then pumped to surface. Also, if 1" remedial work is required, we propose using the "Thixotropic" slurry blend to seal off the lost zone.

Properties of "Thixotropic": 14ppg, 1.7 cuft/sx
Compr Strength: 12 hr 417 psi 24 hr 651 psi 48hr 847psi
HalCemC + 10 lb/sx Calseal + 10 lb/sx Gilsonite + 2% CaCl (spec sheet attached)

HALLIBURTON

Cementing Permian Basin, Hobbs

LAB RESULTS - Lead

Job Information

Request/Slurry	62893/1	**Rig Name**	MCVAY DRILLING #7	**Date**	January 25th 2010
Submitted By	Billy Gideon	**Job Type**	Surface Casing	**Bulk Plant**	Artesia, NM
Customer	XTO	**Location**	Eddy	**Well**	Nash Unit #39H

Well Information

Casing/Liner Size	13 3/8"	**Depth MD**	300 ft	**BHST**	82 F
Hole Size	17 1/2"	**Depth TVD**	300 ft	**BHCT**	80 F

Drilling Fluid Information

Mud Company	**Type**	**Density**	8.5 PPG	**PV/YP**

Cement Information - Lead Design

Conc	UOM	Cement/Additive	Sample Type	Sample Date	Lot No.
		SwiftCem			
100 00	% BWOC	Cemex Premium Plus C			
10 00	lb/sk	Cal-Seal 60			
2 00	% BWOC	CaCl2 (Calcium Chloride) 94-97 % Salt			
10 00	lb/sk	Gilsonite			
66 18	L/100kg	Fresh Water			

Cement Properties

Slurry Density	14 004	PPG
Slurry Yield	1.7	FT3
Water Requirement	7 45	GPS
Water Source	Fresh Water	
Water Chloride	N/A	ppm

Pilot Test Results Request ID 62893/1

UCA Comp. Strength

End Temp (°F)	Pressure (psi)	500 psi (hh:mm)	12 hr CS (psi)	24 hr CS (psi)	48 hr CS (psi)
82	1,000	15 12	417	651	847

Thickening Time

Temp (°F)	Pressure (psi)	70 Bc (hh:mm)
80	400	03 21

API Rheology

Temp (°F)	300	200	100	6	3	Cond Time (min)	PV/YP
80	126	109	88	30	23	20	103 7 / 35 1

API Free Fluid

Temp (°F)	% FF
80	0
80	

API Fluid Loss

Temp (°F)	cc / 30 min
80	424

Nash Unit #41H
30-015-37165
XTO Energy
February 8, 2010
Conditions of Approval

1. **Attempt to establish injection rate down annulus, if injection rate cannot be established submit alternate plans to BLM.**

2. **Operator is to verify top of cement. If cement does not come to surface, contact the appropriate BLM office.**

3. **Subsequent Sundry is required.**

CRW 020810