

Surface Use Plan

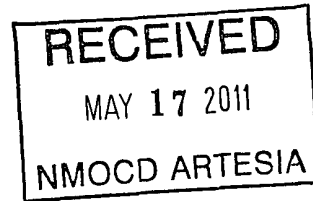
30-015-39304

(Additional data for form 3160-3)

XTO Energy, Inc.
NASH UNIT #58H

SHL: 1650' FSL & 350' FEL, Sec. 14 T23S R29E UL: I
BHL: 380' FSL & 340' FWL, Sec. 18 T23S R30E UL: M

Eddy Co, NM
NM-0556859 SHL
NM-0556860
NM-29684
NM-0554223 BHL



1. EXISTING ROADS-

The road log to the location is as follows:

From the intersection of Hwy. #128 & CR #793 (Rawhide Rd), go South on Rawhide Rd approx 2.8 miles, turn Right, go West approx 1.1 turn left go .3 mile, This location is approx. 150' east of the existing Nash #25 well. All roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.

2. PLANNED ACCESS ROAD —Approximately 150' of new N to S access road will be built to BLM specifications. All lease roads will be graded in compliance with BLM standards and made a uniform width of 20', including shoulders.

→ See COAs

3. LOCATION OF EXISTING WELLS - Water wells: None known; Disposal wells: none known; Drilling wells: none known. Producing Wells: Closest well is approximately 150' away, the #25 well. Abandoned wells: none known

4. LOCATION OF EXISTING OR PROPOSED FACILITIES .In the event this well is productive we will install new production facilities and install gas metering as per all BLM stipulations. Permanent tanks and gas measurement meter(s) will be utilized for this well as per BLM specifications.

5. LOCATION AND TYPE OF WATER SUPPLY .All water (fresh or otherwise) needed for the drilling and completion of this well will be purchased from a commercial source and trucked to the location via the existing and proposed access road. No water source wells will be drilled, and no surface water will be utilized.

6. SOURCE OF CONSTRUCTION MATERIALS .Construction material (caliche) required for the access road and well site pad will be obtained on location, if available, or from an approved pit. No surface materials will be disturbed except those necessary for actual grading and construction

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of the drill site and access road.

-2-

7. METHODS FOR HANDLING WASTE DISPOSAL

Closed Loop System. Waste Material will be stored then hauled to a state approved disposal facility. Drilling fluids will be contained in steel pits, fluids will be cleaned & reused. Water produced during testing will be contained in steel pits and disposal at a state approved facility. Any oil or condensate will be stored in test tanks until sold & hauled from site.

- Receptacles for solid wastes (paper, plastic, etc) will be provided and equipped to prevent scattering by wind, animals, etc. This waste will be hauled to an approved landfill site. Salts remaining after completion will be picked up by supplier including broken sacks.

- Any other waste generated by the drilling, completion, testing of this well will be through a closed loop system.

- A Porta-John will be provided for the crews. This will be properly maintained during the drilling operations and removed upon completion of the well, and cleaned out periodically.

8. ANCILLARY FACILITIES - Upon completion, and/or testing of this well rental tanks, facilities will be utilized until permanent storage is established. No camps or airstrips will be constructed.

9. WELLSITE LAYOUT - Enclosed, please see "Drilling Rig Layout"

10. PLANS FOR SURFACE RESTORATION. Reclamation of the surface location will be in accordance with the requirements set forth by the BLM. As stated earlier all waste generated by this operation will be disposed of in an approved manner, and the site restored as closely as possible to its pre-operation appearance. The topsoil at the wellsite & access road is light/medium brown colored fine sand. Due to the topography of the area no problems are anticipated in achieving this status and no erosion or other detrimental effects are expected as a result of this operation.

The vegetation at the wellsite is a sparse grass cover of three-awn, grama, bluestem, dropseed, burrograss, muhly and misc. native grasses. Plants are sparse mesquite, yucca, sage, shinnery oak brush, broomweed, and cacti w/misc. weeds. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove and quail all typical of the semi-arid desert land. There are no ponds or streams. No dwelling with 1.5 miles of location.

Arc Survey and Notice of Staking have been submitted to Bureau of Land Management.

11. OTHER INFORMATION. The surface ownership of the drill site and the access routes are under the control/ownership of: U.S. Government, Managed by the Bureau of Land Management.

12. Drilling contractor: Pending.

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. GREENE STREET
CARLSBAD, NM 88220

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Operator Name: XTO ENERGY INC
Street or Box: 200 N. Loraine St., Ste. 800
City, State: Midland, TX
Zip Code: 79701

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No: SHL: NM-0556859, NM-0556860, NM-29684, BHL: NM-0554223

Legal Description of Land: NASH #58H

UL: I Section: 14 Township: 23 South Range: 29 East

County: Eddy State: New Mexico

Bond Coverage: \$1,184,600.00

Nation Statewide Oil and Gas Surety Bond, XTO ENERGY INC.

BLM Bond File No.: UTB000138

Signature:  Printed Name: Don Eubank

Title: Drilling Manager

Date: 11/3/2010

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. GREENE STREET
CARLSBAD, NM 88220

OPERATOR CERTIFICATION

I HEARBY CERTIFY THAT I, OR SOMEONE UNDER MY DIRECT SUPERVISION, HAVE INSPECTED THE DRILL SITE AND ACCESS ROUTE PROPOSED HEREIN; THAT I AM FAMILIAR WITH THE CONDITIONS WHICH CURRENTLY EXIST; THAT I HAVE FULL KNOWLEDGE OF STATE AND FEDERAL laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 14th day of DECEMBER, 2010

Well: NASH UNIT #58H, SHL: 1650' FSL & 350' FEL, Sec. 13, T23S, R29E, UL: I, Eddy Co, NM

Operator Name: XTO ENERGY INC

Signature:  Printed Name: Don Eubank

Title: Drilling Manager Date: _____

Email (optional): don_eubank@xtoenergy.com

Street or Box: 200 N. Loraine St., Ste. 800

City, State, Zip Code: Midland, TX 79701

Telephone: 432-682-8873

Field Representative (if not above signatory): _____

Address (if different from above): _____

Telephone (if different from above): _____

Email (optional): _____

Agents not directly employed by the operator must submit a letter from the operator authorizing that the agent to act or file this application on their behalf.



**DESIGN PLAN, OPERATING & MAINTENANCE PLAN, & CLOSURE PLAN
FOR OCD FOR C-144**

NASH UNIT #58H

DESIGN PLAN

Fluid & cuttings coming from drilling operations will pass over the Shale Shaker with the cuttings going to the CRI haul off bin and the cleaned fluid returning to the working steel pits.

Equipment includes:

- 2 – 500 bbl steel tanks (fresh) & 3 – frac tanks (brine)
- 3 – steel working pits, 1100 bbl system
- 3 – 20 cu yards steel haul off bins (calc'd cutting is 381 cu yards)
- 2 – Pumps – PZ9 or larger
- 1 – Shale shaker, possibly 2
- 1 – Desander – desilter (if needed)
- 1 – Mud cleaner (if needed)
- 1 – Centrifuge (2 if needed)

OPERATING AND MAINTENANCE PLAN

Inspection to occur every tour for proper operation of system and individual components. If any problems are found they will be repaired and/or corrected immediately.

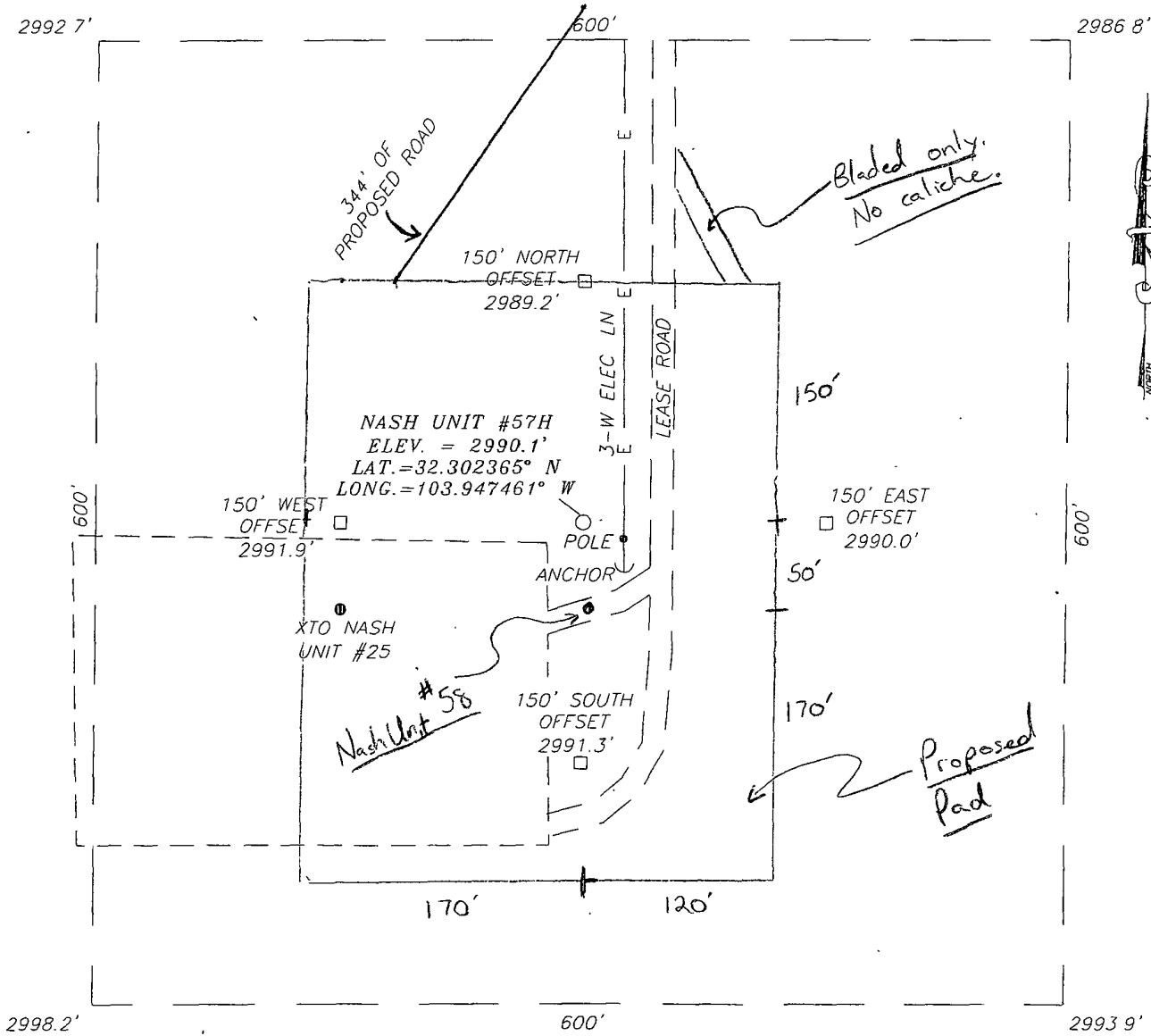
CLOSURE PLAN

All haul bins containing cuttings will be removed from location and hauled to Controlled Recovery, Inc's (#R9166) disposal site located near mile marker 66 on Highway 62/180.

A handwritten signature in cursive script that reads 'Chip Amrock'.

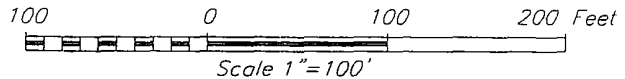
Chip Amrock
Sr. Drilling Engineer

SECTION 14, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST HWY. #128 AND CO RD #793 (RAWHIDE RD), GO SOUTH ON RAWHIDE RD. APPROX 2.5 MILES TURN RIGHT AND GO WEST APPROX 1.2 MILES TURN LEFT AND GO SOUTHEAST TO SOUTH APPROX 0.35 MILES THE LOCATION STAKE IS APPROX. 30 FEET WEST.

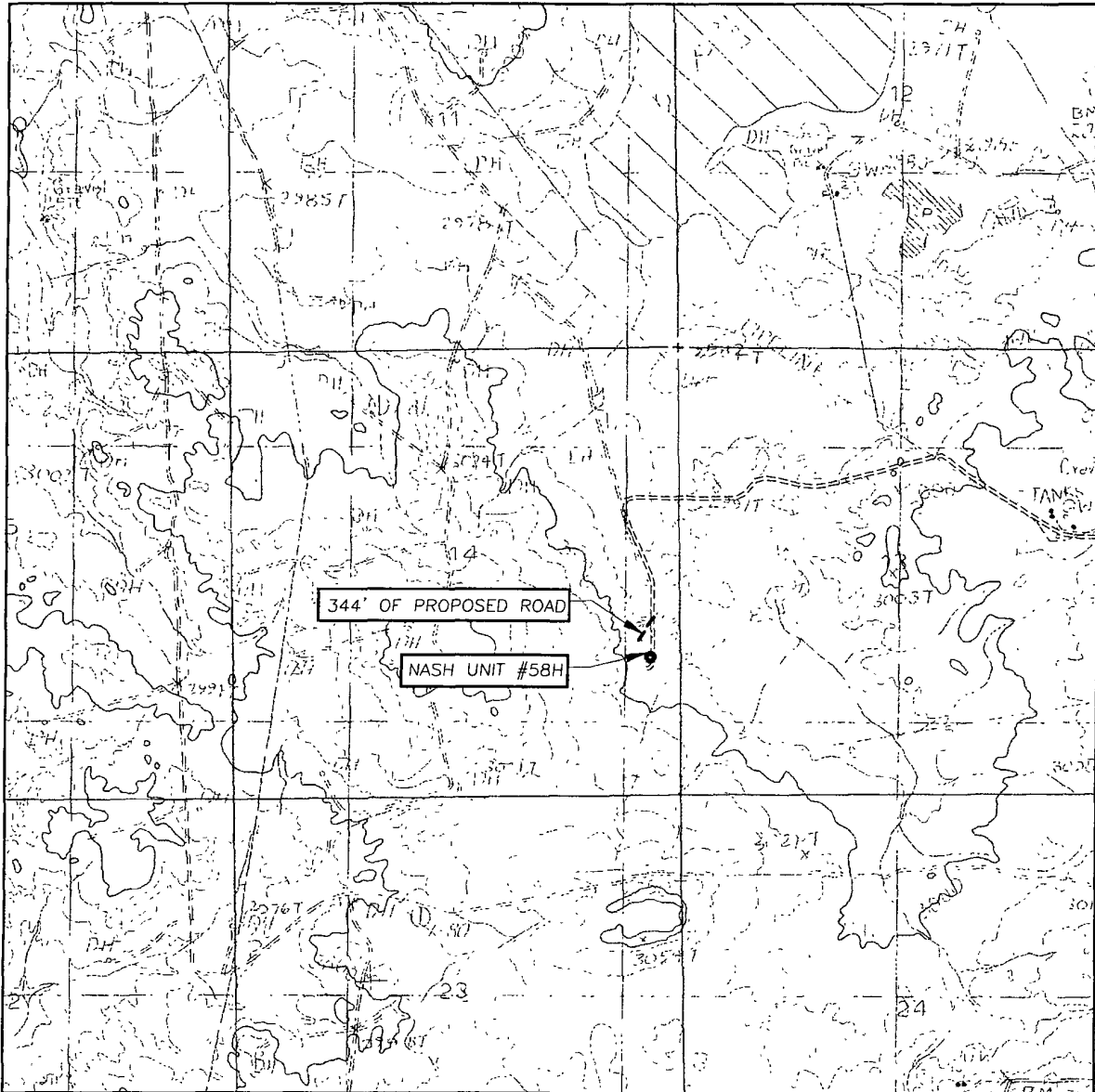


PROVIDING SURVEYING SERVICES SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

XTO ENERGY			
NASH UNIT #57H WELL LOCATED 1700 FEET FROM THE SOUTH LINE AND 350 FEET FROM THE EAST LINE OF SECTION 14, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO			
Survey Date: 10/20/10	Sheet 1 of 1 Sheets		
W O Number: 10 11 1514	Dr By: LA	Rev 1 N/A	
Date: 10/22/10	10111514	Scale 1"=100'	

3/28/10
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LOCATION VERIFICATION MAP



SCALE. 1" = 2000'

CONTOUR INTERVAL
REMUDA BASIN, N M - 10'

SEC 14 TWP 23-S RGE 29-E

SURVEY N.M.P.M

COUNTY EDDY STATE NEW MEXICO


DESCRIPTION 1650' FSL & 350' FEL

ELEVATION 2992'

OPERATOR XTO ENERGY

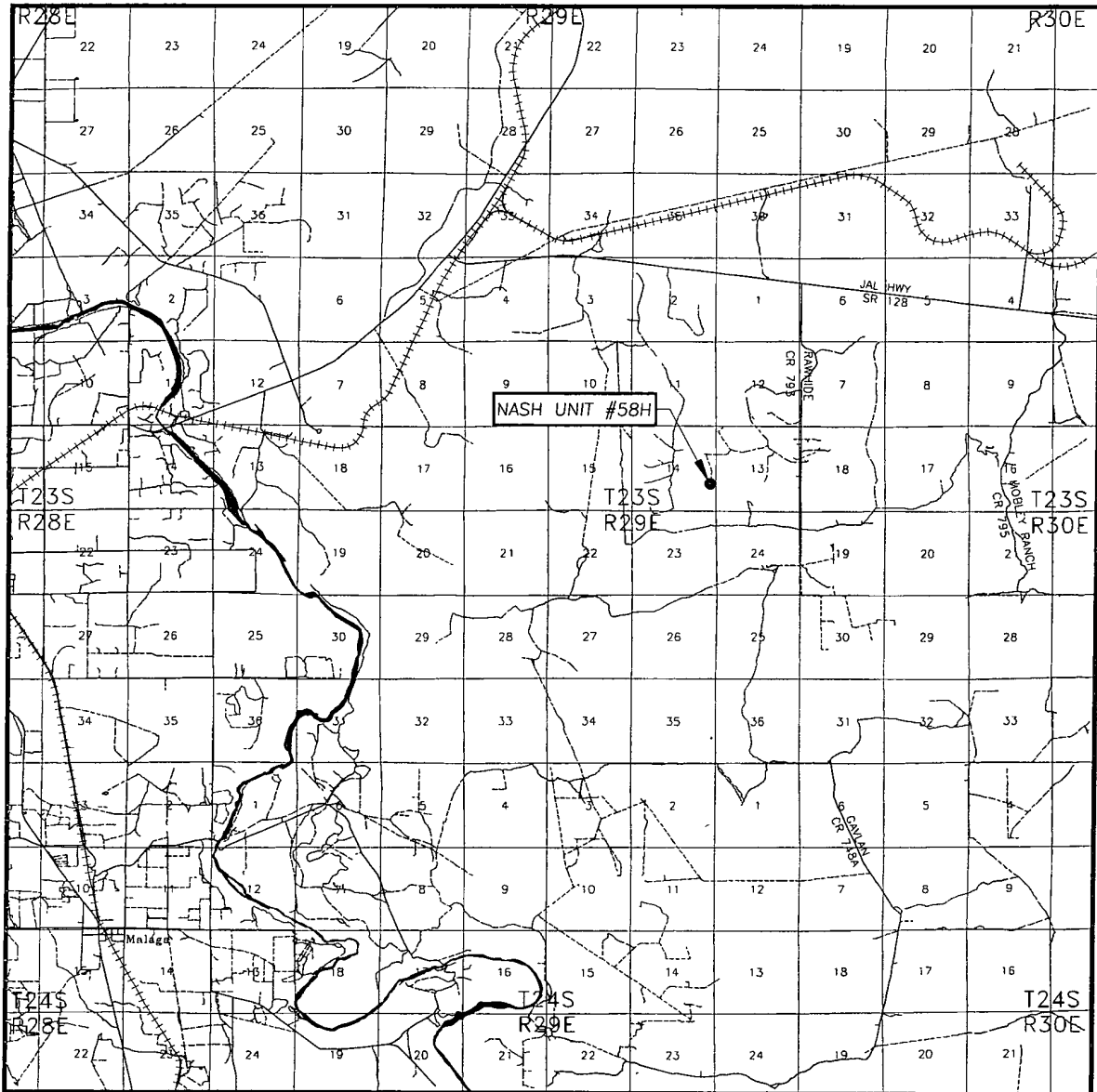
LEASE NASH UNIT

U S G S. TOPOGRAPHIC MAP
REMUDA BASIN, N.M




PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N M 88240
(505) 393-3117

VICINITY MAP



SCALE 1" = 2 MILES

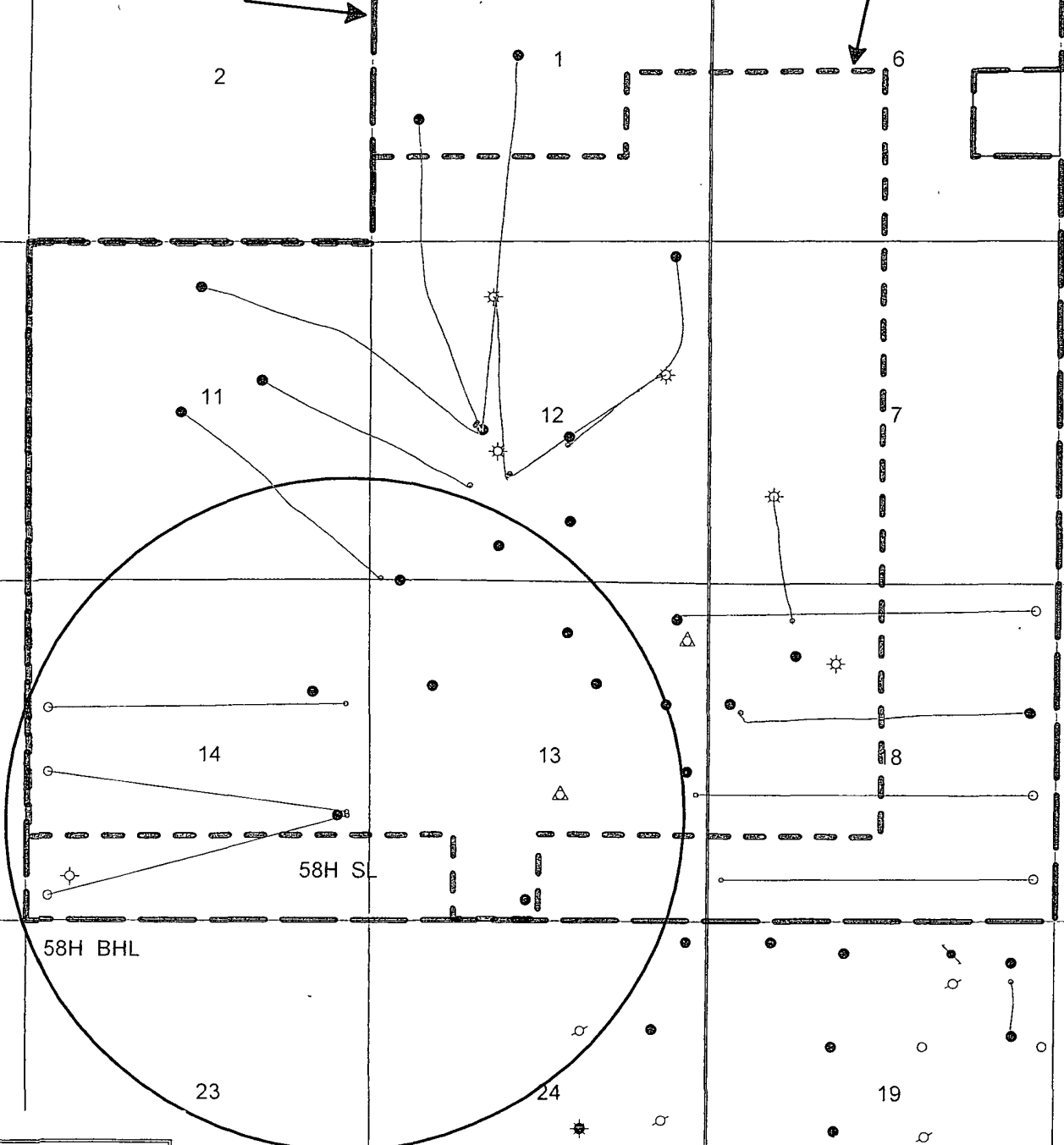
SEC. 14 TWP. 23-S RGE. 29-E
 SURVEY N.M.P.M
 COUNTY EDDY STATE NEW MEXICO
 DESCRIPTION 1650' FSL & 350' FEL
 ELEVATION 2992'
 OPERATOR XTO ENERGY
 LEASE NASH UNIT



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

Nash Unit

Nash Delaware Participating Area



- Oil Well
- ☀ Gas Well
- △ SWD Well
- Location

XTO ENERGY

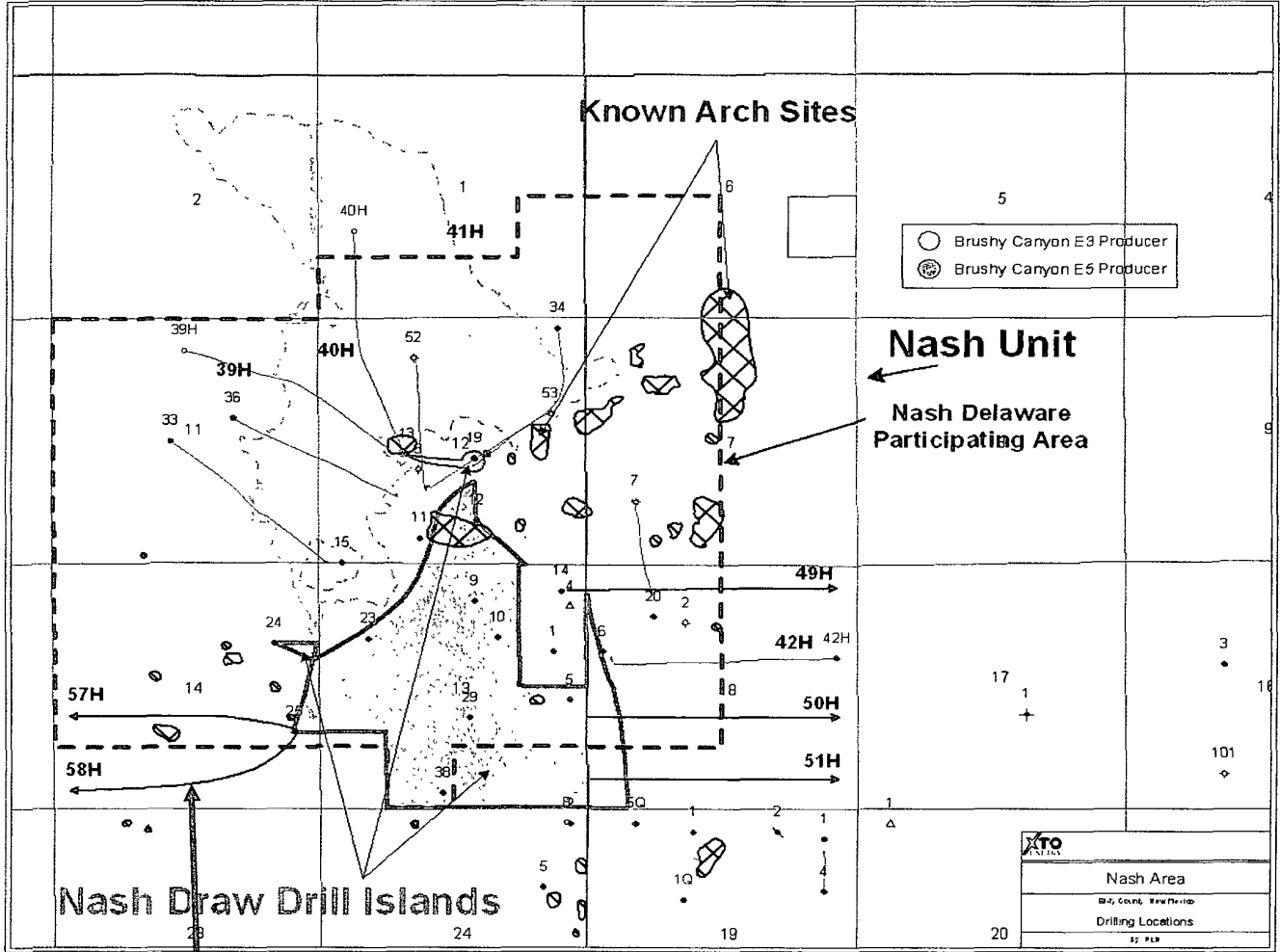
Nash Area

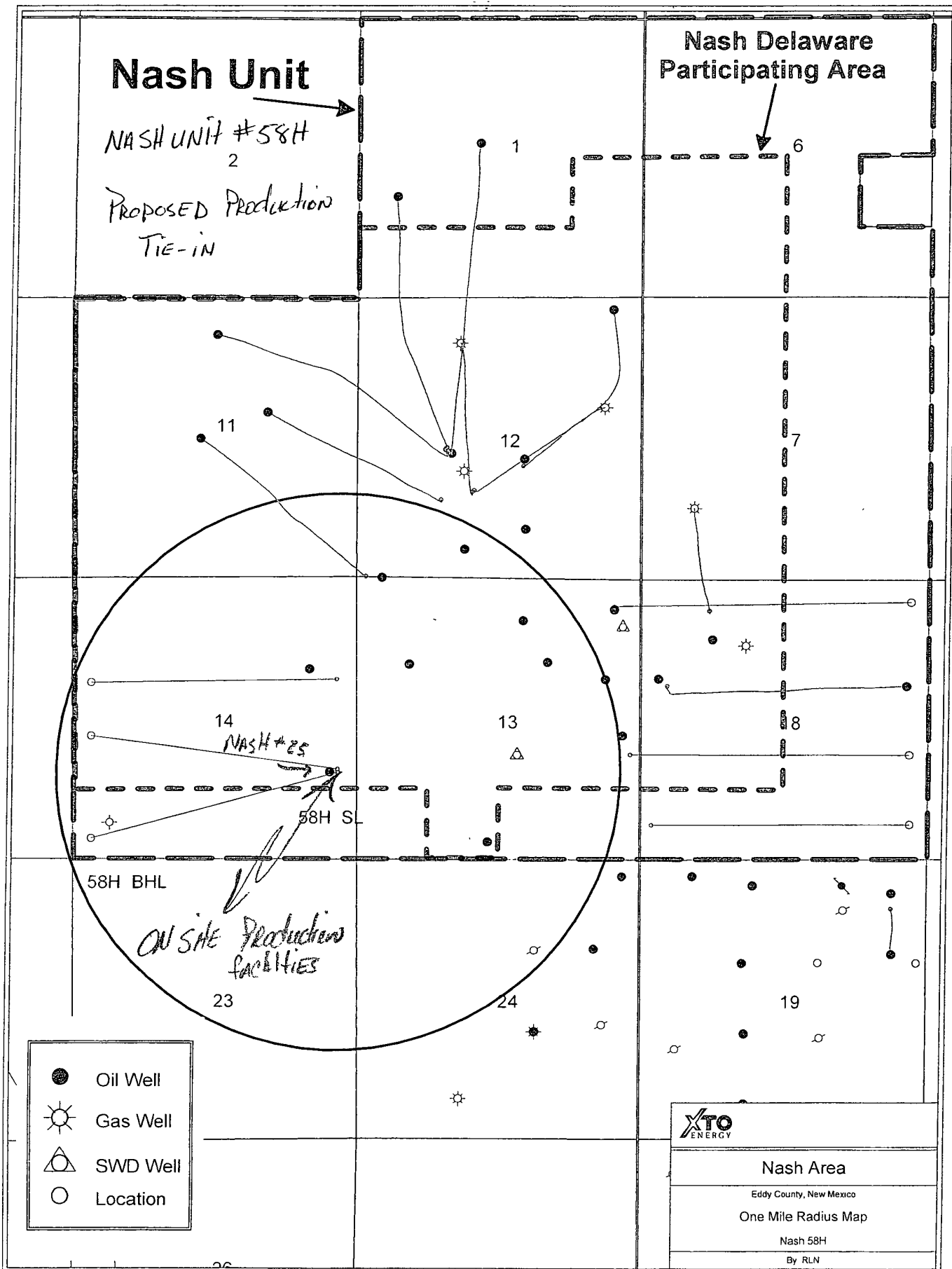
Eddy County, New Mexico

One Mile Radius Map

Nash 58H

By RLN

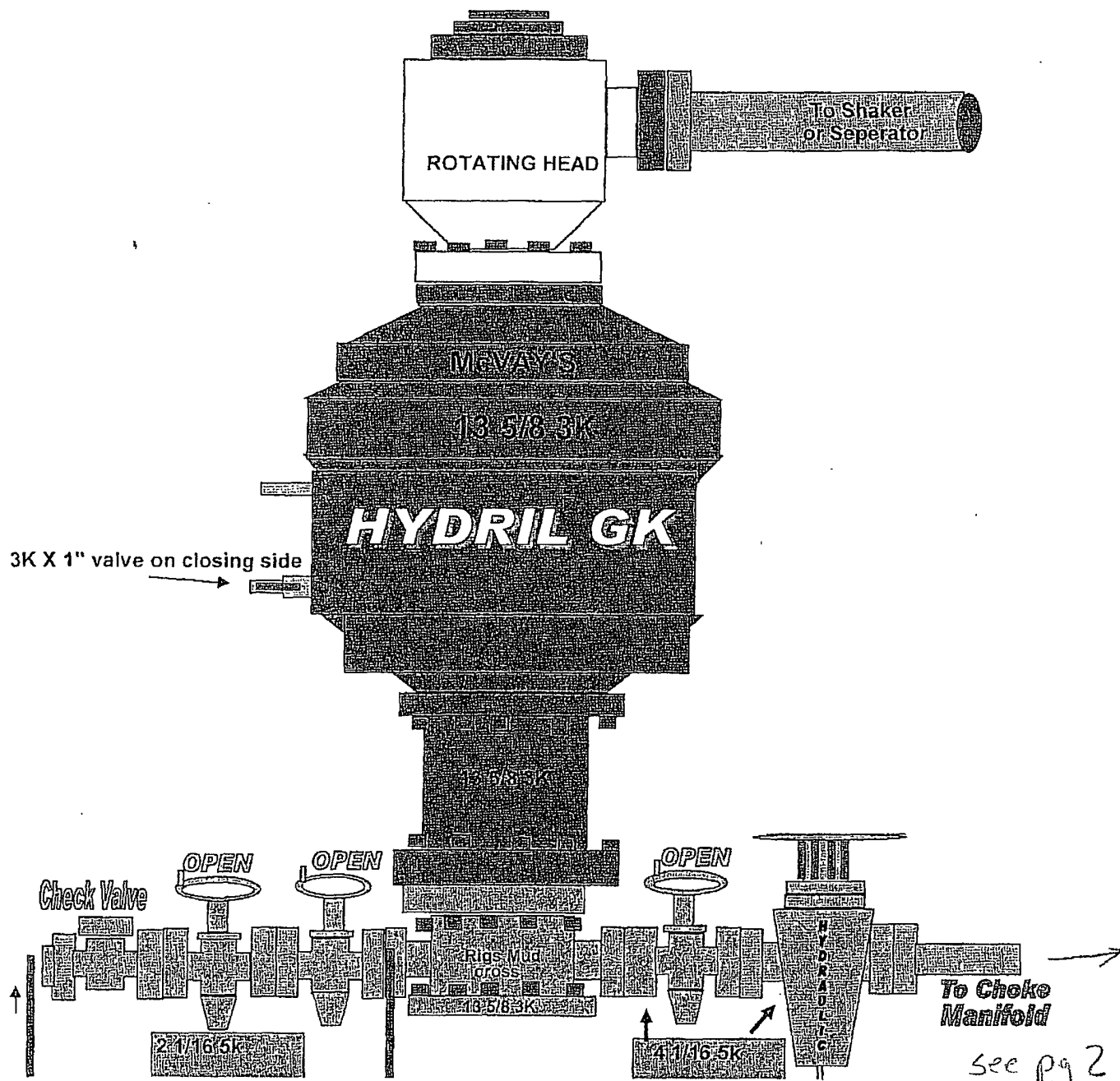


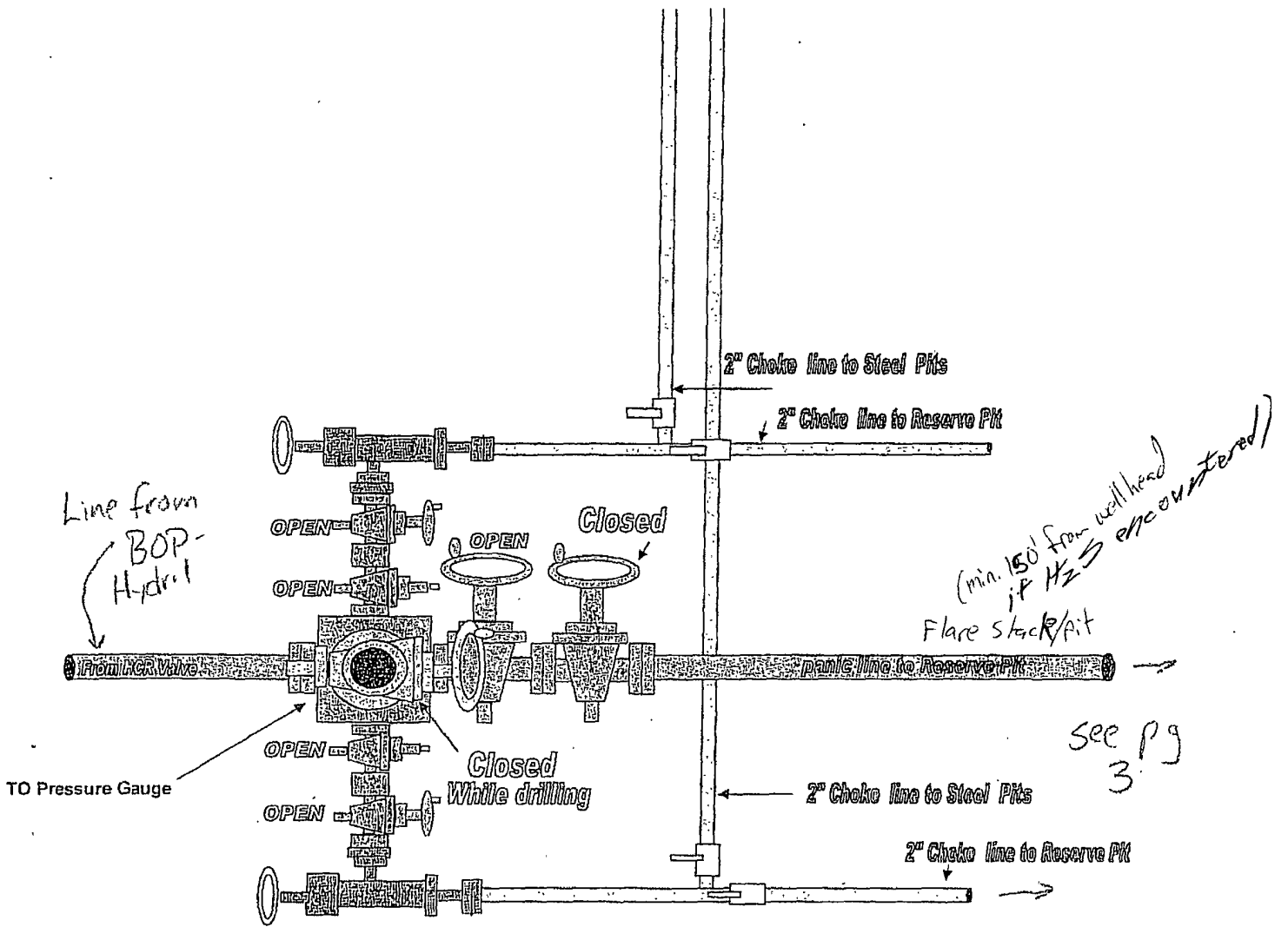


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PROPOSED PRODUCTION FACILITY ON THE NASH #25 WILL CONSIST OF 6 1,000 BBL OIL TANKS AND 6 1,000 BBL WATER TANKS

McVay Rig #7,5



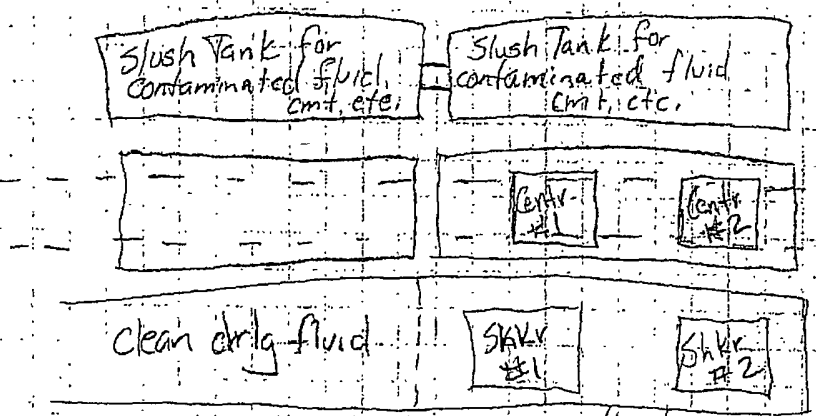


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IP #25
encountered = 150'
To Flare Pit 100'

Illustration of Closed loop system

Nash Field Wells #56H, #57H,
#58H, #50H



- 1) solids from 'shakers' dump into 'haul-off tank'
- 2) centrifuges pick up drilling fluid from rig tank, clean it & dump solids to 'haul off tank'
- 3) clean drilling fluid goes to clean fluid rig tank partition

Haul off tanks on rail system

rig tank

4" Line To Flare Pit (buried underground)

2" Choke Line To Flare Pit (buried underground)

Choke
Manifold Location

Flowline to
2 Shakers + Steel Pits

4" Line
Back TO 'HCR'
Valve

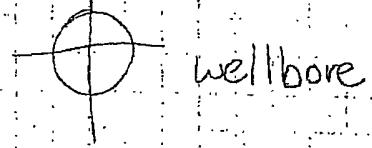
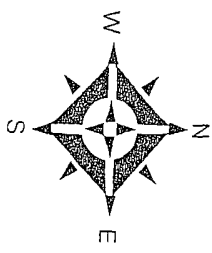
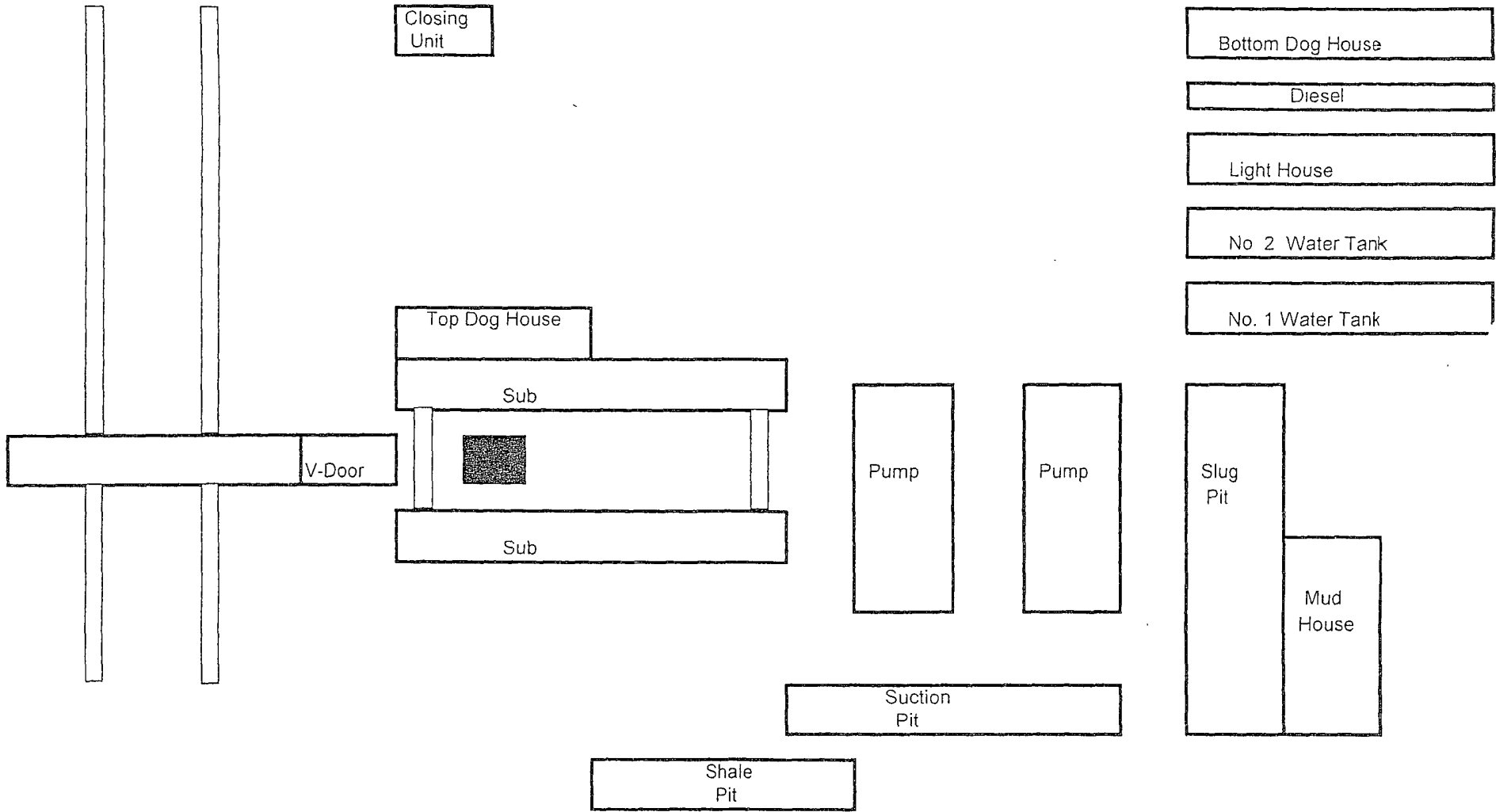
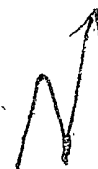
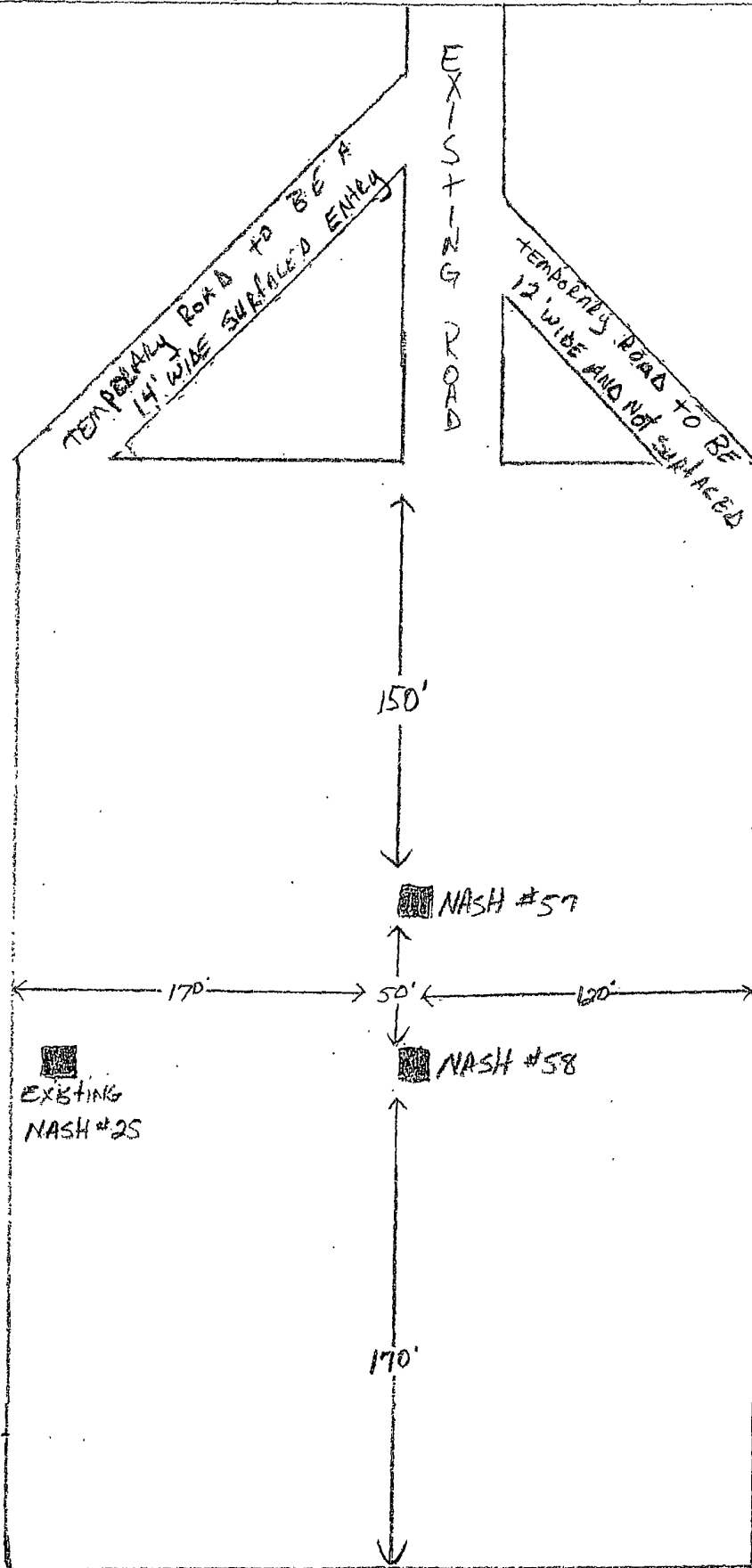


Illustration Shows
Choke Manifold Location
& Flare Lines to Pit
100' fr 'Steel Pits'



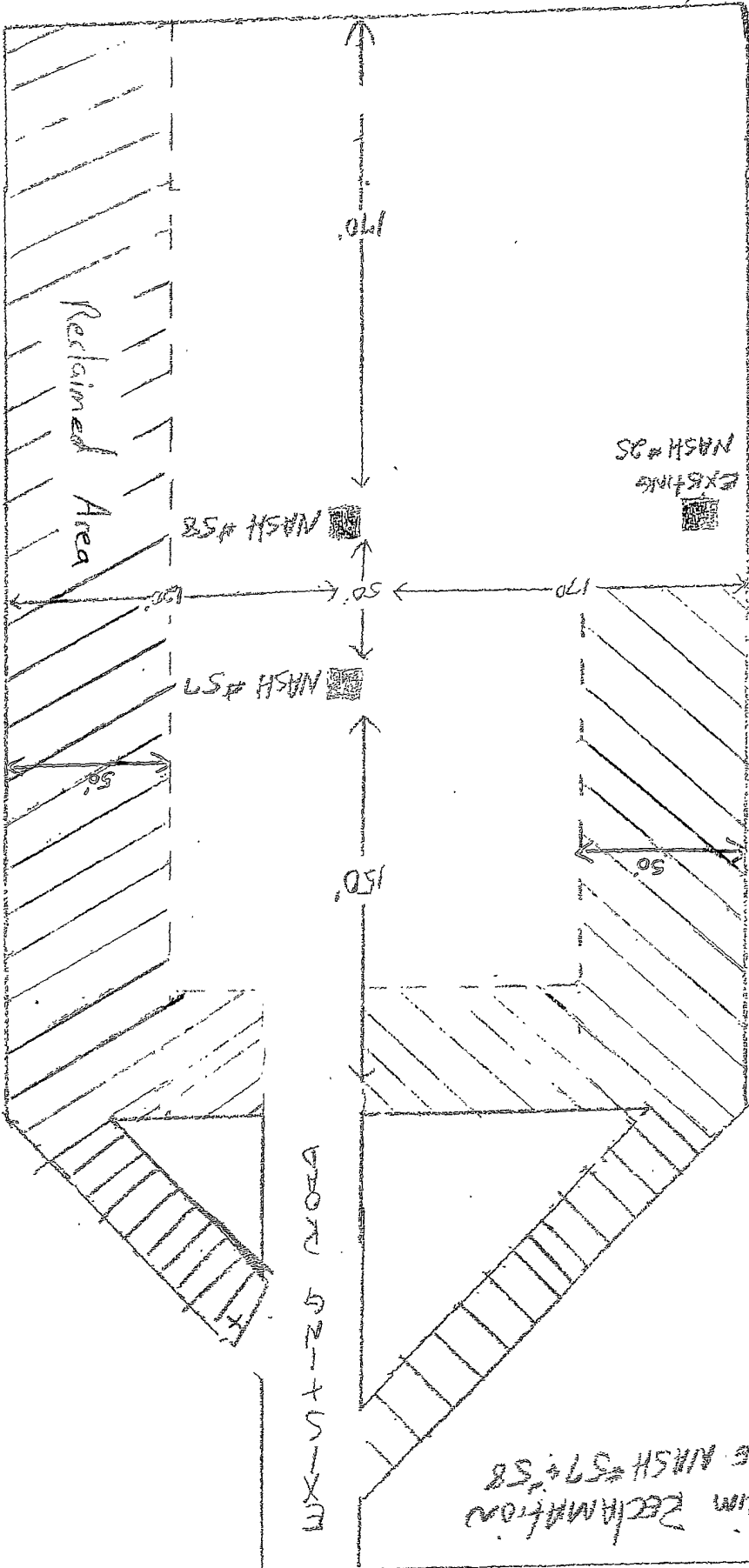
McVay Drilling Rig No.
Nash Unit # 58H



V-DOOR
57 & 58
Both to the
South.

V-DOOR
 BOTH TO THE
 SOUTH

Revised
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 4/19/11

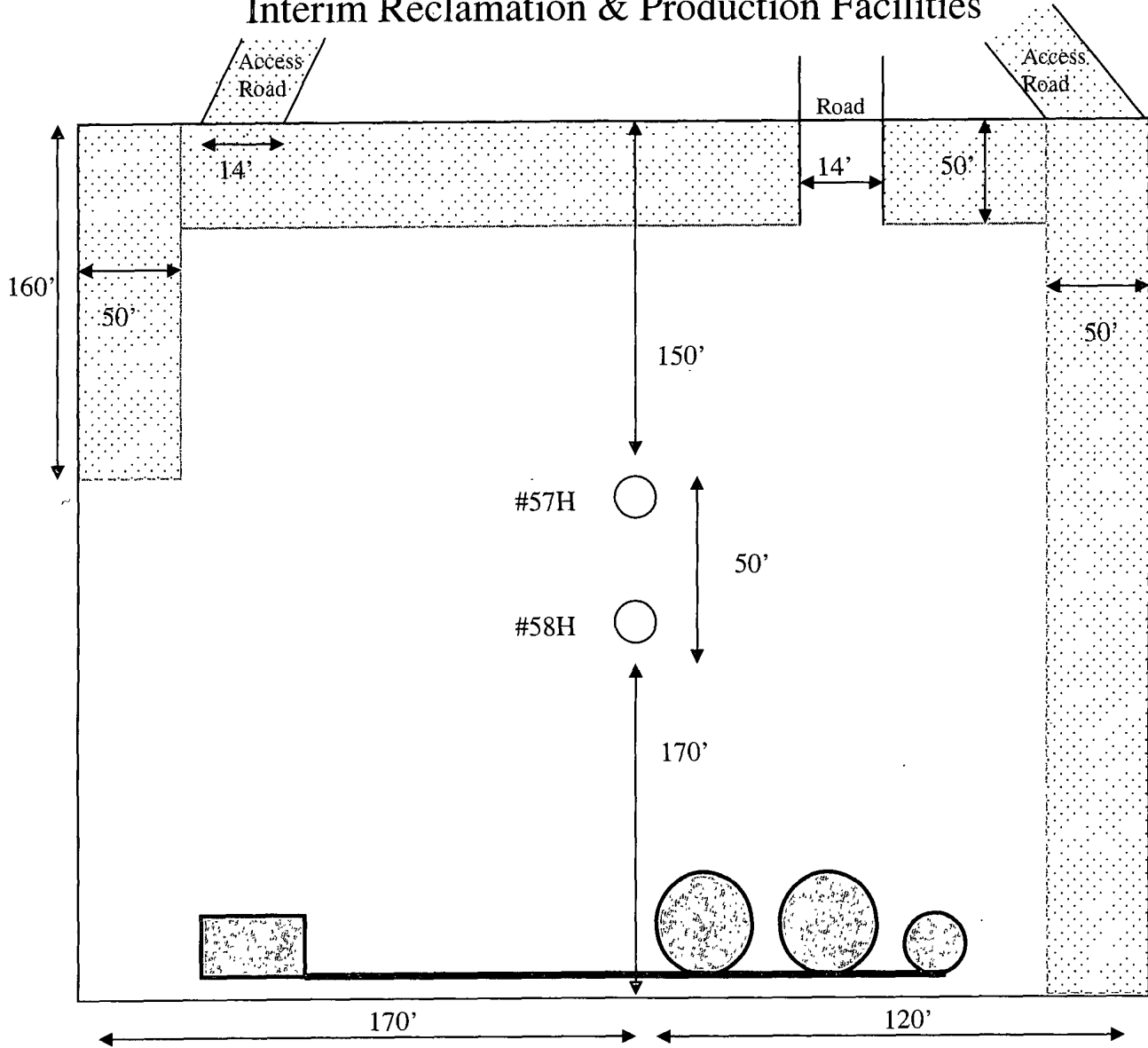


RECLAIM BOTH
 TEMPORARY FOR
 AND DOWN SIZE
 THE 50'
 ON THE
 NORTHWEST CORNER
 NORTH SIDE,
 AND EAST SIDE

INTERIM RECLAMATION
 FOR THE NASH #57 & #58

EXHIBIT 'B'

Interim Reclamation & Production Facilities



LEGEND



Well Bore



Production Facilities



NORTH