

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

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.

HOBBS OCD

SUBMIT IN TRIPLICATE - Other instructions on reverse side

DEC 09 2014

RECEIVED

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 XTO Energy Inc.

3a. Address
 500 W. Illinois, Suite 100, Midland, TX 79701

3b. Phone No. (include area code)
 432-620-4318

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 2395' FSL & 2065' PEL, Section 3 13-20S-33E

5. Lease Serial No.
NM-87274

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
 Sharp Nose Federal #1

9. API Well No.
 30-025-31397

10. Field and Pool, or Exploratory Area
 Teas; Bone Spring

11. County or Parish, State
 Lea

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 <u>Change of Operator</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 directionally or recompletable 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 recompletable 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.)

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

BLM Bond Coverage Number 4TB 000138
 Lease No. NM-87274

Sharp Nose Federal Lease:
 LOTS 2,3,4; SE/4, NW/4, E/2, SW/4; SECTION 30, T20S-R34E, Lea County, New Mexico

Well:
 Sharp Nose Federal #1, API#30-025-31397

Effective Date: 10/1/2014

SUBJECT TO LIKE
 APPROVAL BY STATE

SEE ATTACHED FOR
 CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed) Patty Urias Title Regulatory Analyst

Date 10/6/2014 **APPROVED**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by [Signature] Title [Signature] Date NOV 17 2014

Office BUREAU OF LAND MANAGEMENT

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.

DEC 10 2014

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Effective 10/1/2014
Bond UTB000138

11/17/2014 Approved subject to Conditions of Approval. JDB
Change of Operator
Conditions of Approval

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method.
3. Submit updated facility diagrams as per Onshore Order #3
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.
8. All Reporting to ONRR (OGOR Reports) must be brought current within 30 days of this approval including any past history.
9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
10. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.