

RECEIVEDForm 3160-5
(August 2007)

APR 07 2009

UNITED STATES

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**HOBBS****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.****OCD-HOBBS**FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

5. Lease Serial No.

LC 060967

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well☐ Gas Well☐ Other

2. Name of Operator

XTO ENERGY INC

3a. Address

200 N LORRAINE ST., STE. 800, MIDLAND, TX, 79701

3b. Phone No. (include area code)

432-682-8873

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

334° FSL & 1180° FEL UL: P SECTION 30 T17S R33E

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

8. Well Name and No

SEMGS AU #147

9. API Well No

30-025-38613

10. Field and Pool or Exploratory Area

Maljamar; Grayburg San Andres

11. Country or Parish, State

LEA COUNTY, NM

12 CHECK THE 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 type="checkbox"/> Other |
| | <input checked="" 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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat 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.)

3/16/09: CHANGING FROM RESERVE PIT TO CLOSED LOOP SYSTEM (page 1 of 4)

Design Plan, Operating & Maintenance Plan, and Closure plan for SEMGS AU #147 (API: 30-025-38613)

Design Plan:

Fluid & cuttings coming from drilling operations will first pass over the Shale Shaker with the cuttings going to the CRI haul off bin and the cleaned fluid returning to the steel rig pit. The fluids from the sand trap of the steel rig pit will then be transferred to the steel settling pits where an auger will dispose of finer cuttings into the CRI haul off bin. The remaining clean fluid will have sufficient time to further settle out any remaining solids in the settling pits before being circulated back to the steel rig pit and reused for drilling operations. Any solids left in the steel settling pits after drilling has been completed will be hauled off to CRI.

Equipment includes:

- | | |
|---------------------------------|--|
| 1 – 400 bbl steel rig pit | 1 – Shale Shaker |
| 2 – 300 bbl steel settling pits | 1 – 20 cu yards steel CRI haul off bin on location (calc'd cuttings are 100 cu yards, plus fluids) |
| 3 – 4x3 centrifugal pumps | 2 – Mud pumps |
| 1 – Auger in steel settling pit | |

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SORINA L. FLORES

Title

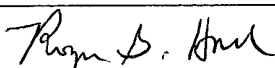
DRILLING TECH

Signature

Date 03/24/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

**Petroleum Engineer**

Title

Date

MAR 30 2009

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 CFO



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)

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.

5. Lease Serial No. LC 060967
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
XTO ENERGY INC

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

3b. Phone No. (include area code)
432-682-8873

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
334' FSL & 1180' FEL UL: P SECTION 30 T17S R33E

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

8. Well Name and No.
SEMGSAU #147

9. API Well No.
30-025-38613

10. Field and Pool or Exploratory Area
Maljamar; Grayburg San Andres

11. Country or Parish, State
LEA COUNTY, NM

12. CHECK THE 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 type="checkbox"/> Other |
| | <input checked="" 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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat 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.)

3/16/09: CHANGING FROM RESERVE PIT TO CLOSED LOOP SYSTEM (page 2 of 4)

Operating and Maintenance Plan:

Inspection to occur every four 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.

3/16/2009: CEMENTING CHANGE:

Rising Star: Surface – Lead: 400 sx Class C w/4% gel, 2% CaCl₂, 0.25 pps celloflake (13.5 ppg, 1.69 yld, 8.90 gal wtr/sk)
Compressive strength: 650 psi – 12 hrs, 1085 psi – 24 hrs.
Production – Lead: 600 sx 50:50: Poz C w/10% gel, 5% salt, 3 pps gilsonite, 0.25 pps celloflake (12.0 ppg, 2.32 yld, 12.59 gal wtr/sk)
Tail: 200 sx 50:50: Poz C w/2% gel, 3% KCL, 0.25 pps celloflake, 0.6% C16A (14.4 pps, 1.29 yld, 5.75 gal wtr/sk)

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

Title DRILLING TECH

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Signature

Date 03/24/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Ryan D. Hurd

Petroleum Engineer

Title

Date

3/30/09

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

CFO

KZ

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)

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.**

5. Lease Serial No
LC 060967
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
XTO ENERGY INC

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

3b. Phone No. (include area code)
432-682-8873

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
334' FSL & 1180' FEL UL P SECTION 30 T17S R33E

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

8. Well Name and No.
SEMGS AU #147

9. API Well No.
30-025-38613

10. Field and Pool or Exploratory Area
Maljamar; Grayburg San Andres

11. Country or Parish, State
LEA COUNTY, NM

12 CHECK THE 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 type="checkbox"/> Other _____ |
| | <input checked="" 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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat 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.)

3/16/09: CHANGING FROM RESERVE PIT TO CLOSED LOOP SYSTEM (page 3 of 4)
BOP

Original drilling rig had 3000 psi BOP stack w/3000 psi choke manifold assembly; New rig, JW #4, will have 5000 psi BOP stack and 5000 psi choke manifold assembly. Although a 5000 psi system will be installed, a 2000 psi wellhead (Larkin Fig. 92) is being used and the system will be tested to 2000 psi. This is the lowest rated component. (Don't anticipate BHP to exceed 1300 psi). Will use Man Welding with test plug to test BOPE to 250 psi low and 2000 psi High prior to drilling out surface casing.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Title DRILLING TECH

Signature

Date 03/24/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Roger D. Hule

Petroleum Engineer

Date 3/30/09

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 CFO

KB

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)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

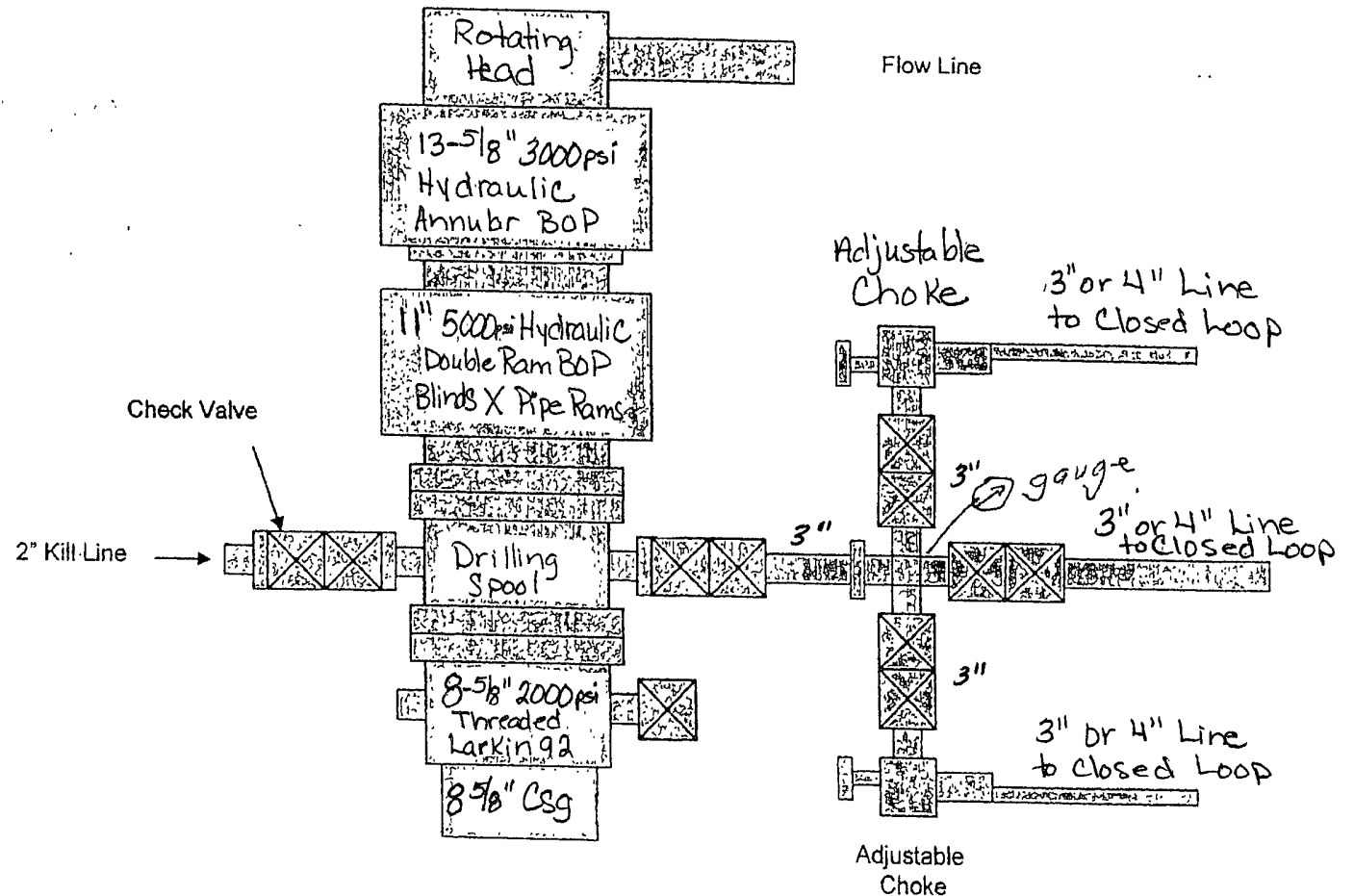
The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240



3000 psi Working Pressure
BOPE Configuration
And Choke Manifold

PECOS DISTRICT CONDITIONS OF APPROVAL

| | |
|----------------------------------|-------------------------------------|
| OPERATOR'S NAME: | XTO Energy Inc. |
| LEASE NO.: | LC 060967 |
| WELL NAME & NO.: | SEMGSA #147 |
| SURFACE HOLE FOOTAGE: | 334' FSL & 1180' FEL |
| BOTTOM HOLE FOOTAGE | NA |
| LOCATION: | Section 30, T. 17S., R 33E., |
| COUNTY: | Lea County, New Mexico |

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Lea County**

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
(575) 393-3612

1. A Hydrogen Sulfide (H₂S) Drilling Plan should be activated 500 feet prior to drilling into the **Queen** formation. **H₂S has been measured in the gas streams at 500 ppm and 500 ppm in the STVs from wells completed in the Queen and Grayburg/San Andres.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

B. CASING

1. The **8-5/8** inch surface casing shall be set **a minimum of 25 feet into the Rustler Anhydrite and above the salt at approximately 1200 feet** and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - b. Wait on cement (WOC) time for a primary cement job will be **a minimum 18 hours for a water basin**, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial action will be done prior to drilling out that string.

**Possible lost circulation in the Grayburg and San Andres formations.
Possible water and brine flows in the Salado and Artesia Group.**

2. The minimum required fill of cement behind the **5-1/2** inch production casing is:
 - ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.
3. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. **Approved for operator to use BOP/BOPE system that is tested to 2400 psi (80% of 3M system).**

3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

RGH 033009