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RCVD APR 2 '08
OIL CONS. DIV.

JAN 28 2008

DIST. 3

Form 3160-3
(February 2005)

Bureau of Land Management
Farmington Field Office

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work. <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM 103799
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. If Unit or CA Agreement, Name and No. N/A
3a. Address 382 CR 3100 AZTEC, NM 87410		8. Lease Name and Well No. BOLACK B #2R
3b. Phone No. (include area code) 505-333-3100		9. API Well No. 30-045-34582
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 720' FSL x 665' FWL At proposed prod. zone same		10. Field and Pool, or Exploratory S. BLANCO PC/BASIN FC
14. Distance in miles and direction from nearest town or post office* Approximately 21 miles Southeast of Bloomfield, NM post office		11. Sec., T, R, M or Blk and Survey or Area (M) SEC 12, T27N, R8W
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig unit line, if any) 665'	16. No of acres in lease 320	12. County or Parish San Juan
17. Spacing Unit dedicated to this well SW/4 PC 160, S/2 FC 320	13. State NM	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 993	19. Proposed Depth 3275'	20. BLM/BIA Bond No. on file UTB-000138
21. Elevations (Show whether DF, KDB, RT, GL, etc) 6667' GROUND ELEVATION	22. Approximate date work will start* 03/25/2008	23. Estimated duration 2 weeks

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, must be attached to this form

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| 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. |

25. Signature <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 01/25/2008
Title Regulatory Compliance		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 4/1/08
Title 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.

Title 18 USC Section 1001 and Title 43 USC 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'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

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

APD/ROW

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

NMOCD

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

APR 04 2008

AV

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DISTRICT I
1625 N French Dr Hobbs, NM 88240

DISTRICT II
1301 W Grand Ave Artesia NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 South St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

JAN 28 2008

Revised October 12, 2006

OIL CONSERVATION DIVISION
1220 South St Francis Dr
Santa Fe, NM 87505

Submit to Appropriate District Office
Farrington Field Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-34582	² Pool Code 72439	³ Pool Name South Blanco Pictured Cliffs
⁴ Property Code 22595	⁵ Property Name BOLACK B	⁶ Well Number 2R
⁷ OGRID No 5380	⁸ Operator Name XTO ENERGY INC	⁹ Elevation 6667

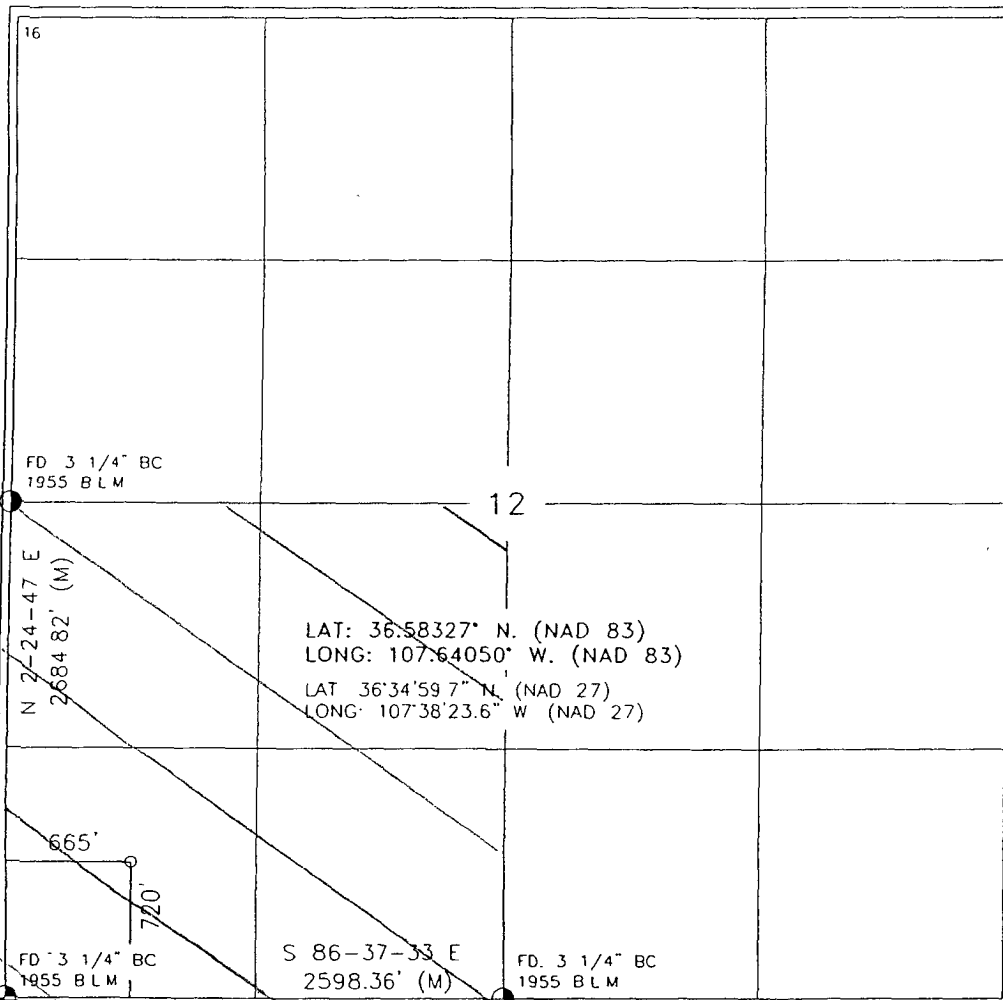
¹⁰ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	27-N	8-W		720	SOUTH	665.	WEST	SAN JUAN

¹¹ 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
¹² Dedicated Acres SW/4 160			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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 of 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: John Johnson Date: 7/20/07

Printed Name: Johnson

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 belief

Date of Survey: APRIL 11, 2007

Signature and Seal of Professional Surveyor: [Signature]

Certificate Number: 8894

DISTRICT I
1625 N French Dr Hobbs, NM 88240

DISTRICT II
1301 W Grand Ave., Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 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 87505

Form: - 10
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-34582	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 22595	⁵ Property Name BOLACK B	
⁷ OGRID No 5380	⁸ Operator Name XTO ENERGY INC	
		⁶ Well Number 2R
		⁹ Elevation 6667

¹⁰ Surface Location

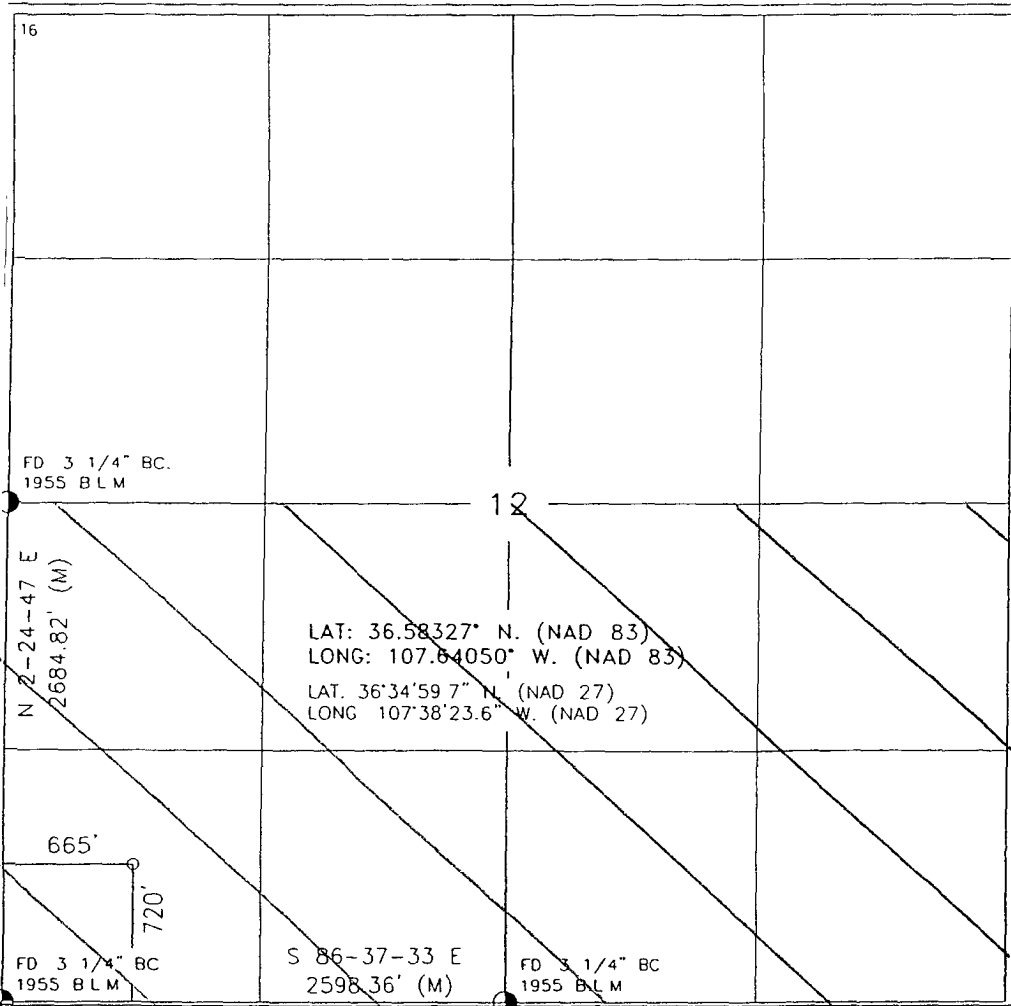
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	27-N	8-W		720	SOUTH	665	WEST	SAN JUAN

¹¹ 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

¹² Dedicated Acres 5/2 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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: S Johnson Date: 7/20/07

Printed Name: S Johnson

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 belief.

Date of Survey: APRIL 11, 2007

Signature and Seal of Registered Professional Land Surveyor: Roy A. Rish

Certificate Number: 8894

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-34582
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: BOLACK B
8. Well Number #2R
9. OGRID Number 5380
10. Pool name or Wildcat S. BLANCO FC/ BASIN FC

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
XTO Energy Inc.

3. Address of Operator
382 CR 3100 AZTEC, NM 87410 505-333-3100

4. Well Location
 Unit Letter **M** : **720** feet from the **SOUTH** line and **665** feet from the **WEST** line
 Section **12** Township **27N** Range **8W** NMPM **NMPM** County **SAN JUAN**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6667' GROUND ELEVATION

Pit or Below-grade Tank Application or Closure
 Pit type **DRILL** Depth to Groundwater **>100** Distance from nearest fresh water well **>1000** Distance from nearest surface water **<1000**
 Pit Liner Thickness: **12** mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPLETION
 OTHER: **PIT**

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
 CASING TEST AND CEMENT JOB
 OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy plans to construct a lined pit on location for drilling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan

SIGNATURE *Kyla Vaughan* TITLE Regulatory Compliance DATE 01/25/2008
 Type or print name Kyla Vaughan E-mail address: kyla_vaughan@xtoenergy.com Telephone No. 505-333-3159

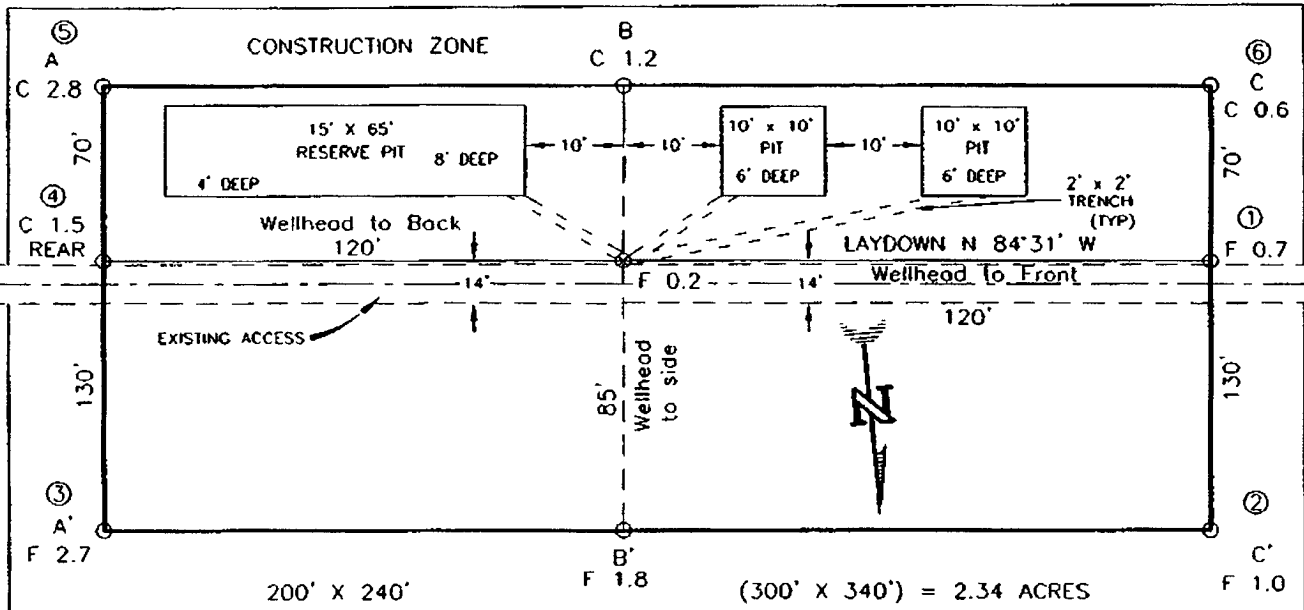
For State Use Only
 APPROVED BY *[Signature]* TITLE Deputy Oil & Gas Inspector, District #3 DATE APR 04 2008

Conditions of Approval, if any:

EXHIBIT D

XTO ENERGY INC.
 BOLACK B NO. 2R, 720 FSL 665 FWL
 SECTION 12, T27N, R8W, N.M.P.M., SAN JUAN COUNTY, N.M.
 GROUND ELEVATION: 6667', DATE: APRIL 11, 2007

NAD 83
 LAT. = 36.58327° N
 LONG. = 107.64050° W
 NAD 27
 LAT. = 36°34'59.7" N
 LONG. = 108°58'23.6 W



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
 BLOW PIT. OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.

ELEV. A-A'	C/L			
6680				
6670				
6660				
6650				

ELEV. B-B'	C/L			
6680				
6670				
6660				
6650				

ELEV. C-C'	C/L			
6680				
6670				
6660				
6650				

NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

DATE	REVISED BY	Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 13088 · Farmington, NM 87401 Phone (505) 326-1772 · Fax (505) 328-6019 NEW MEXICO L.S. No. 8894
DATE	REVISED BY	
DATE	REVISED BY	CAD: CRB59-CFB DATE: 06/26/07
DATE	REVISED BY	DRAWN BY: G.V. NO. CRB59

EXHIBIT E

XTO ENERGY INC.

Bolack B #2R

APD Data

January 25, 2008

Location: 720' FSL x 665' FWL Sec 12, T27N, R8W

County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 3275'

OBJECTIVE: South Blanco Pictured Cliffs / Basin Fruitland Coal

APPROX GR ELEV: 6667'

Est KB ELEV: 6679' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 225'	225' to 3275'
HOLE SIZE	12.25"	7.875"
MUD TYPE	FW/Spud Mud	FW/Polymer/LSND
WEIGHT	8.6-9.0	8.4-8.8
VISCOSITY	28-32	28-32
WATER LOSS	NC	NC

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Convert to LSND mud if wellbore stability problems become evident. 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 $\pm 225'$ 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'-225'	225'	24.0#	J-55	ST&C	1370	2950	244	8.097	7.972	12.73	27.41	45.19

Production Casing: 5.5" casing to be set at TD ($\pm 3275'$) 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'-3275'	3275'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	2.58	3.07	3.98

3. WELLHEAD:

- A. 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.
- B. 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.

EXHIBIT F

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 ± 225' in 12-1/4" hole.

134 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft³/sk, & 6.70 gal wtr/sk.

Total slurry volume is 186 ft³, 100% excess of calculated annular volume to 225'.

B. Production: 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at ±3275' in 7.875" hole.

1st Stage

LEAD:

±319 sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft³/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.

Total estimated slurry volume for the 5-1/2" production casing is 800 ft³.

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 (3275') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (3275') to 3,000'.

6. FORMATION TOPS:

Est. KB Elevation: 6679'

FORMATION	Sub-Sea	MD
Ojo Alamo SS	4527	2152
Kirtland Shale	4424	2255
Farmington SS		
Fruitland Formation	4082	2597
Lower Fruitland Coal	3689	2990
Pictured Cliffs SS	3660	3019
Lewis Shale	3421	3258
TD	3404	3275

* Primary Objective

** Secondary Objective

**** Maximum anticipated BHP should be <2,000 psig (<0.30 psi/ft) ****

EXHIBIT F

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**

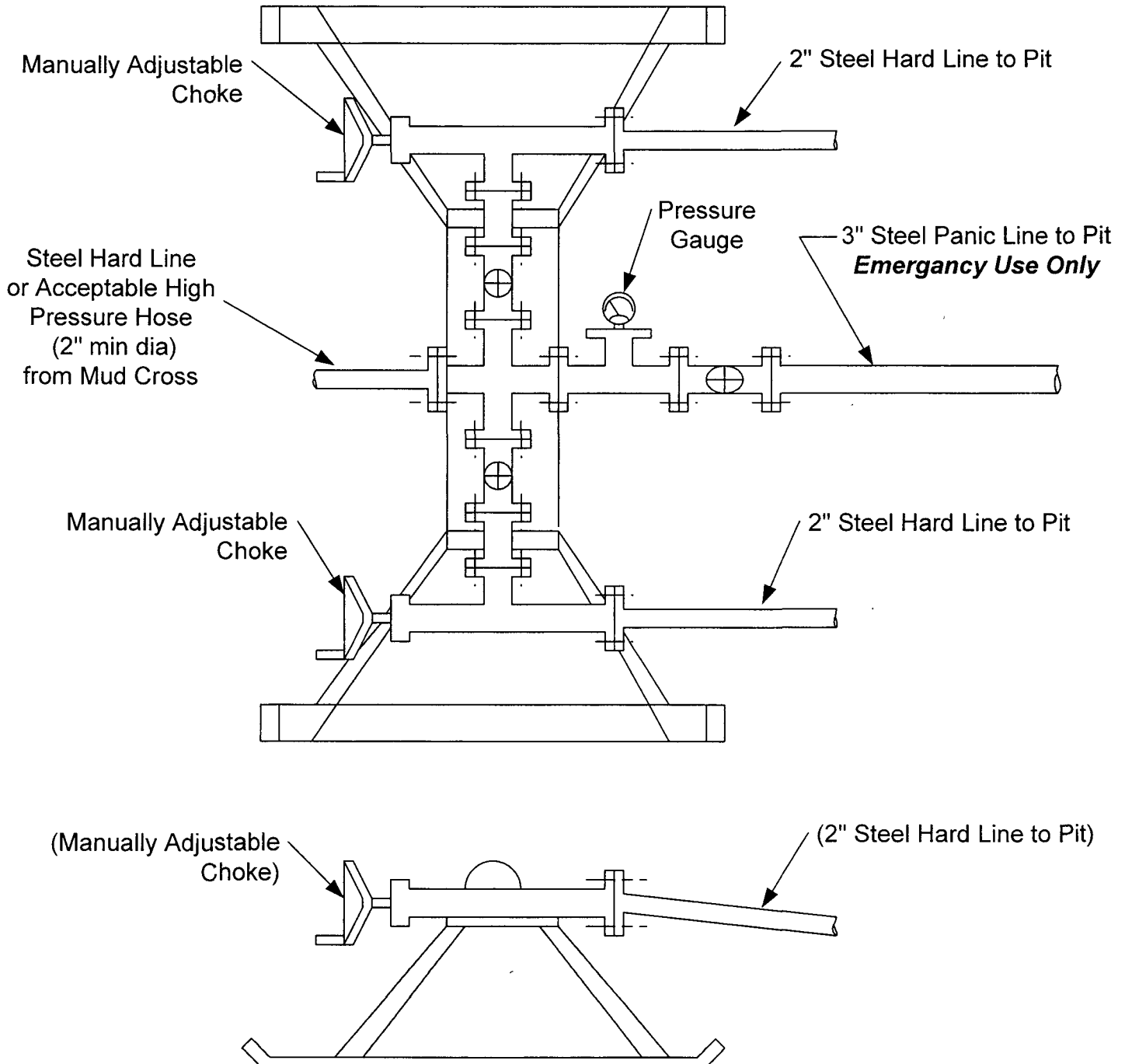


EXHIBIT F

BOP SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

TESTING PROCEDURE

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.

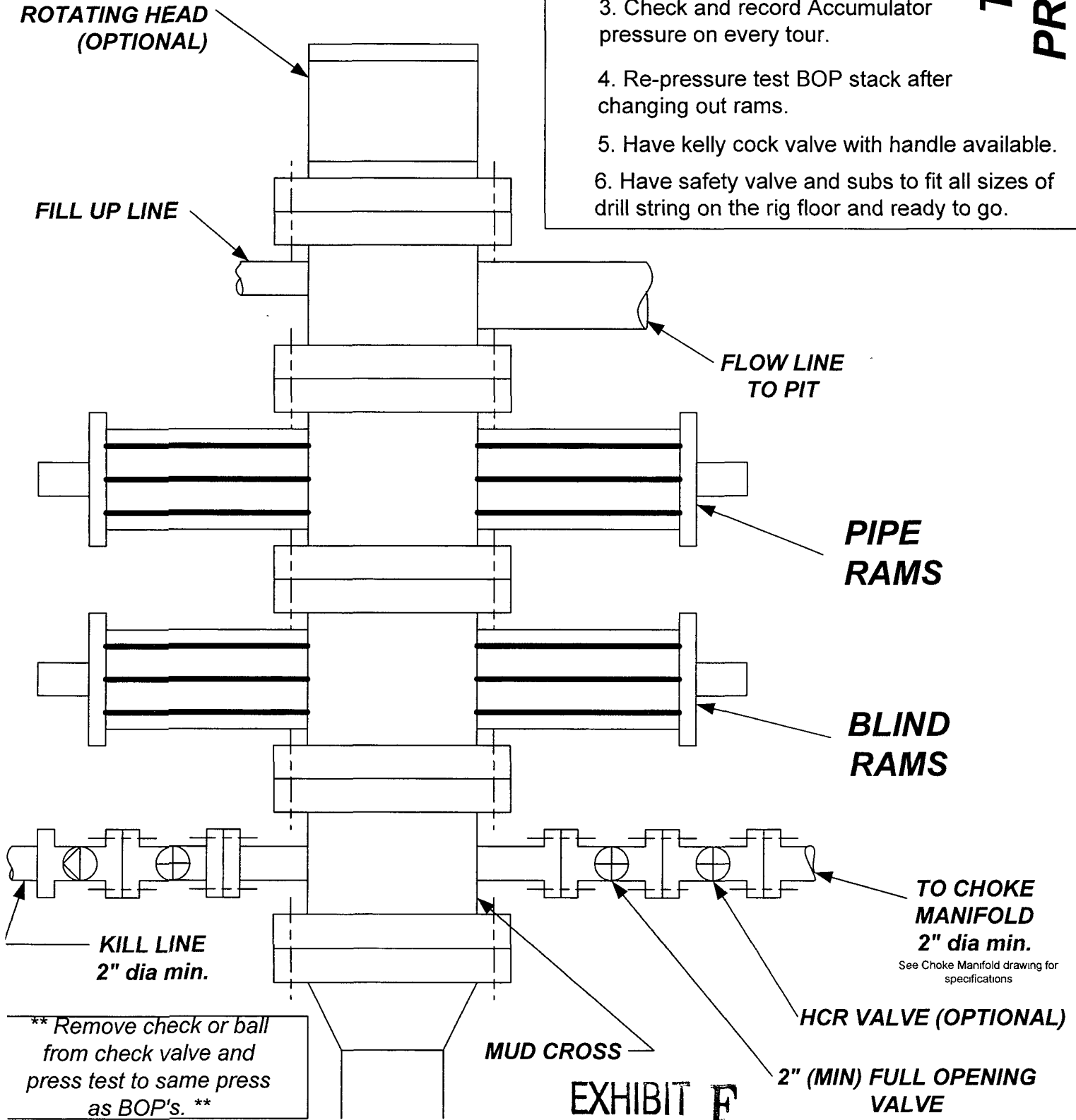


EXHIBIT F