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MAY 15 2008

RCVD APR 22 '09
OIL CONS. DIV.

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

DIST. 3

Form 3160-3
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Bureau of Land Management
Farmington Field Office

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF-078872A
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 ROAD 3100 AZTEC, NM 87410	3b. Phone No. (include area code) (505) 333-3159	8. Lease Name and Well No. BOLACK 3 F
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 1940' FSL & 1805' FEL At proposed prod. zone SAME		9. API Well No. 30-045- 34712
14. Distance in miles and direction from nearest town or post office* 10 AIR MILES SOUTH OF BLOOMFIELD		10. Field and Pool, or Exploratory WC BASIN MANC. & BAS. DK.
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 835'		11. Sec., T. R. M. or Blk and Survey or Area J 21-27N-11W NMPM
16. No. of acres in lease 2,401.76	17. Spacing Unit dedicated to this well MANCOS: 400 & DAKOTA: E2 320	12. County or Parish SAN JUAN
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 865' (Alice Bolack 2)	19. Proposed Depth 6,700'	13. State NM
20. BLM/BIA Bond No. on file BLM NATIONWIDE UTB-000138	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,338' GL	22. Approximate date work will start* 08/01/2008
23. Estimated duration 4 WEEKS		24. Attachments

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

- Well plat certified by a registered surveyor
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature	Name (Printed/Typed) BRIAN WOOD	Date 05/12/2008
---------------	------------------------------------	--------------------

Title CONSULTANT	PHONE: (505) 466-8120	FAX: (505) 466-9682
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Approved by (Signature)	Name (Printed/Typed) AFM	Date 4/20/09
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Title AFM	Office FFO
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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 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'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

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOC FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOC PART 19.15 17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

8 NMOC
NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

APR 24 2009

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

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

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

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MAY 15 2008

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Free Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-34712		² Pool Code 97232	MC ³ Pool Name BASIN MANCOS	
⁴ Property Code 30310	•		⁵ Property Name BOLACK	⁶ Well Number 3F
⁷ OGRID No. 167067	5380	•	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6338

¹⁰ Surface Location

UL or lot no	Section	Township	Ronge	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	21	27-N	11-W		1940	SOUTH	1805	EAST	SAN JUAN

"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 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

16	<div style="text-align: center; margin-top: 100px;"> LAT: 36.55877° N. (NAD 83) LONG: 108.00636° W. (NAD 83) LAT: 36°33'31.6" N (NAD 27) LONG 108°00'20.7" W (NAD 27) </div> <div style="text-align: center; margin-top: 100px;"> 21 </div> <div style="text-align: center; margin-top: 100px;"> 1805' </div> <div style="text-align: center; margin-top: 100px;"> 1940' </div> <div style="text-align: center; margin-top: 100px;"> S 89-58-50 W 5286.15' (M) </div>	<div style="text-align: center; margin-top: 100px;"> CALC'D CORNER BY DBL PROP. </div> <div style="text-align: center; margin-top: 100px;"> N 00-04-48 W 5281.53' (C) </div>	<div style="text-align: center;"> <h2 style="margin: 0;">OPERATOR CERTIFICATION</h2> <p style="font-size: small; margin: 5px 0;">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</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 60%;"> </div> <div style="width: 35%; text-align: right;"> <h3 style="margin: 0;">5-12-08</h3> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 60%;"> <p style="margin: 0;">Signature</p> <p style="margin: 0;">Printed Name</p> </div> <div style="width: 35%; text-align: right;"> <p style="margin: 0;">Date</p> <p style="margin: 0;">(505) 466-8120</p> </div> </div> </div>
17	<div style="text-align: center; margin-top: 100px;"> 21 </div>	<div style="text-align: center; margin-top: 100px;"> CALC'D CORNER BY DBL PROP. </div>	<div style="text-align: center;"> <h2 style="margin: 0;">SURVEYOR CERTIFICATION</h2> <p style="font-size: small; margin: 5px 0;">I hereby certify that the well location shown on this plot 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</p> <div style="text-align: center; margin-top: 20px;"> JUNE 28, 2007 Date of Survey </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 60%;"> </div> <div style="width: 35%; text-align: right;"> <p style="font-size: small; margin: 0;">Professional Surveyor</p> </div> </div> <div style="text-align: center; margin-top: 10px;"> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 60%;"> <p style="margin: 0;">Signature and Seal of Professional Surveyor</p> </div> <div style="width: 35%; text-align: right;"> <p style="margin: 0;">Certificate Number</p> </div> </div> </div>
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DISTRICT 1
1625 N French Dr., Hobbs, N.M. 88240

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

DISTRICT III -
1000 Rio Brozos Rd. Aztec, N.M. 87410

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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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Form C-102

Revised October 12, 2005

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-045-	71599	BASIN DAKOTA
*Property Code	*Property Name	*Well Number
	BOLACK	3F
*OCRID No	*Operator Name	*Elevation
167067	XTO ENERGY INC.	6338

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
J	.21	27-N	11-W		. 1940	. SOUTH	. 1805	. EAST	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
72 Dedicated Acres		320	73 Joint or Infill		74 Consolidation Code		75 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

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20	<div style="text-align: center; margin-top: 100px;"> S 89-58-50 W 5286.15' (M) </div>	
21	<div style="text-align: center; margin-top: 100px;"> FD. 2 1/4" BC. 1913 G.L.O. </div>	

FD. PIPE

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

Brian Wood

Signature

5-12-08

Date

BRIAN WOOD

Printed Name

(505) 466-8120

Phone Number

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

Signature and Seal

JUNE 28, 2007

Professional Surveyor

Certificate Number

8894

XTO Energy Inc.
Bolack 3 F
1940' FSL & 1805' FEL
Sec. 21, T. 27 N., R. 11 W.
San Juan County, New Mexico

PAGE 1

Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento	0'	12'	+6,338'
Ojo Alamo Sandstone	913'	925'	+5,425'
Kirtland Shale	978'	990'	+5,360'
Fruitland Formation	1,738'	1,750'	+4,600'
Pictured Cliffs Sandstone	1,923'	1,935'	+4,415'
Chacra Sandstone	2,823'	2,835'	+3,515'
Point Lookout Sandstone	4,333'	4,345'	+2,005'
Mancos Shale	4,698'	4,710'	+1,640'
Gallup Sandstone	5,513'	5,525'	+825'
Greenhorn Limestone	6,378'	6,390'	-40'
Graneros Shale	6,438'	6,450'	-100'
Dakota Sandstone	6,538'	6,550'	-200'
Total Depth (TD)	6,700'	6,712'	-362'

2. NOTABLE ZONES

<u>Gas & Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zone</u>
Fruitland	Nacimiento	Fruitland
Pictured Cliffs	Ojo Alamo	
Mancos	Fruitland	
Gallup		
Dakota		

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the geologist's recommendations.

XTO Energy Inc.
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1940' FSL & 1805' FEL
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PAGE 2

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. (A typical 2,000 psi model is on PAGE 3.) An 8-5/8" x 11" 2,000 pound double ram BOP system with a choke manifold and mud cross will be tested to ≈ 200 psi and then to $\approx 1,000$ psi. Upper and lower Kelly cocks with valve handle and subs to fit all drill string connections which are in use will be available on the rig floor.

Tests will be run when:

- 1) installed
- 2) anytime a pressure seal is broken (test only affected equipment)
- 3) at least every 30 days
- 4) blind & pipe rams will be activated each trip, but no more than daily

BOP systems will be consistent with API RP 53. Blowout preventers will be installed and tested before drilling surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated daily to ensure good mechanical working order and this inspection recorded on the daily drilling report. Preventers and casing will be pressure tested before drilling casing cement plugs. Maximum expected bottom hole pressure will be $\leq 2,680$ psi. BOP and mud system will control pressure.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connections</u>	<u>Setting Depth</u>
12-1/4"	8-5/8"	24	J-55	New	ST & C	360'
7-7/8"	5-1/2"	15.5	J-55	New	ST & C	6,700'

XTO Energy Inc.
Bolack 3 F
1940' FSL & 1805' FEL
Sec. 21, T. 27 N., R. 11 W.
San Juan County, New Mexico

PAGE 4

Surface casing will be cemented to the surface with ≈ 375 cubic feet (≈ 270 sacks) Type V cement + 1/4 pound per sack cello-flake + 2% CaCl_2 . Yield = 1.39 cubic feet per sack. Weight = 14.5 pounds per gallon. Excess: >100%. Centralizers will be set on the bottom two joints of the surface casing and every fourth joint to the surface.

Production casing will be cemented to the surface in two stages with $\approx 100\%$ excess. DV tool will be set at $\approx 4,800'$. Total first stage volume = 1,165 cubic feet. Second stage volume = 1,725 cubic feet. Centralizers will be set on the bottom two joints, every second joint to $\approx 5,000'$, and every fourth joint from $\approx 2,000'$ to the surface.

Will cement first stage with ≈ 580 sacks (= 1,165 cubic feet) premium light HS cement with 0.2% CD 32 + 0.5% FL 32 + 1/4 pound per sack cello flake + 2% KCl + 2% phenoseal mixed at 12.5 pounds per gallon and 2.01 cubic feet per sack.

Will cement second stage with ≈ 610 sacks (= 1,586 cubic feet) premium light HS cement with 8% gel + 1/4 pound per sack cello flake + 2% phenoseal mixed at 11.9 pounds per gallon and 2.60 cubic feet per sack. Will follow with ≈ 100 sacks (= 139 cubic feet) Type III neat cement mixed at 14.5 pounds per gallon and 1.39 cubic feet per sack.

5. MUD PROGRAM

<u>RANGE</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>WATER LOSS</u>	<u>ADDITIVES</u>
0' - 360'	Fresh-Spud	8.6-9.0	28-32	NC	Gel, lime
360' - 2,500'	Fresh-Poly	8.4-8.8	28-32	NC	Gel, lime sweeps
2,500' - TD	Fresh Water	8.6-9.2	45-60	8-10 cc	Gel, soda ash, LCM

XTO Energy Inc.
Bolack 3 F
1940' FSL & 1805' FEL
Sec. 21, T. 27 N., R. 11 W.
San Juan County, New Mexico

PAGE 5

6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. Mud logger will arrive at $\approx 3,000'$ and collect samples every $\approx 10'$ from there to TD. These open hole logs will be run:

Array Induction/SFL/GR/SP from TD to $\approx 360'$
Neutron/Lithodensity/Pe/GR/Cal from TD to $\approx 3,000'$

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum expected bottom hole pressure will be $\leq 2,680$ psi.

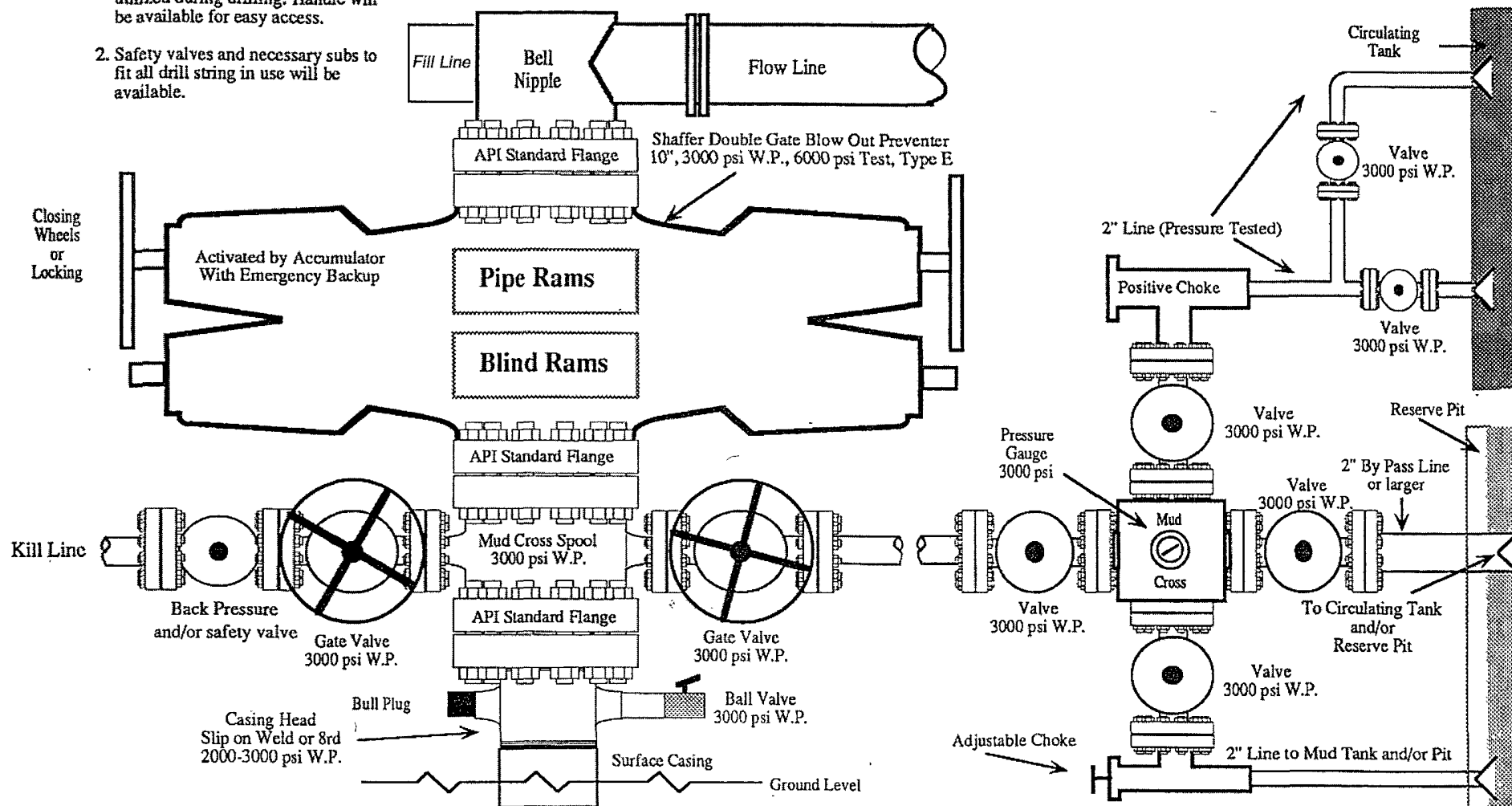
8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take about four weeks to drill and complete the well.

2,000 PSI BOP SYSTEM

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.