

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT


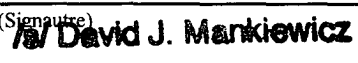
FORM APPROVED
OMB NO. 1004-0136
Expires January 31, 2004

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF - 078872-A	
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name 2: 28	
2. Name of Operator XTO Energy Inc.		7. Unit or CA Agreement Name and No. 30311	
3a. Address 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM		8. Lease Name and Well No. Bolack "15" #3	
3b. Phone No. (include area code) 505-271-1321		9. API Well No. 3004532050	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1075' FNL x 1690' FWL in Sec 15, T27N, R11W At proposed prod. zone		10. Field and Pool, or Exploratory Basin Fruitland Coal	
11. Sec., T., R., M., or Blk. and Survey or Area Sec 15, T27N, R11W		12. County or Parish San Juan	
13. State NM		14. Distance in miles and direction from nearest town or post office* 15 miles Southeast of the Bloomfield, NM post office	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 943'		16. No. of Acres in lease 320 acres W/2	
17. Spacing Unit dedicated to this well 320 acres W/2		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 110'	
19. Proposed Depth 2,375'		20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,296' Ungraded Ground Level		22. Approximate date work will start* Winter 2004	
23. Estimated duration 2 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:

- | | |
|---|--|
| 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 shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Jeffrey W. Patton	Date 12/03/03
Title Drilling Engineer		
Approved by (Signature) 	Name (Printed/Typed) David J. Mankiewicz	Date JAN 20 2004
Title Drilling Engineer		

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 Reverse)

DRILLING TO OBTAIN INFORMATION AND
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

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

APD/ROW

NMOCD

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code	⁵ Property Name BOLACK 15	⁶ Well Number 3
⁷ GRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6296

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
C	15	27-N	11-W		1075	NORTH	1690	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 320 w/2			¹³ Joint or Infill I		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

<p>16</p> <p>FND 2 1/2" BC 1913 GLO</p> <p>S 00-02° E 2640' (R)</p> <p>CALC'D. CORNER</p> <p>1075'</p> <p>1690'</p> <p>S 00°03'53" W 5286.4' (M)</p> <p>15</p> <p>CALC'D. CORNER</p> <p>S 89°51' W 5273.4' (M)</p>		<p>N 89°56'25" E 5267.0' (M)</p> <p>LAT: 36°34'46" N (NAD 83) LONG: 107°59'40" W (NAD 83)</p> <p>JAN 2004</p> <p>ORIGINAL</p> <p>Do Not Remove</p> <p>WITNESS CORNER FND 2 1/2" BC 1913 GLO</p> <p>S 00-01° E 13.2' (M)</p> <p>CALC'D. CORNER</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature: Kelly K Small</p> <p>Printed Name: Kelly K Small</p> <p>Title: Drilling Assistant</p> <p>Date: 6/11/03</p> <p>18 SURVEYOR CERTIFICATION</p> <p>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 knowledge and belief</p> <p>Date of Survey: 6/11/03</p> <p>Signature and Seal: [Seal]</p> <p>Certificate Number: 14827</p>
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XTO ENERGY INC.

DRILLING PROCEDURE

Boalck "15" #3

Basin Fruitland Coal

December 4, 2003

Location: 1075' FNL & 1690' FWL, Sec 15, T27N, R11W County: San Juan State: New Mexico

PROJECTED TOTAL DEPTH: 2,375' OBJECTIVE: Fruitland Coal GR ELEV: 6,296'

1. MUD PROGRAM:

INTERVAL	0'-200'	200'-TD
HOLE SIZE	8-3/4"	6-1/4"
MUD TYPE	FW/Native	FW/Polymer
MUD WEIGHT, ppg	8.6-9.0	8.6-9.1
VISCOSITY, sec/qt	28-32	28-33
WATER LOSS, cc	NC	NC

Remarks: Drill the surface hole with fresh water. Run and cement 7" surface casing, circulating cement to surface. NU and test BOP equipment, then drill out with fresh water. Use polymer sweeps as needed for hole cleaning. At TD, sweep the hole prior to TOH to log.

2. CASING PROGRAM:

Surface Casing: 7" casing to be set at $\pm 200'$ in 8.8 ppg mud.

Interval	Length	Wt (ppf)	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	DD (in)	SF Coll	SF Burst	SF Tension
0'-200'	200'	20#	J-55	STC	2,270	3,740	234	6.456	6.331	9.99	4.59	58.5

Optimum makeup torque for 7" 20#, J-55, STC casing is **2,340 ft-lbs** (Min - 1,760 ft-lbs, Max - 2,930 ft-lbs).

Production Casing: 4-1/2" casing to be set at $\pm 2,375'$ in 8.8 ppg mud.

Interval	Length	Wt (ppf)	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	DD (in)	SF Coll	SF Burst	SF Tension
0'-TD	2,375'	10.5#	J-55	STC	4,010	4,790	132	4.052	3.927	3.57	3.33	5.24

Optimum makeup torque for 4-1/2", 10.5#, J-55, casing is **1,320 ft-lbs** (Min - 990 ft-lbs, Max - 1,650 ft-lbs).

Capacity of 7", 20# casing is: 0.04048 bbl/ft

Capacity of 4-1/2", 10.5# casing is: 0.01595 bbl/ft

3. WELLHEAD:

Casinghead: Larkin Fig 92 (or equivalent) 2,000 psig WP (4,000 psig test) with 7", 8rd pin on bottom and 8-5/8" API Modified 8rd thread on top.

Tubinghead: Larkin Model 612 (or equivalent) 2,000 psig WP (4,000 psig test) with 4-1/2", 8rd bottom thread and 8-5/8" 8rd API Modified top body thread, 4.090" minimum bore.

EXHIBIT E

4. **CEMENT PROGRAM:**

A. **Surface:** 7", 20#, J-55, STC casing at $\pm 200'$.

Lead: 75 sx Type III cement (or equivalent) containing $\frac{1}{4}$ pps celloflake, 2% CaCl_2 (mixed at 14.6 ppg, 1.39 ft³/sk, 6.67 gal wtr/sk).

Total slurry volume is 104.25 ft³, 250% excess of calculated annular volume required to circulate cement to surface.

B. **Production:** 4-1/2", 10.5#, J-55, STC casing at $\pm 2,375'$.

Lead: 150* sx of Type III cement containing 8% gel, 1/4 pps Celloflake & 2% Phenoseal (mixed at 11.4 ppg, 3.03 ft³/sk, 18.51 gal wtr/sk).

Tail: 75 sx Type III cement containing 1% CaCl_2 , 1/4 pps Celloflake & 2% Phenoseal (mixed at 14.5 ppg, 1.41 ft³/sk, 6.72 gal wtr/sk).

Total estimated slurry volume is 560 ft³, $\pm 100\%$ excess of calculated annular volume required to circulate cement to surface.

* Actual cement volumes will be determined using log caliper volume plus 40% excess.

5. **DRILLING HAZARDS:**

- H₂S or other Poisonous Gases: No formations known to contain H₂S or any other poisonous gases will be penetrated with this wellbore.
- Abnormal Pressures: No overpressured zones are known to exist or are anticipated to be encountered during the drilling of this well.
- Lost Circulation: Seepage and/or lost circulation may be encountered below surface casing and can be controlled with conventional lost circulation materials added to the mud system.

6. **LOGGING PROGRAM:**

Array Induction/DFL/GR/SP/Cal
DSN/Spectral Density/GR/Cal/Pe

TD to bottom of surf csg.
TD to bottom of surf csg.

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 5 min.

Test BOP to Working Press or
to 70% internal yield of surf csg
(10 min).

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.

