

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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-079232
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. Unit or CA Agreement Name and No. N/A
3a. Address 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM		8. Lease Name and Well No. Bolack C #16B
3b. Phone No. (include area code) 505-324-1090		9. API Well No. 30045 32749
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface 690' FSL x 1830' FEL in Sec 33, T27N, R8W At proposed prod. zone same		10. Field and Pool, or Exploratory Blanco MV/Blanco PC, Sec 33
14. Distance in miles and direction from nearest town or post office* Approx 23 air miles from Blanco, NM Post Office		11. Sec., T., R., M., or Blk. and Survey or Area 0 Sec 33, T27N, R8W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 690'		12. County or Parish San Juan
16. No. of Acres in lease* 2552.22		13. State NM
17. Spacing Unit dedicated to this well EP 320 MV / 160 PC SE/4		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1380'		19. Proposed Depth 5450'
20. BLM/BIA Bond No. on file		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6805' Ground Elevation		22. Approximate date work will start* winter 2005
		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 <i>Kyla Vaughan</i>	Name (Printed/Typed) Kyla Vaughan	Date 12/08/04
--------------------------------------	---	-------------------------

Title Regulatory Compliance Tech		
--	--	--

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 5-13-05
---	------------------------------------	------------------------

Title AFM	Office 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 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)

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".

APD/ROW

RECEIVED

Form C-102
Revised June 10, 2003
Instructions on back
Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT 8
1301 W. Grand Avenue, Artesia, N.H. 03210

DISTRICT 21
1000 Rio Herreros Rd., Aztec, N.M. 87410

DISTRICT IV
1270 South St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-32749	*Pool Code 72319	*Pool Name Blanco Mesaverte
*Property Code 28096	*Property Name BOLACK C	*Well Number 16B
*OSRD No. 107067	*Operator Name XTO ENERGY INC.	*Elevation 6805

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot or	Feet from the	North/South line	Feet from the	East/West line	County
0	33	27-N	8-W		690	SOUTH	1830	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 14a	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

13 Dedicated Acres 320.812	14 Joint or Infill	15 Consolidation Code	16 Order No.
-------------------------------	--------------------	-----------------------	--------------

16 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

DISTRICT I
1525 N. Fench Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1006 Rio Brazos 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
1220 South St. Francis Dr.
Santa Fe, NM 87504-2088

Form C-102

Revised June 10, 2003

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-085-32749	Pool Code 72439	Pool Name S. Blanco Picked Chuffs
Property Code 28096	Property Name BOLACK C	Well Number 16B
CGED No. 169067	Operator Name XTO ENERGY INC.	Deviation 6805

10 Surface Location

TL or lot no.	Section	Township	Range	Lot 101	Feet from the	North/South line	Feet from the	East/West line	County
0	33	27-N	8-W		690	SOUTH	1830	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

TL or lot no.	Section	Township	Range	Lot 101	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 160 SE 1/4	Joint or Infill	Consolidation Code	Order No.
--------------------------------------	-----------------	--------------------	-----------

16 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>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: <u>Heather Small</u></p> <p>Printed Name: <u>Heather Small</u></p> <p>Title: <u>Drilling Assistant</u></p> <p>Date: <u>11/19/04</u></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 belief.</p> <p>Signature: <u>John A. Vukobratovic</u></p> <p>Date of Survey: <u>11-19-04</u></p> <p>Signature and Seal of Professional Surveyor: <u>John A. Vukobratovic</u></p> <p>Certificate Number: <u>14831</u></p>

Submit 3 Copies To Appropriate District
Office
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 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-
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Federal Lease # SF-079232
7. Lease Name or Unit Agreement Name Bolack C
8. Well Number 16B
9. OGRID Number 167067
10. Pool name or Wildcat Blanco MV & Blanco PC

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator XTO ENERGY INC.	
3. Address of Operator 2700 FARMINGTON AVE, BUILDING K - SUITE 1, FARMINGTON, NM 87401	
4. Well Location Unit Letter <u>O</u> : <u>690</u> feet from the <u>South</u> line and <u>1830'</u> feet from the <u>East</u> line Section <u>33</u> Township <u>27N</u> Range <u>8W</u> NMPM San Juan County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type <u>Drilling</u> Depth to Groundwater <u>>100</u> Distance from nearest fresh water well <u>1</u> mile Distance from nearest surface water <u>>1</u> mile	
Pit Liner Thickness: <u>12</u> 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 COMPL ☐

OTHER: Reserve Pit ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/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 Inc. proposes to install a lined, earthen reserve pit on location for Drilling. The pit will be removed from location in accordance with New Mexico Oil Conservation division guidelines when work is completed.

EXHIBIT E

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 Tech DATE 12/08/04

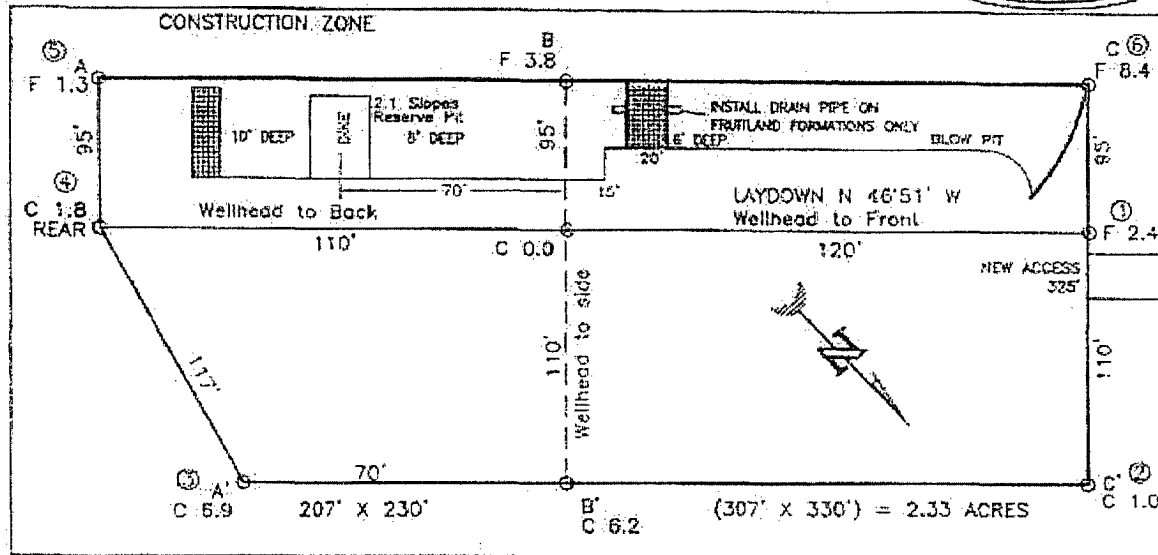
Type or print name Kyla Vaughan E-mail address: Kyla_Vaughan@xtoenergy.com Telephone No. 505-564-6726

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. # DATE MAY 16 2005

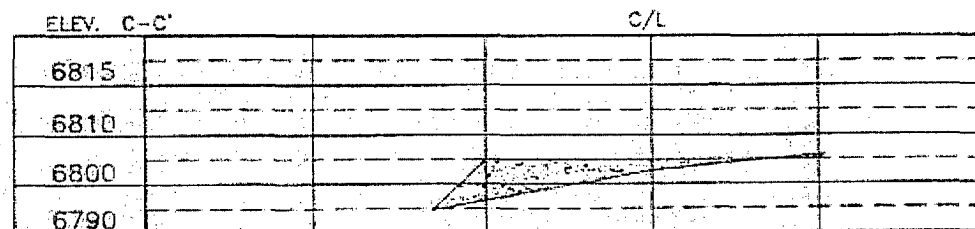
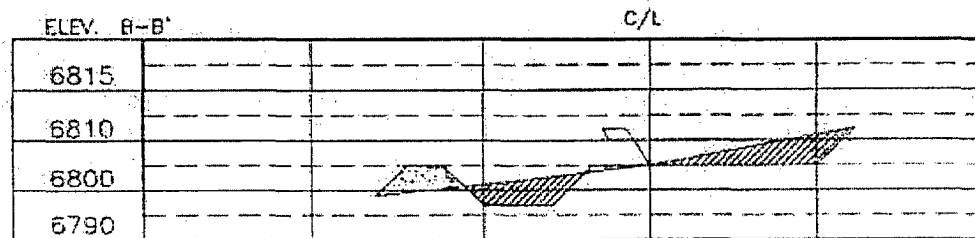
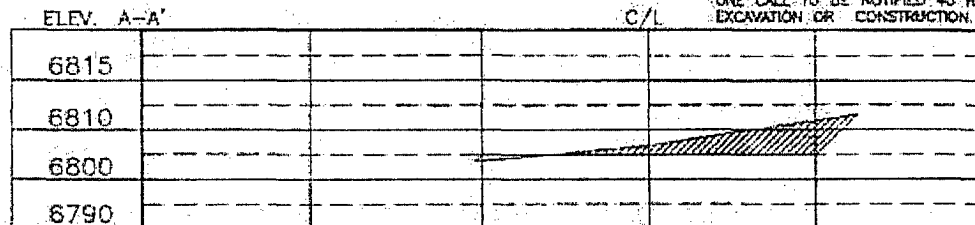
XTO ENERGY INC.
 BOLACK C No. 16B, 690 FSL 1830 FEL
 SECTION 33, T27N, R8W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 6805, DATE: SEPTEMBER 21, 2004

LAT: 36°31'30" N.
 LONG: 107°41'05" W.
 NAD 27



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.



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.

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 10045 • Farmington, NM 87401
 Phone (505) 324-1772 • Fax (505) 375-0013
 NEW MEXICO L.S. No. 14831
 DATE: 09/27/04

EXHIBIT D

XTO ENERGY INC.

Bolack "C" #16B

APD Data

December 7, 2004

Location: 690' FSL & 1830' FEL, Sec 33, T27N, R08W

County: San Juan

State: New Mexico

PROJECTED TOTAL DEPTH: ±5,450'

OBJECTIVE: Mesaverde/Pictured Cliffs

GR ELEV: 6,805'

Est KB ELEV: 6,817' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 320'	320' to 3,500'	3,500' to TD
HOLE SIZE	12-1/4"	7-7/8"	7-7/8"
MUD TYPE	FW/Spud Mud	FW/Polymer	LSND
WEIGHT	8.6-9.0	8.4-8.8	8.6-9.0
VISCOSITY	28-32	28-32	45-60
WATER LOSS	NC	NC	8-10

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pre-treat with 20% LCM @ 3,500'. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity (>85 sec) at TD for logging. Reduce viscosity after logging for cementing purposes.

2. CASING PROGRAM:

Surface Casing: 8-5/8" casing to be set at ± 320' in 8.8 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'-320'	320'	24#	J-55	STC	1370	2950	244	8.097	7.972	7.32	7.95	29.39

Production Casing: 5-1/2" casing to be set at TD in 9.0 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'-TD	5,450'	15.5#	J-55	STC	4040	4810	202	4.950	4.825	1.58	1.88	2.39

3. WELLHEAD:

- 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.
- 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, 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: 8-5/8", 24#, J-55, STC casing to be set at $\pm 320'$.

Lead: 200 sx of "Type III" cement containing 3% CaCl_2 , 1/4 pps celloflake, mixed at 14.5 ppg, 1.39 ft^3/sk , & 6.50 gal wtr/sk.

Total slurry volume is 278 ft^3 , $\pm 100\%$ excess of calculated annular volume to 320'.

B. Production: 5-1/2", 15.5#, J-55, STC casing to be set at $\pm 5,450'$.

Lead: 410 sx of Premium Lite FM (65/35/6) cement containing 2% KCl, 1/4 pps celloflake, 2-4% Phenoseal mixed at 11.9 ppg, 2.54 ft^3/sk , 15.60 gal wtr/sx.

Tail: 150 sx of Premium Lite HS (65/35/6) cement containing 2% KCl, 7#/sx CSE, 1/4 pps celloflake, 0.5% Fluid loss, 0.2% Dispersant mixed at 12.5 ppg, 2.01 ft^3/sk , 10.71 gal wtr/sx..

Total estimated slurry volume (including 40% excess) for the 5-1/2" production casing is 1,342 ft^3 .

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined for the caliper logs plus 40%. It will be attempted to circ cement to surface on both stages.

5. LOGGING PROGRAM:

A. Mud Logger: A mud logger will be on the hole @ 2,600' and will remain on the hole until TD.

B. Open Hole Logs as follows: Run Dual Induction/SFL/GR/SP fr/TD ($\pm 5,450'$) to the bottom of the surface csg. Run CNL/LDT (Lithodensity)/GR/Cal and Pe from TD to bottom of the surface casing.

EXHIBIT F

6. **FORMATION TOPS:**

Formation	Subsea Depth	Well Depth
Ojo Alamo SS	+4848'	1972'
Kirtland Shale	+4728'	2092'
Fruitland Formation	+4204'	2616'
Pictured Cliffs SS	+4048'	2772'
Lewis Shale	+3900'	2920'
Chacra	+3158'	3662'
Cliffhouse SS	+2453'	4367'
Menefee*	+2397'	4423'
Point Lookout SS*	+1791'	5029'
Mancos Shale	+1440'	5380'
Projected TD	+1380'	5450'

* Target Reservoir. Maximum anticipated reservoir pressure will be $\pm 1,550$ psig.

7. **COMPANY PERSONNEL:**

Name	Title	Office Phone	Home Phone
Jeff Patton	Drilling Engineer	505-324-1090	505-632-7882
Dennis Elrod	Drilling Foreman	505-486-6460 (cell)	505-326-2024
Randy Hosey	Project Geologist	817-885-2398	817-427-2475
Barry Voigt	Reservoir Engineer	817-885-2462	817-540-2092

JWP
12/7/04

EXHIBIT 1

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 $\frac{5}{10}$ 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.

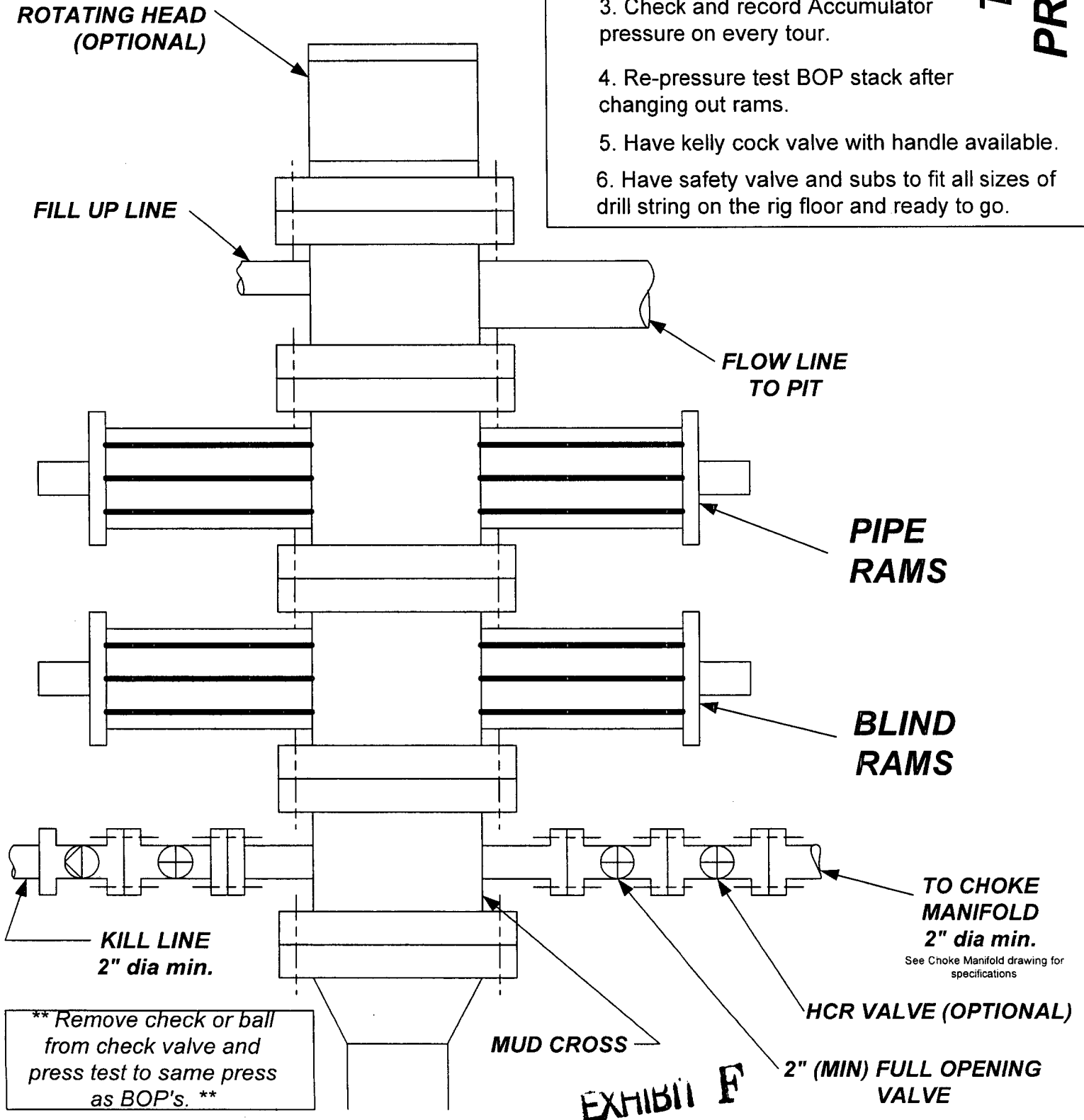


EXHIBIT F

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

