

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 checked="" type="checkbox"/> Single Zone <input 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 #24	
3b. Phone No. (include area code) 505-324-1090		9. API Well No. 3004532813	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 1130' FSL x 1630' FEL in Sec 30, T27N, R8W At proposed prod. zone same		10. Field and Pool, or Exploratory Basin Fruitland Coal	
14. Distance in miles and direction from nearest town or post office* Approx 13.8 air miles SouthEast of Bloomfield, NM Post Office		11. Sec., T., R., M., or Blk. and Survey or Area 0 Sec 30, T27N, R8W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1130'	16. No. of Acres in lease 2552.22	17. Spacing Unit dedicated to this well 320 E/2	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 250'	19. Proposed Depth 2300'	20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6093' 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 12/30/04
Title Regulatory Compliance Tech		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) [Signature]	Date 5-16-05
Title AFM	Office FFD	

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)

DRILLING OPERATIONS AUTHORIZED ARE
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

NMOC

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

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

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

OIL CONSERVATION DIVISION

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

RECEIVED

OTC FARMINGTON NM ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32813	² Pool Code 71619	³ Pool Name DASH FROTHING LOOL
⁴ Property Code 28096	⁵ Property Name BOLACK C	⁶ Well Number 24
⁷ OCRID No. 161061	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6093

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lat lon	Feet from the	North/South line	Feet from the	East/West line	County
0	30	27-N	8-W		1130	SOUTH	1630	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
¹² Dedicated Acres 320	E 1/2		¹³ Joint or Infill I		¹⁴ Consolidation Code		¹⁵ 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

LOT 1

LOT 2

LOT 3

LOT 4

WITNESS COR.
FD 3 1/4" BC
BLM 1955
N 01-53' E 26.4'
CALC. CORNER

30

1130'

SEC. CORNER
FD 3 1/4" BC
BLM 1955
N 87°05'52" W
2576.30' (M)

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature [Signature]

Printed Name THOMAS W. PATTON

Title DRILLING SUPERVISOR

Date 11-17-04

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 4-10-05

Signature and Seal [Signature] Professional Surveyor

Certificate Number 14827

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.

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

SF-079232

7. Lease Name or Unit Agreement Name:

Bolack C

8. Well Number

#24

9. OGRID Number

167067

10. Pool name or Wildcat

BASIN FRUITLAND COAL

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

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401

4. Well Location

Unit Letter O : 1130 feet from the SOUTH line and 1630 feet from the EAST line

Section 30 Township 27N Range 8W NMPM NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

6093'

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type DRILL Depth to Groundwater >100 Distance from nearest fresh water well 1 MILE Distance from nearest surface water 1 MILE

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: RESERVE 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.

See Attachment

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 12/30/04

Type or print name Kyla Vaughan

E-mail address: Kyla_Vaughan@xtoenergy.com

Telephone No. 505-324-1090

For State Use Only

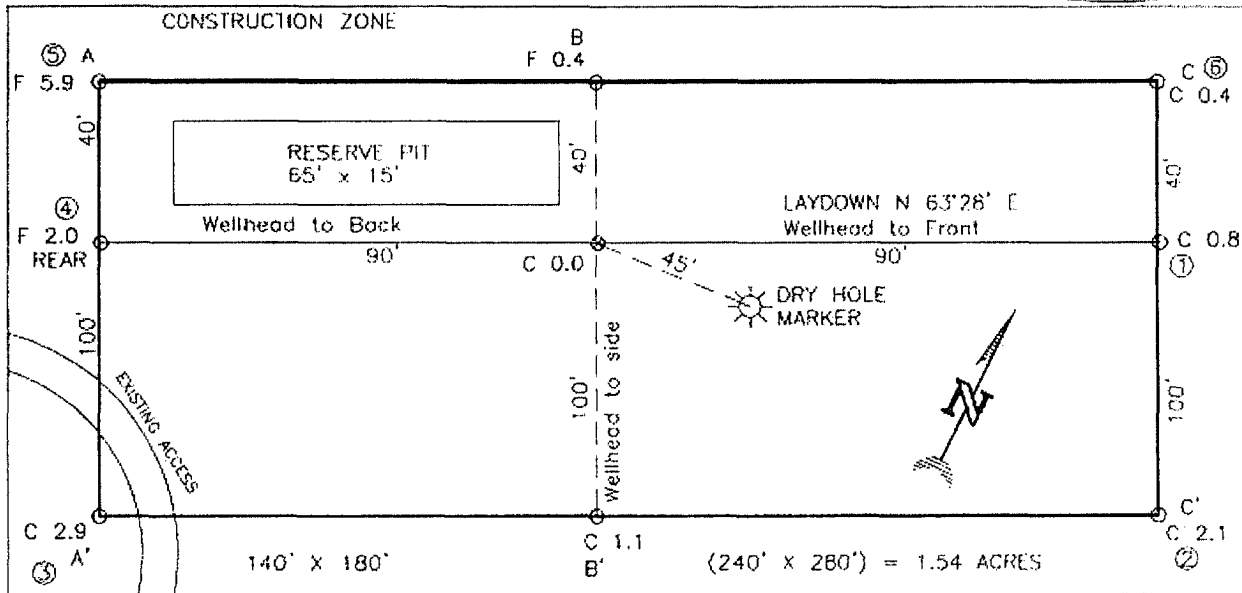
APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 88 DATE MAY 18 2005

Conditions of Approval, if any:

EXHIBIT E

XTO ENERGY INC.
 BOLACK C No. 24, 1130 FSL 1630 FEL
 SECTION 30, T27N, R8W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 6093. DATE: MARCH 16, 2004

LAT: 36°32'29" N.
 LONG: 107°43'10" 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.

ELEV. A-A'	C/L
6100	
6090	
6080	
6070	

ELEV. B-B'	C/L
6100	
6090	
6080	
6070	

ELEV. C-C'	C/L
6100	
6090	
6080	
6070	

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	REVISION	Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15288 • Farmington, NM 87401 Phone (505) 328-1772 • Fax (505) 326-6019 NEW MEXICO L.S. No. 14827 License 22063578
DATE	REVISION	
DATE	REVISION	Drawn by: J.C. Rev'd: CR262

EXHIBIT D

BOLACK C #24

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.

XTO ENERGY INC.

DRILLING PROCEDURE

Bolack "C" #24

Basin Fruitland Coal

December 30, 2004

Location: 1,130' FSL & 1,630' FEL, Sec 30, T27N, R11E County: San Juan State: New Mexico

PROJECTED TOTAL DEPTH: 2,300' OBJECTIVE: Fruitland Coal GR ELEV: 6,093'

1. MUD PROGRAM:

INTERVAL	0'-225'	225'-TD
HOLE SIZE	12-1/4"	7-7/8"
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: 8-5/8" casing to be set at \pm 225' in 8.8 ppg mud in 12-1/4" open hole.

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'-225'	225'	24#	J-55	STC	1,370	2,950	244	8.097	7.972	14.64	31.52	50.8

Optimum makeup torque for 8-5/8" 24#, J-55, STC casing is **2,440 ft-lbs** (Min - 1,830 ft-lbs, Max - 3,050 ft-lbs).

Production Casing: 5-1/2" casing to be set at \pm 2,300' in 9.0 ppg mud in a 7-7/8" open hole.

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	2,300'	15.5#	J-55	STC	4,040	4,810	2250 4,950	4.950	4.825	3.52	4.19	5.84

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 8-5/8", 20# casing is: 0.0636 bbl/ft

Capacity of 5-1/2", 15.5# casing is: 0.0238 bbl/ft

3. WELLHEAD:

Casinghead: Larkin Fig 92 (or equivalent) 2,000 psig WP (4,000 psig test) with 8-5/8", 8rd pin on bottom and 10-3/4" API Modified 8rd thread on top.

Tubinghead: Larkin Model 612 (or equivalent) 3,000 psig WP (6,000 psig test) with 5-1/2", 8rd bottom thread and 8-5/8" 8rd API Modified top body thread, 4.950" minimum bore.

EXHIBIT F

4. **CEMENT PROGRAM:**

A. Surface: 8-5/8", 24#, J-55, STC casing at $\pm 225'$.

Lead: 150 sx Type III cement (or equivalent) containing 1/4 pps celloflake, 2% CaCl_2 (mixed at 14.6 ppg, 1.39 ft^3/sk , 6.67 gal wtr/sk).

Total slurry volume is ~~104.25~~ ²⁰⁹ ft^3 , 250% excess of calculated annular volume required to circulate cement to surface.

B. Production: 5-1/2", 15.5#, J-55, STC casing at $\pm 2,300'$.

Lead: $\pm 200^*$ sx of Type III cement containing 8% gel, 1/4 pps Celloflake & 2% Phenoseal (mixed at 11.9 ppg, 2.54 ft^3/sk , 15.00 gal wtr/sk).

Tail: 100 sx Type III cement containing 1% CaCl_2 , 1/4 pps Celloflake & 2% Phenoseal (mixed at 14.5 ppg, 1.41 ft^3/sk , 6.72 gal wtr/sx).

Total estimated slurry volume is 649 ft^3 , $\pm 40\%$ 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:**

- H_2S or other Poisonous Gases: No formations known to contain H_2S 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.

7. **FORMATION TOPS:**

Formation	Subsea Depth	Well Depth
Ojo Alamo SS	+4866'	1239'
Kirtland Shale	+4764'	1341'
Fruitland Fm	+4443'	1662'
Lower Fruitland Coal	+4102'	2003'
Pictured Cliffs SS	+4046'	2059'
Lewis Shale	+3908'	2197'
T.D.	+3805'	±2300'

Note: These depths, indicated above, are approximate. Actual depths of the formation tops will be determined from the well logs.

Maximum anticipated bottomhole pressure encountered during drilling should not exceed 0.35-0.43 psi/ft.

8. **COMPANY PERSONNEL:**

Name	Title	Office Phone	Home Phone
Dennis Elrod	Drilling Foreman	505-324-1090 505-486-6460 cellular	505-326-2024
Jeff Patton	Drilling Engineer	505-324-1090 505-330-2957 cellular	505-632-7882
Reed Meek	Project Geologist	817-885-2191	432-687-0615
Robin Tracy	Reservoir Engineer	817-885-2422	

9. **SPECIAL INSTRUCTIONS:**

- A. Daily drilling reports should be called in to the San Juan District office at (505) 324-1090 or faxed to (505) 564-6700 by 8:00 a.m.
- B. Deviation:
 Surface Hole: Maximum of 1° and not more than 1° change per 100'.
 Production Hole: Maximum of 4° and not more than 1° change per 100'.
Note: Maximum distance between surveys is 500'.
- C. NU & Pressure Test BOP, choke manifold & surface casing to 250/800 psig for 30 minutes. Report the pressure test on the IADC form as required.
- D. Drill out below surface casing after WOC 12 hours. Drill cement and float equipment with minimum weight and RPM until drill collars are below the bottom of the surface casing. Keep location clean and water usage to a minimum.
- E. Check BOP blind rams each trip and pipe rams each day. Strap the pipe on the last bit trip prior to reaching TD, or on the TOH to log.

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).

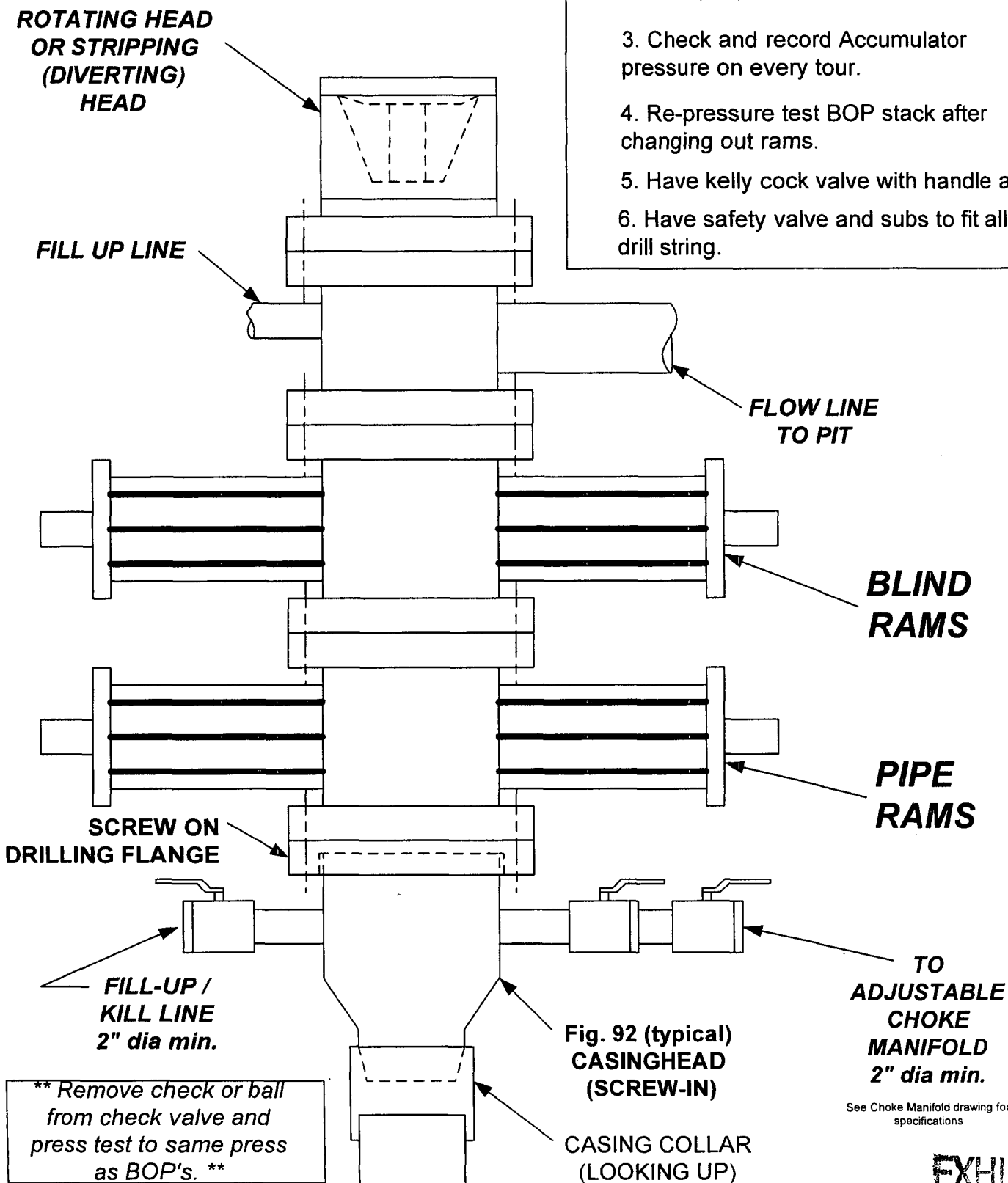
2. Test operation of (both) rams on every trip.

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.



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

