

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

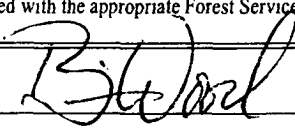
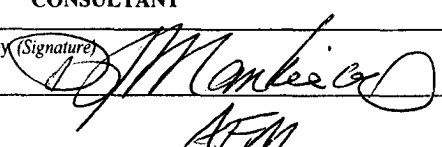
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		13. 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 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. If Unit or CA Agreement, Name and No. N/A
3a. Address 2700 FARMINGTON AVE., BLDG. K-1 FARMINGTON, NM 87401	3b. Phone No. (include area code) (505) 324-1090	8. Lease Name and Well No. BOLACK 15 2 E
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1130' FNL & 1550' FWL At proposed prod. zone SAME		9. API Well No. 30-045-33333
14. Distance in miles and direction from nearest town or post office* 10 AIR MILES S OF BLOOMFIELD		10. Field and Pool, or Exploratory BASIN DAKOTA
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1090'	16. No. of acres in lease 2,401.76	11. Sec., T. R. M. or Blk. and Survey or Area C 15-27N-11W NMPM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 150' (XTO's 15-3)	19. Proposed Depth 6,860'	12. County or Parish SAN JUAN
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,294' GL	22. Approximate date work will start* 04/01/2006	13. State NM
17. Spacing Unit dedicated to this well W2 320		
20. BLM/BIA Bond No. on file BLM NATIONWIDE 57 91 73		
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:

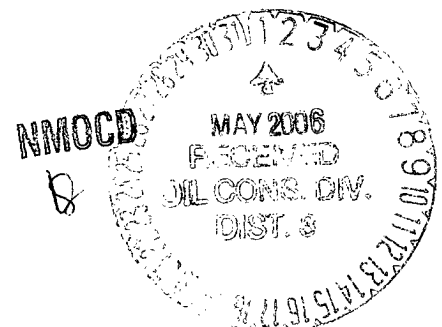
1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20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

25. Signature 	Name (Printed/Typed) BRIAN WOOD	Date 02/17/2006
Title CONSULTANT		
PHONE: (505) 466-8120 FAX: (505) 466-9682		
Approved by (Signature) 	Name (Printed/Typed) AFM	Date 4/28/06
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 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)



DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., 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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

RECEIVED

070 FARMINGTON NM

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-38225	² Pool Code 71599	³ Pool Name BASIN DAKOTA	<input checked="" type="checkbox"/>
⁴ Property Code 30314	⁵ Property Name BOLACK	⁶ Well Number 15	⁷ Well Number 2E
⁸ OGRID No. 167067	⁹ Operator Name XTO ENERGY INC.	¹⁰ Elevation 6294	

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		1130	NORTH	1550	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 319.5 320 W2					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

FD. 2 1/2" BC.
U.S.G.L.O.

N 89-55-52 E
5268.74 (M)

FD. 2 1/2" BC.
1913 U.S.G.L.O.

1130'

1550'

LAT: 36°34'45.7" N. (NAD 27)
LONG: 107°59'39.6" W. (NAD 27)

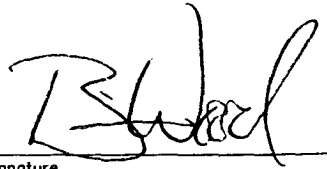
15

S 0-01-35 W
5281.54' (C)

CALC'D. CORNER
BY DBL PROP.

17 OPERATOR CERTIFICATION

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


Signature
BRIAN WOOD
Printed Name
CONSULTANT
Title
FEB. 17, 2006
Date

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
Signature
JOHN W. WILKINSON
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
14881
2006
Certificate Number

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.	30-045-30025
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. NMSF-078872A	
7. Lease Name or Unit Agreement Name BOLACK 15	
8. Well Number	2 E
9. OGRID Number	167067
10. Pool name or Wildcat	BASIN DAKOTA

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-1,
FARMINGTON, NM 87401

4. Well Location
Unit Letter C : 1130 feet from the NORTH line and 1550 feet from the WEST line
Section 15 Township 27N Range 11W NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6,294' GL

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type DRILLING Depth to Groundwater >100' Distance from nearest fresh water well >5,000' Distance from nearest surface water >1,000'

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 COMPL ☐

OTHER: DRILLING 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.

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 Brian Wood TITLE CONSULTANT DATE 2-17-06

Type or print name BRIAN WOOD

E-mail address: brian@permitswest.com Telephone No. (505) 466-8120

For State Use Only

APPROVED BY: [Signature]

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. IV

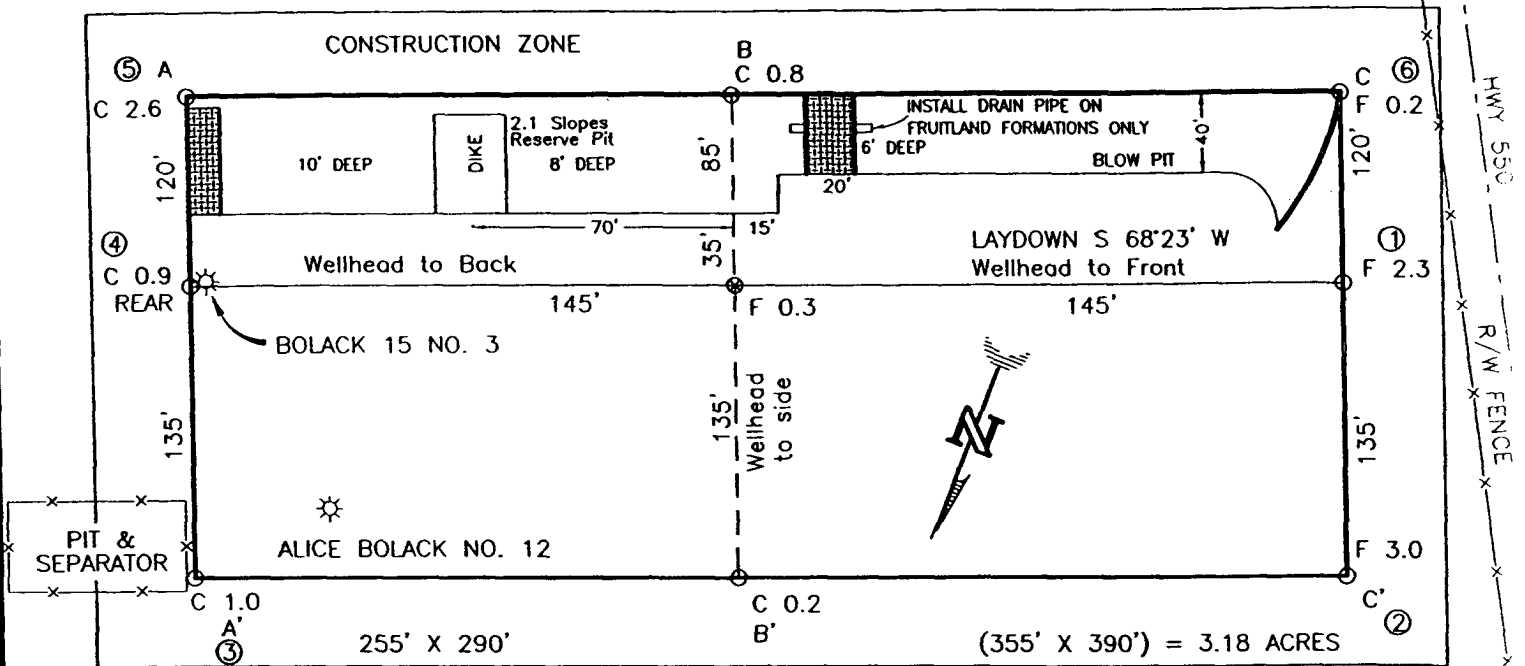
DATE

MAY 01 2006

Conditions of Approval (if any):

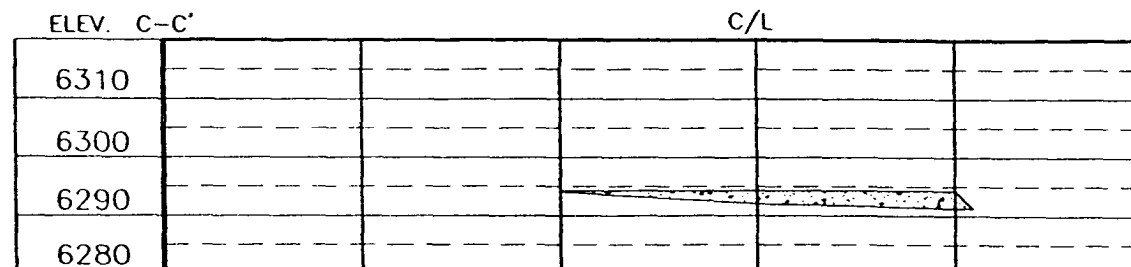
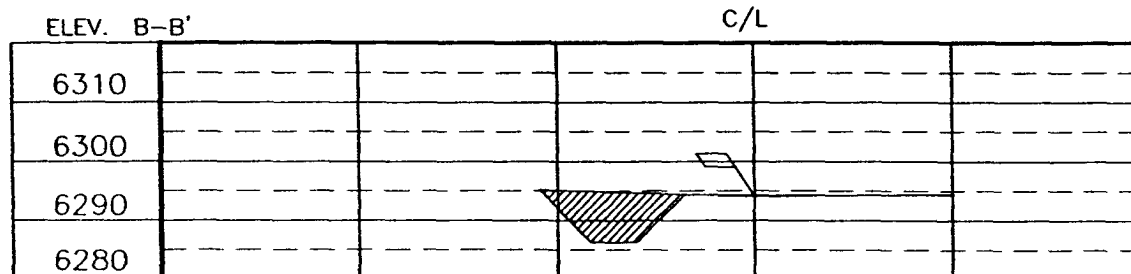
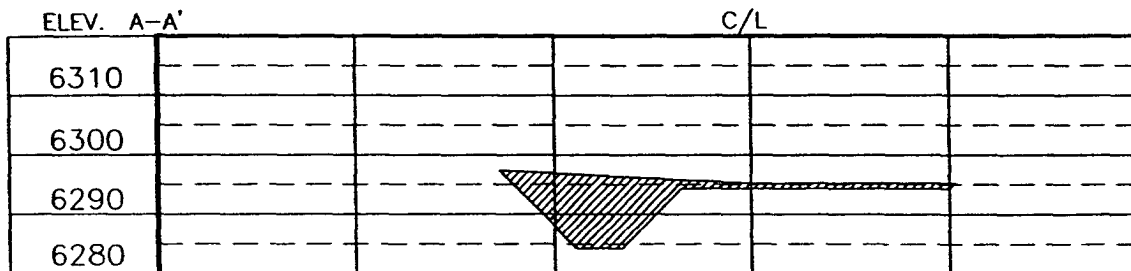
XTO ENERGY INC.
 BOLACK 15. 2E, 1130' FNL 1550' FWL
 SECTION 15, T27N, R11W, N.M.P.M., SAN JUAN COUNTY, N. M.
 GROUND ELEVATION: 6294', DATE: JANUARY 3, 2006

LAT. = 36°34'45.7" N
 LONG. = 107°59'39.6" 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.

DATE: _____ REVISED BY: _____

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15068 • Farmington, NM 87401
 Phone (505) 326-1772 • Fax (505) 326-6019
 NEW MEXICO P.L.S. No. 14831

XTO Energy Inc.
Bolack 15 2 E
1130' FNL & 1550' FWL
Sec. 15, 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'	+6,294'
Kirtland Shale	963'	975'	+5,331'
Fruitland Coal	1,453'	1,465'	+4,841'
Pictured Cliffs	1,973'	1,985'	+4,321'
Huerfanito Bentonite	2,468'	2,480'	+3,826'
Cliff House	3,581'	3,593'	+2,713'
Menefee	3,596'	3,608'	+2,698'
Point Lookout	4,446'	4,458'	+1,848'
Greenhorn	6,416'	6,428'	-122'
Graneros Shale	6,474'	6,486'	-180'
Dakota Sandstone	6,583'	6,595'	-289'
Total Depth (TD)*	6,860'	6,872'	-566'

2. NOTABLE ZONES

Gas & Oil Zones

Fruitland
Pictured Cliffs
Cliff House
Menefee
Point Lookout
Dakota

Water Zones

Nacimiento
Kirtland
Fruitland

Coal Zones

Fruitland
Menefee

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.
Bolack 15 2 E
1130' FNL & 1550' FWL
Sec. 15, T. 27 N., R. 11 W.
San Juan County, New Mexico

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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 2000 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 is \approx 2,800 psi. BOP and mud system will control pressure.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Age</u>	<u>Connections</u>	<u>Depth</u>
12-1/4"	8-5/8"	24	J-55	Used	8rd, S T & C	325'
7-7/8"	4-1/2"	11.6	K-55	Used	8rd, L T & C	6,860'

Surface casing will be cemented to surface with \approx 270 cubic feet (\approx 230 sacks) Class B Neat + 1/4 pound per sack cello-flake + 2% CaCl₂. Yield = 1.27 cubic feet per sack. Weight = 15.2 pounds per gallon.

XTO Energy Inc.
Bolack 15 2 E
1130' FNL & 1550' FWL
Sec. 15, T. 27 N., R. 11 W.
San Juan County, New Mexico

PAGE 4

Conventional centralizers will be set on the bottom two joints and every fourth joint to surface.

Production casing hole will be cemented to surface as follows. DV @ $\approx 4,000'$.

First stage Lead will be cemented to $\approx 4,000'$ with ≈ 828 cubic feet (≈ 600 sacks) 50:50 Poz + 5 pounds per sack gilsonite + 2% gel + 1/4 pound per sack cello-flake, dispersant, and FLA. Yield = 1.38 cubic feet per sack. Weight = 13.5 pounds per gallon. Excess = 25%.

Second stage Lead will be cemented to surface with $\approx 1,440$ cubic feet (≈ 500 sacks) Class B or H + 10 pounds per sack gilsonite + 4% gel + 1/2 pound per sack cello-flake + 3% Econolite. Yield = 2.88 cubic feet per sack. Weight = 11.4 pounds per gallon. Excess = 50%

Second stage Tail will be cemented to $\approx 3,600'$ with ≈ 126 cubic feet (≈ 100 sacks) Class B or H Neat + 1/4 pound per sack cello-flake + 2% CaCl_2 . Yield = 1.26 cubic feet per sack. Weight = 15.2 pounds per gallon. Excess = 10%.

Production casing may be cemented with an alternative foam cement.

First stage Lead will be cemented to $\approx 200'$ with $\approx 1,320$ cubic feet ($\approx 1,740$ cubic feet when foamed) or $\approx 1,000$ sacks 50:50 Poz + 2% gel + 2% Diacel LWL 0.094 gallon per sack foaming agent. Yield = 1.32 cubic feet per sack (1.74 when foamed). Weight = 13.8 pounds per gallon (10.5 when foamed). Excess = 15%.

First stage Tail will be cemented to $\approx 6,000'$ with ≈ 146 cubic feet (≈ 116 sacks) Class B or H Neat + 1/4 pound per sack cello-flake + 2% CaCl_2 . Yield = 1.26 cubic feet per sack. Weight = 15.2 pounds per gallon.

Cap will be cemented to surface with ≈ 75 cubic feet (≈ 60 sacks) Class B or H with 2% CaCl_2 .

XTO Energy Inc.
Bolack 15 2 E
1130' FNL & 1550' FWL
Sec. 15, T. 27 N., R. 11 W.
San Juan County, New Mexico

PAGE 5

Conventional centralizers will be set on the bottom two joints, every second joint to $\approx 6,100'$ and every fourth joint from $\approx 2,000'$ to the surface.

5. MUD PROGRAM

<u>RANGE</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>WATER LOSS</u>	<u>ADDITIVES</u>
0' - 350'	Fresh-Spud	8.5-8.8	30	NC	Gel, lime
350' - 4,000'	Fresh Water	8.5-8.8	28	NC	Gel, lime sweeps
4,000' - TD	Fresh Water	8.5-8.8	35	10 cc	Gel, soda ash, LCM

6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. Induction logs will be run from TD to $\approx 3,000'$. Neutron density-GR logs will be run from TD to base of surface casing.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be $\approx 2,800$ psi.

8. OTHER INFORMATION

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