

Type of Well

3a. Address

Oil Well

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED OMB NO 1004-0137 Expires July 31, 2010

5. Lease Serial No.

33434 400700

TAM	<u> </u>	<i>199</i>		
4 IF	Indian	Allotton (or Tribo Mo	_

	SUNDRY	Y	NOTICES	AND	KEP	OK I	S	ON	MELITA K]	. V	2008	
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6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such coroposals: Management Farmington Field Office 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2 N/A 8. Well Name and No. X Gas Well Other BOLACK B #2R 2. Name of Operator XIO Energy Inc. 9. API Well No. 3b Phone No. (include area code) 30-045-34582 382 CR 3100 505-333-3100 Aztec, NM 87410 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) BASIN FRUITLAND COAL 720' FSL & 665' FWL SEC 12M-T27N-R8W 11. County or Parish, State 1900' FSL & 700' FEL SEC 12I-T27N-R82 SAN JUAN CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION Production (Start/Resume) Water Shut-Off X Notice of Intent Acidize Deepen Fracture Treat Reclamation Well Integrity Alter Casing Subsequent Report Casing Repair New Construction Recomplete Other Plug and Abandon Change Plans Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.) XTO Energy Inc. intends to change this well from a vertically drilled well to a horizontally drilled well. XTO also proposes to change from a PC/FC well to Fruitland Coal only. Please see the attached revised C-102.

New BHL: 1900' FSL & 700' FEL

fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

PCUD APR 15'08

OTL CONS. DIV.

DIST. 3

NOTIFYA	ZIEC OCD	24 HRS.	CONDITIONS OF APPROVAL
PRIOR TO	CASING &	CEMENT	Adhere to previously issued stipulations.

Hold C104 for Directional Survey and "As Drilled" plat

O. Polanco PC Cancelled 14168	
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) LORRI D. BINGHAM	Title REGULATORY COMPLIANCE TECH
Signature Signature Law	Date 4/10/08
THIS SPACE FOR FEDER	RAL OR STATE OFFICE USE
Approved by	Title Pet. En Date 4/14/08
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon	nat Office
Title 18 U S C. Section 1001, and Title 43 U S.C. Section 1212, makes it a crime for any person	knowingly and willfully to make to any department or agency of the United States any false,

AMMOCH

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

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 October 12, 2005

Submit to Appropriate District Office State Lease - 4 Copies

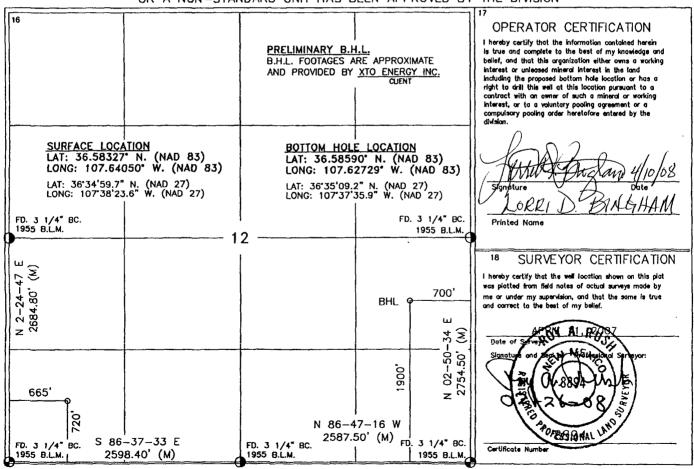
Fee Lease - 3 Copies

☐ AMENDED REPORT

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

		WE	ELL LO	OCATIO	UNA V	ACI	REAGE DEDI	CATION PL	_AT			
¹ API	Number		² Pool Code ³ Pool Name									
Property Co	de		<u> </u>		*Prop	erty No	ıme		,	* w	fell Number	
		BOL	ACK	В			2R					
OGRID No.					*Oper	ator No	ome			1	Elevation	
XTO ENERGY INC.							6667					
		**			10 Surfa	ice	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from t	he	North/South line	Feet from the	East/We:	st line	County	
М	12	27-N	8-W		720		SOUTH	665	WE	ST	SAN	JUAN
			" Botto	om Hole	Locati	on I	f Different Fro	om Surface	-			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from t	he	North/South line	Feet from the	East/We	st line	County	
ľ	12	27-N	8-W	·	1900		SOUTH	700	EAST		SAN	JUAN
³² Dedicated Acres			13 Joint or Infill 14 Consolidat			tion Code 15 Order No.						
L								L				

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



XTO ENERGY INC.

Bolack B #2R APD Data April 10, 2008

Location: 720' FSL x 665' FWL Sec 12, T27N, R8W

County: San Juan

State: New Mexico

Bottomhole Location: 1900' FSL x 700' FEL Sec 12, T27N, R8W

GREATEST PROJECTED TVD: 2990' GREATEST PROJECTED MD: 6680'

APPROX GR ELEV: 6667' Est KB ELEV: 6679' (12' AGL)

OBJECTIVE: Fruitland Coal

MUD PROGRAM:

INTERVAL	0' to 300'	300' to 3285'	3285' to TD
HOLE SIZE	12.25"	8.75"	6.125"
MUD TYPE	FW/Spud Mud	FW/Polymer	Air/Mist
WEIGHT	8.6-9.0	8.4-8.8	NA
VISCOSITY	28-32	28-32	NA
WATER LOSS	NC	NC	NC

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes. Use Fruitland Coal produced water as make-up water for mist fluid. Pump enough fluid to dampen vibration at directional BHA. If directional control is not maintainable in air/mist environment convert to polymer mud.

CASING PROGRAM:

Surface Casing: 9.625" casing to be set at \pm 300' in a 12.25" hole filled with 9.20 ppg mud

			<u> </u>									
					Coll	Burst						
					Rating	Rating	Jt Str	ID	Drift	SF	SF	SF
Interval	Length	Wt	Gr	Cplg	(psi)	(psi)	(M-lbs)	(in)	(in)	Coll ¹	Burst ²	Ten ³
0'-300'	300'	36.0#	J-55	ST&C	2020	3520	394	8.921	8.765	18.76	32.7	48.6

Intermediate Casing: 7" casing to be set at ± 3285 ' MD, 2990' TVD in 8.75" hole filled with 9.20 ppg mud.

					Coll	Burst						
					Rating	Rating	Jt Str	ID	Drift	SF	SF	SF
Interval	Length	Wt	Gr	Cplg	(psi)	(psi)	(M-lbs)	(in)	(in)	Coll ¹	Burst ²	Ten ³
0'-3285	3285'	23.0#	J-55	ST&C	3270	4360	284	6.276	6.151	2.28	3.04	3.75

Production Casing: 4.5" casing to be set at $\pm 6680'$ MD, 2990' TVD in 6.125" hole filled with 8.4 ppg mud.

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					Coll	Burst				ļ		
					Rating	Rating	Jt Str	ID	Drift	SF	SF	SF
Interval	Length	Wt	Gr	Cplg	(psi)	(psi)	(M-lbs)	(in)	(in)	Coll ¹	Burst ²	Ten ³
3225'-												
6680'	3455'	10.5	J-55	ST&C	4010	4790	132	4.052	3.927	3.07	3.66	3.63

¹Collapse SF is based on evacuated annulus and hydrostatic at TVD.

²Burst SF is based on evacuated casing and hydrostatic at TVD.

³Tensile SF is based on hanging air weight of casing in a vertical hole at measured depth.

3. WELLHEAD:

- A. Casing Head: WHI QDF System (or equivalent), 9-5/8" x 7", 3,000 psig WP (4,000 psig test) with 9-5/8" 8rnd thread ST&C pin end on bottom and 4-1/2" slips on top.
- B. Tubing Head: WHI W2F (or equivalent), 7.063" nominal, 5,000 psig WP (5,000 psig test), 5-1/2" slip-on or weld-on.

4. <u>CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):</u>

A. Surface: 9.625", 36.0#, J-55, ST&C casing to be set at \pm 360' in 12-1/4" hole.

163 sx of Type III cement (or equivalent) typically containing accelerator and LCM, mixed at 14.5 ppg, 1.39 ft³/sk, & 6.70 gal wtr/sk.

Total slurry volume is 226 ft³, 100% excess of calculated annular volume to 300'.

B. <u>Production Casing:</u> 7", 23#/ft, J-55, ST&C casing to be set at ±3285'MD, 2990' TVD in 8.75" hole.

LEAD:

± 149 sx of Premium Lite FM or CBM Lite typically containing accelerator, LCM, dispersant, and fluid loss additives at 12.1 ppg, 2.22 ft³/sk, & 12.04 gal wtr/sk.

TAIL:

± 233 sx of Type III or V cement typically containing accelerator, LCM, dispersant, and fluid loss additives at 14.2 ppg, 1.48 ft³/sk, & 7.34 gal wtr/sk.

Total estimated slurry volume for the 7" production casing is 676 ft^3 .

C. <u>Production Liner:</u> 4.5", 10.5#/ft, J-55, ST&C casing is to be set at 6680' MD, 2990' TVD in 6.125" hole.

The production liner will be set using an uncemented liner hanger. The liner may be tied back to surface during the completion of the well.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs (if available) plus 40%. It will be attempted to circulate cement to the surface.

5. LOGGING PROGRAM:

- A. Mud Logger: A geologic consultant or unmanned mud logging unit will begin logging the well once the surface shoe is drilled out and remain on the well to TD.
- B. Open Hole Logs as follows: Gamma Ray from Surface shoe to TD.

6. FORMATION TOPS:

See attached Directional Plan.

7. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
Justin Niederhofer	Drilling Engineer	505-333-3199	505-320-0158
Jerry Lacy	Drilling Superintendent	505-566-7917	505-320-6543
John Klutsch	Project Geologist	817-885-2800	

JN 4/10/08

XTO Energy

San Juan Basin (NAD 83) Bolack B #2R Bolack B #2R Bolack B #2R

Plan: Sundry'd Wellbore (4-9-8)

Standard Planning Report

09 April, 2008

SECTION DETAILS

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 Inc
 Az
 TVD
 +N/S
 +E/-W
 DLeg
 TFace
 VSec
 Target

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600-

750-

900-

1050-





Plan Description 5 deg/100' to 40 deg & 15 deg/100' to 90 deg

 Name
 TVD
 +N/-S
 +E/-W
 Latitude
 Longitude
 Shape

 Bolack B #2R -- Requested BHL
 2990 0
 957 7
 3878.3
 36° 35′ 9 240 N 107° 37′ 38′ 244 W
 Rectangle (Sides L30 0 W30.0)

Project San Juan Basin (NAD 83) Site Bolack B #2R Well Bolack B #2R Wellbore. Bolack B #2R Sundry'd Wellbore (4-9-8)

FORMATION TOP DETAILS

TVDPathMDPath Formation 2132 0 2132 0 0,0 Alamo SS 2233 0 2233 2 Kirtland Shale 2571 0 2583 8 Fruitland Formation 2781 0 2825.2 Middle Coal 2989 4 3228 6 Lower Coal

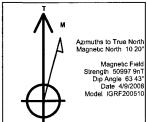
CASING DETAILS

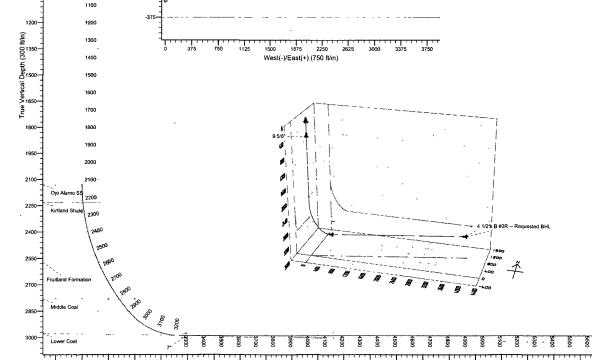
TVD MD Name Size 360 0 360 0 9 5/8" 9-5/8 2990 0 3285.0 7" 7 2990 0 6680 0 4 1/2" 4-1/2

PROJECT DETAILS. San Juan Basin (NAD 83)

Geodetic System US State Plane 1983
Datum North American Datum 1983
Ellipsoid GRS 1980
Zone New Mexico Western Zone

System Datum Mean Sea Level





Vertical Section at 76 13° (300 ft/in)