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FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Bureau of Land Management
Farmington Field Office

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. 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 382 ROAD 3100 AZTEC, NM 87410	3b. Phone No. (include area code) (505) 333-3159	8. Lease Name and Well No. BOLACK 28 #5
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1635' FSL & 1415' FEL At proposed prod. zone SAME		9. API Well No. 30-045-34891
14. Distance in miles and direction from nearest town or post office* 11 AIR MILES SOUTH OF BLOOMFIELD		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1415'	16. No. of acres in lease 2,401.76	11. Sec., T. R. M. or Blk. and Survey or Area 28-27N-11W NMPM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 235' (Bolack 4E)	19. Proposed Depth 2,100'	12. County or Parish SAN JUAN
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,322' GL	22. Approximate date work will start* 05/01/2009	13. State NM
23. Estimated duration 2 WEEKS		17. Spacing Unit dedicated to this well E2 (= 320 acres)
24. Attachments		20. BLM/BIA Bond No. on file BLM NATION WIDE UTB-000138
25. Signature <i>[Signature]</i>		23. Estimated duration 2 WEEKS
26. Title CONSULTANT		24. Attachments RCVD FEB 1 '11 OIL CONS. DIV. DIST. 3
27. Name (Printed/Typed) BRIAN WOOD		25. Signature <i>[Signature]</i>
28. Date 01/02/2009		26. Title CONSULTANT
29. Phone: (505) 466-8120		27. Name (Printed/Typed) BRIAN WOOD
30. FAX: (505) 466-9682		28. Date 01/27/2011
31. Office FEO		29. Phone: (505) 466-8120
32. Title CONSULTANT		30. FAX: (505) 466-9682

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form.

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

25. Signature <i>[Signature]</i>	Name (Printed/Typed) BRIAN WOOD	Date 01/02/2009
Title CONSULTANT	PHONE: (505) 466-8120	FAX: (505) 466-9682
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) BRIAN WOOD	Date 01/27/2011
Title AEH	Office FEO	

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)

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

FEB 23 2011
NMOCD

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

Revised October 12, 2005

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-34891	² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL GAS
⁴ Property Code 30314	⁵ Property Name BOLACK 28	⁶ Well Number 5
⁷ OGRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6322'

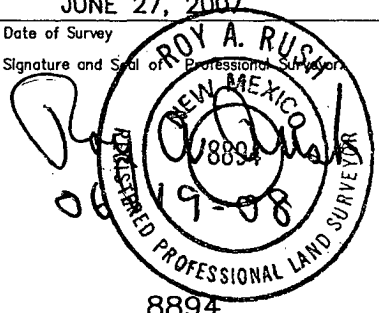
¹⁰ Surface Location

UL or lot no. J	Section 28	Township 27-N	Range 11-W	Lot Idn	Feet from the 1635	North/South line SOUTH	Feet from the 1415	East/West line EAST	County SAN JUAN
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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		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. G.L.O.	SURFACE: LAT: 36.54345° N. (NAD 83) LONG: 108.00501° W. (NAD 83) LAT: 36°32'36.4" N. (NAD 27) LONG: 108°00'15.8" W. (NAD 27)	FD. 2 1/2" BC. G.L.O.	17 OPERATOR CERTIFICATION <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <div style="display: flex; justify-content: space-between;"> <i>Brian Wood</i> 1-2-09 </div> <hr/> <div style="display: flex; justify-content: space-between;"> Signature Date </div> <hr/> <div style="display: flex; justify-content: space-between;"> Printed Name BRIAN WOOD </div>
28		1635'	18 SURVEYOR CERTIFICATION <p>I hereby certify that the well location shown on this plot 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> <hr/> <div style="text-align: center;">JUNE 27, 2007</div> <div style="display: flex; justify-content: space-between;"> Date of Survey Signature and Seal of Professional Surveyor </div> <div style="text-align: center;">  </div> <div style="display: flex; justify-content: space-between;"> 1415' 8894 </div> <hr/> <div style="display: flex; justify-content: space-between;"> Certificate Number 8894 </div>
FD. 2 1/2" BC. G.L.O.	S 89°54'25" W 5283.40' (M)	FD. 1/2" REBAR W/ CAP L.S. 8894	

XTO Energy Inc.
Bolack 28 #5
1635' FSL & 1415' FEL
Sec. 28, T. 27 N., R. 11 W.
San Juan County, New Mexico

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Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento Formation	000'	5'	+6,322'
Ojo Alamo Sandstone	793'	798'	+5,529'
Kirtland Shale	903'	908'	+5,419'
Fruitland Formation	1,390'	1,395'	+4,932'
Lower Fruitland Coal	1,857'	1,862'	+4,465'
Pictured Cliffs Sandstone	1,889'	1,894'	+4,433'
Lewis Shale	2,084'	2,089'	+4,238'
Total Depth (TD)	2,100'	2,105'	+4,222'

2. NOTABLE ZONES

<u>Gas & Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zone</u>
Fruitland	Nacimiento	Fruitland
Pictured Cliffs	Ojo Alamo	
	Fruitland	

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.

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

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mud cross will be tested to 200 psi and then to 1,000 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) 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 will be ≤ 840 psi. BOP and mud system will control pressure.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connection</u>	<u>Depth Set</u>
12-1/4"	8-5/8"	24	J-55	New	ST & C	225'
7-7/8"	5-1/2"	15.5	J-55	New	ST & C	2,100'

Surface casing will be cemented to the surface with 190 cubic feet (135 sacks) Type III with 3% CaCl_2 + 1/4 pound per sack cello flake. Yield = 1.41 cubic feet per sack. Weight = 14.5 pounds per gallon. Volume: $\geq 100\%$ excess. A guide shoe and insert float will be used. W. O. C. = 12 hours. Surface casing will be tested to 1,500 psi for 30 minutes. At least 3 centralizers will be used.

Production casing will be cemented to the surface. Total cement: ≥ 556 cubic feet. Volumes are calculated at $>50\%$ excess. If cement does not circulate to the surface, then a temperature survey will be run to determine the actual cement top as needed. W. O. C. = 12 hours. Test to 2,000 psi.

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Lead with 200 sacks premium light high strength FM + 2% potassium chloride + 1/2 pound per sack cello flake + 0.2% CD-32 + 0.5% FL-52 + 2% phenoseal. Weight = 12.5 pounds per gallon. Yield = 2.01 cubic feet per sack. Tail with 100 sacks Type III cement + 0.3% CD-32 + 0.2% FL-52 + 1/4 pound per sack cello flake + 2% phenoseal. Weight = 14.2 pounds per gallon. yield = 1.54 cubic feet per sack. Cement equipment will include a guide shoe, float collar, and approximately 10 centralizers.

5. MUD PROGRAM

<u>RANGE</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>
0' - 225'	Fresh-Spud	8.4
225' - TD	LSND	8.6

Lost circulation and absorption material will be on location.

6. CORING, TESTING, & LOGGING

No cores or drill stem tests are planned. GR, Neutron-Density, and Induction logs will be run.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, or hydrogen sulfide are expected. Maximum expected bottom hole pressure will be ≤ 840 psi.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take about 1 week to drill and about 1 week to complete the well.

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1. DIRECTIONS & EXISTING ROADS (See PAGES 10 & 11)

From the junction of US 64 and US 550 in Bloomfield ...
Go South for 11.7 miles on US 550 to the equivalent of Mile Post 139.8
Then turn right onto paved County Road 7100 N-3002 and go SW 1.8 miles
Then turn right onto paved N-4022 and go NW 0.6 miles
Then turn right and go East 0.5 mile on a dirt road
Then turn right and go South 68' cross country to the proposed pad

Roads will be maintained to at least equal their present condition.

2. ROAD TO BE BUILT OR UPGRADED (See PAGE 13)

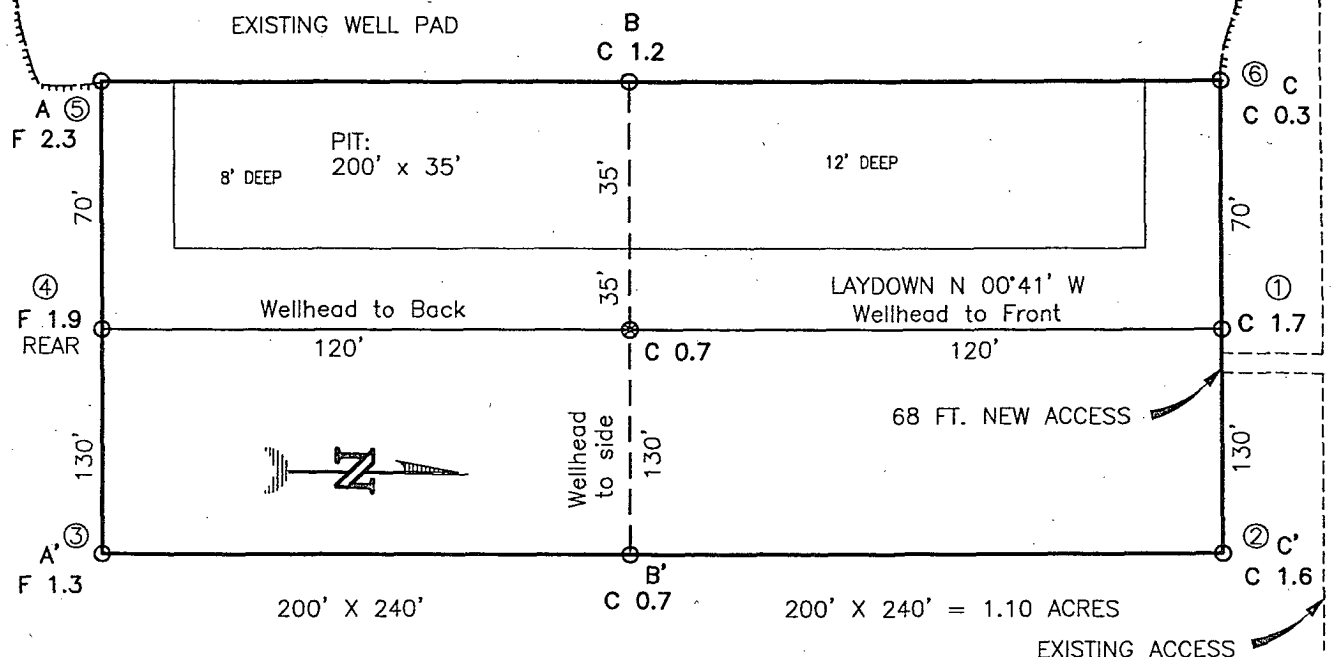
The final 68' of road will be built to BLM Gold Book standards. This will consist of crowning and ditching with a 14' wide running surface. Maximum disturbed width will be 20'. Road crown will be 0.03' to 0.05' per foot. Topsoil will initially be windrowed beside the road. Borrow ditch inside slope will be 4:1. Borrow ditch outside slope will be 2:1. Ditch bottom will be a smooth V with no vertical cut. Borrow ditch depth will be 1 foot. Once the ditch is complete, topsoil will be pulled back onto the cut slopes so there is no berm. Maximum cut or fill = 2'. Maximum grade = 1%. No upgrade, culvert, vehicle turn out, or cattle guard is needed.

3. EXISTING WELLS (See PAGE 11)

There are 11 oil or gas wells and 10 plugged wells within a mile radius. There are no water, injection, or disposal wells within a mile.

XTO ENERGY INC.
 BOLACK 28 No. 5, 1635 FSL 1415 FEL
 SECTION 28, T27N, R11W, N.M.P.M., SAN JUAN COUNTY, N.M.
 GROUND ELEVATION: 6322' DATE: JUNE 27, 2007

NAD 83
 LAT. = 36.54345° N
 LONG. = 108.00501° W
 NAD 27
 LAT. = 36°32'36.4" N
 LONG. = 108°00'15.8" W



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			
6330				
6320				
6310				
6300				

ELEV. B-B'	C/L			
6330				
6320				
6310				
6300				

ELEV. C-C'	C/L			
6330				
6320				
6310				
6300				

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.

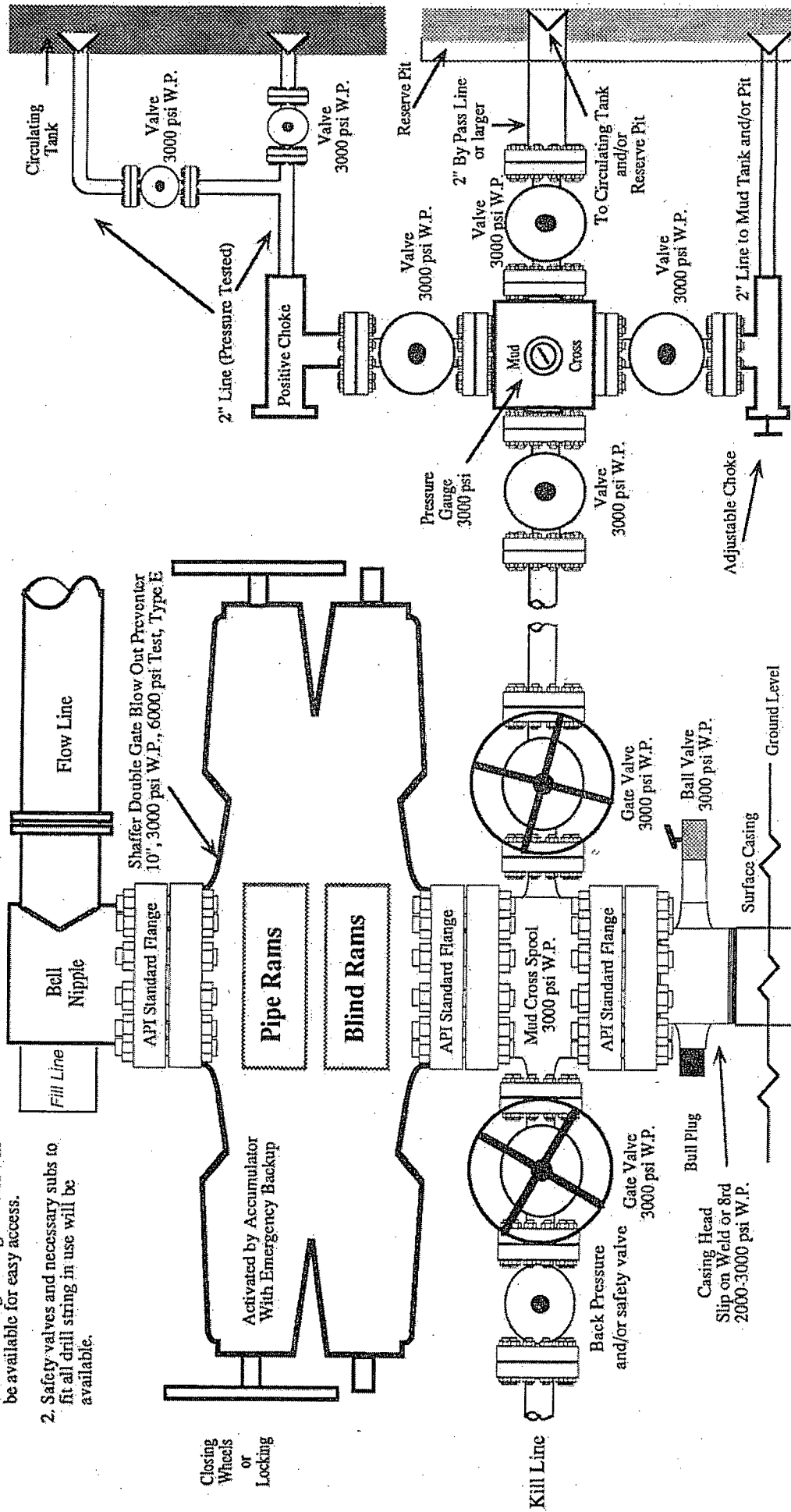
REVISION:	DATE:	REVISED BY:

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 510 • Farmington, NM 87499
 Phone (505) 326-1772 • Fax (505) 326-6019
 NEW MEXICO L.S. No. 8894
 CADFILE: CR676_CFB
 DATE: 06/17/08

DRAWN BY: B.K.
 ROW#: CR676

2,000 PSI BOP SYSTEM

- Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.
2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.