

REC'D

NOV 22 2010

RCVD FEB 3 '11
OIL CONS. DIV.
DIST. 3

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Farmington Field Office
Bureau of Land Management

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. Lease Serial No. NMNM 120923	
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" 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.	
3a. Address 382 CR 3100 Aztec, NM 87410		8. Lease Name and Well No. HOLIDAY SWD #1	
3b. Phone No. (include area code) 505/ 333-3100		9. API Well No. 30-045- 35231	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 2257' FSL x 1038' FEL At proposed prod. zone		10. Field and Pool, or Exploratory SWD; ENTRADA	
11. Sec., T. R. M. or Blk. and Survey or Area (I) Sec. 22, T25N, R10W		12. County or Parish San Juan	
13. State NM		14. Distance in miles and direction from nearest town or post office* 23.25 miles south of the Bloomfield Post Office.	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1038'	16. No. of acres in lease 1280.00	17. Spacing Unit dedicated to this well N/A	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2443'	19. Proposed Depth 7550'	20. BLM/BIA Bond No. on file UTB000138	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,592'	22. Approximate date work will start* 01/01/2011	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:

- 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>Malia Villers</i>	Name (Printed/Typed) Malia Villers	Date 11/18/2010
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Title
Permitting Tech.

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 1/31/2011
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)

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

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

MUST OBTAIN OCD VIS INTERVIEW Permit Before Drilling Begins

FEB 14 2011
NMOC

HOLD C144 FOR COMPLIANCE

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

A separate application for the CDP to be constructed on the same well pad will be required by the operator. Submit the application to this field office accordingly.

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

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

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

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, N.M. 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

NOV 22 2010

Farmington Field Office
Bureau of Land Management

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-35231	² Pool Code 96436	³ Pool Name SWD: Entrada
⁴ Property Code 38472	⁵ Property Name HOLIDAY SWD	⁶ Well Number 1
⁷ GRID No. 5380	⁸ Operator Name XTO ENERGY, INC.	⁹ Elevation 6592

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
1	22	25 N	10 W		2257	SOUTH	1038	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		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

2640.50' N 0°04'21" W	2634.66'	S 89°56'25" W	2640.95'	2640.72' N 0°02'43" W	17 OPERATOR CERTIFICATION 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. MALIA VILLERS 11/18/10 Signature Date MALIA Villers Printed Name
2641.93' N 0°00'55" E	2637.02'	S 89°56'55" W	2639.36'	2645.06' N 0°01'43" W	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. 07/27/10 Date of Survey Signature and Seal of Professional Surveyor MARSHALL W. LINDEEN NEW MEXICO 17078 PROFESSIONAL SURVEYOR 17078 Certificate Number
SECTION 22 LAT: 36.385513° N LONG: 107.878565° W NAD 83 LAT: 36.385503° N LONG: 107.877947° W NAD 27					

XTO ENERGY INC.

Holiday SWD #1

APD Data

October 4, 2010

Location: 2257' FSL x 1038' FEL Sec 22, T25N, R10W County: San Juan

State: New Mexico

GREATEST PROJECTED TD: 7650'
APPROX GR ELEV: 6592'

OBJECTIVE: Entrada SS Disposal
Est KB ELEV: 6604' (12' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 500'	500' to 1750'	1750' to 7650'
HOLE SIZE	14.75"	9.5"	6.75"
MUD TYPE	FW/Spud Mud	FW/Polymer	LSND / Gel Chemical
WEIGHT	8.6-9.0	8.4-8.8	8.6- 9.20
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. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes.

2. CASING PROGRAM:

Surface Casing: 10.75" casing to be set at $\pm 500'$ in a 14.75" hole filled with 9.20 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'-500'	500'	40.5#	J-55	ST&C	1580	3130	420	10.05	9.894	6.61	13.08	20.74

Intermediate Casing: 7.625" casing to be set at $\pm 1750'$ in a 9.5" hole filled with 9.20 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'-1750'	1750'	26.4#	J-55	ST&C	2890	4140	315	6.969	6.844	3.45	4.95	6.82

Production Casing: 5.5" casing to be set at TD ($\pm 7650'$) in 6.75" hole filled with 9.20 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'-7650'	7650'	15.5#	J-55	ST&C	4040	4810	202	4.950	4.825	1.10	1.31	1.70

3. **WELLHEAD:**

- A. Casing Head: 11" x 10-3/4" x 7-5/8" x 5-1/2" 5000 psig WP C-22 Profile.
- B. Tubing Head: 11" x 7-1/16" 5000psig WP TCM.

4. **BOP Equipment (See attached BOP Diagram):**

- A. An 11" x 5M BOP system will be utilized for this well.
- B. Rig will be equipped with upper and lower Kelly cocks with handles available.
- C. Safety valves and subs will be available for all sizes and threads of drill string in use.
- D. All Pressure tests will be performed using clear water.
- E. BOP Ram Type preventers will be tested to 250 psi low and 5,000 psi high against a test plug for 10 minutes each. Accumulator will be tested to 50% of rated working pressure for 10 minutes.

5. **CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):**

- A. Surface: 10.75", 40.5#, J-55, ST&C casing to be set at $\pm 500'$ in 14-3/4" hole.

400 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 556 ft³, 100% excess of calculated annular volume to 500'.

- B. Intermediate: 7.625", 26.4#, J-55, ST&C casing to be set at $\pm 1750'$ in 9-1/2" hole.

LEAD:

± 134 sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft³/sk, 10.55 gal wtr/sx.

TAIL:

100 sx Type III or equivalent cement with bonding additive, LCM, dispersant, & fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

Total slurry volume is 423 ft³, 40% excess of calculated annular volume to 1750'

- C. Production: 5.5", 15.5#, J-55 (or K-55), ST&C casing to be set at $\pm 7650'$ in 6-3/4" hole. DV Tool set @ $\pm 4050'$

1st Stage

LEAD:

± 145 sx of Premium Lite HS (Type III/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 12.5 ppg, 2.01 ft³/sk, 10.55 gal wtr/sx.

TAIL:

100 sx Type III or equivalent cement with bonding additive, LCM, dispersant, & fluid loss mixed at 14.2 ppg, 1.54 cuft/sx, 8.00 gal/sx.

2nd Stage

LEAD:

±111 sx of Type III or equivalent cement with 8% gel & LCM mixed at 11.9 ppg, 2.54 ft³/sk, 15.00 gal wtr/sx.

TAIL:

100 sx Type III neat mixed at 14.5 ppg, 1.39 cuft/sx, 6.3 gal/sx.

Total estimated slurry volume for the 5-1/2" production casing is 865 ft³.

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

6. LOGGING PROGRAM:

A. Mud Logger: None.

B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (7650') to the bottom of the Intermediate csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (7650') to the bottom of the Intermediate casing.

7. FORMATION TOPS:

Est. KB Elevation: 6604'

FORMATION	Sub-Sea	MD	FORMATION	TV Sub-Sea	MD
Ojo Alamo SS	5819	785	Gallup Ss	1593	5011
Kirtland Shale	5747	857	Greenhorn Ls	545	6059
Farmington SS			Graneros Sh	481	6123
Fruitland Formation	5449	1155	Dakota SS	447	6157
Lower Fruitland Coal	4977	1627	Morrison	151	6453
Pictured Cliffs SS	4962	1642	Wanakah Fm	-589	7193
Huerfano Bentonite	4633	1971	Todilto Ls	-715	7319
Chacra SS	4148	2456	Entrada Ss*	-743	7347
Cliffhouse SS	3429	3175	Chinle Gp	-934	7538
Menefee	3396	3208			
Point Lookout SS	2499	4105			
Mancos Shale	2248	4356	TD	-1046	7650

* Primary Objective

** Secondary Objective

**** Maximum anticipated BHP should be <2,300 psig (<0.30 psi/ft) ****

8 COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
Justin Niederhofer	Drilling Engineer	505-333-3199	505-320-0158
Bobby Jackson	Drilling Superintendent	505-333-3224	505-486-4706
Brian Henthorn	Project Geologist	817-885-2800	--

JN

10/4/10



Weatherford®

Sketch

Page 2 of 3

Rotating Head

11" 5M
Shorty

32"

Shaffer Spherical
11" 5M Flanged Bottom and
studded top
9550#
18.67 gal to close & 14.59
gal to open

41.5"

Shaffer LWP 11" 5M
LWS Dbl BOP Hyd w/
pipe and CSO Rams
Studded top and bottom
7725#- 3 gal to close
and 2.6 gal to open

33"

Drilling
Spool 11"
5M w/ 2
flanged
outlets and
choke and
kill side
valves

26"

11" 5M BOP Stack

Drawn On:

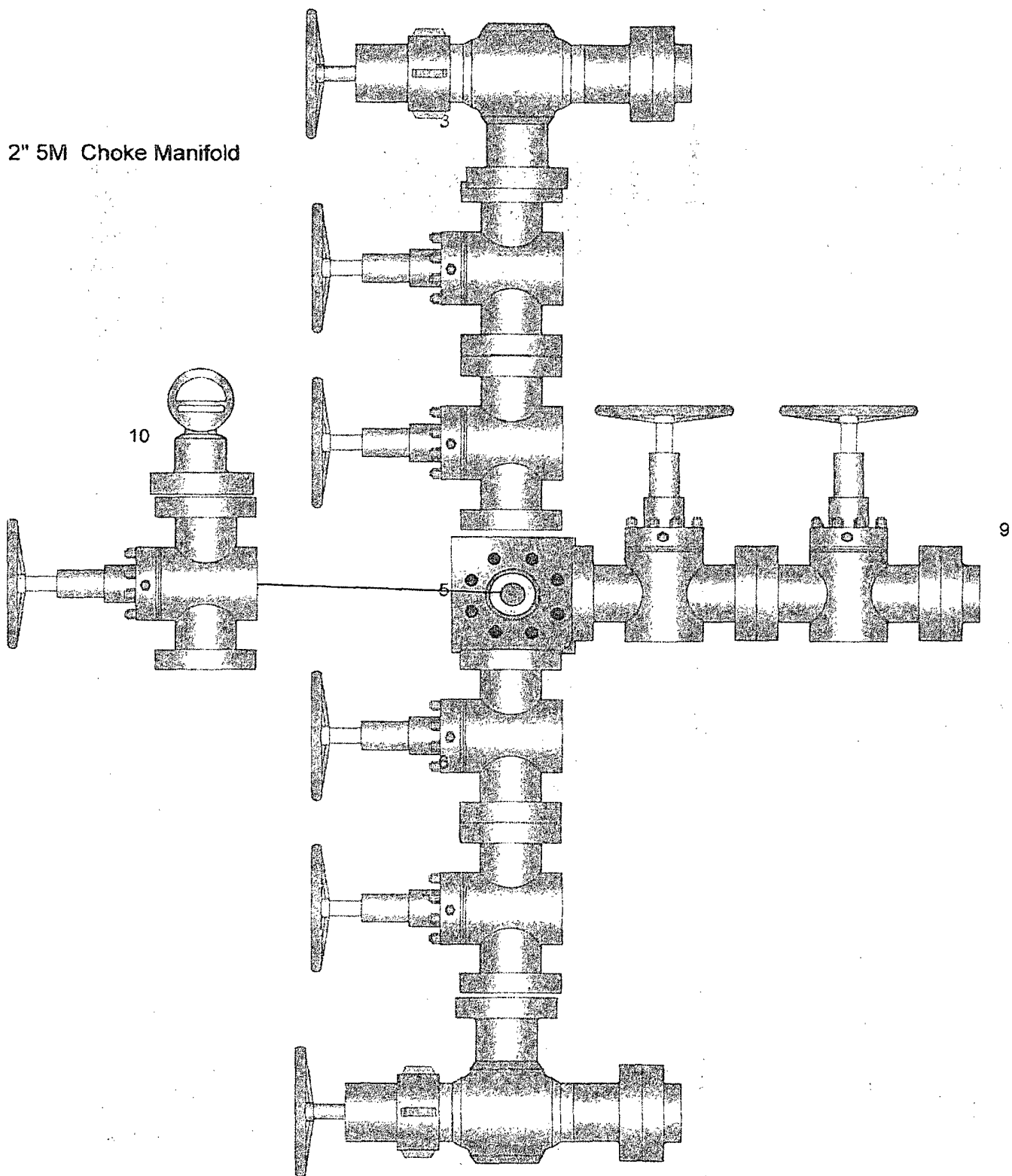
2009 Feb 11

Job Number:

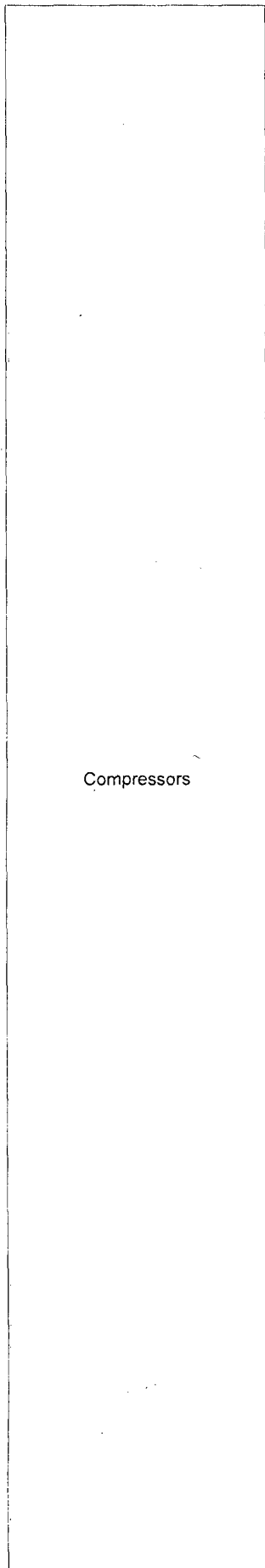
Work Order Number:



2" 5M Choke Manifold

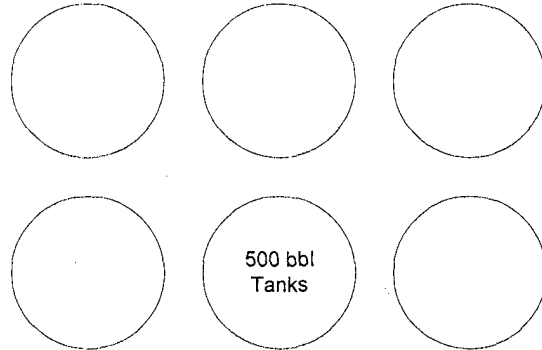


HOLIDAY SWD #1
PROPOSED EQUIPMENT

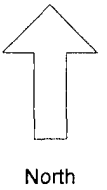


Compressors

80 bbl
pit tank



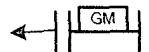
500 bbl
Tanks



Filter and Pump

Generator Building

Generator Building



DH

80 bbl
pit tank

Building

Wellhead

