Expedited ROW

FORM APPROVED

(September 2001)				ı		OMB No. 10			
•	- -	IITED STATES				Expires Janua	ry 31, 2004		
DEPARTMENT OF THE INTERIOR						5. Lease Serial No.			
BUREAU OF LAND MANAGEMENT						NM 013642			
	APPLICATION FOR F	PERMIT TO DR	ILL OR F	REENTER	202	6. If Indian, Allottee or	Tribe Name		
1. T. CW. 1				15 . S.	(3)	7. If Unit or CA Agreen	nent Name and No		
la. Type of Work:	☑ DRILL	☐ REENTER		MAR 2002	1	NA			
1b. Type of Well:	Oil Well Gas Well	Other		ingle Zone A Mult	ple Zone	8. Lease Name and Well Gardner C 6A	No.		
2. Name of Operat	or	ples	1,	⊕ U\S7.3	W. S	9. API Well No.			
Koch Exploration	Company LLC PCC		,	P	23	30045	32053		
3a. Address			3b. Phone N	o. (include area code)	10 150	10. Field and Pool, or Ex	ploratory		
P.O. Box 489 Azte	ec, NM 87410		(505) 334-	11.5.3.5	L'Est	Basin Fruitland Coal			
4. Location of Well	(Report location clearly and	in accordance with a	ny State requ	irements. *)		11. Sec., T., R., M., or Bl	k. and Survey or Area		
	SE S25, T32N, R9W 65	5' FSL & 975' FEL	-			P			
At proposed pro-	^{d. zone} same					S25, T32N, R9W (P)			
14. Distance in miles	and direction from nearest tow	n or post office*				12. County or Parish	13. State		
31 miles Northeas	st of Aztec, NM	ENTERED				San Juan	NM		
15. Distance from pro- location to neares property or lease (Also to nearest d	st	AFMSS AR 16 2004	16. No. of	Acres in lease	17. Spacing	g Unit dedicated to this we	11		
18. Distance from pro			19. Propos	ed Denth		BIA Bond No. on file			
to nearest well, dr	rilling, completed, BY	Smu	me.		DO: DENVE	on the bond inc. on the			
applied for, on thi	s lease, It.		3540'		400 GH 0	471			
21. Elevations (Show	w whether DF, KDB, RT, GL,	etc.)	22. Approx	cimate date work will s	tart*	23. Estimated duration			
6671' GL			March 1, 2004			30 days			
			24. Atta	chments					
The following, comple	eted in accordance with the req	uirements of Onshore	Oil and Ga	order No.1, shall be at	tached to this	s form:			
1. Well plat certified l	by a registered surveyor.			4. Bond to cover th	ne operations	s unless covered by an exi	isting bond on file (se		
2. A Drilling Plan.				Item 20 above).					
 A Surface Use Pla SUPO shall be file 	in (if the location is on Nation of with the appropriate Forest S	nal Forest System L Service Office).	ands, the	5. Operator certific 6. Such other site s authorized office	specific info	rmation and/or plans as r	nay be required by th		
25. Signature			Name	(Printed/Typed)		D	ate		
$ \mathcal{T} $	Day No		i	Johnson		12	2/4/03		
Title	A					<u>, , , , , , , , , , , , , , , , , , , </u>			
Field Operations N	/lana/ge/r								

Approved by Title

Name (Printed/Typed)

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Office

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 reverse)

or the control of the leaders and proposed and proposed feeting of the same of and appeal pursuant to 43 CHR 3165.4

HELEG OPERATIONS AUTHORITID ARE DUBLECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

NMOCD

DISTRICT I P.O. Box' 1980, Hobbs, N.M. 88241-1980

2040 South Pacheco, Santa Fe, NM 87504-2088

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised Febuary 21, 1994 Instructions on back

DISTRICT II
811 South First, Artesia, N.M. 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, NM 87504-2088 Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

PROPESSION

□ AMENDED REPORT

II Bottom Hole Location if Different From Surface UL or lot no. Section Township Range Lot idn Feet from the North/South line Peet from the East/Feet line County Dedicated Acres I Joint or Infill Composite County Dedicated Acres I Joint or Infill Composite County NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATE OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION IN 88*56' W Existing Well Gardner C6 OR CORR. DW. DNST. 3 SECTION 25 NMO13642 Date 10 SURVEYOR CERTIFICATION Lance F. Harmon Printed Surge Vice President - Lat Title Date 10 SURVEYOR CERTIFICATION Lance F. Harmon Printed Surge Vice President on the best of my should complete for the set of my should complete set the set of my should complete set the set of my should complete set the set of my should. 10 SURVEYOR CERTIFICATION Long Correspondent on the best of my should complete the set of my should. 10 SURVEYOR CERTIFICATION Long Correspondent on the best of my should. 10 SURVEYOR CERTIFICATION Long Correspondent on the best of my should. 10 SURVEYOR CERTIFICATION Long Correspondent on the best of my should. 10 Survey Supature and Survey Supature and Correspondent on the best of my should. 10 Survey Supature and Survey Supature and Correspondent on the best of my should. 10 Survey Supature and Survey Supature and Correspondent on the best of my should.					WELL I	OCATIO	N AND A	CREAGE DED	ICATION P	LAT		
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Corner C	*P	Property Code				1100	Property Name				Well Number	
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I hereby certify that the well location shown on this plat was plotted from field nates of actual surveys made by n or under my supervision, and that the same is true and correct to the bast of my belief. 10/9/03 10/9/03				MAR 2004 COME. DEST. S	DIV. SE	Ga	rdner C6	5E L	Aereby certify true and complete true and comple	ance	F. Hisresid	entained herein is knowledge and belief armon ent - Lan
N 89°08' W 5355.24' Certificate visage	.01 ₀ Z Z		23 (/ hereby certify was plotted from or under my succernect to the billion of the bi	that the we m fleid notes spervision, a est of my be	ell location of actual and that the biles.	shown on this plat surveys made by me s same is true and

GARDNER C 6A

Sec. 25-T32N-R9W, 965' FSL & 975' FEL

San Juan Co., New Mexico

Lease NM 013642

Drilling Program

1) Geological name of surface formation -

Estimated tops of important geological markers:

San Jose	Surface
Ojo	2290'
Kirtland Shale	2343'
Fruitland Coal	3180'
Pict. Cliff	3540'
TD	3540'

2) Estimated depths at which oil, gas, water, and mineral bearing formation will be found:

Useable Water	0' to 2343'
Salt Water	2343' to 3180'
Oil and Gas	3180' to 3540'

3) Pressure Control Equipment:

- a. 10-inch 900 series or 2,000 psi test double gate hydraulic with 4-1/2" pipe rams and 10-inch series 900 hydril above 10-inch series casinghead and cross spool with flanged outlets. See BOP diagram at Exhibit F-1 for drawing of choke lines, kill lines and choke manifold. Procedures will include waiting on cement 12 hours, nipple up blowout preventer (BOP) assembly and test to 70% of yield of casing or 1,500 psi maximum. The production casinghead pressure rating will be 3,000 psi.
- b. Type of BOP rams: Blind rams and pipe rams are used as shown on the BOP diagram at **Exhibit F-1**. Occasionally, the position of the rams is reversed depending on the drilling contractor's methods.
- c. The choke manifold and header will have 2-inch choke outlets, a 2-inch straight through the line with 2-inch adjustable chokes installed. The inlet line will be a 2-inch line. All of the above are rated at 1,500 psi working pressure (WP). The choke manifold and header system will have manual control valves; no hydraulic valves will be installed. Casing testing procedure Surface casing will be tested at 750 psi with 1,000 psi maximum after cementing in place and before drilling out of shoe. Intermediate and production casing will be tested to 1,500 psi after cementing in place and after drilling to the required depth.
- d. Hydraulic controls to close the BOPs are located on the rig floor; the hydraulic remote control is located in the bottom doghouse. There will be no manual controls on the BOP.
- e. BOP testing procedures and frequency:
 - 1. Hydril (3,000WP) will be tested to 70% of yield of casing or 1,500 psi maximum.

GARDNER C 6A

Sec. 25-T32N-R9W, 965' FSL & 975' FEL

San Juan Co., New Mexico

Lease NM 013642

- 2. Double ram BOPs will be tested to 70% of yield of casing or 1,500 psi maximum.
- 3. BOPs will be tested upon installation, after casing is run and on each bit trip.
- f. Casinghead connections will be 2-inch; these outlets will usually be bull plugged during drilling operations. No pumping through these connections is allowed except in emergency to keep from wearing out the head.
- g. The drilling spool will be a series 900 2,000 psi WP with a 2-inch kill line and a 2-inch outlet.

4) Proposed Casing Program:

Surface Casing Program:	Hole Size				<u>Depth</u>
Surface Casing	12 ¼"	9 5/8"	36.0#	J-55 STC	New @ 220'
Intermediate Casing	8 3/4"	7"	23#	J-55 LTC	New @ 3170'
Production Liner	6 ¼"	5 ½"	15.5#	J-55 LTC	New @ 3540'

Proposed setting depth, amount and type of cement including additives:

9 5/8" Surface Casing – Surface to 220' – Cement with 119 sxs class G (15.8 ppg, yield 1.16 cf/sx) Cement + 2% Calcium Chloride + 0.25 lbs/sx. D-29 cellophane, volume 137.8 cf., includes 100% excess. Three centralizers will be run on the bottom 3 joints, starting at the shoe joint.

7" Intermediate Casing - Surface to 3170' -

Lead cement with 352 sxs. 65/35 class G poz, 6% gel, 0.25 lbs/sx D-29 cellophane, (wt. 12.7 ppg, yield 1.75), Tail with 100 sxs. 50/50 class G poz, 2% gel, 0.25 lbs/sx D-29 cellophane, 2% calcium chloride, (wt 13.5 ppg, yield 1.28), includes 50% excess. Two centralizers will be run on the bottom two joints, then every 10th joint thereafter or (+/-) 400', and turbolizers to impact a swirling action, will be placed just below and into the base of the OJO Alamo.

5 ½" Production Liner 3100' to 3540' – Will not cement.

5) Mud Program:

0' – 220' – Spud mud and water treated with gel lime.

220' - 3170' - Lime mud, water and polymer.

3170' - 3540' - Air-foam

6) Testing, Logging, and Coring Program:

No drill stem tests, cores, will be taken, a CBL log will be run if cement does not circulate to surface on intermediate casing.

GARDNER C 6A

Sec. 25-T32N-R9W, 965' FSL & 975' FEL San Juan Co., New Mexico Lease NM 013642

7) Expected Pressures -

Fruitland Fm. 600 psi Bottom Hole 600 psi

No abnormal pressures, temperature or poisonous gas anticipated.

8) Drilling Tools: 20 4-3/4" Drill Collars with 3-1/2" IF Connections

3-1/2" Drill Pipe with 3-1/2" IF Connections

Anticipated Spud Date: March 1, 2004
Anticipated Completion Date: March 31, 2004