

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR REENTER

2003 JUL -7 PM 1:42

070 Farmington, NM

5. Lease Serial No.
14-20-603-2199

6. If Indian, Allottee or Tribe Name
NAVAJO

7. If Unit or CA Agreement, Name and No.
N/A

8. Lease Name and Well No.
NV NAVAJO 21 #2

9. API Well No.
30-045- 31776

10. Field and Pool, or Exploratory
BA. FRUIT. COAL & W. KUTZ PC

11. Sec., T., R., M., or Blk. and Survey or Area
E21-29n-14w NMPM

12. County or Parish
SAN JUAN

13. State
NM

1a. Type of Work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator
RICHARDSON OPERATING COMPANY

3a. Address **3100 LaPLATA HIGHWAY
FARMINGTON, NM 87401**

3b. Phone No. (include area code)
(505) 564-3100

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface **1620' FNL & 1195' FWL**
At proposed prod. zone **SAME**

14. Distance in miles and direction from nearest town or post office*
5 AIR MILES WSW OF FARMINGTON

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **1,195'**

16. No. of Acres in lease
1,632

17. Spacing Unit dedicated to this well
**W2 (320 acres to Fruitland Coal)
NW4 (160 acres to Pictured Cliff)**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **2,057'**

19. Proposed Depth
950'

20. BLM/BIA Bond No. on file
158-293-308

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5,228' GL

22. Approximate date work will start*
UPON APPROVAL

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.

Comments

DRIILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

This action is subject to technical and procedural review pursuant to 43 CFR 3165.8 and appeal pursuant to 43 CFR 3165.4



cc: BIA, BLM (&OCD), Richardson, Tribe

25. Signature Name (Printed/Typed) **BRIAN WOOD** Date **7-4-03**

Title **CONSULTANT** PHONE: **505 466-8120** FAX: **505 466-9682**

Approved by (Signature) Name (Printed/Typed) _____ Date **6/22/04**

Title **Acting Field Manager - Minerals** Office _____

Application approval does not warrant or certify the 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.

State of New Mexico
 Energy, Minerals & Mining Resources Department
 OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C - 102

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

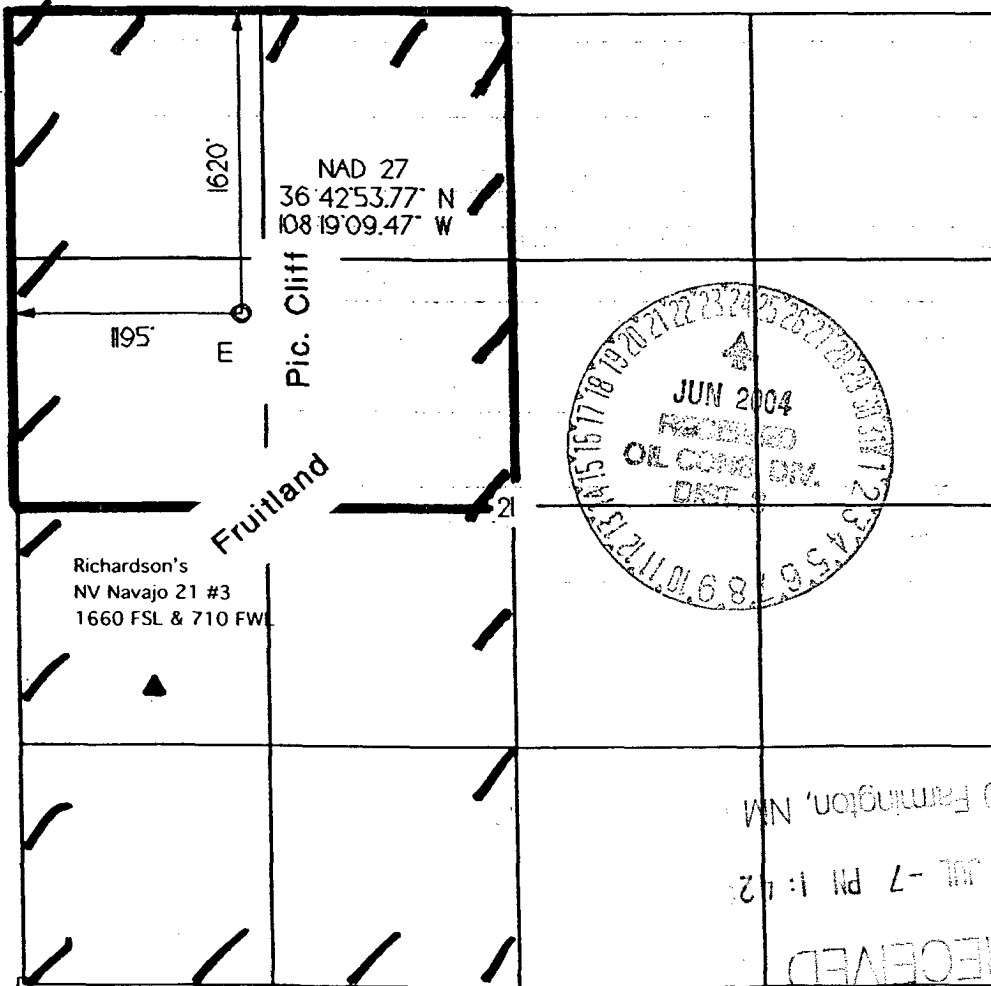
APA Number 30-045-31776	Pool Code 71629 & 79680	Pool Name BASIN FRUIT. COAL & WEST KUTZ PC
Property Code 30503	Property Name NV NAVAJO 21	
OGRID No. 019219	Operator Name RICHARDSON OPERATING COMPANY	
		Well Number 2
		Elevation 5228'

Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot Ln.	Feet from	North/South	Feet from	East/West	County
E	21	29 N.	14 W.		1620	NORTH	195	WEST	SAN JUAN

Bottom Hole Location if Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Ln.	Feet from	North/South	Feet from	East/West	County

Dedication	Joint ?	Consolidation	Order No.

NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
 OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



<p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>B. Wood</i></p>	
Printed Name	BRIAN WOOD
Title	CONSULTANT
Date	JULY 4, 2003
<p>SURVEYOR CERTIFICATION I hereby certify that the well location 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.</p> <p>Date of Survey</p>	
Signature and Seal of Professional Surveyor	<p><i>Bob S. Nadder</i></p> <p style="text-align: center;"> REGISTERED LAND SURVEYOR </p>

Richardson Operating Company
NV Navajo 21 #2
1620' FNL & 1195' FWL
Sec. 21, T. 29 N., R. 14 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>
Kirtland Shale	000'	5'	+5,228'
Basal Fruitland Coal	603'	608'	+4,625'
Pictured Cliffs Ss	608'	613'	+4,630'
Lewis Shale	678'	683'	+4,550'
Total Depth (TD)*	950'	955'	+4,278'

* all elevations reflect the ungraded ground level of 5,228'

2. NOTABLE ZONES

<u>Gas Zones</u>	<u>Water Zones</u>	<u>Coal Zones</u>
Fruitland Coal	Fruitland Coal	Fruitland Coal
Pictured Cliffs		

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site 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.) Double ram or annular system with a rotating head will be used. All ram preventers and related equipment will be hydraulically tested at nipple up and after any use under pressure to 1,000 psi.

Richardson Operating Company
NV Navajo 21 #2
1620' FNL & 1195' FWL
Sec. 21, T. 29 N., R. 14 W.
San Juan County, New Mexico

PAGE 2

Blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2,000 psi. Maximum expected pressure is \approx 380 psi.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>GL Setting Depth</u>
8-3/4"	7"	20	K-55	New	120'
6-1/4"	4-1/2"	10.5	K-55	New	950'

Surface casing will be cemented to surface with \approx 36 cubic feet (\approx 30 sacks) Class B + 2% CaCl₂. Volume is based on 100% excess, yield of 1.18 cubic feet per sack, and slurry weight of 15.6 pounds per gallon. W. O. C. = 12 hours. Pressure test surface casing to 600 psi for 30 minutes.

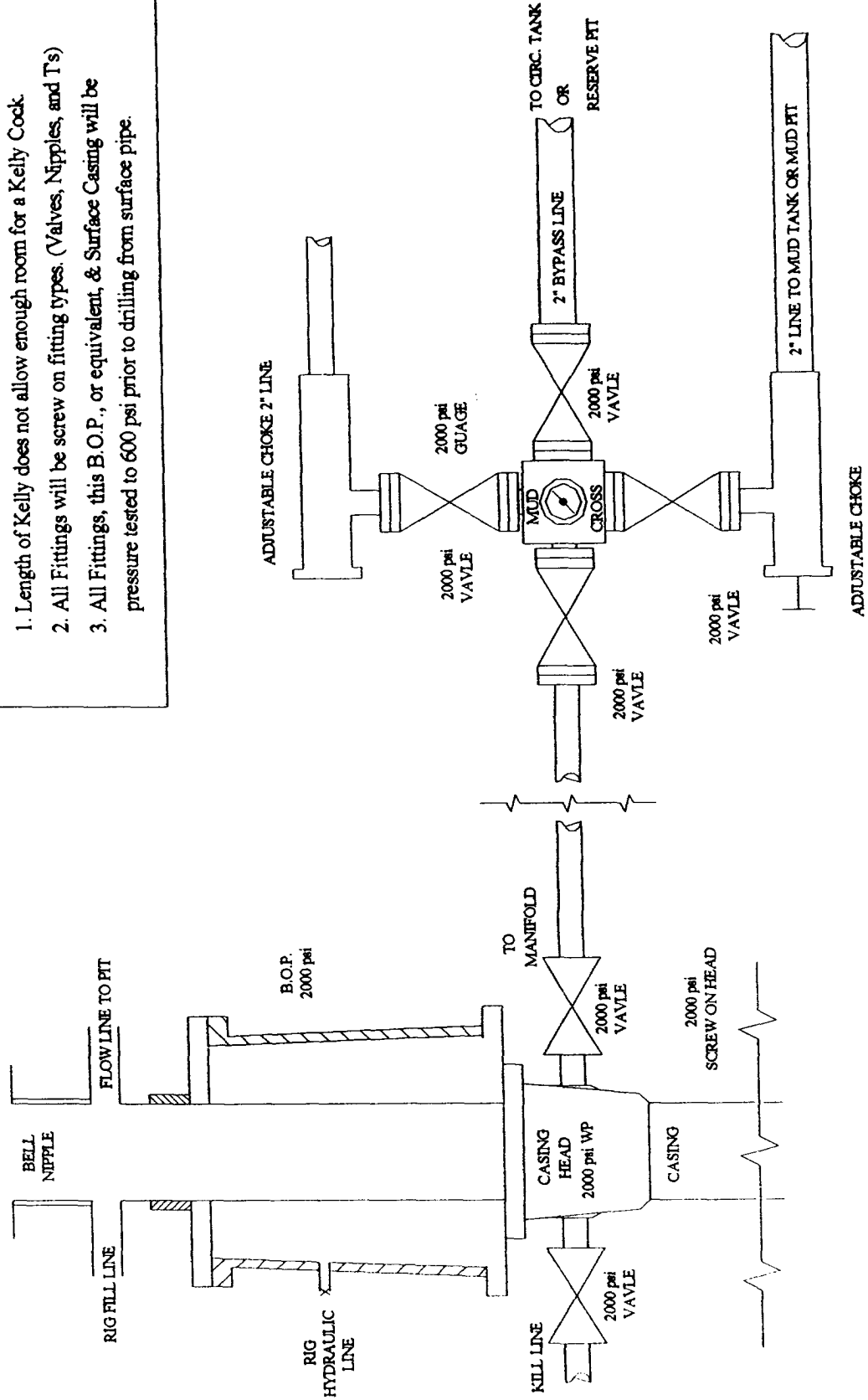
Production casing hole will first be cleaned of rock chips by circulating at least 150% of hole volume with mud to the surface. Thirty barrels of fresh water will next be circulated. Lead with \approx 110 cubic feet (\approx 55 sacks) of Class B with 2% metasilicate (yield = 2.06 cubic feet per sack, slurry weight = 12.5 pounds per gallon). Tail with \approx 65 cubic feet (\approx 55 sacks) of Class B with 2% CaCl₂ (yield = 1.18 cubic feet per sack, slurry weight = 15.6 pounds per gallon). Total cement volume is \approx 175 cubic feet based on 75% excess and circulating to surface.

Production casing will have 4-1/2" cement guide shoe and self fill float collar. Float will be placed one joint above the shoe. Five centralizers will be spaced on every other joint starting above the shoe. Five turbolizers will be placed on every other joint starting from the top of the well.

BLOW OUT PREVENTER (B.O.P.)

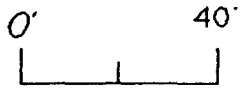
Notes:

1. Length of Kelly does not allow enough room for a Kelly Cock.
2. All Fittings will be screw on fitting types. (Valves, Nipples, and T's)
3. All Fittings, this B.O.P., or equivalent, & Surface Casing will be pressure tested to 600 psi prior to drilling from surface pipe.



** 2000 psi Rubber hose will be used from Well Head to Manifold & from Well Head to Kill Line.

NV Navajo 21 # 2
well pad and section



Scale 1" = 40'

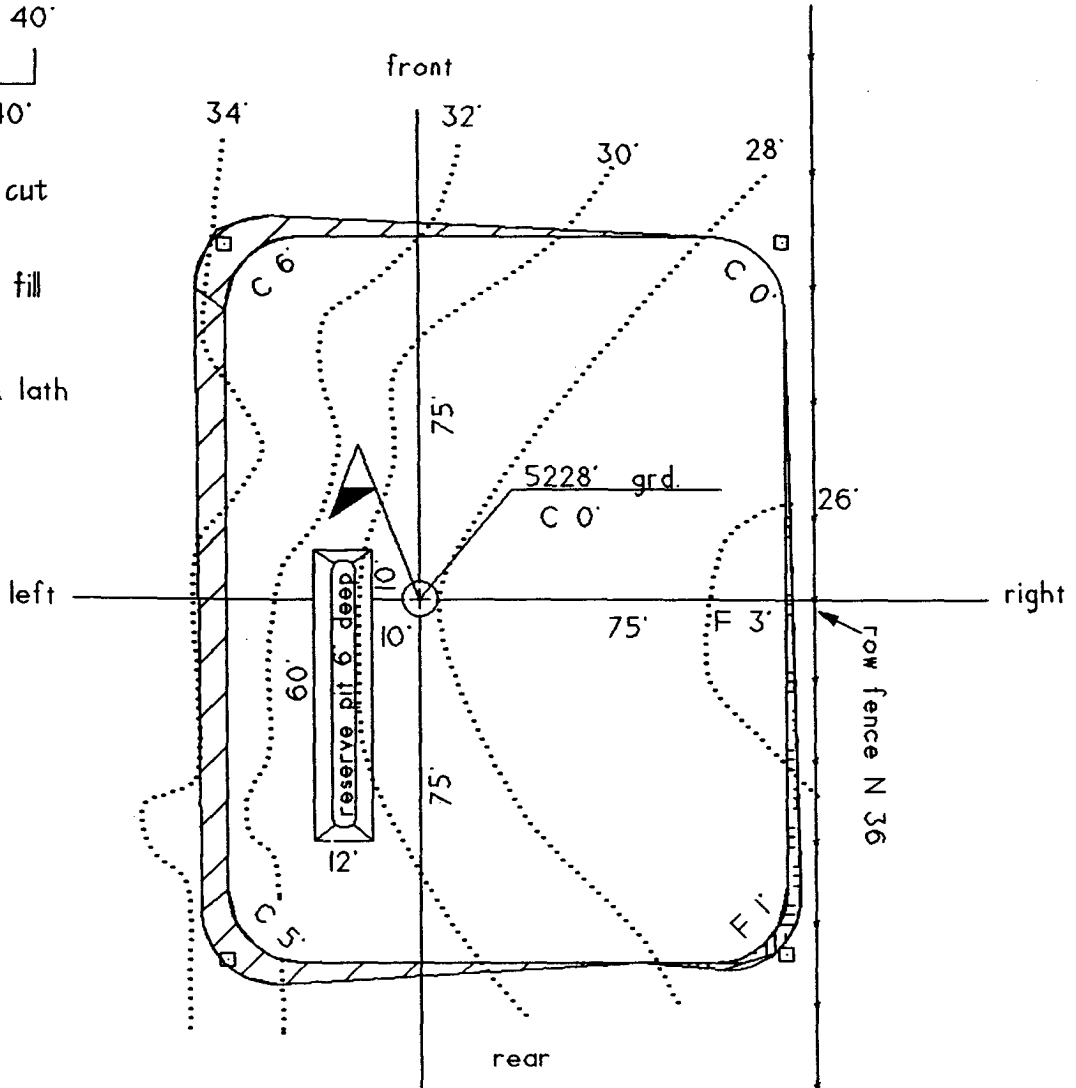


cut



fill

□ set stake & lath



section