Form 3160-3 (September 2001)			FORM APPROV OMB No. 1004-	0136	
UNITED STATES	Expires January 31, 2004				
DEPARTMENT OF THE INTERIOR			5. Lease Serial No. NM 023038		
BUREAU OF LAND MANAC	BUREAU OF LAND MANAGEMENT				
APPLICATION FOR PERMIT TO DE	6. If Indian, Allottee or Trib	be Name			
la. Type of Work: X Drill REENTE		7. If Unit or CA Agreement, Name and No. Oitos			
1b. Type of Well: Oil Well X Gas Well Other	X Single Zone Mul	8. Lease Name and Well No Price/Federal #1 (E-34)			
2. Name of Operator Benson-Montin-Greer Drilling	ng Corp.	35%	9. API Well No. 039- 30-045-	29249	
3a. Address	3b. Phone No. (include area code)	7.3 ₃	10. Field and Pool, or Exploratory		
4900 College Bivd., Farmington, NM 87401	505-325-887 %	_51 1	Pictured Cliffs/Basin F	ruitland Coal	
4. Location of Well (Report location clearly and in accordance with any	ي مد	11. Sec., T., R., M., or Blk. a	nd Survey or Area		
At surface 1770' FNL - 1105' FWL, Section34, T25N, R2W	, NMPM	000			
At proposed prod. zone same			Section34, T25N, R2	W. NMPM	
14. Distance in miles and direction from nearest town or post office*	.0.	John C.	12. County or Parish	13. State	
4 miles northeast of Linds	eth, NM	(1)	Rio Arriba	NM	
 Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1105 feet 	16. No. of Acres in lease 680	17. Spačin	ng Unit dedicated to this well 149 NW/4 PC WAR 320 FC		
18. Distance from proposed location*	19. Proposed Depth	20. BLM/I	M/BIA Bond No. on file		
to nearest well, drilling, completed, applied for, on this lease, ft. 250 feet from P&A well	3522 feet		NM0167		
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will	start*	23. Estimated duration		
7248' GL	As Soon As Permit	As Soon As Permitted 30 days		<u> </u>	
	24. Attachments				
The following, completed in accordance with the requirements of Onsho	re Oil and Gas Order No.1, shall be a	ttached to this	form:		
1. Well plat certified by a registered surveyor.	4. Bond to cover	the operation	s unless covered by an existin	g bond on file (see	
2. A Drilling Plan.	Item 20 above).	•		
 A Surface Use Plan (if the location is on National Forest System SUPO shall be filed with the appropriate Forest Service Office). 		specific info	ormation and/or plans as may	be required by the	
25. Signature Mulli Mulling	Name (Printed/Typed) Mr. Mike Dis	nc (Printed/Typed) Mr. Mike Diamond		6/4/04	
Title Vice President				· 	
Approved by (Signature) B a	Name (Printed/Timed)		i Data	·	

Date 2 4 2004 Is/ David R. Sitzler Title Office

Assistant Field Manager

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)



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

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised June 10, 2003

DISTRICT II 1301 W. Grand Ave., Artesda, N.M. 88210

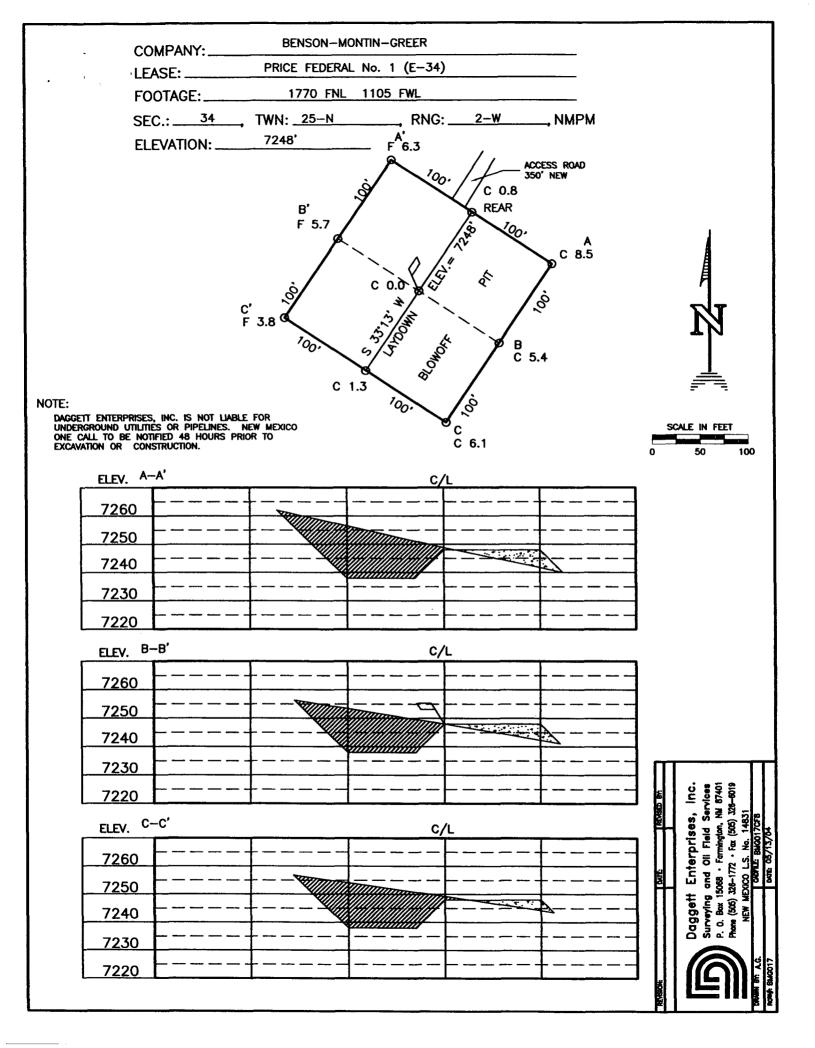
DISTRICT III 1000 Rio Brazos Rd., Axtec, N.M. 87410 OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 Submit to Appropriate District Office State Lease – 4 Copies Fee Lease – 3 Copies

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

		Y	ARTF F	OCATIO	N AND AC	REAGE DEDI	CATION PI	LAT	
30039-29269 17360-11624 Gravilante Busin Firstlant coal						lart coal			
⁴ Property C		*Property Name					• Well Number		
3433	36	PRICE FEDERAL				1 (E-34)			
7 ograd no	<u>}</u>	Operator Name BENSON-MONTIN-GREER						*Elevation 7248'	
0010					¹⁰ Surface			<u> </u>	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	34	25-N	2-W		1770	NORTH	1105	WEST	RIO ARRIBA
				om Hole		f Different Fro			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acre	= 1/W/G	PC	¹⁹ Joint or	infili	¹⁴ Consolidation (l Zode	*Order No.	<u> </u>	
320	W/2/	- - -							
NO ALLOW		TILL BE A				ON UNTIL ALL			CONSOLIDATED
		OR A N	NON-STA	7.	A	EN APPROVED	BY THE DI	VISION	
FD-U.S.G.L.O. BC. 1916	- s' ,	89 57 2 639.79' (0-E	FD 1- 18	ON PIPE		17	OPERATOR (CERTIFICATION
		2003.73 (m)						mation contained herein at of my knowledge and
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	jo			i					
	1770				10	(178876)		2/	
						SEP 300		Hê Min	ind -
1105'		LAT. 36°21 LONG.107°	1'24.63" 02'33.51'	N (NAD W (NAD	83) (=		Signatu	_	
-					F. C.		Printed		
				1 4	\$ C. J.		Vic	E PRESID	ENT
1105'				34	A = A	01.6.8	Date	7/04	
				1.	$^{\prime}$		18 S	URVEYOR C	ERTIFICATION
									eation shown on this pla schual surveys made by
							one or und	er my superpleton, on	d that the same is true its.
				Ì			MAY	A VUKO	d that the same is true
							Date of	ME (C)	
)/			s Sign	14881)	hdpa 34/royor:
							13/2	X Hell	
CALC'D C	T. C.					FD 2" BC 1915 GLO		A OFESSIONAL	£ /
WEST 1.40 C					.]	WEST 1.44 CH(R)		14831	
FD 2 G	BC Ì			11		FD 3 1/4" BC 1915 GLO	Certificat		

N 89-49-24 E, 5172.59 (M)



Benson-Montin-Greer Drilling Corporation 4900 College Blvd. Farmington, NM 87402 (505) 325-8874

Price/Federal #1 (E-34) SWNW Sec 34-T25N-R2W 1770' FNL & 1105' FWL Rio Arriba County, New Mexico

EIGHT POINT DRILLING PROGRAM

1. Estimated Formation Tops:

Ojo Alamo	3033'
Kirtland	3235'
Fruitland Coal	3255'
Pictured Cliffs	3386'
Total Depth	3522'

2. Estimated Depth of Anticipated Minerals:

Fruitland (Gas)	3255'
Pictured Cliffs (Gas)	3386'

3. Minimum Specifications for Pressure Control Equipment:

BOP equipment and accessories will meet or exceed BLM requirements outlined in 43 CFR Part 3160.

A 2000 psig working pressure double ram hydraulic BOP with a Hydrill will be used (see attached diagram). The BOP and all related equipment will be hydraulically tested prior to drilling. Operation of both rams will be checked on each trip. The BOP equipment will include a Kelly valve, floor safety valve, and choke manifold, all rated to 1500 psig.

4. Casing and Cementing Program:

<u>Hole Size</u>	<u>Interval</u>	Csg Size	Wt, Grd, Jt
12-1/4"	0-610'	8-5/8"	23#/foot, LS
7-7/8"	610'- 3600'	5-1/2"	17#/footJ-55, LT&C

Surface Casing will be cemented to surface with 420 sacks (100% excess) class B regular w/2% CaCl and 1/4# flocele/sack. A guide shoe, insert float valve top and bottom joint

Eight Point Drilling Program – Price Federal #1 (E-34) Page 2

and five (5) centralizers will be used. WOC time is 12 hours. Pressure test surface casing to 1500 psig prior to drilling guide shoe.

Production Casing: 100 sacks Class B regular cement with fluid loss additive plus flocele and gilsonite followed by 312 sacks of Lite cement. Cement volume includes excess to circulate cement to surface. Cementing equipment will include a guide shoe, insert float valve, 10 centralizers, and reciprocating well scratchers throughout the Friutland/Ojo Alamo zones. A packoff-DV tool will be used 500' above Total Depth.

5. Mud Program:

A fresh water polymer mud system will be used from the surface to TD. Adequate filter cake and minimum mud weight will be maintained to prevent excessive fluid loss. Mud weight will be 9.0 (ppg) or less, Ph of 9.0-9.5, and viscosity of 28-35 (sec/qt) across all intervals.

6. Testing, Coring and Logging Program:

SP/GR-DIL, CDL/CNL.

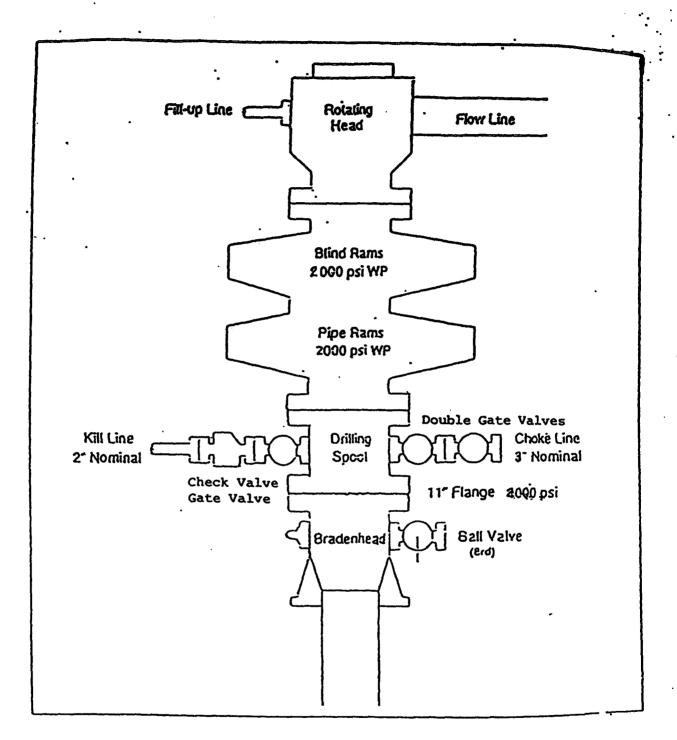
7. Anticipated Abnormal Pressures and Temperatures:

No abnormal pressures or temperatures are expected in this well. Maximum anticipated Fruitland reservoir pressure is 1200-1300 psig with a normal temperature gradient. Maximum anticipated Pictured Cliffs reservoir pressure is 1400-1500 psig with a normal temperature gradient.

8. Operations:

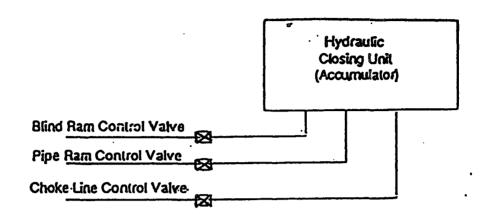
Anticipated spud date is as soon as permits are received and work can be scheduled. Estimated drilling time is 7 days. Completion operations are expected to take 7 - 10 days and will commence as soon after completion of drilling operations and scheduling allow.

BOR STACK ARRANGEMENT



All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1500 psi. The 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. The BOP equipment will include a kelly cock with handle, floor safety valve with change overs for each tool joint in the string, and choke manifold all rated to 2000 psi.

Choke Manifold & Accumulator Schematic



To Mud Tanks

