FORM APPROVED Form 3160-3 OMB No. 1004-0136 (August 1999) Expires November 30, 2000 DEPARTMENT OF THEANTERIO 5. Lease Serial No. Jicarilla Contract #97 BUREAU OF LANDMANAGEMENT 6. If Indian, Allottee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR RI Jicarilla Apache Tribe 7. If Unit or CA Agreement, Name and No. la. Type of Work: X DRILL 8. Lease Name and Well No. Gas Well b. Type of Well: Oil Well Single Zone Multiple Zone Tribal C #3Y 2. Name of Operator Patina San Juan, Inc. 10. Field and Pool, or Exploratory 3b. Phone No. (include area code) 3A. Address (505) 327-4892 Basin DK/Blanco Mesa Verde c/o Walsh Engineering,7415 E. Main, Farmington, NM 87402 11. Sec., T., R., M., or Blk, and Survey or Area 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 2450' FSL and 1980' FEL Sec. 6, T26N, R3W At proposed prod. Zone Distance in miles and direction from nearest town or post office* 12. County or Parish 13. State 21 miles south of Dulce, NM Rio Arriba NM Distance from proposed 17. Spacing Unit dedicated to this well 16. No. of Acres in lease location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660' 320+ 320 acres E/2 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 19. Proposed Depth 20. BLM/BIA Bond No. on file 1600' 8330' +/-21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 7176' GL August 2004 3 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: 1. Well plat certified by a registered surveyor. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan.

- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
- Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized office.

25. Signature Paul C. Thouse	Name (Printed/Typed) Paul C. Thompson, P.E.	Date 4/29/2004
Title	Agent	
Approved by (Signature) Assistant Field Manager	Name (Printed/Typed)	Date JAN 3 2005
Title /s/ David R. Sitzler	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)

HOLD CIOS FOR Change in Status to either Tribal C#4 or #4B in Basin Dakoter and change in Status to either Tribal C#4 or #3A in Blanco Mesarede

District I PO Box 1980, Hobbs, NM 88241-1980

District II PO Drawer DD, Artesia, NM 88211-0719

District III 1000 Rio Brazos Rd., Aztec, NM 87410

District IV PO Box 2088, Santa Fe, NM 87504-2088 State of New Mexico Energy, Minerals & Natural Resources Departm

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102 Revised February 21, 1994 Instructions on back

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

		ļ	WELL	LOCATI	ON AND AC	CREAGE DEDI	CATION PL	АТ		,
30.039-29390 72319 /			*Pool Co 319 / 7		POO1 Name BLANCO MESAVERDE / BASIN DAKOTA					
Property 240 8	Code	2			Property Name TRIBAL C				*Well Number 3Y	
70GRID N	1	CORI			*Operator Name RDILLERA ENERGY, INC. / PATINA SAN JUA			Juan.	°Elevation 7176	
					¹⁰ Surface	Location				
UL or lot no.	Section 6	Township 26N	Range 3W	Lot Idn	Feet from the 2450	North/South line	Feet from the	East/We	est line ST	County RIO ARRIBA
			ottom	Hole L	ocation I	f Different	From Surf	асе		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County
2 Dedicated Acres 320.0 Acres - (E/2) 13 Joint or Infill 14 Consolidation Code 15 Order No.										
NO ALLOW	NABLE W	ILL BE AS	SSIGNE NON-ST	D TO TH ANDARD	IS COMPLETI UNIT HAS BE	ON UNTIL ALL EEN APPROVED	INTERESTS H BY THE DIVI	HAVE BE	EEN CON	ISOLIDATED
1020 LOT		1320.0	00 '			JAN 2005 NS. DIV.	I hereb	y certify ed herein best of more control of the con	that the i	d complete e and belief

LOT 2

LOT 2

LOT 3

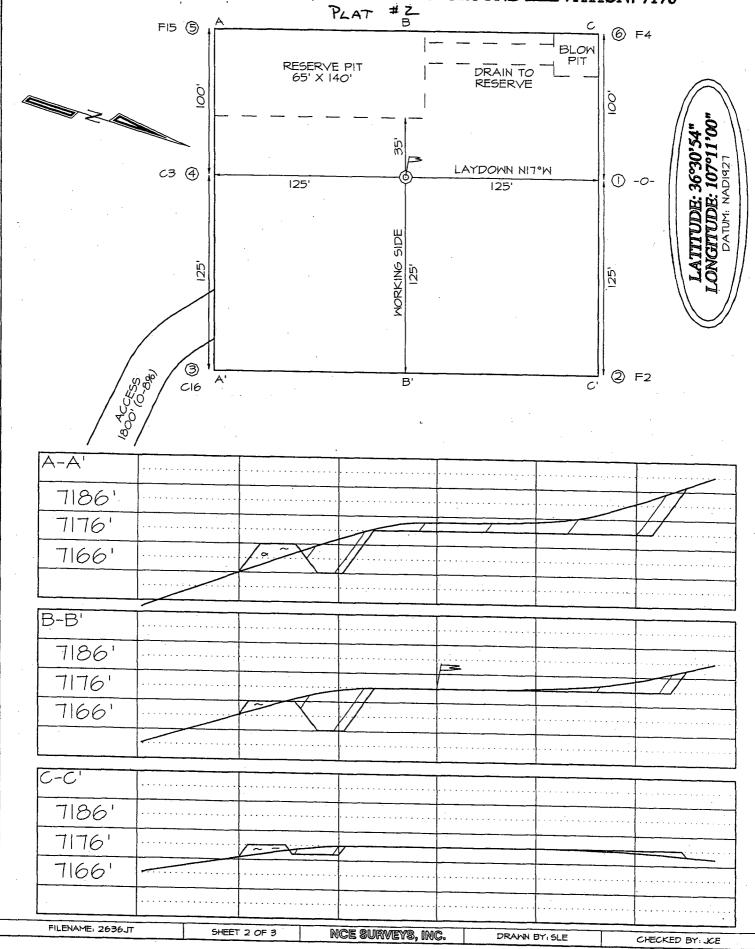
D

LOT 4

1039.50' 1320.00' 2640.00'

" OPERATOR CERTIFICATION!
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
Paul C. Thomps — Signature
Printed Name
7 itle 4/29/84 Date
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.
Date of Survey: MARCH 27, 2003 Signature and Seal of Professional Surveyor
RON C. EOWARDS RESIDING SERVICES APPESSIONAL
JASON C. EDWARDS Certificate Number 15269

C'KDILLERA ENERGY, INC. TRIBAL C #3Y 2450' L. & 1980' FEL, SECTION 6, T2(R3W, NMPM RIO ARRIBA COUNTY, NEW MEXICO GROUND BLEVATION: 7176'



CORDILLERA ENERGY, INC. OPERATIONS PLAN Tribal C #3Y

I. Location: 2450' FSL & 1980' FEL

Date: April 28, 2004

Sec 6, T26N, R3W

Rio Arriba County, NM

Field: Blanco MV & Basin DK Elev: GL 7176'

Surface: Jicarilla Apache Tribe Minerals: Jicarilla Contract #97

II. Geology: Surface formation _ San Jose

Formation Tops	Depths
Ojo Alamo	
Kirtland	
Pictured Cliffs	3705 '
Cliff House	5530′
Menefee	5655 ′
Point Lookout	5780 ′
Greenhorn	8055 ′
Graneros	8075 ′
Dakota .	8135′
Total Depth	8330 ′
	Ojo Alamo Kirtland Pictured Cliffs Cliff House Menefee Point Lookout Greenhorn Graneros Dakota

Estimated depths of anticipated water, oil, gas, and other mineral bearing formations which are expected to be encountered:

Water and gas - 3705', 5530', 5780', 8135'.

- B. Logging Program: Induction/GR and density logs at TD.
- C. No over pressured zones are expected in this well. No $\rm H_2S$ zones will be penetrated in this well. Max. BHP = 2500 psig.

III. Drilling

- A. Contractor:
- B. Mud Program:

The surface hole will be drilled with a fresh water mud.

The intermediate hole will be drilled with a fresh water polymer mud. The weighting material will be drill solids or if conditions dictate, barite. The maximum mud weight expected is 8.5 ppg.

The production hole will be drilled with air or air/mist.

Tribal C #3Y Operations Plan Pg #2

C. Minimum Blowout Control Specifications:

Double ram type 2000 psi working pressure BOP with a rotating head. See the attached Exhibit #1 for details on the BOP equipment. All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1000 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, floor safety valve, and choke manifold all rated to 2000 psi.

IV. Materials

A. Casing Program:

Hole Size	Depth	Casing Size	Wt. & Grade
12-1/4"	250 ′	9-5/8"	36# J - 55
8-3/4"	4035′	7"	20# J-55
6-1/4"	8330 ′	4-1/2"	11.6# N-80

B. Float Equipment:

- a) Surface Casing: Notched collar on bottom and 3 centralizers on the bottom 3 joints.
- b) Intermediate Casing: 7" cement guide shoe and self fill insert float collar. Place float one joint above shoe. Ten centralizers spaced every other joint above shoe and ten turbolizers every other joint from 1500'.
- c) Production Casing: 4-1/2" whirler type cement nosed guide shoe and a float collar on top of the bottom joint.

Tribal C #3Y Operations Plan Pg #3

V. Cementing:

Surface casing: 9-5/8" - Use 140 sx (165 cu. ft.) of Cl "B" with 2% CaCl₂ (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). 100% excess to circulate cement to surface. WOC 12 hours. Pressure test surface casing to 1000 psi for 30 min.

Intermediate Casing: 7" - Before cementing circulate hole with at least 1-1/2 hole volumes of mud. Precede cement with 30 bbls of fresh water. Lead with 515 sx (1076 cu.ft) of Type III 65/35 poz with 8% gel, 1% $CaCl_2$, ¼#/sk. Celloflake. (Yield = 2.09 cu.ft./sk; slurry weight = 12.1 PPG). Tail with 100 sx (139 cu.ft.) of Type III with 1% $CaCl_2$, ¼#/sk. Celloflake. (Yield = 1.39 cu. ft./sk; slurry weight = 14.5 PPG). Total cement volume is 1215 cu.ft. (100% excess to circulate cement to surface). WOC for 12 hrs. Pressure test the BOP and casing to 1500 psi.

Production Casing: 4-1/2" - Blow hole clean. Precede cement with 20 bbls of gel water and 10 bbls of water. **Lead** with 390 sx (772 cu.ft.) of Premium Lite HS with 0.65% FL-52, 0.32% CD-32, $\frac{1}{4}$ #/sk celloflake, and 4% phenoseal. (Yield = 1.98 cu.ft./sk; slurry weight = 12.5 PPG). **Tail** with 100 sx (196 cu.ft.) of Premium Lite HS with 0.65% FL-52, and 0.32% CD-32. (Yield = 1.96 cu.ft./sk; slurry weight = 12.5 PPG). Total cement volume is 968 cu.ft. (70% excess to circulate 100' above the intermediate casing shoe).

Paul C. Thompson, P.E.

PATINA SAN JUAN, INC

Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

Exhibit #1 Typical BOP setup

