

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources

Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-101

May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|------------------------------|-------------------------------|
| Operator Name and Address Redwolf Production, Inc. P.O. Box 5382, Farmington, NM 87499 | | OGRID Number 018973 |
| Property Code 24682 | Property Name Bear | Well No. 1S |
| Proposed Pool 1 Basin Fruitland Coal | | Proposed Pool 2 |

7 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|------------|------------|---------|---------------|------------------|---------------|----------------|-----------------|
| C | 36 | 26N | 13W | | 770 | North | 1666 | West | San Juan |

8 Proposed 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

Additional Well Information

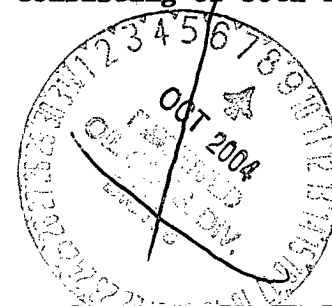
| | | | | |
|--|-----------------------------------|---|---------------------------------|--|
| 11 Work Type Code N | 12 Well Type Code G | 13 Cable/Rotary R | 14 Lease Type Code S | 15 Ground Level Elevation 6170' |
| 16 Multiple No | 17 Proposed Depth 1338' | 18 Formation Basin Fruitland Coal | 19 Contractor Unknown | 20 Spud Date As soon as permitted |
| Depth to Groundwater 150' | | Distance from nearest fresh water well > 1000' | | Distance from nearest surface water > 1000' |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume 2700 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> | | | | |

21 Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|---------------|---------------|--------------------|---------------|------------------------|----------------|
| 8 3/4" | 7" | 20# | 120' | 50sx (59cf) B | Surface |
| 6 1/4" | 4 1/2" | 10.5# | 1338' | 150sx (221cf) B | Surface |
| | | | | | |
| | | | | | |

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

A 2000 psi blowout prevention system will be used, consisting of both blind rams and pipe rams.



| | | | |
|--|------------------------------|---|--|
| 23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | | OIL CONSERVATION DIVISION | |
| Printed name: Dana L. Delventhal | | Approved by: <i>[Signature]</i> | |
| Title: Vice President | | Title: REGULATORY OIL & GAS INSPECTOR, DIST. III | |
| E-mail Address: ddelventhal@qwest.net | | Approval Date: JAN 25 2005 Expiration Date: JAN 25 2006 | |
| Date: 10/5/04 | Phone: (505) 326-4125 | Conditions of Approval Attached <input checked="" type="checkbox"/> Notify D. Faust in Aztec | |

OCD office prior to pit construction comply with Rule 60

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 Avenue, Artesia, N.M. 88210

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87506

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|--|
| ¹ API Number 30 045-32613 | ² Pool Code 71629 | ³ Pool Name Basin Fruitland Coal |
| ⁴ Property Code 24682 | ⁵ Property Name BEAR | ⁶ Well Number 1S |
| ⁷ OGRID No. 018973 | ⁸ Operator Name REDWOLF PRODUCTION, INC. | ⁹ Elevation 6170' |

¹⁰ Surface Location

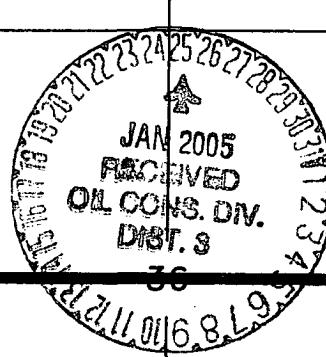
| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|------------------------|------------------------|--------------------|
| UL or lot no. C | Section 36 | Township 26-N | Range 13-W | Lot Idn | Feet from the 770' | North/South line NORTH | Feet from the 1666' | East/West line WEST | County 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 320 | | | ¹³ Joint or Infill Y | | ¹⁴ Consolidation Code F | | ¹⁵ Order No. R-11301-B | | |

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

16

| | | |
|---|-----------------------------|--|
| SEC. CORNER FD 1/2" REBAR ON FENCE | N 89-51-22 W 2641.1' (M) | QTR. CORNER FD 2 1/2" BC 1911 GLO |
| N 00-02-08 E 2645.4' (M) | 1666' | LAT. 36°26'59" N (NAD 83) LONG. 108°10'26" E (NAD 83) |
|  | | |
| QTR. CORNER FD 2 1/2" BC 1911 GLO | | |

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein
is true and complete to the best of my knowledge and
belief.

Signature

Dana L. Delventhal

Printed Name

Dana L. Delventhal

Title

Vice President

Date

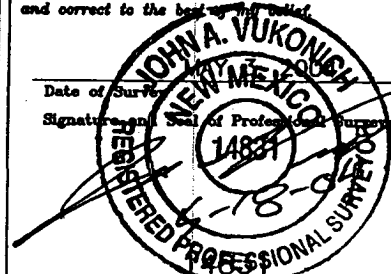
10-5-04

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

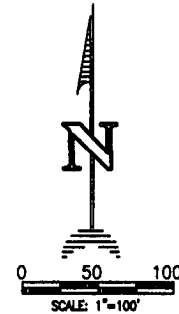
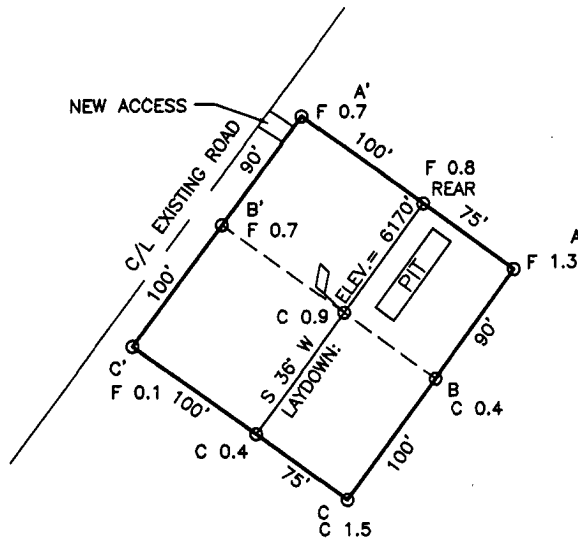
Signature and Seal of Professional Surveyor



Certificate Number

COMPANY: REDWOLF PRODUCTION, INC.
 LEASE: BEAR No. 1S
 FOOTAGE: 770 FNL 1666 FWL
 SEC.: 36 TWN: 26-N RNG: 13-W NMPM
 ELEVATION: 6170'


NOTE:
 DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR
 UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO
 ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO
 EXCAVATION OR CONSTRUCTION.



| ELEV. A-A' | | C/L | |
|------------|--|-----|--|
| 6200 | | | |
| 6190 | | | |
| 6180 | | | |
| 6170 | | | |
| 6160 | | | |
| 6150 | | | |
| 6110 | | | |

| ELEV. B-B' | | C/L | |
|------------|--|-----|--|
| 6200 | | | |
| 6190 | | | |
| 6180 | | | |
| 6170 | | | |
| 6160 | | | |
| 6150 | | | |
| 6110 | | | |

| ELEV. C-C' | | C/L | |
|------------|--|-----|--|
| 6200 | | | |
| 6190 | | | |
| 6180 | | | |
| 6170 | | | |
| 6160 | | | |
| 6150 | | | |
| 6110 | | | |

| | | | |
|---|---|--------------------------------|---|
|  | Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-6019 | | NEW MEXICO L.S. No. 14831 BOULEVARD 1001728 |
| | DATE: _____ REVISION: _____ | DATE: _____ REVISION: _____ | DATE: 5/08/04 DRAWN BY: A.G. CHECKED: TWD17 |