

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM024907
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other: CBM <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator TEXAKOMA OIL & GAS CORPORATION		7. If Unit or CA Agreement, Name and No. (CA)NMNM99486
3a. Address 5400 LBJ FRWY, SUITE 500 DALLAS, TX 75240		8. Lease Name and Well No. LA PLATA 8 4 17377
3b. Phone No. (include area code) Ph: 972.764.3828 Fax: 972.701.9056		9. API Well No. 30045 31727
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface NESE Lot I 1978FSL 851FEL At proposed prod. zone		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
14. Distance in miles and direction from nearest town or post office* 2 MILES SOUTHWEST OF LA PLATA POST OFFICE		11. Sec., T., R., M., or Blk. and Survey or Area Sec 8 T31N R13W Mer NMP SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 717	16. No. of Acres in Lease 2627 28 29 30 31 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	12. County or Parish SAN JUAN
17. Spacing Unit dedicated to this well 318.32 52	13. State NM	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 2100	19. Proposed Depth 2200 MD	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5834 GL	22. Approximate date work will start 06/18/2003	23. Estimated duration 15

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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) TOM SPRINKLE	Date 06/04/2003
Title DRILLING/COMPLETION MANAGER		
Approved by (Signature) /s/ David J. Mankiewicz	Name (Printed/Typed)	Date JUN 25 2003
Title Office		

Application approval does not warrant or certify 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.

Additional Operator Remarks (see next page)

Electronic Submission #22771 verified by the BLM Well Information System
For TEXAKOMA OIL & GAS CORPORATION, sent to the FarmingtonThis action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

NMOC

State of New Mexico
Energy, Minerals & Mining Resources Department

Form C - 102

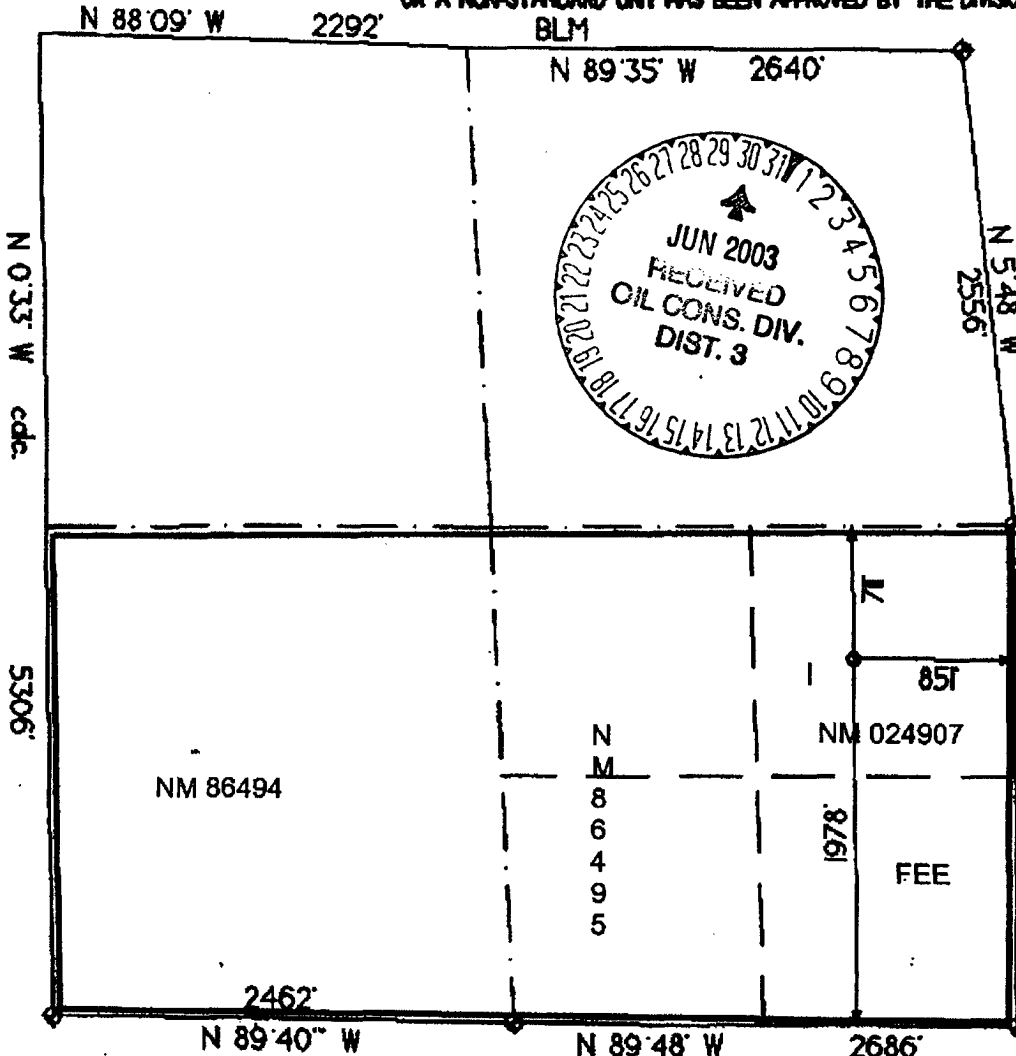
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number 30 - 045 - 31727		Pool Code 71629	Pool Name BASIN FRUITLAND COAL	
Property Code 17377	Property Name TEXAKOMA - LA PLATA 8			Well Number 4
OGPD No. 022521	Operator Name TEXAKOMA OIL & GAS CORPORATION			Elevation 5834'
Surface Location				
U. or Lot 1	Sec. 8	Twp. 31 N	Rgn. 13 W.	County SAN JUAN
Feet from 1978'	North/South SOUTH	Feet from 85'	East/West EAST	
Bottom Hole Location if Different From Surface				
U. or Lot	Sec.	Twp.	Rgn.	County
Dedication S/318.32	Joint? N	Consolidation C	Order No. (CA) NMNM 99486	

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



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

Signature *Tom Sprinkle*
Printed Name TOM SPRINKLE
Title DRILLING MANAGER
Date MAY 23, 2003

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 it is true and correct to the best of my belief.
Date of Survey



EXHIBIT A

TEN-POINT PROGRAM
Texakoma Oil & Gas Corporation
La Plata 8 No. 4
1978' FSL & 851' FEL, I-8-31N-13W
San Juan County, New Mexico
Lease No. NM 024907

1. THE GEOLOGICAL SURFACE FORMATION IS THE NACIMIENTO.
2. THE TOPS OF IMPORTANT GEOLOGICAL MARKERS: (BASED ON EXISTING LOG INFORMATION)

KIRTLAND	575'
FRUITLAND	1150'
PICTURED CLIFFS	1950'
TOTAL DEPTH	2200'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

<u>SUBSTANCE</u>	<u>FORMATION</u>	<u>ANTICIPATED DEPTH</u>
GAS	FRUITLAND COAL	1650'

4. THE CASING PROGRAM:

<u>DEPTH</u>	<u>HOLE SIZE</u>	<u>CASING O.D.</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>TYPE</u>	<u>NEW/USED</u>
0 - 150	8 - 3 / 4"	7.00"	20 #	J-55	ST&C	NEW
0 - 2200	6 - 1 / 4"	4- 1 / 2"	10.5 #	J-55	ST&C	NEW

PROPOSED CEMENT PROGRAM: To effectively isolate and seal off all water, oil, gas and coal-bearing Strata encountered by the utilization of spacers and centralizers at the base of the Ojo Alamo Formation or the base of the lowest usable water zone and by using cement volumes as follows (exact volumes to To be determined from caliper log):

SURFACE: 60 Cubic Feet (50 Sacks) Class B w/0.25# Flocele/ sack plus 2% CaCl₂ (100% excess). - *Circulate cement*

PRODUCTION: 178 Cubic Feet (90 Sacks Lite Standard Cement w/2% Sodium Metasilicate + 0.25 lbs/sk *Circulate cement* Flocele mixed to 12.4 ppg followed by 178 Cubic Feet (150 Sacks) Standard Class H Cement w/0.25#/sk Flocele And 2% CaCl₂ mixed to 15.6 ppg w/caliper plus 25% excess in both slurries. Total 356 Cubic Feet (240 Sacks).

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Exhibit E is a schematic of the blowout preventer used by our drilling contractor for other wells in the area.

The BOP to be used is and Annular BOP with screwed connections with high pressure inlet and outlet hoses, all tested to 2,000 psig minimum.

EXHIBIT C

TEN-POINT PROGRAM
Texakoma Oil & Gas Corporation
La Plata 8 No. 4
1978' FSL & 851' FEL, I-8-31N-13W
San Juan County, New Mexico
Lease No. NM 024907

6. THE TYPE AND CHARACTERISTIC OF THE PROPOSED DRILLING MUD FLUIDS:

SURFACE CASING: Native mud with bentonite and lime as needed for viscosity.

PRODUCTION CASING: Fresh water, low solids native mud with polymer gel for viscosity as needed to clean the hole for logging, running casing and cementing.

<u>INTERVAL</u>	<u>MUD WEIGHT</u>	<u>VISCOSITY</u>	<u>FLUID LOSS</u>	<u>Ph</u>	<u>ADDITIVES</u>
0' - 150'	9.0	45	No Control	9	Gel, Lime
150' - 2200'	8.6 - 9.0	30-50	≤ 15	9	Polymer

7. AUXILIARY EQUIPMENT TO BE USED IS AS FOLLOWS:

- a. Float valve above bit.
- b. Monitoring of mud system will be visual.
- c. A safety valve and subs to fit all drill strings will be used.

8. TESTING, LOGGING AND CORING WILL BE AS FOLLOWS:

- a. Cores: none.
- b. Drill stem tests: none anticipated.
- c. Cuttings will be caught and analyzed by a geologist/engineer from 1000' to Total Depth.
- d. Logging: High Resolution Induction, Spectral Density Log, Dual Spaced Neutron and a Microlog will be run from T.D. to the surface casing shoe.

9. ANTICIPATED ABNORMAL PRESSURES AND TEMPERATURES:

No abnormal pressures, temperatures or Hydrogen Sulfide gases are anticipated during the completion of this well. The maximum bottom hole pressure is expected to be less than 600 psig.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

The anticipated starting date is June 18, 2003. The drilling operations should be completed within 15 days after Rig up. Completion will be done 30 to 60 days later or when equipment is available and weather permits.

EXHIBIT C