Form 3160-3
(February 2005)

2007 MAY 7 AM 11 23

UNITED STATES
DEPARTMENT OF THE INTERIOR RECEIVED
BUREAU OF LAND MANAGEMENT 070 FARMINGTON NM

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No
SF077107-B

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No

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

8. Lease Name and Well No.
Federal 15 N0. 1

2 Name of Operator
West Largo Corp.

9. API Well No.
30-045-34311

3a. Address **8801 S. Yale, Suite 240 Tulsa, OK 74137-3535**

3b. Phone No. *(include area code)* **918.492.3239**

10. Field and Pool, or Exploratory
Basin Fruitland Coal

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **1985' FNL-2385' FWL, Section 15, T28N, R9W, NMPM**
At proposed prod. zone **same**

11. Sec., T. R. M. or Blk. and Survey or Area
F Section 15, T28N, R9W, NMPM

14. Distance in miles and direction from nearest town or post office*
7 miles southeast of Blanco, NM

12. County or Parish **San Juan**

13. State **NM**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease	17 Spacing Unit dedicated to this well
255 ft / **255 ft**	**2486.19**	**W/2 - 320.0 acs.** RCVD OCT 2 '07
18. 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 OIL CONS. DIV.
800 ft	**2504'**	**NM2283** DIST. 3
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
5973' GL	**06/15/2007**	**11 days**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above)
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature	Name *(Printed/Typed)*	Date
Robert E. Fielder	**Robert E. Fielder**	**05/03/2007**

Title **Agent**

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
/s/ Manager		10/11/07
Title AFM	Office FFO	

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 page 2)

Obtain a pit permit from NMOCD prior to constructing location

NOTIFY AZTEC OCD 24 HRS. PRIOR TO CASING & CEMENT

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

NMOCD OCT 18 2007

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

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 Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

2007 MAY 7 AM 11:23
RECEIVED
070 FARMINGTON NM

Form C-1
Revised February 21, 19
Instructions on ba
Submit to Appropriate District Offi
State Lease - 4 Copi
Fee Lease - 3 Copi

☐ AMENDED REPOR

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30045-34311	71629	BASIN FRUITLAND COAL

[4] Property Code	[5] Property Name	[6] Well Number
14165	FEDERAL 15	1

[7] OGRID No	[8] Operator Name	[9] Elevation
37197	WEST LARGO CORPORATION	5973'

[10] Surface Location

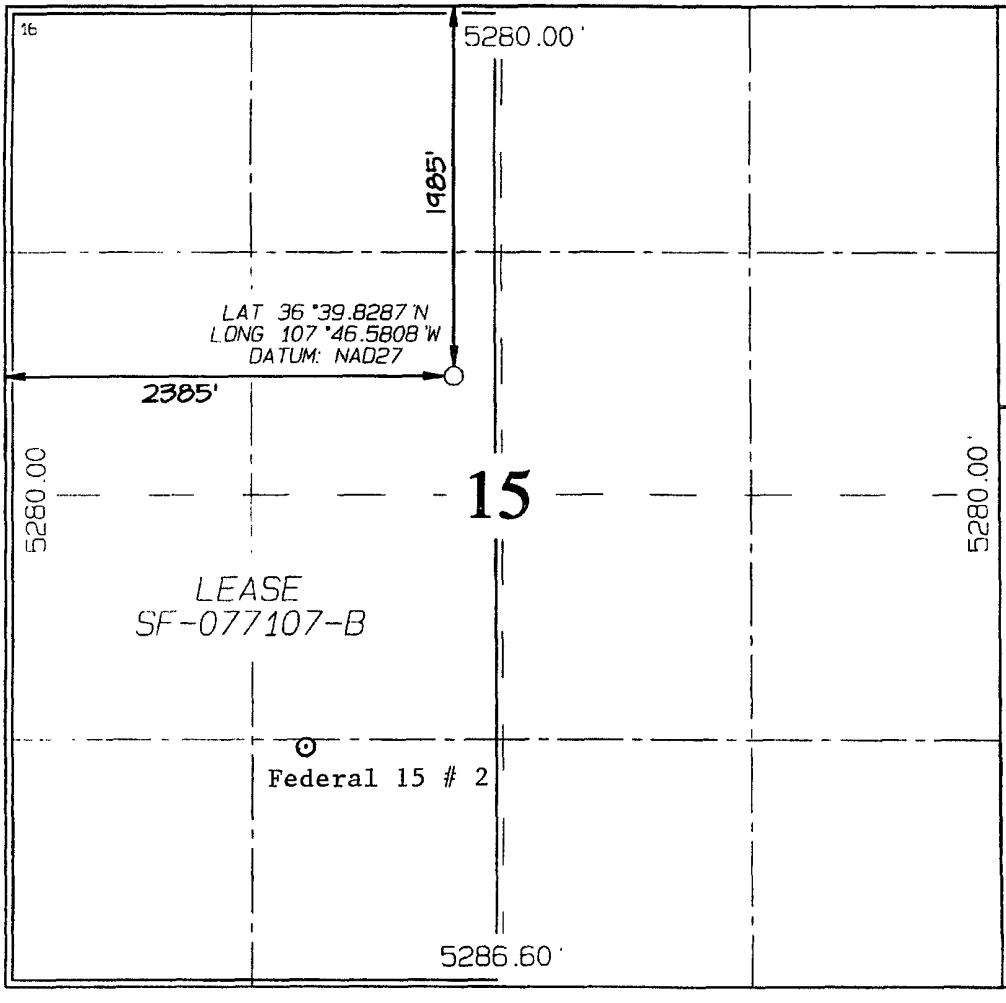
Ul. or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	15	28N	9W		1985	NORTH	2385	WEST	SAN JUAN

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No
320.0 Acres - (W/2)	Y		

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



[17] OPERATOR CERTIFICATION

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

Signature

Robert E. Fielder

Printed Name

Agent

Title

May 3, 2007

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. MAY 3, 2004

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
15269
REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS

Certificate Number 15269

West Largo Corp.
Federal 15 No. 1
1985' FNL & 2385' FWL
Section 15, T28N, R9W, NMPM
San Juan County, New Mexico

TEN POINT DRILLING PROGRAM

1. **Surface Formation:** Nacimiento

2. **Surface Elevation:** 5973'GL.

3. **Estimated Formation Tops:**

Formation	Top - feet	Expected Production
Nacimiento	surface	
Ojo Alamo	1257	
Kirtland	1373	
Farmington	1608	
Fruitland	1958	
Fruitland Coal	2268	GAS
Pictured Cliffs	2294	GAS
Lewis	2444	
TOTAL DEPTH	2504	

4. **Surface Hole Program:**

Bit: Drill an 12¼" hole to 200' using a retip mill tooth, IADC Class 115 or 116, bit. WOB: all. RPM: 70 - 100.
Mud: Use a fresh water base spud mud with the following properties:

Interval (ft)	Weight (ppg)	Ph	Vis(sec/qt)	Water Loss
0 - 200	8.6 or less	9.0-9.5	40 - 50	No Control

Casing and Cementing: A string of 8⅝" 24 ppf J-55 or K-55 ST&C casing will be set and cemented to the surface in a single stage with 140 sacks (165.2 cf) of Class "B" cement (yield = 1.18 cf/sk) containing 3% $CaCl_2$ and 1/4 lb/sack celloflake. Slurry volume assumes 100% excess over calculated hole volume. If cement does not circulate to surface, cement will be topped off using 1" pipe down the 12¼" by 8⅝" annulus. Minimum clearance between couplings and hole is 1.3125". Prior to drilling out the shoe, casing and BOPE will be tested to a minimum of 600 psig. Safety factors utilized in the design of this casing string were: burst = 1.1; collapse = 1.125; and tension = 1.8 or 100,000 lb overpull, whichever is greater.

WOC 12 HOURS. Nipple up 11" 2000# BOPE. Pressure test surface casing and BOPE to 600 psi for 15 minutes.

Centralizers: Run two (2) 8⅝" X 12¼" regular bowspring centralizers. Install first one on stop ring in middle of shoe joint.

Float Equipment: Cement nose guide shoe thread locked. Also thread lock connection between first and second joint run.

5. Production Hole Program:

Bit: Drill an 7⅞" hole to 2504' using a TCI, IADC Class 447 bit. WOB: 30-35K. RPM: 60 - 75. Reduce RPM to 55 - 65 through Ojo Alamo.

Mud: Use a fresh water base polymer and water system to drill this section. If hole conditions dictate, mud up with a fresh water base LSND mud with the following properties:

Interval (ft)	Weight (ppg)	Ph	Vis(sec/qt)	Water Loss
200 - 2504	8.6 - 8.8	9.0-9.5	28 - 35	10 - 12

Fresh water will be used for dilution and building volume. Sufficient materials will be on location at all times to maintain mud properties and to control any lost circulation problem or unforeseen abnormal pressures. The mud volume in the surface pit will be visually monitored and recorded on a routine basis.

Note: If mud up is required, raise **viscosity** to 55 - 60 for logging. Thin to 40 - 45 viscosity to run casing.

pH is to be maintained with lime or caustic soda at the recommended levels to assure drill pipe corrosion protection.

Drispac will be used for control of fluid loss.

Lost Circulation can occur in the Fruitland Coal and Pictured Cliffs formation. Mud weights should be controlled as low as possible with solids control equipment then as low as practical with water dilution.

Pressure Control: A 2M psi BOP well control system will be utilized. BOP's and choke manifold will be installed and pressure tested to a minimum of 600 psig before drilling out from under surface casing. Mechanical operation of pipe rams will be checked daily and blind rams will be checked on each trip out of hole. 4½" rams will be installed before running production casing. A full opening internal blowout preventor or drill pipe safety valve will be on the drill floor at all times and will be capable of fitting all connections.

Logging Program: Dual Induction and Compensated Neutron/Formation Density logs will be run from TD to the surface casing shoe.

Casing and Cementing Program: Run 4½" 10.5 ppf J-55 production casing from surface to TD and cement in a single stage with 290 sacks (739.5 cf) of Class B containing 3% sodium metasilicate extender, 5 pps Gilsonite and 1/4 pps celloflake. Lead slurry mixed at 11.8 PPG to yield 2.55 cf/sk. Tail in with 100 sacks (119.0 cf) of Class B with 0.25 pps celloflake, 0.3% FLA and 5 pps gilsonite mixed at 15.6 PPG to yield 1.19 cf/sk.

6. **Production Hole Program:** - continued

Slurry volumes assume a 50% excess over gauge hole volume to circulate cement to surface. Minimum clearance between couplings and hole is 1.4375". Safety factors utilized in the design of this casing string were: burst = 1.1; collapse = 1.125; and tension = 1.8.

Centralizers: 5 - 4½" X 7⅞" bowspring centralizers will be run across prospective pays and 2 - 4½" X 7⅞" turbolizers will be spaced such that one (1) is just below the base of the Ojo Alamo and one (1) in the Ojo Alamo.

Float Equipment: Cement nose guide shoe, 1 joint 4 1/2" casing, and float collar.

7. **Auxiliary Equipment:**

An upper kelly cock will be utilized. The handle will be available on rig floor at all times

8. **Logging Program:**

Dual Induction and Compensated Neutron / Formation Density will be run from TD to surface casing shoe. Bulk density will be presented on a 5 " scale through the coals. Deep induction curve will be merged onto the porosity log.

Coring and Testing Program:

No cores or drill stem tests are planned.

9. **Abnormal Pressure:**

Although not expected, abnormal pressures are possible in the Fruitland formation.

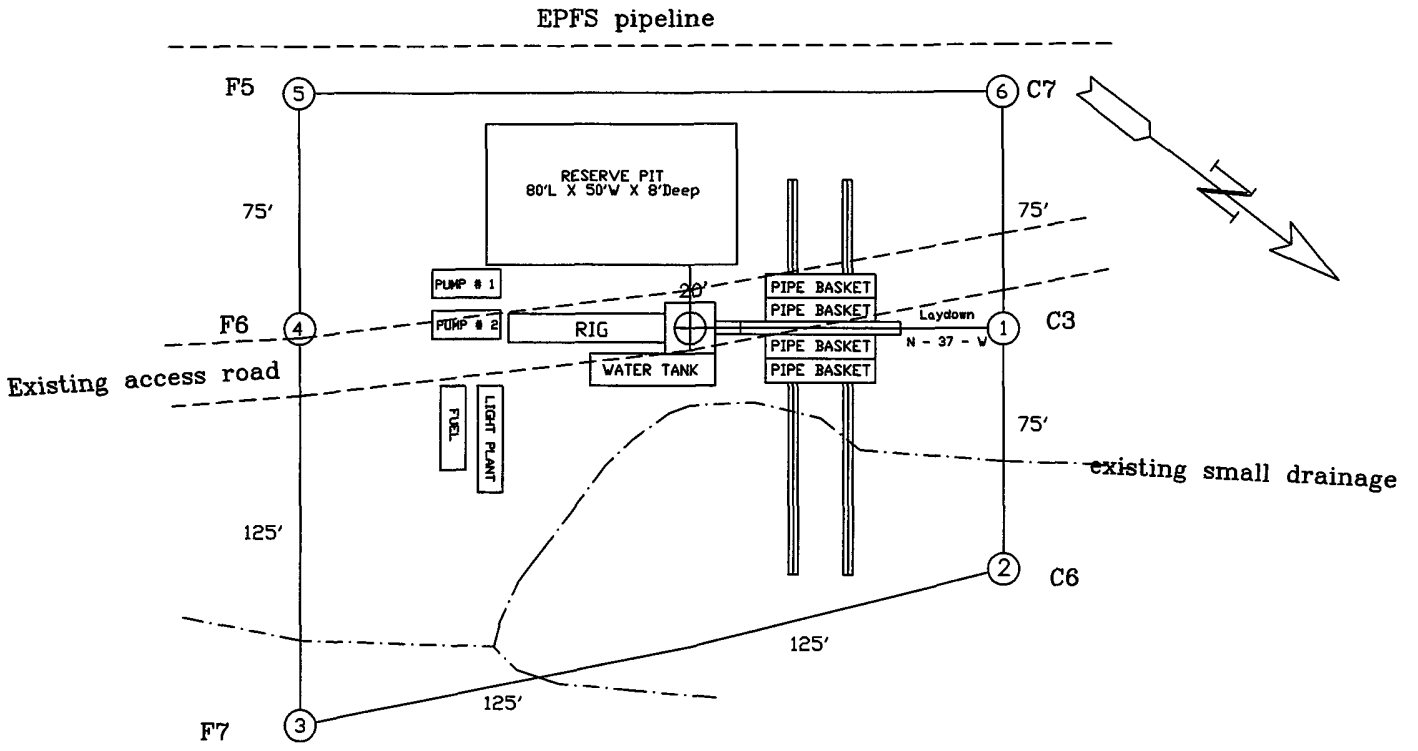
Estimated Bottom Hole Pressure:

250 - 300 psig.

10. **Anticipated Starting Date:**

June 15, 2007.

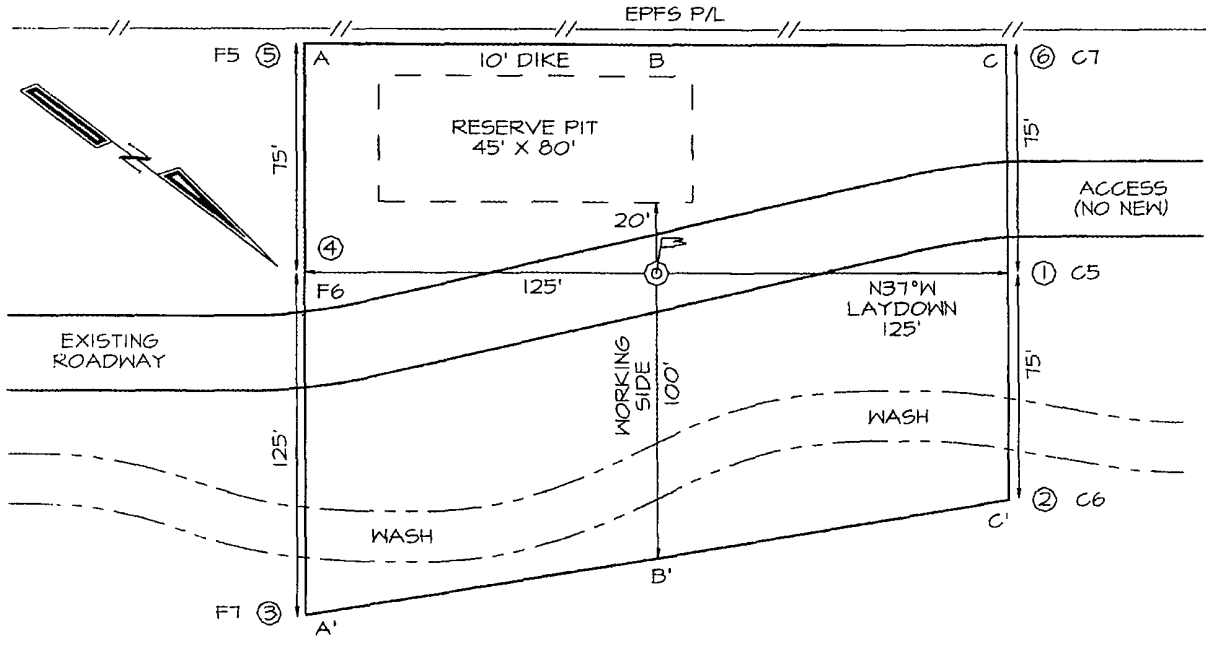
Duration of Operations: It is estimated a total of 6 days will be required for drilling operations and 5 days for the completion operation.



Scale: 1" = 60'

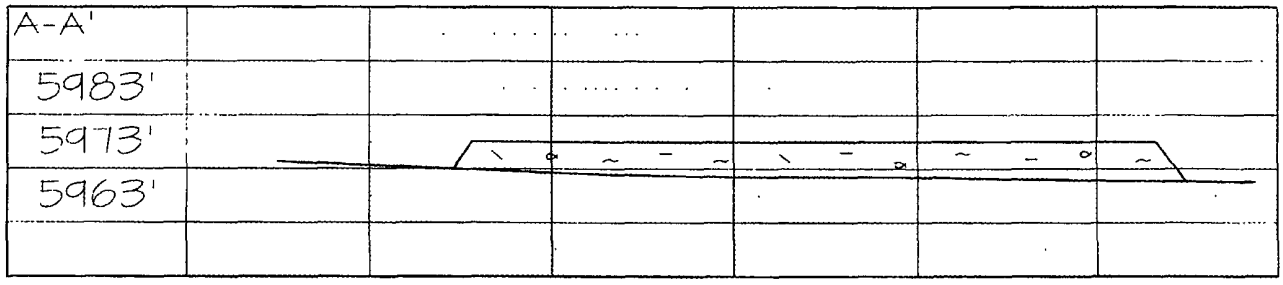
West Largo Corp.
Wellsite Layout Federal 15 No. 1 1985' FNL – 2385' FWL Section 15, T28N, R9W, NMPM San Juan Co., New Mexico

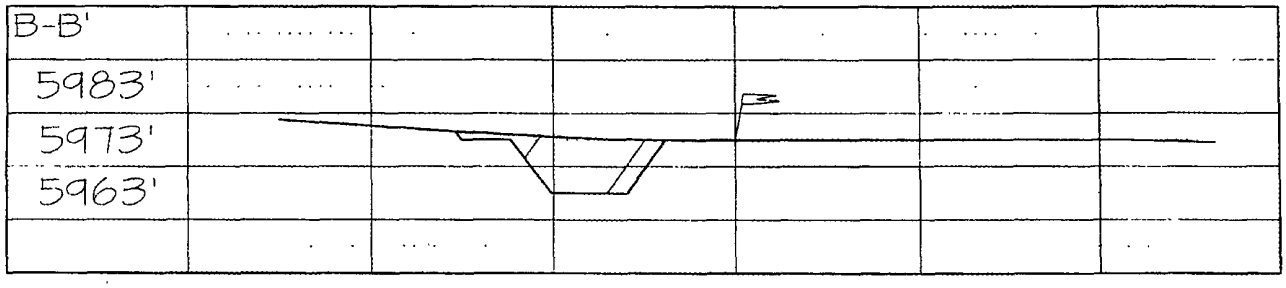
WEST LARGO CORPORATION FEDERAL 15 #1
1985' FNL & 2385' FWL, SECTION 15, T28N, R9W, NMPM
SAN JUAN COUNTY, NEW MEXICO GROUND ELEVATION: 5973'

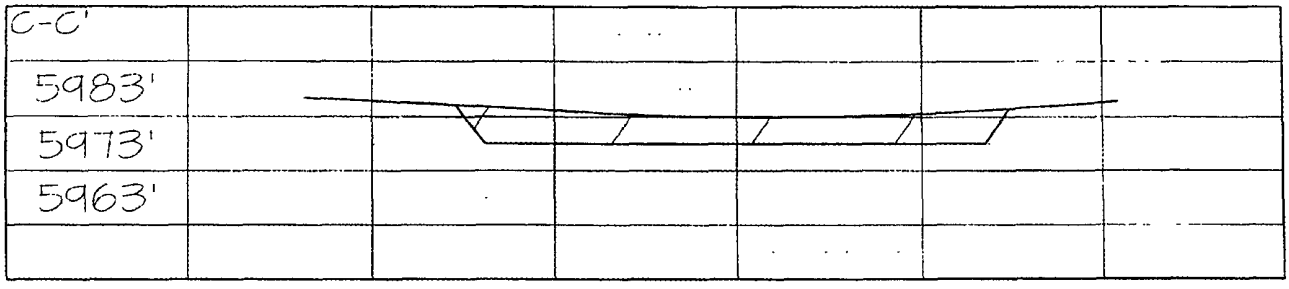


LATITUDE: 36°39'50"
LONGITUDE: 107°46'35"
DATUM: NAD1927

AREA OF WELLPAD = 1.00 ACRES



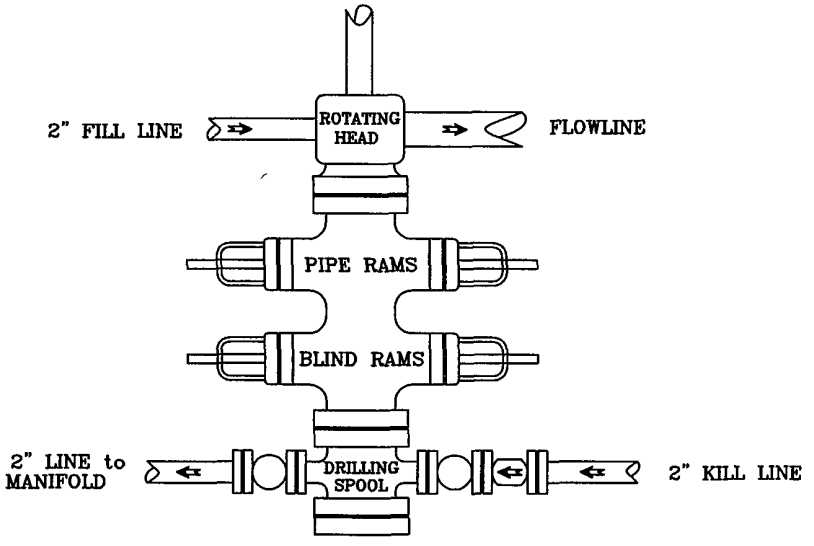




FILENAME. 28915FT	SHEET 2 OF 3	NCE SURVEYS, INC.	DRAWN BY EDO	CHECKED BY. JCE

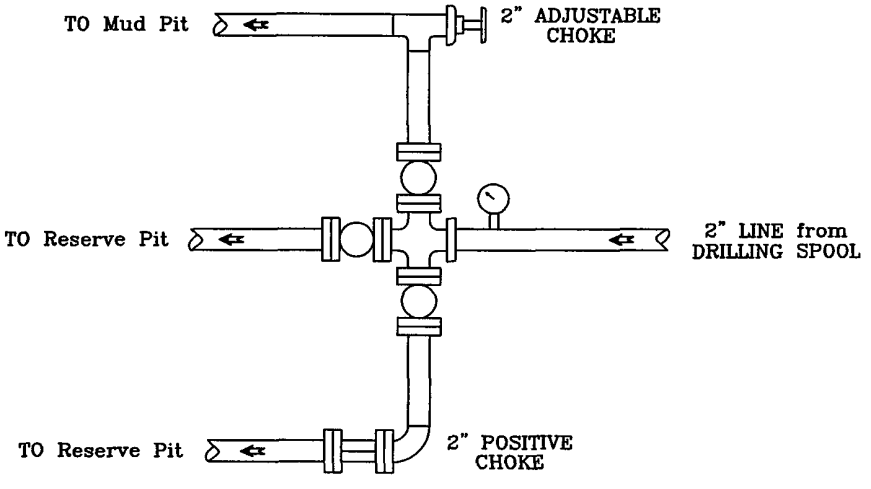
PRESSURE CONTROL

Wellhead Assembly



Preventer and Spools are to have a
6" Bore or larger and a 2000 PSI
or higher Pressure Rating

Choke Manifold



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