Form C-101

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL

| TEXAKOMA OIL & GAS CO | Operator Name and Address TEXAKOMA OIL & GAS CORP | | | |
|--------------------------------------|---|-------------------------|--|--|
| 5400 LBJ Freeway Dallas, TX 75240 | | API Number 30-045-31306 | | |
| Property Code | Property Name | Well No. | | |
| 15613 | LA PLATA 4 | 002 | | |

Surface Location

| UL or Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|-----------|---------|----------|-------|---------|-----------|----------|-----------|----------|----------|
| C | 4 | 31N | 13W | | 904 | N | 2053 | W | San Juan |

Proposed Pools

BASIN FRUITLAND COAL (GAS) 71629

| Work Type New Well | Well Type Gas | _ '' | | Ground Level Elevation 5890 |
|-----------------------|---------------------|-----------------------------|------------|-----------------------------|
| Multiple N | Proposed Depth 2200 | Formation Fruitland Coal | Contractor | Spud Date 02/10/2003 |

Proposed Casing and Cement Program

| ** | | | | ······································ | ····· | *************************************** | |
|----|------|-----------|-------------|--|---------------|---|---------------|
| | Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
| | Surf | 8.75 | 7 | 20 | 165 | 60 | 0 |
| | Prod | 6.25 | 4.5 | 10.5 | 2200 | 275 | 0 |

Proposed Blowout Prevention Program

| Туре | Working Pressure | Test Pressure | Manufacturer |
|---------|------------------|---------------|--------------|
| Annular | 2000 | 1000 | REGAN |

| I hereby certify that the information given above is true and | OIL CONSERVATION DIVISION | | |
|---|---|--|--|
| complete to the best of my knowledge and belief. | Electronically Approved By: Charlie Perrin | | |
| Electronically Signed By: Tom Sprinkle | Title: Manager | | |
| Title: Drilling Manager | Approval Date: 01/07/2003 Expiration Date: 01/07/2004 | | |
| Date: 01/03/2003 Phone: 972-701-9106 | Conditions of Approval: There are conditions. See Attached. | | |

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WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number 30-045-31306 | Pool Name BASIN FRUITLAND COAL (GAS) | Pool Code 71629 |
|----------------------------|---|--------------------|
| Property Code 15613 | Property Name LA PLATA 4 | Well No. 002 |
| OGRID No. 22521 | Operator Name TEXAKOMA OIL & GAS CORP | Elevation 5890 |

Surface And Bottom Hole Location

| UL or Lot C | Section 4 | Township 31N | Range 13W | Lot Idn | Feet From 904 | N/S Line N | Feet From 2053 | E/W Line W | County San Juan |
|----------------|--------------|--------------|--------------|---------|------------------|---------------|----------------|---------------|--------------------|
| | ted Acres | Joint of | r Infill | Consoli | dation Code | | Order 1 | No. | |

OPERATOR CERTIFICATION

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

Electronically Signed By: Tom Sprinkle

Title: Drilling Manager
Date: 01/03/2003

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.

Surveyed By: Gerald Huddleston Date of Survey: 12/14/2002 Certificate Number: 6844

Permit Comments

Operator: TEXAKOMA OIL & GAS CORP, 22521

Well: LA PLATA 4 #002

| User Name | | Comment Date | 100000000000000000000000000000000000000 |
|---------------|-------------------------|--------------|---|
| SHAYDEN | Infill to La Plata 4 #1 | 1/6/2003 | |

Permit Conditions Of Approval

Operator: TEXAKOMA OIL & GAS CORP, 22521

Well: LA PLATA 4 #002

| OCD Reviewer | Condition |
|--------------|---|
| SHAYDEN | Infill to La Plata 4 #1. |
| SHAYDEN | Will require administrative order for non-standard location |