

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

RECEIVED

5. Lease Serial No.

SF- 078243

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

OWEN 2E

9. API Well No.

3004532005

10. Field and Pool, or Exploratory

Blanco Mesa Verde

11. Sec., T., R., M., or Blk. and Survey or Area

E Section 19, T31N, R12W

12. County or Parish

San Juan

13. State

NM

1a. Type of Work: ☒ DRILL

☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other

☐ Single Zone

☐ Multiple Zone

2. Name of Operator

Roddy Production Company, Inc.

3a. Address

P.O. Box 2221, Farmington, NM 87499

3b. Phone No. (include area code)

(505) 325-5750

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface 1860'FNLx 846'FWL

At proposed prod. zone same

14. Distance in miles and direction from nearest town or post office*

7 miles Northwest of Flora Vista, NM.

15. Distance from proposed*

location to nearest

property or lease line, ft.

(Also to nearest drig. unit line, if any) 846'

16. No. of Acres in lease

~~318.24~~ 788.93

17. Spacing Unit dedicated to this well

~~80~~ 318.24 N2

18. Distance from proposed location*

to nearest well, drilling, completed,

applied for, on this lease, ft.

1020'

19. Proposed Depth

5050'

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

5898 GL

22. Approximate date work will start*

11/24/03

23. Estimated duration

60 days

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.

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).

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 authorized officer.

25. Signature

Robert R. Griffie

Name (Printed/Typed)

Robert R. Griffie

Date

11/12/03

Title

Operations Engineer

Approved by (Signature)

David J. Mankiewicz

Name (Printed/Typed)

Office

Date

DEC - 5 2003

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)

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

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

NMOCD

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

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

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

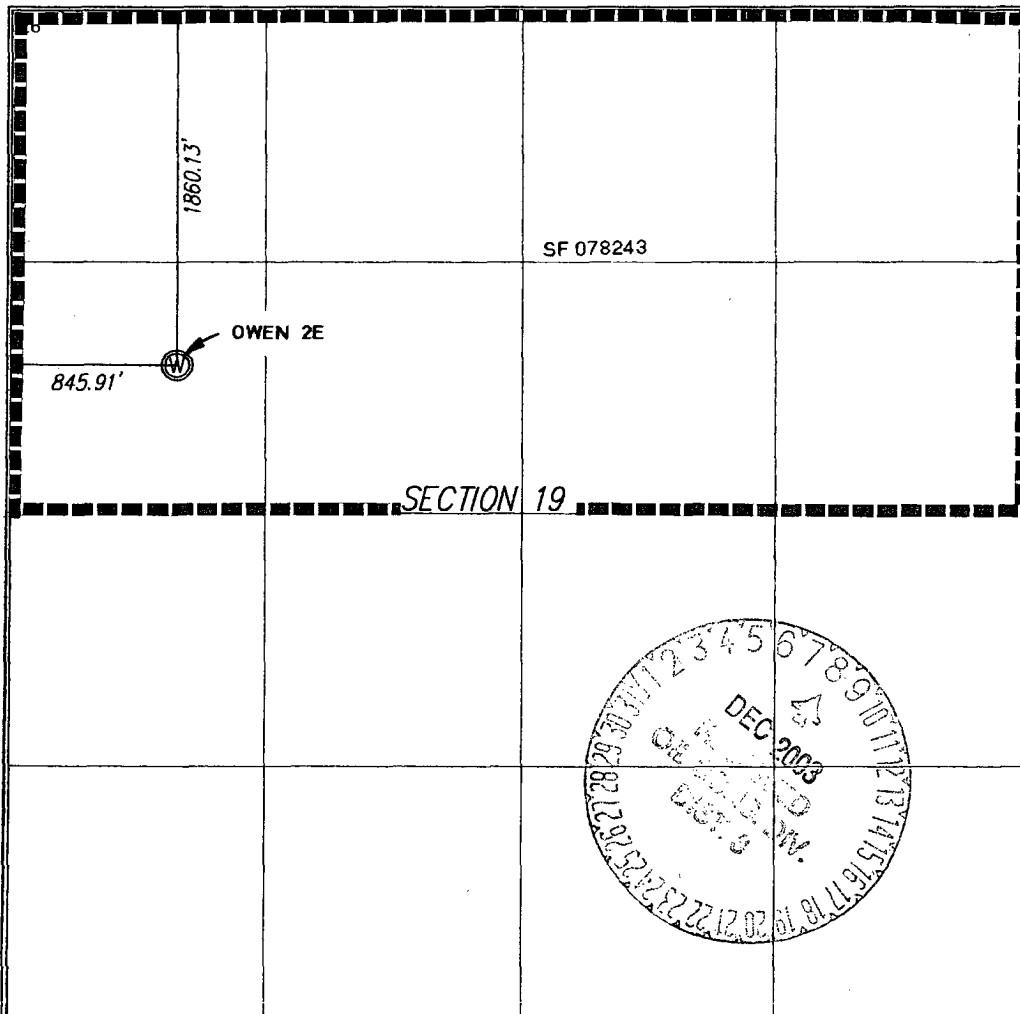
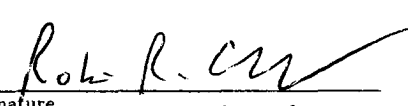
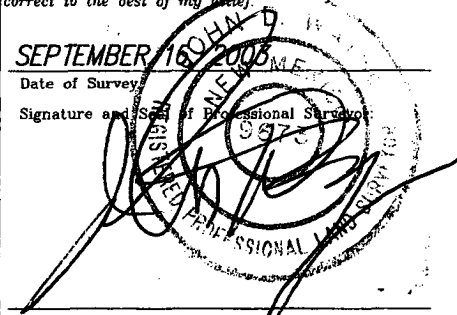
¹ API Number 30-045-32005	² Pool Code 72319	³ Pool Name BLANCO MESA VERDE
⁴ Property Code 25717	⁵ Property Name OWEN	⁶ Well Number 2E
⁷ OGRID No. 036845	⁸ Operator Name RODDY PRODUCTION COMPANY INC.	⁹ Elevation 5898

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
E	19	31N	12W		1860.13	NORTH	845.91	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 318.24	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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 R. Griffel Printed Name Operations Manager Title 11/12/03 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 SEPTEMBER 16, 2003 Signature and Seal of Professional Surveyor David J. Griffel Certificate Number N.M. PLS #9673	

Drilling Plan

Well Name: Owen 2E
Location: 1860 FNL x 846 FWL, Section 19, T31N, R12W
San Juan County, NM
Formation: Blanco Mesa Verde
Elevation: 5898' GL

Geology:

Formation	Top	Probable Content
Nacimiento	Surface	
Ojo Alamo	460	salt water
Fruitland	1744	gas
Pictured Cliffs	2148	gas
Huerfanito Bentonite	2948	
Mesa Verde	3773	gas
Menefee	3901	gas
Point Lookout	4573	gas
Mancos	4918	
TD	5020	

Logging Program: Cased hole GSL.

Drilling Fluid Program:

Interval	Fluid Type	Weight	Viscosity	Fluid Loss
0' - 300'	fresh water spud mud	8.4 - 9.0 ppg	30 - 50 sec	no control
300' - 5020'	fresh water, LSND	8.4 - 9.0 ppg	30 - 50 sec	no control

Casing Program:

Interval	Hole Diameter	Csg Size	Wt.	Grade	Thread
0' - 300'	12 1/4"	9 5/8"	32 ppf	J-55	STC
0' - 5020'	7 7/8"	4 1/2"	15.5 ppf	J-55	STC

Tubing Program: 0 - 4920', 2 3/8", 4.7 ppf, J55, EUE

BOPE and Wellhead Specifications and Testing:

From surface casing shoe to TD: 9 5/8" 3000 psi threaded casing head with two 2" outlets. 11", 3000 psi double gate BOP and 3000 psi choke manifold (see figures 1 and 2). Pressure test BOPE to 3000 psi and 9 5/8" surface casing to 600 psi prior to drilling surface casing shoe.

For completion operations: 7" x 2 3/8", 3000 psi tree assembly. 7 1/16", 3000 psi double gate BOP system (see figure 3).

General Operation:

- Actuate pipe rams once each day during drilling operations. Actuate blind rams once each trip.
- An upper Kelly cock valve, with handle, will be available on the rig floor to fit each drilling string.
- BOP pit level drill will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in the daily drilling report.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing Program:

9 5/8" Surface Casing String: Run casing with saw tooth guide shoe on bottom, insert float valve one joint from bottom, and install bowspring centralizers as per Onshore Order #2. Cement with 165 sks class 'G' with 1/4 #/sk flocele and 2% CaCl₂ (145 cf slurry, 100% excess to circulate to surface).

4 1/2" Production Casing String: Run casing with float shoe on bottom, float collar one joint from bottom, stage collar at 3500', and centralizers every other joint through out MesaVerde, Pictured Cliffs, Fruitland, and Ojo Alamo sections. Cement 1st stage with 275 sks 10# LiteCRETE with additives. Circulate 8 hours between stages. Cement 2nd stage with 680 sks 65/35 Class 'G' Poz (50% excess over open hole volume).

Special Drilling Operations (air/mist drilling):

- Mud materials, equipment, and water will be available on location to maintain control of the well during all operations.

Additional Information:

- This well is to be completed in the MesaVerde formation.
- No abnormal temperature or pressure, or other hazards are anticipated.
- LCM will be added to the mud system as required to maintain circulation.
- Estimated formation pressures:
 - Fruitland Coal 300 psi
 - Pictured Cliffs 300 psi
 - MesaVerde 900 psi