

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

Form C-101

APPLICATION FOR PERMIT TO DRILL

| | | |
|--|-----------------------------|----------------------------|
| Operator Name and Address RICHARDSON OPERATING CO 3100 La Plata Highway Farmington, NM 87401 | | OGRID Number 19219 |
| | | API Number 30-045-31292 |
| Property Code 24582 | Property Name WF STATE 2 | Well No. 002 |

Surface Location

| UL or Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|-----------|---------|----------|-------|---------|-----------|----------|-----------|----------|----------|
| C | 2 | 30N | 14W | C | 875 | N | 1450 | W | San Juan |

Proposed Pools

| |
|---|
| BASIN FRUITLAND COAL (GAS) 71629 |
| HARPER HILL FRUITLAND SAND PC (GAS) 78160 |

| | | | | |
|-----------------------|------------------------|--|---------------------|--------------------------------|
| Work Type New Well | Well Type GAS | Cable/Rotary | Lease Type State | Ground Level Elevation 5676 |
| Multiple Y | Proposed Depth 1800 | Formation Pictured Cliffs Formation | Contractor | Spud Date 05/15/2004 |

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 | 120 | 50 | 0 |
| Prod | 6.25 | 4.5 | 10.5 | 1800 | 240 | 0 |

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 2000 | 1000 | |

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

Electronically Signed By: Anne Jones

Title:

Date: 12/19/2003

Phone: 505-564-8115

OIL CONSERVATION DIVISION

Electronically Approved By: Frank Chavez

Title: District Supervisor

Approval Date: 12/26/2003

Expiration Date: 12/26/2004

Conditions of Approval:

No Conditions

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State of New Mexico

Form C-102

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

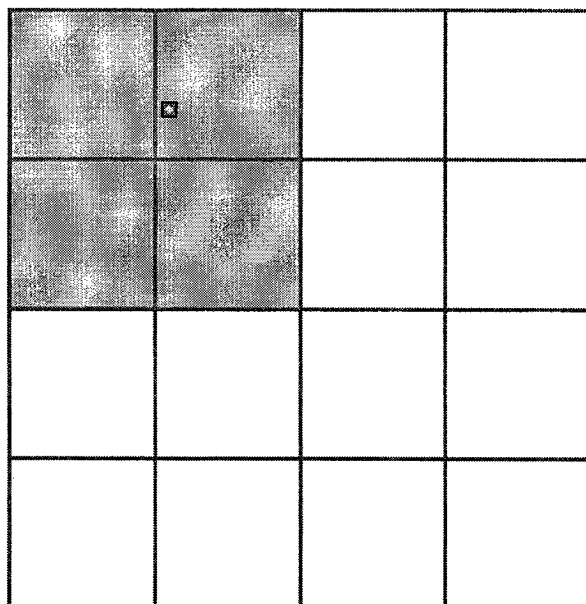
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|--|--------------------|
| API Number 30-045-31292 | Pool Name HARPER HILL FRUITLAND SAND PC (GAS) | Pool Code 78160 |
| Property Code 24582 | Property Name WF STATE 2 | Well No. 002 |
| OGRID No. 19219 | Operator Name RICHARDSON OPERATING CO | Elevation 5676 |

Surface And Bottom Hole Location

| | | | | | | | | | |
|------------------------|--------------|-----------------|--------------|--------------------|------------------|---------------|-------------------|---------------|--------------------|
| UL or Lot C | Section 2 | Township 30N | Range 14W | Lot Idn C | Feet From 875 | N/S Line N | Feet From 1450 | E/W Line W | County San Juan |
| Dedicated Acres 160 | | Joint or Infill | | Consolidation Code | | Order 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: Anne Jones

Title:

Date: 12/19/2003

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: 11/17/2003

Certificate Number: 6844

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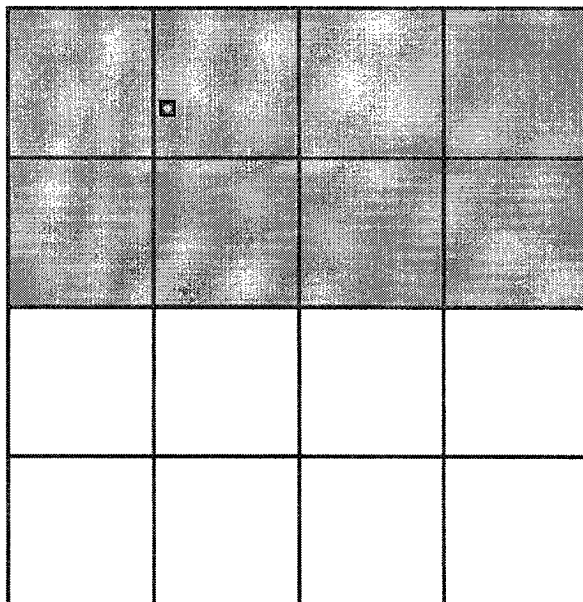
Form C-102

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|--|--------------------|
| API Number 30-045-31292 | Pool Name BASIN FRUITLAND COAL (GAS) | Pool Code 71629 |
| Property Code 24582 | Property Name WF STATE 2 | Well No. 002 |
| OGRID No. 19219 | Operator Name RICHARDSON OPERATING CO | Elevation 5676 |

Surface And Bottom Hole Location

| | | | | | | | | | |
|------------------------|--------------|-----------------|--------------|--------------------|------------------|---------------|-------------------|---------------|--------------------|
| UL or Lot C | Section 2 | Township 30N | Range 14W | Lot Idn C | Feet From 875 | N/S Line N | Feet From 1450 | E/W Line W | County San Juan |
| Dedicated Acres 320 | | Joint or Infill | | Consolidation Code | | Order 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: Anne Jones

Title:

Date: 12/19/2003

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: 11/17/2003

Certificate Number: 6844

Permit Comments

Operator: RICHARDSON OPERATING CO , 19219

Well: WF STATE 2 #002

| User Name | Comment | Comment Date |
|-----------|--|--------------|
| SHAYDEN | Cement volumes and casing type for production string changed to 4 1/2 casing and 240 sx cement to include 50% excess volume. 125 sx is not enough cement to circulate to surface without calculating excess. | 12/22/2003 |