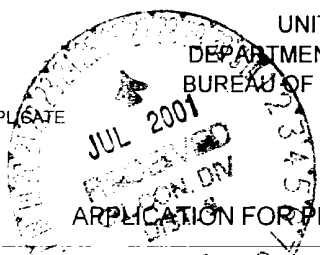


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0136  
Expires: November 30, 1991

SUBMIT IN TRIPlicate



20010815 PM 1:10

Lease Serial No. I-149-IND-8465

1a. Type of Work ☒ DRILL ☐ REENTER

6. If Indian, Alottee or Tribe Name  
NAVAJO ALOTTEE

1b. Type of Well OIL WELL ☒ GAS WELL ☐ Other ☐ SINGLE ZONE ☒ MULTIPLE ZONE

7. If Unit or CA, Agreement, Name and No.  
N/A

2. Name of Operator 131794  
Four Star Oil and Gas Co.

8. Well Name and Well No.  
BLANCO

4B

3. Address 3300 N. Butler Ave, Ste Farmington NM 87401 3b. Phone No. (include area code) 325-4397

9. API Well No. 3004530605

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

10. Field and Pool or Exploratory  
BLANCO MESA VERDE

At Surface

Unit Letter K 1755 Feet From The SOUTH Line and 1960 Feet From The WEST Line

11. SEC., T., R., M., or BLK. and Survey or Area  
K  
Sec. 12, Township 27N, Range 9W

At proposed prod. zone

MESA VERDE

14. Distance in Miles and Direction from Nearest Town or Post Office\*  
6 MILES SOUTH EAST OF BLANCO, NM

12. County or Parish 13. State  
SAN JUAN N.M.

15. Distance From Proposed\* Location to Nearest Property or Lease Line, Ft. (also to nearest drlg. unit line, if any) 19960'

16. No. of Acres in Lease 640

17. Spacing Unit dedicated to this well

320 W/2

18. Distance From Proposed Location\* to Nearest Well, Drilling, Completed or Applied For, On This 550'

19. Proposed Depth 4600'

20. BLM/BIA Bond No.  
K02907914-F4072

21. Elevations (Show whether DF, RT, GR, etc.) 5936' ---

22. Approx. Date Work Will Start\* 9/15/01 Text42:

23. Estimated duration  
6 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:

- Well plat certified by a registered sureyor.
- A Drilling Plan.
- A Surface Use Plan (if location is on National Forest Systems Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator Certification.
- Such other site specific information and/or plans as may be required by the authorized officer

25. Signature

Arthur D. Archibeque

NAME (Printed, Typed)  
Arthur D. Archibeque

DATE  
3/12/01

TITLE  
Eng. Assistant

Approved by (Signature)

NAME (Printed, Typed)

Date  
7/23/01

TITLE

Office

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, makes 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.

This document is subject to technical and procedural review pursuant to 43 CFR 3163.3 and 43 CFR 3163.4.

AMCCE

4

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer CD, 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

Form 3-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <b>30-045-30605</b>		*Pool Code <b>72319</b>	*Pool Name <b>BLANCO MESAVERDE</b>
*Property Code <b>17659</b>	*Property Name <b>BLANCO</b>		*Well Number <b>4B</b>
*OGRID No. <b>131994</b>		*Operator Name <b>FOUR STAR OIL &amp; GAS COMPANY</b>	*Elevation <b>5936'</b>

<sup>10</sup> Surface Location

U. or lot no. <b>K</b>	Section <b>12</b>	Township <b>27N</b>	Range <b>9W</b>	Lot Idn	Feet from the <b>1755</b>	North/South line <b>SOUTH</b>	Feet from the <b>1960</b>	East/West line <b>WEST</b>	County <b>SAN JUAN</b>
---------------------------	----------------------	------------------------	--------------------	---------	------------------------------	----------------------------------	------------------------------	-------------------------------	---------------------------

<sup>11</sup> Bottom Hole Location If Different From Surface

U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

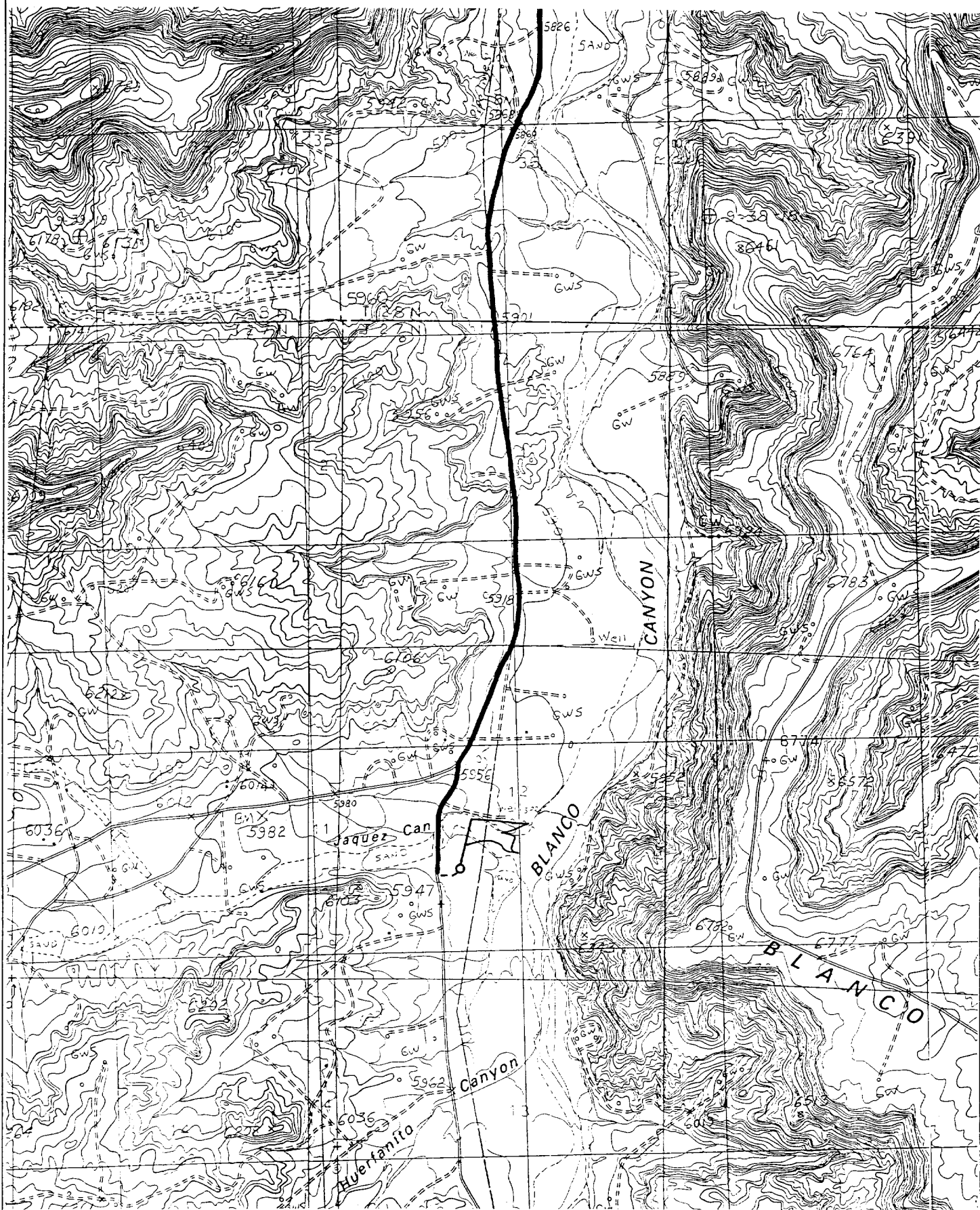
<sup>12</sup> Dedicated Acres <b>320 1/2</b>	<sup>13</sup> Joint or Infill <b>I</b>	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
---	---	----------------------------------	-------------------------

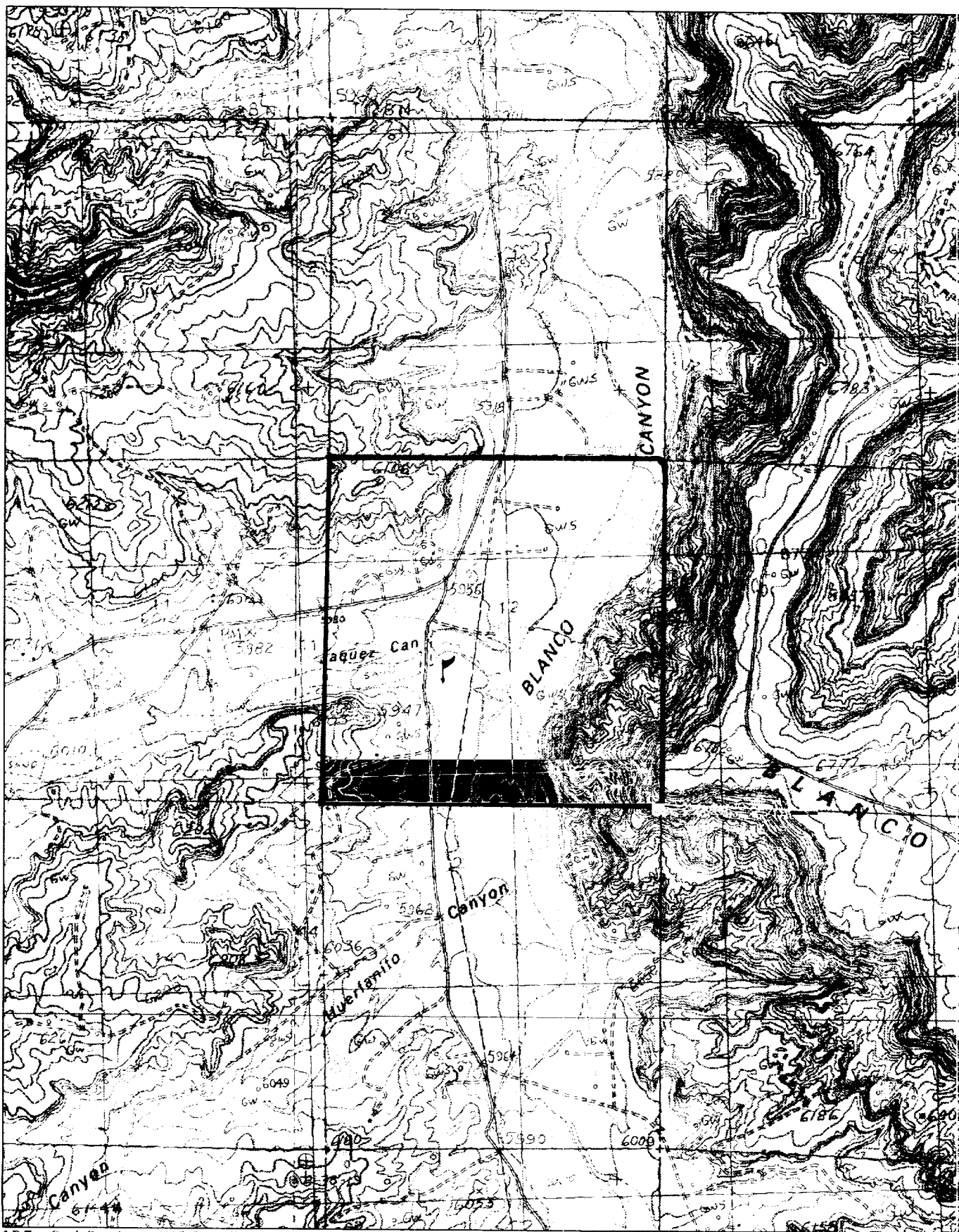
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><b>Arthur D. Archibague</b> Signature <b>Arthur D. Archibague</b> Printed Name <b>Engineer Assistant</b> Title <b>7/19/01</b> Date</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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.</p> <p>REVISED: JULY 19, 2001 SEPTEMBER 7, 2000</p> <p>Date of Survey Signature and Seal of Professional Surveyor <b>NEALE C. EDWARDS</b> NEW MEXICO 6857 Certificate No. PROFESSIONAL SURVEYOR 6857</p>

1755' FSL & 1960' FWL, SECTION 12, T27N, R9W, N.M.P.M.  
SAN JUAN COUNTY, NEW MEXICO

1755' FSL & 1960' FWL, SECTION 12, T27N, R9W, N.M.P.M.  
SAN JUAN COUNTY, NEW MEXICO





# DRILLING PROGRAM

OPERATOR: FOUR STAR OIL & GAS Co.  
LEASE NAME: BLANCO 4-B  
LOCATION: 1755' FSL- 1960' FWL SEC. 12 27N-9W SAN JUAN COUNTY, NEW MEXICO

## 1. ESTIMATED TOPS OF GEOLOGIC MARKERS.

THE ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS ARE AS FOLLOWS:

<u>FORMATION</u>	<u>DEPTH</u>	<u>SUBSEA</u>
MESA VERDE	3860'	2087'
T.D.	4600'--	1466'

## 2. ESTIMATED DEPTHS OF ANTICIPATED OIL, GAS, WATER, OR OTHER MINERAL BEARING ZONES.

<u>FORMATION</u>	<u>DEPTH</u>	<u>SUBSTANCE</u>
MESA VERDE	4600'	GAS
T.D.	4600' _	--

IF ANY UNEXPECTED WATER OR MINERAL BEARING ZONES ARE ENCOUNTERED DURING DRILLING, THEY WILL BE REPORTED, EVALUATED, AND PROTECTED AS CIRCUMSTANCES AND REGULATIONS REQUIRE.

## 3. BOP EQUIPMENT.

TEXACO'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL EQUIPMENT ARE AS FOLLOWS:

RAM TYPE: HYDRAULIC DOUBLE, 3000 PSI W.P.

RAM TYPE PREVENTERS AND ASSOCIATED EQUIPMENT SHALL BE TESTED TO APPROVED STACK WORKING PRESSURE IF ISOLATED BY TEST PLUG OR TO 70 PERCENT OF INTERNAL YIELD PRESSURE OF CASING. PRESSURE SHALL BE MAINTAINED FOR AT LEAST 10 MINUTES OR UNTIL REQUIREMENTS OF TEST ARE MET, WHICHEVER IS LONGER. IF A TEST PLUG IS UTILIZED, NO BLEED-OFF PRESSURE IS ACCEPTABLE. FOR A TEST NOT UTILIZING A TEST PLUG, IF A DECLINE IN PRESSURE OF MORE THAN 10 PERCENT IN 30 MINUTES OCCURS, THE TEST SHALL BE CONSIDERED TO HAVE FAILED. VALVE ON CASING HEAD BELOW TEST PLUG SHALL BE OPEN DURING TEST OF BOP STACK.

ANNULAR TYPE PREVENTERS (IF USED) SHALL BE TESTED TO 50 PERCENT OF RATED WORKING PRESSURE. PRESSURE SHALL BE MAINTAINED AT LEAST 10 MINUTES OR UNTIL PROVISIONS OF TEST ARE MET, WHICHEVER IS LONGER.

AS A MINIMUM, THE ABOVE TEST SHALL BE PERFORMED:

- A. WHEN INITIALLY INSTALLED;
- B. WHENEVER ANY SEAL SUBJECT TO TEST PRESSURE IS BROKEN
- C. FOLLOWING RELATED REPAIRS; AND
- D. AT 30 DAY INTERVALS

VALVES SHALL BE TESTED FROM WORKING PRESSURE SIDE DURING BOPE TESTS WITH ALL DOWNSTREAM VALVES OPEN.

WHEN TESTING THE KILL LINE VALVE(S), THE CHECK VALVE SHALL BE HELD OPEN OR THE BALL REMOVED.

ANNULAR PREVENTERS (IF USED) SHALL BE FUNCTIONALLY OPERATED AT LEAST WEEKLY.

PIPE AND BLIND RAMS SHALL BE ACTIVATED EACH TRIP, HOWEVER, THIS FUNCTION NEED NOT BE PERFORMED MORE THAN ONCE A DAY.

A BOP PIT LEVEL DRILL SHALL BE CONDUCTED WEEKLY FOR EACH DRILLING CREW.

PRESSURE TESTS SHALL APPLY TO ALL RELATED WELL CONTROL EQUIPMENT.

ALL OF THE ABOVE DESCRIBED TESTS AND/OR DRILLS SHALL BE RECORDED IN THE DRILLING LOG. TEST CHARTS, WITH INDIVIDUAL TEST RESULTS IDENTIFIED, SHALL BE MAINTAINED ON LOCATION WHILE DRILLING AND SHALL BE MADE AVAILABLE TO A STATE REPRESENTATIVE UPON REQUEST. PRESSURE TESTS SHALL APPLY TO ALL RELATED WELL CONTROL EQUIPMENT.

BOP SYSTEMS SHALL BE CONSISTENT WITH API RP53. PRESSURE TESTS WILL BE CONDUCTED BEFORE DRILLING OUT FROM UNDER CASING STRINGS WHICH HAVE BEEN SET AND CEMENTED IN PLACE. BLOWOUT PREVENTER CONTROLS WILL BE INSTALLED PRIOR TO DRILLING THE SURFACE CASING PLUG AND WILL REMAIN IN USE UNTIL THE WELL IS COMPLETED OR ABANDONED. PREVENTERS WILL BE INSPECTED AND OPERATED AT LEAST DAILY TO ENSURE GOOD MECHANICAL WORKING ORDER, AND THIS INSPECTION WILL BE RECORDED ON THE DAILY DRILLING REPORT. PREVENTERS WILL BE PRESSURE TESTED BEFORE DRILLING CASING CEMENT PLUGS.

THE REGULATORY OFFICE SHALL BE NOTIFIED, AT LEAST 24 HOURS PRIOR TO INITIATING THE PRESSURE TEST, IN ORDER TO HAVE A BLM REPRESENTATIVE ON LOCATION DURING PRESSURE TESTING.

- A. THE SIZE AND RATING OF THE BOP STACK IS SHOWN ON THE ATTACHED DIAGRAM.
- B. A CHOKE LINE AND A KILL LINE ARE TO BE PROPERLY INSTALLED. THE KILL LINE IS NOT TO BE USED AS A FILL UP LINE.
- C. THE ACCUMULATOR SYSTEM SHALL HAVE A PRESSURE CAPACITY TO PROVIDE FOR REPEATED OPERATION OF HYDRAULIC PREVENTORS.
- D. DRILL STRING SAFETY VALVE(S), TO FIT ALL TOOLS IN THE DRILL STRING, ARE TO BE MAINTAINED ON THE RIG FLOOR WHILE DRILLING OPERATIONS ARE IN PROGRESS.

#### 4. **CASING AND CEMENTING PROGRAMS.**

- A. THE BLM OFFICE SHALL BE NOTIFIED AT LEAST 24 HOURS PRIOR TO THE RUNNING AND CEMENTING OF ALL CASING STRINGS, IN ORDER TO HAVE A REPRESENTATIVE ON LOCATION WHILE RUNNING AND CEMENTING ALL CASING STRINGS.
- B. THE PROPOSED CASING AND CEMENTING PROGRAM SHALL BE CONDUCTED AS APPROVED TO PROTECT AND/OR ISOLATE ALL USABLE WATER ZONES, POTENTIALLY PRODUCTIVE ZONES, LOST CIRCULATION ZONES, ABNORMALLY PRESSURED ZONES, AND ANY PROSPECTIVELY VALUABLE DEPOSITS OF MINERALS. ANY ISOLATING MEDIUM OTHER THAN CEMENT SHALL RECEIVE APPROVAL PRIOR TO USE. THE CASING SETTING DEPTH SHALL BE CALCULATED TO POSITION THE CASING SEAT OPPOSITE A COMPETENT FORMATION WHICH WILL CONTAIN THE MAXIMUM PRESSURE TO WHICH IT WILL BE EXPOSED DURING NORMAL DRILLING OPERATIONS. DETERMINATIONS OF CASING SETTINGS DEPTH SHALL BE BASED ON ALL RELEVANT FACTORS, INCLUDING; PRESENCE/ABSENCE OF HYDROCARBONS; FRACTURE GRADIENTS; USABLE WATER ZONES; FORMATION PRESSURES; LOST CIRCULATION ZONES; OTHER MINERALS; OR OTHER UNUSUAL CHARACTERISTICS. ALL INDICATIONS OF USABLE WATER SHALL BE REPORTED.
- C. ALL WAITING ON CEMENT TIMES SHALL BE ADEQUATE TO ACHIEVE A MINIMUM OF 500 PSI COMPRESSIVE STRENGTH AT THE CASING SHOE PRIOR TO DRILLING OUT
- D. ALL CASING EXCEPT THE CONDUCTOR CASING, SHALL BE NEW OR RECONDITIONED AND TESTED, USING CASING THAT MEETS OR EXCEEDS API STANDARDS FOR NEW CASING.

- E. THE SURFACE CASING SHALL BE CEMENTED BACK TO SURFACE EITHER DURING THE PRIMARY CEMENTING JOB OR BY REMEDIAL CEMENTING.
- F. ALL INDICATIONS OF USABLE WATER SHALL BE REPORTED TO THE AUTHORIZED OFFICER PRIOR TO RUNNING THE NEXT STRING OF CASING OR BEFORE PLUGGING ORDERS ARE REQUESTED, WHICHEVER OCCURS FIRST.
- G. THE SURFACE CASING SHALL HAVE CENTRALIZERS ON THE BOTTOM THREE JOINTS OF CASING (A MINIMUM OF ONE CENTRALIZER PER JOINT, STARTING WITH THE SHOE JOINT), THEN EVERY FOURTH JOINT OF CASING UP TO THE BOTTOM OF THE CELLAR.
- H. TOP PLUGS SHALL BE USED TO REDUCE CONTAMINATION OF CEMENT BY DISPLACEMENT FLUID. A BOTTOM PLUG OR OTHER ACCEPTABLE TECHNIQUE, SUCH AS A SUITABLE PREFLUSH FLUID, INNER STRING CEMENT METHOD, ETC. SHALL BE UTILIZED TO HELP ISOLATE THE CEMENT FROM CONTAMINATION BY THE MUD FLUID BEING DISPLACED AHEAD OF THE CEMENT SLURRY.
- I. ALL CASING STRINGS BELOW THE CONDUCTOR SHALL BE PRESSURE TESTED TO 0.22 PSI PER FOOT OF CASING STRING LENGTH OR 1500 PSI, WHICHEVER IS GREATER, BUT NOT TO EXCEED 70 PERCENT OF THE MINIMUM INTERNAL YIELD. IF PRESSURE DECLINES MORE THAN 10 PERCENT IN 30 MINUTES, CORRECTIVE ACTION SHALL BE TAKEN.
- J. THE PROPOSED CASING PROGRAM WILL BE AS FOLLOWS:

<u>PURPOSE</u>	<u>DEPTH</u>	<u>HOLE SIZE</u>	<u>O.D.</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>TYPE</u>	<u>NEW OR USED</u>
SURFACE	0-350'	12-1/4"	8-5/8"	24# #	K-55	ST&C	NEW
PRODUCTION	0-4600'	7-7/8"	4-1/2"	11.6#	J-55	LT&C	NEW

- K. CASING DESIGN SUBJECT TO REVISION BASED ON GEOLOGIC CONDITIONS ENCOUNTERED.
- L. THE CEMENT PROGRAM WILL BE AS FOLLOWS:

<u>SURFACE</u>	<u>TYPE AND AMOUNT</u>
0-350'	CEMENT TO SURFACE WITH 260 SX CLASS G CEMENT 15.8 PPG, 1.16 CU. FT /SK
<u>PRODUCTION</u>	<u>TYPE AND AMOUNT</u>
0-4600'	CEMENT TO SURFACE WITH 550 SX CEMENT (9.55 PPG, 2.5CU. FT/SK)

- M. THE BLM AREA OFFICE SHOULD BE NOTIFIED, WITH SUFFICIENT LEAD TIME, IN ORDER TO HAVE A BLM REPRESENTATIVE ON LOCATION WHILE RUNNING AND CEMENTING ALL CASING STRINGS.
- N. AFTER CEMENTING, BUT BEFORE COMMENCING ANY TEST, THE CASING STRING SHALL STAND CEMENTED UNTIL THE CEMENT HAS REACHED A COMPRESSIVE STRENGTH OF AT LEAST 500 PSI AT THE SHOE. WOC TIME SHALL BE RECORDED IN THE DRILLER'S LOG.
- O. THE FOLLOWING REPORTS SHALL BE FILED WITH THE DISTRICT MANAGER WITHIN 30 DAYS AFTER THE WORK IS COMPLETED.
  - 1, PROGRESS REPORTS, FORM 3160-5 "SUNDRY NOTICES AND REPORTS ON WELLS", MUST: