Form 3160-3 (July 1992)

SUBMIT IN TRIPLICATE.

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR

(Other instructions on reverse side) 5. LEASE DESIGNATION AND SERIAL NO.

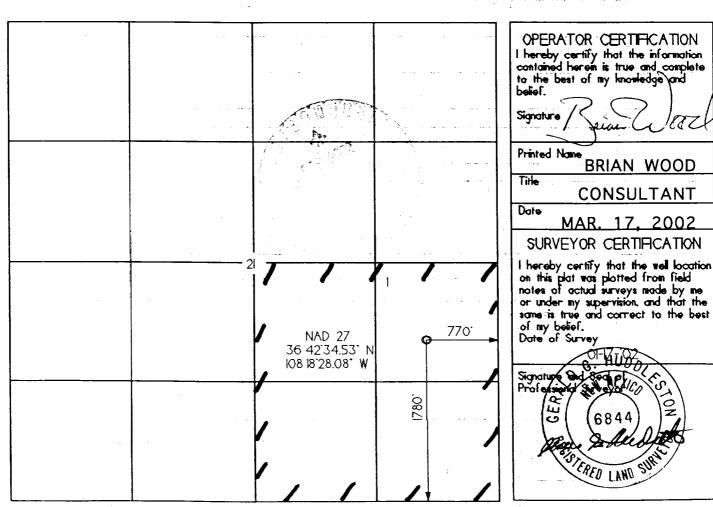
DRILL b. TYPE OF WELL OIL WELL C. NAME OF OPERATOR Chardson Operati ADDRESS AND TELEPHONE NO. 700 Lincoln St., LOCATION OF WELL (Report local	OTHER OT	DEEPEN [DO, Denve in accordance wit 770' FE	(3)	03) 830-8 0. 80203	TIPLE	7. UNIT AGREEME S. FARMOR LEASE NAM NV NAV 9. API WELL NO. 30 - 04. 10 FIELD AND POWEST KU 11. SEC., T., E., M.	\$\frac{1}{2} \frac{1}{2} \frac
DRILL D. TYPE OF WELL OIL WELL OIL OR WELL OR ONAME OF OPERATOR Chardson Operati ADDRESS AND TREPHONENO. 700 Lincoln St., LOCATION OF WELL (REPORT local At SUITABLE IN MILES AND DIRECT AT PROPOSED FROM PROPOSED.* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to uearest drig, unit line (S. DISTANCE FROM PROPOSED LOCAL OCCUPANT OF LEASE LINE, FT. (Also to uearest drig, unit line (S. DISTANCE FROM PROPOSED LOCAL OCCUPANT OF LEASE LINE, FT. (Also to uearest drig, unit line (S. DISTANCE FROM PROPOSED LOCAL OCCUPANT OF LOCAL OCCUPANT OF LEASE LINE, FT. (Also to uearest drig, unit line OCCUPANT OF LEASE LINE, FT. (Also to uearest drig, unit line OCCUPANT OF LEASE LINE, FT. (Also to uearest drig, unit line OCCUPANT OF LEASE LINE, FT. (Also to uearest drig, unit line OCCUPANT OF LEASE LINE, FT. (Also to uearest drig, unit line OCCUPANT OF LEASE LINE, FT. (Also to uearest drig, unit line OCCUPANT OF LEASE LINE, FT. (Also to uearest drig, unit line OCCUPANT OF LEASE LINE, FT. (Also to uearest drig, unit line OCCUPANT OF LEASE LINE, FT.	ng Co. Suite 17(ation clearly and 80' FSL 8 me	DO, Denve In accordance wit & 770' FE	(3)	03) 830-8 0. 80203	E	7. UNIT AGREEME S. FARMOR LEASE NAM NV NAV 9. API WELL NO. 30 - 04. 10 FIELD AND POWEST KU 11. SEC., T., E., M.	NT NAME N/A SO 3 WE WELL NO 21 #4 (5-3/04/ OLZ PC Ext.
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Chardson Operation Address and Trephone No. OO Lincoln St., Location of Well (Report local At Surface 176 At proposed prod. zone Sale Distance in Miles and Direct air miles SW of Distance From Proposed Cale Cale Cale Cale Cale Cale Cale Cale	Suite 170 ation clearly and 80' FSL 8 me	In accordance with \$770' FE	er, Co	o. 80203	000	30 · 04. West Ku	tz°PC°Ext.
At proposed prod. zone Sal. Listance in Miles and Direct air miles SW of Distance from Proposer. Location to Nearest PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line). Distance from Proposed Location of Nearest PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line).	ation clearly and 80' FSL & me	In accordance with \$770' FE	h any St	o. 80203 ate requirements.*)		West Ku	tz°PC°Ext.
At surface 176 At proposed prod. zone Sal DISTANCE IN MILES AND DIRECT SAL DISTANCE FROM PROPOSED. LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line). DISTANCE FROM PROPOSED LOC	80' FSL 6	& 770' FE		ate requirements.		11. SEC., T., R., M.	OR DE W
4. DISTANCE IN MILES AND DIREC air miles SW of 5. DISTANCE FROM PROPOSED 1. LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line) 8. DISTANCE FROM PROPOSED LOC	CTION FROM NEAR					11. SEC., T., B., M., OR BLK. AND SURVEY OF AREA 121-29n-14w NMPM	
air miles SW of 3. DISTANCE FROM PROPOSELS LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit lin 8. DISTANCE FROM PROPOSED LOC							
5. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit lin S. DISTANCE FROM PROPOSED LOC	Farmingt		r office.			San Juan	13. 8TATEM
PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line). S. DISTANCE FROM PROPOSED LOC		on	16. No.	OF ACRES IN LEASE	17. NO.	OF ACRES ASSIGNED	1 1/1/1/
		1,780'	1.	632		THIS WELL	5/4 160
	COMPLETED,	•			20. ROTA	ARY OR CABLE TOOLS	
OR APPLIED FOR, ON THIS LEASE, 21. ELEVATIONS (Show whether DF,		65'	1,	300'		22. APPROX. DAT	Rotary TE WORK WILL START*
	5,	590' ungi	radeo	<u>t</u>		Upon	Approval
3.		PROPOSED CASI	NG AND	CEMENTING PROG	RAM		
SIZE OF HOLE GRADI	E, SIZE OF CASING	WEIGHT PER FO	оот	SETTING DEPTH		QUANTITY OF C	EMENT
8-3/4"	K-55 7"	20		120'		≈36 cu. ft.	& to surface
6-1/4" K-55	4-1/2"	10.5		1,300'			& to surface
cc. to correspond	with Ric	chardson's	nev	v nomencla	iture ("	'NV Navajo	21 #4")
		; ;	€ 1				
							·
							* *
N ABOVE SPACE DESCRIBE PROPOS		proposal is to deepen,	give data o		one and propose	ed new productive zone	
eepen directionally, give pertinent data of	n subsurface location	s and measured and ti		nsultant (505			3-17-02
	\mathcal{BCL}	тіт	TI.E			DATE	
(This space for Federal or St	ate office use)						
(This space for Federal or St				APPROVAL DATE			
				APPROVAL DATE			

State of New Mexico Energy. Minerals & Mining Resources Department OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe. NM 87505

MENDED REPORT

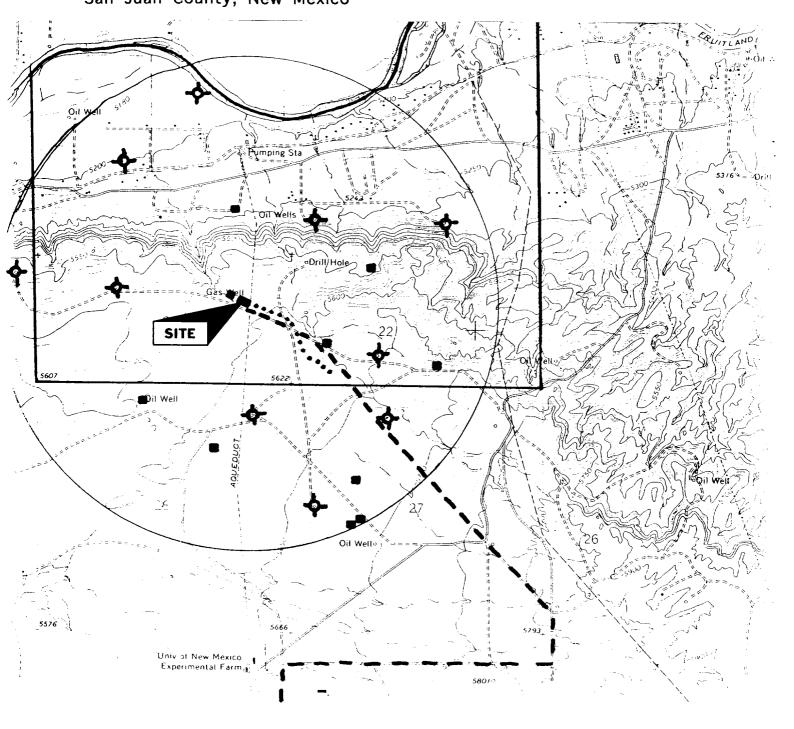
WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code Pool Name 1041 79680 WEST KUTZ PC EXT. Property Code Property Name Well Number 30503 NAVAJO 2I 4 OGRID No. Operator Name Elevation 019219 RICHARDSON OPERATING COMPANY 5590 Surface Location UL or Lot Feet from> North/South Feet Irom> Sec. Twp. Rgo. Lot lan Eget/Weet County 21 29 N. 14 W. 1780 SOUTH 770 **EAST** SAN JUAN Bottom Hole Location If Different From Surface Top. UL or Lot Rge. Feet from> North/South | Feet from> East/West Lot kin County Dedication Joint ? Consolidation Order Na.

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



Richardson Operating Co. NV Navajo 21 #4 1780' FSL & 770' FEL Sec. 21, T. 29 N., R. 14 W. San Juan County, New Mexico

PAGE 11



PROPOSED WELL: PROPOSED PIPELINES: EXISTING WELL: EXISTING ROAD: P & A WELL: LEASE:



PAGE 1

San Juan County, New Mexico

Drilling Program

1. ESTIMATED FORMATION TOPS

Formation Name	GL Depth	KB Depth	<u>Elevation</u>
Kirtland Shale	000'	5'	+5,590'
Fruitland	740'	745'	+4,850'
Pictured Cliffs Ss	1,000'	1,005'	+4,590'
Total Depth (TD)*	1,300'	1,305'	+4,290'
			•

^{*} all elevations reflect the ungraded ground level of 5,590 '

2. NOTABLE ZONES

Gas Zones	<u>Water Zones</u>	<u>Coal Zones</u>
Fruitland (740')	Fruitland (740')	Kirtland Shale (000')
Pictured Cliffs (1,000')		Fruitland (740')

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. (A typical 2,000 psi model is on PAGE 3.) Double ram or annular system with a rotating head will be used. All ram preventers and related equipment will be hydraulically tested at nipple up and after any use under pressure to 1000 psi.



Richardson Operating Co. NV Navajo 21 #4 1780' FSL & 770' FEL Sec. 21, T. 29 N., R. 14 W. San Juan County, New Mexico

Blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi. Maximum expected pressure is \approx 520 psi.

4. CASING & CEMENT

Hole Size	<u>O. D.</u>	Weight (lb/ft)	<u>Grade</u>	<u>Age</u>	GL Setting Depth
8-3/4"	7"	20	K-55	New	120'
6-1/4"	4-1/2"	10.5	K-55	New	1,300'

Surface casing will be cemented to surface with ≈ 36 cubic feet (≈ 30 sacks) Class B + 2% CaCl₂. Volume is based on 100% excess, yield of 1.18 cubic feet per sack, and a slurry weight of 15.6 pounds per gallon. WOC = 12 hours. Pressure test surface casing to 600 psi for 30 minutes.

Production casing hole will first be cleaned of rock chips by circulating at least 150% of hole volume with mud to the surface. Thirty barrels of fresh water will next be circulated. Lead with ≈ 150 cubic feet (≈ 73 sacks) Class B with 2% metasilicate (yield = 2.06 cubic feet per sack, slurry weight = 12.5 pounds per gallon). Tail with ≈ 90 cubic feet (≈ 76 sacks) of Class B with 2% CaCl₂ (yield = 1.18 cubic feet per sack, slurry weight = 15.6 pounds per gallon). Total cement volume is ≈ 240 cubic feet based on 75% excess and circulating to surface.

Production casing will have 4-1/2" cement guide shoe and self fill float collar. Float will be placed one joint above the shoe. Five centralizers will be spaced on every other joint starting above the shoe. Five turbolizers will be placed on every other joint starting from the top of the well.

