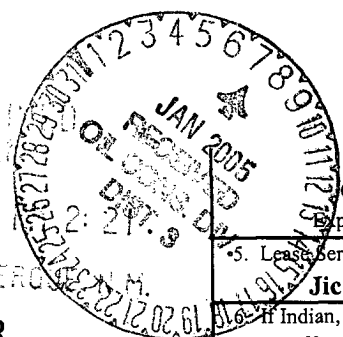


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

04 APR 33



FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>Jicarilla Contract #97</b>
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>Jicarilla Apache Tribe</b>
2. Name of Operator <b>Patina San Juan, Inc.</b>		7. If Unit or CA Agreement, Name and No.
3A. Address <b>c/o Walsh Engineering, 7415 E. Main, Farmington, NM 87402</b>		8. Lease Name and Well No. <b>Tribal C #10B</b>
3b. Phone No. (include area code) <b>(505) 327-4892</b>		9. API Well No. <b>30-039-29391</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>2390' FNL and 1760' FEL</b> At proposed prod. Zone		10. Field and Pool, or Exploratory <b>Basin DK/Blanco Mesa Verde</b>
14. Distance in miles and direction from nearest town or post office* <b>21 miles south of Dulce, NM</b>		11. Sec., T., R., M., or Blk. and Survey or Area <b>G Sec. 7, T26N, R3W</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>880'</b>	16. No. of Acres in lease <b>320+</b>	12. County or Parish <b>Rio Arriba</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>1200'</b>	19. Proposed Depth <b>8130' +/-</b>	13. State <b>NM</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>6916' GL</b>	22. Approximate date work will start* <b>September 2004</b>	17. Spacing Unit dedicated to this well <b>320 acres E/2</b>
23. Estimated duration <b>3 weeks</b>		

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.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).   |
| 2. A Drilling Plan.   | 5. Operator certification.  |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature <i>Paul C. Thompson</i>	Name (Printed/Typed) <b>Paul C. Thompson, P.E.</b>	Date <b>4/29/2004</b>
Title <b>Agent</b>		
Approved by (Signature) <b>/s/ David R. Sitzler</b>	Name (Printed/Typed)	Date <b>JAN 3 2005</b>
Title <b>Assistant Field Manager</b>		

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)

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 21, 1994

District II  
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

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

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-039-29391</b>	<sup>2</sup> Pool Code <b>72319 / 71599</b>	<sup>3</sup> Pool Name <b>BLANCO MESAVERDE / BASIN DAKOTA</b>
<sup>4</sup> Property Code <b>24080</b>	<sup>5</sup> Property Name <b>TRIBAL C</b>	<sup>6</sup> Well Number <b>10B</b>
<sup>7</sup> GRID No. <b>173252</b>	<sup>8</sup> Operator Name <b>CORDILLERA ENERGY, INC / PATINA SAN JUAN, INC</b>	<sup>9</sup> Elevation <b>5916'</b>

#### <sup>10</sup> Surface Location

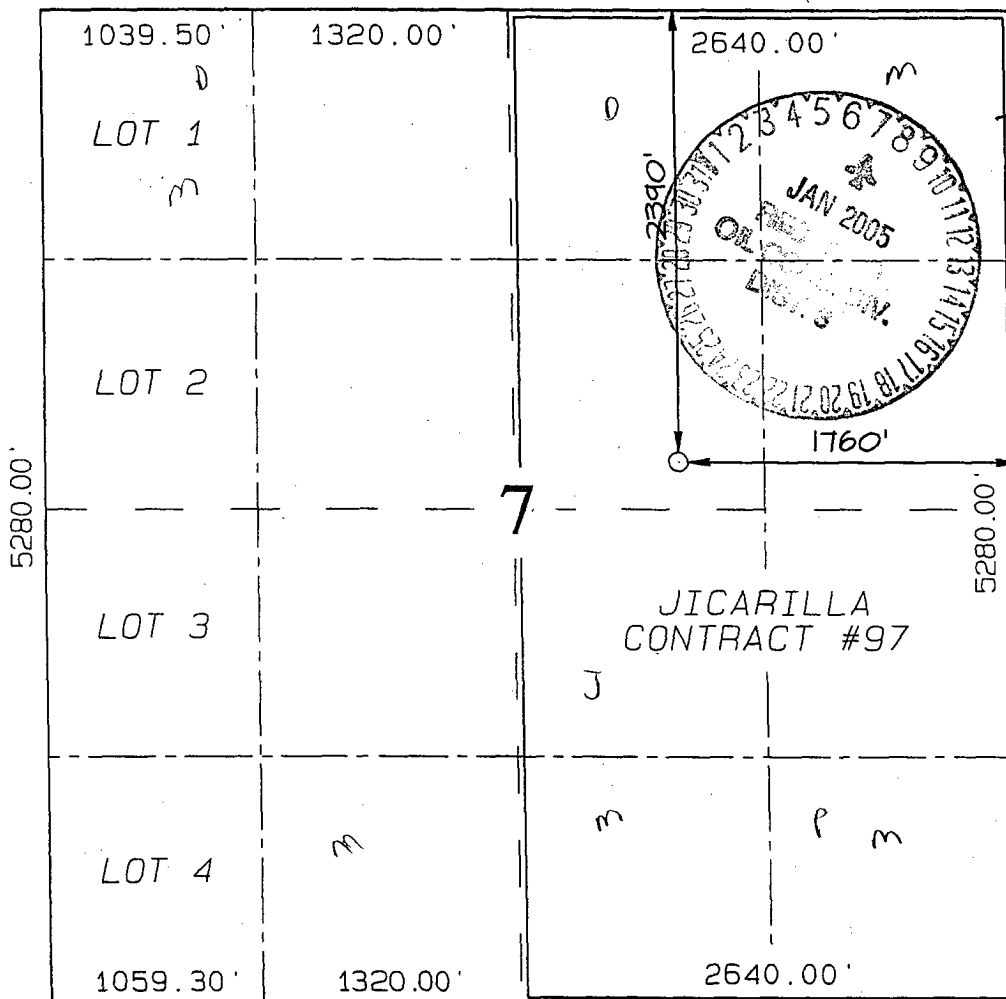
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	7	26N	3W		2390	NORTH	1760	EAST	RIO ARriba

#### <sup>11</sup> 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

<sup>12</sup> Dedicated Acres <b>320.0 Acres - (E/2)</b>	<sup>13</sup> Joint or Infill <b>Y</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



#### <sup>17</sup> OPERATOR CERTIFICATION

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

*Paul C. Thompson*  
Signature

**PAUL C. THOMPSON**  
Printed Name

**AGENT**  
Title

**4/29/04**  
Date

**4/29/04**  
Date

**4/29/04**  
Date

#### <sup>18</sup> 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.

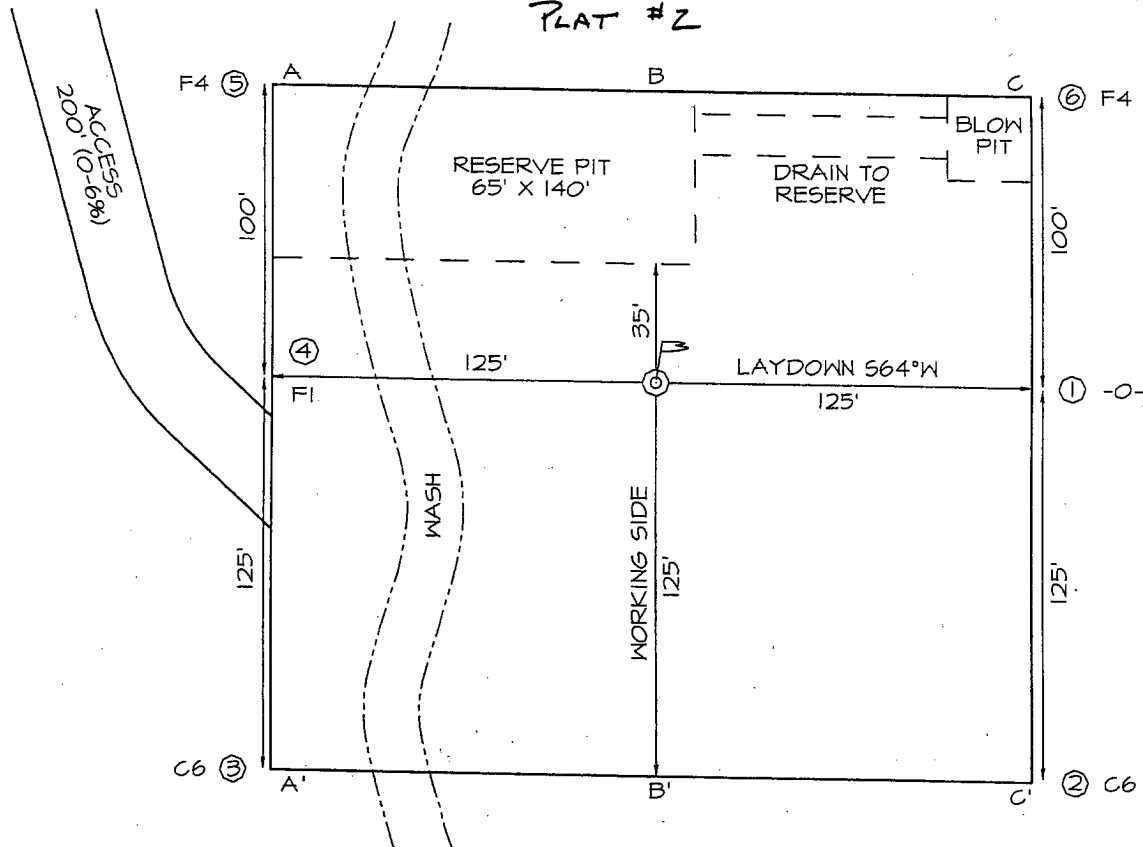
Date of Survey: MAY 6, 2002

Signature and Seal of Professional Surveyor

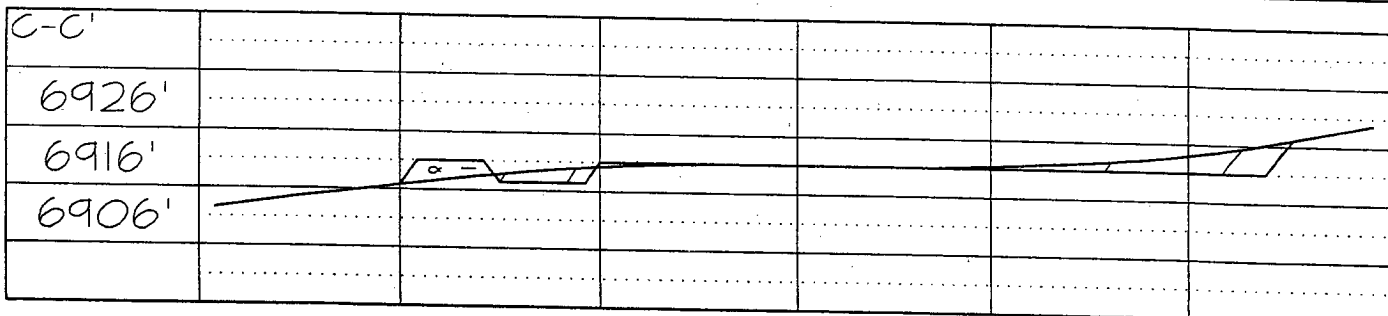
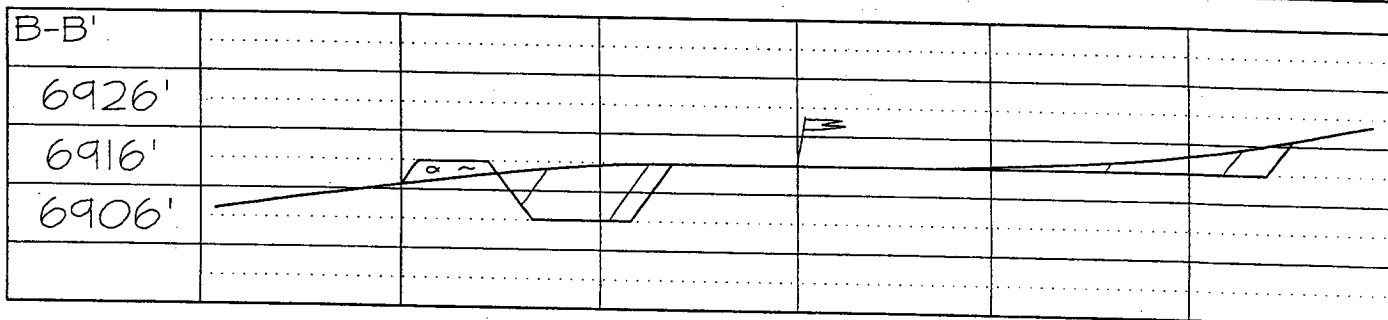
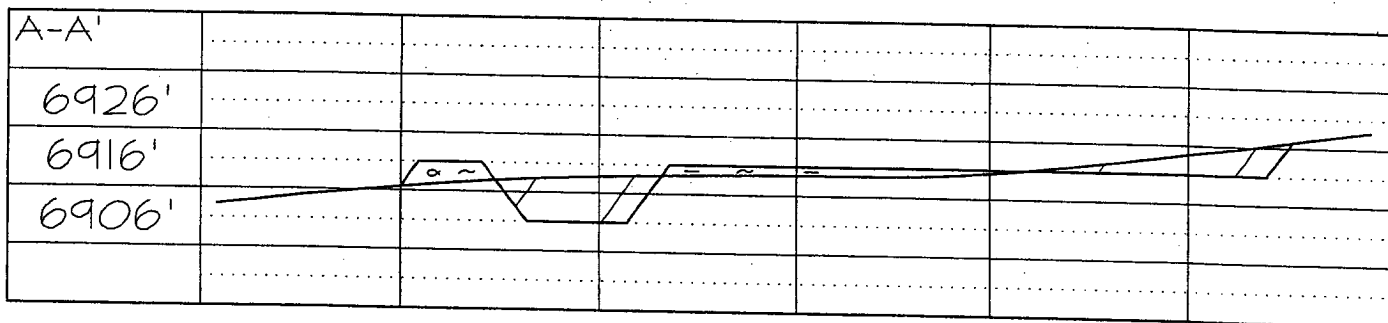


**JASON C. EDWARDS**  
Certificate Number 15269

**CORDILERA ENERGY, INC. TRIBAL C #10B**  
**2390' FNL & 1760' FEL, SECTION 7, T26N, R34W, NMPM**  
**RIO ARriba COUNTY, NEW MEXICO GROUND ELEVATION: 6916'**  
**PLAT #2**



**LATITUDE: 36°30'06"**  
**LONGITUDE: 107°10'57"**  
 DATUM: NAD1927



PATINA SAN JUAN, INC.  
OPERATIONS PLAN  
Tribal C #10B

I. Location: 2390' FNL & 1760' FEL                      Date: April 29, 2004  
              Sec 7, T26N, R3W  
              Rio Arriba County, NM

Field: Blanco MV & Basin DK                      Elev: GL 6916'  
Surface: Jicarilla Apache Tribe  
Minerals: Jicarilla Contract #97

II. Geology: Surface formation \_ San Jose

<u>A. Formation Tops</u>	<u>Depths</u>
Ojo Alamo	
Kirtland	
Pictured Cliffs	3445'
Cliff House	5265'
Menefee	5395'
Point Lookout	5650'
Greenhorn	7695'
Graneros	
Dakota	7830'
Total Depth	8130'

Estimated depths of anticipated water, oil, gas, and other mineral bearing formations which are expected to be encountered:

Water and gas - 3445', 5265', 5650', 7830'.

B. Logging Program: Induction/GR and density logs at TD.

C. No over pressured zones are expected in this well. No H<sub>2</sub>S zones will be penetrated in this well. Max. BHP = 2500 psig.

III. Drilling

A. Contractor:

B. Mud Program:

The surface hole will be drilled with a fresh water mud.

The intermediate hole will be drilled with a fresh water polymer mud. The weighting material will be drill solids or if conditions dictate, barite. The maximum mud weight expected is 8.5 ppg.

The production hole will be drilled with air or air/mist.

C. Minimum Blowout Control Specifications:

Double ram type 2000 psi working pressure BOP with a rotating head. See the attached Exhibit #1 for details on the BOP equipment. All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1000 psi.

The 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. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.

IV. Materials

A. Casing Program:

Hole Size	Depth	Casing Size	Wt. & Grade
12-1/4"	250'	9-5/8"	36# J-55
8-3/4"	3845'	7"	20# J-55
6-1/4"	8130'	4-1/2"	11.6# N-80

B. Float Equipment:

a) Surface Casing: Notched collar on bottom and 3 centralizers on the bottom 3 joints.

b) Intermediate Casing: 7" cement guide shoe and self fill insert float collar. Place float one joint above shoe. Ten centralizers spaced every other joint above shoe and ten turbolizers every other joint from 2000'.

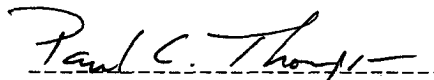
c) Production Casing: 4-1/2" whirler type cement nosed guide shoe and a float collar on top of the bottom joint.

V. Cementing:

**Surface casing: 9-5/8"** - Use 140 sx (165 cu. ft.) of Cl "B" with 2%  $\text{CaCl}_2$  (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). 100% excess to circulate cement to surface. WOC 12 hours. Pressure test surface casing to 1000 psi for 30 min.

**Intermediate Casing: 7"** - Before cementing circulate hole with at least 1-1/2 hole volumes of mud. Precede cement with 30 bbls of fresh water. **Lead** with 490 sx (1024 cu.ft) of Type III 65/35 poz with 8% gel, 1%  $\text{CaCl}_2$ , 1/4#/sk. Celloflake. (Yield = 2.09 cu.ft./sk; slurry weight = 12.1 PPG). **Tail** with 100 sx (139 cu.ft.) of Type III with 1%  $\text{CaCl}_2$ , 1/4#/sk. Celloflake. (Yield = 1.39 cu. ft./sk; slurry weight = 14.5 PPG). Total cement volume is 1163 cu.ft. (100% excess to circulate cement to surface). WOC for 12 hrs. Pressure test the BOP and casing to 1500 psi.

**Production Casing: 4-1/2"** - Blow hole clean. Precede cement with 20 bbls of gel water and 10 bbls of water. **Lead** with 290 sx (574 cu.ft.) of Premium Lite HS with 0.65% FL-52, 0.32% CD-32, 1/4 #/sk celloflake, and 4% phenoseal. (Yield = 1.98 cu.ft./sk; slurry weight = 12.5 PPG). **Tail** with 100 sx (196 cu.ft.) of Premium Lite HS with 0.65% FL-52, and 0.32% CD-32. (Yield = 1.96 cu.ft./sk; slurry weight = 12.5 PPG). Total cement volume is 770 cu.ft. (70% excess to circulate 100' above the intermediate casing shoe).

  
Paul C. Thompson, P.E.

# PATINA SAN JUAN, INC

## Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

### Exhibit #1 Typical BOP setup

Location: San Juan Basin, New Mexico

Date: August 20, 2001

By: John Thompson (Walsh E&P)

