

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No.
NM - 010063

6. If Indian, Allottee or Tribe Name
n/a

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

8. Lease Name and Well No.
Lucerne Federal 8

9. API Well No.
30-045-32855

10. Field and Pool, or Exploratory
W. Kutz Pictured Cliffs/Fruitland Coal

11. Sec., T., R., M., or 131k. and Survey or Area

H Section 17, T28N, R11W

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 Co., 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 1674' FNL x 1001' FEL

At proposed prod. zone same

14. Distance in miles and direction from nearest town or post office*
3 miles south of Bloomfield, NM

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any) 1001'

16. No. of Acres in lease
1,731.86

17. Spacing Unit dedicated to this well
NE/4 E/2
W Kutz Picture Cliffs / 160 : Fruitland Coal / 320

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. 690'

19. Proposed Depth
1897'

20. BLJA/BIA Bond No. on file
RLB 0004061

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

22. Approximate date work will start*
03/01/05

23. Estimated duration
20 days

24. Attachments drilling plan

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
01/21/05

Title
Operations Manager, Agent for Roddy Production

Approved by (Signature)
AFM

Name (Printed/Typed)

Date
2-15-05

Title
Office FFO

Application approval does not warrant or certify the 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)

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

NMOC

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

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
Regy. 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 30-045-32855	² Pool Code 71629/79680	³ Pool Name BASIN FRUITLAND COAL/WEST KUTZ PICTURE CLIFF
⁴ Property Code 13929	⁵ Property Name LUCERNE Federal	⁶ Well Number 8
⁷ GRID No. 36845	⁸ Operator Name RODDY PRODUCTION	⁹ Elevation 5671.57

¹⁰ Surface Location

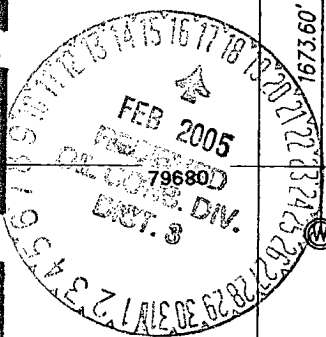
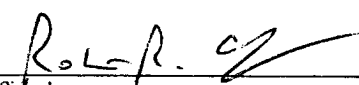

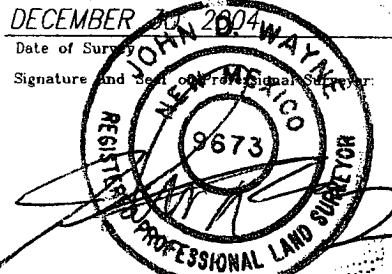
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	17	28N	11W		1673.60	NORTH	1000.97	EAST	SAN JUAN

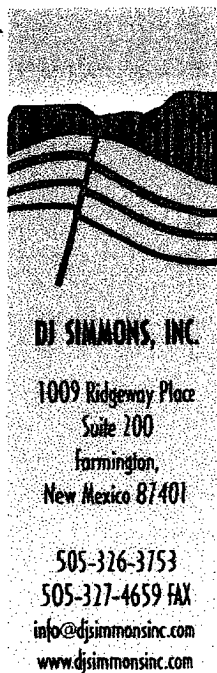
¹¹ Bottom Hole Location If Different From Surface

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 160/320	¹³ Joint or Infill I	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

<div>16</div> <div></div> <div>SECTION 17</div> <div>71629</div>	<div>¹⁷ OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</div> <div></div> <div>Signature ROBERT R. GRIFFIEE</div> <div>Printed Name OPERATIONS MANAGER</div> <div>Title JAN 21, 2005</div> <div>Date</div>
	<div>¹⁸ SURVEYOR CERTIFICATION</div> <div>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.</div> <div>DECEMBER 20, 2004</div> <div>Date of Survey</div> <div></div> <div>Signature and Seal of Professional Land Surveyor</div> <div></div> <div>Certificate Number N.M. PLS #9673</div>



Drilling Plan

Well Name: Lucerne Federal 8
Operator: Roddy Production Co., Inc.
Location: 1674 FNL x 1001 FEL, Section 17, T28N, R11W
 San Juan County, NM
Formation: Pictured Cliffs / Fruitland Coal
Elevation: 5671' GL

Geology:

Formation	Top	Probable Content
Nacimiento	Surface	
Ojo Alamo	412	salt water
Kirtland	512	gas/water
Fruitland	1187	gas
Fruitland Sand	1347	gas
Basal Coal	1580	gas
Pictured Cliffs	1597	gas
TD	1897	

Logging Program: Spectral Density, Epithermal Neutron, Induction Log from TD to surface casing shoe.

Drilling Fluid Program:

Interval	Fluid Type	Weight	Viscosity	
Fluid Loss				
0' - 250'	fresh water spud mud	8.4 - 9.0 ppg	30 - 50 sec	no
control				
250' - 1897'	fresh water polymer	8.4 - 9.0 ppg	30 - 50 sec	8 to
10				

Casing Program:

Interval	Hole Diameter	Csg Size	Wt.	Grade	
Thread					
0' - 250'	8 3/4"	7"	20 ppf	J-55	STC
0' - 1897'	6 1/4"	4 1/2"	10.5 ppf	J-55	STC

Tubing Program: 0 - 1850', 2 3/8", 4.7 ppf, J55, EUE

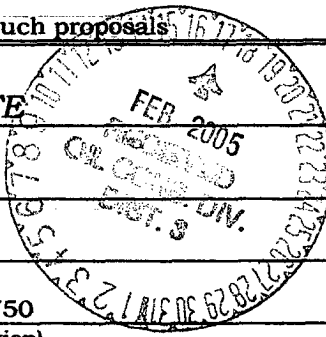
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT---" for such proposals

SUBMIT IN TRIPLICATE



1. Type of Well

☐ Oil ☒ Gas ☐ Other

2. Name of Operator

Roddy Production Company, Inc.

3. Address and Telephone No.

P.O. Box 2221, Farmington NM 87499 (505) 325-5750

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Surface location; 1674' FNL x 1001' FEL, Section 17, T28N, R11W

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
NM10063

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Lucerne Federal 8

9. API Well No. 3004532855
~~Not yet assigned~~

10. Field and Pool, or Exploratory Area
W. Kutz Pictured Cliffs/Fruitland Coal

11. County or Parish, State
San Juan County, New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other change cmt pgm

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

completion on Well

Log form.)

Note: Report results of multiple
Completion or Recompletion Report and

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depth for all markers and zones pertinent to this work.)*

Roddy Production will change the cementing program for the 4 1/2" Production Casing (see APD dated 1/21/05) for this well as follows: 65 sks Class 'G' + .25 lb/sk D29 + 3.0% D79 + 2.0% S1 + 0.2% D46 (density = 11.7 pg, yield = 2.66 cf/sk, wtr = 16.09 gals/sk) followed by 55 sks Class 'G' 50/50 poz + 5 lbs/sk D24 + 0.25 lbs/sk D29 + 2.0% D20 + 2.0% S1 + 0.1% D46 (density = 13.5 ppg, yield = 1.28 cf/sk, wtr = 5.255 gals/sk). All additives are Schlumberger products. Volumes based on open hole volume + 50% excess. The exact volume of slurry will be recalculated after open hole logs are run and based on the open hole caliper volume + 30%.

14. I hereby certify that the foregoing is true and correct

Signed Robert R. Griffie
Robert R. Griffie

Title Operations Manager
agent for Roddy Production

Date: 2/07/05

(This space for Federal or State office use)

Approved by [Signature]

Title AFM

Date 2-15-05

Conditions of approval, if any:

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.

*See Instruction on Reverse Side

BOPE and Wellhead Specifications and Testing:

From surface casing shoe to TD: 7 1/16" 2000 psi threaded casing head with two 2" outlets.

7 1/16", 2000 psi double gate BOP and 2000 psi choke manifold (see figures 1 and 2). Pressure test BOPE to 2000 psi and 7" surface casing to 600 psi prior to drilling surface casing shoe.

For completion operations: 7" x 2 3/8", 2000 psi tree assembly. 7 1/16", 2000 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:

7" 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 60 sks class 'G' with 1/4 #/sk flocele and 3% CaCl₂ (175 cf slurry, 100% excess to circulate to surface). 70

4 1/2" Production Casing String: Run casing with float shoe on bottom, float collar one joint from bottom and centralizers every other joint through out Fruitland section. Install one centralizer at the base of the Ojo Alamo and one centralizer inside the surface casing shoe. Cement with 60 sks class 'G' with D79 extender mixed at 11.7 ppg. Top of cement to be at surface. 160 ft³ 2.66 ft³/sk

Special Drilling Operations:

- 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 Pictured Cliffs and Fruitland Coal formations.
- 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

Completion Information:

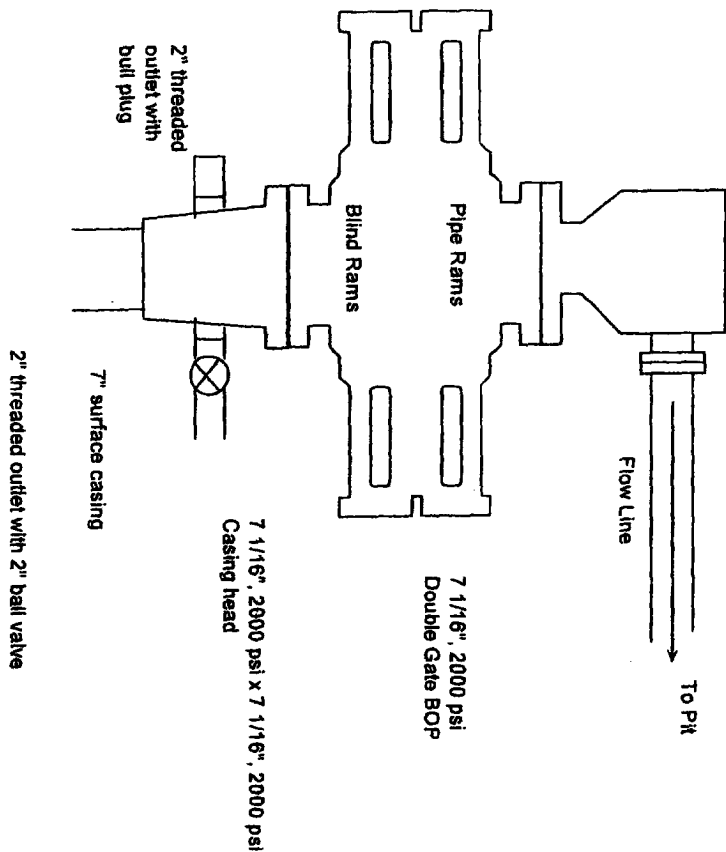
The completion procedure will be prepared after open hole logs are analyzed. The well will probably be completed by hydraulic frac in two stages.

Prepared by: Robert R. Griffie
Operations Manager
Agent for Roddy Production

Date: 01/05/05

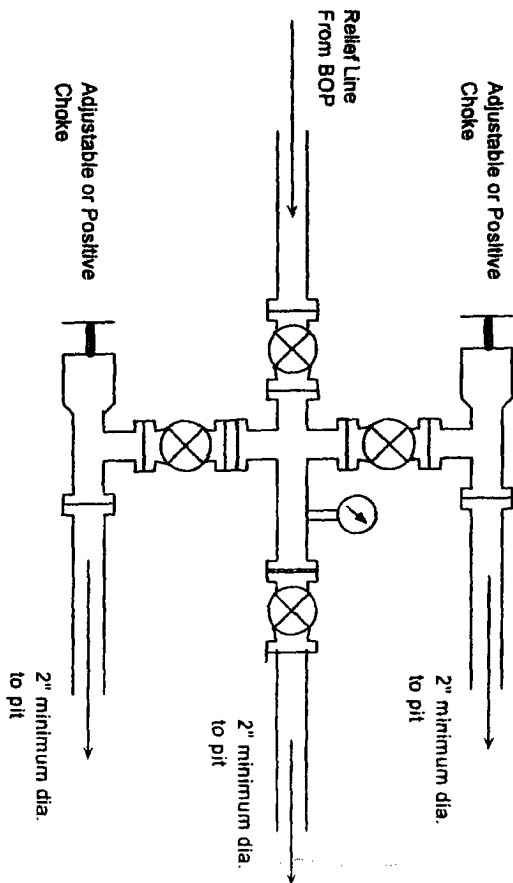
Figure 1

7 1/16", 2000 psi Drilling BOP System



BOP installation for Completion operations. 7 1/16", 2000 psi double gate BOP equipped with blind and pipe rams. All equipment rated at 2000 psi or greater working pressure.

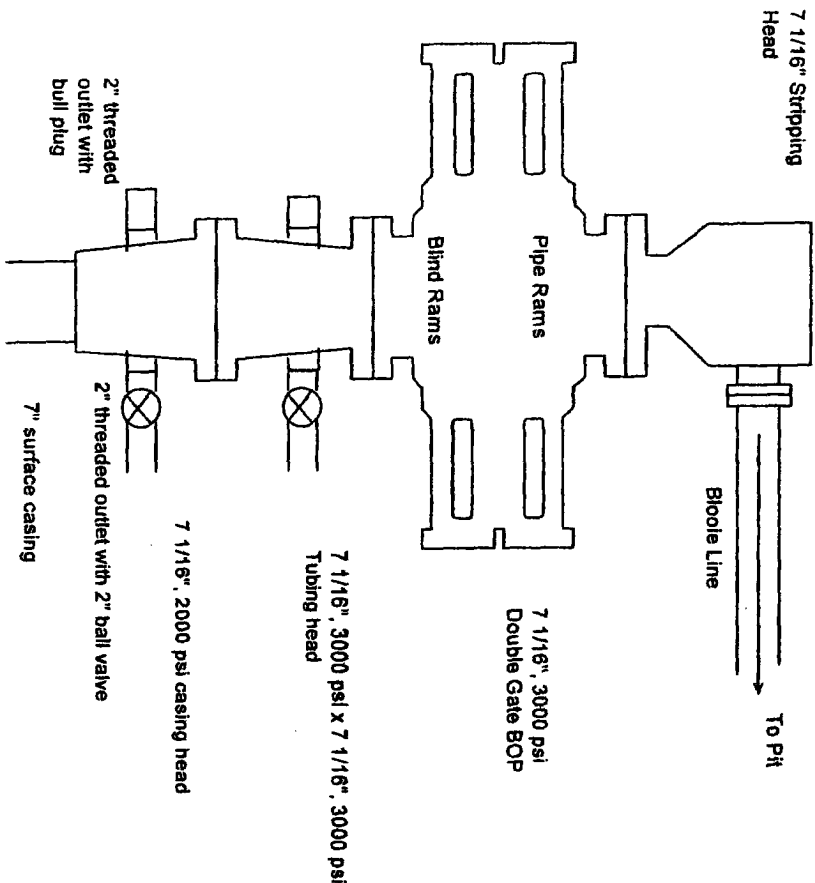
Figure 2



Choke manifold for BOP system shown in Figure 5. All equipment to be rated at 2000 psi or greater.

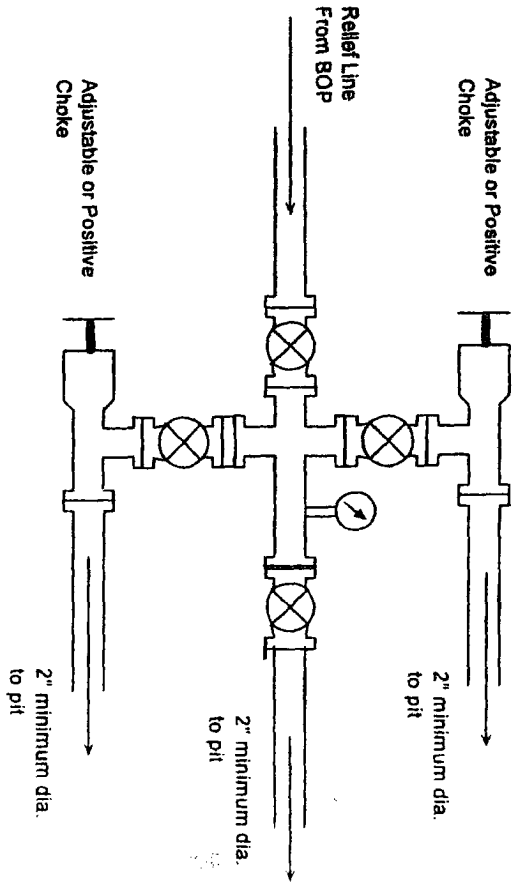
Figure 3

7 1/16", 3000 psi Completion Rig BOP System

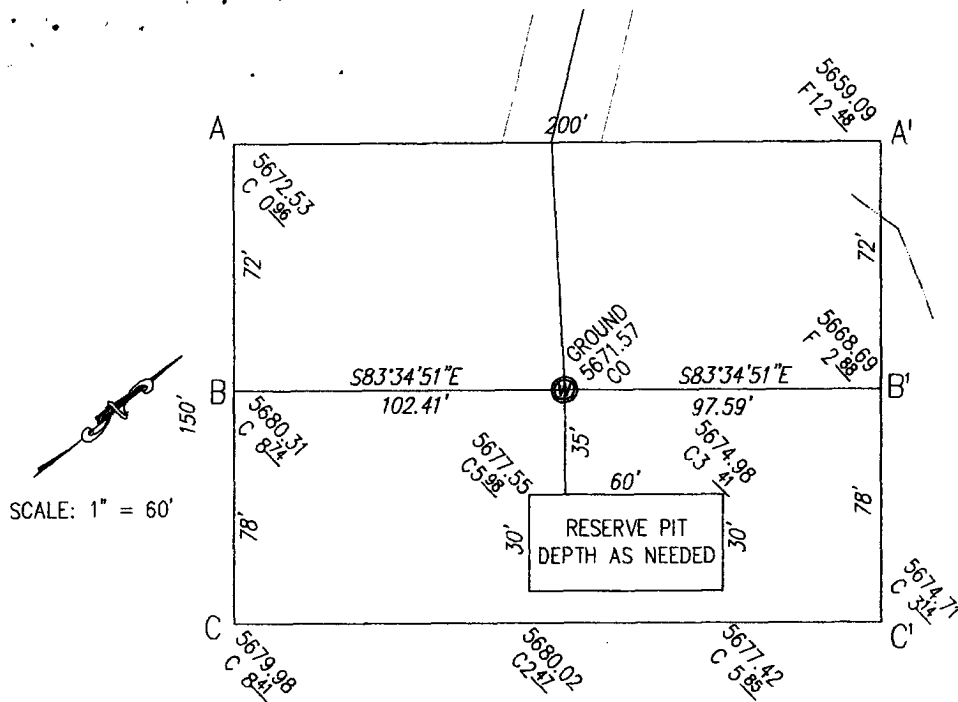


BOP installation for Completion operations. 7 1/16", 3000 psi double gate BOP equipped with blind and pipe rams. All equipment rated at 3000 psi or greater working pressure.

Figure 4



Choke manifold for BOP system shown in Figure 5. All equipment to be rated at 3000 psi or greater.



Roddy Production
OPERATOR

Lucerne #8
WELL NAME and NUMBER

1673.60' F/NL 1000.97' F/EL
FOOTAGES

17	28N	11W
SEC.	TWP.	RGE.

San Juan,	New Mexico
COUNTY	STATE

December 30, 2004
DATE

SCALE
Horiz. 1" = 50'
Vert. 1" = 30'

