

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

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 1116' FNL x 1366' 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) 1116'

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. 731'

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

5742' GL

16. No. of Acres in lease

1731.86

19. Proposed Depth

1750'

22. Approximate date work will start*

03/30/05

24. Attachments drilling plan

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 11

9. API Well No.
30-045-32856

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

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

Section 21, T28N, R11W

12. County or Parish

San Juan

13. State

NM

17. Spacing Unit dedicated to this well

W. Kutz Picture Cliffs / 160 Fruitland Coal / 320

20. BLJA/BIA Bond No. on file

RLB 0004061

23. Estimated duration

20 days

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

Title

Operations Manager, Agent for Roddy Production

Approved by (Signature)

Title

Name (Printed/Typed)

Robert R. Griffiee

Date

01/21/05

Name (Printed/Typed)

Office

Date

2-15-05

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)

NMOC

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
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

2005 JAN 24 11 30 AM ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-3856	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 11
⁷ GRID No. 36845	⁸ Operator Name RODDY PRODUCTION	⁹ Elevation 5742.07

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
B	21	28N	11W		1116.25	NORTH	1366.10	EAST	SAN JUAN

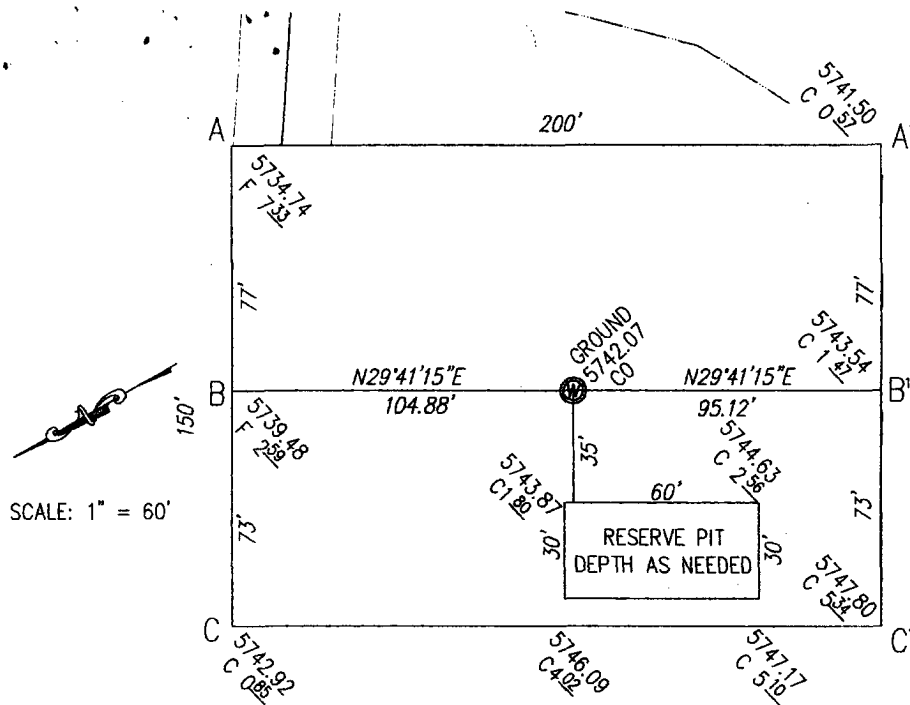
¹¹ Bottom Hole Location If Different From Surface

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 FL-142	¹³ Joint or Infill	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><p>16</p><p>SECTION 21</p></div>	<div><h3>¹⁷ OPERATOR CERTIFICATION</h3><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p><p>Signature <u>Robert R. Griffie</u></p><p>Printed Name ROBERT R GRIFFEE</p><p>Title OPERATIONS MANAGER</p><p>Date JAN 21, 2005</p></div> <div><h3>¹⁸ SURVEYOR CERTIFICATION</h3><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>Date of Survey DECEMBER 7, 2004</p><p>Signature and Seal of Surveyor <u>John D. Wayne</u></p><p>Certificate Number N.M. PLS #9673</p></div>
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Roddy Production

OPERATOR

Lucerne #11

WELL NAME and NUMBER

1116.25' F/NL 1366.10' F/EL

FOOTAGES

21	28N	11W
SEC.	TWP.	RGE.

San Juan,	New Mexico
COUNTY	STATE

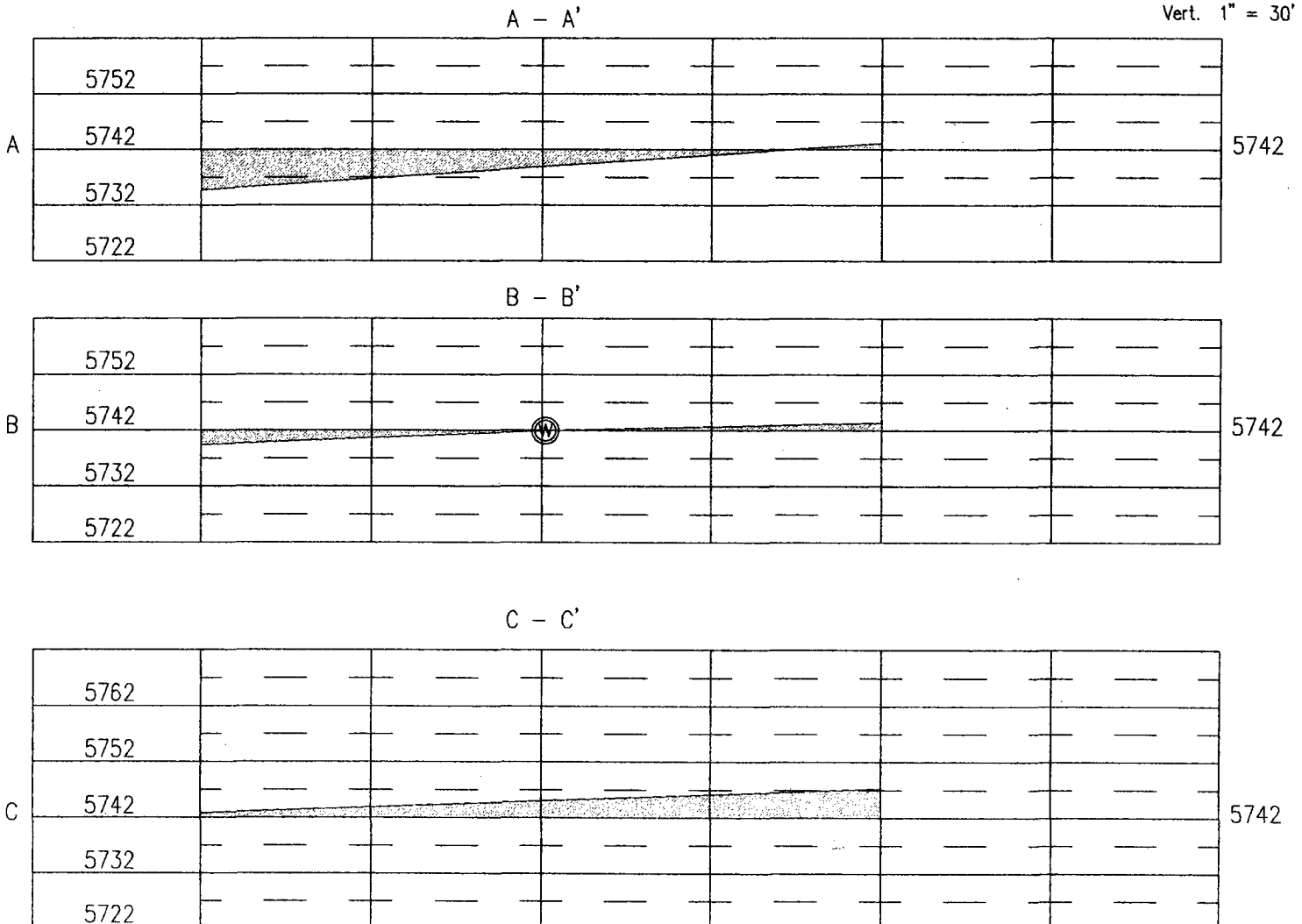
December 30, 2004

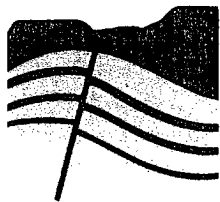
DATE

SCALE

Horiz. 1" = 50'

Vert. 1" = 30'





DJ SIMMONS, INC.

1009 Ridgeway Place
Suite 200
Farmington,
New Mexico 87401

505-326-3753
505-327-4659 FAX
info@dj-simmons-inc.com
www.dj-simmons-inc.com

Drilling Plan

Well Name: Lucerne Federal 11
Operator: Roddy Production Co., Inc.
Location: 1116 FNL x 1366 FEL, Section 21, T28N, R11W
San Juan County, NM
Formation: Pictured Cliffs / Fruitland Coal
Elevation: 5742' GL

Geology:

Formation	Top	Probable Content
Nacimiento	Surface	
Ojo Alamo	514	salt water
Kirtland	614	gas/water
Fruitland	1282	gas
Basal Coal	1636	gas
Pictured Cliffs	1648	gas
TD	1750	

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

Drilling Fluid Program:

Interval Fluid Loss	Fluid Type	Weight	Viscosity	
0' - 250'	fresh water spud mud	8.4 - 9.0 ppg	30 - 50 sec	no
control				
250' - 1750'	fresh water polymer	8.4 - 9.0 ppg	30 - 50 sec	8 to
10				

Casing Program:

Interval Thread	Hole Diameter	Csg Size	Wt.	Grade
0' - 250'	8 3/4"	7"	20 ppf	J-55 STC
0' - 1750'	6 1/4"	4 1/2"	10.5 ppf	J-55 STC

Tubing Program: 0 - 1700', 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; 1116' FNL x 1366' FEL, Section 21, 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 11

9. API Well No. 3004532854
~~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 65 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). 15.6 ppg, 1.16 ft³/82 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 2.46 ft³/82

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:

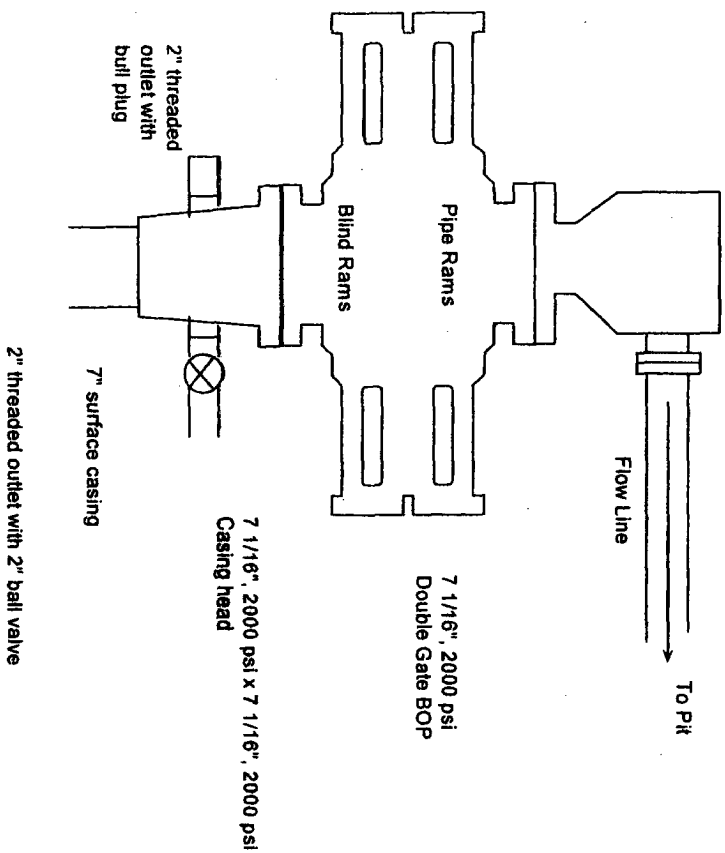
The completion procedure will be prepared after open hole logs are analyzed. The well will probably be completed by hydraulic frac in two stages.

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

Date: 01/05/05

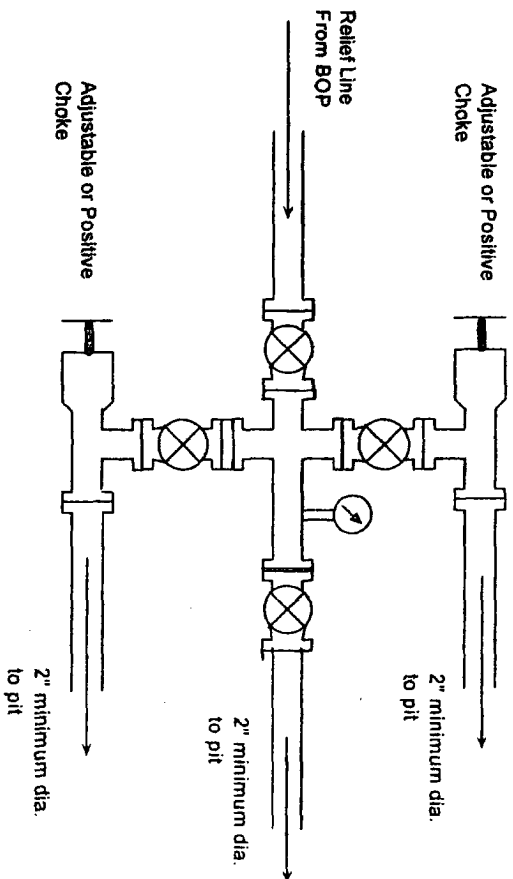
Figure 1

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.

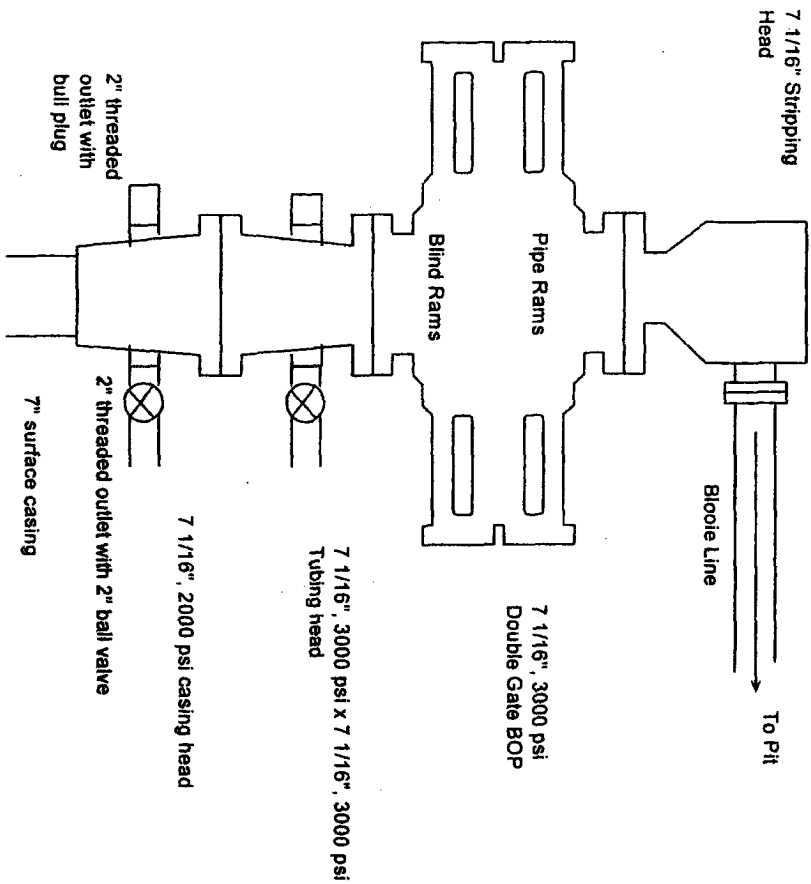
Figure 2



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

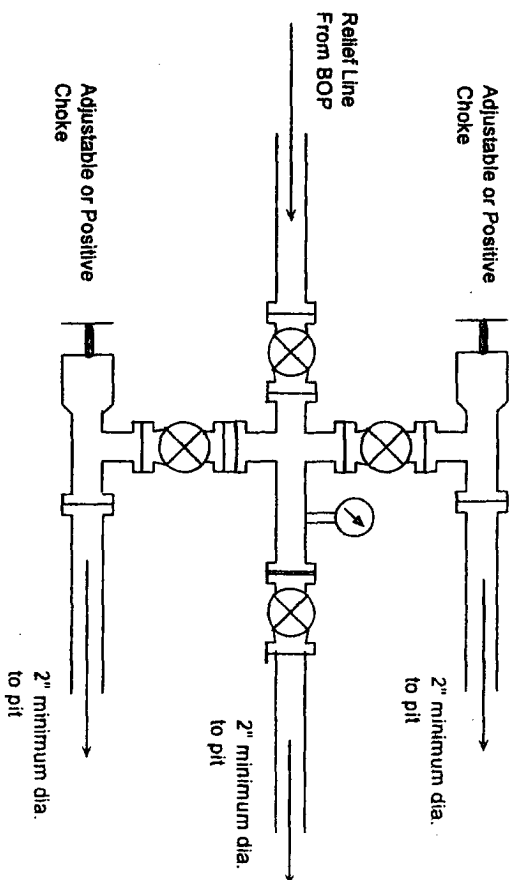
Figure 3

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.