

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

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>NMBF-0 359212</b>	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name <b>N/A</b>	
2. Name of Operator <b>DOMINION OKLAHOMA TEXAS EXPLORATION &amp; PRODUCTION, INC.</b>		7. If Unit or CA Agreement, Name and No. <b>N/A</b>	
3a. Address <b>14000 QUAIL SPRINGS PKWY, #600 OKLAHOMA CITY, OK. 73134-2600</b>		8. Lease Name and Well No. <b>HENDERSON 5 #3</b>	
3b. Phone No. (include area code) <b>(405) 749-1300</b>		9. API Well No. <b>30-045- 32588</b>	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>963' FNL &amp; 1012' FWL</b> At proposed prod. zone <b>SAME</b>		10. Field and Pool, or Exploratory <b>BASIN FRUIT. COAL &amp; W. KUTZ PC</b>	
14. Distance in miles and direction from nearest town or post office* <b>13 AIR MILES SSW OF BLOOMFIELD</b>		11. Sec., T., R., M., or Blk. and Survey or Area <b>D 5-26n-11w NMPM</b>	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>963'</b>	16. No. of Acres in lease <b>401.08</b>	17. Spacing Unit dedicated to this well <b>160.47 32108 N2 (FRUIT.) &amp; NW4 (PC)</b>	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>3,563'</b>	19. Proposed Depth <b>2,000'</b>	20. BLM/BIA Bond No. on file <b>765 63050 701 (NATION WIDE)</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>6,177' GL</b>	22. Approximate date work will start* <b>UPON APPROVAL</b>	23. Estimated duration <b>2 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 officer. |

Comments



cc:BLM (&OCD), Hammond, Simer, Tribe

25. Signature	Name (Printed/Typed) <b>BRIAN WOOD</b>	Date <b>9-19-04</b>
Title <b>CONSULTANT</b>	PHONE: <b>505 466-8120</b>	FAX: <b>505 466-9682</b>
Approved by (Signature)	Name (Printed/Typed)	Date <b>10/19/05</b>
Title <b>AFM</b>	Office <b>FFO</b>	

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.

District I  
1901 Box 1980, Hobbs, NM 88241-1980  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87502 03

Form C-102  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-32588		2. Pool Code 71629 & 79680		3. Pool Name BASIN FRUITLAND COAL & WEST KUTZ PC	
4. Property Code 30300		5. Property Name Henderson 5			6. Well Number 5-3
7. OGRID No. 25773		8. Operator Name Dominion Oklahoma Texas Exploration and Production			9. Elevation 6177

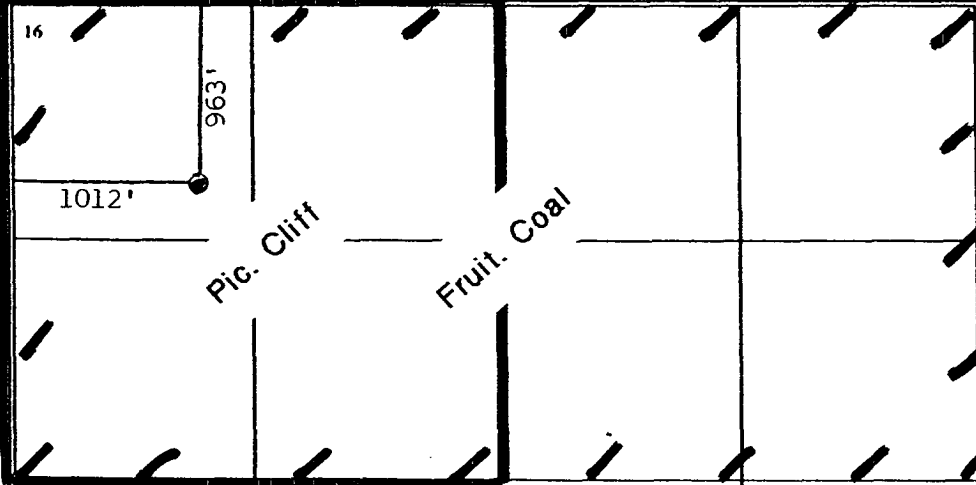
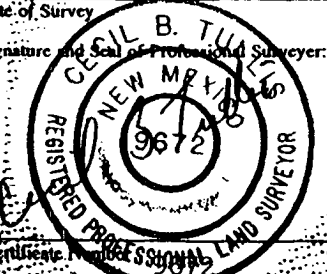
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	5	26N	11W		963	North	1012	West	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 321.08 & 160.47		13 Joint or Infill		14 Consolidation Code		15 Order No.			

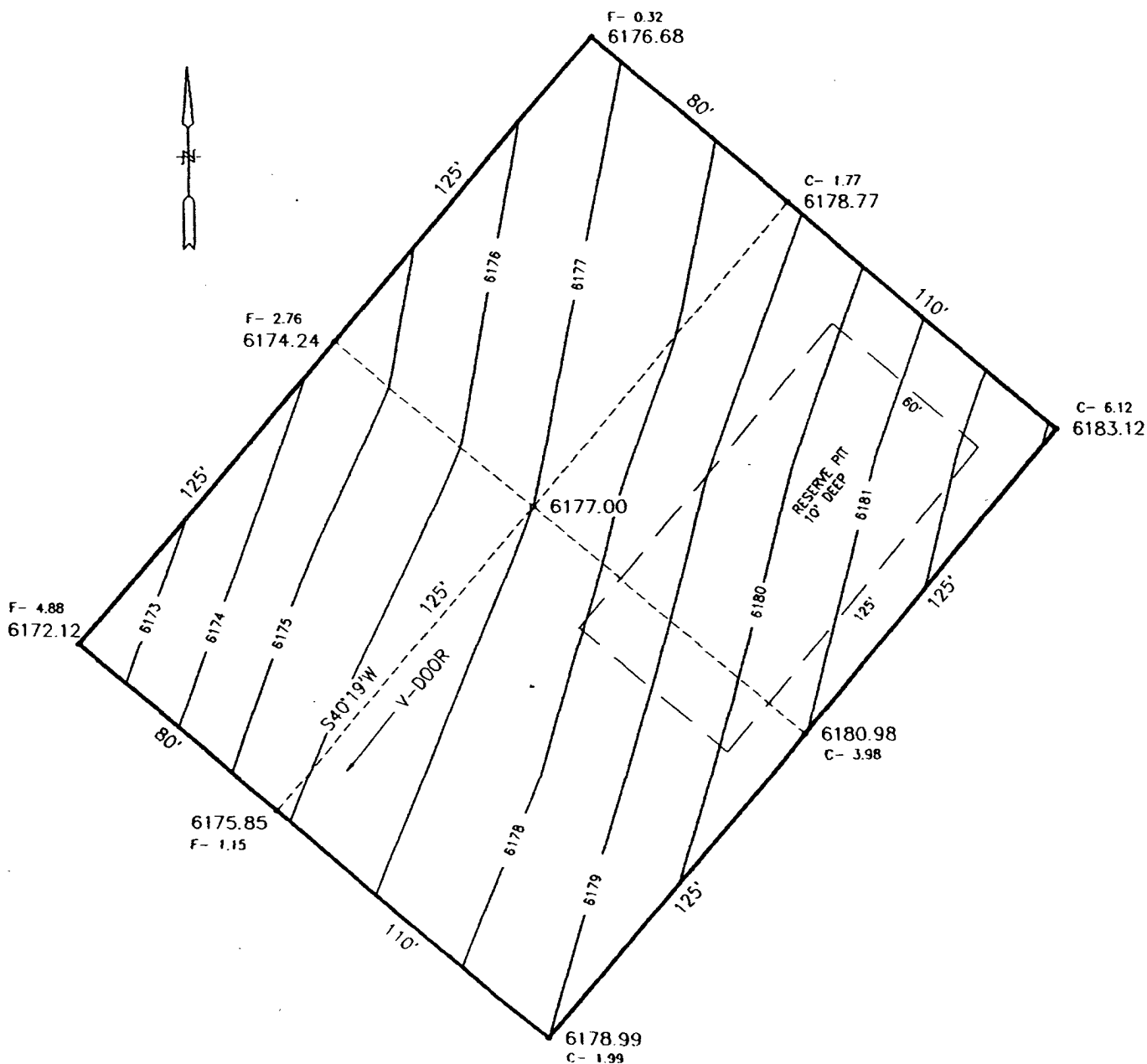
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>17 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><i>Brian Wood</i></p> <p>Signature</p> <p>BRIAN WOOD</p> <p>Printed Name</p> <p>CONSULTANT</p> <p>Title</p> <p>SEPT. 19, 2004</p> <p>Date</p>
	<p>18 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>November 24, 2003</p> <p>Date of Survey</p> <p><i>Cecil B. Tucker</i></p> <p>Signature and Seal of Professional Surveyor</p> <p></p> <p>Certificate No. 9672</p>

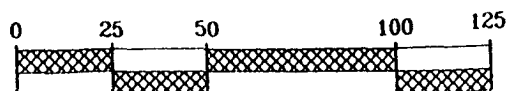
# Dominion Oklahoma Texas Exploration & Production Inc. Henderson 5-3

## WELL PAD LAYOUT AND TOPOGRAPHY

HENDERSON 5-3  
963 F/NL & 1012 F/WL  
SECTION 5 T26N R11 N.M.P.M.  
SAN JUAN COUNTY, NEW MEXICO



  
HIGH  
COUNTRY  
SURVEYS  
101 W. 32ND STREET  
FARMINGTON, NEW MEXICO  
(505) 326-2959



SCALE: 1" = 50'

Dominion Oklahoma Texas Exploration & Production, Inc.  
Henderson 5 #3  
963' FNL & 1012' FWL  
Sec. 5, T. 26 N., R. 11 W.  
San Juan County, New Mexico

PAGE 1

## Drilling Program

### 1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento	000'	14'	+6,177'
Ojo Alamo Sandstone	377'	391'	+5,800'
Kirtland Shale	677'	691'	+5,500'
Fruitland	1,077'	1,091'	+5,100'
Pictured Cliffs	1,652'	1,666'	+4,525'
Total Depth (TD)*	2,000'	2,014'	+4,177'

\* all elevations reflect the ungraded ground level of 6,177'

### 2. NOTABLE ZONES

<u>Gas Zones</u>	<u>Water Zones</u>	<u>Coal Zones</u>
Ojo Alamo	Nacimiento	Kirtland
Fruitland	Ojo Alamo	Fruitland
Pictured Cliffs	Fruitland	

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. It will be installed once the surface casing is cemented.

Dominion Oklahoma Texas Exploration & Production, Inc.  
Henderson 5 #3  
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PAGE 2

Onshore Order 2 standards will be followed for BOP, choke manifold, accumulator system, closing unit power, and locking devices installation, operation, maintenance, and tests. Hydraulic controls will be located on the rig floor. Manual controls will be hand wheels. Remote control for the accumulator will be  $\geq 100'$  from the drill hole. Kill line will not be used as a fill line.

Ram type preventers and associated equipment (choke manifold, kelly cocks, etc.) will be tested to 100% of their rated working pressure (BOP stack isolated from casing by a test plug) for 10 minutes. Annular preventers will be tested to 50% of rated working pressure for 10 minutes. Tests will be run after initial installation, before drilling out of each casing shoe, and after any use under pressure; or a minimum of once every 14 days. Pipe rams will be operationally checked each 24 hour period, as will blind rams and annular preventer each time pipe is pulled out of the hole. Annular preventers will be functionally operated at least weekly. Such checks of BOP equipment will be noted on daily drilling reports.

#### 4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>GL Setting Depth</u>
12-1/4"	8-5/8"	24	J-55	New	250'
7-7/8"	5-1/2"	15.5	J-55	New	2,000'

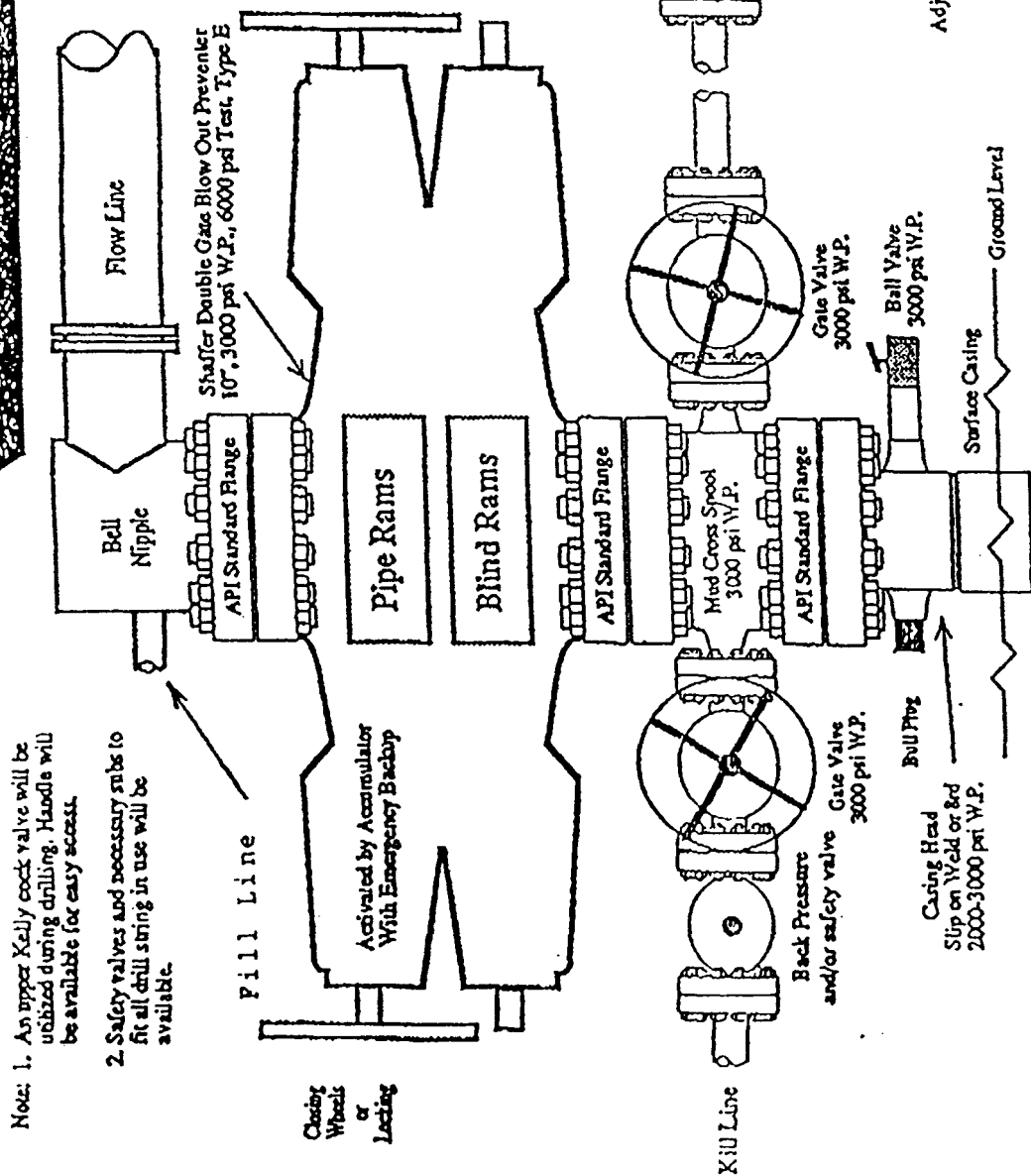
Surface casing will be cemented to surface with  $\approx 212$  cubic feet (140 sacks) Class III + 2%  $\text{CaCl}_2$  + 1/4 pound per sack cello flake. Yield = 1.52 cubic feet per sack. Weight = 14.5 pounds per gallon. Excess = 100%. At least 3 centralizers will be set.

Production casing will be cemented to the surface with 536 cubic feet ( $\geq 50\%$  excess). Volumes to be determined by caliper. About 10 centralizers will be set. Lead cement will be  $\approx 200$  sacks Class B light cement (65% cement/35% Poz with 6% gel) with 5 pounds per sack gilsonite + 1/4 pound per sack cello flake. Yield = 1.99 cubic feet per sack. Weight = 12.4 pounds per gallon.

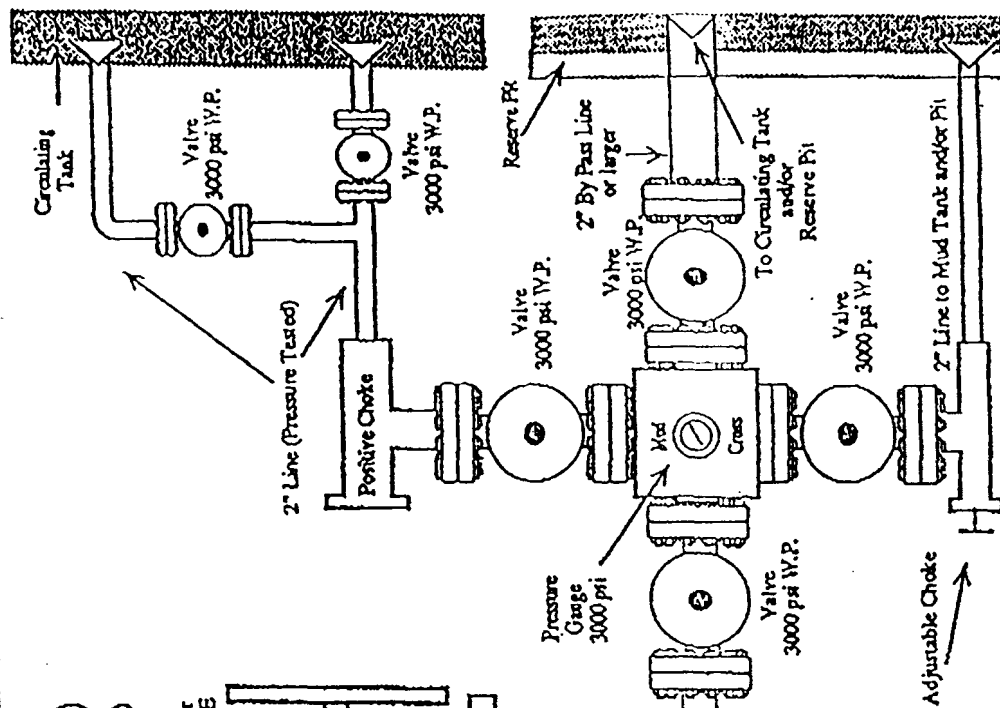
## Pressure Control Equipment

**Note:** 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subts to fit all drill string in use will be available.



Minimum 2" Choke Line.  
Minimum 2" Kill Line.  
At Least One 2" Minimum Kill Line Valve.



**Note:** This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

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PAGE 4

Tail cement will be  $\approx$ 100 sacks 50/50 Class B Poz with 2% gel + 1/4 pound per sack cello flake + 0.5% Halad-9. Yield = 1.38 cubic feet per sack. Weight = 13.5 pounds per gallon.

#### 5. MUD PROGRAM

<u>RANGE</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>	<u>WATER LOSS</u>	<u>ADDITIVES</u>
0' - 250'	Fresh	8.3-8.7	28-35	NC	Paper, lime (pH 9-10)
250' -1600'	Fresh	8.3-8.7	28-30	NC	Paper, lime (pH 10-10.5)
1600' - TD	Quil-Gel	8.6-8.9	40-70	<8 cc	

#### 6. CORING, TESTING, & LOGGING

Side wall rotary cores may be cut. No drill stem tests are planned. GR-PEF-Litho-Density logs will be run from TD to bottom of surface casing. Microlog will be run from TD to top of Fruitland.

#### 7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be  $\approx$ 500 psi.

#### 8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take one week to drill and one week to complete the well.