

2006 JAN 27 PM 4 12

FORM APPROVED
OMB NO. 1004-0136
Expires: January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
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

Chaparral Oil and Gas, Inc. Co. 4076

3a. c/o Titus Consulting P. O. Box 962

Farmington, New Mexico 87499

3b. Phone No. (include area code)

(505) 486-1701

4. Location of well (Report location clearly and in accordance with any State requirements. *)

At surface

1405' FNL, 1925' FWL, Latitude 36.665693 N, Longitude 107.938930 W

At proposed prod. zone

1405' FNL, 1925' FWL, Latitude 36.665693 N, Longitude 107.938930 W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 1.55 miles ssoutheast of Bloomfield, New Mexico by air.

15. Distance from proposed*

location to nearest
property or lease line, ft.

(Also to nearest drlg unit line, if any)

1405'

16. No. of Acres in lease

497.86

17. Spacing Unit dedicated to this well

W/2 - 328.08

18. Distance from proposed location*

to nearest well, drilling, completed,
applied for, on this lease, ft.

500'

19. Proposed Depth

1790' 2670'

20. BLM/ BIA Bond No. on file

103660301

21. Elevations (Show whether DF, RT, GR, etc.)

5766
500' GL

22. Aproximate date work will start*

9-Jan-06

23. Estimated Duration

10 Days

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.

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 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

Name (Printed/ Typed)

Date

S. Max Libby

27-Jan-06

Agent-Ellis & Associates

Approved By (Signature)

Name (Printed/ Typed)

Date

Title

Office

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 co 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)

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

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

NMOCD

State of New Mexico
Energy, Minerals & Mining Resources Department
OIL CONSERVATION DIVISION 27 PM 4 12
2040 South Pacheco
Santa Fe, NM 87505

Form C - 102

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number 30-045-33569	Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 2528 ✓	Property Name FRANCIS	Well Number 3
OGRID No. 40760 ✓	Operator Name CHAPARRAL OIL & GAS INC. Co.	Elevation 5786' ✓

Surface Location

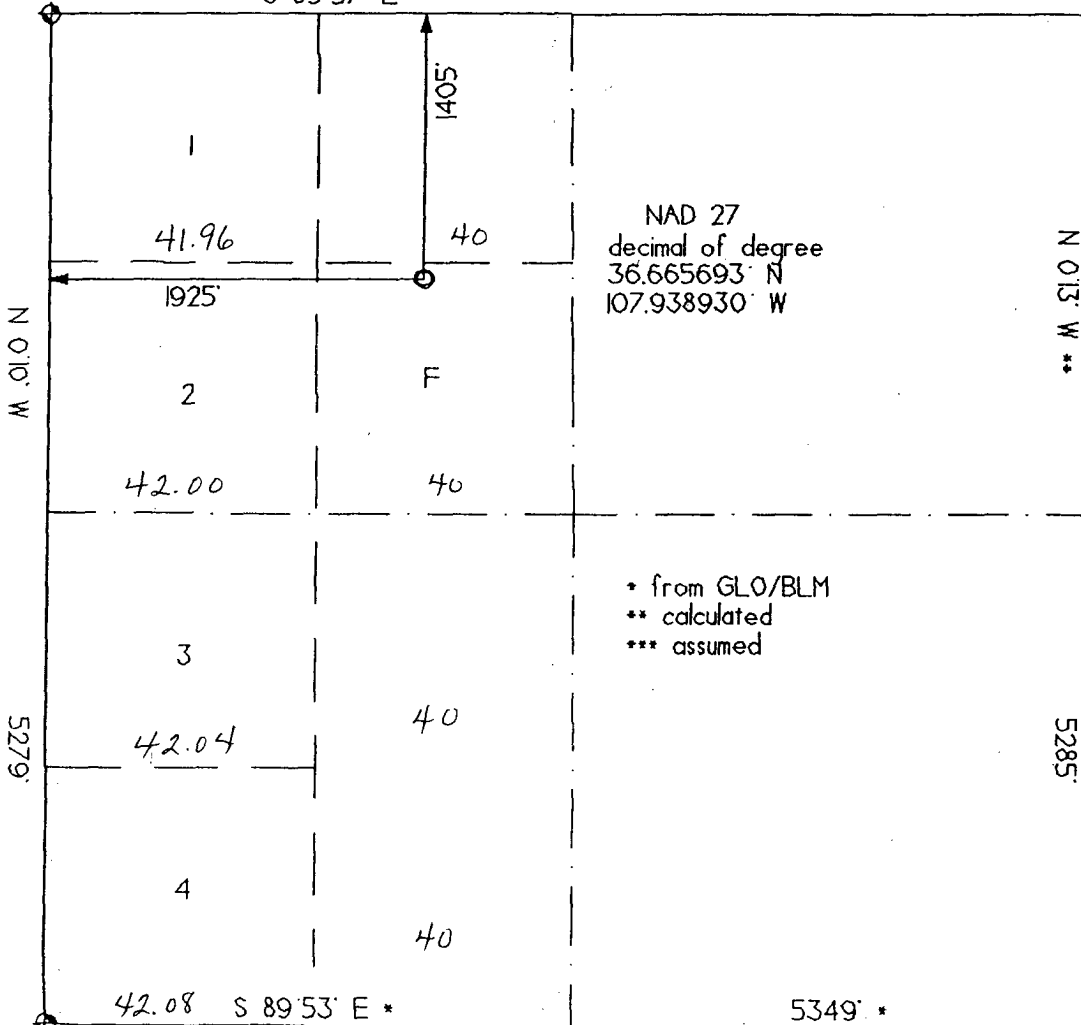
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County
F	18	28 N.	10 W.		1405'	North	1925'	West	SAN JUAN

Bottom Hole Location if Different From Surface

UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County

Dedication W/2	Joint ?	Consolidation	Order No.
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(328.08 ac) NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION
S 89°57' E * 5344' *



OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>B.W. Salzman</i> Printed Name: B.W. SALZMAN Title: CONSULTANT Date: 11-16-05	
SURVEYOR CERTIFICATION I hereby certify that the well location 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: 05 27 '05	
Signature and Seal of Professional Surveyor: 	

Francis # 3

well pad and section

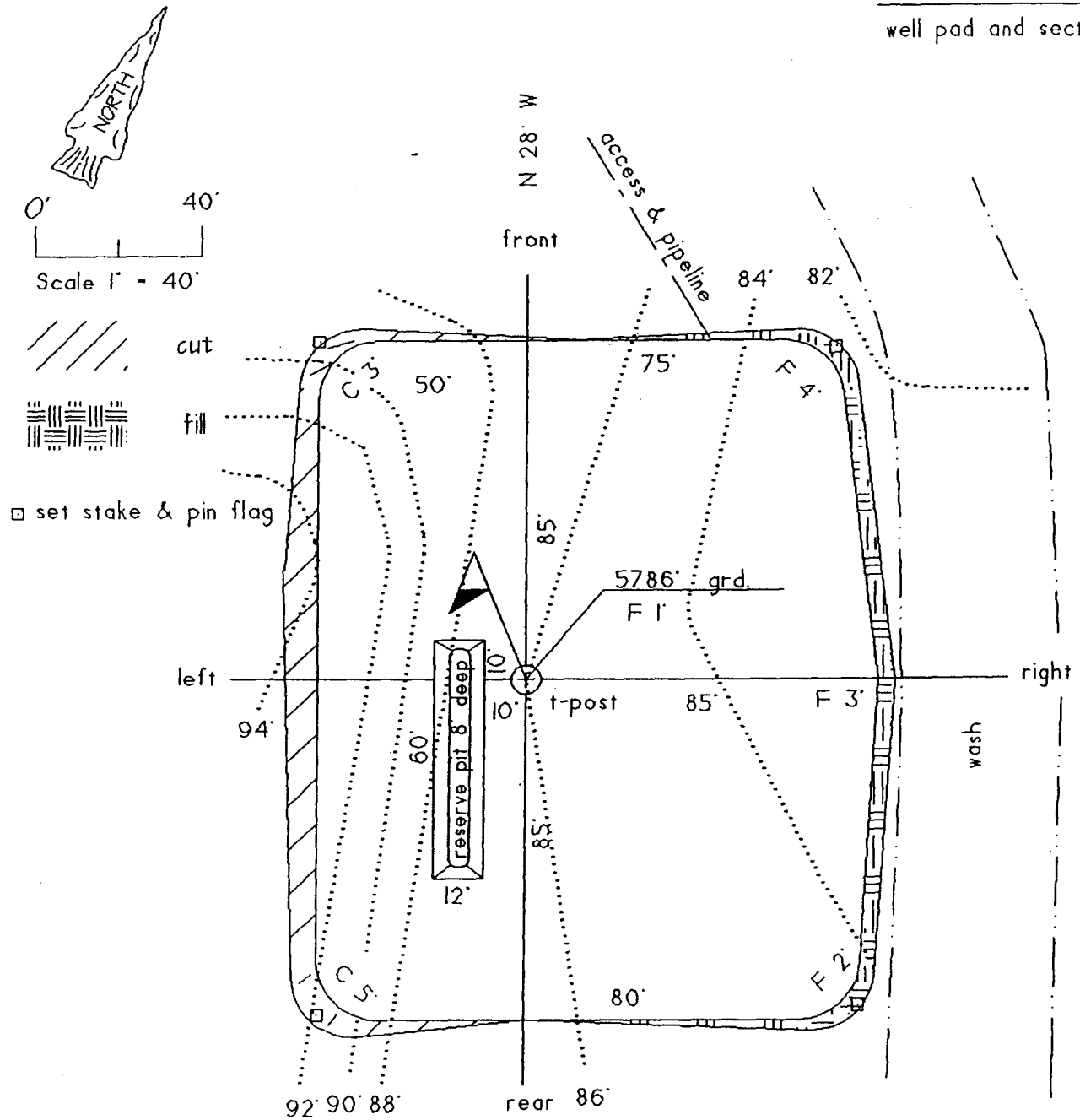


Exhibit C
TEN-POINT PROGRAM/ OPERATIONS PLAN
CHAPARRAL OIL & GAS, INC.

Well name: Francis # 3
Location: 1405' FNL, 1925' FWL, F, Sec. 18, T-28-N, R-10
 San Juan County, NM
Formation: Basin Fruitland Coal

1. The geological surface formation is: ~~San Jose Nacimiento~~

2. The tops of important geological markers: (based on existing log information

Ojo Alamo	723'	708'	} <i>Revised tops</i> <i>Feet 217106</i> <i>CEH</i> - as discussed with <i>Brad Salzman 2/7/06</i>
Kirtland	910'	842'	
Farmington	1139'	942'	
Fruitland Coal	1631'	1624'	
	P.C.	1869'	

3. Estimated depths of anticipated water, oil, gas, or minerals:

<u>Substance</u>	<u>Formation</u>	<u>Anticipated Depth</u>
Gas	Fruitland Coal	1790

4. The Casing Program:

<u>Depth</u>	<u>Hole Size</u>	<u>Casing O.D.</u>	<u>Wt.</u>	<u>Grade</u>	<u>Type</u>	<u>New/Used</u>
0-650'	8 3/4"	7"	20#	J-55	ST&C	New
65'-1790'	6 1/4"	4 1/2"	10.5#	J-55	ST&C	New

Proposed Cement Program: To effectively isolate and seal off all water, oil, gas and coal bearing strata encountered by the utilization of spacer and centralizers at the base of the Ojo Alamo formation as specified by NTL-FRA 90-1 III.B and API standards; and by using cement volumes as follows: (Exact volumes to be determined from logs):

Surface: 196 Cu Ft(166Sx) Class B w/ 0.25# Flocele/ Sx w/5#/Sk Gilsonite plus 2% CaCl (100% Excess).

Production: 85 Cubic Feet (42 Sacks Lite Standard Cement w/ 2% Metasilicate + 0.25 pps Flocele mixed to 12.4 ppg followed by 162 Cubic Feet (134 Sacks) Standard w/ 0.6% Halad-322 mixed to 15.6 ppg w/ caliper plus 25% excess in both slurries. Grand Totals: 247 Cubic Feet (176 Sacks).

5. Operators Minimum Specifications for pressure control: *Adjust cement volumes to ensure circulation to surface accounting for deeper TD.*

Expected bottom hole pressure 300 psi or less. *Minimum TOTAL slurry volume is 360sf*

Exhibit E is a schematic of the blowout preventer used by a local contractor for other wells in the area. The BOP to be used is an annular BOP with screwed connections with high-pressure inlet and outlet hoses, all tested to 750 psi minimum.

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San Juan County, NM
Formation: Basin Fruitland Coal

6. The type and characteristic of the proposed circulating muds:

Surface Casing: Spud flocculating bentonite with lime.

Production Casing: Low solids non- disbursing system.

Interval	Mud Weight	Viscosity	Fluid Loss	Ph	Additives
0-650'	9.0	45		9	Gel, Lime
650'-TD	8.6-9.2	30-50	<15cc	9	Additives as needed to maintain viscosity

7. Auxiliary Equipment to be used is as follows:

- a. Float valve above bit.
- b. Monitoring of mud system will be visual.
- c. A safety valve and subs to fit all drill strings will be used.

8. Testing, logging and coring will be as follows:

- a. Cores: None
- b. Drill stem tests: none anticipated.
- c. Logs will include: High Resolution Induction w/ Gamma Ray, SP, Caliper, Microlog, Spectral Density and Dual Spaced Neutron Microlog; all from Total depth to the surface casing shoe.

9. Anticipated Abnormal Pressures and temperatures:

No abnormal pressures, temperatures, or Hydrogen Sulfide gases are anticipated during the completion of this well.

10. Anticipated starting date and duration of operations:

The anticipated starting date is January 6, 2006. The drilling operations should be completed within 15 days after rig-up date. Completion will be done as equipment availability and weather permit.

Date: 11-16-05 Drilling Engineer: B H Salzman

BLOW OUT PREVENTER (B.O.P.)

