

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No.
NMSF-078896

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

7. If Unit or CA Agreement, Name
N/A

8. Lease Name and Well No.
FEDERAL 32-44

9. API Well No.

10. Field and Pool, or Exploratory
BAS. FRUIT. COAL & W. K'Z PC

11. Sec., T. R. M. or Blk. and Survey or Area
32-27N-11W NMPM

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
DOMINION OKLA. TEXAS EXPLORATION & PRODUCTION, INC.

3a. Address 14000 QUAIL SPRINGS PARKWAY, #600
OKLAHOMA CITY, OK 73134-2600

3b. Phone No. (include area code)
(405) 749-1300

4. Location of Well (Report location clearly and in accordance with any State requirements.)
At surface 988 FSL & 1053 FEL
At proposed prod. zone SAME

14. Distance in miles and direction from nearest town or post office*
12 AIR MILES S OF BLOOMFIELD

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any) 998'

16. No. of acres in lease
1,920

17. Spacing Unit dedicated to this well
320 140
E2 & SE4

18. Distance from proposed location*
to nearest well/drilling, completed,
applied for, on this lease, ft. 2,511' (33-24)

19. Proposed Depth
1,868'

20. BLM/BIA Bond No. on file
BLM NATION WIDE 765 63050 701

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6,165' GL

22. Approximate date work will start*
07/01/2005

23. Estimated duration
2 WEEKS

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 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

Name (Printed/Typed)

Date

BRIAN WOOD

01/04/2005

Title

CONSULTANT

PHONE: (505) 466-8120

FAX: (505) 466-9682

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
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 page 2)

Well was drilled in 1981 and plugged and abandoned in 1984.

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

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

NMOCD

District I
P.O. Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1010 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 87505

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

2005 JAN 24 10:43
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-24966		2. Pool Code 71629 & 79680		3. Pool Name BASIN FRUITLAND COAL & WEST KUTZ PC	
4. Property Code 5955		5. Property Name Federal		6. Well Number 244	
7. OGRID No. 25773		8. Operator Name Dominion Oklahoma Texas Exploration & Production Inc.		9. Elevation 6165	

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
P	32	27N	11W		998	South	1053	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 320 & 160		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

16		Fruit. Coal		Pic. Cliff		1053'	998'	17. OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: BRIAN WOOD Printed Name: CONSULTANT Title: JAN. 18, 2005 Date:
								18. 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. November 28, 2003 Date of Survey Signature and Seal of Registered Professional Land Surveyor 9672 Certificate Number

Dominion Oklahoma Texas Exploration & Production, Inc.
Federal 32 #44
998' FSL & 1053' FEL
Sec. 32, T. 27 N., R. 11 W.
San Juan County, New Mexico

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Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento Mudstone & Sandstone	000'	12'	+6,165'
Ojo Alamo Sandstone	536'	548'	+5,632'
Kirtland Shale	698'	710'	+5,470'
Fruitland Formation	1,268'	1,280'	+4,888'
Pictured Cliffs Sandstone	1,633'	1,645'	+4,535'
Total Depth (TD)*	1,868'	1,870'	+4,300'

2. NOTABLE ZONES

<u>Gas or Oil 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 found while drilling will be recorded by depth, cased, and cemented.

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.

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

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floor. Manual controls will be hand wheels. Remote control for the accumulator will be >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 & Thread</u>	<u>Age*</u>	<u>GL Set Depth</u>
12-1/4"	8-5/8"	24	K-55 S T & C	New	134' 146'
7-7/8"	4-1/2"	10.5	J-55 S T & C	New	1,845' 1,857'

*at installation in 1982

Surface casing was cemented to the surface with 100 sacks Class + 3% CaCl₂ + cello flake. WOC = 12 hours.

Production casing was cemented to the surface with 250 sacks 65/35 Poz + 12% gel + 12-1/2 pounds per sack gilsonite followed by 100 sacks Class B.

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5. MUD PROGRAM

Fresh water mud system will be used to drill plugs.

6. CORES, TESTS, & LOGS

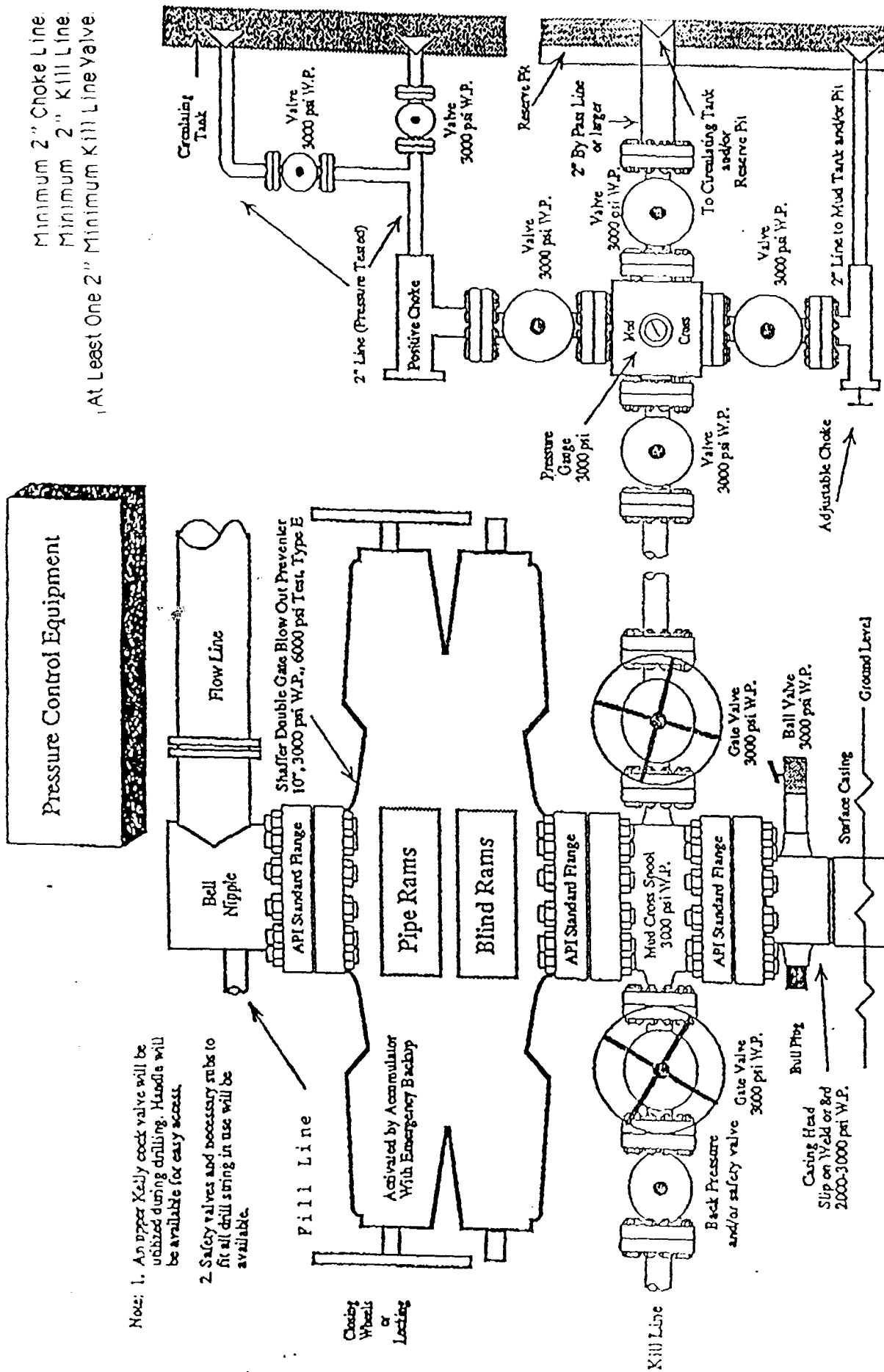
No cores, drill stem tests, or logs are planned. Logs (DIL and CNL/FDC with GR-Caliper) and deviation surveys are on file.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum bottom hole pressure will be \approx 200 psi.

8. OTHER INFORMATION

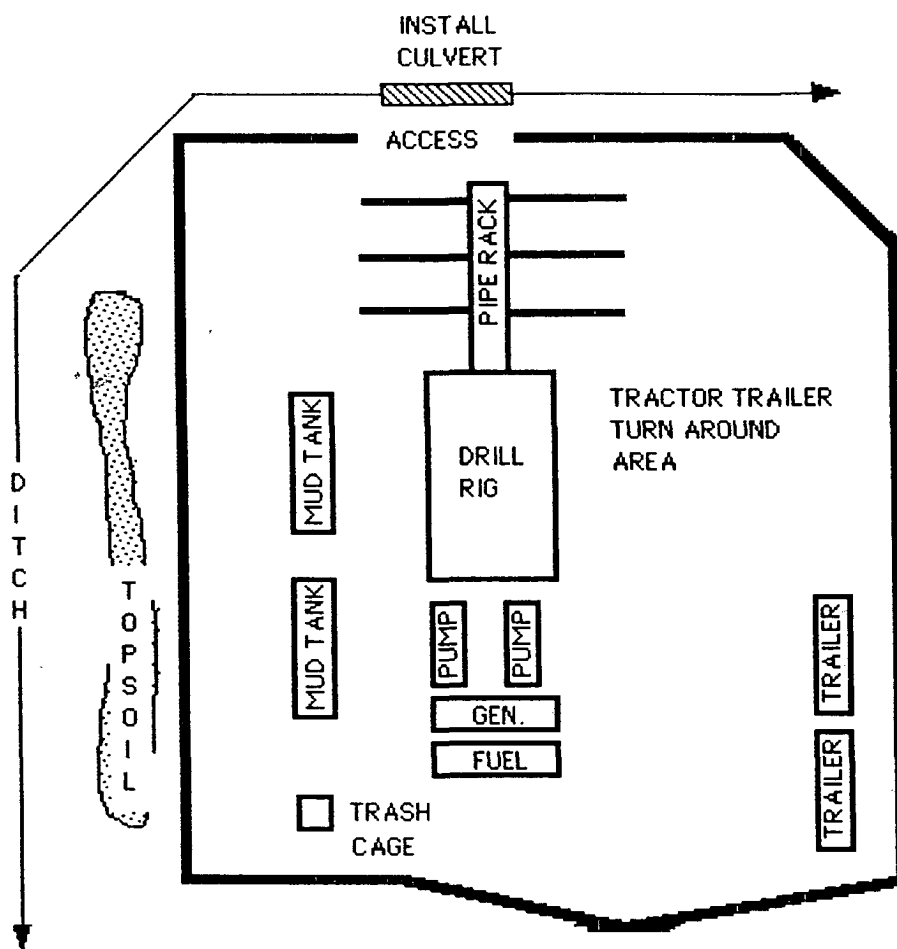
The anticipated spud date is upon approval. It is expected it will take two weeks to drill out the plugs (1668' - 1434', 750' - 415', 196' - 96', and 68' - surface) and complete the well.



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

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1" = 50'



NORTH