

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.
NMSF-079114A

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

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☒ Other (WATER DISPOSAL) ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
DOMINION OKLAHOMA TEXAS EXPLORATION & PRODUCTION, INC.

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

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

7. If Unit or CA Agreement, Name and No.
N/A

8. Lease Name and Well No.
CAMPBELL 25 #3

9. API Well No.
30-045- 32461

10. Field and Pool, or Exploratory
BASIN FRUIT. COAL & W. KUTZ PC

11. Sec., T., R., M., or Blk. and Survey or Area
25-27n-12w NMPM

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface **960' FSL & 1380' FEL**
At proposed prod. zone **SAME**

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

12. County or Parish
SAN JUAN

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **960'**

16. No. of Acres in lease **1,880**

17. Spacing Unit dedicated to this well **320 E2 (FRUIT.) & SE4 (PC)**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **2,597'**

19. Proposed Depth **2,000'**

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

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **6,037' GL**

22. Approximate date work will start* **UPON APPROVAL**

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:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

Comments

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

This action is subject to technical and
procedural review pursuant to 43 CFR 3604
and appeal pursuant to 43 CFR 3604



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

25. Signature **[Signature]** Name (Printed/Typed) **BRIAN WOOD** Date **7-10-04**

Title **CONSULTANT** PHONE: 505 466-8120 FAX: 505 466-9682

Approved by (Signature) **[Signature]** Name (Printed/Typed) **AFM** Date **3/7/06**

Title **AFM** 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 and to attempt to do so within its jurisdiction.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-32461	Pool Code 71629 & 79680	Pool Name BASIN FRUITLAND COAL & WEST KUTZ PC
Property Code 30497	Property Name Campbell 125	Well Number 25-3
OGRID No. 25773	Operator Name Dominion Oklahoma Texas Exploration & Production Inc.	Elevation 6037

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
0	25	27N	12W		960	South	1380	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
Dedicated Acres 320 & 160		Joint or Infill SE 1/4		Consolidation Code		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			17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>B. L. Wood</i> Signature Printed Name BRIAN WOOD Title and E-mail Address CONSULTANT Date JULY 10, 2004
			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. December 5, 2003 Date of Survey Signature and Seal of Professional Surveyor: Certificate Number 9672

Dominion Oklahoma Texas Exploration & Production, Inc.
Campbell 25 #3
960' FSL & 1380' FEL
Sec. 25, T. 27 N., R. 12 W.
San Juan County, New Mexico

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Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento Formation	000'	14'	+6,037'
Ojo Alamo Sandstone	387'	391'	+5,650'
Kirtland Shale	537'	551'	+5,500'
Fruitland Coal	1,437'	1,451'	+4,600'
Pictured Cliffs Sandstone	1,637'	1,651'	+4,400'
Base of Pictured Cliffs	1,737'	1,751'	+4,300'
Total Depth (TD)*	2,000'	2,014'	+4,037'

* all elevations reflect the ungraded ground level of 6,037'

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.

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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 100' - 120' 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

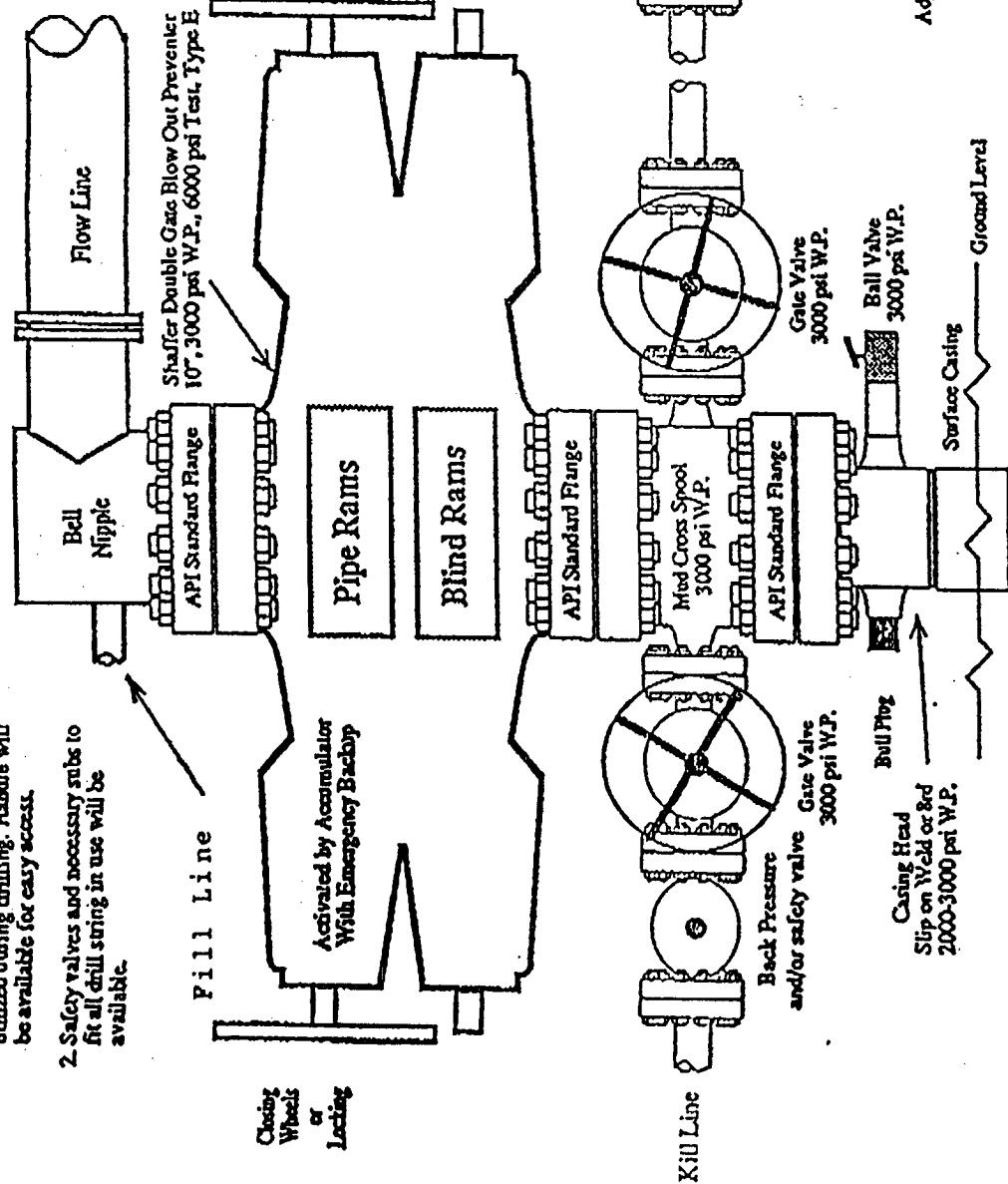
<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>GL Setting Depth</u>
12-1/4"	8-5/8"	24	J-55	New	250'
7-7/8"	5-1/2"	15.5	J-55	New	2,000'

Surface casing will be cemented to surface with ≈ 212 cubic feet (140 sacks) Class III + 2% 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 ≈ 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.

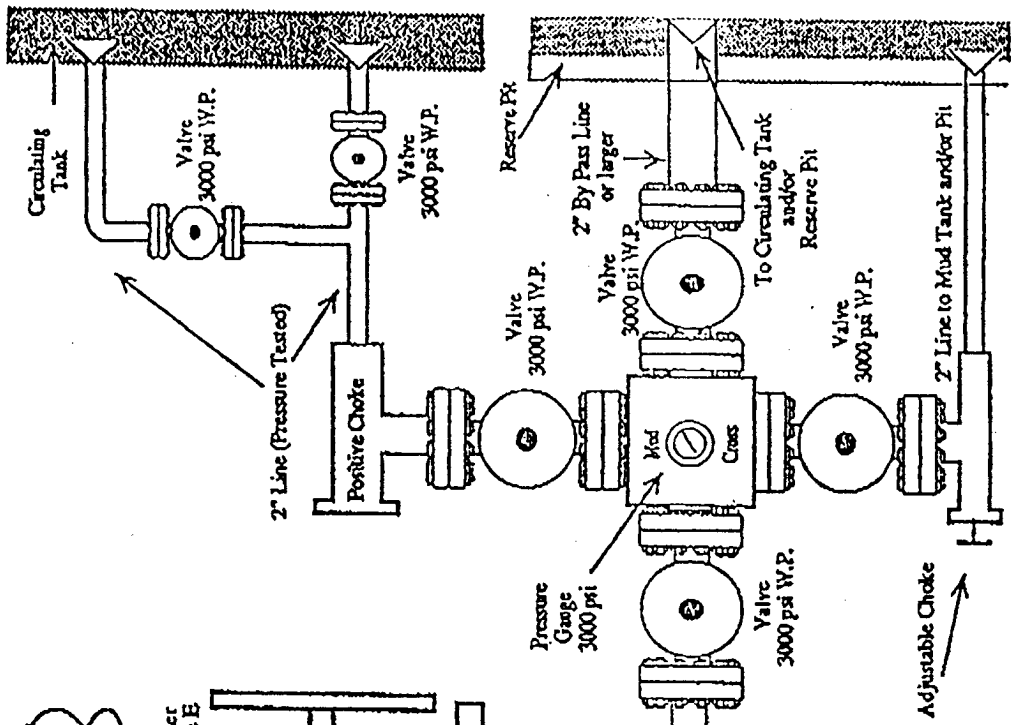
Pressure Control Equipment

- Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.
2. Safety valves and necessary sub to fit all drill string in use will be available.



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.

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



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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' - 2000'	Quil-Gel	8.6-8.9	40-70	<8 cc	

6. CORING, TESTING, & LOGGING

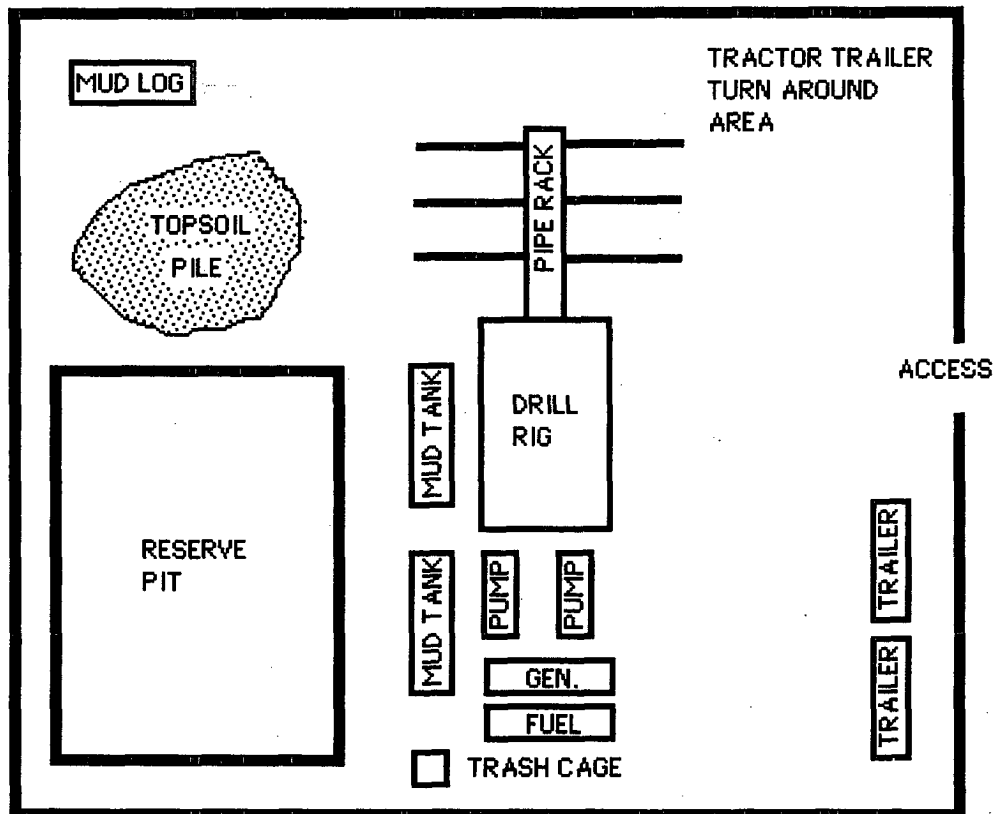
Side wall rotary cores may be cut. No drill stem tests are planned. GR-PEF-Litho-Density logs will be run from TD to bottom of surface casing. Microlog will be run from TD to top of Fruitland.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum bottom hole 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.



1" = 50'



NORTH