

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

2005 JUN 8

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

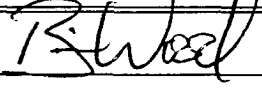

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF-078899
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator DOMINION OKLA. TEXAS EXPLORATION & PRODUCTION, INC.		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 14000 QUAIL SPRINGS PARKWAY, #600 OKLAHOMA CITY, OK 73134-2600	3b. Phone No. (include area code) (405) 749-1300	8. Lease Name and Well No. HENDERSON 5 #4 30306
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1627 FSL & 1301 FEL At proposed prod. zone SAME		9. API Well No. 30-045- 32806
14. Distance in miles and direction from nearest town or post office* 13 AIR MILES SSW OF BLOOMFIELD		10. Field and Pool, or Exploratory BAS. FRUIT. COAL & W. KZ PC
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1,013'	16. No. of acres in lease 960	11. Sec., T. R. M. or Blk. and Survey or Area I 5-26N-11W NMPM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 186' (Dakota)	19. Proposed Depth 2,000'	12. County or Parish SAN JUAN
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,248' GL	22. Approximate date work will start* 06/01/2005	13. State NM
17. Spacing Unit dedicated to this well 320 160 FL S2 & SE4 PC		
20. BLM/BIA Bond No. on file BLM NATION WIDE 765 63050 701		
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) BRIAN WOOD	Date 01/04/2005
Title CONSULTANT	PHONE: (505) 466-8120	FAX: (505) 466-9682
Approved by (Signature) 	Name (Printed/Typed)	Date 6/2/06
Title AFM	Office FTO	

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)

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

NMOCD

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



District I  
 P.O. Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1008 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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-045-32806		* Pool Code 71629 & 79680	* Pool Name 71629 BASIN FRUITLAND COAL & WEST KUTZ PC	* Pool Name 79680
* Property Code 30306	* Property Name (Henderson 5)			* Well Number 74
* OGRID No. 25773	* Operator Name Dominion Oklahoma Texas Texas Exploration & Production Inc.			* Elevation 6248

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
I	5	26N	11W		1627	South	1301	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 C	14 Consolidation Code C	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

16				<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 <b>BRIAN WOOD</b></p> <p>Printed Name <b>CONSULTANT</b></p> <p>Title</p> <p>Date <b>JAN. 4, 2005</b></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 25, 2003</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>CECIL B. TULLY</i></p> <p>REGISTERED PROFESSIONAL LAND SURVEYOR</p> <p>Certificate No. 9872</p>

**District I**

1625 N. French Dr., Hobbs, NM 88240

**District II**

1301 W. Grand Ave., 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 and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
May 27, 2004

<p>WELL API NO. 30-045-32800</p>	
<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/></p>	
<p>6. State Oil &amp; Gas Lease No. NMSF-078899</p>	
<p>7. Lease Name or Unit Agreement Name HENDERSON 5</p>	
<p>8. Well Number #4</p>	
<p>9. OGRID Number 25773</p>	
<p>10. Pool name or Wildcat BASIN FRUIT. COAL &amp; W. KUTZ PC</p>	
<p>SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p>	
<p>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other</p>	
<p>2. Name of Operator DOMINION OKLAHOMA TEXAS EXPLORATION &amp; PRODUCTION, INC.</p>	
<p>3. Address of Operator 14000 QUAIL SPRINGS PKWY, #600 OKLAHOMA CITY, OK 73134-2600</p>	
<p>4. Well Location Unit Letter <u>I</u> : <u>1627</u> feet from the <u>SOUTH</u> line and <u>1301</u> feet from the <u>EAST</u> line Section <u>5</u> Township <u>26N</u> Range <u>11W</u> NMPM County <u>SAN JUAN</u></p>	
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,248' GL</p>	
<p>Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/></p>	
<p>Pit type <u>Reserve</u> Depth to Groundwater <u>&gt;100'</u> Distance from nearest fresh water well <u>150'</u> Distance from nearest surface water <u>&gt;1000'</u></p>	
<p>Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u>        </u> bbls Construction Material <u>        </u></p>	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: RESERVE PIT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Brian Wood TITLE CONSULTANT DATE 1-4-05

Type or print name BRIAN WOOD

E-mail address: brian@permitswest.com Telephone No. 466-8120

For State Use Only

APPROVED BY: [Signature]

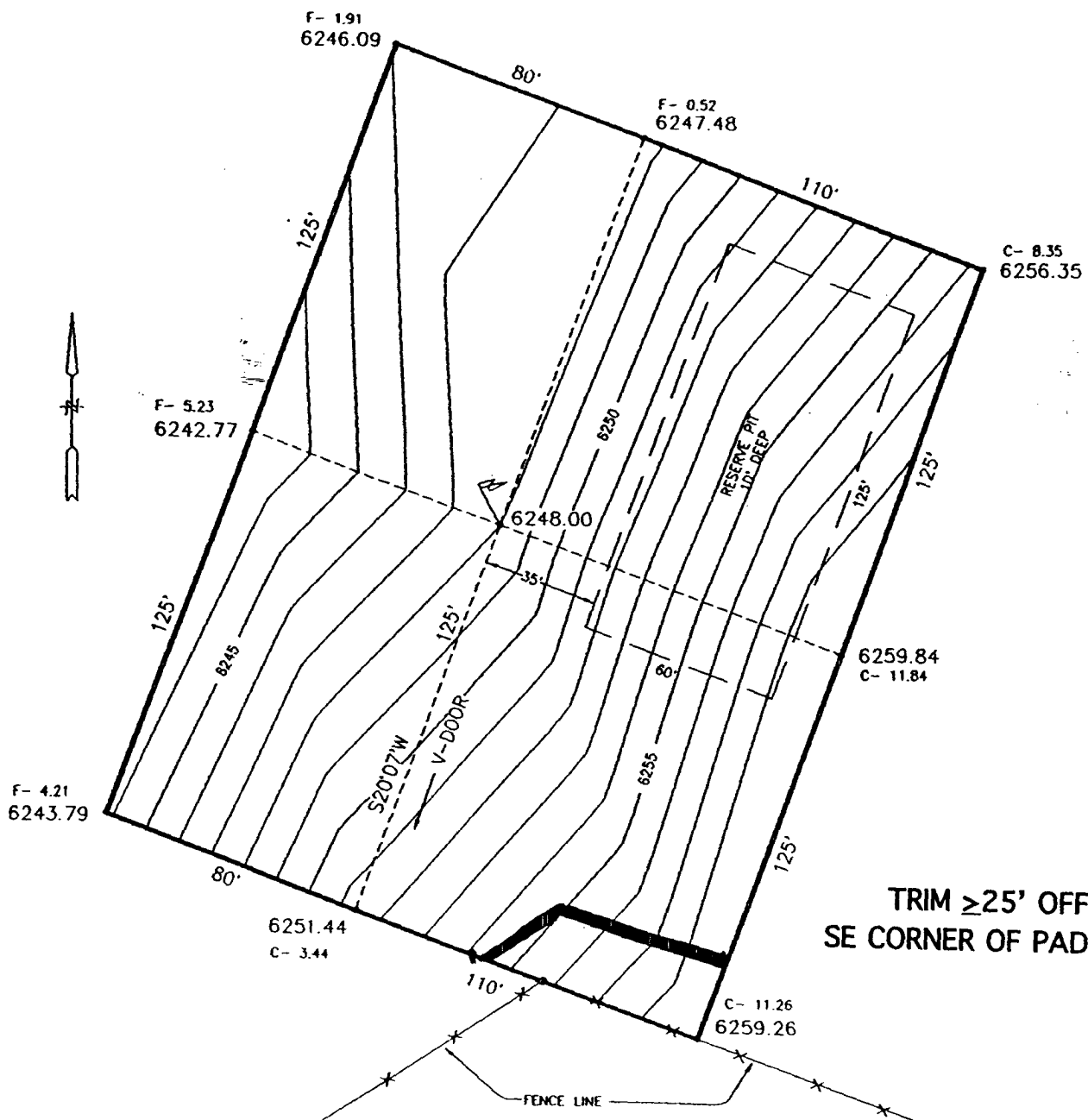
TITLE DEPUTY OIL & GAS INSPECTOR, DIST 5 DATE JUN 05 2006

Conditions of Approval (if any):

# Dominion Oklahoma Texas Exploration & Production Inc. Henderson 5-4

## WELL PAD LAYOUT AND TOPOGRAPHY

HENDERSON 5-4  
1627 F/SL & 1301 F/EL  
SECTION 5 T26N R11W N.M.P.M.  
SAN JUAN COUNTY, NEW MEXICO



Dominion Oklahoma Texas Exploration & Production, Inc.  
Henderson 5 #4  
1627' FSL & 1301' FEL  
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'	+6,248'
Ojo Alamo Sandstone	448'	462'	+5,800'
Kirtland Shale	748'	762'	+5,500'
Fruitland	1,123'	1,137'	+5,125'
Pictured Cliffs	1,683'	1,697'	+4,565'
Lewis Shale	1,948'	1,962'	+4,300'
Total Depth (TD)*	2,000'	2,014'	+4,248'

\* all elevations reflect the ungraded ground level of 6,248'

### 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 #4  
1627' FSL & 1301' FEL  
Sec. 5, T. 26 N., R. 11 W.  
San Juan County, New Mexico

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.

Dominion Oklahoma Texas Exploration & Production, Inc.  
Henderson 5 #4  
1627' FSL & 1301' FEL  
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San Juan County, New Mexico

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

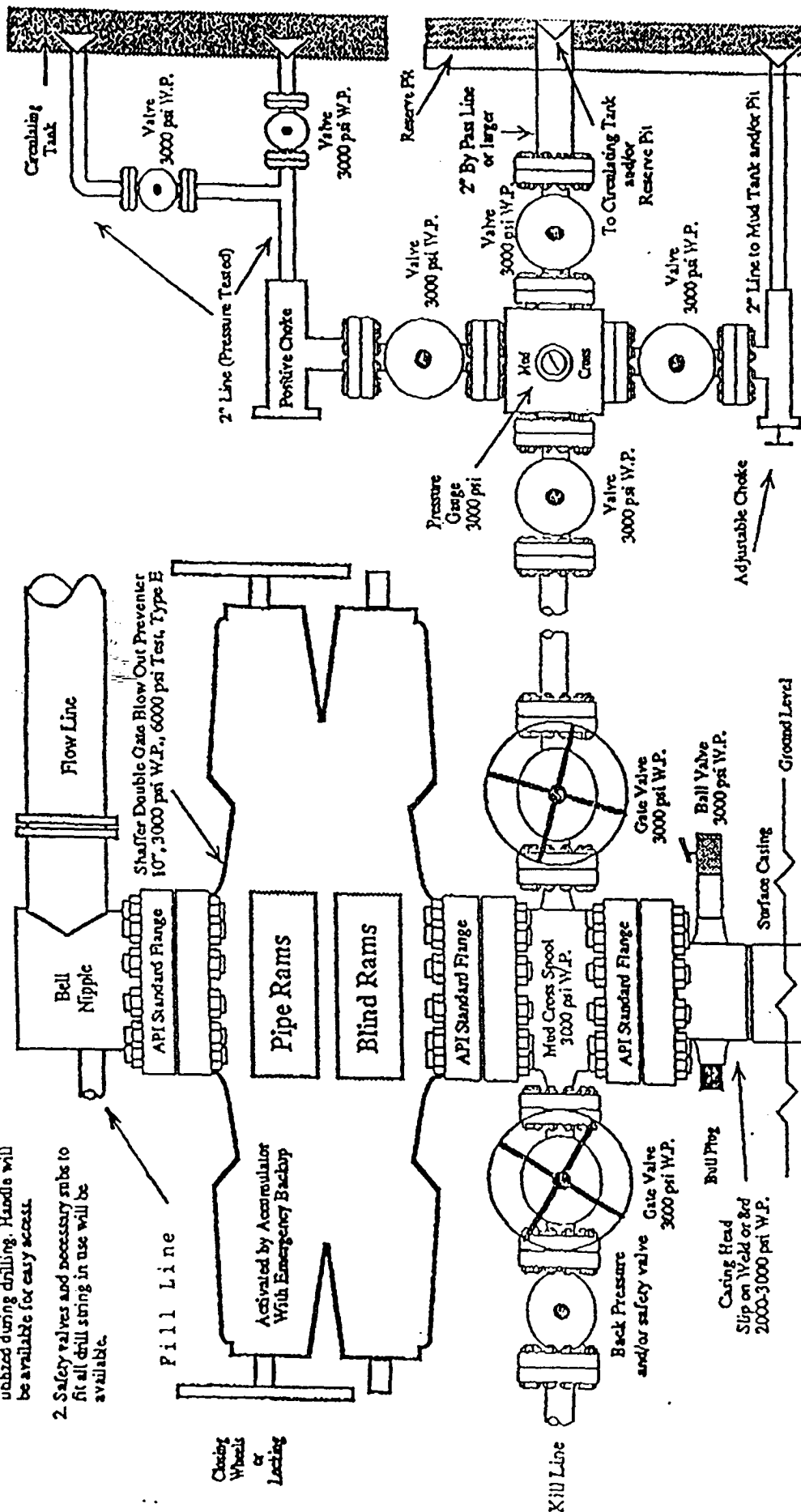
No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be  $\approx$ 500 psi.

#### 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.

# 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 subs 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.