Form 3160-3
(August 1999)

2006 JUN 12 AM 7 58

RECEIVED
070 FARMINGTON NM

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NOG-0107-1490

6. If Indian, Allottee or Tribe Name
Navajo Allotment 26

Ia. Type of Work: ☒ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
Kimbeto 13-1

2. Name of Operator
D.J. Simmons, Inc.

9. API Well No.
30-045-33792

3a. Address
1009 Ridgeway Place, Suite 200, Farmington N.M. 87401

3b. Phone No. *(include area code)*
(505) 326-3753

10. Field and Pool, or Exploratory
WC Basin Mancos

4. Location of Well *(Report location clearly and in accordance with any State requirements. *)*
At surface 760' FSL x 1124' FEL
At proposed prod. zone same

11. Sec., T., R., M., or 131k. and Survey or Area
P Section 13, T23N, R9W

14. Distance in miles and direction from nearest town or post office*
5 miles southeast of Blanco, NM

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)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
760'	160.00	160 SE/4
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	**19. Proposed Depth**	**20. BLJIA/BIA Bond No. on file**
2000'	2446'	BIA Bond No. RLB0002876
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	**22. Approximate date work will start***	**23. Estimated duration**
6827' GL	06/23/06	20days

24. Attachments Well Plat, Drilling Plan, Surface Plan and Storm Water Plan

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
	John A. Byrom	05/12/05
Title: President		
Approved by *(Signature)*	Name *(Printed/Typed)*	Date: 6/15/06
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 applicantto 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 reverse)

This action 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
1625 N. French Dr., Hobbs, NM 88240
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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

2006 JUN 12 AM 7 58

RECEIVED
070 FARMINGTON NM

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-33792	97232	WC Basin Mancos

[4] Property Code	[5] Property Name	[6] Well Number
35771	KIMBERTO [redacted] 13	#1

[7] OGRID No.	[8] Operator Name	[9] Elevation
5578	R.J. SIMMONS INC.	6827

[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	13	23	9	P	760	South	1124	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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
160			

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

Section 13

NAVAJO ALLOTMENT # 26
Well Head
Lat. 36. 1317 [illegible]
Long. 107.4406 986
NAD 83

1124'
760'

[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Printed Name John A. Byrom

Title President

Date MAY 15 2006

[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.

HENRY THOMAS
NEW MEXICO
12163
REGISTERED PROFESSIONAL SURVEYOR

Date of Survey 11/14/05

Signature and Seal of Professional Surveyor

NMPS # 12163

Certificate Number

Submit 3 Copies To Appropriate District Office
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

WELL API NO.
30 -045-33792

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
NOG-0107-1490

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.)

7. Lease Name or Unit Agreement Name
Kimbeto 13

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number 1

2. Name of Operator
DJ Simmons, Inc.

9. OGRID Number
005578

3. Address of Operator
1009 Ridgeway Place, Suite 200 Farmington, New Mexico

10. Pool name or Wildcat
WC/ Basin Mancos

4. Well Location
Unit Letter P :760 feet from the South line and 1124 feet from the East line
Section 13 Township 23N Range 9W NMPM County San Juan

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
6827' GL

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type Reserve / Blow Pit Depth to Groundwater > 100' Distance from nearest fresh water well > 1000' Distance from nearest surface water > 1000'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume N/A bbls; Construction Material Earthern Bermed

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☒	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
OTHER:	☐			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.

DJ Simmons, Inc. intends to make the the following changes to the drilling operations:
Hole size change from 12 ¼" to 11"
Surface pipe change size from 9-5/8" 36# J-55 to 8-5/8" 23# X-42
Production csg. change from 5-1/2" 17# J-55 to 5-1/2" 15.5# J-55
} on separate BLM Sundry.

Reserve /Blow Pit will be constructed per attached see exhibit 2 enclosed with APD. Reserve / Blow pit will be closed per NMOCD guide lines.

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 _____ TITLE President DATE June 19, 2006
John A. Byrom
Type or print name E-mail address: Telephone No. 505 326 3753

For State Use Only

APPROVED BY: _____ TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE JUN 19 2006
Conditions of Approval (if any):

DJ SIMMONS, INC.
OPERATOR

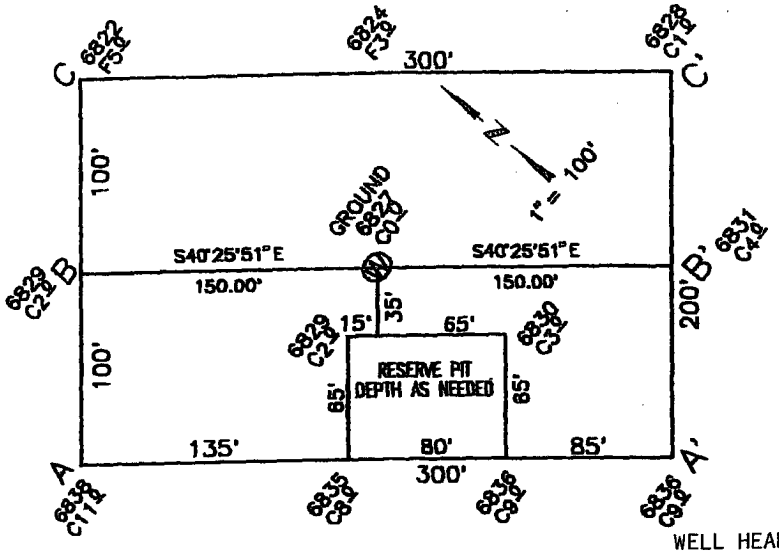
KIMBETO WASH LEASE TRACT
ALLOTMENT # 26
WELL NAME and NUMBER

760' F/SL 1124' F/EL
FOOTAGES

SE1/4 13 23N 9W
QTR SEC. TWP RGE

San Juan County, New Mexico
COUNTY STATE

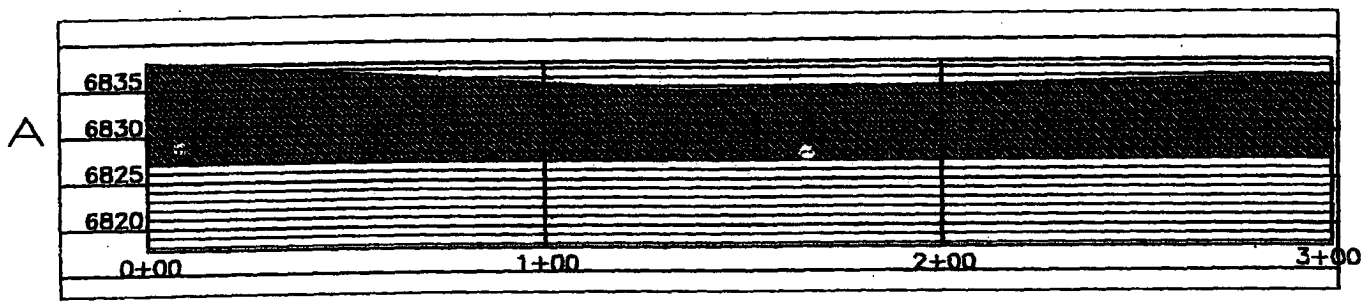
November 27, 2000
DATE



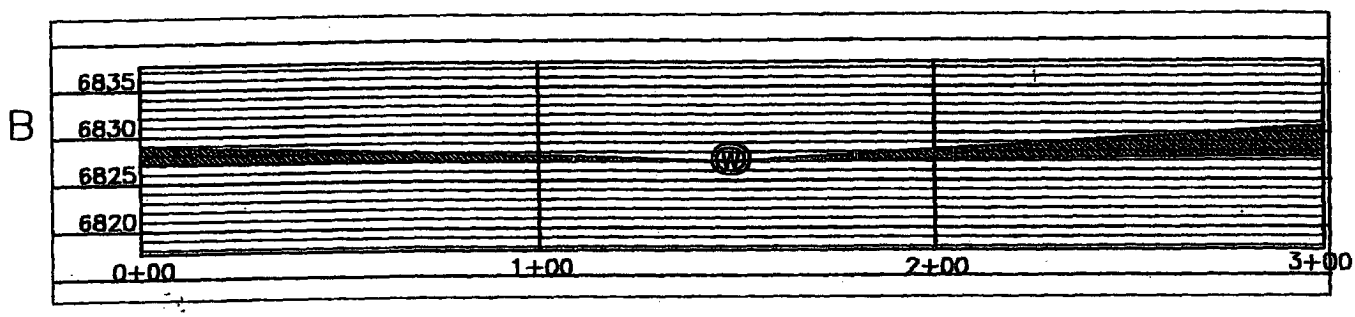
WELL HEAD
Lat. 36.1317.8335
Long. 107.4406.9986
(NAD 83)

SCALE:
Horiz. 1'=50'
Vert. 1"=20'

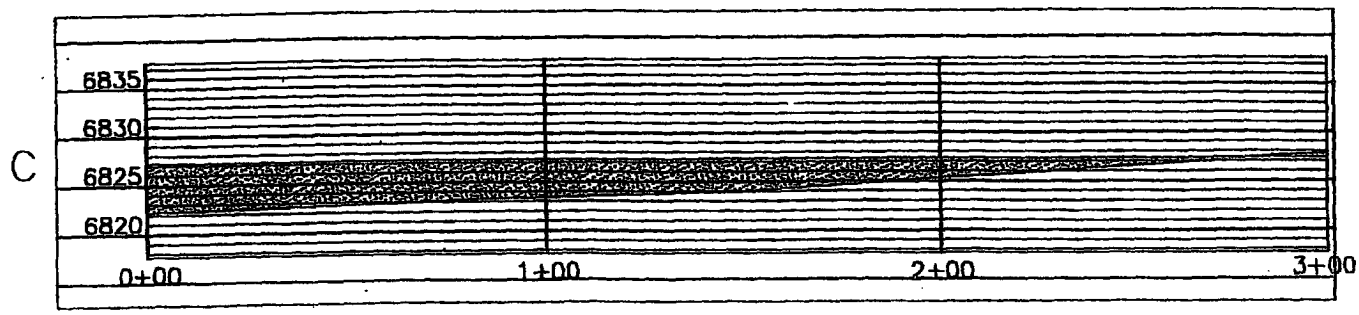
A — A'



B — B'



C — C'



PLAT 1-A

DJ Simmons, Inc. – Kimbeto Wash 13-1 Well
Plan and Engineering Design of the Drilling Program
Dated 4-2-2006

I. Well Information

A. Operator Name:	DJ Simmons, Inc.
B. Well Name:	Kimbeto Wash 13-1
C. Well Site Location:	760' FSL & 1,124' FEL, Section 13, T23N, R9W, N.M.P.M., San Juan County, New Mexico
D. Field:	Wildcat, approximately 1 miles north of the Kimbeto Wash Gallup Oil Pool
E. Well Site Elevation:	6,827' - GL
F. Geological Target Formation(s) at Depth(s):	Primary: Gallup – 4,639' Secondary: Chacra – 1,413"
G. Proposed True Vertical Depth (TVD):	5,085'
H. Well Bore Orientation (Vertical/Horizontal):	Vertical from surface to TD – 5,085'

II. Summary of the Drilling Operations

The operator is submitting plans to drill a vertical well to a total depth of 5,085'. The Gallup formation is the primary objective and the Chacra formation is the secondary objective. No over-pressurized reservoirs or hazardous levels of H_2S production are anticipated. A 12 1/4" ID hole will be drilled from surface to a depth of approximately 360'. The setting of surface casing to this approximate depth will protect the aquifers in the area from any possible contamination. The nearest domestic water well is approximately two (2) miles away and drilled to depth 173'. For the drilling of the 12 ¼" ID hole, the drilling fluid will vary as a fresh water base mud system with weight from 8.4 to 9.0 lb/gal. After the open hole has been drilled to a depth of 360', a 350' long string of 9 5/8" OD surface casing will be run in the 12 ¼" ID drilled hole and set with 236 sacks of Type III cement slurry. The projected surface casing TOC (top of cement) will be at the ground surface. The surface casing installation will be tested to 750 psia. After the "drill out" of the surface casing shoe with a 7 7/8' ID hole, the drilling fluid will vary as a fresh water base mud system with polymer and gel additives for a mud density of up to 9.1 lb/gal. Once the well is drilled to a measured depth of approximately 5,085', open hole log suite #1 will be run from approximately 5,085' up to a depth of 1,000'. If hydrocarbons are found, the operator will set a 5,085' long string of 5 ½" OD production casing in the 7 7/8" ID drilled hole. The production casing will be set with a two (2) stage slurry system; stage (1) 159 sacks of premium lite HS & additives, stage (2) Lead - 144 sacks premium lite FM & additives, stage (2) Tail - 244 sacks premium lite HS & additives. The production casing staging tool will be set at approximately 3,700' and the float collar will be set at approximately 5,045'. The projected production casing TOC will be at approximately 250'. The final production casing installation will be tested to 1,000 psia. (See attached Exhibit "A")

III. Summary of the Completion Operations

The operator will submit a completion plan after the well bore has been open hole logged and evaluated. The Gallup formation is the primary objective and the Chacra formation is a possible secondary objective. In both of the Gallup and the Chacra formations, the completion operations ordinarily require acid treatments and subsequent fracture treatments. The installation of artificial lift technologies may be required for the Gallup completion. Other formations exist within the hole that may contain hydrocarbons and may require additional testing. If the operator does not elect to complete the well bore, then a plugging plan will be submitted.

IV. Data Tables

A. Geological Profile:

Table 1 – The Anticipated Geological Profile of the Drilling Program

Formation Name	Formation Top (feet)	Formation Thickness (feet)	Description of the Lithology	Probable Fluid in Reservoir	Anticipated Reservoir Pressure
Kirtland	502'	257'	Sandstone, shale, siltstone, minor coal	Gassy, water	Normal
Fruitland	758'	280'	Coal beds, sandstones, carbonaceous shales	Gas, water	Normal
Pictured Cliffs	1038'	197'	Sandstone	-	Normal
Lewis	1235'	178'	Marine shale	-	Normal
Chacra	1413'	373'	Fine grained sandstone, siltstone	Gas	Normal
Cliff House	1785'	669'	Sandstone, interbedded shale & silt	Water	Normal
Menefee	2454'	1035'	Sandstone, coal beds, mudstones, siltstones	Water, gas	Normal
Point Lookout	3489'	139'	Sandstone	-	Normal
Mancos	3627'	748'	Marine shale	-	Normal
Upper Gallup	4375'	265'	Shale	-	Normal
Gallup SD/SH	4639'	-	Siltstone, shale, fine grained sandstones	Oil, gas	Normal

B. Drilled Hole and Fluid/Mud:

Table 2 – The Drilled Hole Size and Fluids Plan of the Drilling Program

Drilled Depth (feet)	Hole Size ID (inches)	Type of Fluid	Fluid Density (lb/gal)	Fluid Viscosity (sec)	Fluid Loss (cc)
0' – 360'	12 ¼"	Fresh water	8.4 – 9.0	30 - 50	No control
360' - 5085'	7 7/8"	Fresh water mud, polymer, gel	8.4 – 9.1	30 - 50	8 - 10

C. Pressure Control Equipment for Drilling Operations:

Table 3 – The Pressure Control Equipment of the Drilling Operations **(See attached Exhibits "B" & "C")**

Pressure Control Equipment for Drilling Operations				
Description of Equipment	Bore Size ID	API Pressure	Purpose/Testing Program	Test Pressure (psia)

	or Tubing Size OD (inches)	Rating (psia)		
Double Open Face BOP Hydraulic Pipe/Blind Rams	13 5/8"	3M-3,000	Pressure control for 0'-360' interval Test/actuate each day & record results*	2,750 for 15 mins.
Double Open Face BOP Hydraulic Pipe/Blind Rams	11"	3M-3,000	Pressure control for 360'-5,085' interval Test/actuate each day & record results*	3,000 for 15 mins.
Annular BOP	-	-	-	-
Choke Manifold	-	3M-3,000	Surface pressure control and diversion Inspect prior to drilling operations*	3,000 for 5 mins.
Rig Upper Kelly Cock Valve (Lower Kelly Cock Optional)	-	5M-5,000 (3M-3,000)	Surface pressure control and diversion Inspect prior to drilling operations and frequently after use. Perform test from the rig kelly side and record the results *	3,000 for 5 mins.
*Note; BOP drills for "on bottom drilling", "while tripping drill pipe", "when drill collars are in the BOP's" and "out of hole" will be conducted on a regular basis. Any equipment test and BOP drill activity will be maintained in a records book at the drill site for any compliance inspections. BOP test pressures should not exceed 80% of the yield strength of the subjected casing.				

D. Pressure Control Equipment for Completion Operations:

Table 4 – The Pressure Control Equipment of the Completion Operations **(See attached Exhibits "B" & "C")**				
Description of Equipment	**Bore Size ID or Tubing Size OD (inches)**	**API Pressure Rating (psia)**	**Purpose/Testing Program**	**Test Pressure (psia)**
Double Open Face BOP Hydraulic Pipe/Blind Rams	7 1/16"	3M-3,000	Pressure control of casing annulus Test/actuate each day & record results*	3,000 for 15 mins.
TIW Valve	2 7/8"	5M-5,000	Surface pressure control at tubing head Test/actuate each day & record results*	-
*Note; Any equipment test activity will be maintained in a records book at the drill site for any compliance inspections. BOP test pressures should not exceed 80% of the yield strength of the subjected casing.				

E. Safety Program and Equipment:

Table 5 – The Safety Program and Equipment of the Drilling and Completion Programs		
General OSHA Safety Compliance "7 Point" Program*		
1. All of the operator's personnel are required to have OSHA approved PPE and be professionally trained in the proper use and maintenance of such equipment. **2.** All of the operator's personnel receive training on general industrial safety compliance and workplace hazards by "third party safety professionals" on a monthly basis. **3.** At the daily start of well site operations, all of operator's personnel attend and participate in a documented safety meeting. **4.** The operator provides required MSDS and OSHA related bulletins at each well site that has ongoing operations. **5.** A written emergency preparedness plan is made available on each well site with active operations. **6.** The operator furnishes authorized emergency equipment such as fire extinguishers and first aid supplies at designated locations of the well site during active operations. **7.** All of operator's personnel are trained by "third party safety professionals" in H_2S safety and compliance.		
H_2S Safety and Monitoring Equipment		
Level of Hazard	**PPM**	**Measure of Protection/PPE/Monitoring/Emergency Response****
-	-	H_2S hazardous environment not anticipated by the operator

*Note; The use of the word personnel in "operator's personnel" is used to imply the employees and management of the company, DJ Simmons, Inc. Any contract service and equipment providers associated with the project are independently responsible for their safety program and training. The operator, DJ Simmons, Inc. will closely coordinate with any contract service and equipment providers involved with this project so as to insure that all applicable county, state and federal safety and environmental laws are enforced and maintained through out the duration of the operations and production of this well site.
**Note; The H_2S safety and compliance program will be professionally assessed and administered by a "third party" consulting service and equipment provider.

F. Open Hole Logging:

Table 6 – The Open Hole Logging Plan of the Drilling Program		
Type of Logs	**Interval Logged**	**Run Number**
Mud Log	500' – 5,085' (TD)	Same
DI/SFL GR D/N	500' – 5,085' (TD)	Run #1

G. Wellhead Equipment:

Table 7 – The Wellhead Equipment Plan of the Drilling and Completion Programs				
Drilling Operations				
Description of Type of Equipment	**Size OD (inches)**	**Type of Connection**	**API Pressure Rating (psia)**	**Accessory Equipment**
Well Head – A Section	11.00"	Threaded	3M-3,000 psia	(2) 2" outlets
Completion Operations				
Description of Type of Equipment	**Size OD (inches)**	**Type of Connection**	**API Pressure Rating (psia)**	**Accessory Equipment**
Well Head – B Section	TBD	TBD	TBD	TBD
Well Head – C Section	TBD	TBD	TBD	TBD
*TBD – To be determined after the completion procedure				

H. Casing Design:

Table 8 – The Casing Design of the Drilling and Completion Programs										
Casing Type	**Casing OD (inches)**	**Drilled Hole ID (inches)**	**Interval Set (feet)**	**Depth TVD (feet)**	**Depth MVD (feet)**	**Casing API Grade**	**Casing Weight (lb/ft)**	**Casing Range Length**	**Casing Thread**	**Casing Condition**
Conductor Pipe	-	-	-	-	-	-				-
Surface Casing	9 5/8"	12 ¼"	0' – 350'	350'	350'	J-55	36.0	3	8 rd, STC	New
Production Casing*	5 ½"	7 7/8"	0' – 5085'	5085'	5085'	J-55	17.0	3	8 rd, STC	New
* After logging or testing, if the well bore is anticipated to produce crude oil either by flowing or pumping, 5 ½" OD production casing will be selected. If the well bore is anticipated to produce natural gas with a high GOR, then 4 ½" OD casing of the same or higher API grade will be selected.										

I. Cementing Design:

Table 9 – The Casing Cementing Design of the Drilling and Completion Programs										
Cementing of	**Depth TVD (feet)**	**Depth MVD (feet)**	**Top of Cement TOC (feet)**	**Accessories & Arrangement**	**Cement Specifications**	**Excess (%)**	**Sacks**	**Slurry Density (lb/gal)**	**Slurry Yield (cuft/sak)**	**Slurry Volume (bbls)**
Conductor;	-	-	-	-	-	-	-	-	-	-
Cementing of Surface Casing										
Surface Casing;	360	360	Surface	To Be Determined	236 sacks of type III + 0.25	0%-inside casing,	236	15.20	1.27	53

9 5/8" OD					lbs/sack cello flake + 2% bwoc $CaCl_2$ + 51.1% fresh water cement	100%-annulus to 12 ¼" hole				
Two Stage Cementing Production Casing Accessories Run on the Long String										
Cement Stage Tool Set @	3,700	3,700	-	-	-	-	-	-	-	-
Cement Float Collar Set @	5,045	5,045	-	-	-	-	-	-	-	-
Stage (1) Cementing of Production Casing (above the 3,700' annulus side)										
Production Casing; 5 ½" OD	3,700	3,700 If cement is not circulated, A survey tool run showing top of cement to surface C&J	250	To Be Determined	***Stage (1)*** **Tail Slurry;** 159 sacks of premium lite high strength FM + 2.0% bwow KCl + 0.25 lbs/sack cello flake + 0.2% bwoc CD-32 + 0.5% bwoc FL-52 + 2.0% bwoc pheno seal + 3 lbs/sack LCM-1 102.7% fresh water cement	0%-inside casing, between casings, 50%-annulus to 7 7/8" hole	***Stage (1)*** **Tail Slurry;** 159	***Stage (1)*** **Tail Slurry;** 12.50	***Stage (1)*** **Tail Slurry;** 2.01	***Stage (1)*** **Tail Slurry;** 57
Stage (2) Cementing of Production Casing (below the 3,700' annulus side)										
	5,085	5,085	250	To Be Determined	***Stage (2)*** **Lead Slurry;** 144 sacks premium lite FM + 3.0% bwoc $CaCl_2$ + 0.25 lbs/sack cello flake + 0.4% bwoc FL-52 + 8.0% bwoc bentonite + 0.4% bwoc Sodium metasilicate + 3.0% bwoc pheno seal + 120.6% fresh water cement ***Stage (2)*** **Tail Slurry;** 244 sacks premium lite high strength FM + 2.0% bwow KCl + 0.25 lbs/sack cello flake + 0.2% bwoc CD-32 + 3 lbs/sack LCM-1 + 0.5% bwoc FL-52 + 102.7% fresh water cement	0%-inside casing, between casings, 50%-annulus to 7 7/8" hole	***Stage (2)*** **Lead Slurry;** 144 ***Stage (2)*** **Tail Slurry;** 244	***Stage (2)*** **Lead Slurry;** 12.00 ***Stage (2)*** **Tail Slurry;** 12.50	***Stage (2)*** **Lead Slurry;** 2.20 ***Stage (2)*** **Tail Slurry;** 2.01	***Stage (2)*** **Tail Slurry;** 144

J. Tubing Design:

Table 10 – The Tubing Design of the Completion Program					
Depth Set (feet)	**Tubing OD (inches)**	**Tubing Weight (lb/ft)**	**Tubing API Grade**	**Tubing Thread**	**Tubing Condition**
0' – 4635'	2 7/8"	6.40	J-55	8 rd, EUE	New

V. Closing

For any questions, the operator's current address and contact information is the following;

DJ Simmons, Inc.
1009 Ridgeway Place – Suite 200
Farmington, NM 87401
505-326-3753 (office)
505-327-4659 (fax)

John A. Byrom
Project Engineer
DJ Simmons, Inc.
(505) 326-3753 ext. 20 (office)
(505) 486-9710 (cell)

Tom Ann Casey
Geologist
DJ Simmons, Inc.
(505) 326-3753 ext. 20 (office)
(970) 749-7196 (cell)

Exhibit "A"
Well Bore Diagram - Proposed Drilling and Completion Program
Kimbeto Wash 13-1
DJ Simmons, Inc. - Operator
Completion - Gallup - approximately 4639'
Field; Wildcat, approximately 1 mile north of the Kimbeto Wash Gallup Oil Pool
San Juan County, New Mexico
Drawn on 3-31-2006; not to scale

Drawn by Billy Mack Arnold, Jr.
Petroleum Engineer & Mechanical Engineer

Section 13, T23N, R9W, N.M.P.M.
At surface; 760' FSL & 1124' FEL
At top producing interval below; 760' FSL & 1124' FEL
At total depth; 760' FSL & 1124' FEL

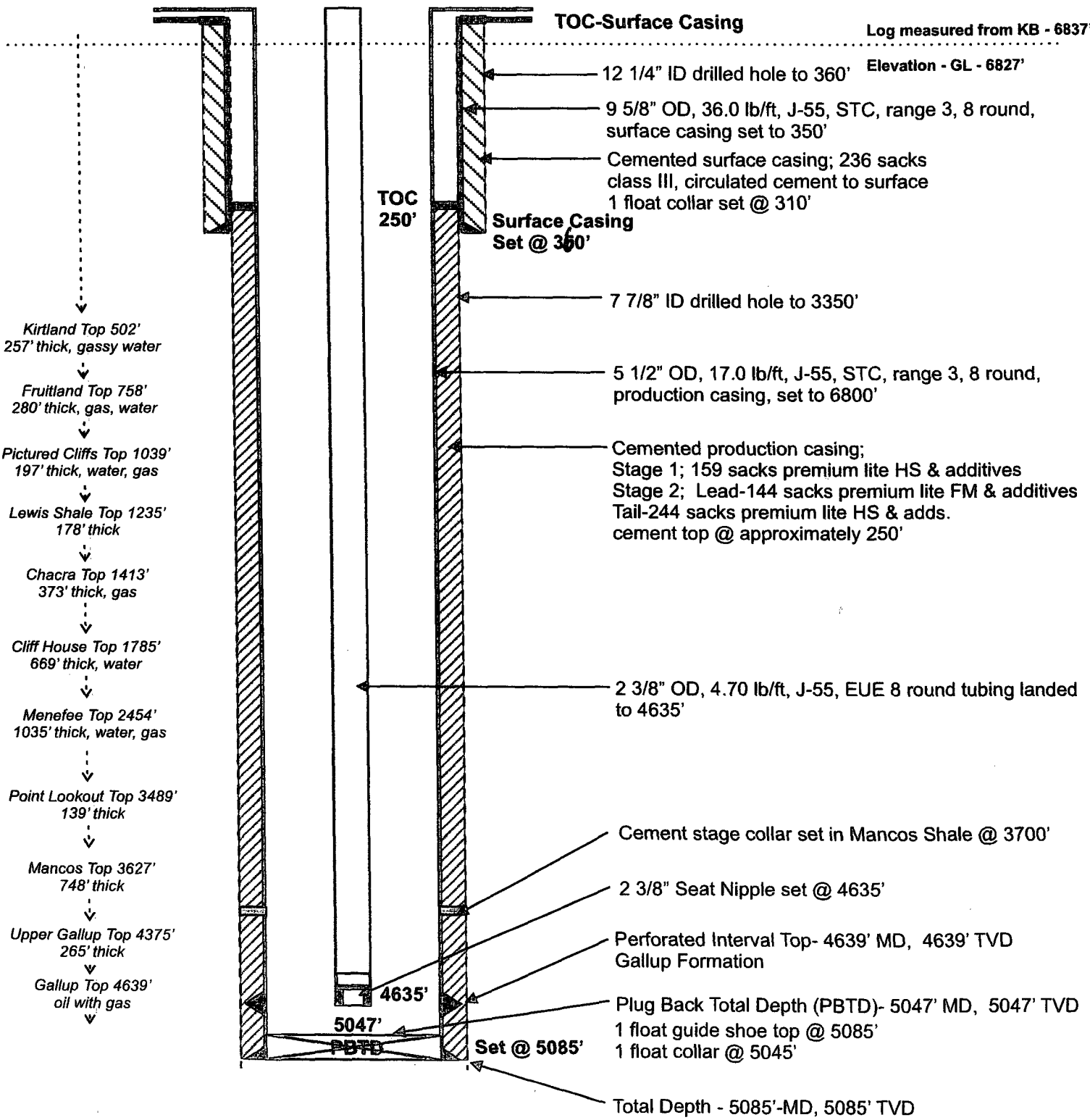


Exhibit "B"
Selection of BOP Layout, Choke Manifold Layout and Kelly Cock Valve
DJ Simmons, Inc.
Kimbeto Wash 13-1 Well
By Billy Mack Arnold, Jr. - Petroleum & Mechanical Engineer

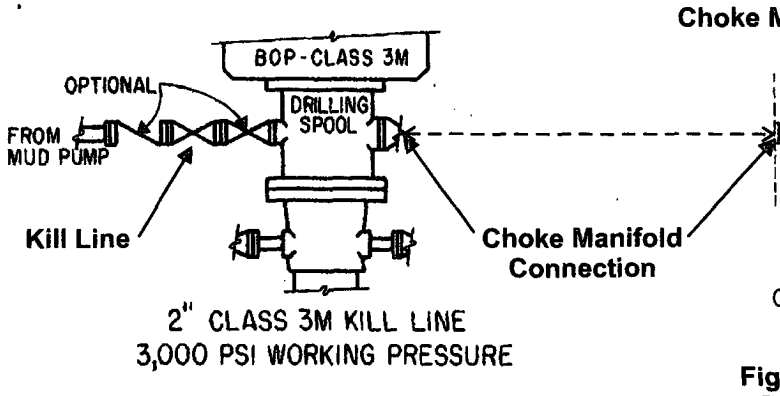


Figure 1 - Drilling Operations - BOP Stack, Choke Manifold and Kill Line Installation for 3,000 psia Pressure Applications

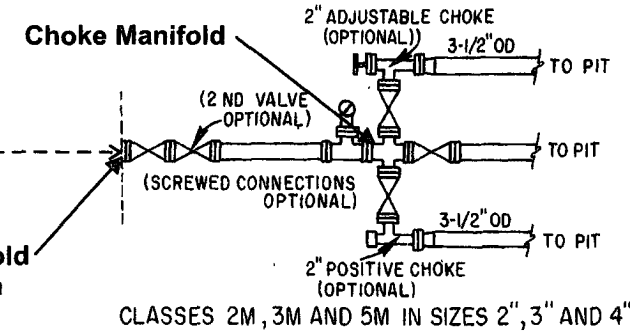


Figure 2 - Drilling Operations - Choke Manifold Equipment and Layout, 3,000 psia Pressure Rated Applications

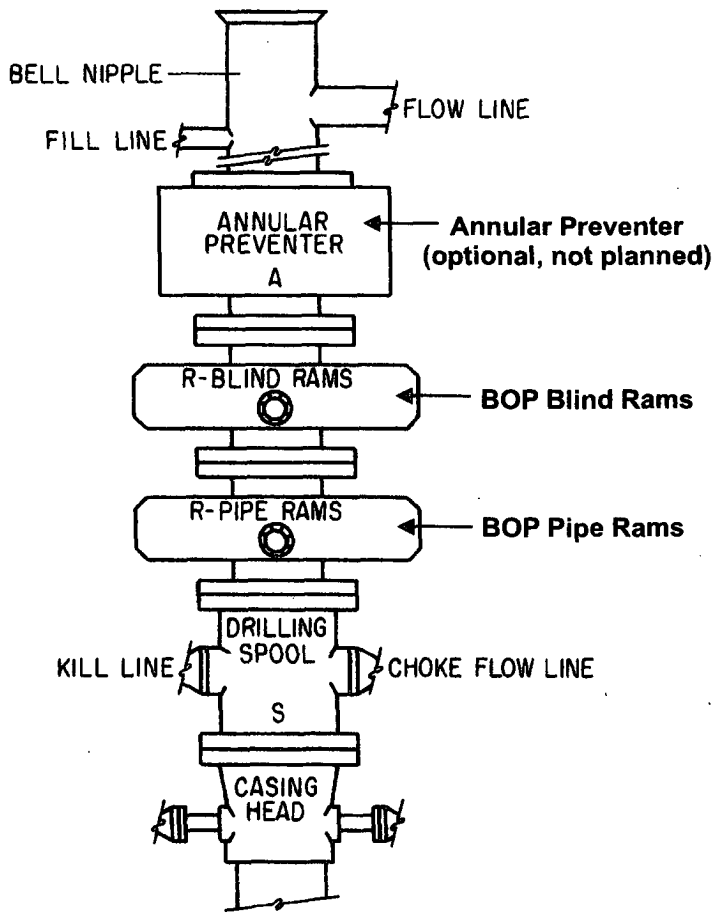


Figure 3 - Drilling Operations - BOP Stack, Choke Manifold and Kill Line Installation for 3,000 psia Pressure Applications

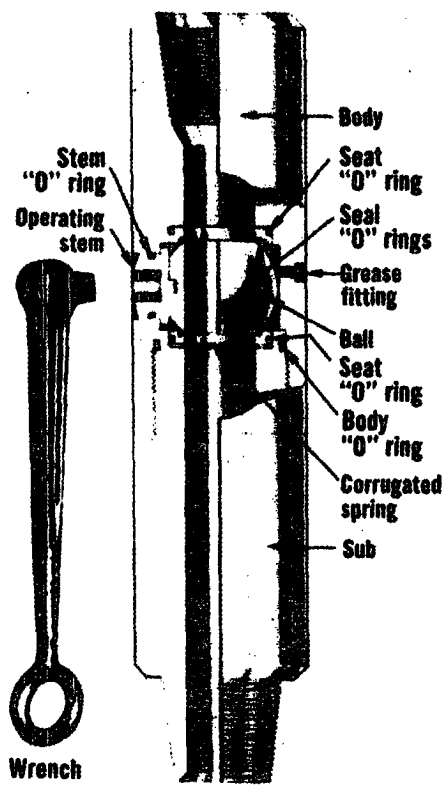
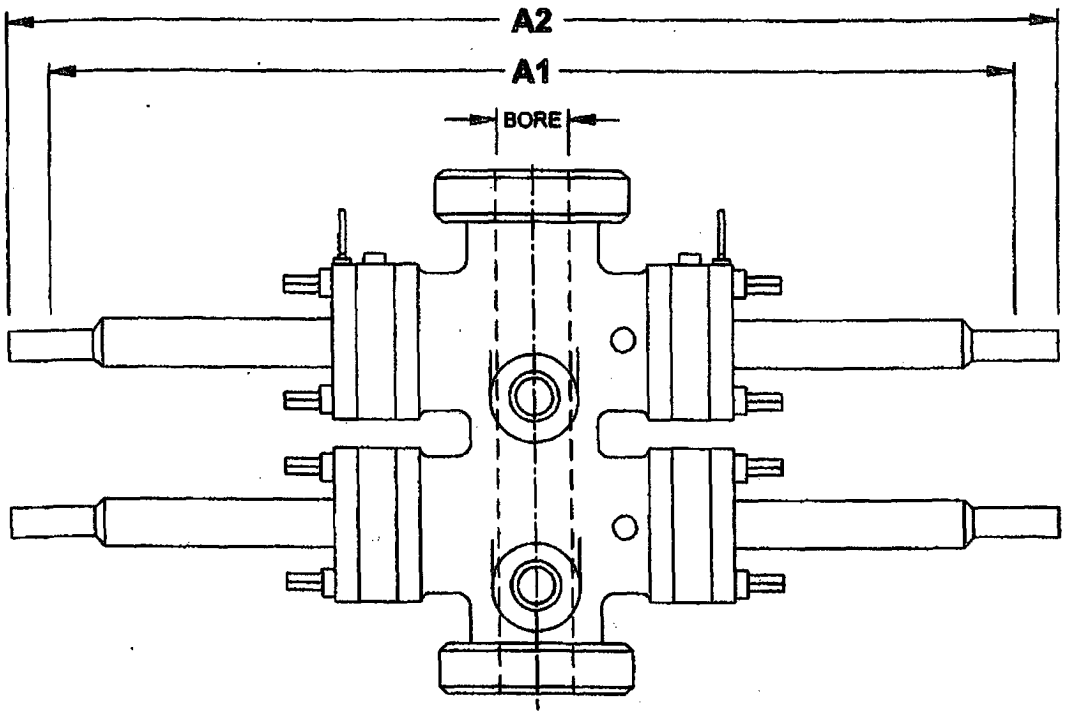


Figure 4 - Drilling Operations - Rig Kelly Cock Exhibiting Ball Valve and Wrench Handle, 5,000 psia Pressure Rated Applications

Exhibit "C"
Selection of Blowout Preventers
DJ Simmons, Inc.
Kimbeto Wash 13-1 Well
By Billy Mack Arnold, Jr. - Petroleum & Mechanical Engineer



Cameron Type "U" Blowout Preventer
Double Open Face Flanged - Specifications

Completion Operations →

Drilling of 7 7/8" ID Hole from 750' to 5,085' →

Drilling of 12 1/4" ID Hole from 0' to 360' →

Bore Size (in.)	Pressure Rating (PSI)	Flanged Weight (Lbs)	Flanged Height (in.)	A-1 ■ (in.)	A-2 ▲ (in.)	Width (in.)	Gallons to Close (One Set)	Gallons to Open (One Set)
7-1/16	3,000	5,000	41	74	109-1/2	20-1/4	1.33	1.28
	5,000	5,200	44-3/16					
	10,000	6,400	48-11/16			20-5/8		
	15,000	6,750	49-7/8					
11	3,000	9,900	48-1/4	99-1/4	140-7/8	26-3/8	3.55	3.20
	5,000	10,800	54-1/2					
	10,000	11,900	55-7/8			28-3/4		
	15,000	13,400	59-3/4	120-7/8	160-3/16	32		
13-5/8	3,000	14,300	53-3/8	112-1/8	171-1/2	29-1/4	5.80	5.45
	5,000	14,800	55-7/8					
	10,000	18,400	66-5/8	114-1/8	172-3/4	30-1/4		
13-5/8 ●	10,000	48,950	61-3/4	135-3/4	211-7/8	39-1/2	11.70	11.50
16-3/4 ●	3,000	26,090	65-7/8	127-1/4	199-1/16	35-3/4	10.60	9.80
	5,000	26,140	68-11/16	129-1/4	202-1/8			
16-3/4	10,000	-	77-3/4	139	216-3/8	39-1/2		
18-3/4		54,000	-	156-3/8	242-1/8	42-1/2	24.90	23.00
21-1/4	5,000	25,150	62-3/4	143-11/16	226-13/16	39-33/64	8.40	7.85
20-3/4	3,000	25,550	66-1/8					
21-1/4	10,000	65,800	100-1/16	169-3/8	260-3/8	47-1/4	25.60	24.10
26-3/4	3,000	44,200	78-7/8	169-5/8	275-3/8	46-1/4	10.40	9.85

Data provided by Cameron.
● Model B
■ A-1 = Overall length, bonnets closed, locked.
▲ A-2 = Overall length, ram charge, both bonnets opened, lock screws unlocked.