District I State of New Mexico Form C-101 1625 N. French Dr., Hobbs, NM 882 MIN 2008 Energy Minerals and Natural Resources May 27, 2004 District II إييع 1301 W. Grand Avenue, Artesia, NW 88210 Fig. 120 Submit to appropriate District Office District III Onservation Division DIL CONS. DIV. 1000 Rio Brazos Road, Aztec, NM 87410 ∧ 1220 South St. Francis Dr. DIST. 8 ☐ AMENDED REPORT Santa Fe, NM 87505 1220 S. St. Francis Dr., Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE OGRID Number Operator Name and Address 13931 c/o Walsh Engineering Manana Gas, Inc. 7415 E. Main St., Farmington, NM 87402 Property Code Property Name Lucky Lindy 2 3315R 10 Proposed Pool 2 9 Proposed Pool 1 **Basin Fruitland Coal** Aztec Pictured Cliffs **Surface Location** Range Lot Idn Feet from the North/South line Feet from the East/West line UL or lot no. Section Township County F 13 30N 12W 1350 North 1640 West San Juan ⁸ Proposed Bottom Hole Location If Different From Surface North/South line UL or lot no. Township Feet from the East/West line County Section Range Additional Well Information Cable/Rotary 15 Ground Level Elevation Well Type Code Work Type Code Lease Type Code R 5586' G P 8 Formation 20 Spud Date 6 Multiple Proposed Depth ¹⁹ Contractor 2060 Pictured Cliffs Depth to Groundwater 25' Distance from nearest fresh water well >1000' Distance from nearest surface water 125' Liner: Synthetic Clay Pit Volume: 1250 12 mils thick Drilling Method: Fresh Water X Brine Diesel/Oil-based Gas/Air Closed-Loop System Proposed Casing and Cement Program Casing weight/foot Sacks of Cement Estimated TOC Hole Size Casing Size Setting Depth 7" 20.0# 30 sx (36 cu.ft.) 8-3/4 120' Surface 6-1/4" 4-1/2" 10.5# 20603 200sx & 100sx Surface Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. Manana Gas, Inc. proposes to drill a vertical well at the above listed location and test the Fruitland Coal and Pictured Cliffs formations. An 8-3/4" surface hole will be drilled to approx. 120' with spud mud. 7", 20# casing will be set and cemented to surface with 30 sx (36 cu.ft.) of Cl "B" with 3% CaCl2 and 1/4#/sk celloflake. A double ram, 2000 psi rated BOP will be installed and pressure tested to 600 psi. A 6-1/4" hole will be drilled using a fresh water - polymer mud system to approx. 2160'. 4-1/2", 10.5# casing will be set and cemented to surface with 200 sx (412 cu.ft.) of Cl "B" cement with 2% SMS, 1/2 #/sk. celloflake and 5 #/sk gilsonite followed by 100 sx (118 cu.ft.) of Cl "B" with 2% CaCl2, 1/2 #/sk celloflake and 5 #/sk gilsonite. Open hole DIL and FDC/CNL/GR/SP logs will be run. Surveys will be run every 500'. The W/2 of Section 13 (320 acres) is dedicated to the Fruitland and the NW/4 is dedicated to the Pictured Cliffs. Formation tops: Ojo Alamo - 475', Kirtland - 525', FT -1220', FT Coal - 11830, PC - 1865'. ²³ I hereby certify that the information given above is true and complete to the OIL CONSERVATION DIVISION best of my knowledge and belief. I further certify that the drilling pit will be

Approved by:

Approval Date:

Conditions of Approval Attached

Title:

constructed according to NMOCD guidelines X, a general permit , or

Phone: (505) 327-4892

an (attached) alternative OCD-approved plan .

Printed name: Paul C. Thompson, P.Es

E-mail Address: paul@walsheng.net

Title: Agent

Date: 6/22/06

PECTOR DIST. AM

Expiration Date:

DISTRICT I 1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II 1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III 1000 Rio Brozos Rd., Aztec, N.M. 87410

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT IV 1220 South St. Fr	ancis Dr., S	onta Fe, NM 8	7505					☐ AME	NDED REPOR
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FD. 3 1/4" I 2001 LS 615	BC.						Date of Signature	MAY 22, 200 A YUKO 14831 - 3 POFESSION TO	nal Surveyor:

DISTRICT I 1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II 1301 W. Grand Ave., Artesia, N.M. 88210

1000 Rio Brazos Rd., Aztec, N.M. 87410

FD. 3 1/4" BC. 2001 LS 6159

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 October 12, 2005

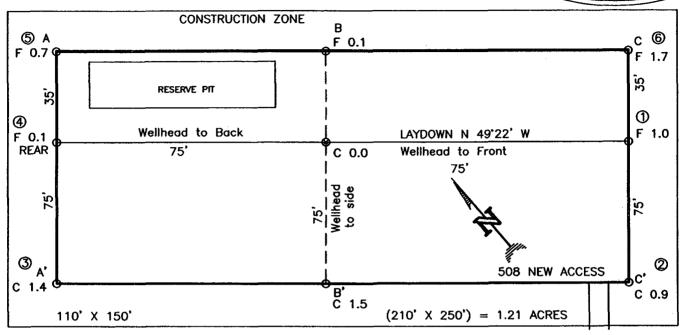
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Fee Lease - 3 Copies

DISTRICT IV 1220 South St. Fr	ancis Dr., S	anta Fe, NM 8	7505					☐ AM	ENDED REPOR
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FD. 3 1/4" I							Date of School of the Control of the	MAY 22, 20 NA YUKONG (14831) POFESSION Y	glonal Surveyor:

MANANA GAS INC. LUCKY LINDY No. 2, 1350 FNL 1640 FWL SECTION 13, T30N, R12W, N.M.P.M., SAN JUAN COUNTY, N. M. GROUND ELEVATION: 5586' DATE: MAY 22, 2006

NAD 83 LAT. = 36.81582° N LONG. = 108.05313° W



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE). BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

