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

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised October 12, 2005

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

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

DISTRICT IV

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

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

M AMENDED REPORT

2040 S. St. Francis Dr., Santa Fe, NM 87505

'API Number 30-045-33622	¹ Pool Code 71629	Pool Name BASIN FRUITLAND COAL
*Property Code 19078	^a Property Nam WRIGHT 10	e Well Number #2
7 OGRID No. 9812	³ Operator Nam CHEVRON	° Elevation 5800'

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹⁰ Surface Location UL or lot no. Feet from the North/South line Section Township Lot Idn East/West line Range Feet from the 31-N 13-W 1973' SOUTH 1893' **EAST** SAN JUAN

11 Bottom Hole Location If Different From Surface UL or let no. Section Township Range Lot Idn Feet from the North/South line | Feet from the East/West line County RCVD MAR9'07 13 Joint or Infill Dedicated Acres * Consolidation Code Order No OIL CONS. DIV. 320 SE/4 Sec.9 SW/4 Sec.10 NSP1762(L) DIST.3

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

FOUND 34" BRASS CAP BLM (1952) 10 LAT. 36.91288 N (NAD 83) LONG. 108.20680 W (NAD 83) 1893'± FEL 2623.4*± 3 00"23"05" FOUND 31 BRASS CAP FOUND 34" BRASS CAP BLM (1952)

OPERATOR CERTIFICATION

hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a warking interest or unleased miveral interest in the land including the proposed bottom hale location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

SURVEYOR CERTIFICATION

I hereby certify that the well tocalion 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



N 89'44'04" W 2684.1'±

Location change

\$ 3/22/07

CHEVRON **WRIGHT 10 #2**

1973 FEET FROM THE SOUTH LINE AND 1893 FEET FROM THE EAST LINE **SECTION 9, TOWNSHIP 31 NORTH, RANGE 13 WEST** SAN JUAN COUNTY, NEW MEXICO

EIGHT POINT DRILLING PLAN rev.2

1. ESTIMATED FORMATION TOPS (KB):

Depth
145
268
1485
1735
1960
2160

2. NOTABLE ZONES AND PLAN FOR PROTECTION:

Gas or Oil Zones	Water Zones	Coal Zones
Fruitland		Fruitland
Pictured Cliffs	Ojo Alamo	
	Kirtland	

Protection of oil, gas, water, or other mineral bearing formations: Protection shall be accomplished by cementing all casing back to the surface.

3. PRESSURE CONTROL EQUIPMENT:

Maximum anticipated surface pressure is less than 3000 psi.

Pressure control equipment shall be in accordance with BLM minimum standards.

A casing head with an 11", 3000 psi flange will be welded onto the surface casing.

BOP stack will consist of either 2 single gate or a double gate and annular preventer. The gate preventers will be equipped with pipe rams on bottom and blind rams on top. The choke and kill lines will be connected to outlets below the bottom rams, utilizing either the ram body outlet or a drilling spool with side outlets. The BOP stack will be 11" or 13.625" bore, 3000 psi working pressure or greater. The choke and kill lines will be 3" bore, 3000 psi working pressure or greater. Please refer to attached schematic.

Test procedure and frequency shall be in accordance with BLM minimum standards for 3000 psi equipment, per BLM Oil & Gas Order #2.

4. SUPPLEMENTAL DRILLING EQUIPMENT AND CASING INFORMATION:

Casing Information: All casing will be new pipe and tested to 1500 psi.

Hole Size	O.D.	Weight (lb/ft)	Grade	Age	Connection	GL Setting Depth	Stage	Centralizers
12-1/4"	9-5/8"	36	J-55	New	LT&C	200.0	No	*
8-3/4"	7"	23	N-80	New	LT&C	2160.0	No	As needed

^{*}Centralizers will be placed on the bottom three joints and every fourth joint thereafter.

Casing Design Information:

Design Factors:	9-5/8"	7"	
Collapse value new pipe	2020	3830	
Actual Collapse Load	92	988	
Collapse Safety Factor	22.1	3.9	
Burst Value new pipe	3520	6340	
Actual Burst Load	468	687	
Burst Safety Factor	7.5	9.2	
Tension value new pipe	564	442	
Actual Tension Load	7.2	49.7	
Tension Safety Factor	78.3	8.9	

Cement Information:

	LEAD	LEAD	LEAD	LEAD	TAIL	TAIL	TAIL	TAIL	
CASING	TYPE	PPG	CF/SX	SX	TYPE	PPG	CF/SX	SX	EXCESS
9-5/8"	Class B	15.6	1.18	130					100%
7"	Class B	12.5	2.09	160	Class B	14.5	1.4	180	45%

5. CIRCULATING MEDIUM AND MUD TYPE:

Depth	Туре	Wt./ppg	Viscosity	Fluid Loss	рН
Spud – 200'	FW - Spud	8.8 –	36 - 42	NC	
200' – 1685'	Water	8.5 –	32 - 36	NC	10.0 – 10.5
1685' – TD	FW – FW Gel /	8.7 –	35 – 38	< 10	10.0 – 10.5
	Drispac R		45 at TD		

6. ANTICIPATED TYPE AND AMOUNT OF LOGGING, CORING, AND TESTING:

Open hole logs are planned. No cores or drill stem tests are planned.

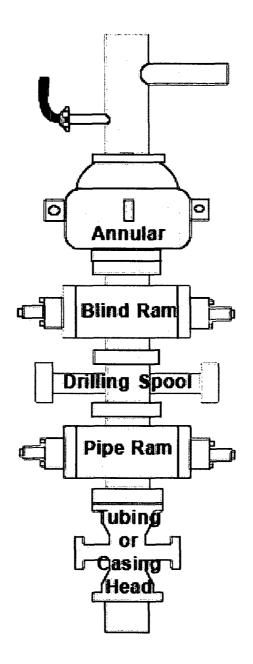
7. EXPECTED BOTTOM HOLE PRESSURE AND ANY ANTICIPATED ABNORMAL PRESSURE, TEMPERATURES, OR OTHER HAZARDS (H₂S, STEAM, ETC.) AND ASSOCIATED CONTINGENCY PLANS:

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be less than 3000 psi.

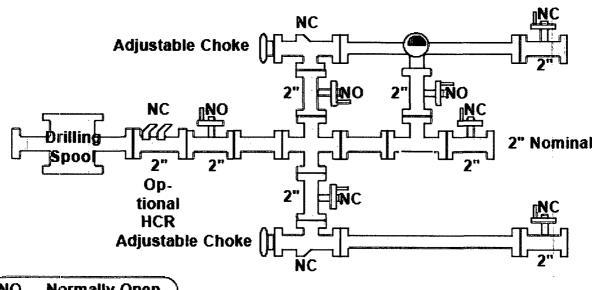
8. OTHER:

The anticipated spud date is August 22, 2007. It is expected it will take approximately eight (8) days to drill and twelve (12) days to complete the well. Completion will start approximately one month after the spud.

CLASS III BOP SCHEMATIC



CLASS III CHOKE SCHEMATIC



NO Normally Open NC Normally Closed