

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

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>14-20-603-2172</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>NAVAJO</b>
2. Name of Operator <b>RICHARDSON OPERATING CO..</b>		7. If Unit or CA Agreement, Name and No. <b>N/A</b> 30732
3a. Address <b>3100 LaPLATA HIGHWAY FARMINGTON, NM 87401</b>	3b. Phone No. (include area code) <b>(505) 564-3100</b>	8. Lease Name and Well No. <b>NV NAVAJO 26 #4</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>1085' FSL &amp; 800' FEL</b> At proposed prod. zone <b>SAME</b>		9. API Well No. <b>30-045- 31169</b>
14. Distance in miles and direction from nearest town or post office* <b>4 AIR MILES SW OF FARMINGTON</b>		10. Field and Pool, or Exploratory <b>W KUTZ PC</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>4,195'</b>	16. No. of Acres in lease <b>2,560</b>	11. Sec., T., R., M., or Blk. and Survey or Area <b>P 26-29n-14w NMPM</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>2,219'</b>	19. Proposed Depth <b>1,700'</b>	12. County or Parish <b>SAN JUAN</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>5,920' GL</b>	22. Approximate date work will start* <b>UPON APPROVAL</b>	13. State <b>NM</b>
20. BLM/BIA Bond No. on file <b>#158293308 (BLM - NATIONWIDE)</b>		
23. Estimated duration <b>2 WEEKS</b>		
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.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification.   |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

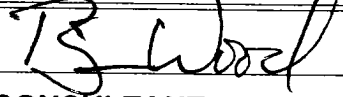
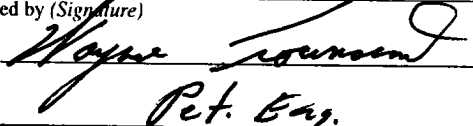
Comments

**BLM on site inspector: Marcella Martinez**

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

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

cc: BIA, BLM (&OCD), Richardson, Tribe

25. Signature 	Name (Printed/Typed) <b>BRIAN WOOD</b>	Date <b>8-19-02</b>
Title <b>CONSULTANT</b>	PHONE: <b>505 466-8120</b>	FAX: <b>505 466-9682</b>
Approved by (Signature) 	Name (Printed/Typed) <b>Wayne Townsend</b>	Date <b>10/24/02</b>
Title <b>Pet. Eng.</b>	Office <b>FFO</b>	

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 as to any matter within its jurisdiction.

NMOCD

State of New Mexico  
Energy, Minerals & Mining Resources Department  
OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C - 102

☐ AMENDED REPORT

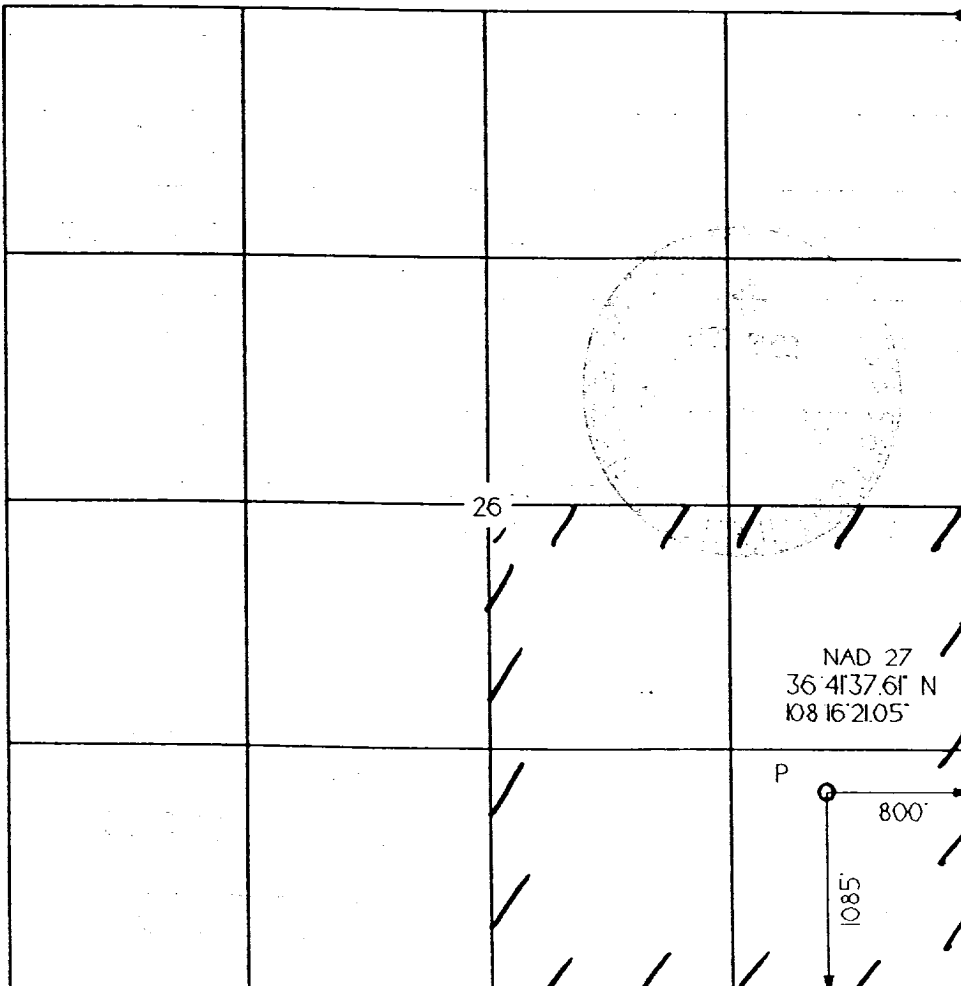
WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number <b>30-045-31169</b>	Pool Code <b>79680</b>	Pool Name <b>WEST KUTZ PICTURED CLIFFS</b>
Property Code <b>30732</b>	Property Name <b>NV NAVAJO 26</b>	Well Number <b>4</b>
OGRI No. <b>019219</b>	Operator Name <b>RICHARDSON OPERATING COMPANY</b>	Elevation <b>5920'</b>

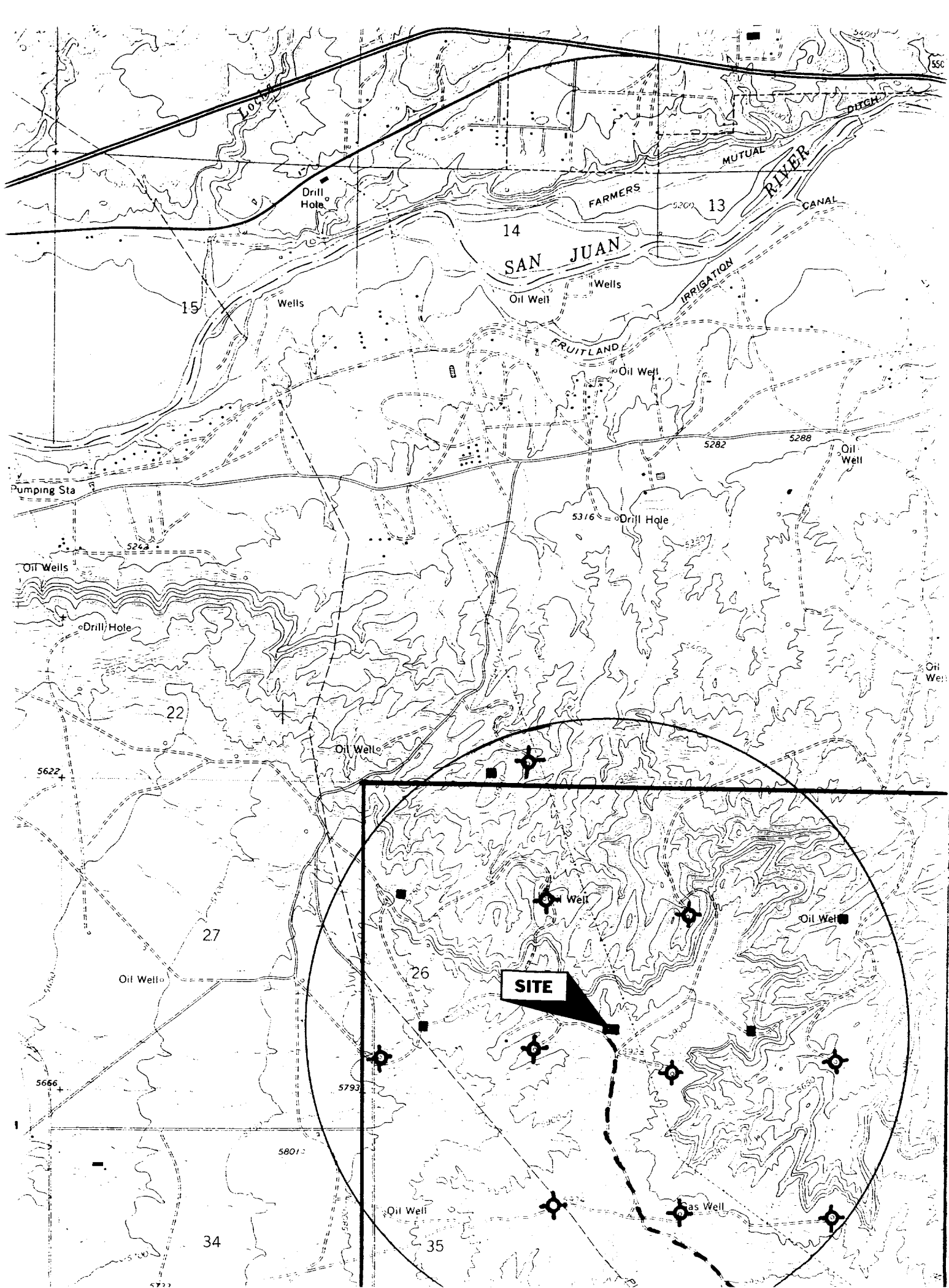
Surface Location									
UL or Lot <b>L</b>	Sec. <b>26</b>	Twp. <b>29 N.</b>	Rge. <b>14 W.</b>	Lot Idn.	Feet from <b>1085'</b>	North/South <b>SOUTH</b>	Feet from <b>800'</b>	East/West <b>EAST</b>	County <b>SAN JUAN</b>

Bottom Hole Location if Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from	North/South	Feet from	East/West	County
Dedication	Joint ?	Consolidation	Order No.						

NO ALLOWABLE WELL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <i>Brian Wood</i>	
Printed Name <b>BRIAN WOOD</b>	
Title <b>CONSULTANT</b>	
Date <b>AUG. 19, 2002</b>	
<b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location 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. Date of Survey <b>8-14-02</b>	
Signature and Seal of Professional Surveyor 	



Richardson Operating Co.  
Navajo 26 #4  
1085' FSL & 800' FEL  
Sec. 26, T. 29 N., R. 14 W.  
San Juan County, New Mexico

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## Drilling Program

### 1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Ojo Alamo Ss	000'	5'	+5,920'
Kirtland Sh	100'	105'	+5,820'
Fruitland Coal	1,535'	1,540'	+4,500'
Pictured Cliffs Ss	1,555'	1,560'	+4,400'
Total Depth (TD)*	1,700'	1,705'	+4,220'

\* all elevations reflect the ungraded ground level of 5,920'

### 2. NOTABLE ZONES

<u>Gas Zones</u>	<u>Water Zones</u>	<u>Coal Zones</u>
Fruitland Coal	Fruitland Coal	Fruitland Coal
Pictured Cliffs		

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.) Double ram or annular system with a rotating head will be used. All ram preventers and related equipment will be hydraulically tested at nipple up and after any use under pressure to 1000 psi.

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Blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi. Maximum expected pressure is  $\leq 680$  psi.

#### 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>
8-3/4"	7"	20	K-55	New	120'
6-1/4"	4-1/2"	10.5	K-55	New	1,700'

Surface casing will be cemented to surface with  $\approx 36$  cubic feet ( $\approx 30$  sacks) Class B + 2%  $\text{CaCl}_2$ . Volume is based on 100% excess, yield of 1.18 cubic feet per sack, and slurry weight of 15.6 pounds per gallon. W. O. C. = 12 hours. Pressure test surface casing to 600 psi for 30 minutes.

Production casing hole will first be cleaned of rock chips by circulating at least 150% of hole volume with mud to the surface. Thirty barrels of fresh water will next be circulated. Lead with  $\approx 195$  cubic feet ( $\approx 95$  sacks) of Class B with 2% metasilicate (yield = 2.06 cubic feet per sack, slurry weight = 12.5 pounds per gallon). Tail with  $\approx 115$  cubic feet ( $\approx 95$  sacks) of Class B with 2%  $\text{CaCl}_2$  (yield = 1.18 cubic feet per sack, slurry weight = 15.6 pounds per gallon). Total cement volume is  $\approx 310$  cubic feet based on 75% excess and circulating to surface.

Production casing will have 4-1/2" cement guide shoe and self fill float collar. Float will be placed one joint above the shoe. Five centralizers will be spaced on every other joint starting above the shoe. Five turbolizers will be placed on every other joint starting from the top of the well.