

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work RE-ENTER		5. Lease Number NM-86494	
1b Type of Well DISPOSAL		6. If Indian, Name of Tribe or Allottee	
2. Operator Texakoma Oil & Gas Corporation		7. Unit Agreement Name 72699	
3. Address & Phone No. of Operator %A. R. Kendrick Box 516, Aztec, NM 87410 (505) 334-2555		8. Farm or Lease Name La Plata Disposal	
4. Location of Well 980' FNL 799' FWL		9. Well Number 1	
10. Field, Pool, or Wildcat Undesignated Mesaverde		11. Section, Township, & Range, Meridian, or Block C - 18 - 31N - 13W	
14. Distance in Miles from Nearest Town 3.2 miles west from the La Plata, NM Postoffice		12. County San Juan	13. State New Mexico
15. Distance from Proposed Location To Nearest Property Line or Lease Line.	340'	16. Acres in Lease 856.86 Acres	17. Acres Assigned to Well Not Applicable
18. Distance From Proposed Location To Nearest Well Dr, Compl., Or Applied For On Lease.	6250'	19. Proposed Depth 4050'±; OR, to 4-1/2" casing stub 1" @ 4400	20. Rotary or Cable Tools Rotary API # 30-045-10817
21. Elevations (DF, RT, GR, Etc.) 5722' GR		22. Approximate Date Work Will Start. Spring, 2000	

23. Proposed Casing and Cementing Program:

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

Exhibits attached as follows:

"A" Location and Elevation Plat
"B" Vicinity Map - Access Roads
"C" Ten-Point Compliance Program
"D" Multi-Point Requirements for APD
"E" Blowout Preventer Schematic

"F" Location Profile
"G" Drill Rig Layout
"H" Completion Rig Layout
"I" Injection Facility Schematic
"J" Plat of Wells Within One Mile

24. Signed A. R. Kendrick Title _____ Agent _____ Date 3/11/00

Permit No. _____ Approval Date 9/8/00

Approved By _____ Title _____ Date 9/8/00

NOTE: THIS FORMAT IS ISSUED IN LIEU OF U.S. BLM FORM 3160-3.

NMOC

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date _____

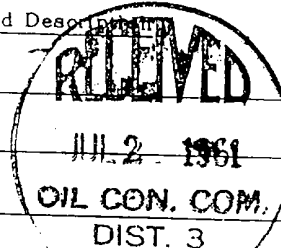
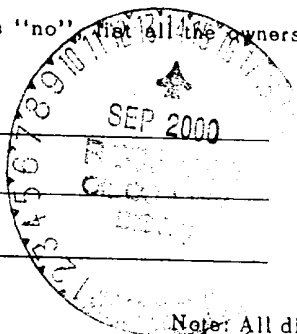
Operator CENTURY DRILLING COMPANY Lease _____
 Well No. _____ Unit Letter C Section 18
 Located 980 Feet From THE NORTH Line, 799 Township 31 NORTH Range 13 WEST NMPM
 County SAN JUAN G. L. Elevation 5722.0 Feet From THE WEST Line
 Name of Producing Formation _____ Dedicated Acreage _____ Acres
 Pool _____

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?
 Yes _____ No _____
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____. If answer is "yes", Type of Consolidation _____.

3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner

Land Description



Section B.

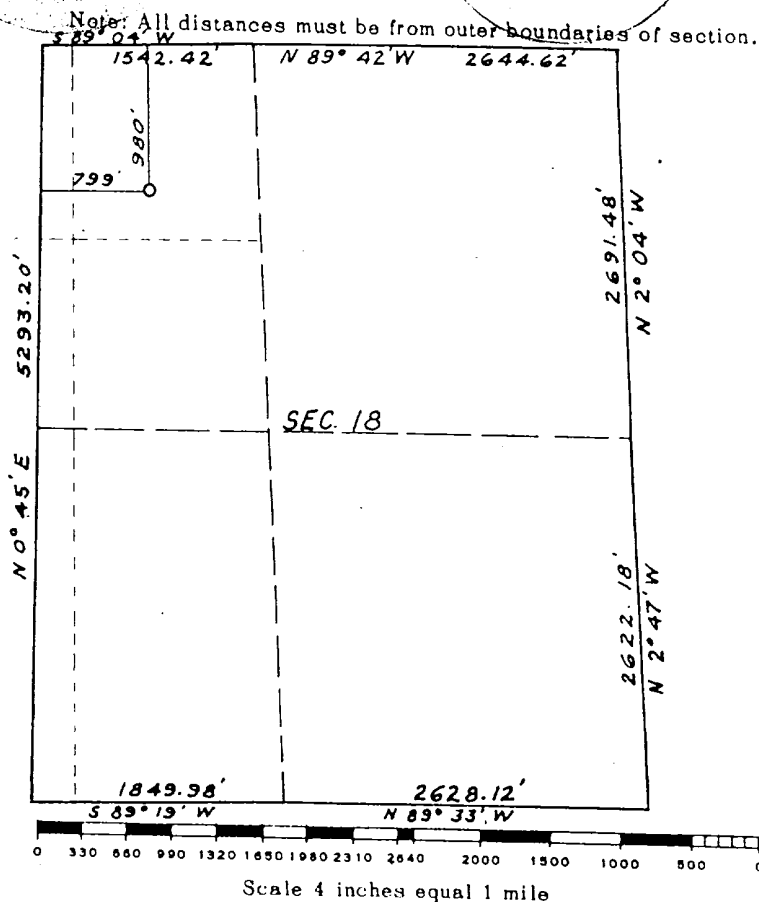
This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Century Oil & Gas Corp
 (Operator) -
CR Ferrel
 (Representative)

(Address)

3-11-00

Ref. GLO Plat dated: July 9, 1954



N



(Seal)

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed May 4, 1961

James P. Lane
 Registered Professional Engineer and

FYHIRT

Ten-Point Program
Texakoma Oil & Gas Corporation
La Plata Disposal #1
980' FNL 799' FWL 18-T31N -R13W
San Juan County, New Mexico
Lease No. NM-86494

1. THE GEOLOGICAL SURFACE FORMATION IS: Kirtland Shale.
2. THE TOPS OF IMPORTANT GEOLOGICAL MARKERS: (BASED ON EXISTING LOG INFORMATION)

Pictured Cliffs	823'
Mesaverde/Cliff House	2935'
Menefee	3140'
Point Lookout	3875'
Plugback Depth	±4050'
Total Depth	6504'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

<u>SUBSTANCE</u>	<u>FORMATION</u>	<u>ANTICIPATED DEPTH</u>
Water	Mesaverde/Cliff house	2935'

4. THE EXISTING CASING PROGRAM IN PLACE:

<u>DEPTH</u>	<u>HOLE SIZE</u>	<u>O.D.</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>TYPE</u>	<u>NEW/USED</u>
0-200'	12-1/4"	9-5/8"	36	CF&I	?	USED
0-4400'	8-3/4"	7"	20	CF&I	?	USED
4050±-TD	6-1/4"	4-1/2"	11.6	COMM.	?	USED

PROPOSED CEMENT PROGRAM: Run a Cement Bond Log to top of 4-1/2" casing stub to learn extent of cement behind the 7" casing, squeeze cement where necessary.

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Exhibit E is a schematic of the blowout preventer used by a local contractor for other wells in the area. The BOP is to be test-operated before drilling out the cement plug in the top of the intermediate casing, and operation checks will be made daily thereafter and recorded in the Daily Drilling Report. Accessories to BOP will include floor safety valve and choke manifold with pressure rating equivalent to the BOP stack.

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6. THE TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATING MUDS:

SURFACE CASING: Not applicable

PRODUCTION CASING: Water or KCl water will be used to control the well during logging, perforating and completion operations.

7. AUXILIARY EQUIPMENT TO BE USED IS AS FOLLOWS:

- a. Float valve above bit.
- b. Monitoring of mud system will be visual.
- c. A safety valve and subs to fit all drill strings will be used.

8. TESTING, LOGGING, AND CORING WILL BE AS FOLLOWS:

- a. Cores: none.
- b. Drill stem tests: none anticipated.
- c. Logging: Cement Bond Log and Gamma Ray Log from 0' to $\pm 4050'$.

9. ANTICIPATED ABNORMAL PRESSURES AND TEMPERATURES:

No abnormal pressures, temperatures or Hydrogen Sulfide gases are anticipated during the completion of this well. The maximum bottom hole pressure is expected to be less than 1000 psi.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

The anticipated starting date is set for as soon as possible after the approval of the Application for Permit to Drill is approved depending upon rig availability. The completion operations should be completed within 15 days after rig-up date. Completion will be done as time and weather permit.

MULTI-POINT PROGRAM
Texakoma Oil & Gas Corporation
La Plata Disposal #1
980' FNL 799' FWL 18-31N-13W
San Juan County, New Mexico
Lease No. NM-86494

1. EXISTING ROADS:
 - a. See Exhibit A for well site and elevation plat, Form C-102.
 - b. Directions: turn west off NM-170 @ MP 14 onto Road 1330, turn right on Road 1191 for 0.1 miles, turn left on the Barker Dome road for 0.25 miles, then left onto a graded road for ± 3.5 miles to the Craig Walker Canyon, turn right at the canyon crossing for 0.5 mile to the well.
 - d. All existing roads are shown on Exhibit B
 - e. This is a reentry for a disposal well.
 - f. All existing and constructed roads will be maintained in the same or better condition.
2. PLANNED ACCESS ROAD:
 - a. The well pad will be in Craig Walker Canyon drainage as shown on Exhibit B.
 - b. The grade on existing roadways will be not greater than 10%.
 - c. No turnouts are planned.
 - d. Any necessary water bars will be installed.
 - e. Culverts will be installed as necessary. No major cuts and fills are planned.
 - f. Only native materials will be used.
 - g. Gates or cattleguards will be installed only where necessary.
 - h. New access roads and existing roads will be flat bladed and upgraded as deemed necessary by the dirt contractor.
3. LOCATION OF EXISTING WELLS WITHIN ONE MILE: See EXHIBIT B.
 - a. Water wells: one (abandoned).
 - b. Abandoned wells: none.
 - c. Temporarily abandoned wells: none.
 - d. Disposal wells: none.
 - e. Drilling wells: none.
 - f. Producing wells: two.
 - g. Shut-in wells: none.
 - h. Injection wells: none.
 - i. Monitoring wells: none.
4. LOCATION OF PRODUCING FACILITIES:
 - a. There are production facilities on one well 0.7 miles northeast.
 - b. New facilities contemplated in the event of production are shown on Exhibit I.
 1. A tank battery will be required.
 2. All flow lines from the well site to battery will be buried below frost line depth.
 3. Dimensions of the facility will be approximately 175' by 150'.
 4. Native materials will be used except for gravel.
 5. An earthen dike will be built around the tank battery. All production facilities will be fenced to keep domestic and wild animals out.
 6. No reserve pit will be dug; will use an open-top steel tank for circulating fluids and cuttings.

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Tank will be emptied and contents disposed into authorized facilities when work is done.
Rehabilitation, whether the well is dry or productive will be made on all unused areas in
accordance with BLM stipulations.

5. LOCATION AND TYPE OF WATER SUPPLY:
 - a. Water will be hauled from the nearest water source, possibly produced water.
 - b. Water will be trucked to the location.
 - c. No water well is anticipated.
6. SOURCE OF CONSTRUCTION MATERIAL:
 - a. Only native soils will be utilized.
 - b. No construction materials will be removed from Federal or Indian lands.
 - c. Surface and subsoil materials in the immediate area will be utilized. Any gravel will be purchased from a commercial source.
 - d. All major access roads are shown on Exhibit B.
7. METHOD FOR HANDLING WASTE DISPOSAL:
 - a. Drill cuttings are to be contained and hauled to disposal facility.
 - b. Circulating fluids are to be contained in the steel tank until hauled to disposal facility.
 - c. No production is anticipated. Any spills of oil, gas, water or other production fluids will be cleaned up and removed.
 - d. Chemical facilities will be provided for human waste.
 - e. Garbage and non-flammable waste are to be contained in the trash bin and hauled away in the trash bin. Flammable waste is to be contained in the trash bin.
 - f. All trash, garbage, etc. is to be contained and hauled away at the end of completion operations. Any garbage and sewage pits will be filled as soon as the completion rig leaves the location.
8. ANCILLARY FACILITIES: none required.
9. WELL SITE LAYOUT:
 - a. Location profile plat is Exhibit F.
 - b. No drilling rig is planned.
 - c. Completion rig layout show as Exhibit H.
10. SURFACE RESTORATION PLAN:
 - a. Restoration of the well site and access road will begin as soon as work is completed. Waste disposal and spoil materials will be buried or hauled away immediately after drilling is completed. If injection is obtained, the unused area will be restored as soon as feasible.
 - b. Should the well be abandoned, the site will be reshaped as closely to the original contour as possible. The access road will be plowed and shaped. Both road and location will have topsoil

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replaced and reseeded when germination can occur. The portion of the location needed for daily operations and access road will be kept in good repair and clean.

- c. In either case, cleanup of the well site will include removal of all waste.

11. OTHER INFORMATION:

- a. General topography is shown on Exhibit B.
- b. All known archaeological or cultural sites near the proposed roadway or location have been identified and will be left intact.
- c. Animal life: mule deer, rodents, and scavengers.
- d. Dwellings: none.
- e. Surface Jurisdiction: Bureau of Land Management.
- f. Restrictions: As specified by BLM.
- g. Completion is planned for spring, 2000. Completion time: 2-3 weeks, as weather permits.

12. OPERATOR REPRESENTATIVES:


(Paperwork)
A. R. Kendrick
Box 516
Aztec, NM 87410
(505) 334-2555

(Office)
Tom Sprinkle (Texakoma Oil & Gas Corp.)
5400 LBJ Freeway, Suite 500
Dallas, Texas 75240
(972) 701-9106

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by the operator, his contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

TEXAKOMA OIL & GAS CORPORATION


A. R. Kendrick, Agent

"2M" BLOWOUT PREVENTER SYSTEM

