

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL		5. Lease Number NMSF-079186	
1b. Type of Well GAS		6. If Indian, Name of Allottee or Tribe Kingston, NM	
2. Operator CAULKINS OIL COMPANY		7. API Number 30039 27676	
3. Address & Phone No. of Operator c/o ROBERT VERQUER 1409 W. Aztec Blvd. # 7 Aztec, N. M. 87410 (505) 334-4323		8. Farm or Lease Name BREECH "E"	
4. Location of Well 705 FNL & 2270' FWL		9. Well Number 850	
		10. Filed, Pool, or Wildcat Basin Dakota	
		11. Section, Township, & Range, Meridian, or Block C 5-26N-6W	
14. Distance in Miles from Nearest Town 35 miles southeast of Blanco, NM Post Office.		12. County Rio Arriba	13. State New Mexico
15. Distance from Proposed Location To Nearest Property Line or Lease Line 705'	16. Acres in Lease 2560 Acres	17. Acres Assigned to Well 320.52 NORTH - 320 Acres	
18. Distance From Proposed Location To Nearest Well Drill, Compl., Or Applied For on Lease 1205'	19. Proposed Depth 7650'	20. Rotary or Cable Tools ROTARY	
21. Elevations (DR, RT, GR, Etc.) 6640 GR		22. Approximate Date Work Will Start April 5, 2004	

23. Proposed Casing and Cementing Program

EXHIBITS attached as follows

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

"F" Drill Rig Layout
"G" Production Facility Schematic
"H" Acreage dedication plat
"I" Archaeological Report

24. Signed Robert L. Verquer Title Superintendent Date 03/16/04
Robert L. Verquer

Permit No. _____ Approval Date _____

Approved By /s/ David J. Markiewicz Title _____ Date APR - 5 2004

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

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

NMOCN

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

EXHIBIT "H"

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

DISTRICT II
811 South First, Artesia, N.M. 88210

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

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-27676		*Pool Code 71599	*Pool Name Basin Dakota
*Property Code 2459	*Property Name BREECH E		*Well Number 850
*GRID No. 003824	*Operator Name CAULKINS OIL COMPANY		*Elevation 6640'

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
C	5	26-N	6-W		705	NORTH	2270	WEST	RIO ARRIBA

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
*Dedicated Acres 320 N/2 320.52 80 designated					*Joint or Infill		*Consolidation Code		*Order No.

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 SEC. CORNER FD 3 1/4" B.C. BLM 1955 LOT 4 2270' S 00-19-23 W 5325.54' (M)	N 84-46-16 E 5303.98' (M) LOT 3 705' LAT. 36°31'16.5"N (NAD 83) LONG. 107°29'31" W (NAD 83)	SEC. CORNER FD 3 1/4" B.C. BLM 1955 LOT 2 LOT 1	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Robert L. Verquer</u> Signature Robert L. Verquer Printed Name Superintendent Title March 12, 2004 Date
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. <u>DAVID A. JOHNSON</u> Date of Survey Signature and Seal of Professional Surveyor: 14827 Certificate Number			

EXHIBIT "A"

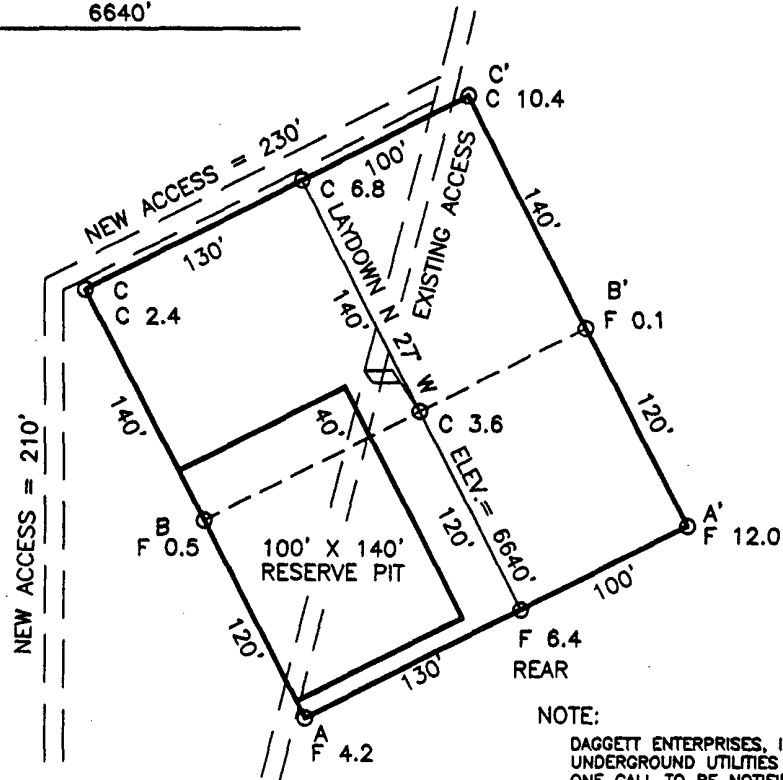
COMPANY: CAULKINS OIL COMPANY

LEASE: BREECH E No. 850

FOOTAGE: 705' FNL 2270' FWL

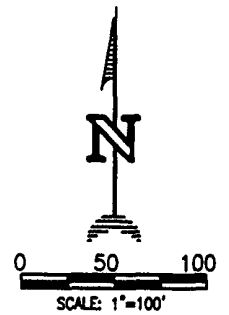
SEC.: 5 TWN: 26-N RNG: 6-W NMPM

ELEVATION: 6640'



NOTE:

DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR
UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO
ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO
EXCAVATION OR CONSTRUCTION.



ELEV.	A-A'	C/L
6670		
6660		
6650		
6640		
6630		

EXHIBIT "B"

TEN POINT COMPLIANCE PROGRAM

Caulkins Oil Company
Breach "E" 850
705' FNL & 2270' FWL, Sec. 5, 26N, 6W
Rio Arriba County, New Mexico
Lease No. NMSF-079186

1. The Geological Surface Formation is : San Jose.
2. The Estimated Tops of Important Geological Markers:

Ojo Alamo	2270
Fruitland	2850
Picture Cliffs	3096
Chacra	3905
Point Lookout	5272
Greenhorn	7258
Dakota	7448
TD	7650

3. Estimated Depths and pressures of Anticipated Water, Oil, Gas or Minerals:

Substance	Formation	Depth	Pressure
Water	Alamo	2376	0
Gas	Fruitland	3094	200
Gas	Pictured Cliffs	3194	450
Gas	Chara	3958	500
Gas	Mesa Verde	5498	1000
Gas	Dakota	7590	1500

4. The proposed casing program will be as follows:

Depth	Hole Size	O.D.	Weight	Grade	Type	New/Used
0-350	12-1/4	9-5/8	36#	J55	LT&C	NEW
0-1000	7-7/8	5-1/2	17#	K55	LT&C	NEW
1000-6650	7-7/8	5-1/2	15.50#	K55	LT&C	NEW
6650-7650	7-7/8	5-1/2	17#	K55	LT&C	NEW

The proposed cement program will be as follows:

Surface: 163 sacks class H with 1% CaCl and 1/4# per sack cellophane flake. *circulate cement*

VOLUME CALCULATIONS

YIELD 1.14 350 ft x 0.3132 cu-ft/ft with 70% excess = 186 cu-ft

PRODUCTION:

Cement will be run in three stages with stage tools set at approximately 3650' and 5650'. *TOC above 250'*

1st stage

Cement through shoe at approx. 7650' with 233 sacks class B 35/65 poz + 6% gel (bentonite) + 1/4# /sk cellophane flake followed by 100 sacks class H + 1% CaCl + 1/4# /sk cellophane flake.

VOLUME CALCULATIONS

YIELD 1.79 1341 ft x 0.1732 cu-ft/ft with 80% excess = 418 cu-ft

YIELD 1.14 659 ft x 0.1732 cu-ft/ft with 0% excess = 114 cu-ft

2nd stage

Cement through shoe at approx. 5650' with 233 sacks class B 35/65 poz + 6% gel (bentonite) + 1/4# /sk cellophane flake followed by 100 sacks class H + 1% CaCl + 1/4# /sk cellophane flake. *had*

VOLUME CALCULATIONS

YIELD 1.79 1341 ft x 0.1732 cu-ft/ft with 80% excess = 418 cu-ft

YIELD 1.14 659 ft x 0.1732 cu-ft/ft with 0% excess = 114 cu-ft

EXHIBIT "B"

TEN POINT COMPLIANCE PROGRAM

Caulkins Oil Company
Breach "E" 850
705' FNL & 2270' FWL, Sec. 5, 26N, 6W
Rio Arriba County, New Mexico
Lease No. NMSF-079186

3rd stage Cement through tool at approx. 3650' with 521 sacks class B 35/65 poz + 6% gel (bentonite) + 1/4# /sk cellophane flake followed by 100 sacks class H + 1% CaCl + 1/4# /sk cellophane flake.

VOLUME CALCULATIONS

YIELD 1.79 2991 ft x 0.1732 cu-ft/ft with 80% excess = 932 cu-ft

YIELD 1.14 659 ft x 0.1732 cu-ft/ft with 0% excess = 114 cu-ft

5. Operator's Minimum Specifications for Pressure Control:

EXHIBIT "C" is a schematic of a 2M blowout preventer system. The BOP's will be hydraulically tested prior to drilling out from under surface and operational checks will be made daily thereafter and recorded in the drilling tour report.

Accessories to BOP will include the following:

- A. 2" minimum kill line and valve.
- B. Choke line and valve
- C. 2 Chokes
- D. Upper kelly cock valve with handle.
- E. Safety valve and subs to fit all drill strings.
- F. Pressure gauge on choke manifold.
- G. 2" minimum choke line.
- H. Fill-up line above uppermost preventer.

6. The type and Characteristics of the Proposed Circulating Mud's:

Mud system will be gel-chemical with adequate stocks of absorbent agents on location to handle possible spills of fuel and oil in the surface. Heavier mud's will be on location to be added if pressure requires.

Interval	Mud Wt	Vis	Fluid Loss	Ph	Additives
0- 350	9.0	50	---	9	Lime
350-TD	9.0	34-40	8cc	9	Chemicals

7. Auxiliary equipment to be used is as follows:

- a. Float valve above bit.
- b. Monitoring of mud system will be visual.
- c. A sub with a full opening valve will be on the floor when the kelly is not in use.

8. Testing, logging and coring will be as follows:

- a. Cores - none will be taken.
- b. Drill stem tests - none anticipated.
- c. Logging - Cased hole Gas Spectrum Log bottom of surface pipe to TD.

9. Anticipated Abnormal Pressures and Temperatures:

No abnormal pressure, temperatures or hydrogen sulfide gases are anticipated during the course of drilling to TD. The maximum bottom hole pressure to be expected is 1500 psi.

10. Anticipated Starting Date and Duration of the Operations:

The anticipated starting date is set for April 5, 2004, or as soon as possible after examination and approval of drilling requirements. Operations should be completed within 25 days.

EXHIBIT "C"

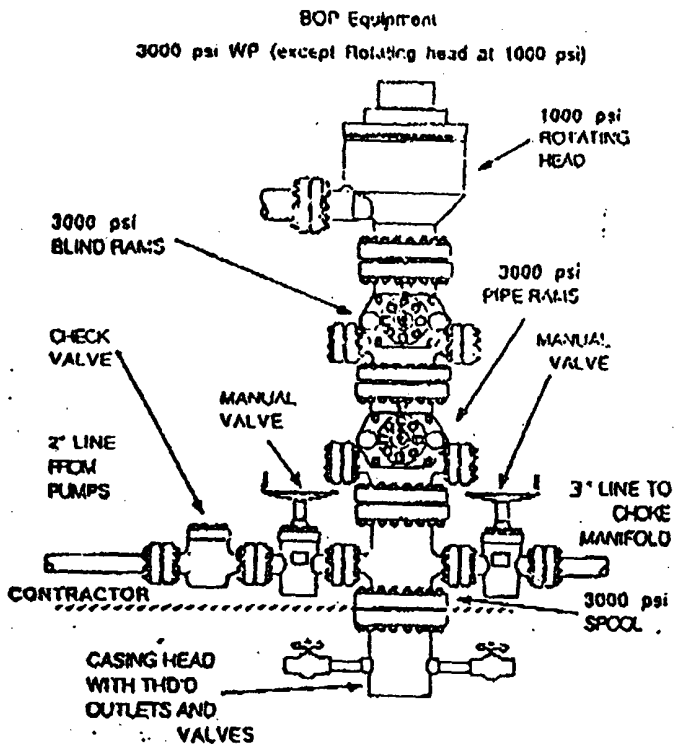


EXHIBIT "B" CHOKE MANIFOLD

