

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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DULCE, N.M.

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. Jicarilla Contract #119
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name Jicarilla Apache Tribe
2. Name of Operator Rafael Gordillera Energy, Inc.		7. If Unit or CA Agreement, Name and No.
3A. Address c/o Walsh Engineering, 7415 E. Main, Farmington, NM 87402		8. Lease Name and Well No. Hoyt #2B
3b. Phone No. (include area code) (505) 327-4892		9. API Well No. 30-039-27782
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 860' FSL and 1770' FWL At proposed prod. Zone		10. Field and Pool, or Exploratory Basin DK/Blanco Mesa Verde
14. Distance in miles and direction from nearest town or post office* 21 miles south of Dulce, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec. 5, T26N, R4W
13. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 860'	16. No. of Acres in lease 320+	12. County or Parish Rio Arriba
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1350'	17. Spacing Unit dedicated to this well 320 acres S/2	13. State NM
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7189' GL	20. BLM/BIA Bond No. on file	
22. Approximate date work will start* June 1, 2003		23. Estimated duration 3 weeks

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 office. |

25. Signature Paul C. Thompson	Name (Printed/Typed) Paul C. Thompson, P.E.	Date 4/7/03
Title Agent		
Approved by (Signature) /s/ David R. Sitzler	Name (Printed/Typed)	Date JUN 16 2004
Title Assistant Field Manager		Office

Application approval does not warrant or certify that 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.

*(Instructions on reverse)

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-27782		*Pool Code 72319 \ 71599	*Pool Name BLANCO MESAVERDE \ BASIN DAKOTA
*Property Code 24035	*Property Name HOYT		*Well Number 2B
*OGRID No. 17252	*Operator Name CORDILLERA ENERGY, INC.		*Elevation 7189'

¹⁰ Surface Location


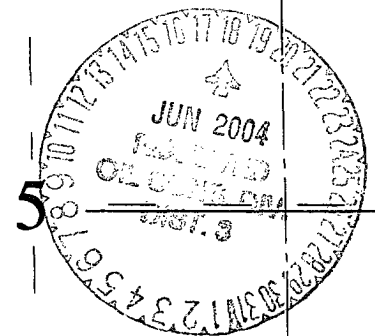
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	5	26N	4W		860	SOUTH	1770	WEST	RIO ARriba

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

¹² Dedicated Acres 320.0 Acres - (S/2)	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No.
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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 1379.40' LOT 4 1320.00' 2640.00' 1770' 860' 5283.96'	5280.00' LOT 3 LOT 2 LOT 1 1372.80' 1320.00' 2640.00'			¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <u>Paul C. Thompson</u> Signature <u>PAUL C. THOMPSON</u> Printed Name <u>AGENT</u> Title <u>4/8/03</u> 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. Date of Survey: APRIL 17, 2002 Signature and Seal of Professional Surveyor  <u>JASON C. EDWARDS</u> Certificate Number 15269
	Jicarilla Contract #119 			

CORDILLERA ENERGY, INC.
OPERATIONS PLAN
Hoyt #2B

I. Location: 860' FSL & 1770' FWL Date: April 7, 2003
 Sec 5, T26N, R4W
 Rio Arriba County, NM

Field: Blanco MV & Basin DK Elev: GL 7189'
Surface: Jicarilla Apache Tribe
Minerals: Jicarilla Contract #119

II. Geology: Surface formation _ Nacimiento

<u>A. Formation Tops</u>	<u>Depths</u>
Ojo Alamo	
Kirtland	
Pictured Cliffs	3790'
Cliff House	5600'
Menefee	5720'
Point Lookout	6070'
Greenhorn	8020'
Graneros	
Dakota	8100'
Total Depth	8350'

Estimated depths of anticipated water, oil, gas, and other mineral bearing formations which are expected to be encountered:

Water and gas - 3790', 5600', 6070', 8100'.

B. Logging Program: Induction/GR and density logs at TD.

C. No over pressured zones are expected in this well. No H₂S zones will be penetrated in this well. Max. BHP = 2500 psig.

III. Drilling

A. Contractor:

B. Mud Program:

The surface hole will be drilled with a fresh water mud.

The intermediate hole will be drilled with a fresh water polymer mud. The weighting material will be drill solids or if conditions dictate, barite. The maximum mud weight expected is 8.5 ppg.

The production hole will be drilled with air or air/mist.

C. Minimum Blowout Control Specifications:

Double ram type 2000 psi working pressure BOP with a rotating head. See the attached Exhibit #1 for details on the BOP equipment. All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1000 psi.

The 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. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.

IV. Materials

A. Casing Program:

Hole Size	Depth	Casing Size	Wt. & Grade
12-1/4"	250'	9-5/8"	36# J-55
8-3/4"	3990'	7"	20# J-55
6-1/4"	8350'	4-1/2"	11.6# N-80

B. Float Equipment:

a) Surface Casing: Notched collar on bottom and 3 centralizers on the bottom 3 joints.

b) Intermediate Casing: 7" cement guide shoe and self fill insert float collar. Place float one joint above shoe. Ten centralizers spaced every other joint above shoe and ten turbolizers every other joint from 1500'.

c) Production Casing: 4-1/2" whirler type cement nosed guide shoe and a float collar on top of the bottom joint.

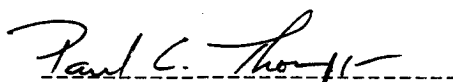
Hoyt #2B
Operations Plan
Pg #3

V. Cementing:

Surface casing: 9-5/8" - Use 140 sx (165 cu. ft.) of C1 "B" with 2% CaCl_2 (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). 100% excess to circulate cement to surface. WOC 12 hours. Pressure test surface casing to 1000 psi for 30 min.

Intermediate Casing: 7" - Before cementing circulate hole with at least 1-1/2 hole volumes of mud. Precede cement with 30 bbls of fresh water. **Lead** with 535 sx (1118 cu.ft) of Type III 65/35 poz with 8% gel, 1% CaCl_2 , 1/4#/sk. Celloflake. (Yield = 2.09 cu.ft./sk; slurry weight = 12.1 PPG). **Tail** with 100 sx (139 cu.ft.) of Type III with 1% CaCl_2 , 1/4#/sk. Celloflake. (Yield = 1.39 cu. ft./sk; slurry weight = 14.5 PPG). Total cement volume is 1257 cu.ft. (100% excess to circulate cement to surface). WOC for 12 hrs. Pressure test the BOP and casing to 1500 psi.

Production Casing: 4-1/2" - Blow hole clean. Precede cement with 20 bbls of gel water and 10 bbls of water. **Lead** with 280 sx (554 cu.ft.) of Premium Lite HS with 0.65% FL-52, 0.32% CD-32, 1/4 #/sk celloflake, and 4% phenoseal. (Yield = 1.98 cu.ft./sk; slurry weight = 12.5 PPG). **Tail** with 100 sx (196 cu.ft.) of Premium Lite HS with 0.65% FL-52, and 0.32% CD-32. (Yield = 1.96 cu.ft./sk; slurry weight = 12.5 PPG). Total cement volume is 750 cu.ft. (70% excess to circulate 100' above the intermediate casing shoe).


Paul C. Thompson, P.E.

Cordillera Energy, Inc.

Well Control Equipment Schematic for 2M Service

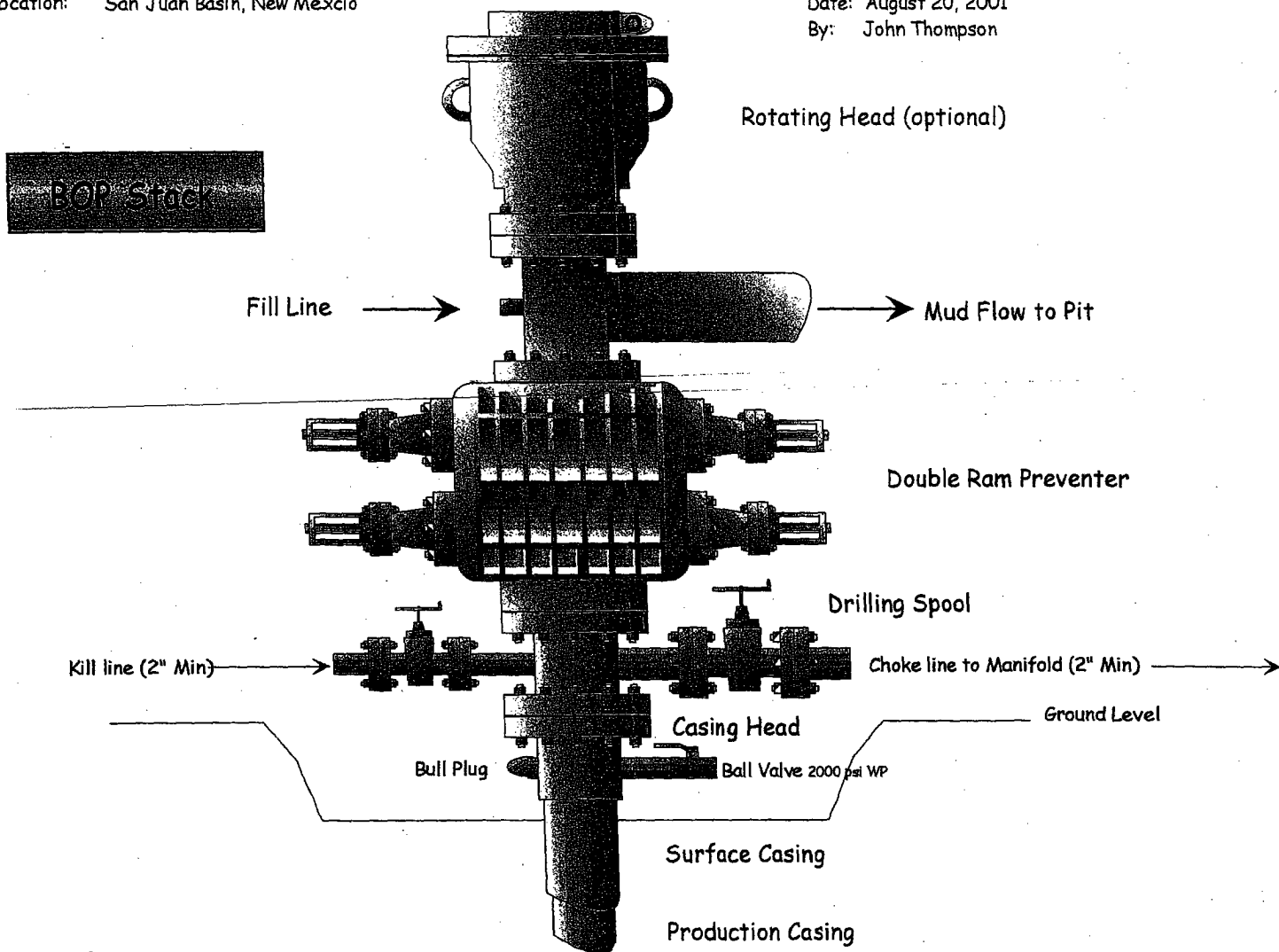
Attachment to Drilling Technical Program

Typical BOP setup

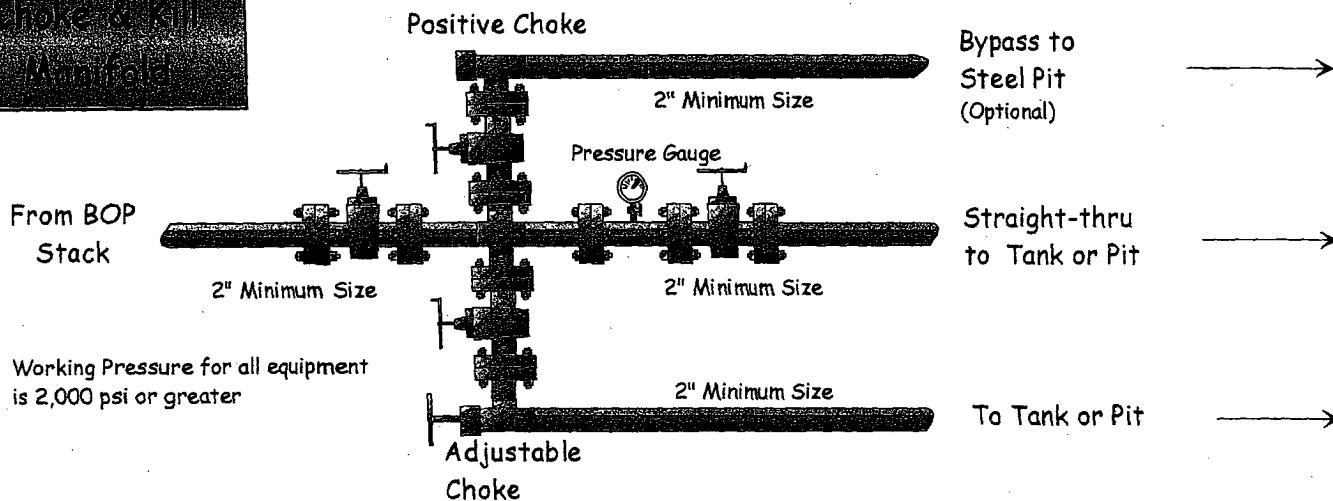
Location: San Juan Basin, New Mexico

Date: August 20, 2001

By: John Thompson



Choke & Kill Manifold



CORDILLERA ENERGY, INC. HOYT #2B
860' FSL & 770' FWL, SECTION 5, T26N, R4E, NMPM
RIO ARriba COUNTY, NEW MEXICO GROUND ELEVATION: 7189'

LATITUDE: 36°30'39"
 LONGITUDE: 107°16'36"
 DATUM: NAD1927

