cc:BIA, BLM (& OCD), Cartaya, NAPI, Thompson, Tribe

| Name (Printed/Typed) | BRIAN WOOD | Date | 8-9-03 |
| Title | CONSULTANT | PHONE: 505 466-8120 | FAX: 505 466-9682 |
| Approved by (Signature) | Original Signed: Stephen Mason | Office | Offi

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.

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

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

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

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

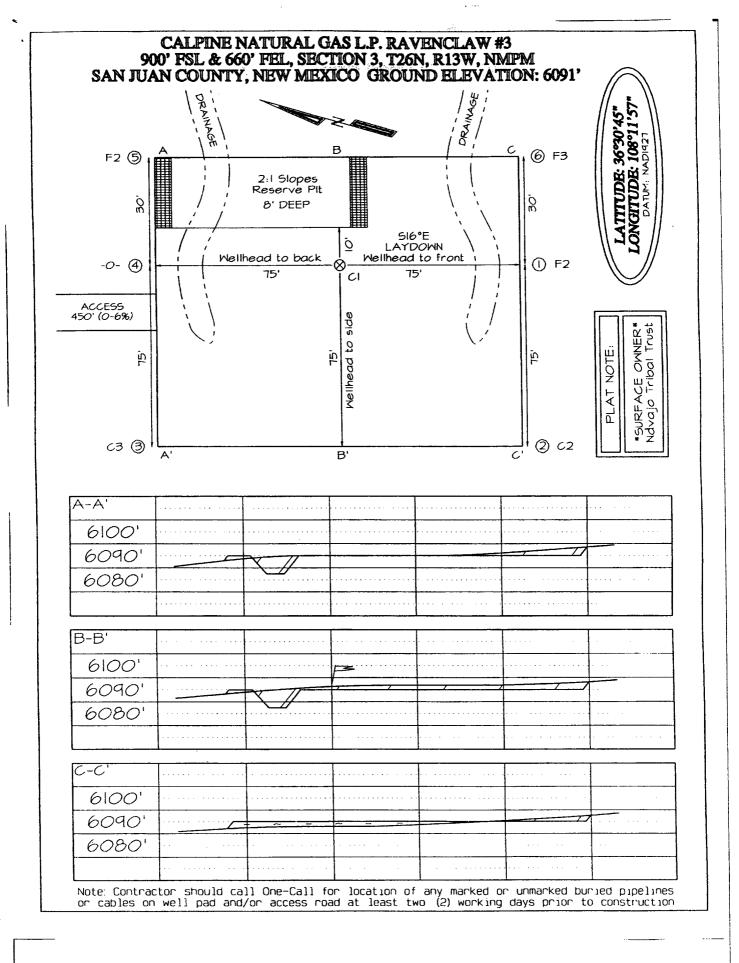
State of New Mexico Energy, Minerals & Natural Resources Department

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

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

0-045-3/	5b5	*Pool Code 71629	'Pool Name BASIN FRUITLAND COAL				
Property Code		Property Name Gallegos Fe Legal Well Number 2 4-13-3					
194807	17891	*Operator Name *Elevation CALPINE NATURAL GAS L.P. 6091					
	1. 1. 0.7. /	10 Sur	face Locati	on		 	
P 3	Township Range 26N 13W	Lot Idn Feet (l	1	eet from the 660	East/West line	SAN JUAN
	11 Bottom Township Range				om Surf	ace *	County
UL or lot no. Section	Township Hange	Lot Idn Feet fi	rom the Northysk	do, the	eet trust the	East/West live	, aut,
Dedicated Acres	.0 Acres _. - (S	13 Joint of	nfill ^M Consolidat	ion Code 15 On	der No.		
NO ALLOWABLE W	ILL BE ASSIGNE OR A NON-S	ED TO THIS COM TANDARD UNIT I	MPLETION UNTI HAS BEEN APP	L ALL IN	TERESTS H	AVE BEEN	CONSOL IDATED
1320.000 VIV (12: 10.20 17: 0.70 17: 0	LOT 3	= 3,	AUG 2005 CO.	07 S 7 8 9 8 9 8 9 8 9 8 9 8 9 8 9 8 9 8 9 8	Signatur Printed Title Date 18 SURV I hereby shown on notes of my superve and corre	Name BRI. CON AUG. EYOR CEF certify that tr this plat was ractual surveys rision and that ct to the best	AN WOOD SULTANT 9, 2003 RIFICATION we well location plotted from field made by me or under the same is true of my belief.
2640.00	NMN	 M-012235 		660	,	and Seal of Proceedings of Procedings	Total Surveyor



Calpine Natural Gas L. P. Ravenclaw #3 900' FSL & 660' FEL Sec. 3, T. 26 N., R. 13 W. San Juan County, New Mexico

Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation</u>	GL Depth	KB Depth	Elevation
Nacimiento	0'	5'	+6,091'
Ojo Alamo Sandstone	50'	55'	+6,041'
Kirtland Shale	100'	105'	+5,991'
Top Fruitland	933'	938'	+5,158'
Lower Fruitland Coal	1,213'	1,218'	+4,878'
Pictured Cliffs Sandstone	1,253'	1,189'	+4,838'
Total Depth (TD)*	1,460'	1,465'	+4,631'

^{*} all elevations reflect the ungraded ground level of 5,975'

2. NOTABLE ZONES

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

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 2,000 psi system with a rotating head will be used. All ram



Calpine Natural Gas L. P.
Ravenclaw #3
900' FSL & 660' FEL
Sec. 3, T. 26 N., R. 13 W.
San Juan County, New Mexico

preventers and related equipment will be hydraulically tested at nipple up and after any use under pressure to 1,000 psi.

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 2,000 psi. Maximum expected pressure is ≈585 psi.

4. CASING & CEMENT

Hole Size	<u>O. D.</u>	Weight (lb/ft)	<u>Grade</u>	<u>Age</u>	GL Setting Depth
8-3/4"	7"	20	K-55	New	120'
6-1/4"	4-1/2"	10.5	K-55	New	1,460'

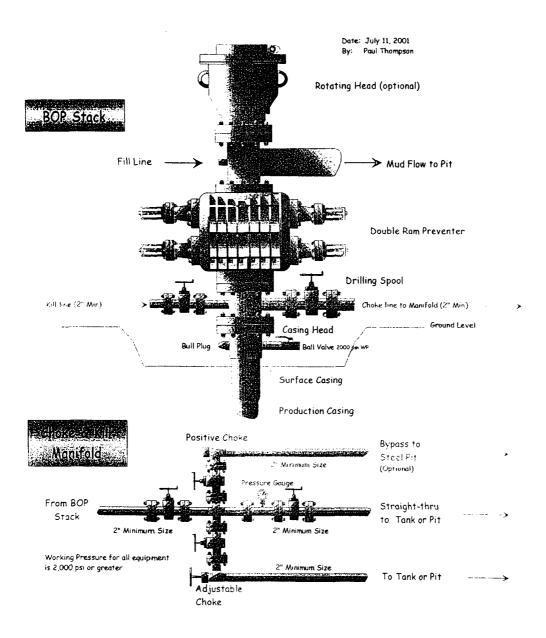
Surface casing will be cemented to surface with ≈ 59 cubic feet (≈ 50 sacks) Class B + 2% CaCl₂. Volume is based on 100% excess, yield of 1.18 cubic feet per sack, and slurry weight of 15.6 pounds per gallon. W. O. C. = 12 hours. Pressure test surface casing to 600 psi for 30 minutes.

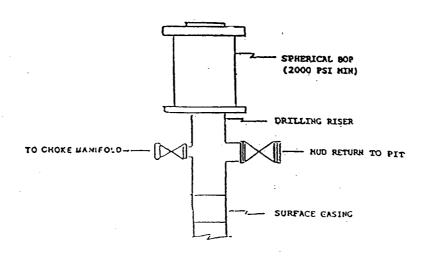
Production casing hole will be cleaned of rock chips by circulating $\geq 150\%$ of hole volume with mud. Thirty barrels of fresh water will next be circulated. Lead with ≈ 247 cubic feet (≈ 120 sacks) of Class B with 2% metasilicate (yield = 2.06 cubic feet per sack, slurry weight = 12.5 pounds per gallon). Tail with ≈ 59 cubic feet (≈ 50 sacks) of Class B with 2% CaCl₂ (yield = 1.18 cubic feet per sack, slurry weight = 15.6 pounds per gallon). Total cement volume = 306 cubic feet @ 100% 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.



Calpine Natural Gas Company Well Control Equipment Schematic for 2M Service





Calpine Natural Gas L. P. Ravenclaw #3 900' FSL & 660' FEL Sec. 3, T. 26 N., R. 13 W. San Juan County, New Mexico

5. MUD PROGRAM

Surface casing hole will be drilled with fresh water. Production casing hole will be drilled with a fresh water polymer mud. Weighting material will be drill solids or, if needed, barite. Maximum expected mud weight will be 8.5 pounds per gallon.

6. CORING, TESTING, & LOGGING

No cores or drill stem tests are planned.

Spectral Density/Dual Spaced Neutron and Dual Induction/Guard with GR, SP, and Caliper and logs will be run from TD to at least the base of the surface casing.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be \approx 585 psi.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take one week to drill the well and one week to complete the well.

