

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 Designation and Serial No. NM 3605A 03605A	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator WESTERN MINERALS & OIL		7. If Unit or CA, Agreement, Name and No.	
3a. Address c/o Mike Pippin LLC 3104 N. Sullivan, Farmington, NM 87401		8. Lease Name and Well No. MARRON #6B	
3b. Phone Number (505) 327-4573		9. APL Well No. 30-045-33064	
4. Location of Well (Footage, Sec, T, R., M, or Survey Description) At surface: Unit F, 2400' FNL, 1930' FWL At proposed prod. Zone: Same		10. Field and Pool, or Exploratory BLANCO MESAVERDE	
14. Distance in miles and direction from nearest town or post office* ~21 Miles South of Blanco, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 24, T-27-N, R-8-W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drfg. Unit line, if any)	16. No of Acres in lease 320	12. County or Parish, San Juan	
18. Distance from proposed* location to nearest well 1678'	19. Proposed Depth 5500'	13. State New Mexico	
21. Elevation (Show whether DF, KDB, RT, GL, etc.) 6623'	22. Approximate date work will start* April 1, 2006	17. Spacing Unit dedicated to this well 320 Acres W/2	
23. Estimated duration 30 days			

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer

Size of Hole	Grade, Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12-1/4"	9-5/8" H-40	32.3#	320'	106 Sxs, 125 ft3 - 100% Excess
8-3/4"	7" K-55	20#	2500'	286 Sxs, 545 ft3 - 45% Excess
6-1/4"	4-1/2" K-55	11.6#	5500'	367 Sxs, 739 ft3 - 45% Excess

The on-site inspection was on 4/14/05 by Roger Herrera

Archy is by DCA.

EA is by Nelson

SEE ATTACHED APD INFORMATION

Latitude: 36 Deg, 33 Min, 35.2 Sec N

Longitude: 107 Deg, 38 Min, 13.1 Sec W

25. Signature <i>Mike Pippin</i>	Name (Printed/Typed) Mike Pippin	Date May 2, 2005
Title Petroleum Engineer		
Approved by (Signature) <i>Roland Adams</i>	Name (Printed/Typed) ROLAND ADAMS	Date 08/10/05
Title Acting AFM	Office FARMINGTON DISTRICT OFFICE	

Application approved does not warrant or certify 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)

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

NMOCD

DISTRICT 1
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 72319	³ Pool Name BLANGO MESAVERDE
⁴ Property Code 11749	⁵ Property Name MARRON	⁶ Well Number 6B
⁷ OGRID No. 24942	⁸ Operator Name WESTERN MINERALS AND OIL	⁹ Elevation 6623'

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
F	24	27-N	8-W		2400	NORTH	1930	WEST	SAN JUAN

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 W/2		¹³ Joint or Infill Y		¹⁴ Consolidation Code			¹⁵ 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

<p>SEC. CORNER S 86-43-40 E FD 3 1/4" BC 2593.60' BLM 1955</p>	<p>QTR. CORNER FD 3 1/4" BC BLM 1955</p> <p>AUG 2005</p> <p>LAT: 36°33'35.2" N. (NAD 83) LONG: 107°38'13.1" W. (NAD 83)</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><u>Mike Pippin</u> Signature <u>MIKE PIPPIN</u> Printed Name <u>AGENT - PETR. ENGR.</u> Title <u>MAY 3, 2005</u> Date</p>
<p>S 02-22-18 W 2683.50' (M)</p> <p>1930'</p> <p>QTR. CORNER FD 3 1/4" BC BLM 1955</p>	<p>24</p> <p>2400'</p> <p>REC'D FARMINGTON NM JUL 11 11</p>	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p><u>JOHN VUKORICH</u> Signature <u>NEW MEXICO</u> Registered Professional Surveyor <u>14834</u> Certificate Number</p>

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

5. Indicate Type of Lease: **FEDERAL**
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
FEDERAL: NM-3605A

7. Lease Name or Unit Agreement Name
MARRON

8. Well Number: **#6B**

9. OGRID Number: 24942

10. Pool name or Wildcat
Blanco Mesaverde

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

WESTERN MINERALS & OIL

3. Address of Operator: c/o Agent, Mike Pippin LLC
3104 N. Sullivan, Farmington, NM 87401 505-327-4573

4. Well Location

Unit Letter F : 2400 feet from the North line and 1930 feet from the West line

Section 24 Township 27N Range 8W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6522' GL

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >1000'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Register Drilling Pit ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

We intend to drill a new MV well. The drilling pit will be built and lined according to our general pit guidelines on file at the NMOCD in Aztec, NM.

When the drilling pit is closed, it will be closed as per our general pit closing guidelines on file at the NMOCD.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Mike Pippin TITLE Agent, Petroleum Engineer DATE 5/3/05

Type or print name Mike Pippin E-mail address: mpippin@ddbroadband.net Telephone No.: 505-327-4573

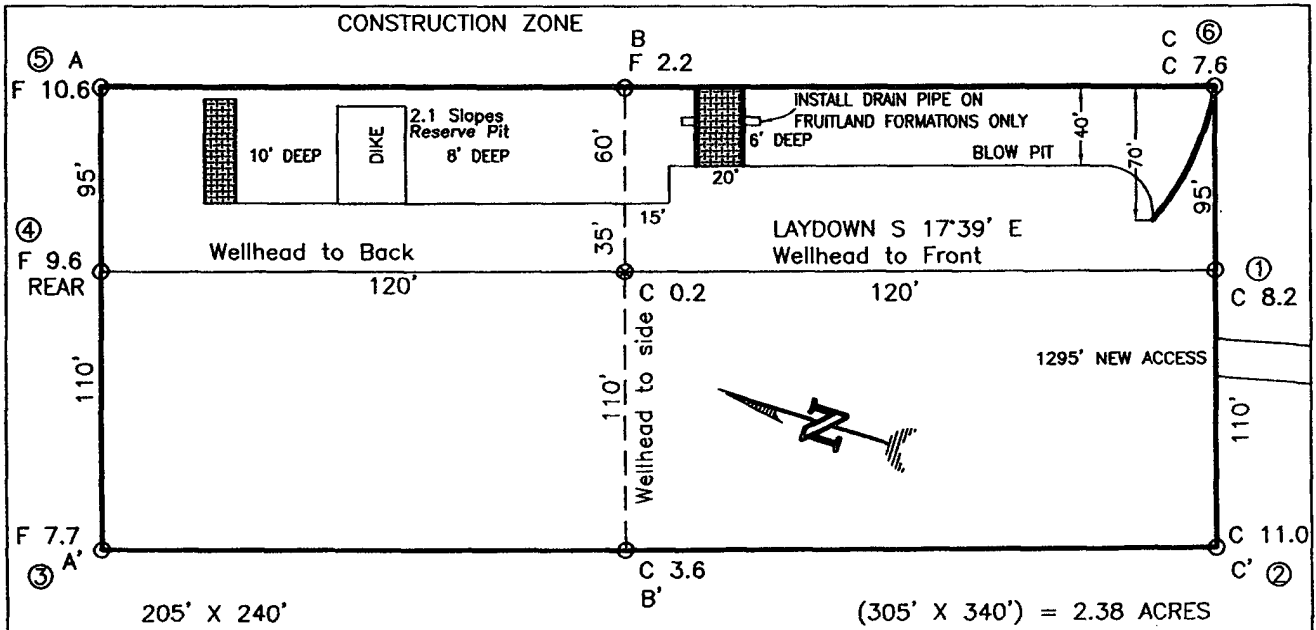
For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 1 DATE AUG 12 2005

Conditions of Approval (if any).

WESTERN MINERALS AND OIL
MARRON No. 6B, 2400' FNL 1930' FWL
SECTION 24, T27N, R8W, N.M.P.M., SAN JUAN COUNTY, N. M.
GROUND ELEVATION: 6623', DATE: APRIL 18, 2005

LAT. = 36°33'35.2" N.
LONG. = 107°38'13.1" W
NAD 83

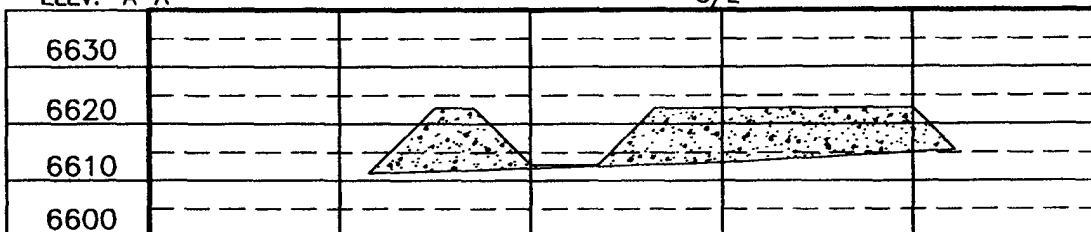


RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

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.

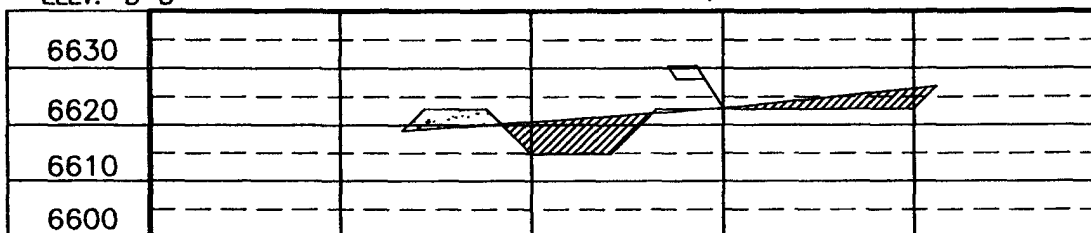
ELEV. A-A'

C/L



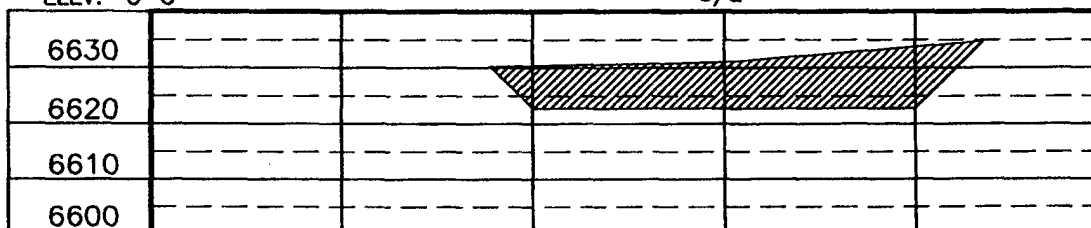
ELEV. B-B'

C/L



ELEV. C-C'

C/L



NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

REVISION	DATE	BY	DATE	BY
WELL RESTAKE	04/22/05	AG		
<p>Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-6019 NEW MEXICO L.S. No. 14831</p>				
<p>DATE: 11/01/04</p>			<p>DATE: 11/01/04</p>	



WESTERN MINERALS & OIL

MARRON #6B MV

2400' FNL, 1930' FWL

Unit F Sec. 24 T27N R8W

San Juan County, NM

Drilling Program

1. ESTIMATED FORMATION TOPS (KB)

<u>Formation Name</u>	<u>Depth</u>
Ojo Alamo	2085'
Kirtland	2207'
TD (7")	2700'
Fruitland	2714'
Pictured Cliffs	2897'
Chacra	3897'
Cliffhouse	4554'
Menefee	4584'
Point Lookout	5188'
TD (4-1/2")	5500'

2. NOTABLE ZONES

<u>Gas or Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zone</u>
Fruitland	Ojo Alamo	Fruitland
Pictured Cliffs	Kirtland	
Chacra		
Cliffhouse		
Menefee		
Point Lookout		

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the engineer's recommendations.

3. PRESSURE CONTROL

Maximum expected pressure is ~800 psi. The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A typical 11" 3,000 psi model BOP and choke manifold is on PAGE #5 & #6.

WESTERN MINERALS & OIL

MARRON #6B MV

2400' FNL, 1930' FWL

Unit F Sec. 24 T27N R8W

San Juan County, NM

BOP equipment and all accessories will meet or exceed BLM requirements in 43 CFR Part 3160 for a 3000 psi system. A 3000 psi double ram hydraulic BOP will be used. Accumulator system capacity will be sufficient to close all BOPE with a 50% safety factor. Fill, kill, and choke manifold lines will be 2". Accessories will include upper and lower Kelly cocks with handles, stabbing valve to fit drill pipe on floor at all times, string float at bit, 3000 psi choke manifold with 2" adjustable and 2" positive chokes, and pressure gauge. BOPs will be tested every 24 hours. Test pressure will be 500 psi for 30 min. Tests will be recorded on IADC log.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connection</u>	<u>GL Setting Depth</u>
12-1/4"	9-5/8"	32.3#	H-40	New	ST&C	320'
8-3/4"	7"	20#	K-55	New	ST&C	2500'
6-1/4"	4-1/2"	11.6#	K-55	New	ST&C	5500'

Surface Casing will be cemented to the surface with ~200 cu. ft. (~169 sx) Class "B" cmt or equivalent (1.18 ft³/sx yield, 15.6 ppg, & 5.2 gps) with 2% CaCl₂ and 1/4#/sx celloflake. Volume based on 100% excess. We plan to run a minimum of at least 3 centralizers. A wooden wiper plug will be displaced to within 20' of the shoe. WOC = 12 hours. Surface casing will be tested to 500 psi for 30 minutes.

Intermediate casing will be cemented to surface with a single stage. Total cement = 545 cu. ft (286 sx). Volumes are calculated at 45% excess. If cement does not circulate to surface, then a temperature survey will be run to determine the actual cement top as needed. WOC = 12 hours. Test to 1000 psi for 30 minutes.

Lead cement will be ~434 cu. ft. (~206 sx) Premium Lite w/2% CaCl₂, 1/4#/sx cello flake, 6-1/4#/sx gilsonite, 8% gel mixed at 11.0 gps, 12.1 ppg for a yield of 2.11 cu. ft. per sx.

Tail cement will be ~111 cu. ft. (~80 sx) Type III w/2% CaCl₂, 1/4#/sx Cello flake mixed at 6.7 gps, 14.6 ppg for a yield of 1.39 cu. ft. per sx.

Cementing equipment will include a guide shoe, and autofill float collar will be run 20' off bottom. We plan on running at least 10 centralizers.

Production Casing will be cemented to surface with a single stage. Total cement = ~739 cu. ft. (~367sx). Volumes are calculated at 45% excess in the lead cmt. If cement does not circulate to surface, then a temperature survey or CBL will be run to determine the actual cement top as needed. WOC = 12 hours. Casing will be tested to 3800 psi for 30 minutes during completion operations.

WESTERN MINERALS & OIL

MARRON #6B MV

2400' FNL, 1930' FWL

Unit F Sec. 24 T27N R8W

San Juan County, NM

Lead cement will be ~683 cu. ft. (~327 sx) Class "B" cmt or equivalent w/2% SM, 1/4#/sx cello flake, 3#/sx gilsonite mixed at 11.9 gps, 12.5 ppg for a yield of 2.09 cu. ft. per sx.

Tail cement will be ~56 cu. ft. (~40 sx) Class "B" cmt or equivalent w/1% gel, 2% CaCl₂, 1/4#/sx cello flake, 3#/sx gilsonite mixed at 6.8 gps, 14.5 ppg for a yield of 1.4 cu. ft. per sx.

Cementing equipment will include a guide shoe, and autofill float collar will be run 20' off bottom. We plan on running at least 10 centralizers.

5. MUD PROGRAM

<u>Depth</u>	<u>Type</u>	<u>Wt./ppg.</u>	<u>Vis.</u>	<u>Fluid Loss</u>	<u>PH</u>
0'-320'	FW gel/lime spud mud	8.4-8.7	30-50	NC	10
320'-2500'	FW gel/Polymer	8.3-8.6	30-35	<20cc's	9.5
2500'-5500'	FW gel/Polymer	8.3-8.6	30-35	<20cc's	9.5

Lost circulation and absorption material will be on location.

6. CORING, TESTING, & LOGGING

No cores or drill stem tests are planned. Open hole logs will include GR, Neutron-Density, Caliper, Induction, and SP from TD to the intermediate casing shoe.

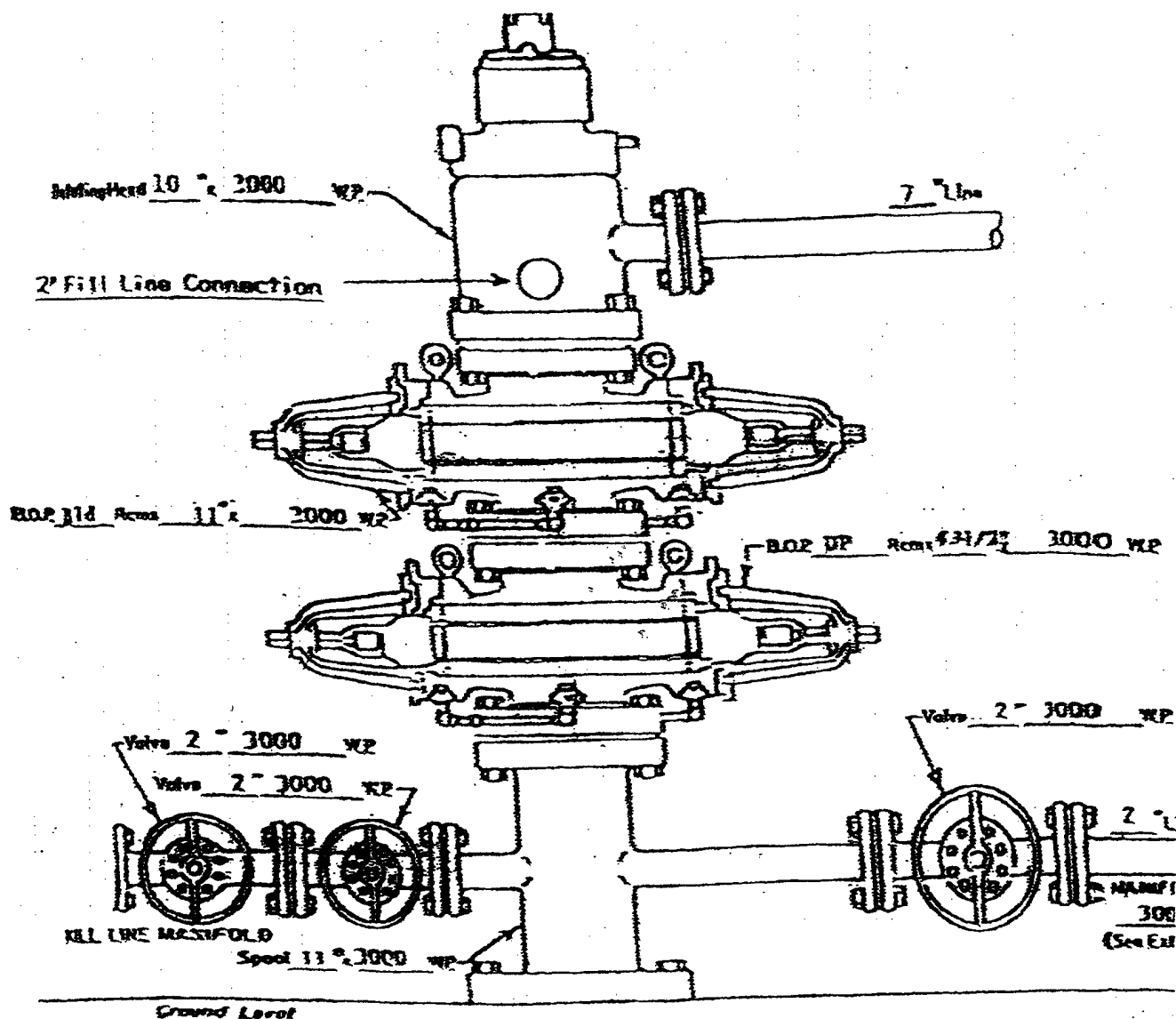
7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be ~800 psi.

8. OTHER INFORMATION

The anticipated spud date is April 1, 2006. It is expected it will take ~9 days to drill and ~12 days to complete the well. Completion will start about one month after the spud and will include hydraulic fracturing.

WESTERN MINERALS & OIL
SAN JUAN COUNTY, NEW MEXICO



WELL HEAD B.O.P.

3000 #WP

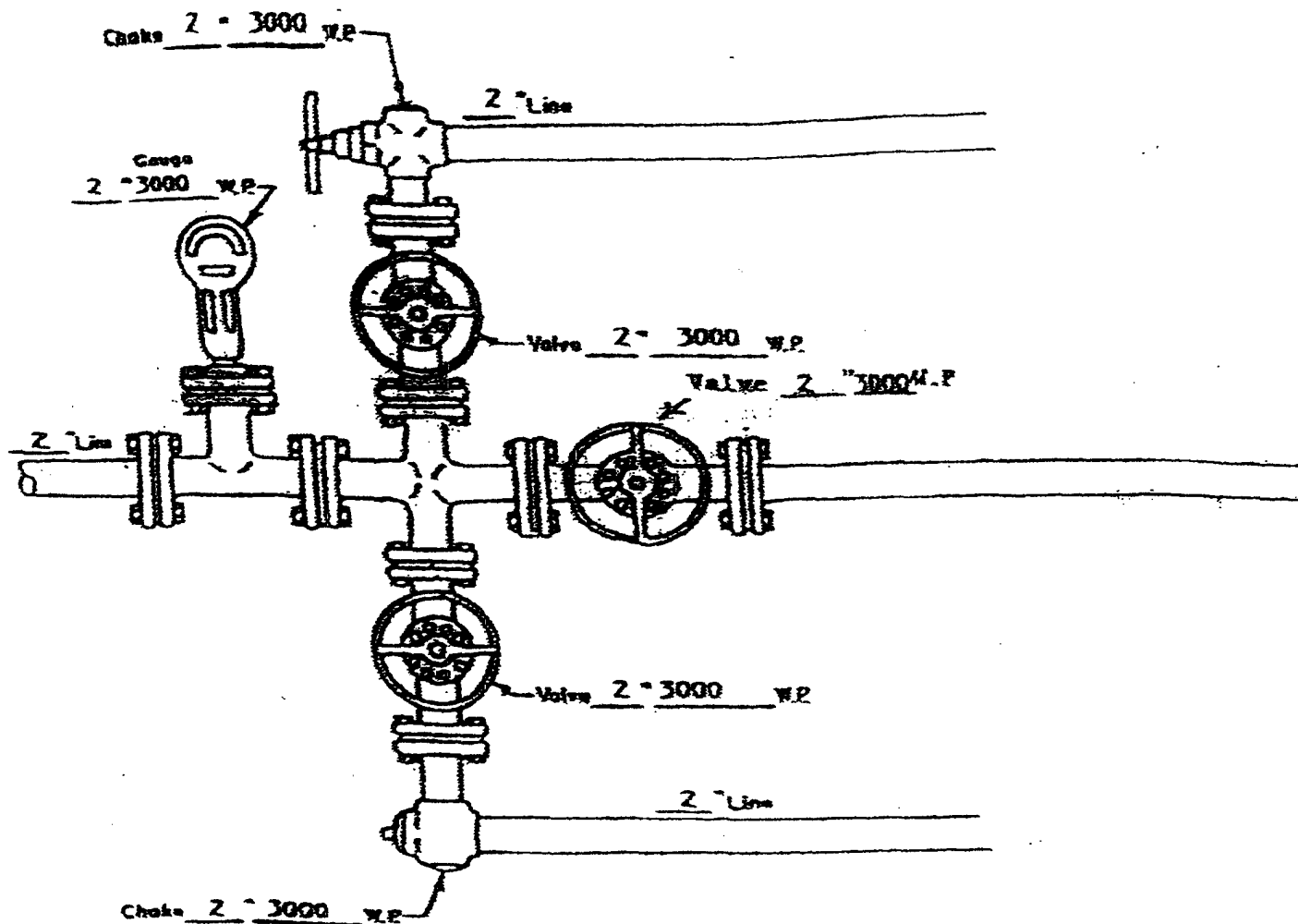
☐ Manual

☒ Hydraulic

NOTE: Although 3000 psi BOP equipment will be used, equipment determination and line sizing are based on the requirements for 2000 psi BOP equipment due to the known drilling and reservoir conditions.

PAGE #5

WESTERN MINERALS & OIL
SAN JUAN COUNTY, NEW MEXICO



MANIFOLD
3000 #W.P.

☒ Manual
☐ Hydraulic

8-5/8" 23# LS X-42 CASING
0.250" WALL
CALLAPSE = 1016 PSI
INTERNAL YIELD = 1040 PSI

PAGE #6

ATTACHMENT NO. 2