

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 Serial No. NM86494
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: CBM <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator TEXAKOMA OIL & GAS CORPORATION		7. If Unit or CA Agreement, Name and No. 27018
Contact: TOM SPRINKLE E-Mail: tls2@airmail.net		8. Lease Name and Well No. LA PLATA 17 2
3a. Address 5400 LBJ FRWY, SUITE 500 DALLAS, TX 75240	3b. Phone No. (include area code) Ph: 972.701.9106 Fx: 972.701.9056	9. API Well No. 3004531687
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface <b>NEW</b> Lot K 1537FSL 1468FWL At proposed prod. zone <b>NEW</b>		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
14. Distance in miles and direction from nearest town or post office* 2.5 MILES SOUTHWEST OF LA PLATA POST OFFICE		11. Sec., T., R., M., or Blk. and Survey or Area Sec 17 T31N R13W Mer NMP
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 726	16. No. of Acres in Lease	12. County or Parish SAN JUAN
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 2500	19. Proposed Depth 2200 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5700 GL	22. Approximate date work will start 06/09/2003	17. Spacing Unit dedicated to this well 320.00 <b>W/P</b>
23. Estimated duration 15		

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.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) TOM SPRINKLE	Date 05/15/2003
Title DRILLING/COMPLETION MANAGER		
Approved by (Signature) <b>David J. Mankiewicz</b>	Name (Printed/Typed)	Date JUN 18 2003
Title		Office

Application approval 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.

Additional Operator Remarks (see next page)

Electronic Submission #21887 verified by the BLM Well Information System  
For TEXAKOMA OIL & GAS CORPORATION, sent to the Farmington

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

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

NMOC

State of New Mexico  
Energy, Minerals & Mining Resources Department  
OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C - 102

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

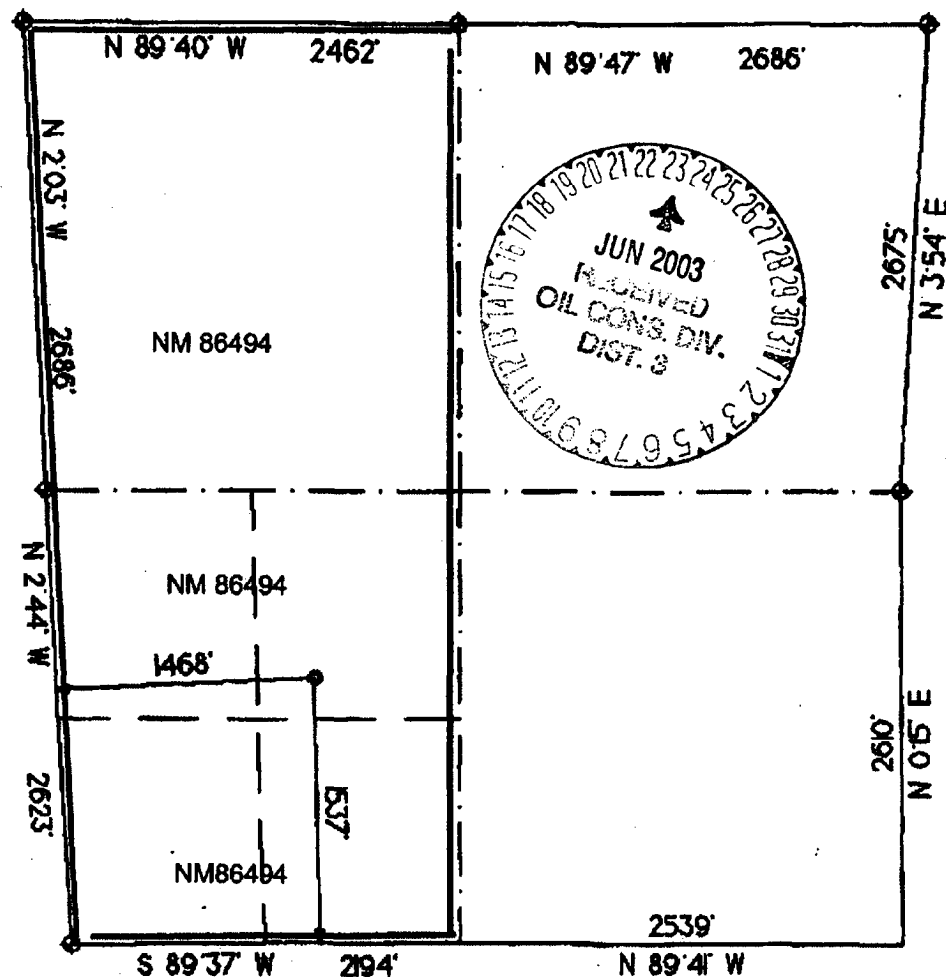
APA Number <b>30-045-31687</b>	Pool Code <b>71629</b>	Pool Name <b>BASIN FRUITLAND COAL</b>
Property Code <b>27018</b>	Property Name <b>TEXAKOMA - LA PLATA 17</b>	Well Number <b>2</b>
OGRD No. <b>22521</b>	Operator Name <b>TEXAKOMA OIL &amp; GAS CORPORATION</b>	Elevation <b>5700'</b>

Surface Location									
U. or Lot <b>K</b>	Sec. <b>17</b>	Twp. <b>31 N.</b>	Rge. <b>13 W.</b>	Lot No. <b></b>	Feet from <b>1537</b>	North/South <b>SOUTH</b>	Feet from <b>1468'</b>	East/West <b>WEST</b>	County <b>SAN JUAN</b>

Bottom Hole Location if Different From Surface									
U. or Lot <b></b>	Sec. <b></b>	Twp. <b></b>	Rge. <b></b>	Lot No. <b></b>	Feet from <b></b>	North/South <b></b>	Feet from <b></b>	East/West <b></b>	County <b></b>

Dedication <b>W/320</b>	Joint ? <b>N</b>	Consolidation <b></b>	Order No. <b></b>
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NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature <i>Tom Sprinkle</i>	
Printed Name <b>TOM SPRINKLE</b>	
Title <b>DRILLING MANAGER</b>	
Date <b>APRIL 8, 2003</b>	
<b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location 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 <b>DEC 2002</b>	
Signature <i>John H. Heston</i>	
Professional Seal <b>JOHN H. HESTON</b> <b>6844</b> <b>REGISTERED LAND SURVEYOR</b>	

EXHIBIT A

TEN-POINT PROGRAM  
Texakoma Oil & Gas Corporation  
La Plata 17 No. 2  
1537' FSL & 1468' FWL, K-17-31N-13W  
San Juan County, New Mexico  
Lease No. NM 86494

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

KIRTLAND	575'
FRUITLAND	1150'
PICTURED CLIFFS	1950'
TOTAL DEPTH	2200'

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

<u>SUBSTANCE</u>	<u>FORMATION</u>	<u>ANTICIPATED DEPTH</u>
GAS	FRUITLAND COAL	1600'

4. THE CASING PROGRAM:

<u>DEPTH</u>	<u>HOLE SIZE</u>	<u>CASING O.D.</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>TYPE</u>	<u>NEW/USED</u>
0 - 150	8 - 3 / 4"	7.00"	20 #	J-55	ST&C	NEW
0 - 2200	6 - 1 / 4"	4 - 1 / 2"	10.5 #	J-55	ST&C	NEW

PROPOSED CEMENT PROGRAM: To effectively isolate and seal off all water, oil, gas and coal-bearing Strata encountered by the utilization of spacers and centralizers at the base of the Ojo Alamo Formation or the base of the lowest usable water zone and by using cement volumes as follows (exact volumes to be determined from caliper log):

SURFACE: 60 Cubic Feet (50 Sacks) Class B w/0.25# Flocele/ sack plus 2% CaCl<sub>2</sub> (100% excess). *Circulate cement*

PRODUCTION: 178 Cubic Feet (90 Sacks Lite Standard Cement w/2% Sodium Metasilicate + 0.25 lbs/sk *Circulate cement* Flocele mixed to 12.4 ppg followed by 178 Cubic Feet (150 Sacks) Standard Class H Cement w/0.25#/sk Flocele And 2% CaCl<sub>2</sub> mixed to 15.6 ppg w/caliper plus 25% excess in both slurries. Total 356 Cubic Feet (240 Sacks).

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Exhibit E is a schematic of the blowout preventer used by our drilling contractor for other wells in the area.

The BOP to be used is an Annular BOP with screwed connections with high pressure inlet and outlet hoses, all tested to 2,000 psig minimum.

EXHIBIT C

TEN-POINT PROGRAM  
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La Plata 17 No. 2  
1537' FSL & 1468' FWL, K-17-31N-13W  
San Juan County, New Mexico  
Lease No. NM 86494

6. THE TYPE AND CHARACTERISTIC OF THE PROPOSED DRILLING MUD FLUIDS:

SURFACE CASING: Native mud with bentonite and lime as needed for viscosity.

PRODUCTION CASING: Fresh water, low solids native mud with polymer gel for viscosity as needed to clean the hole for logging, running casing and cementing.

<u>INTERVAL</u>	<u>MUD WEIGHT</u>	<u>VISCOSITY</u>	<u>FLUID LOSS</u>	<u>Ph</u>	<u>ADDITIVES</u>
0' - 150'	9.0	45	No Control	9	Gel, Lime
150' - 2200'	8.6 - 9.0	30-50	≤ 15	9	Polymer

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. Cuttings will be caught and analyzed by a geologist from 1000' to Total Depth.
- d. Logging: High Resolution Induction, Spectral Density Log, Dual Spaced Neutron and a Microlog will be run from T.D. to the surface casing shoe.

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 600 psig.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

The anticipated starting date is June 9, 2003. The drilling operations should be completed within 15 days after Rig up. Completion will be done 30 to 60 days later or when equipment is available and weather permits.

EXHIBIT C

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MULTI-POINT PROGRAM