UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

a. Type of Work		5. Lease Number	DIST		
DRILL	NMSF NW-079035-A \$50				
lb. Type of Well	6. If Indian, Name of	Allottee or Tribe			
GAS	(1) 1 A. W				
2. Operator	7. API Number	3 2000-			
CAULKINS OIL COMPANY	30-039	-29997			
3. Address & Phone No. of Operator	8. Farm or Lease Name BREECH "A"				
c/o ROBERT VERQUEI					
1409 W. Aztec Blvd. #7 Aztec, N.	M. 87410	9. Well Number			
(505) 334-4323		158			
1. Location of Well		10. Filed, Pool, or Wi	ildcat		
		Basin Dako	ta		
			ip, & Range, Meridian, or Block		
2350 FNL & 1860' FWL		F 10-26N-6W	- · · · · · · · · · · · · · · · · · · ·		
14. Distance in Miles from Nearest Town		12. County	13. State		
36 miles southeast of Blanco, NM	Post Office.	Rio Arriba	New Mexico		
15. Distance from	16. Acres	in Lease	17. Acres Assigned to Well		
Proposed Location			-		
To Nearest Property 2350'	2400 A	cres WEST - 320 /			
Line or Lease Line					
18. Distanœ From	19. Propo	sed Depth 20. Rotary or Cable To			
Proposed Location]	'	•		
To Nearest Well Drill, 1255	7600'		ROTARY		
Compl., Or Applied					
For on Lease	i				
21. Elevations (DR, RT, GR, Etc.)	· · · · · · · · · · · · · · · · · · ·	22. Approximate D	ate Work Will Start		
6629 GR		AUGUST 25, 2006			
23. Proposed Casing and Cementing Program					
-or represent easing and contenting regions					
EXHIBITS attached as follows					
"A" C-103 & Location and Elevation	Plat	"F" Drill Rig Layout			
"B" Ten-Point Compliance Program	"G" Production Facility Schematic				
"C" Blowout Preventer Schematic	"H" Acerage dedication plat				
"D" Multi-Point Requirements for AP	"I" Archaeolgical Report				
"E" Vicinity Map - Access Roads	"J" Pipline Schematic				
		C . Ip.iiio Contoniai			
24. Signed Robert I Verner	- Title	Superintendent	Date 7-14-0		
Robert L. Verquer	_				
Permit No.		Approval Date	,		
~~~~		7			
		1	<b>-</b> / /		

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

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

NNOCD

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

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

State of New Mexico
Energy. Minerals & Natural Resources Department

Form C-102 Revised October 12, 2005

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

OIL CONSERVATION DIVISION

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

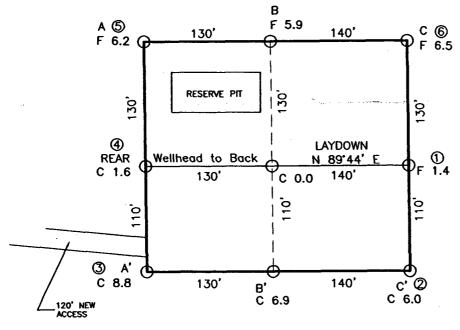
DISTRICT IV	ig., Aztec,	N.M. 01710			Santa Fe, NM			П	AMENI	DED REPORT
2040 South Pache	co, Santa			TC ATTON	I AND ACE	REAGE DEDI	מאיזוראו פו		111111111	DED KEI OKI
¹ API	Number	***	מירים						1	
30	0-039	~ 2999	2	Pool Code	99	13	Pool Name	aKut	21	
⁴ Property Co	1				Property N				• Wel	Number
245	5				BREECH A		, and Andrews Hallery and the con-	·		58
TOGRED No	4				*Operator N CAULKINS OIL				-	levation 629
				<del>- ,, , ,.</del>	10 Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	•	est line	County
F	10	26-N	6-W	<u> </u>	2350	NORTH	1860	WEST		RIO ARRIBA
			¹¹ Bott	om Hole		Different Fro				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W	est line	County
18 Dedicated Acre	:8	<u> </u>	18 Joint or	Infill	14 Consolidation C	ode	16 Order No.			
NO ALLOW	ABLE W	ILL BE A	ASSIGNE	D TO THI	S COMPLETIC	ON UNTIL ALL	INTERESTS I	IAVE BE	EN CO	NSOLIDATED
8						EN APPROVED				
FIND P & C NM260609NE	\$ 89-56 2633.2	2350'		QTR. COF FD 3 1/ BLM 195	4" B.C.		I hereby cer is true and belief, and interest or including it right to dri contract wi interest, or compulsory division.	rtify that the complete to that this organismtessed mine proposed both this well at the an owner of to a voluntary pooling order	information the best of mization si mization si mization hole this locat of such a s y pooling o heretofore	location or has a ion pursuant to a mineral or working igreement or a entered by the
OTR. CORNER	1860'		LAT. 36.5 LONG. 10	10	83) NAD 83)			rt 2. 1		7-14-06 Date
FD 3 1/4" B.C.		· 					I hereby cer was plotted me or under	tify that the confrom field not may supervise to the best of 5, 2006	well location is of actualism and the may belief.	TIFICATION  In shown on this plat al surveys made by at the same is true

# State of New Mexico Energy, Minerals and Natural Resources Department EXHIBIT "A"

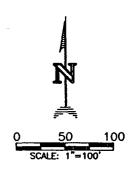
		WELL API NO. 30-03	39-29997		
OIL CONSERVATION DIVISION	5. Indicate Type of Lease				
1220 South St. Frances Dr.	STATE[] FEE[]				
Santa Fe, New Mexico 87505					
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE	THOTORN	6. State Oil & Gas Lease No.			
FOR PROPOSALS TO DRILL OR TO DEEPEN OR TO PLUG BAC DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (	FORM C-101) 🕨	NMSF-079035-A			
FOR SUCH PROPOSALS.)	roidir o roi)	7. Lease Name or Unit Agreement Name			
I. Type of Well		BREECH "A"  8. Well No.			
Oil Well [] Gas Well [X] Other []		158			
2. Name of Operator		9. OGRID Number			
Caulkins Oil Company		003824			
3. Address of Operator 1409 W. Aztec Blvd., Suite B7, Aztec, NM 87410	Ì	Pool Name or Wildcat BASIN DAKOTA			
4. Well Location	<del></del>				
Unit Letter F: 2350' feet from the North line and					
10 Section 26N Township 6W Range	NMPM Rio Whether DF,RKB,R	Arriba County			
10. Elevation (Show	6629 GR				
Pit or Below-grade Tank Application [X] or Closure []	002, 011		<b>.</b>		
>100		1000'	>1000'		
Pit type <u>Drilling</u> Depth to Groundwater <u>420°</u> Distance from nearest	fresh water well <u>-3/</u>	4-mile Distance from nearest	surface water 3/4 mile		
Pit Liner thickness: <u>30</u> mil Below-grade Tank: Volume	bbls; Constructi	ion Material			
NOTICE OF INTENTION TO:		SUBSEQUENT REPOI	RT OF:		
Perform Remedial Work [] Plug and Abandon []	Remedial Work	[] Altering C			
Temporarily Abandon [ ] Change Plans [ ]	Commence Drillin	ng Opns. [] Plug and A	Abandonment []		
Pull or Alter Casing [ ] Multiple Completion [ ]	Casing Test and C				
Other: Drilling Pit [X]	Other:	[ ]	]		
	Other:	[]	]		
Other: Drilling Pit [X]  12. Describe Proposed or Completed Operations	Other:	[ ]	]		
	Other:	[ ]	]		
12. Describe Proposed or Completed Operations  Construct new below-grade drilling pit along with location.	Other:	[]	]		
12. Describe Proposed or Completed Operations  Construct new below-grade drilling pit along with location.  Cut and fill diagram attached.		[ ]	]		
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CAULKINS OIL CO. BREECH A No. 158, 2350 FNL 1860 FWL SECTION 10, T26N, R6W, N.M.P.M., RIO ARRIBA COUNTY, N. M. GROUND ELEVATION: 6629', DATE: APRIL 5, 2006

LAT. = 36.50277° N. ((LONG. = 107.45762° W NAD 83

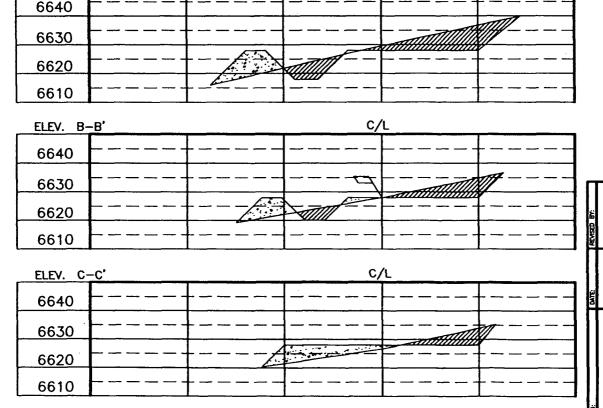


ELEV. A-A



NOTE:

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



Daggett Enterprises, Inc.
Surveying and Oil Fleid Services
P. O. Box 15068 • Farmington, NM 87401
Phone (505) 226-1772 • Fax (505) 226-6019
NEW MEDIO L.S. No. 14831

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.

#### **EXHIBIT "B"**

### TEN POINT COMPLIANCE PROGRAM

Caulkins Oil Company Breech "A" 158 2350' FNL & 1860' FWL, Sec. 10, 26N, 6W Rio Arriba County, New Mexico Lease No. NM-07935-A

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

Ojo Alamo	2188
Picture Cliffs	3079
Cliff House	4762
Tocito	6806
Greenhorn	7207
Dakota	7400
TD	7600

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

Substance	Formation	Depth	Pressure	
Water	Alamo	2319	0	
Gas	Pictured Cliffs	3123	450	
Gas	Cliff House	4802	800	
Gas	Tocito	6822	1200	
Gas	Dakota	7553	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
1000-6600	7-7/8	5-1/2	15.50#	K55	LT&C	NEW
6600-7600	7-7/8	5-1/2	17#	K55	LT&C	NEW

The proposed cement program will be as follows:

Surface:

126 sacks type III with 2% CaCI and 1/4# per sack cellophane flake.

VOLUME CALCULATIONS

circulate cement YIELD 1.47 350 ft x 0.3132 cu-ft/ft with 70% excess = 186 cu-ft

PRODUCTION:

Circulate cement, to Cement will be run in three stages with CIrculate Cemar Selan stage tools set at approximately 3600' and 5600'. At lease 250' well surface 160' overla

1st stage

Cement through shoe at approx. 7600' with 172 sacks Type III premium lite FM + 1/4 # /sk cellohane flake

W. Surface Shoe-w

followed by 100 sacks Type III neat

+ 1% CaCl + 1/4# /sk cellophane flake.

**VOLUME CALCULATIONS** 

YIELD 2.09 1151 ft x 0.1732 cu-ft/ft with 80% excess = 359 cu-ft YIELD 1.47 849 ft x 0.1732 cu-ft/ft with 0% excess = 147 cu-ft

2nd stage

Cement through shoe at approx. 5600' with 172 sacks Type III premium lite FM + 1/4 # /sk cellohane flake followed by 100 sacks Type III neat + 1% CaCl + 1/4# /sk cellophane flake.

**VOLUME CALCULATIONS** 

YIELD 2.09 1151 ft x 0.1732 cu-ft/ft with 80% excess = 359 cu-ft YIELD 1.47 849 ft x 0.1732 cu-ft/ft with 0% excess = 147 cu-ft

#### **EXHIBIT "B"**

#### TEN POINT COMPLIANCE PROGRAM

Caulkins Oil Company
Breech "A" 158
2350' FNL & 1860' FWL, Sec. 10, 26N, 6W
Rio Arriba County, New Mexico
Lease No. NM-07935-A

3rd stage

Cement through shoe at approx. 3600' with 410 sacks Type III premium lite FM + 1/4 # /sk cellohane flake followed by 100 sacks Type III neat + 1% CaCl + 1/4# /sk cellophane flake.

VOLUME CALCULATIONS
YIELD 2.09 2751 ft x 0.1732 cu-ft/ft with 80% excess = 858 cu-ft
YIELD 1.47 849 ft x 0.1732 cu-ft/ft with 0% excess = 147 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. Saftey 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	8cc	9	Lime
350-TD	9.0	34-40		9	Chemicals

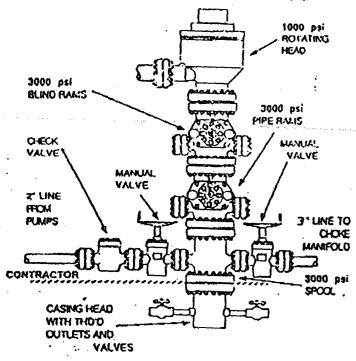
- 7. Auxiliary equipment to be used is as follows:
  - a. Float valve above bit.
  - b. Monitoring of mud system will be visual.
  - c. A sub with a full opening valve will be on the floor when the kelly is not in use.
- 8. Testing, logging and coring will be as follows:
  - a. Cores none will be taken.
  - 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 August 25,2006, or as soon as possible after examination and approval of drilling requirements. Operations should be completed within 25 days.

BOP Equipment
3000 psi WP (except flotating head at 1000 psi)



## CHOKE MANIFOLD

