

BLM

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. NMNM10171
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. 32043
Contact: TOM SPRINKLE E-Mail: tfs2@airmail.net		8. Lease Name and Well No. LA PLATA 20 1
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. 30045 31311
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWNW 680FNL 1196FWL At proposed prod. zone		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
14. Distance in miles and direction from nearest town or post office* THREE (3) MILES SOUTHWEST OF LA PLATA POST OFFICE		11. Sec., T., R., M., or Blk. and Survey or Area Sec 20 T31N R13W Mer NMP C
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 680	16. No. of Acres in Lease 160.00	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 2000 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5674 GL	22. Approximate date work will start 01/31/2003	17. Spacing Unit dedicated to this well 320.00 292.68 ft N/2
23. Estimated duration 15		20. BLM/BIA Bond No. on file

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 officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) TOM SPRINKLE	Date 12/19/2002
Title DRILLING/COMPLETION MANAGER		
Approved by (Signature) David J. Mankiewicz	Name (Printed/Typed)	Date FEB 27 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 #16439 verified by the BLM Well Information System
For TEXAKOMA OIL & GAS CORPORATION, sent to the Farmington

This action is subject to technical and procedural review pursuant to 43 CFR 3165.8 and appeal pursuant to 43 CFR 3165.4

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

NMOCDC

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

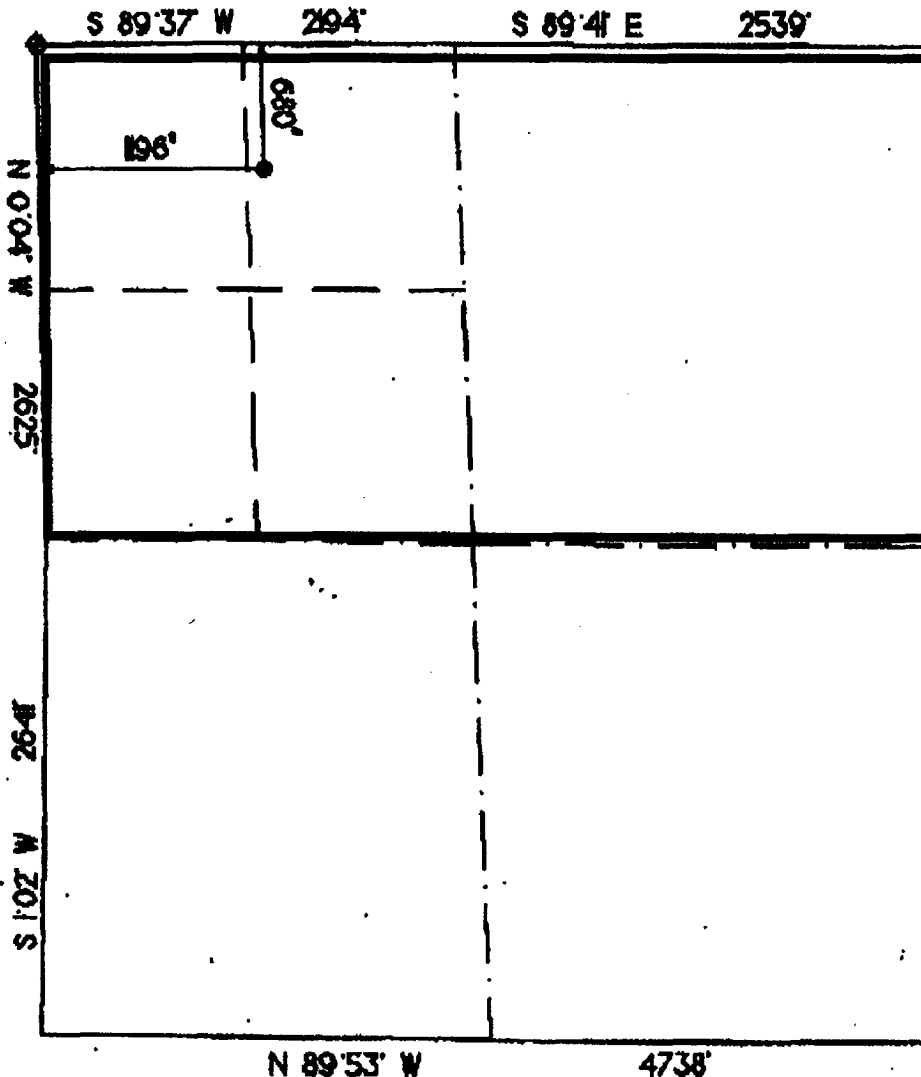
APN Number 30-045-31311		Pool Code 71629	Pool Name BASIN FRUITLAND COAL
Property Code 32043	Property Name TEXAKOMA - LA PLATA 20		Well Number 1
GRID No. 022521	Operator Name TEXAKOMA OIL & GAS CORPORATION		Elevation 5674'

Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot No.	Feet from	North/South	Feet from	East/West	County
C	20	31 N.	13 W.		680'	NORTH	1196'	WEST	SAN JUAN

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

Dedication N/220	Joint ?	Conditions	Order No.
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292.166 NO ALLOWABLE WELL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Tom Sprinkle*
 Printed Name: TOM SPRINKLE
 Title: DRILLING MANAGER
 Date: DECEMBER 17, 2002

SURVEYOR CERTIFICATION
 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: _____

Signature: _____
 Professional Seal:

EXHIBIT A

TEN-POINT PROGRAM
 Texakoma Oil & Gas Corporation
 La Plata 20 No. 1
 680' FNL & 1196' FWL, C-20-31N-13W
 San Juan County, New Mexico
 Lease No. NMNM 10171

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

KIRTLAND	600'
FRUITLAND	1100'
PICTURED CLIFFS	1800'
TOTAL DEPTH	2000'

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

<u>SUBSTANCE</u>	<u>FORMATION</u>	<u>ANTICIPATED DEPTH</u>
GAS	FRUITLAND COAL	1500'

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 – 2000	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% CaCl₂ (100% excess).

PRODUCTION: 162 Cubic Feet (82 Sacks Lite Standard Cement w/2% Sodium Metasilicate + 0.25 lbs/sk Flocele mixed to 12.4 ppg followed by 162 Cubic Feet (134 Sacks) Standard Class H Cement w/0.25#/sk Flocele And 2% CaCl₂ mixed to 15.6 ppg w/caliper plus 25% excess in both slurries. Total 364 Cubic Feet (216 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 and Annular BOP with screwed connections with high pressure inlet and outlet hoses, all tested to 2,000 psig minimum.

EXHIBIT C

TEN-POINT PROGRAM
 Texakoma Oil & Gas Corporation
 La Plata 20 No. 1
 680' FNL & 1196' FWL, C-20-32N-13W
 San Juan County, New Mexico
 Lease No. NMNM 10171

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' - 2100'	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 January 31, 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

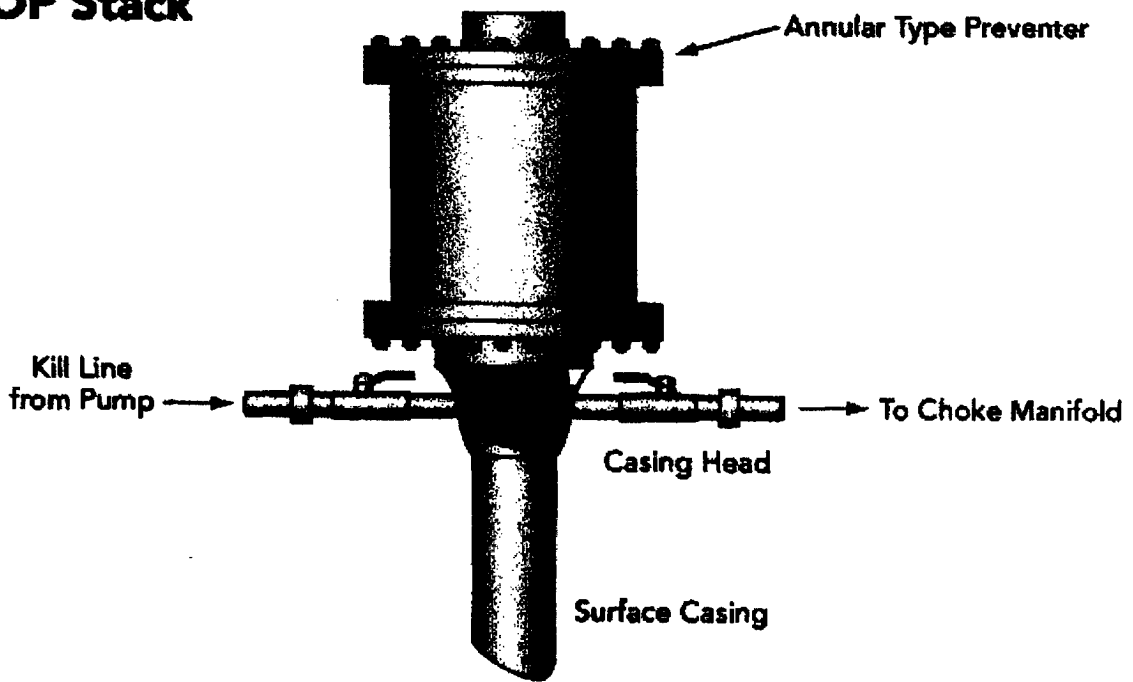


Well Control Equipment Schematic for 2M Service

LA PLATA 20 NO. 1 WELL

Location: NW/4 SEC. 20 - T31N - R13W
San Juan County, New Mexico

BOP Stack



Choke & Kill Manifold

