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FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

070 Farmington, NM

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL

☐ REENTER

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

☐ Single Zone ☐ Multiple Zone

2. Name of Operator

Roddy Production Company, Inc.

3a. Address

P.O. Box 2221, Farmington N.M. 87499

3b. Phone No. (include area code)

(505) 325-5750

4. Location of Well (Report location clearly and in accordance with any State requirements)

At surface 1180' FNL x 2062' FEL

At proposed prod. zone same

14. Distance in miles and direction from nearest town or post office*

7 miles northwest of Flora Vista, NM

15. Distance from proposed*

location to nearest
property or lease line, ft.

(Also to nearest drig. unit line, if any)

1180'

18. Distance from proposed location*

to nearest well, drilling, completed,
applied for, on this lease, ft.

1130

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

5937' GL

16. No. of Acres in lease

318.24 788.93

17. Spacing Unit dedicated to this well

80 318.24 N2

19. Proposed Depth

5050'

20. BLJA/BIA Bond No. on file

22. Approximate date work will start*

11/15/03

23. Estimated duration

60 days

24. Attachments drilling plan, surface use plan

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

Name (Printed/Typed)

Date

Robert R. Griffiee

10/06/03

Title

Operations Engineer

Approved by (Signature)

David J. Mantewicz

Name (Printed/Typed)

Date

NOV 26 2003

Title

Office

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.

*(Instructions on reverse)

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

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

NMOC

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, NM 87504-2088

☐ AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32004	² Pool Code 72319	³ Pool Name BLANCO MESA VERDE
⁴ Property Code 25717	⁵ Property Name OWEN	⁶ Well Number 2D
⁷ GRID No. 036845	⁸ Operator Name RODDY PRODUCTION COMPANY INC.	⁹ Elevation 5937.4 L

¹⁰ Surface Location

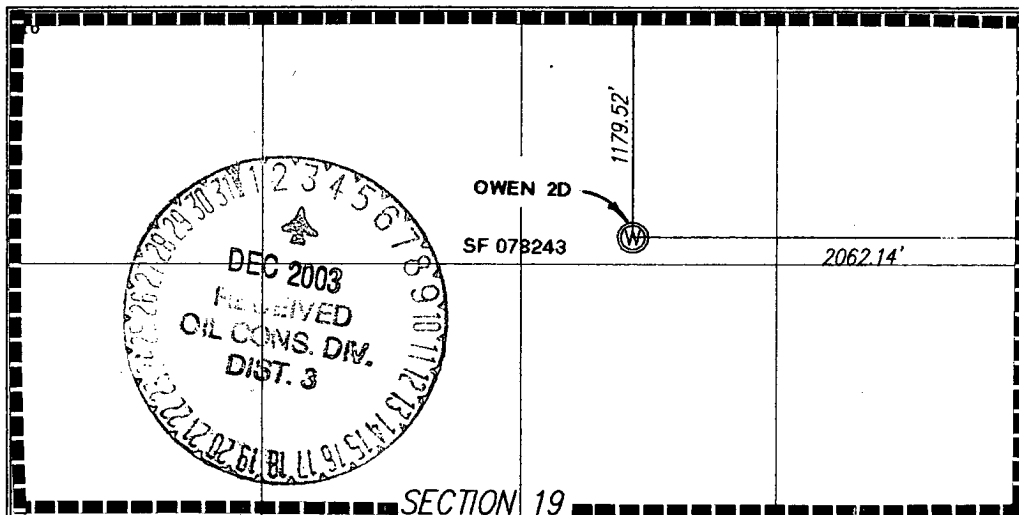
UL or lot no. B	Section 19	Township 31N	Range 12W	Lot Idn	Feet from the 1179.52	North/South line NORTH	Feet from the 2062.14	East/West line EAST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 318.24	¹³ Joint or Infill I	¹⁴ Consolidation Code	¹⁵ Order No.
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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



¹⁷ OPERATOR CERTIFICATION

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

Signature **Robert R. Griffith**
Printed Name **Robert R. Griffith**
Title **Operations Manager**
Date **11/13/03**

¹⁸ SURVEYOR CERTIFICATION

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.

SEPTEMBER 16, 2003
Date of Survey
Signature and Seal of Professional Land Surveyor
Certificate Number **N.M. PLS #9673**

D.J. SIMMONS, INC.

Drilling Plan

Well Name: Owen 2D

Location: 1180 FNL x 2062 FEL, Section 19, T31N, R12W
San Juan County, NM

Formation: Blanco Mesa Verde

Elevation: 5937' GL

Geology:

Formation	Top	Probable Content
Nacimiento	Surface	
Ojo Alamo	480	salt water
Fruitland	1777	gas
Pictured Cliffs	2179	gas
Huerfanito Bentonite	3004	
Mesa Verde	3835	gas
Menefee	3962	gas
Point Lookout	4617	gas
Mancos	4964	
TD	5050	

Logging Program: Cased hole GSL.

Drilling Fluid Program:

Interval	Fluid Type	Weight	Viscosity	Fluid Loss
0' - 300'	fresh water spud mud	8.4 - 9.0 ppg	30 - 50 sec	no control
300' - 5050'	fresh water, LSND	8.4 - 9.0 ppg	30 - 50 sec	no control

Casing Program:

Interval	Hole Diameter	Csg Size	Wt.	Grade	Thread
0' - 300'	12 1/4"	9 5/8"	24.22 ppf	J-55	STC
0' - 5050'	7 7/8"	4 1/2"	10.6 15.5 ppf	J-55	STC

Tubing Program: 0 - 4950', 2 3/8", 4.7 ppf, J55, EUE

BOPE and Wellhead Specifications and Testing:

From surface casing shoe to TD: 9 5/8" 3000 psi threaded casing head with two 2" outlets. 11", 3000 psi double gate BOP and 3000 psi choke manifold (see figures 1 and 2). Pressure test BOPE to 3000 psi and 9 5/8" surface casing to 600 psi prior to drilling surface casing shoe.

For completion operations: 7" x 2 3/8", 3000 psi tree assembly. 7 1/16", 3000 psi double gate BOP system (see figure 3).

General Operation:

- Actuate pipe rams once each day during drilling operations. Actuate blind rams once each trip.
- An upper Kelly cock valve, with handle, will be available on the rig floor to fit each drilling string.
- BOP pit level drill will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in the daily drilling report.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing Program:

9 5/8" Surface Casing String: Run casing with saw tooth guide shoe on bottom, insert float valve one joint from bottom, and install bowspring centralizers as per Onshore Order #2. Cement with 165 sks class 'G' with 1/4 #/sk flocele and 2% CaCl₂ (145 cf slurry, 100% excess to circulate to surface). 15.8 - 15.6 ppg, 1.15 ft³/sk ^{190 ft³}

4 1/2" Production Casing String: Run casing with float shoe on bottom, float collar one joint from bottom, stage collar at 3500', and centralizers every other joint through out Mesa Verde, Pictured Cliffs, Fruitland, and Ojo Alamo sections. Cement 1st stage with 275 sks 10# LiteCRETE with additives. Circulate 8 hours between stages. Cement 2nd stage with 680 sks 65/35 Class 'G' Poz (50% excess over open hole volume). Stage 1: 10 ppg, 2.1 ft³/sk
TOL must overlap surface casing min 100' Stage 2: 12.8 ppg, 1.75 ft³/sk

Special Drilling Operations (air/mist drilling):

DV tool @ 3500'

- Mud materials, equipment, and water will be available on location to maintain control of the well during all operations.

Additional Information:

- This well is to be completed in the Mesa Verde formation.
- No abnormal temperature or pressure, or other hazards are anticipated.
- LCM will be added to the mud system as required to maintain circulation.
- Estimated formation pressures:
 - Fruitland Coal 300 psi
 - Pictured Cliffs 300 psi
 - Mesa Verde 900 psi