

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. NM-048576
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. 11242
Contact: TOM SPRINKLE E-Mail: tls2@airmail.net		8. Lease Name and Well No. FOOTHILLS C 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. 3004531974
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface NWNW Lot D 877FNL 1044FWL At proposed prod. zone NWNW Lot D 877FNL 1044FWL		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
14. Distance in miles and direction from nearest town or post office* 0.25 MILES WEST OF 7000 BLOCK FOOTHILLS DRIVE		11. Sec., T., R., M., or Blk. and Survey or Area Sec 19 T30N R12W Mer NMP D
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 877'	16. No. of Acres in Lease 1280.00	12. County or Parish SAN JUAN
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 100'	19. Proposed Depth 2150 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5890 GL	22. Approximate date work will start 12/01/2003	17. Spacing Unit dedicated to this well 318.69 N/A
23. Estimated duration 15 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.

25. Signature (Electronic Submission)	Name (Printed/Typed) TOM SPRINKLE	Date 10/21/2003
Title DRILLING/COMPLETION MANAGER		
Approved by (Signature) /s/ David J. Mankiewicz	Name (Printed/Typed)	Date DEC - 9 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 #24318 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 **

NMOCD

STATE OF NEW MEXICO
Energy, Minerals & Mining Resources Department

Form C - 102

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

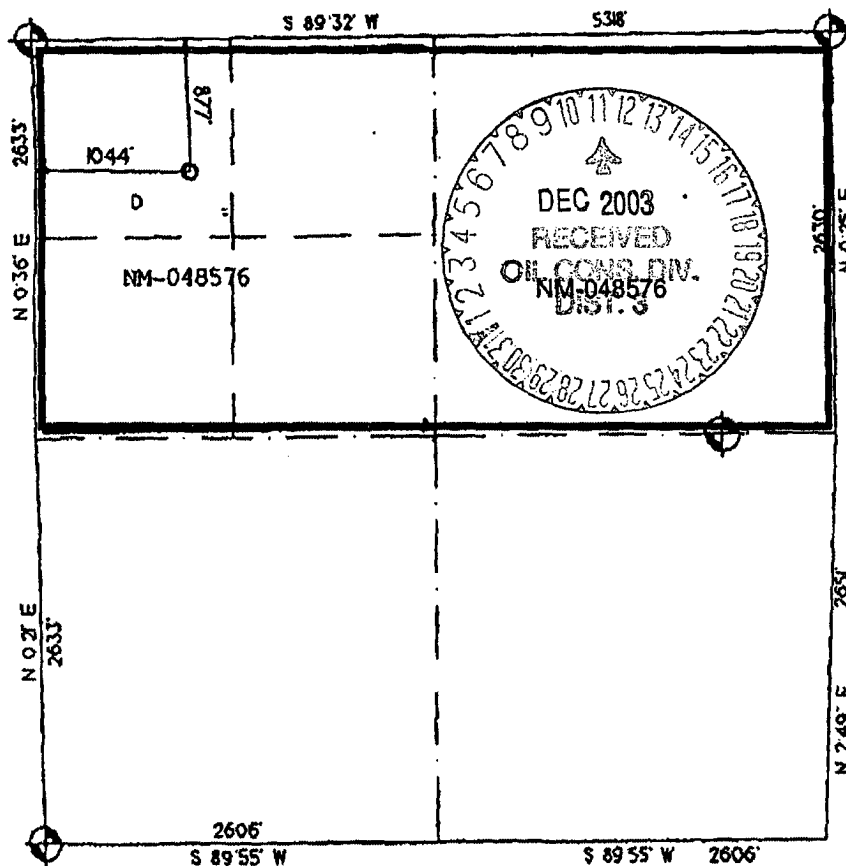
WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number 30-045-30641	Pool Code 71629	Pool Name BASIN FRUITLAND COAL
Property Code 11247	Property Name Foothills C	Well Number 2
OGPD No. 22521	Operator Name TEXAKOMA OIL & GAS CORPORATION	Elevation 5890'

Surface Location								
UL or Lot	Sec.	Twp.	Rge.	Lot Id.	Feet From North/South	Feet From East/West	County	
D	19	30 N	12 W		877	1044	WEST	SAN JUAN

Bottom Hole Location if Different From Surface								
UL or Lot	Sec.	Twp.	Rge.	Lot Id.	Feet From North/South	Feet From East/West	County	
Dedication N/2 340-18	Joint ? N	Consolidation		Order No.				

318.64 NO ALLOWABLE WILL 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
October 16, 2003

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
13 March 2001

Signature
Gerard S. Hurdleston
Professional
GERARD S. HURDLESTON
6844
REGISTERED LAND SURVEYOR

EXHIBIT A

TEN-POINT PROGRAM
Texakoma Oil & Gas Corporation
Foothills C # 2
877' FNL & 1044' FWL, D-19-30N-12W
San Juan County, New Mexico
Lease No. NM-048576

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

KIRTLAND	550'
FRUITLAND	1650'
PICTURED CLIFFS	2000'
TOTAL DEPTH	2150'

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

<u>SUBSTANCE</u>	<u>FORMATION</u>	<u>ANTICIPATED DEPTH</u>
GAS	FRUITLAND COAL	1850'

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 - 650'	8 - 3 / 4"	7"	20 #	J-55	ST&C	NEW
0 - 2150	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, centralizers and swirling centralizers at the base of the Ojo Alamo formation as specified by NTL-FRA 90-1 III.B and API standards; and by using cement volumes as follows: (Exact volumes to be determined from logs):

SURFACE: 196 Cu Ft (166 Sx) Class B w/ 0.25# Flocele/ Sx w/ 5 #/Sk Gilsonite plus 2% CaCl (100% Excess).

PODUCTION: 85 Cubic Feet (42 Sacks Lite Standard Cement w/ 2% Metasilicate + 0.25 pps Flocele mixed to 12.4 ppg followed by 162 Cubic Feet (134 Sacks) Standard w/ 0.6% Halad-322 mixed to 15.6 ppg w/ caliper plus 25% excess in both slurries. Grand Totals: 247 Cubic Feet (176 Sacks).

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Exhibit E is a schematic of the blowout preventer used by a local 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 2000 psi minimum.

EXHIBIT C

TEN-POINT PROGRAM
Texakoma Oil & Gas Corporation
Foothills C # 2
877' FNL & 1044' FWL, D-19-30N-12W
San Juan County, New Mexico
Lease No. NM-048576

6. THE TYPE AND CHARACTERISTIC OF THE PROPOSED CIRCULATING MUDS:

SURFACE CASING: Spud flocculating bentonite with lime.

PRODUCTION CASING: Low solids non-disbursing system.

<u>INTERVAL</u>	<u>MUD WEIGHT</u>	<u>VISCOSITY</u>	<u>FLUID LOSS</u>	<u>Ph</u>	<u>ADDITIVES</u>
0' - 650'	9.0	45	- - -	9	Gel, Lime
650'-TD	8.6 - 9.2	30-50	< 15 cc	9	Chemicals as needed

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. Logs will include: High Resolution Induction w/ Gamma Ray, SP, Caliper, MicroLog, Spectral Density and Dual Spaced Neutron; all from Total Depth 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 psi.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

The anticipated starting date is Fall, 2003. The drilling operations should be completed within 15 days after rig-up date. Completion will be done as equipment availability and weather permit.

EXHIBIT C