SUBMIT IN TRIPLICATE.

(Other instructions on reverse side)

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR

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APPLICATION FOR F	PERMIT TO DRIL	L OR DEEPEN	6. IF INDIAN, ALLOTTER OR TRIPE NAME A
DRILL D	DEEPEN 🗌		7. UNIT AGREEMENT NAME N/A
OIL GAS WELL OTHER		SINGLE MULTIP. ZONE ZONE	8. FARM OR LEASE NAME WELL TO 27#1
DUIS Dreyfus Natural Gas		(405) 749-130	30-045-3053
4000 Quail Springs Pkwy.	d in accordance with any	State requirements.*)	Fr Coal & WKutz PC Ex
	& 840' FEL		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
At proposed prod. zone Same			27-27n-12w NMPM
4 air miles SW of Bloom		CE*	12. COUNTY OR PARISH 13. STATE San Juan NM
DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg, unit line, if any)		0. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL NEED 320
DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, PRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	264'	ROPOSED DEPTH	20. ROTARY OR CABLE TOOLS ROTARY
ELEVATIONS (Show whether DF, RT, GR, etc.)	,867' ungrad		July 5, 2001
	· · · · · · · · · · · · · · · · · · ·	ID CEMENTING PROGRAM	
SIZE OF HOLE GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
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District I PO Hox 1980, Hobbs, NM 88241-1980 District II #11 South First, Artesia, NM 88210 District III

State of New Mexico Energy, Minerala & Natural Resources Department

Form C-102 Revised October 18, 1994

OIL CONSERVATION DIVISION. Submit to Appropriate District Office 2040 South Pacheco Propriate District Office 2040 South Pacheco

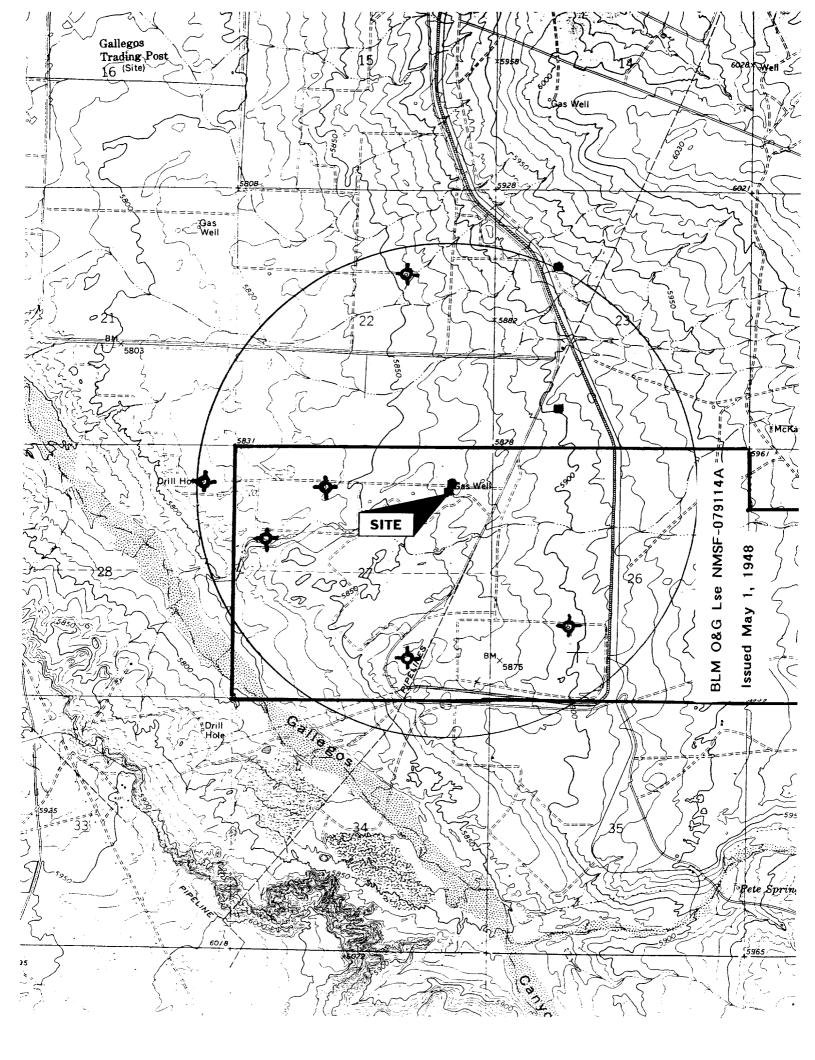
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Santa Fe, NM 87505

1000 Rio Brazos Rd., Aztec, NM 87410 District IV 10 2010 annual architecture

Santa Fe, NM 87505 Fee Lease - 3 Copies WELL LOCATION AND ACREAGE DEDICATION PLAT "AMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT "TOORID No. 10 Property Name CAMPBELL 1
WELL LOCATION AND ACREAGE DEDICATION PLAT Composition
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Louis Dreyfus Natural Gas Corp. Campbell 27 1 1050' FNL & 840' FEL Sec. 27, T. 27 N., R. 12 W. San Juan County, New Mexico

Drilling Program

1. ESTIMATED FORMATION TOPS

Formation Name	GL Depth	<u>KB Depth</u>	Subsea Elevation
Nacimiento Fm	000'	14'	+5,867'
Ojo Alamo Ss	50'	64'	+5,817'
Kirtland Sh	236'	250'	+5,631'
Fruitland Fm	749'	763'	+5,118'
Base Fruitland Coal	1,296'	1,310'	+4,571'
Pictured Cliffs Ss	1,316'	1,330'	+4,551'
Base of Pictured Cliffs	1,456'	1,470'	+4,411'
Total Depth (TD)*	2,000'	2,014'	+3,867'

^{*} all elevations reflect the ungraded ground level of 5,867'

2. NOTABLE ZONES

<u>Gas Zones</u>	Water Zones	<u>Coal Zones</u>
Ojo Alamo Ss (50')	Nacimiento Fm (000')	Kirtland Sh (236')
Fruitland Fm (749')	Ojo Alamo Ss (50')	Fruitland Coal (749')
Pictured Cliffs (1,316')	Fruitland Fm (749')	

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A typical 3,000 psi model is on PAGE 3. It will be



Louis Dreyfus Natural Gas Corp. Campbell 27 1 1050' FNL & 840' FEL Sec. 27, T. 27 N., R. 12 W. San Juan County, New Mexico

installed once the surface casing is cemented.

Onshore Order 2 standards will be followed for BOP, choke manifold, accumulator system, closing unit power, and locking devices installation, operation, maintenance, and tests. Hydraulic controls will be located on the rig floor. Manual controls will be hand wheels. Remote control for the accumulator will be 100' - 120' from the drill hole. Kill line will not be used a a fill line.

Ram type preventers and associated equipment (choke manifold, kelly cocks, etc.) will be tested to 100% of their rated working pressure (BOP stack isolated from casing by a test plug) for 10 minutes. Annular preventers will be tested to 50% of rated working pressure for 10 minutes. Tests will be run after initial installation, before drilling out of each casing shoe, and after any use under pressure; or a minimum of once every 14 days. Pipe rams will be operationally checked each 24 hour period, as will blind rams and annular preventer each time pipe is pulled out of the hole. Annular preventers will be functionally operated at least weekly. Such checks of BOP equipment will be noted on daily drilling reports.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O.D.</u>	Weight (lb/ft)	<u>Grade</u>	<u>Age</u>	GL Setting Depth
11"	8-5/8"	24	J-55	New	250'
7-7/8"	5-1/2"	15.5	J-55	New	2,000'

Surface casing will be cemented to surface with ≈ 185 sx Class H + 3% CaCl₂ + 1/4 pound per sack Cello-Seal. If cement does not circulate, a temperature survey will be run to find the TOC and then finish cementing to the surface through 1" pipe using Class H + 3% CaCl₂.

Production casing will be cemented to the surface with ≈ 200 sx Halco Lite + 5 pounds per sack Gilsonite + 1/4 pound per sack Flocele® followed by ≈ 100 sx 50/50 Poz A + 2% gel + 0.5% Halad 322. Volumes to be determined by caliper.

