

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NMSF-079116	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A	
2. NAME OF OPERATOR Louis Dreyfus Natural Gas Corp. (405) 749-1300		7. UNIT AGREEMENT NAME N/A	
3. ADDRESS AND TELEPHONE NO. 14000 Quail Springs Pkwy., #600, OK City, Ok. 73134		8. FARM OR LEASE NAME, WELL NO. Hancock 32 #1 R	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1880' FNL & 1450' FEL At proposed prod. zone Same		9. API WELL NO. 30-045-30535	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 9 air miles SSW of Bloomfield		10. FIELD AND POOL, OR WILDCAT Basin Fruit. Coal	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1450'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA G 1-27n-12w NMPM	
16. NO. OF ACRES IN LEASE 2,560.22		12. COUNTY OR PARISH San Juan	
17. NO. OF ACRES ASSIGNED TO THIS WELL E/2 320.01		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 235'		20. ROTARY OR CABLE TOOLS Rotary	
19. PROPOSED DEPTH 2,000'		22. APPROX. DATE WORK WILL START* June 1, 2001	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6,055' ungraded			

PROPOSED CASING AND CEMENTING PROGRAM

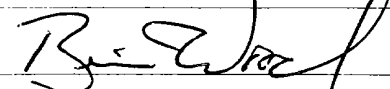
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	J-55 8-5/8"	24	250'	≈185 sx & to surface
7-7/8"	J-55 5-1/2"	15.5	2,000'	≈300 sx & to surface

Dreyfus will P&A its Hancock 32 1 well prior to producing from the Hancock 32 1 R.

DRILLING ONLY - ALL OTHERS ARE
SUBJECT TO COMPLETION OF ALL ATTACHED
"GENERAL REQUIREMENTS"This action is subject to internal BLM
procedural review pursuant to 43 CFR 2165.3
and appeal pursuant to 43 CFR 2165.4.

cc: BIA, BLM, Conoco, Gabbard, NAPI, OCD (via BLM), Tribe

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

21.  Consultant (505) 466-8120 1-1-01
SIGNED _____ TITLE _____ DATE _____
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that 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:

APPROVED BY /s/ Charlie Beecham TITLE _____ DATE SEP - 3

*See Instructions On Reverse Side

District I
140 Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30-045-30535		Pool Code 71629	Basin Fruitland Coal	
Property Code 30494	Property Name HANCOCK		Well Number 1R	
OGRID No. 025773	Operator Name LOUIS DREYFUS NATURAL GAS		Elevation 6055	

10 Surface Location

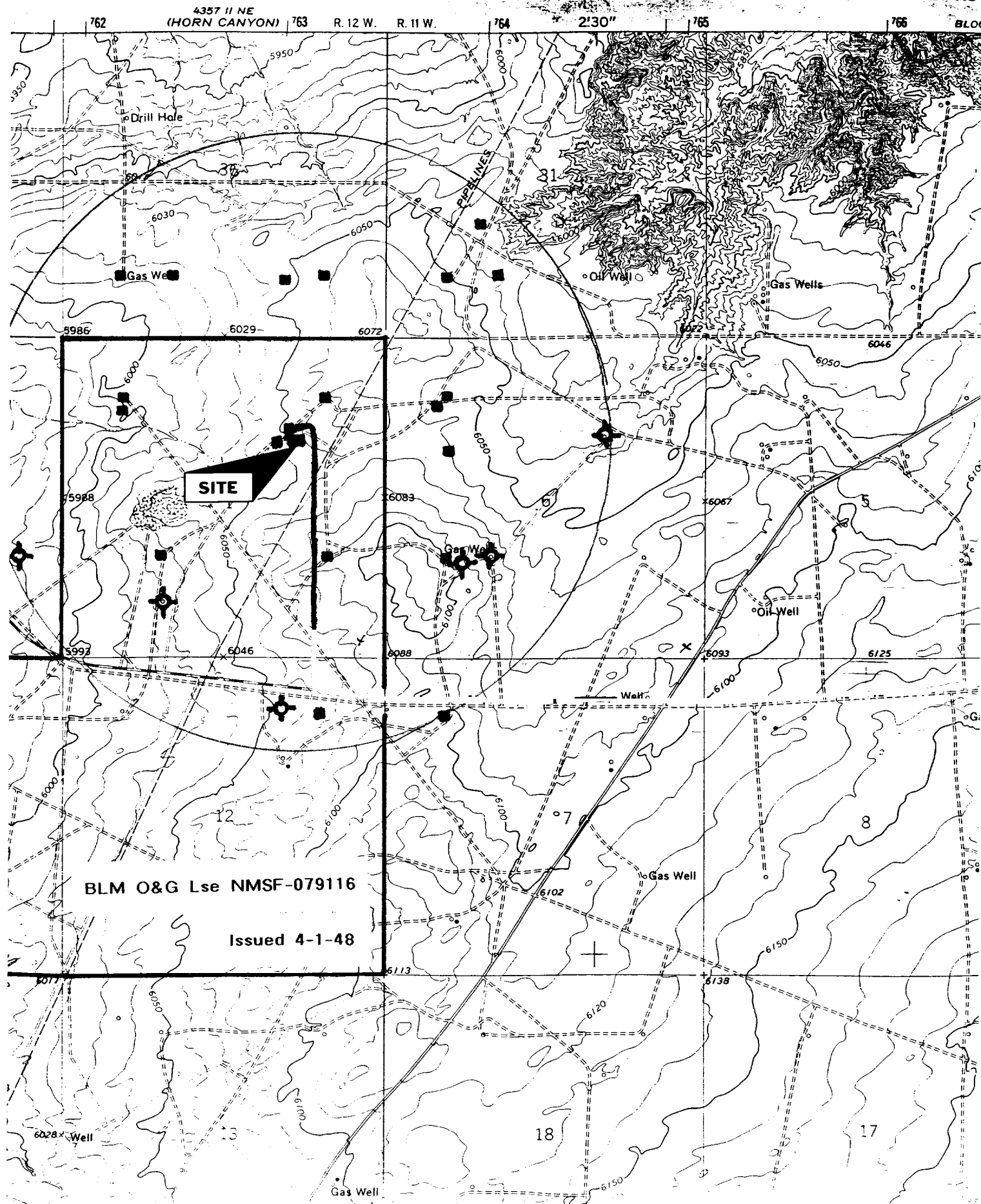
UL or lot no. G	Section 1	Township 27N	Range 12W	Lot Idn	Feet from the 1880	North/South line NORTH	Feet from the 1450	East/West line EAST	County SAN JUAN
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11 Bottom Hole Location If Different From Surface

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

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: <u>Brian Wood</u> Printed Name: <u>BRIAN WOOD</u> Title: <u>CONSULTANT</u> Date: <u>JAN. 1, 2001</u>
	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. Date of Survey: <u>OCTOBER 28, 2000</u> Signature and Seal of Professional Surveyor: <u>Cecil B. Tullis</u> Certificate Number: <u>9672</u>



Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Subsea Elevation</u>
Nacimiento Fm	000'	14'	+6,055'
Ojo Alamo Ss	616'	630'	+5,439'
Kirtland Sh	704'	718'	+5,351'
Fruitland Fm	1,259'	1,273'	+4,796'
Base Fruitland Coal	1,766'	1,780'	+4,289'
Pictured Cliffs Ss	1,786'	1,800'	+4,269'
Base Pictured Cliffs	1,973'	1,987'	+4,082'
Total Depth (TD)*	2,000'	2,014'	+4,055'

* all elevations reflect the ungraded ground level of 6,055'

2. NOTABLE ZONES

<u>Gas Zones</u>	<u>Water Zones</u>	<u>Coal Zones</u>
Ojo Alamo Ss (616')	Nacimiento Fm (000')	Kirtland Ss (704')
Fruitland Fm (1,259')	Ojo Alamo Ss (616')	Fruitland Coal (1,259')
Pictured Cliffs (1,786')	Fruitland Fm (1,259')	

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

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 as 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>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>GL Setting Depth</u>
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% CaCl_2 + 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% CaCl_2 .

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.