

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.
NMNM - 03380

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
2001 APP - 6 FH 2-49

8. FARM OR LEASE NAME, WELL NO.
Florance #69R

9. API WELL NO.
30-045-30629

10. FIELD AND POOL, OR WILDCAT
Basin Fruitland Coal

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
0 Sec 19, T27N, R08W

12. COUNTY OR PARISH
San Juan

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approx 17 miles south of the Blanco, NM Post Office

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 935'

16. NO. OF ACRES IN LEASE
320

17. NO. OF ACRES ASSIGNED TO THIS WELL
320

18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 20'

19. PROPOSED DEPTH
2,275'

20. ROTARY OR CABLE TOOLS
Rotary Tools

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6,076' GL

22. APPROX. DATE WORK WILL START*
July 2001

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7", J-55	20.0#	200'	75 sx Type III cmt, circ to surface
6-1/4"	4-1/2", J-55	10.5#	2,275'	220 sx Premium Lite cmt. Circ

procedural review pursuant to 43 CFR 3160.3
and appeal pursuant to 43 CFR 3160.4.

Cross Timbers plans to drill the above mentioned well as described in the enclosed Surface Use Program.

HOLD C104 FOR *NSL and change dr status to Florance #69R (30-045-29687)*



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

24. SIGNED *AW Patton* TITLE Drilling Engineer DATE 3/28/01

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 7/6/01

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/ Lee Otter* TITLE _____ DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

/K

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

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

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-10:
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

2001 APR - 6 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-30629		² Pool Code 71029	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code 22608	⁵ Property Name FLORANCE		⁶ Well Number 69R
⁷ GRID No. 167067	⁸ Operator Name CROSS TIMBERS OPERATING CO.		⁹ Elevation 6076'

¹⁰ Surface Location

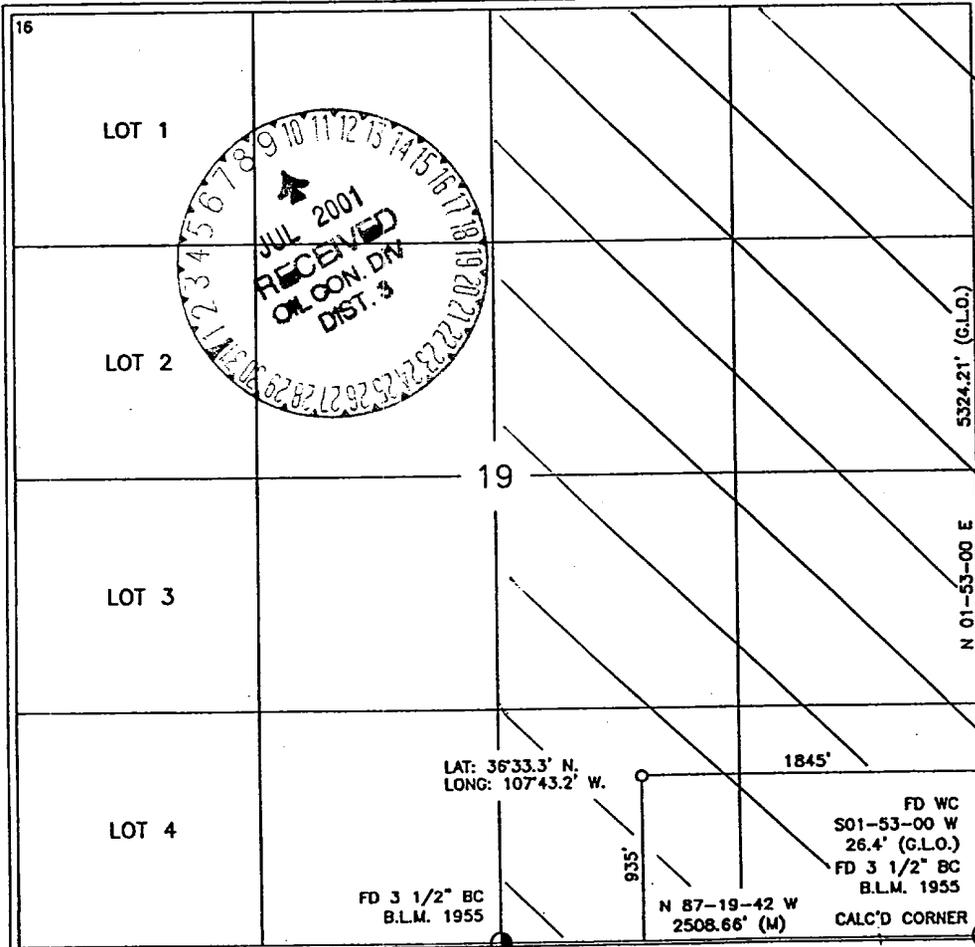
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	19	27-N	8-W		935'	SOUTH	1845'	EAST	SAN JUAN

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 320 $\frac{E}{2}$	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATE 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: *JW Patten*
Printed Name: JEFFREY W PATTON
Title: DRILLING ENGINEER
Date: 11/21/00

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by or under my supervision, and that the same is true or correct to the best of my belief.

Date of Survey: 11-10-00
Signature and Title of Professional Surveyor: *Roy A. Rush*
Professional Surveyor: 8894
Certificate Number: 8894

3. **WELLHEAD:**

Casinghead: Larkin Fig 92 (or equivalent) 2,000 psig WP (4,000 psig test) with 7", 8rd pin on bottom and 8-5/8" API Modified 8rd thread on top.

Tubinghead: Larkin Model 612 (or equivalent) 2,000 psig WP (4,000 psig test) with 4-1/2", 8rd bottom thread and 8-5/8" 8rd API Modified top body thread, 4.090" minimum bore.

4. **CEMENT PROGRAM:**

A. **Surface:** 7", 20#, J-55, STC casing at ± 200'.

Lead: 75 sx Type III cement (or equivalent) containing ¼ pps celloflake, 2% CaCl₂ (mixed at 14.6 ppg, 1.39 ft³/sk, 6.67 gal wtr/sk).

Total slurry volume is 104.25 ft³, 250% excess of calculated annular volume required to circulate cement to surface.

B. **Production:** 4-1/2", 10.5#, J-55, STC casing at ± 2,225'.

Lead: 220* sx of 35:65 Poz/Type III cement containing 10 PPS CSE, 2% CaCl₂, ¼ PPS Celloflake, 0.65% bwoc FL-62, 6% gel (mixed at 12.5 ppg, 2.07 ft³/sk, 10.95 gal wtr/sk).

Total estimated slurry volume is 455 ft³, 100% excess of calculated annular volume required to circulate cement to surface.

* **Actual cement volumes will be determined using log caliper volume plus 30% excess.**

5. **DRILLING HAZARDS:**

- H₂S or other Poisonous Gases: No formations known to contain H₂S or any other poisonous gases will be penetrated with this wellbore.
- Abnormal Pressures: No overpressured zones are known to exist or are anticipated to be encountered during the drilling of this well.
- Lost Circulation: Seepage and/or lost circulation may be encountered below surface casing and can be controlled with conventional lost circulation materials added to the mud system.

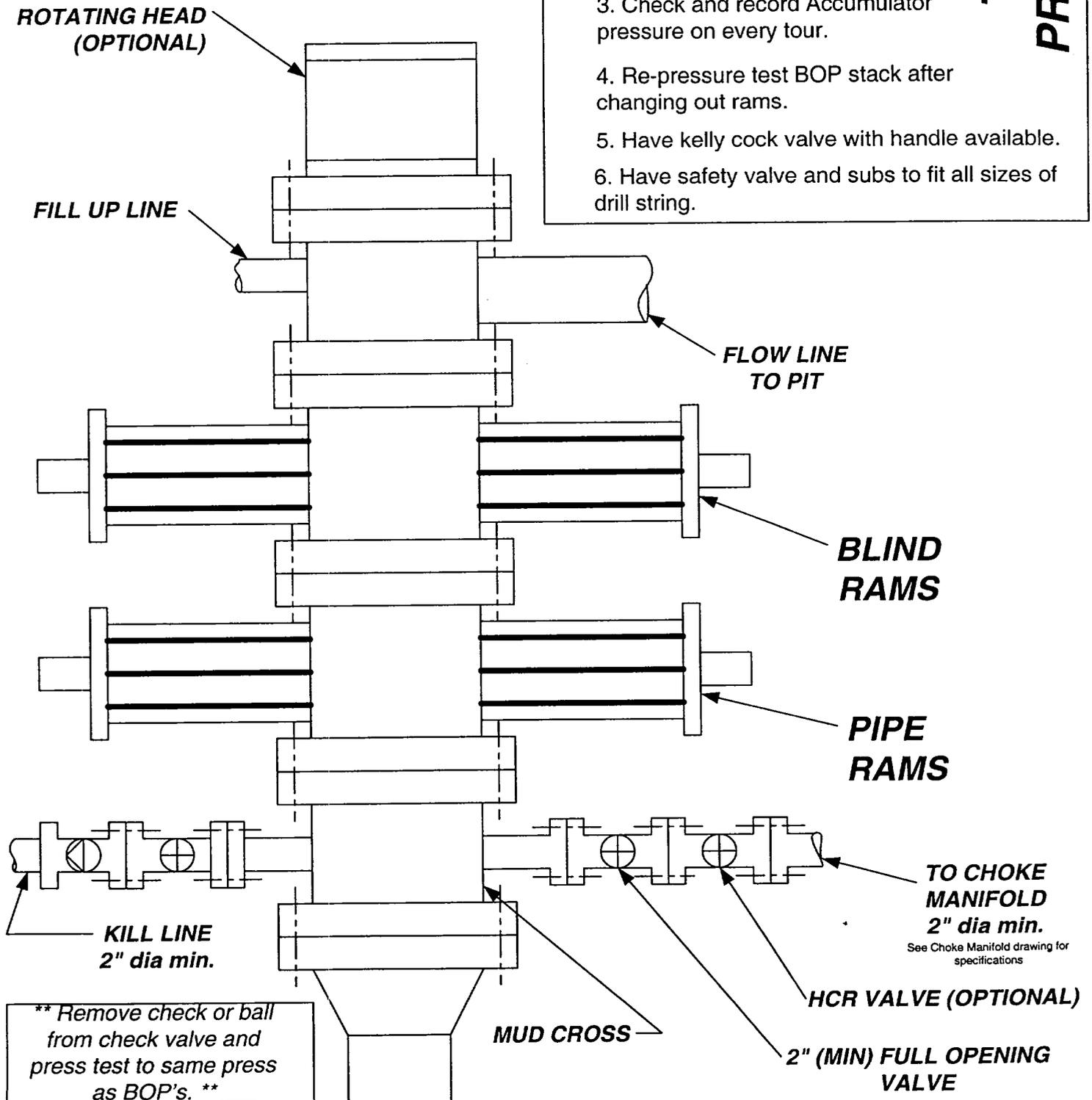
6. **LOGGING PROGRAM:**

Array Induction/DFL/GR/SP/Cal
DSN/Spectral Density/GR/Cal/Pe

TD to bottom of surf csg.
TD to 1600' & 1000' to 700'

No mud logger to be used on this well.

BOP SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE



1. Test BOP after installation:
 Pressure test BOP to 200-300 psig (low pressure) for 5 min.
 Test BOP to Working Press or to 70% internal yield of surf csg (10 min).
2. Test operation of (both) rams on every trip.
3. Check and record Accumulator pressure on every tour.
4. Re-pressure test BOP stack after changing out rams.
5. Have kelly cock valve with handle available.
6. Have safety valve and subs to fit all sizes of drill string.

TESTING PROCEDURE