

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

30-039-25354

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL		5. Lease Number NM-23048	
1b. Type of Well GAS		6. If Indian, Name of Tribe or Allottee	
2. Operator Texakoma Oil & Gas Corporation		7. Unit Agreement Name	
3. Address & Phone No. of Operator 22521 A. R. Kendrick Box 516, Aztec, NM 87410 (505) 334-2555		8. Farm or Lease Name Dugan Federal 13295	
4. Location of Well 1350' FSL 1450' FWL		9. Well Number 2	
14. Distance in Miles from Nearest Town ±5 miles northeast from Gobernador, NM		10. Field, Pool, or Wildcat 71629 BASIN-FRUITLAND COAL GAS POOL	
		11. Section, Township, & Range, Meridian, or Block K - 3 - T29N - R5W	
15. Distance from Proposed Location To Nearest Property Line or Lease Line. 1350'		12. County Rio Arriba	
16. Acres in Lease 320 Acres		13. State NEW MEXICO	
17. Acres Assigned to Well S - 320 Acres			
18. Distance From Proposed Location To Nearest Well Dr., Compl., Or Applied For On Lease. 412' (P&A)		19. Proposed Depth 3350'	
20. Rotary or Cable Tools ROTARY		21. Elevations (DF, RT, GR, Etc.) 6364' GR	
22. Approximate Date Work Will Start. Winter 1993-1994		23. Proposed Casing and Cementing Program:	

Exhibits attached as follows:

"A" Location and Elevation Plat
"B" Vicinity Map - Access Roads
"C" Ten-Point Compliance Program
"D" Multi-Point Requirements for APD
"E" Blowout Preventer Schematic

"F" Location Profile
"G" Drill Rig Layout
"H" Completion Rig Layout
"I" Production Facility Schematic

RECEIVED

JAN 10 1994

OIL CON. DIV
DIST. 3

24. Signed *A. R. Kendrick* Title Agent Date DEC. 10 1993

Permit No. _____ Approval Date _____

Approved By _____ Title _____ Date _____

AS AMENDED

JAN 05 1994

DISTRICT MANAGER

NOTE: THIS FORMAT IS ISSUED IN LIEU OF U.S. BLM FORM 3160-3

NMOOD

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

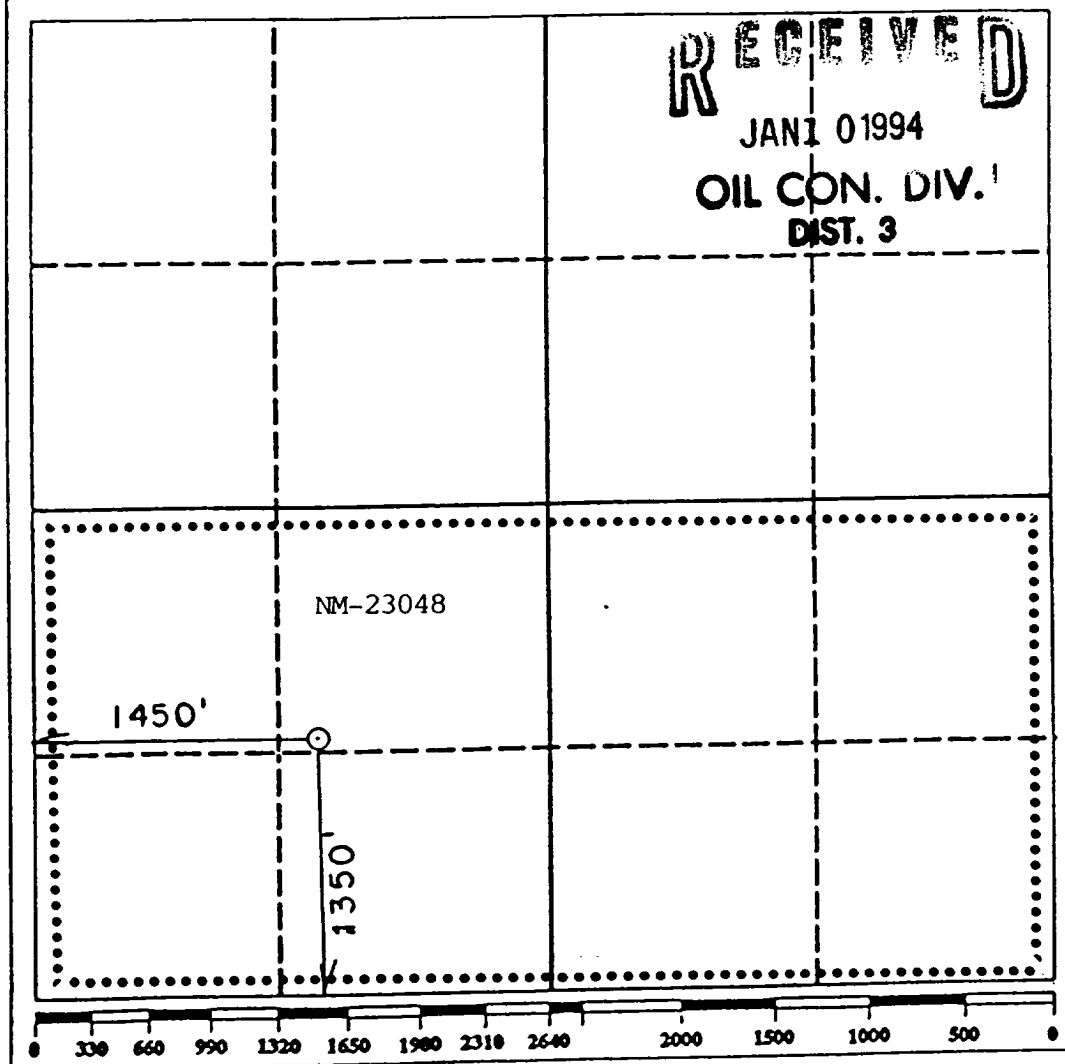
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator TEXAKOMA O. & G. CORP.			Lease TEXAKOMA DUGAN FEDERAL		Well No. # 2
Unit Letter K	Section 3	Township 29 N.	Range 5 W.	County NMPM RIO ARRIBA	
Actual Footage Location of Well: 1350 feet from the SOUTH line and 1450 feet from the WEST line					
Ground level Elev. 6364'	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal		Dedicated Acreage: 320 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, 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.

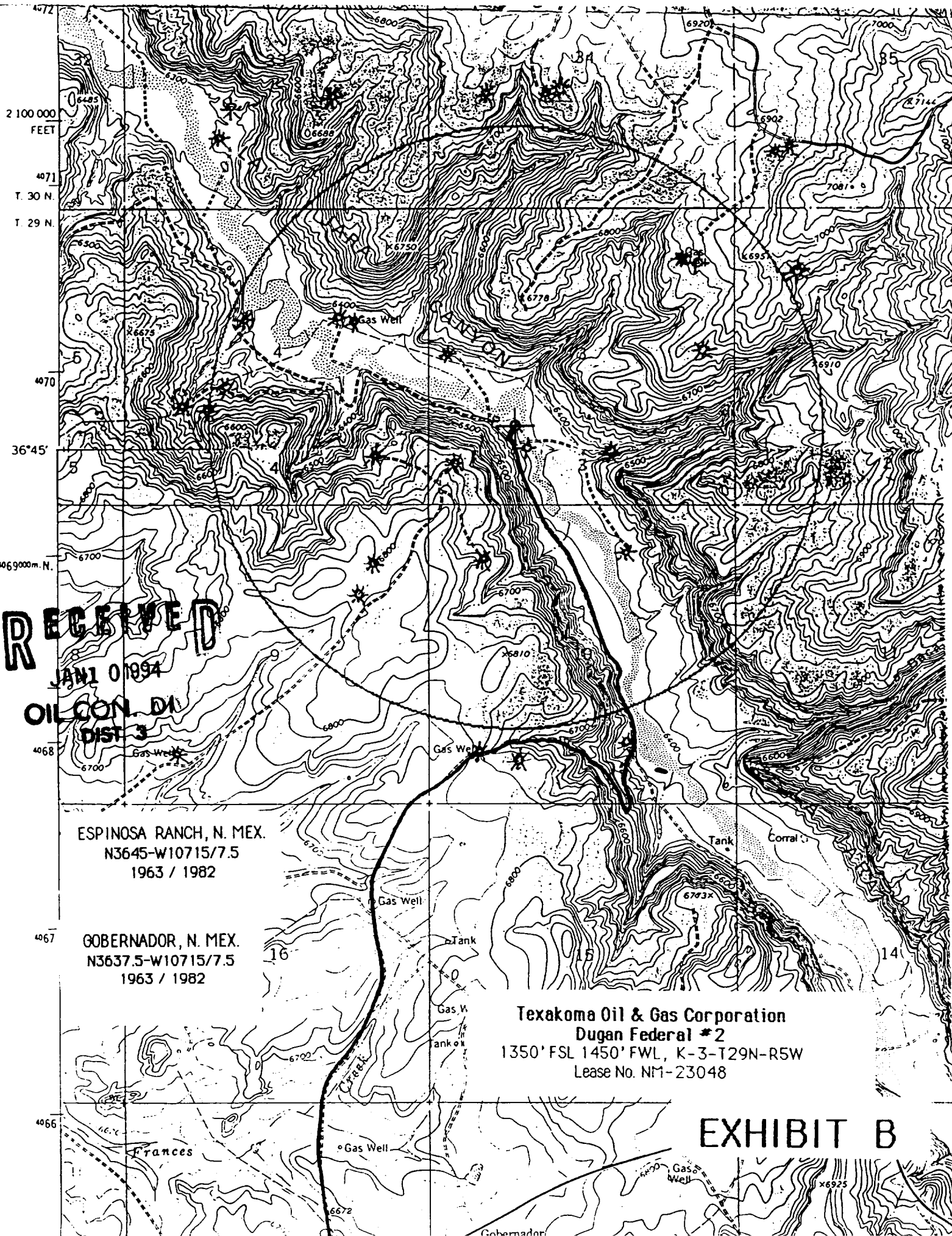
Signature A. R. Kendrick
Printed Name **A. R. Kendrick**
Position **Agent**
Company **Texakoma O & G Corp.**
Date **December 9, 1993**

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 knowledge and belief.

Date Surveyed **G. HUDSON**
Signature [Signature]
Professional Surveyor **6844**
Certificate No. **6844**

EXHIBIT A



ESPINOSA RANCH, N. MEX.
N3645-W10715/7.5
1963 / 1982

GOBERNADOR, N. MEX.
N3637.5-W10715/7.5
1963 / 1982

Texakoma Oil & Gas Corporation
Dugan Federal #2
1350' FSL 1450' FWL, K-3-T29N-R5W
Lease No. NM1-23048

EXHIBIT B

TEN-POINT COMPLIANCE PROGRAM

Texakoma Oil & Gas Corporation
Dugan Federal #2
1350' FSL 1450' FWL Sec. 3 - T 29 N - R 5 W
Elev: 6364' GR
Lease No. NM-23048

RECEIVED
JAN 10 1994
OIL CON. DIV.
DIST. 3

1. THE GEOLOGICAL SURFACE FORMATION IS: San Jose.
2. THE ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Fruitland Coal	3040'
Pictured Cliffs	3150'
Total Depth	3350'

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

<u>SUBSTANCE</u>	<u>FORMATION</u>	<u>ANTICIPATED DEPTH</u>
Gas	Fruitland Coal	3040'
Gas (not to be completed)	Pictured Cliffs	3150'

4. THE PROPOSED CASING PROGRAM WILL BE AS FOLLOWS:

<u>DEPTH</u>	<u>HOLE SIZE</u>	<u>O.D.</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>TYPE</u>	<u>NEW/USED</u>
0-350'	12-1/4"	8-5/8"	36	J-55	ST&C	NEW
0-3350'	7-7/8"	5-1/2"	15.5	J-55	ST&C	NEW

*5-1/2" Baker ECP @ 3000' w/DV staging tool set above packer.

Surface: Guide shoe on bottom, insert float on top of shoe joint; centralizers, on shoe and every third joint for a total of 3 centralizers.

Production: Guide shoe on bottom, float collar on top of shoe joint; 10 centralizers, on shoe joint and every other joint for 18 joints.

PROPOSED CEMENT PROGRAM: To effectively isolate and seal off all water, oil, gas and coalbearing 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 after caliper logs are evaluated)

Surface: 262 CuFt (220 sx) Standard w/2% CaCl plus 0.25#/sx Flocele mixed @ 15.6 ppg and 1.19 CuFt/sx = 100% excess.

Production: **Stage 1:** 83 CuFt (70 sx) Standard plus 0.25#/sx Flocele plus 0.6% Halad-322 mixed @ 15.6 ppg and 1.18 CuFt/sx = 30% excess. **Stage 2:** 805 CuFt (320 sx) Standard w/0.25#/sx Flocele plus 0.6% Halad-322 mix @ 11.8 ppg and 2.5 CuFt/sx, followed by 118 CuFt (100 sx) Standard mixed @ 15.6 ppg and 1.18 CuFt/sx = 30% excess. **String Totals = 1006 CuFt (490 sx)**

Exhibit C