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

1.	Type of Work	5. Lease Number
	DRILL	SF-078487B
		Unit Reporting Number
) .	Type of Well	6. If Indian, All. or Tribe
	GAS	
	Operator	7. Unit Agreement Name
	RESOURCES Oil & Gas Company	
	Address & Phone No. of Operator	8. Farm or Lease Name
	PO Box 4289, Farmington, NM 87499	Prichard Federal
	FO BOX 4209, Parmington, May 07433	9. Well Number
	(505) 326-9700	1B
	Location of Well	10. Field, Pool, Wildcat
	1915' FSL, 660' FEL	Blanco MV/Basin DK
		11. Sec., Twn, Rge, Mer. (NMPM)
	Latitude 36 ⁰ 45.1, Longitude 107 ⁰ 42.5	√ Sec. 6, T-29-N, R-8-W
		I Sec. 6, T-29-N, R-8-W API# 30-045-30974
4.	Distance in Miles from Nearest Town	12. County 13. State
	10 miles from Blanco	San Juan NM
5.	Distance from Proposed Location to Nearest Property or 660'	Lease Line
6.	Acres in Lease	17. Acres Assigned to Well
0.	Acres in Ecase	323.84 E/2 -
8.	Distance from Proposed Location to Nearest Well, Drig, C	ompl, or Applied for on this Lease
	1000'	esta
	procedural faview pursuant to 4	3 CFR 3186.8
9.	Proposed Depth and appeal pursuant to 43 CFR	
	7588'	Rotary
1.	Elevations (DF, FT, GR, Etc.)	22. Approx. Date Work will Start
	635 6 2 GR	
3.	Proposed Casing and Cementing Program See Operations Plan attached	precina to cent. Il monorizzo
	See Operations Plan attached	SUBJECT TO COMPLIANCE WITH ATT "GENERAL REQUIREMENTS"
		GENERAL REQUIREMENTS
24.	Authorized by: Selles Call	10-31-01
.7.	Regulatory/Compliance Supervi	sor Date
	ADDD.	DVAL DATE 1/31/04
'EKN	ROVED BY A Mar Lee Leve TITLE A	

Archaeological Report to be submitted

Threatened and Endangered Species Report to be submitted

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

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 presentations as to any matter within its jurisdiction.

District I PO Box 1980, Hobbs. NM 88241-1980

District II PO Drawer DD, Artesia, NM 88211-0719

District III 1000 Rio Brazos Rd., Aztec, NM 87410

District IV PO Box 2088, Santa Fe, NM 87504-2088 State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102
Revised February 21, 1994
Instructions on back
Appropriate District Office

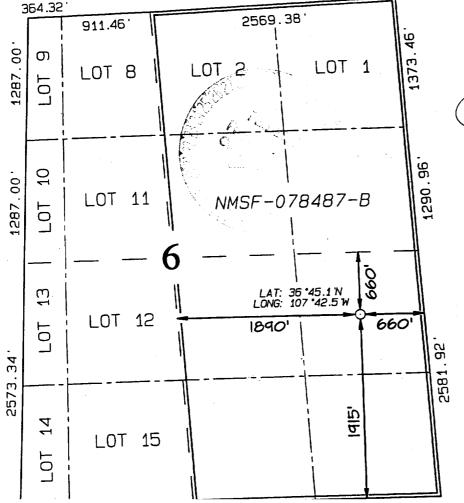
Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

Pool Name

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

12 Dedicated Acres		13 Joint or In	fill 34 Con	solidation Code	55 Order No.					
							<u> </u>			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	real from the	Centiment III	1	
		11 8	ottom	Hole L	.000-	If Different	From Surf	East/West line	County	
I	6	29N	8₩					<u> </u>	1	
UL or lot no.	Section	Township	Range	LGC 101	1915	SOUTH	660	EAST	SAN JUAN	
				Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
14538						Location				
OGRID No.		URL TNO	STON RE	SOURCES	SOURCES OIL & GAS COMPANY LP 6356					
7401				*Operator Name				*E	Elevation	
Property Code			PRICHARD FEDERAL					1B		
			123	72319/71599 Blanco Mesaverde/Basin Dak			- We	Well Number		
30-045- 30 974			722	210/7150	١	Blanco Mesaverde/Basin Dakota				
¹AF	I Number	· .		-boo1 code	·					



ERESTS HAVE BEEN CONSOLIDATED 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
Deany Case
Signature / Peggy Cole
Printed Name Regulatory Supervisor
Title /0-31-0/
Date
IB SURVEYOR CERTIFICATION I hereby certify that the well location shown on this is was plotted from field notes of actual surveys made by or under my supervision and that the same is true and correct to the best of my belief.
JUNE 20, 2001
Date of Survey Cossillar Man
WELCO OF

6857



OPERATIONS PLAN

Well Name: Prichard Federal #1B

Location: 1915'FSL, 660'FEL, Section 6, T-29-N, R-8-W

San Juan County, New Mexico

Latitude 36° 45.1, Longitude 107° 42.5

Formation: Blanco Mesa Verde/Basin Dakota

Elevation: 6356'GL

Formation Tops:	<u>Top</u>	Bottom	<u>Contents</u>
05	San Jose	1913′	
Surface			
Ojo Alamo	1913′	2076'	aquifer
Kirtland	2076 ′	2548'	
Fruitland	2548'	3023 '	gas
Pictured Cliffs	3023'	3153'	gas
Lewis	3153 '	3728 ′	gas
Intermediate TD	3253′		
Huerfanito Bentonite	3728 '	4008′	gas
Chacra	4008'	4648'	gas
Massive Cliff House	4648′	4828'	gas
Menefee	4828'	5228 ′	gas
Point Lookout	5228'	5638 ′	gas
Mancos	5638 ′	6483 ′	gas
Gallup	6483 '	7218′	gas
Greenhorn	7218'	7273'	gas
Graneros	7273'	7318'	gas
Dakota	7318 ′		gas
TD	7588		

Logging Program:

Mud logs - none Open hole - none

Cased hole - CBL-CCL-GR - TD to surface

Cores - none

Mud Program:

Interval	Туре	Weight	Vis.	Fluid Loss	
0- 200'	Spud	8.4-9.0	40-50	no control	
200- 3253'	LSND	8.4-9.0	30-60	no control	
3253- 7588'	Air/N2	n/a	n/a	n/a	

pit levels will be visually monitored to detect gain or loss of fluid control.

Casing Program (as listed, the equivalent, or better):

Hole Size	Depth Inte	erval	Csg.Size	Wt.	<u>Grade</u>
12 1/4"	0'-	2001~	9 5/8"	32.3#	WC-50
8 3/4"	0'-	3253'	7"	20.0#	J-55
6 1/4"	3153' -	7588'	4 1/2"	10.5#	K-55

Tubing Program:

0' - 7588' 2 3/8" 4.7# J-55

BOP Specifications, Wellhead and Tests:

Surface to Intermediate TD -

11" 3000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

Intermediate TD to Total Depth -

11" 3000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out intermediate casing, rams and casing will be tested to 1500 psi for 30 minutes.

Surface to Total Depth -

2" nominal, 3000 psi minimum choke manifold (Reference Figure #2).

Completion Operations -

7 1/16" 3000 psi double gate BOP stack (Reference Figure #3). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

Wellhead -

9 5/8" x 7" x 2 3/8" x 3000 psi tree assembly.

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- BOP pit level drill will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

9 5/8" surface casing - cement with 159 sx Class "B" cement with 1/4# flocele/sx and 3% calcium chloride (188 cu.ft. of slurry, 200% excess to circulate to surface). WOC 8 hrs. Test casing to 600 psi for 30 minutes.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

7" intermediate casing -

Lead w/334 sx 50/50 Class "G" TXI Liteweight cement with 2% calcium chloride, 2.5% sodium metasilicate, 10 pps Gilsonite and 0.5 pps Celloflake. Tail w/90 sx Class "G" 50/50 poz w/2% gel, 2% calcium chloride, 5 pps Gilsonite, 0.25 pps Celloflake (977 cu.ft. of slurry, 100% excess to circulate to surface.) WOC minimum of 8 hours before drilling out intermediate casing. If cement does not circulate to surface, a CBL will be run during completion operations to determine TOC. Test casing to 1500 psi for 30 minutes.

See attached alternative intermediate lead slurry.

7" intermediate casing alternative two stage: Stage collar 2448'. First stage: cement with w/189 sx Class "G" 50/50 poz w/2% gel, 2% calcium chloride, 5 pps gilsonite, 0.25 pps Celloflake. Second stage: 285 sx 50/50 Class "G"/TXI Liteweight with 2% calcium chloride, 2.5% sodium metasilicate, 10 pps Gilsonite, 0.25 pps Celloflake (977 cu.ft., 100% excess to circulate to surface).

Cement nose guide shoe on bottom with float collar spaced on top of shoe joint. Bowspring centralizers spaced every other joint off bottom, to the base of the Ojo Alamo at 2076'. Two turbolating centralizers at the base of the Ojo Alamo at 2076'. Bowspring centralizers spaced every fourth joint from the base of the Ojo Alamo to the base of the surface casing.

4 1/2" Production Liner -

Cement to cover minimum of 100' of 4 1/2" x 7" overlap. Lead with 442 sx 50/50 Class "G" Poz with 5% gel, 0.25 pps Celloflake, 5 pps Gilsonite (637 cu.ft.), 40% excess to cement 4 1/2" x 7" overlap). WOC a minimum of 18 hrs prior to completing.

Cement float shoe on bottom with float collar spaced on top of float shoe.

Operations Plan - Prichard Federal #1B

Page Three

Note: If open hole logs are run, cement volumes will be based on 25% excess over caliper volumes.

Note: To facilitate higher hydraulic stimulation completion work, no liner hanger will be used. In its place, a long string of 4 1/2" casing will be run and cemented with a minimum of 100' of cement overlap between the 4 1/2" x 7" casing strings. After completion of the well, a 4 1/2" retrievable bridge plug will be set below the top of cement in the 4 1/2" x 7" overlap. The 4 1/2" casing will then be backed off above the top of cement in the 4 1/2" x 7" overlap and laid down. The 4 1/2" bridge plug will then be retrieved and the production tubing will be run to produce the well.

• If hole conditions permit, an adequate water spacer will be pumped ahead of each cement job to prevent cement/ mud contamination or cement hydration.

Special Drilling Operations (Gas/Mist Drilling):

The following equipment will be operational while gas/mist drilling:

- An anchored blooie line will be utilized to discharge all cuttings and circulating medium to the blow pit a minimum of 100' from the wellhead.
- The bloose line will be equipped with an automatic igniter or pilot light.
- Compressors will be located a minimum of 100' from the wellhead in the opposite direction from the blooie line.
- Engines will have spark arresters or water cooled exhaust.
- Deduster equipment will be utilized.
- The rotating head will be properly lubricated and maintained.
- A float valve will be utilized above the bit.
- Mud circulating equipment, water, and mud materials will be sufficient to maintain control of the well.

Additional Information:

- The Mesaverde and Dakota formations will be completed and commingled.
- No abnormal temperatures or hazards are anticipated.
- Anticipated pore pressures are as follows:

Fruitland Coal 300 psi Pictured Cliffs 600 psi Mesa Verde 700 psi Dakota 2500 psi

- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered.
- The east half of Section 6 is dedicated to the Mesaverde and the Dakota in this well.
- This gas is dedicated.

Drilling Engineer

11/5/0/ Date