Form 3160-3
(August 1999)

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED
OCT 2001
OIL CON. DIV
DIST. 3

1a. Type of Work: ☒ DRILL ☐ REENTER	5. Lease Serial No. SF-080000-A
	6. If Indian, Allottee or Tribe Name n/a
	7. If Unit or CA Agreement, Name and No. 101'72
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone	8. Lease Name and Well No. Simmons E3C
2. Name of Operator D.J. Simmons, Inc. 5578	9. API Well No. 30-045-30650
3a. Address 1009 Ridgeway Place, Suite 200, Farmington N.M. 87401	3b. Phone No. *(include area code)* (505) 326-3753
	10. Field and Pool, or Exploratory Blanco MesaVerde
4. Location of Well *(Report location clearly and in accordance with any State requirements. *)* At surface 1980' FNL x 990 FWL; At proposed prod. zone 670' FNL x 1860' FWL	11. Sec., T., R., M., or 131k. and Survey or Area E Section 24, T29N, R9W
14. Distance in miles and direction from nearest town or post office* 1.5 miles southeast of Blanco, NM	12. County or Parish San Juan / 13. State NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	990' at surface 670' at TD'	16. No. of Acres in lease 320	17. Spacing Unit dedicated to this well 294.91
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	222' at surface 1580' at TD	19. Proposed Depth 5450	20. BLJIA/BIA Bond No. on file NM 1577
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6006' GL		22. Approximate date work will start* 09/01/01	23. Estimated duration 60 days
		24. Attachments drilling plan, surface use plan	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature Robert R. Griffee	Name *(Printed/Typed)* Robert R. Griffee	Date 04/15/01
Title Operations Engineer		
Approved by *(Signature)* /s/ Mankiewicz	Name *(Printed/Typed)* David J. Mankiewicz	Date 10/15/01
Title AFM minerals	Office FFO	

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicantto conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

**(Instructions on reverse)*

procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

HOLD C104 FOR Directional survey

District I
1625 N. French Dr., Hobbs, NM 88240
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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe. NM 87505

Form C-102
Revised March 17, 1999

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-30650		

[4] Property Code	[5] Property Name	[6] Well Number
10172	SIMMONS E	3C

[7] OGRID No.	[8] Operator Name	[9] Elevation
5538	D. J. SIMMONS, INC	6006

[10] Surface Location

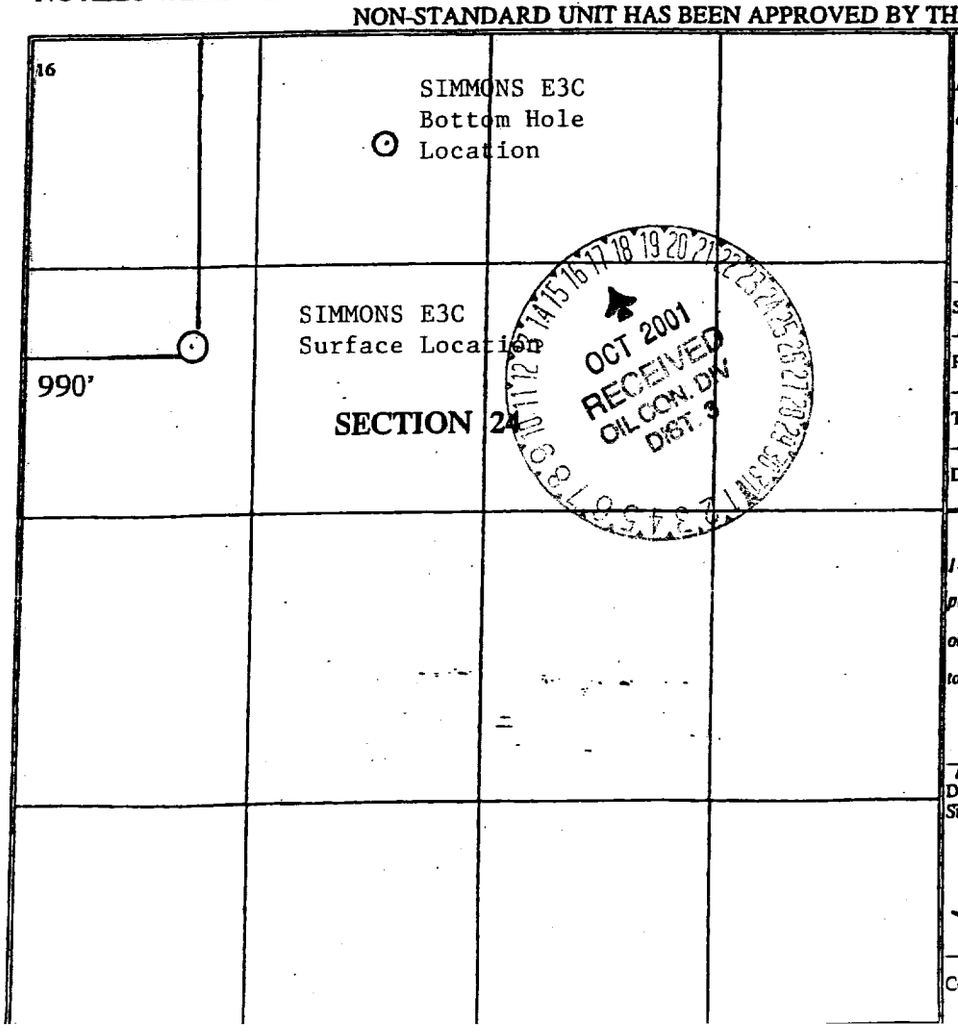
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 5	24	29N	9W	E	1980'	NORTH	990'	WEST	SAN JUAN

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
C	24	29N	9W		721	FNL	1827	FWL	SAN JUAN

[13] Dedicated Acres	[14] Joint or Infill	[15] Consolidation Code	[16] Order No.
294.91			

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: Robert R. Griffee

Printed Name: Operations Engineer

Title: 5/18/01

Date:

[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.

7/8/

Date of Survey

Signature and Seal of Professional Surveyor:

HENRY THOMAS
NEW MEXICO
12163
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number: NMPLS # 12163

District I
1625 N. French Dr., Hobbs, NM 88240
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
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Submit to Appropriate District Office
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Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-30650	72319	Blanco MesaVerde

[4] Property Code	[5] Property Name	[6] Well Number
010172	Simmons E	3C

[7] OGRID No.	[8] Operator Name	[9] Elevation
005578	D.J. Simmons Inc.	6096' GL

[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
E	24	T29N	R9W		1980	FNL	990	FWL	San Juan

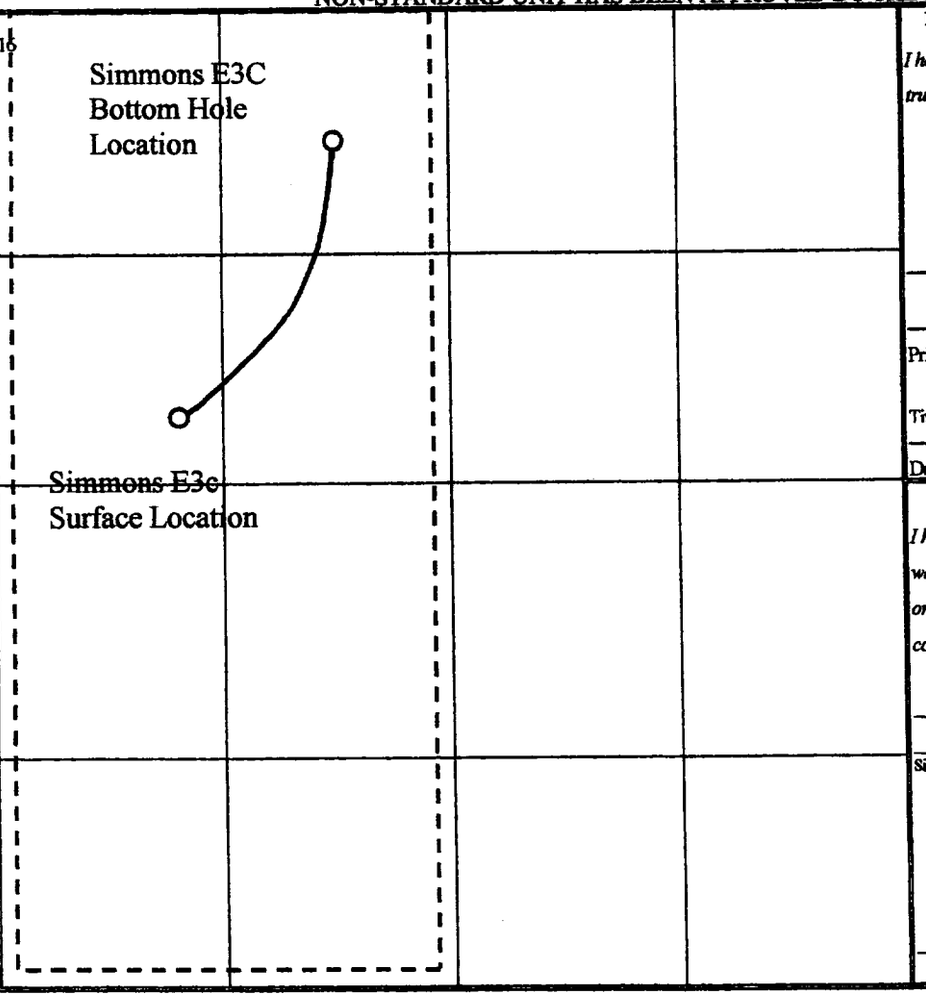
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	24	T29N	R9W		670	FNL	1860	FWL	San Juan

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
294.91			

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

[16]



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Printed Name; Robert R. Griffee

Title: Operations Engineer

Date; 21/05/01

[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

Signature and Seal of Professional Surveyer:

Certificate Number

SIMMONS E3C 1980 FNL X 990 FWL, SECTION 24, T29N, R9W

D.J. SIMMONS, INC.

Drilling Plan

Well Name: Simmons E3C

Surface Location: 1980 FNL x 990 FWL, Section 24, T29N, R9W
San Juan County, NM

Bottom Hole Location: 721' FNL x 1827' FWL, Section 24

Formation: Blanco MesaVerde

Elevation: 6006' GL

Geology:

Formation	Top True Vertical Depth	Top Measured Depth	Probable Content
San Jose	Surface		
Ojo Alamo	1486	1486	salt water
Kirtland	1632	1632	gas/water
Fruitland	2256	2260	gas
Pictured Cliffs	2536	2570	gas
MesaVerde	4204	4600	gas
Menefee	4354	4769	gas
PointLookout	4809	5275	gas

Logging Program: Spectral Density, Epithermal Neutron, Induction Log from TD to intermediate casing shoe.

Drilling Fluid Program:
* Note: all depths are Measured Depths

Interval	Fluid Type	Weight	Viscosity	Fluid Loss
0' – 250'	fresh water spud mud	8.4 – 9.0 ppg	30 – 50 sec	no control
250' – 3000'	fresh water, LSND	8.4 – 9.0 ppg	30 – 50 sec	no control
3000' – 5800'	air/mist	n/a	n/a	n/a

Casing Program:
* Note: all depths are True Vertical Depths

Interval	Hole Diameter	Csg Size	Wt.	Grade	Thread
0' – 250'	12 ¼"	9 5/8"	32 ppf	J-55	STC
0' – 3000'	8 ¾"	7"	20 ppf	J-55	STC
0 – 5800'	6 ¼"	4 ½"	15.5 ppf	J-55	STC

D.J. Simmons, Inc. P.O. Box 1469 Farmington, New Mexico 87499
3005 Northridge Dr. 87401
(505) 326-3753 FAX (505) 327-4659

Tubing Program: 0 – 5750', 2 3/8", 4.7 ppf, J55, EUE

BOPE and Wellhead Specifications and Testing:

From surface casing shoe to intermediate casing depth: 9 5/8" 3000 psi threaded casing head with two 2" outlets. 11", 3000 psi double gate BOP and 3000 psi choke manifold (see figures 1 and 2). Pressure test BOPE to 3000 psi and 9 5/8" surface casing to 600 psi prior to drilling surface casing shoe.

From intermediate casing shoe to TD: 7", 3000 psi threaded casing head with two 2" outlets. 3000 psi double gate BOP and 3000 psi choke manifold (see figures 1 and 2). Pressure test BOPE to 3000 psi and 7" intermediate casing to 1000 psi prior to drilling surface casing shoe.

For completion operations: 7" x 2 3/8", 3000 psi tree assembly. 7 1/16", 3000 psi double gate BOP system (see figure 3).

General Operation:

- Actuate pipe rams once each day during drilling operations. Actuate blind rams once each trip.
- An upper Kelly cock valve, with handle, will be available on the rig floor to fit each drilling string.
- BOP pit level drill will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in the daily drilling report.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing Program:

9 5/8" Surface Casing String: Run casing with saw tooth guide shoe on bottom, insert float valve one joint from bottom, and install bowspring centralizers as per Onshore Order #2. Cement with 150 sks class 'b' with ¼ #/sk flocele and 3% CaCl2 (175 cf slurry, 100% excess to circulate to surface).

7" Intermediate Casing String: Run casing with swirl pattern guide shoe on bottom and float collar one joint from bottom. Install one bowspring centralizer every other joint from intermediate TD to the base of the Ojo Alamo. Install two turbolating centralizers at the base of the Ojo Alamo. Continue installing bow spring centralizers every other joint to the base of the surface casing. Cement with 570 sks class 'g' 50/50 poz with 2% CaCl2, 2% gel, ¼ #/sk flocele, 5 #/sk gilsonite (912 cf slurry, 100% excess to circulate to surface). If cement does not circulate to surface, run CBL to determine top of cement. must be tied in to Surface Csg at least 100'

4 ½" Production Casing String: Run casing with float shoe on bottom, float collar one joint from bottom and centralizers every other joint through out MesaVerde section. Cement with class 'g' 50/50 poz with 2% CaCl2, 2% gel, ¼ #/sk flocele, 5 #/sk. Slurry volume to be calculated from open hole log caliper plug 25% excess. Top of cement to be at least 100ft above intermediate casing shoe.

Special Drilling Operations:

Air/mist drilling

While drilling with air and air/mist the following will apply:

- An anchored blooie line will be utilized to discharge cuttings and mist to a blow pit located 100 ft (mimimum distance) from the well head.
- The blooie line will be equipped with an automatic igniter or pilot.
- Air package will be located a minimum of 100 ft from the well head in a direction opposite to the blooie line.
- Engines will be equipped with spark arresters or water cooled exhaust.
- If dusting, a de-duster will be utilized at the end of the blooie line.
- The rotating head will be properly lubricated and maintained.
- Mud materials, equipment, and water will be available on location to maintain control of the well during all operations.

Directional Drilling

This well will be directionally drilled to the bottom hole location specified above. A detailed directional plan is supplied as Attachment #1. Directional surveying will be primarily performed with MWD (measurement while drilling) tools.

Additional Information:

- This well is to be completed in the MesaVerde formation.
- No abnormal temperature or pressure, or other hazards are anticipated.
- LCM will be added to the mud system as required to maintain circulation.
- Estimated formation pressures:
    - Fruitland Coal 300 psi
    - Pictured Cliffs 300 psi
    - MesaVerde 600 psi

Completion Information:

The completion procedure will be prepared after open hole logs are analyzed. The well will probably be completed by hydraulic frac in two to three stages.

Prepared by: Robert R. Griffee
Operations Engineer
Date: 04/30/01