

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**ORIGINAL**
Submit FOR Tribal
Interests for BLM*
(Other Instructions on
reverse side)FORM APPROVED
Budget Bureau No 1004-0136
Expires: February 28, 1995**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. NM-048575 |
| 1b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> Single <input checked="" type="checkbox"/> Multiple <input checked="" type="checkbox"/> Zone Zone | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME |
| 2. NAME OF OPERATOR Cross Timbers Operating Company | | 7. UNIT AGREEMENT NAME 22706 |
| 3. ADDRESS AND TELEPHONE NO. 2700 Farmington Ave., Ste K, Farmington, NM 87401 505-324-1090 | | 8. FARM OR LEASE NAME, WELL NO. FEDERAL GAS COM E #2 |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At Surface: 1690' FSL - 1050' FWL At proposed prod. zone> | | 9. API WELL NO. 30-045-24.13 |
| 14. DISTANCE IN MILES AND DIRECTIONS FROM NEAREST TOWN OR POST OFFICE Please see attached Surface Use program. | | 10. FIELD AND POOL, OR WILDCAT Fruitland Coal/Pictured Cliffs |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. Unit line, if any) 1050' | | 11. SEC., T., R., OR BLK AND SURVEY OR AREA Sec. 30, T32N-R12W |
| 16. NO. OF ACRES IN LEASE 158.04 | | 12. COUNTY OR PARISH 13. STATE San Juan County NM |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL SW/4 158.04 S/2 318.04 | | |
| 18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. 40' | | 19. PROPOSED DEPTH 1900' |
| 21. ELEVATIONS (Show whether C.F., RT., GR., etc.) 5620' G.L. | | 22. APPROX. DATE WORK WILL START* 8-28-10/99 |

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# | 200' | 65 sx |
| 6-1/4" | 4-1/2", J-55 | 10.5# | 1900' +/- | 200 sx |

Surface 7", 20#, J-55, STC casing at 200'.65 sx of Class "B" cement w/ 2% CaCl₂ & 1/4 pps Flocele (15.68 ppg, 1.18 cu.ft./sx)Production 4-1/2", 10.5#, J-55, STC casing at 1,900'Lead - 100 sx of 35:65 Poz "B" cement w/ 6% Gel, 5 pps Gilsonite, & 1/4 pps Celloflake (12.4 ppg, 1.92 cu.ft./sx)Tail - 100 sx of Class "B" cement w/ 5 pps Gilsonite, & 1/4 pps Celloflake (15.6 ppg, 1.19 cu.ft./sx)

Remarks: Use 25% excess over volume calculated from open hole logs to bring TOC up to surface.

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 and vertical depths. Give blowout preventer program, if any.

24.

SIGNED: Loren W. Fothergill TITLE Loren W. Fothergill, Production Engineer DATE: September 28, 1999

(This space for Federal or State office use)

Permit Number: _____ Approval Date: _____

Application approval does not warrant or certify that the applicant holds legal or equitable to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY _____

APPROVED BY /s/ Jim Lovato TITLE _____ DATE JUN 21 1999

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.

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, 1992
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|----------------------------|--|---|--|---|--------------------|
| *API Number 30-045-2993 | | *Pool Code 71629 / 77200 | | *Pool Name BASIN FRUITLAND COAL / FULCHER KUTZ PICTURED CLIFFS | |
| *Property Code 22706 | | *Property Name FEDERAL GAS COM E | | | *Well Number 2 |
| *GRID No. 167067 | | *Operator Name CROSS TIMBERS OPERATING COMPANY | | | *Elevation 5620 |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|-----------|
| L | 30 | 30N | 12W | | 1690 | SOUTH | 1050 | WEST | SAN JUAN. |

¹¹ Bottom Hole Location If Different From Surface

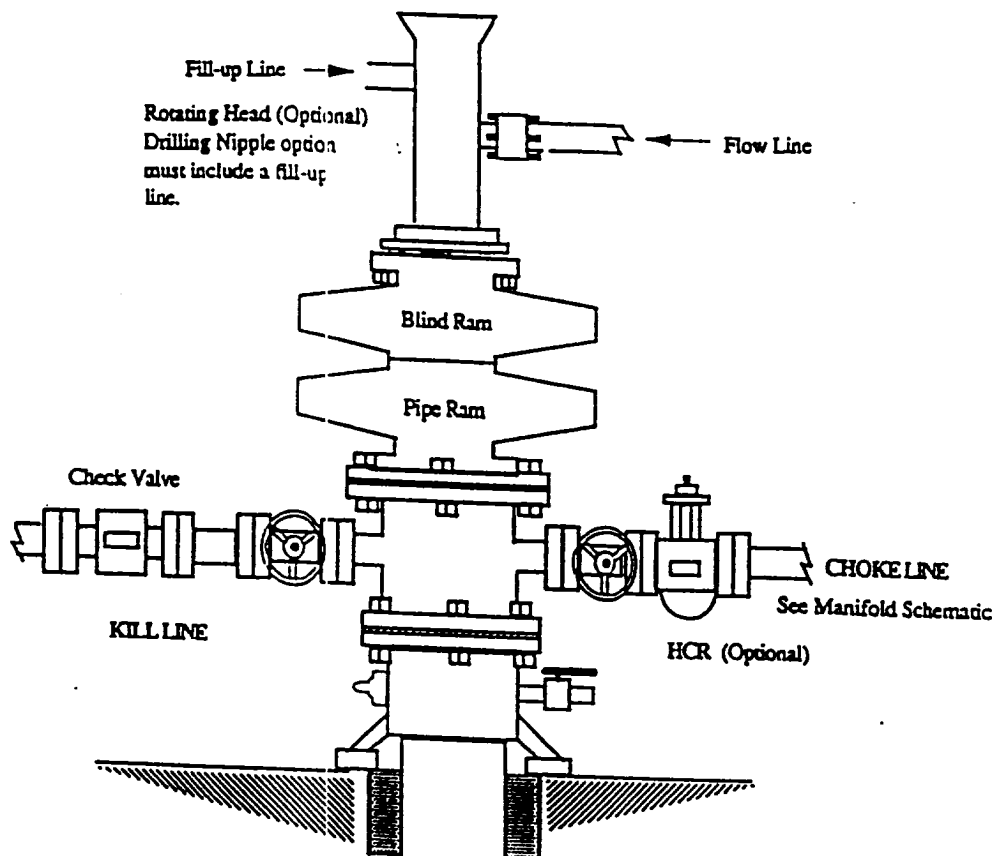
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 158.04 SW/4 318.04 SE/2 | 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

| | |
|--|---|
| <div><p>¹⁶</p><p>30</p></div> | <p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Loren W. Fothergill</i> Signature Loren W. Fothergill Printed Name Production Engineer Title Date</p> |
| | <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JUNE 8, 1999 Date of Survey Signature and Seal of Professional Surveyor Certificate Number 6857</p> |

BOPE SCHEMATIC FOR DRILLING OPERATIONS
 CLASS I - NORMAL PRESSURE
 CROSS TIMBERS OPERATING COMPANY STANDARD



CHOKE MANIFOLD SCHEMATIC FOR DRILLING OPERATIONS
 2M & 3M SERVICE
 CROSS TIMBERS OPERATING COMPANY STANDARD

