

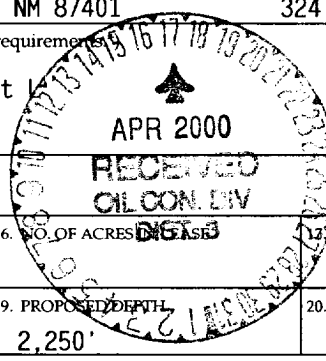
**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB 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. SF081239	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME 	
2. NAME OF OPERATOR Cross Timbers Operating Company		7. UNIT AGREEMENT NAME 	
3. ADDRESS AND TELEPHONE NO. 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401 324 1090		8. FARM OR LEASE NAME, WELL NO. LC Kelly #7	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 1,400' FSL & 790' FWL Sec 4, T 30 N, R 12 W Unit 1 At proposed prod. zone		9. API WELL NO. 30-045-30188	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Please see attached Surface Use Program		10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 790'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 4, T 30 N, R 12W	
16. NO. OF ACRES 296.92		12. COUNTY OR PARISH San Juan	
17. NO. OF ACRES ASSIGNED TO THIS WELL w/2 296.92		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1,600'		19. PROPOSED DEPTH 2,250'	
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START* March 1, 2000	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5,822' GL			



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'	75 sx
6-1/4"	4-1/2" J-55	10.5#	2,250'	205 sx

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

Surface: 7", 20#, J-55, STC casing at 200'.
75 sx Class "B" cement containing 1/4 pps celloflake, 2% CaCl2 (mixed at 14.8 ppg, 1.34 ft3/sk).

Production: 4-1/2", 10.5#, J-55, STC casing at 2,250'.
Lead: 50 sx of Class "B" cement containing 2% D-79 (extender), 1/4 pps D-29 (celloflake) & 2% S-1 (CaCl2), mixed at 11.4 ppg, 2.87 ft3/sk.
Tail: 130 sx of Class "B" cement containing 2% D-79 (extender), 1/4pps D-29 (celloflake) & 2% S-1 (CaCl2), mixed at 13.5 ppg, 1.71 ft3/sk.

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 vertical depths. Give blowout preventer program, if any.

24. SIGNED Loren W. Featherhill TITLE Production Engineer DATE March 9, 2000

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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:

NMOC

APPROVED BY WAYNE TOWNSEND TITLE Per. Eng. DATE 4/13/00

*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.

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

District II
PO Drawer 00, 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
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-30188		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 22620	*Property Name L.C. KELLY		*Well Number 7
*GRID No. 167067	*Operator Name CROSS TIMBERS OPERATING COMPANY		*Elevation 5822'

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	4	30N	12W		1400	SOUTH	790	WEST	SAN JUAN

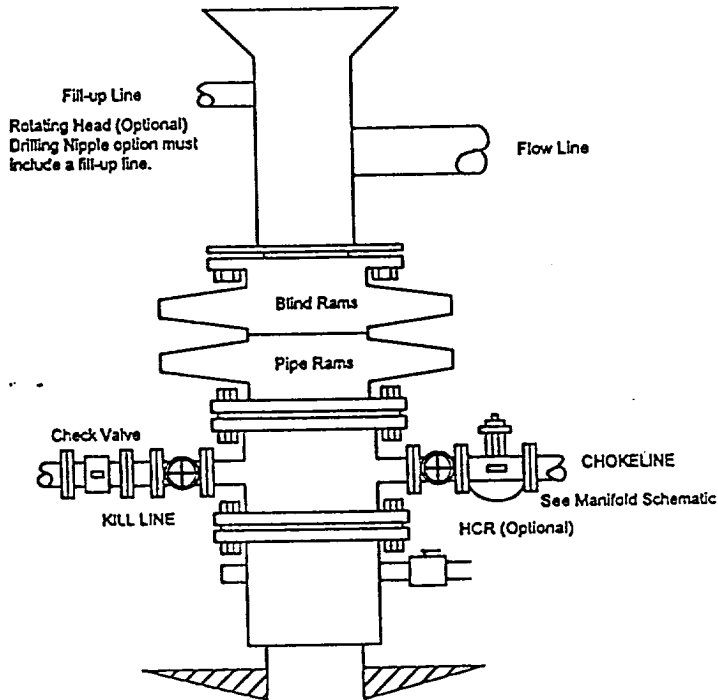
¹¹ Bottom Hole Location If Different From Surface

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 296.92		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

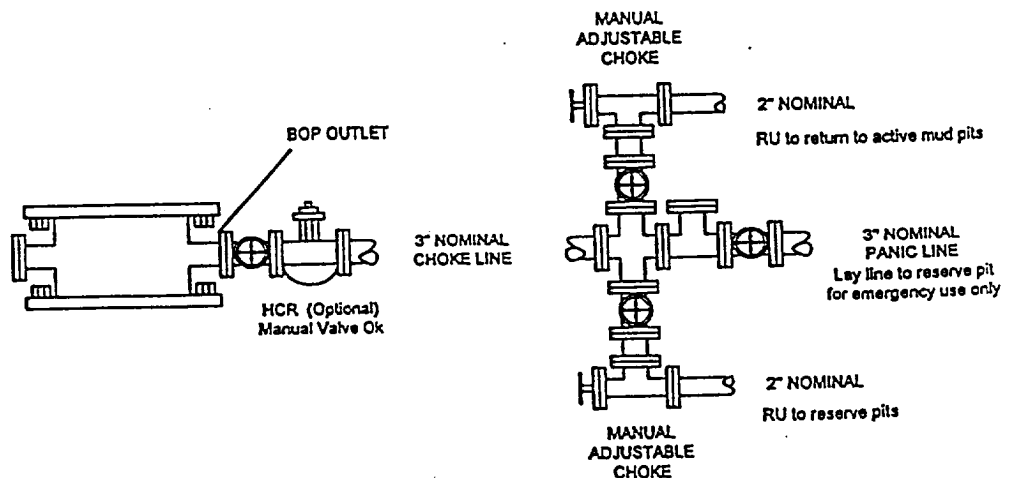
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div>2616.90'</div> <div>2642.64'</div> <div>LOT 8</div> <div>LOT 7</div> <div>LOT 6</div> <div>LOT 5</div> <div>LOT 9</div> <div>LOT 10</div> <div>LOT 11</div> <div>LOT 12</div> <div>LOT 16</div> <div>LOT 15</div> <div>LOT 14</div> <div>LOT 13</div> <div>LOT 17</div> <div>4994.88'</div>				<div>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <div>Loren W. Fothergill</div><div>Signature</div><div>Loren W. Fothergill</div><div>Printed Name</div><div>Production Engineer</div><div>Title</div><div>3-9-00</div><div>Date</div></div> <div>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. JANUARY 26, 2000 Date of Survey <div>NEALE C. EDWARDS</div><div>NEW MEXICO</div><div>6857</div><div>CERTIFICATE NUMBER 6857</div></div>
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BOPE SCHEMATIC FOR DRILLING OPERATIONS
 CLASS 1 - NORMAL PRESSURE
 CROSS TIMBERS OPERATING COMPANY STANDARD



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



CROSS TIMBERS OPERATING COMPANY L.C. KELLY #7

1400' FSL & 790' FWL, SECTION 4, T30N, R12W, N.M.P.M.

SAN JUAN COUNTY, NEW MEXICO

