SUBMIT IN TRIPLICATE*

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

UNITED STATES (Other instructions on reverse side)

BUREAU OF LAND MANA	5. LEASE DESIGNATION AND SERIAL NO. NMNM-101552	
APPLICATION FOR PERMIT TO	6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
DRILL DEEPEN b. Type of well oil GAS well other 2. NAME OF OPERATOR	SINGLE MULTIPLE ZONE	39/36 N/A
Richardson Operating Co. 3. ADDRESS AND TELEPHONE NO.	(303) 830-800	9. API WELL NO.
1700 Lincoln St., Suite 1700, Denv	ver, Co. 80203	30-045-30660 Fruit Coal & Harp. PCATEX
4. LOCATION OF WELL (Report location clearly and in accordance we At surface 1940' FSL & 1520'		11. SEC., T., R., M., OR BLK.
At proposed prod. zone Same		1-30n-14w NMPM
14. DINTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR PO	ST OFFICE.	12. COUNTY OF PARISH 13. STATE San Juan NM
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OF LEASE LINE, FT. (Also to nearest drig, unit line, if any) 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED.	16. NO. OF ACRES IN LEASE 635.16 19. PROPOSED DEPTH 1,750'	17. NO. OF ACRES ASSIGNED TO THIS WELL. 320.36 & 1605 20. ROTARY OR CABLE TOOLS ROTARY
21. ELEVATIONS (Show whether DF, RT, GR, etc.)		22. APPROX. DATE WORK WILL START
- Total	graded PROCEAM	June 1, 2001
8-3/4" K-55 7" 20 6-1/4" K-55 4-1/2" 10.5	SING AND CEMENTING PROGRAM	QUANTITY OF CEMENT ≈36 cu. ft. & to surface ≈245 cu. ft. & to surface
REC S OIL	C 2001 CEIVED CON. DIV DIST. 3 CHEREN AND CONT "GEALERAL LECT."	enem aug nough ans Penema whis ansaeme Reminer
		cc: BLM, Colby, OCD (via BLM)
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deeper deepen directionally, give pertinent data on subsurface logations and measured and	n, give data on present productive zone an I true vertical depths. Give blowout prevent	d proposed new productive zone. If proposal is to drill er program, if any.
21. Resident	Consultant (505) 4	
(This space for Federal or State office use)	APPROVAL DATE	12/13/01
Application approval does not warrant or certify that the applicant holds legal or CONDITIONS OF APPROVAL IF ANY: APPROVED IN APPROVED IN THE CONDITIONS OF	1	ase which would entitle the applicant to conduct operations the
*See Instr	ructions On Reverse Side	·

State of New Mexico Energy. Minerals & Mining Resources Department

OL CONSERVATION DIVISION 2040 South Pacheco Santa Fe. NM 87505601 ADD o

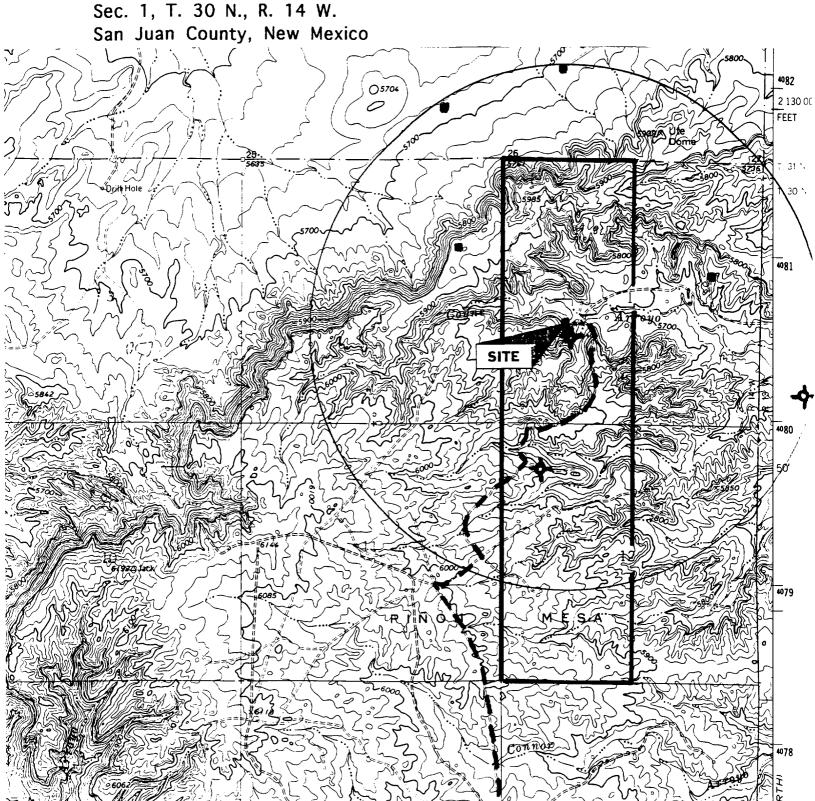
MENDED REPORT

Santa Fe. NM 8750500 APR 27 PM 3: 04
WELL LOCATION AND ACREAGE DEDICATION PLAT

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	30.045 30660 Pool Code 71629 & 78160 FRUIT. COAL &			Pool Name	•	FS				
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Property	y Code Property Name Wall Number									
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	•			Batter	Hale Location		<u> </u>	1	1.	07111 007111
UL or Lat	Sec.	Twp.	Rge.	Lot ldh.			Feet from>	East/West		County
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					13151	611818		Title	(CONSULTANT
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Richardson Operating Co. WF Federal 1 #1 1940' FSL & 1520' FWL

PAGE 11



PROPOSED WELL: EXISTING WELL: P&A WELL:

PROPOSED PIPELINE: •••
EXISTING ROAD: •••
LEASE:



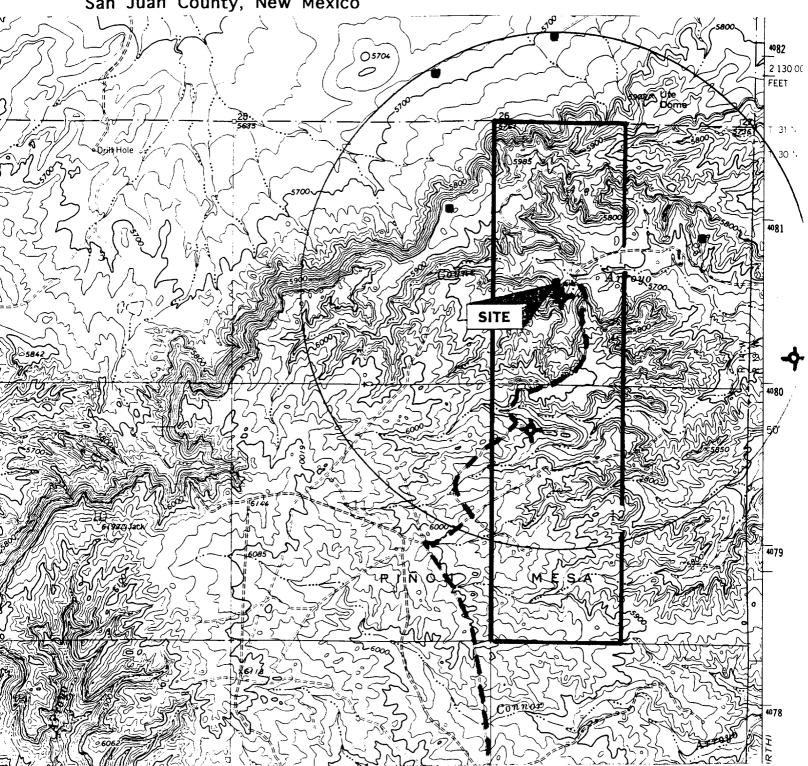
Richardson Operating Co.

WF Federal 1 #1

1940' FSL & 1520' FWL

Sec. 1, T. 30 N., R. 14 W.

San Juan County, New Mexico



PROPOSED WELL:

EXISTING WELL:

P&A WELL:

PROPOSED PIPELINE: ***

EXISTING ROAD: - -

LEASE:



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Richardson Operating Co. WF Federal 1 #1 1940' FSL & 1520' FWL Sec. 1, T. 30 N., R. 14 W. San Juan County, New Mexico

Drilling Program

1. ESTIMATED FORMATION TOPS

Formation Name	<u>GL Depth</u>	<u>KB Depth</u>	Subsea Elevation
Kirtland Sh	000'	5'	+5,737'
Basal Fruitland Coal	1600'	1605'	+4,137'
Pictured Cliffs Ss	1625'	1630'	+4,112'
Total Depth (TD)*	1750'	1755'	+3,987'

^{*} all elevations reflect the ungraded ground level of 5,737'

2. NOTABLE ZONES

Gas Zones	Water Zones	<u>Coal Zones</u>
Fruitland Coal (1600')	Fruitland Coal (1600')	Fruitland Coal (1600')
Pictured Cliffs (1625')		

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. (A typical 2,000 psi model is on PAGE 3.) Double ram or annular system with a rotating head will be used. All ram preventers and related equipment will be hydraulically tested at nipple up and after any use under pressure to 1000 psi.



Richardson Operating Co. WF Federal 1 #1 1940' FSL & 1520' FWL Sec. 1, T. 30 N., R. 14 W. San Juan County, New Mexico

Blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi. Maximum expected pressure is ≈ 700 psi.

4. CASING & CEMENT

Hole Size	<u>O.D.</u>	Weight (lb/ft)	<u>Grade</u>	<u>Age</u>	<u>GL Setting Depth</u>
8-3/4"	7"	20	K-55	New	120'
6-1/4"	4-1/2"	10.5	K-55	New	1,750'

Surface casing will be cemented to surface with ≈ 36 cu. ft. (≈ 30 sx) Class B + 2% CaCl₂. Volume is based on 100% excess, yield of 1.18 cu. ft./sk, and slurry weight of 15.6 PPG. WOC = 12 hours. Pressure test surface casing to 600 psi for 30 minutes.

Production casing hole will first be cleaned of rock chips by circulating at least 150% of hole volume with mud to the surface. Thirty barrels of fresh water will next be circulated. Lead with ≈ 140 cu. ft. (≈ 68 sx) of Class B with 2% metasilicate (yield = 2.06 cu. ft./sk, slurry weight = 12.5 PPG). Tail with ≈ 105 cu. ft. (≈ 89 sx) of Class B with 2% CaCl₂ (yield = 1.18 cu. ft./sk, slurry weight = 15.6 PPG). Total cement volume is ≈ 245 cu. ft. based on 75% excess and circulating to surface.

Production casing will have 4-1/2" cement guide shoe and self fill float collar. Float will be placed one joint above the shoe. Five centralizers will be spaced on every other joint starting above the shoe. Five turbolizers will be placed on every other joint starting from the top of the well.

