Form 3160-3 (July 1992)

SUBMIT IN TRIPLICATE.

FORM APPROVED

(July 1992)		ED STATES	reverse sid	1-1	OMB NO. 1004-0136 pires: February 28, 1995
		OF THE INTE		5. LEASE I	NMNM-97843
APPLIC		ERMIT TO DRIL		6. IF INDIA	AN, ALLOTTEE OR TRIBE NA
1a. TYPE OF WORK DRILL		DEEPEN []		7. UNIT A	N/A
b. TYPE OF WELL OIL GAS	- LO				$5\sqrt{2} \rightarrow N/A$
WELL WELL NAME OF OPERATOR	L OTHER		SINGLE MULTIPL ZONE ZONE	8. FARMORI WF F	EASENAME WELL TO ederal 28 1 F
	erating Co.		(303) 830-80		
700 Lincoln	St., Suite 17	700 Denver	Co. 20202	10. AUTLD	AND POOL, OR THE
. LOCATION OF WELL (Repo	1067' FSI	in accordance with any	State requirements	F. Coa	Harpertill
At proposed prod. zone	Same	Q 731 FEE		AND SI	., R., M. OR BLK. URVEY OR AREA
4. DISTANCE IN MILES AND	_		OCT 200	d	On-14w NMPN
air miles NE	of Kirtland	CEST TOWN OR POST OFFI		_ L.C	Uan 13. STATE
5. DISTANCE FROM PROPOSE LOCATION TO NEAREST PROPERTY OR LEASE LINE			NO. UR ACRES IN LEASE	17. NO. OF ACRES AS:	SIGNED
(Also to nearest drlg. u S. DISTANCE FROM PROPOSI	init line, if any : ED LOCATION®	791'	1,120 Roposed Derph	20 ROTARY OR CABLE	±-3.20 & 160
TO NEAREST WELL, DRILL OR APPLIED FOR, ON THIS	LEASE, FT.	105'	1,300'		OX. DATE WROTARS
I. ELEVATIONS (Show whether		573' ungrade	ed	1	
3.		PROPOSED CASING AN	ND CEMENTING PROGRAM		2ct. 5, 2001
8-3/4	GRADE SIZE OF CASING K-55 7"	weight per гоот 20	SETTING DEPTH	QUANT	ITY OF CEMENT
6-1/4"	K-55 4-1/2"	10.5	120'	≈36	ou. ft. & to surf ace
				~~23 5 c	ou. ft. & to surface
cha a da su como de					12
chaeology report p sited with Jeff Tafo	repared by LaPla [.] ova	ta.			*
	,yu.			**	·
				 :	
	e, will then plu	g and abandor	, evaluate, and on 28 #1 before p		n 28 1 R.
				cc: BLM, Co	lby, OCD (via BLN
			nta on present productive zone a ical depths. Give blowout prever		ive zone. If proposal is to a
SIGNED RICK	2 mz/		Consultant (505) 4	66-8120	9-19-0
(This space for Federal	or State office use)		<u></u>	41/204	
PERMIT NO			APPROVAL DATE	(0/29/01	
Application approval does not CONDITIONS OF APPROVAL, II		plicant holds legal or equitable	title to those rights in the subject l	euse which would entitle the	applicant to conduct operation

District I PO Box 1980, Hobbs, NM 88241-1980 PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Bruzos Rd., Aztec, NM 87410

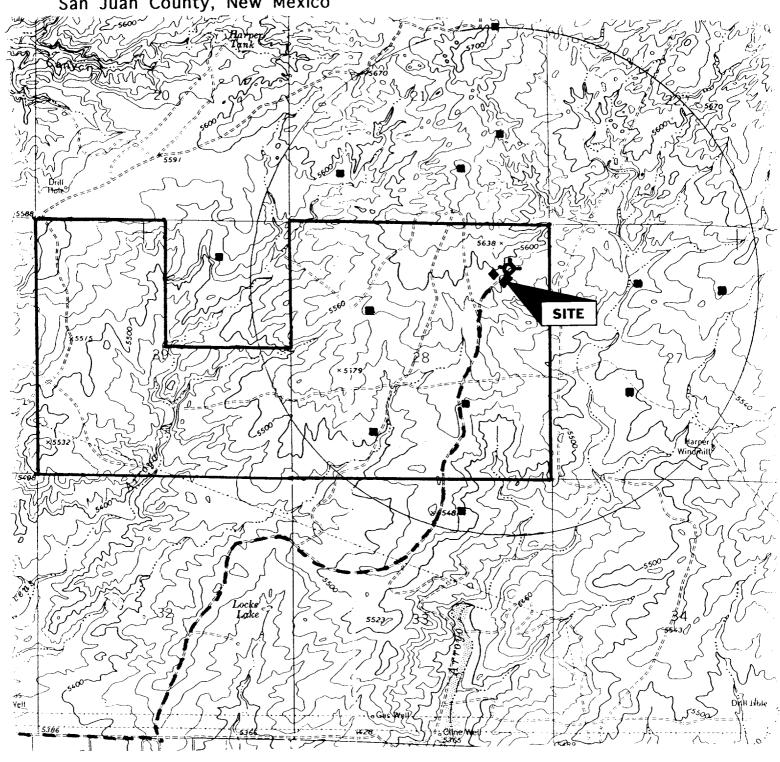
State of New Mexico Energy, Minerals & Natural Resources Department

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

District IV PO Box 2088, Sa	nta Fc, NM	87504-2088							AME	NDED REPORT
		WE	ELL LO	CATION	N AND ACI	REAGE DEDI	CATION PL	_AT		
30.04	API Numb	851	7816	Pool Cod	-71670 FRU	IT. COAL &	Pool No		PIC	. CLF.
Property 2450	Gode 27		WF Fed	eral 28	⁵ Property	Name	1 10 19 11		•	Well Number
'OGRID	- 1	 			* Operator					* Élevation
0132			Richar	dson Uper	ating Company				55	573'
UL or lot no.	Section	Township	Runge	Lot Ida	Feet from the	North/South line	Feet from the	Eust/Wes	t line	County
	- 28	30N	14₩	A	. 1067	. North	791	. Eas		San Juan
·····			11 Bot	tom Hol	e Location 1	f Different Fro	om Surface			<u> </u>
UL or lot na.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Wes	t line	County
" Dedicated Ac. 370 BFC 160 TMF6 NO ALLO	ipa		I Consolidation		L Order No. IS COMPLETI	ON UNTIL ALL	INTERESTS H	I IAVE BE	EN COI	NSOLIDATED
						EEN APPROVED				
		#123	Section	108	b _{ic} .	1067' 791' Cool	I hereby certificate and com Signature Printed Nan Title SEP	ify that the inplete to the le	BRIA CONS	TIFICATION contained herein is knowledge and belief N WOOD GULTANT 9, 2001 TIFICATION
	OC.	7 2001	200 18 8 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		Fruit		I hereby cert was plotted J or under my correct to the	ify that the w from field non supervision, e best of my ember 6,	vell location uses of actual and that the belief. 2001 WITHININ	n shown on this plat al surveys made by made the same is true and

Richardson Operating Co. WF Federal 28 1 R 1067' FNL & 791' FEL Sec. 28, T. 30 N., R. 14 W. San Juan County, New Mexico





Richardson Operating Co. WF Federal 28 1 R 1067' FNL & 791' FEL Sec. 28, T. 30 N., R. 14 W. San Juan County, New Mexico

Drilling Program

1. ESTIMATED FORMATION TOPS

Formation Name	<u>GL Depth</u>	KB Depth	Subsea Elevation
Kirtland Sh	000'	5'	+5,573'
Fruitland Fm	600'	605'	+4,973'
Pictured Cliffs Ss	1,124'	1,129'	+4,449'
Total Depth (TD)*	1,300'	1,305'	+4,273'

^{*} all elevations reflect the ungraded ground level of 5,573'

2. NOTABLE ZONES

<u>Gas Zones</u>	Water Zones	Coal Zones
Fruitland Fm (600')	Fruitland Fm (600')	Fruitland Fm (600')
Pictured Cliffs (1,124')		

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.

Blind rams will be hydraulically activated and checked for operational readiness



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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 ≈520 psi.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O.D.</u>	Weight (lb/ft)	<u>Grade</u>	<u>Age</u>	GL Setting Depth
8-3/4"	7"	20	K-55	New	120'
6-1/4"	4-1/2"	10.5	K-55	New	1,300'

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 ≈ 135 cu. ft. (≈ 65 sx) of Class B with 2% metasilicate (yield = 2.06 cu. ft./sk, slurry weight = 12.5 PPG). Tail with ≈ 100 cu. ft. (≈ 85 sx) of Class B with 2% CaCl₂ (yield = 1.18 cu. ft./sk, slurry weight = 15.6 PPG). Total cement volume is ≈ 235 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.

