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

	APPLICATION FOR PERMIT TO DRILL, DEEP	
a.	Type of Work	5. Lease Number 077 SF-078115
	DRILL —	Unit Reporting Number
L	Type of Well	6. If Indian, All. or Tribe
b.	GAS _	
2.	Operator Operator	7. Unit Agreement Name
- -	RESOURCES Oil & Gas Corpany MAR 2001	
	Address & Phone No. of Operator	8. Farm or Lease Name
J.	PO Box 4289, Farmington, NM 8749 DECONOR DIST. 3	Grenier Well Number
	(505) 326-9700	#11F
4/	Location of Well	10. Field, Pool, Wildcat
	965'FNL, 500'FWL	Basin Dakota
7		11. Sec., Twn, Rge, Mer. (NMPM) Sec. 13, T-31-N, R-12-V
زر	Latitude 36° 54.2, Longitude 108° 03.4	API# 30-045- 30 466
	Distance in Miles from Nearest Town	12. County 13. State
14.	8.5 miles to Aztec, NM P.O.	San Juan NM
15.	Distance from Proposed Location to Nearest Property or Leas	se Line
16.	500' Acres in Lease	17. Acres Assigned to Well 314.53
18.	Distance from Proposed Location to Nearest Well, Drlg, Com	pl, or Applied for on this Lease
	577' to technical and	on D. James - Oakla Taala
19.	Proposed Depth This action is subject to testimate procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.	Rotary
24	Elevations (DF, FT, GR, Etc.)	22. Approx. Date Work will Start
21.	6231′_ GR	
		DRILLING OPERATIONS AUTHORIZED ARE
23.		SUSJECT TO COMPLIANCE WITH ATTACH "GENERAL REQUIREMENTS"
		,
	Authorized by: May all	/0 - 70 - 00
24.	Regulatory/Compliance Superviso	DI Date
24.		
	MIT NO APPROVA	DATE MAR 13

Archaeological Report to be submitted

Threatened and Endangered Species Report to be submitted

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

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 presentations as to any matter within its jurisdiction.

ISTRICT I O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office

P.O. Drawer DD, Artesia, N.M. 88211-0719

OIL CONSERVATION DIVISION 71 2: 07 State Lease — 4 Copies Fee Lease - 3 Copies

1000 Rio Brazos Rd., Aztec, N.M. 87410 DISTRICT IV

DISTRICT III

P.O. Box 2088 Santa Fe, NM 87504-2088

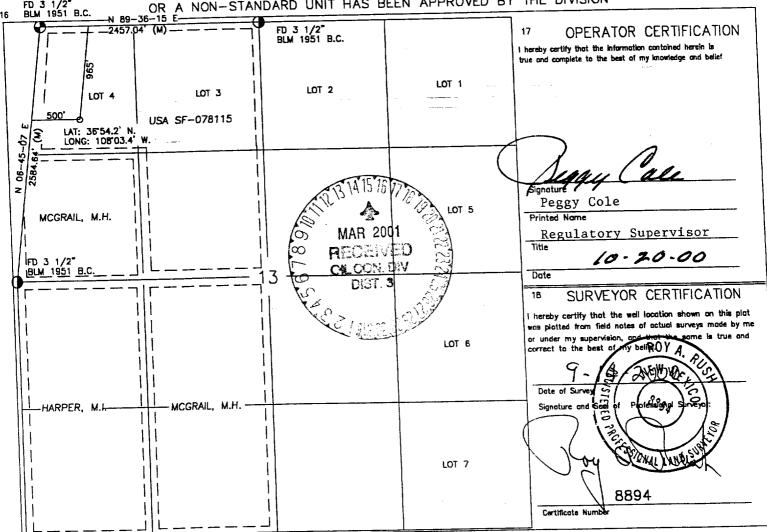
☐ AMENDED REPORT

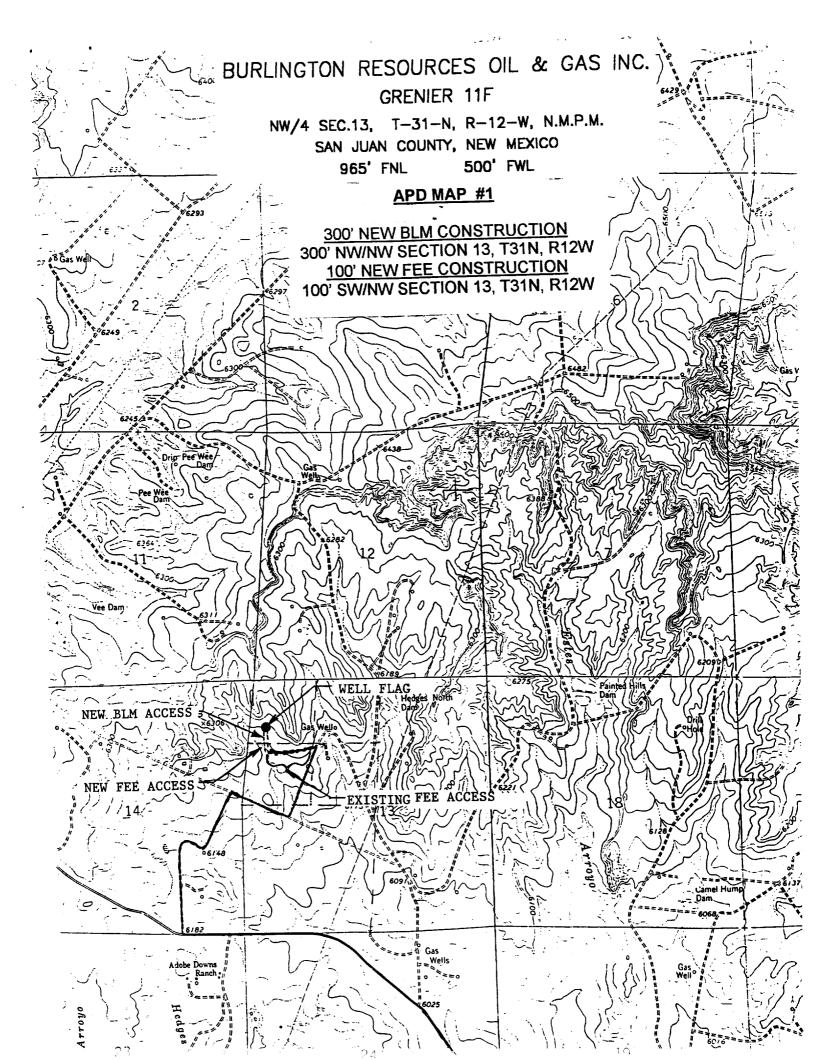
PO Box 2088, Santa Fe, NM 87504-2088 WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	² Pool Code	³ Pool Name	
30-045- 3046	6 71599	- Basin Dakota	4 M. D. M 1
Property Code	5	Property Name GRENIER	• Well Number 11F
18530 OGRID No. 14538		Operator Name SOURCES OIL & GAS INC.	* Elevation 6231

10 Surface Location East/West line Feet from the County North/South line Feet from the Lot Idn Ronge Township UL or lot no. Section WEST SAN JUAN 500 NORTH 12-W 31 - N13 D Location If Different From Surface 11 Bottom Hole Feet from the East/West line County North/South line Feet from the Lot Idn Range Section Township UL or lot no. 15 Order No. 14 Consolidation Code 13 Joint or Infill 12 Dedicated Acres R-11632

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED BLM 1951 B.C. OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION





OPERATIONS PLAN

Well Name: Grenier #11F

Location: 965'FNL, 500'FWL, Sec.13, T-31-N, R-12-W

San Juan County, NM

Latitude 36° 54.2, Longitude 108° 03.4

Formation: Basin Dakota

Elevation: 6231'GL

Formation Tops:	Top	Bottom	Contents
Surface	San Jose	1108'	
Ojo Alamo	1108'	1184'	aquifer
Kirtland	1184'	2104'	gas
Fruitland	2104'	2759 '	
Pictured Cliffs	2759 '	2929'	gas
Lewis	2929'	3467'	qas
Mesaverde	3467 ′	3855 ′	gas
Chacra	3855 ′	4369 ′	gas
Massive Cliff House	4369′	4537 ′	gas
Menefee	4537 ′	5048'	gas
Massive Point Lookout	5048'	5450'	gas
	5450 ′	7114'	gas
Mancos Shale	7114'	7224'	gas
Greenhorn	7224'	7409'	qas
Dakota		1405	940
TD	7409'_		

Logging Program:

Open hole logs - GR/ILD/DEN/NEUT Cased hole logs - CBL/GR - TD to surface. Cores - none

Mud Program:

Interval	Type			Fluid Loss
0- 320'	Spud	8.4-8.9	40-50	no control
320-7409'	LSND	8.4-9.0	40-60	8-12

Pit levels will be visually monitored to detect gain or loss of fluid control.

Casing Program:

Hole Size	Depth Interval	<u>Csg.Size</u>		Grade
12 1/4"	0' - 320'	8 5/8"	24.0#	WC-50
7 7/8"	0' - 7409'	4 1/2"	10.5#	J-55

Tubing Program:

0' - 7409' 2 3/8" 4.7# J-55 EUE

BOP Specifications, Wellhead and Tests:

Surface to TD -

11" 2000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Completion Operations -

6" 2000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams and casing top will be tested to 3000 psi for 15 minutes.

Surface to Total Depth -

2" nominal, 2000 psi minimum choke manifold (Reference Figure #3).

Wellhead -

 $8 \ 5/8$ " x 4 1/2" x 2 3/8" x 3000 psi tree assembly.

General -

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- A BOP pit level drill will be conducted weekly for each drilling crew.
- All of the BOP tests and drills will be recorded in the daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

8 5/8" surface casing Cement to surface w/336 sx Class "G" cement w/3% calcium chloride and 1/4#/sx cellophane flakes (396 cu.ft. of slurry, 200% excess to circulate to surface.) WOC 8 hr prior to drilling out surface casing. Test casing to 600 psi for 30 minutes.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

Production Casing - 4 1/2"

4 1/2" production casing Lead w/807 sx Litecrete, 0.11% dispersant. Tail w/346 sx 50/50
Class "G" poz w/5% gel, 0.25 pps celloflakes, 5 pps gilsonite,
0.25% fluid loss, 0.15% dispersant, 0.1% retarder (2532 cu. ft.
of slurry, 50% excess.) Circ.

Note: If open hole logs are run, cement volumes will be based on 25% excess over caliper volumes.

Float shoe on bottom. Three centralizers run every other joint above shoe. Thirty-five centralizers - one every 4th joint to the base of the Ojo Alamo @ 1184'. Two turbolizing type centralizers - one below and one into the base of the Ojo Alamo @ 1184'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.