

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*  
N. M. Oil & Gas Division  
811 S. ST.  
ARTESIA, NM 88210-2834

Form approved.  
Bureau No. 1004-0136  
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL  
WELL ☐

GAS  
WELL ☒

OTHER

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

2628 Bonneville Fuels Corporation

3. ADDRESS AND TELEPHONE NO.

1660 Lincoln St. Suite 2200 Denver, CO 80264 (303) 376-2564

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

1650' FSL & 1997' FWL (660' W of N-S 1/2 Sec Line)

At proposed prod. zone

Unit 14 Avalon Morrow 70920

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

Approx 1-1.15mi. NW. of Incorporated Limit of City of Carlsbad, NM.

10. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drig. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

±1,440 ac

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

322.87ac

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

2,790'

19. PROPOSED DEPTH

11,200'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

GR 3,196' (est)

22. APPROX. DATE WORK WILL START\*

November 1, 1998

23.

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT   |
|--------------|-----------------------|-----------------|---------------|--|
| 26"          | 20" H-40 PE           | 94#             | ±40'          | ±4 yards Redi-Mix: Cmt.  |
| 17-1/2"      | 13-3/8" J-55          | 54.5#           | ±480'         | 250 sx "C" + 180 sx Lite Cmt. to Surf  |
| 12-1/4"      | 9-5/8" J-55           | 40#             | ±2,250'       | 250 sx "C" + 400 sx Lite Cmt. To 13 3/8" csg   |
| 7-7/8"       | 5-1/2" N-80/K-55/L-80 | 17#             | ±11,200       | 1 <sup>st</sup> Stg: 690 sx. Super H: +60 sx Super H<br>2 <sup>nd</sup> Stg: 200 sx 50/50 H + 1,040 sx Lite H: |

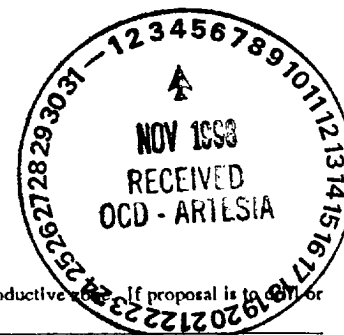
We propose to drill and test the Morrow and intermediate formations. Approximately 40' of conductor will be set if needed for structural stability. ±480' of surface casing well be set to protect fresh water resources. ±2,250' of intermediate casing will be set for well control, and to isolate salts.

If commercial: ±11,200 of 5 1/2" casing will be set.

Attached:

13 Pt Surface Use Plan w/ Archacology Report  
8 Pt Drilling Plan  
H<sub>2</sub>S Safety Plan

Post TD 1  
11-6-98  
API & Loc



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. R.A. Schwaring, P.E.

SIGNED

TITLE

Operations Manager: SE New Mexico

10/05/98  
DATE

(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:

Acting

(ORIG. SGD.) ARMANDO A. LOPEZ

Assistant Field Office Manager,  
Lands and Minerals

NOV 03 1998

APPROVED BY

TITLE

DATE

\*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  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

EXHIBIT 'C-2'  
State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|               |                              |                    |
|---------------|------------------------------|--------------------|
| API Number    | Pool Code                    | Pool Name          |
|               | 73280                        | Burton Flat Morrow |
| Property Code | Property Name                | Well Number        |
|               | LAKESHORE FEDERAL S.C. 10    | 3                  |
| OGRID No.     | Operator Name                | Elevation          |
| 002678        | BONNEVILLE FUELS CORPORATION | 3196'              |

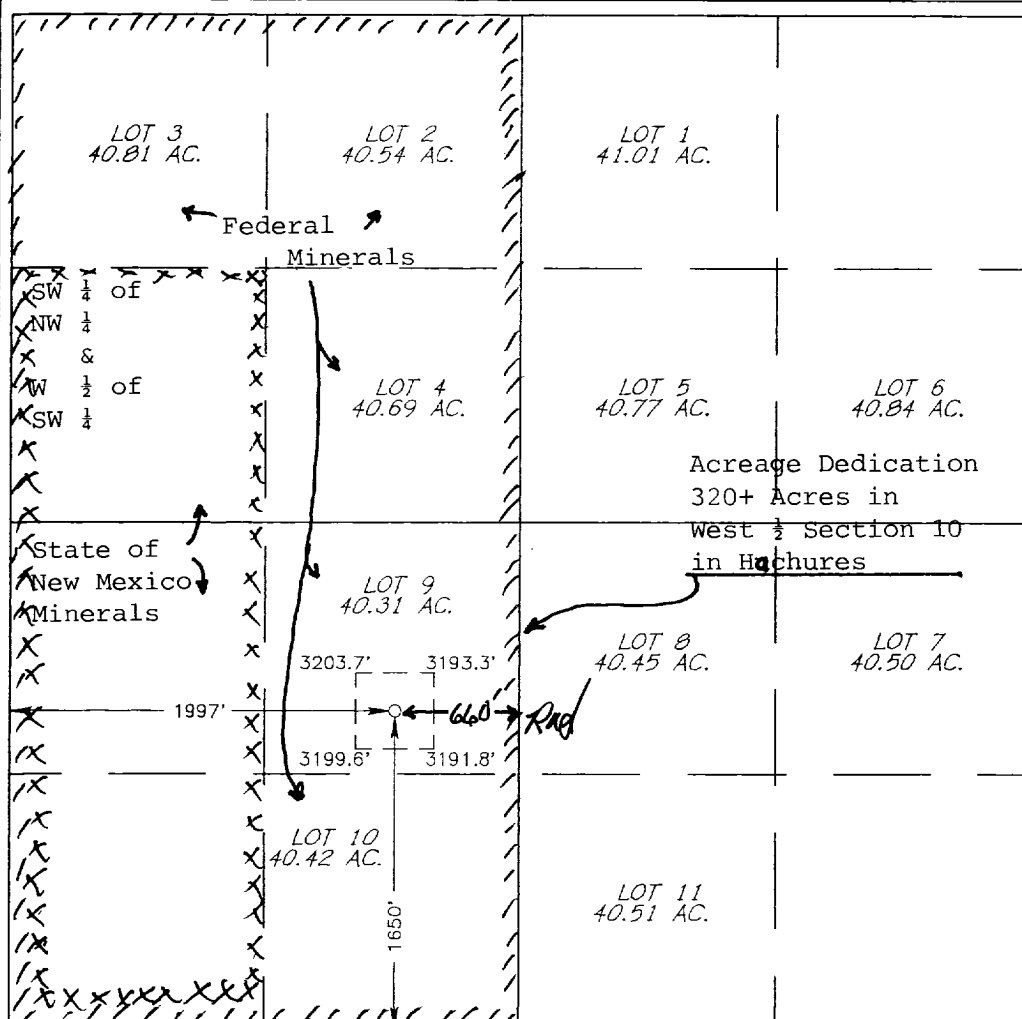
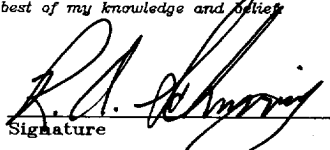
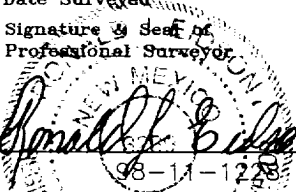
Surface Location

|               |         |          |       |         |               |                  |               |                |        |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| 9-K           | 10      | 21 S     | 26 E  |         | 1650          | SOUTH            | 1997          | WEST           | EDDY   |

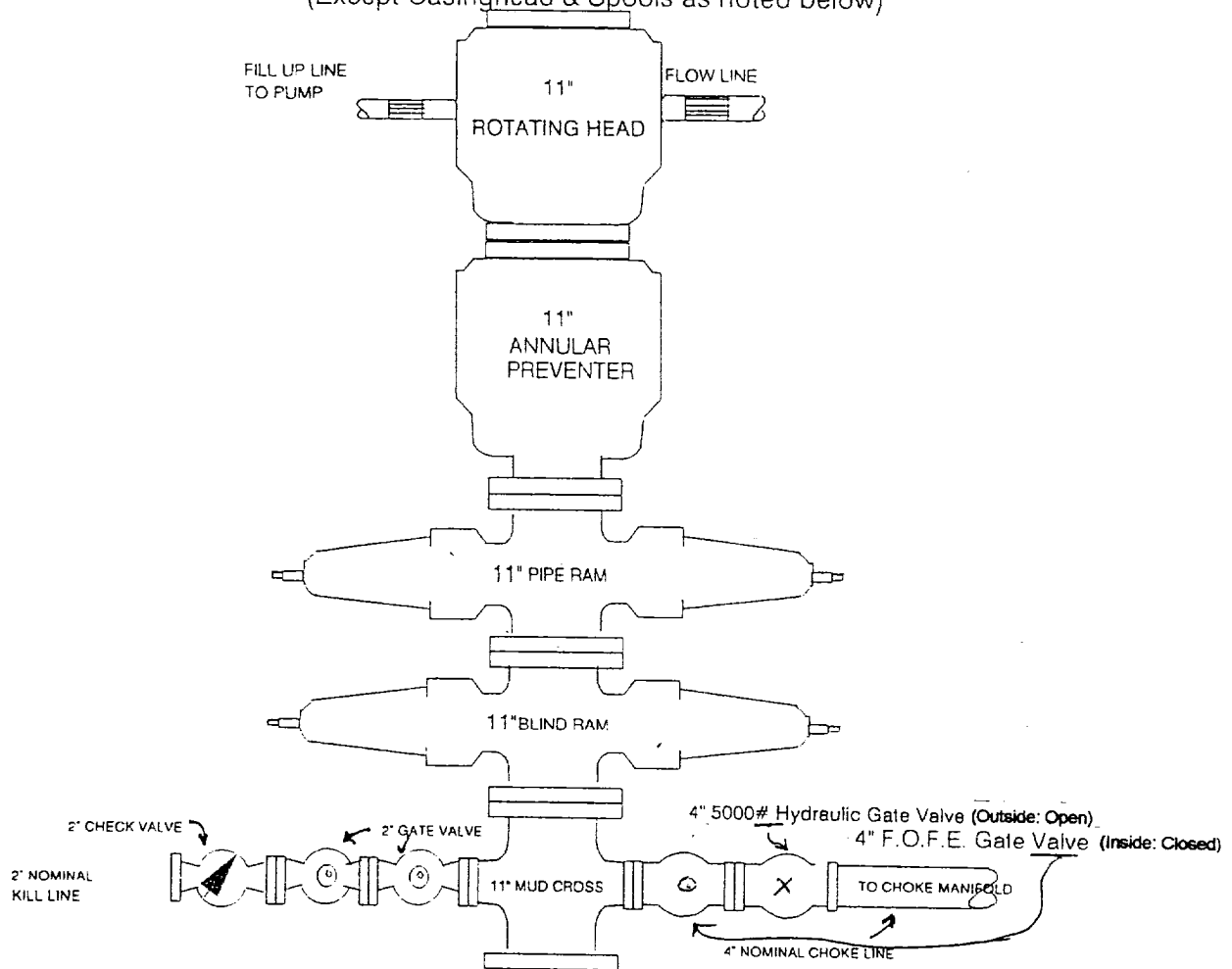
Bottom Hole Location If Different From Surface

|                 |                 |                    |           |         |               |                  |               |                |        |
|-----------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No.   | Section         | Township           | Range     | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|                 |                 |                    |           |         |               |                  |               |                |        |
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |         |               |                  |               |                |        |
| 322.87          |                 |                    |           |         |               |                  |               |                |        |

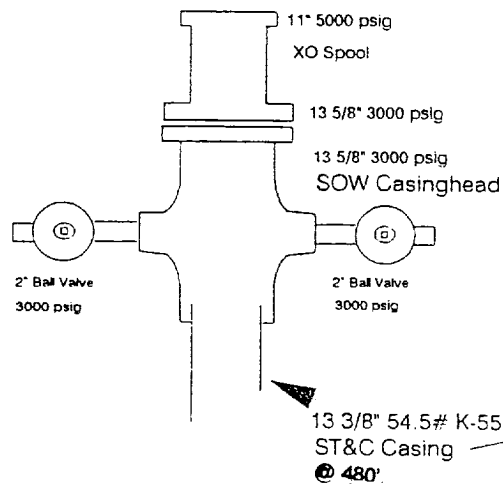
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

|  |   |
|--|---|
|  <p>The map shows a grid of 11 lots, each 40 acres. Lot 1 (41.01 AC.) is at the top right. Lot 2 (40.54 AC.) is to its left. Lot 3 (40.81 AC.) is to the left of Lot 2. Lot 4 (40.69 AC.) is below Lot 3. Lot 5 (40.77 AC.) is below Lot 2. Lot 6 (40.84 AC.) is to the right of Lot 5. Lot 7 (40.50 AC.) is below Lot 6. Lot 8 (40.45 AC.) is to the left of Lot 7. Lot 9 (40.31 AC.) is below Lot 4. Lot 10 (40.42 AC.) is below Lot 9. Lot 11 (40.51 AC.) is below Lot 8. A road is shown running vertically through the center of the lots. A dashed line indicates the boundary of the State of New Mexico Minerals. A note indicates 'Acreage Dedication 320+ Acres in West 1/2 Section 10 in Hachures'. Dimensions are given for the road and the lots: 3203.7', 3193.3', 3199.6', 3191.8', 1650', 660'. A note on the left indicates 'SW 1/4 of NW 1/4 &amp; W 1/2 of SW 1/4 of State of New Mexico Minerals'.</p> | <p>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><br/>Signature<br/>Robert A. Schwering, P.E.<br/>Printed Name<br/>Operations Manager: SENM<br/>Title<br/>September 30, 1998<br/>Date</p> <p>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>SEPTEMBER 10, 1998</p> <p>Date Surveyed CDG</p> <p>Signature &amp; Seal of Professional Surveyor<br/><br/>Ronald J. Eidson 9-16-98<br/>98-11-1228</p> <p>Certificate No. RONALD J. EIDSON 3239<br/>GARY EIDSON 12641</p> |
|--|---|

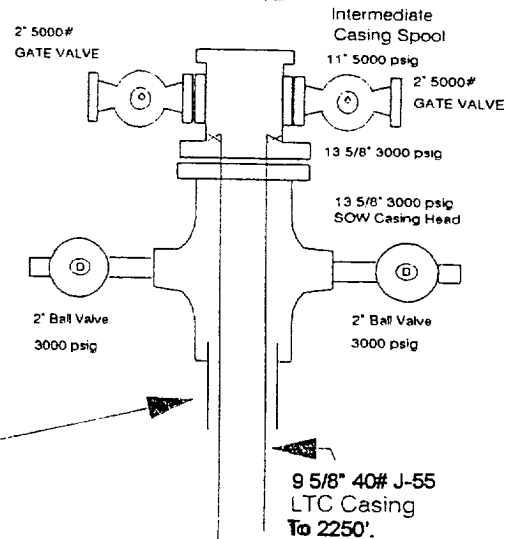
**LAKE SHORE FED. S.C. 10 #3**  
**MINIMUM BLOW-OUT PREVENTER REQUIREMENTS**  
**ALL 5000 PSI WP EQUIPMENT**  
 (Except Casinghead & Spools as noted below)



**WELLHEAD EQUIPMENT:**  
**Surface Profile:**  
**480' - 2250'**



**WELLHEAD EQUIPMENT:**  
**Intermediate Profile**  
**2250' - TD**



## EXHIBIT #2

