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APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5a. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		5. State Oil & Gas Lease No. LG 3748
2. Name of Operator BCO, Inc.		7. Unit Agreement Name
3. Address of Operator 135 Grant, Santa Fe, New Mexico 87501		8. Name of Lease Name State H <input checked="" type="checkbox"/>
4. Location of Well UNIT LETTER D LOCATED 970 FEET FROM THE North LINE AND 910 FEET FROM THE West LINE OF SEC. 2 TWP. 23N R. 7W HMPM		9. Well No. 4 <input checked="" type="checkbox"/>
		10. Field and Pool, or Wildcat Basin Dakota <input checked="" type="checkbox"/>
		12. County Rio Arriba
15. Proposed Depth 6550		19A. Formation Dakota
21. Elevations (Show whether DT, RT, etc.) 6904 Ground		22. Approx. Date Work will start June 15, 1980

23. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4	8-5/8 New	24.0	140-300	75	Circulate
7-7/8	4-1/2 New N80	11.6	6550	250	5700-Top of Gallup

Propose to drill 12-1/4" hole 155' and run 140' of 8-5/8 surface casing which will be cemented w/75 sacks of cement. Drill 7-7/8" hole to about 6550. We will stop drilling before we reach the Burro Canyon of the Dakota formation. Intend to run induction electrical log. If unable to get to bottom a Gamma ray neutron log will be run inside the casing prior to completion attempts. Cement approximately 6550' of N80 4-1/2" casing with 250 sacks of cement. Perforate and frac Graneros and Dakota formations as determined after reviewing logs.

It is anticipated a request to co-mingle the Greenhorn and Gallup formations within the above well bore will be made after the Dakota is completed and tested. We have therefore staked this location on a legal Dakota and legal Gallup location.

See attached schematic which indicates blowout specifications to be used while drilling the well. It is anticipated a blowout preventer similar to the APPROVAL will be used during completion operations.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM IF PROPOSAL IS TO DEEPEN OR PLUG BACK EXISTING WELL. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Harry R. Boyer Title President Date 4-25-80

APPROVED BY Frank J. Chaz TITLE SUPERVISOR DISTRICT #3 DATE APR 28 1980

CONDITIONS OF APPROVAL, IF ANY: Note surface size change. Will require unit across top of Mesaville and across top of Pictured Cliffs formations.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

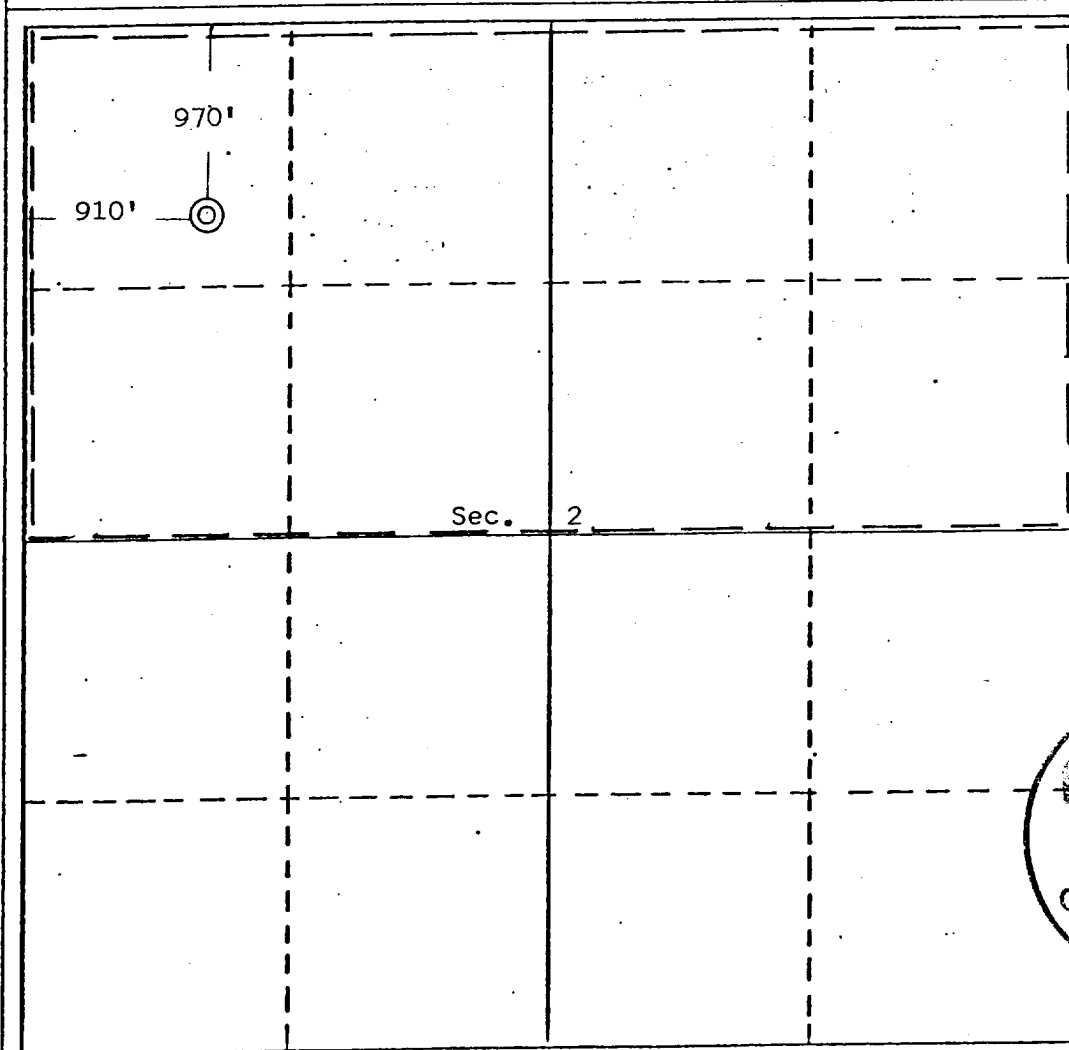
Operator BCO, Inc.			Lease State H		Well No. 4
Unit Letter D	Section 2	Township 23 North	Range 7 West	County Rio Arriba	
Actual Footage Location of Well: 970 feet from the North line and 910 feet from the West line					
Ground Level Elev. 6904	Producing Formation Busin	Pool Dakota	Dedicated Acreage: N/32.12 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Harry R. Bigbee
Name

Harry R. Bigbee

Position
President

Company
BCO, Inc.

Date
4-25-80

I hereby certify that the 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 knowledge and belief.

Edgar L. Risenhoover
Date Surveyed
OIL CON. 17, 1980

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover
Certificate No. 5979

Edgar L. Risenhoover, L.S.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

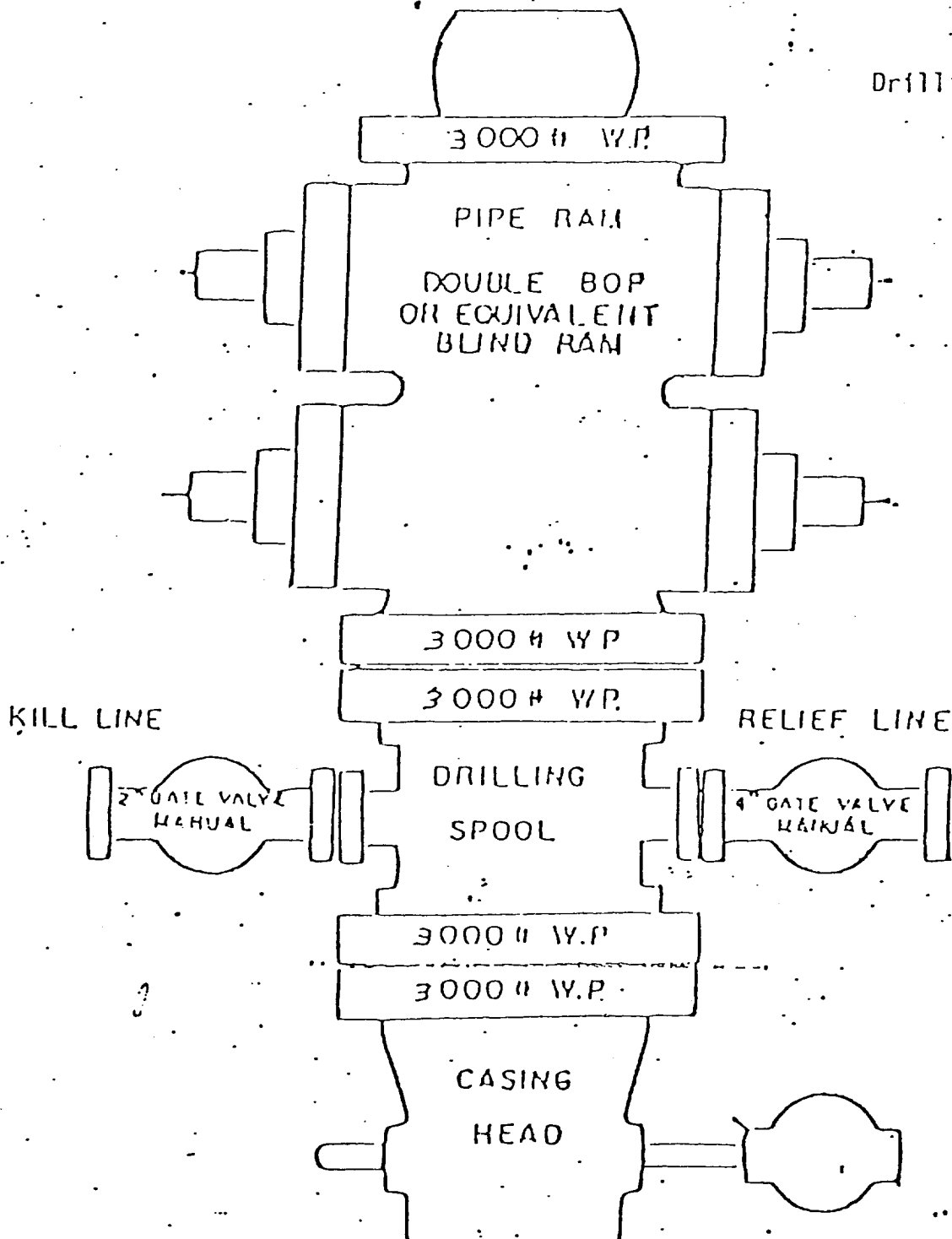
YOUNG DRILLING CO.

P. O. BOX 717

FARMINGTON, NEW MEXICO 87401

SCHEMATIC DRAWING OF BLOW-OUT PREVENTER STACK

RIG 2 AND RIG 3



Shaffer Hydraulic
double gate BOP
(or equivalent)
API Series 900
3000# W.P.
6000# Test

DRILLING CONTRACTOR FURNISHES EVERYTHING ABOVE CELLAR WALL.

SCHEMATIC BLOW-OUT EQUIPMENT