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5A. Indicate Type of Lease
STATE ☒ FEDERAL ☐
5. State Oil & Gas Lease No.
LG 3748

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
DRILL ☒ DEEPEN ☐ PLUG BACK ☐
b. Type of Well
OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

7. Unit Agreement Name
8. Firm or Lease Name

2. Name of Operator
BCO, Inc.

State H ☒

3. Address of Operator
135 Grant, Santa Fe, New Mexico 87501

9. Well No.
3 ☒

4. Location of Well
UNIT LETTER M LOCATED 990 FEET FROM THE South LINE
AND 990 FEET FROM THE West LINE OF SEC. 2 TWP. 23N R6E. 7W NMPM

10. Field and Pool, or Wildcat
Basin Dakota ☒

12. County
Rio Arriba

| | | |
|---|--|--|
| 15. Proposed Depth 6600 | 19A. Formation Dakota | 20. Rotary or C.T. Rotary |
| 21. Elevations (Show whether DJ, RT, etc.) 6968 Ground | 21A. Kind & Status Plug. Bond \$50,000 Blanket on file at OCC | 21B. Drilling Contractor Young Drilling Co. |
| | | 22. Approx. Date Work will start June 1, 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 | 6600 | 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 6600. 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 6600' 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 one shown will be used during completion operations.

APPROVAL VALID FOR 90 DAYS DRESS DRILLING COMMENCED, EXPIRES 7-26-80
APR 28 1980
OIL CON. COM. DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. 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. Bugh Title President Date 4-25-80

(This space for State Use)
APPROVED BY Frank S. Chazy TITLE SUPERVISOR DISTRICT #3 DATE APR 28 1980
CONDITIONS OF APPROVAL, IF ANY Note surface pipe change. Will require cement across top of Mancoshe and across top of Pictured Cliff formations

1 HLB 1 Stephenson 1 Clout
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.

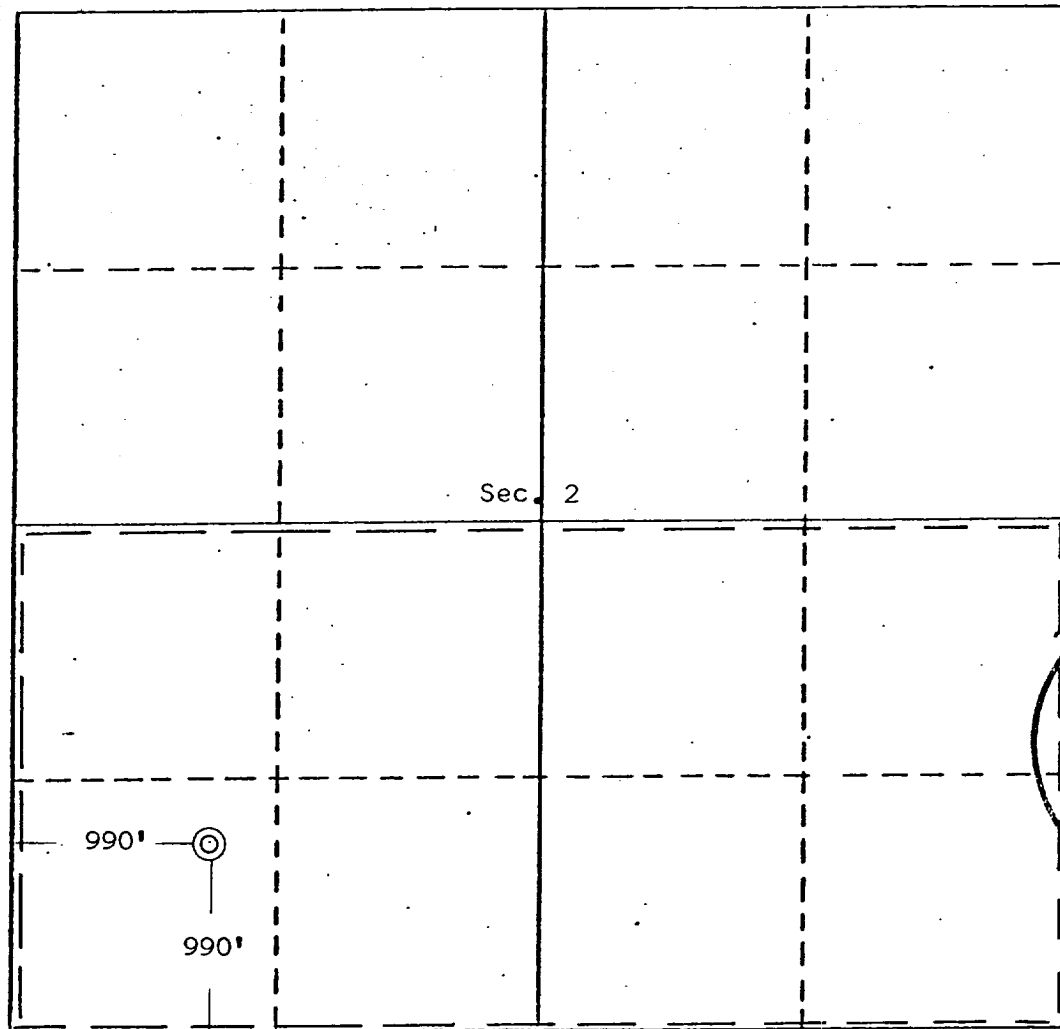
| | | | | | |
|--|--------------------------------------|----------------------|--|----------------------|---------------|
| Operator BCO, Inc. | | | Lease State H | | Well No. 3 |
| Unit Letter M | Section 2 | Township 23 North | Range 7 West | County Rio Arriba | |
| Actual Footage Location of Well: 990 feet from the South line and 990 feet from the West line | | | | | |
| Ground Level Elev. 6968 | Producing Formation <i>Dakota</i> | Pool <i>Basin</i> | Dedicated Acreage: <i>5/320</i> 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

EDGAR L. RISENHOVER
REGISTERED PROFESSIONAL ENGINEER
AND/OR LAND SURVEYOR

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 knowledge and belief.

APR 28 1980
OIL CON. COM.
DIST. 3

Date Surveyed
April 17, 1980

Registered Professional Engineer
and/or Land Surveyor

Edgar L. Risenhoover
Certificate No. 5979

Edgar L. Risenhoover, L.S.

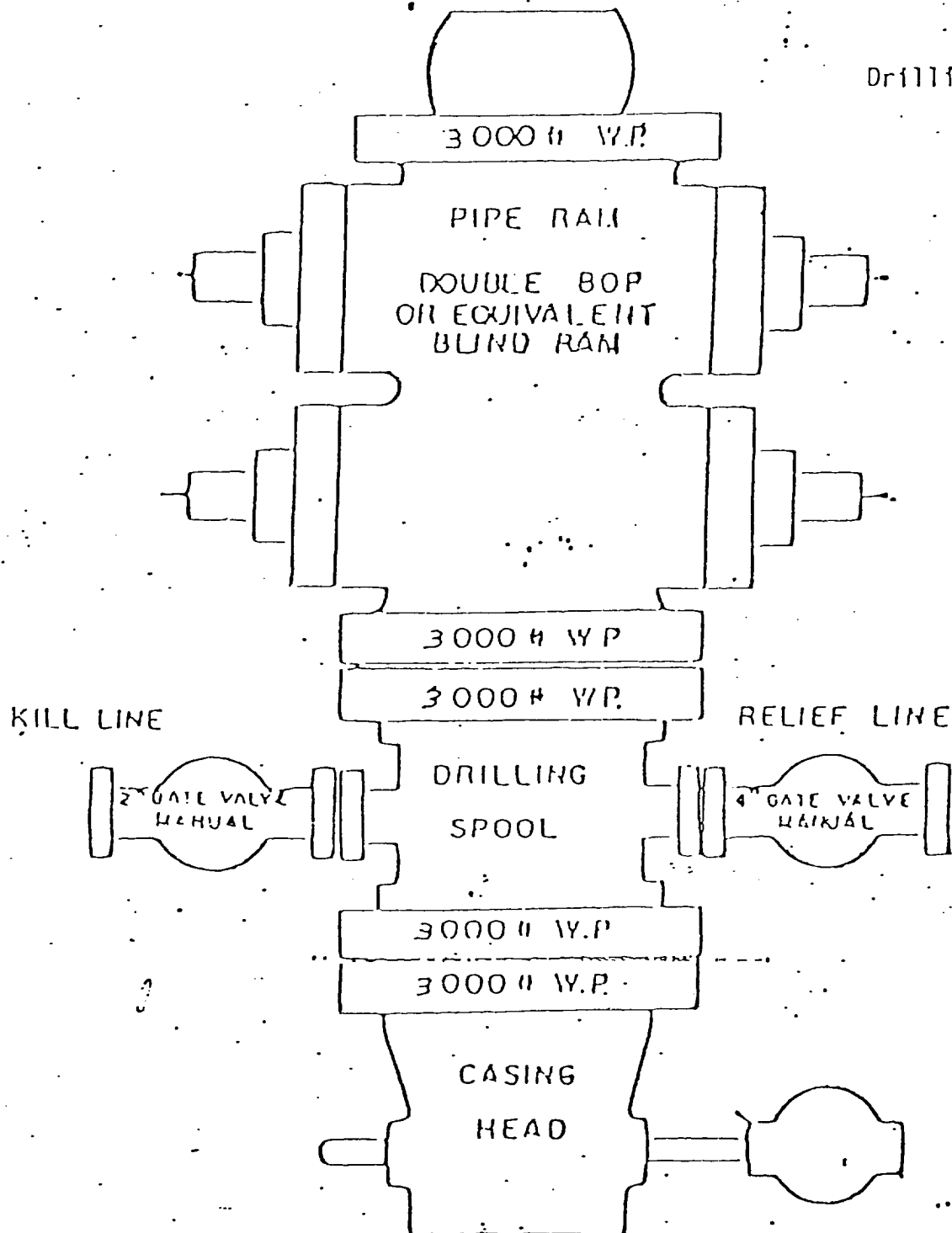
YOUNG DRILLING CO.

P. O. BOX 717

FARMINGTON, NEW MEXICO 87401

SCHEMATIC DRAWING OF BLOWOUT PREVENTER STACK

RIG 2 AND RIG 3



Drilling Bowl for Rotating Head

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