

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-6682.	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR BCO, INC. - 1883 ✓		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. 135 GRANT, SANTA FE, NM 87501 - 505 983-1228		8. FARM OR LEASE NAME, WELL NO. FEDERAL B #20 - 1199	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2035' FNL & 950' FEL; SE/4 NE/4; UNIT LETTER H At proposed prod. zone SEC 21 T23N R7W, NMPM SAME		9. AM WELL NO. 30-043-20919 ✓	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 1.4 miles sw of Lybrook, NM		10. FIELD AND POOL, OR WILDCAT LYBROOK GALLUP - 42289	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 950' from lease line	16. NO. OF ACRES IN LEASE 2080	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA H SEC 21 T23N R7W	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1450'	19. PROPOSED DEPTH 5950' - 5800'	12. COUNTY OR PARISH SANDOVAL	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7445' GR		13. STATE NM	
23. PROPOSED CASING AND CEMENTING PROGRAM		17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
SUBJECT TO COMPLETION OF PROPOSED PROGRAM		20. ROTARY OR CABLE TOOLS ROTARY	
QUANTITY OF CEMENT		22. APPROX. DATE WORK WILL START JANUARY 1, 1994	
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12.250	J55 8.625"	24	360'
7.875	J55 4.5"	11.6	5800'
			275SX OR UNTIL CEMENT CIRCULATES
			690SX

Operator plans to drill from the surface through the base of the Gallup Formation. If the well is determined to be economically productive, production casing will be set and cemented. Potentially productive zones will be opened and stimulated as necessary.

EXHIBITS

- | | |
|---|--------------------------|
| A) Location Plat, OCD Form C-102 | F) Drilling Rig Layout |
| B) Ten point Compliance Plan Operations | G) Completion Rig Layout |
| C) Blowout Preventor Diagram | H) Location Profile Plat |
| D) Multi-Point Requirements Program | I) Facilities Layout |
| E) Topography Map Showing Roads | J) ROW Land Use Plat |

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. SIGNED [Signature] TITLE Senior Field Engineer DATE December 13, 1993
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____ APPROVED AS AMENDED
Application approved by _____ and _____ 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: _____
APPROVED BY [Signature] TITLE DISTRICT MANAGER
FEB - 9 1994 FEB 04 1994
*See Instructions On Reverse Side

EXHIBIT A

Form C-102
Revised 1-1-89Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

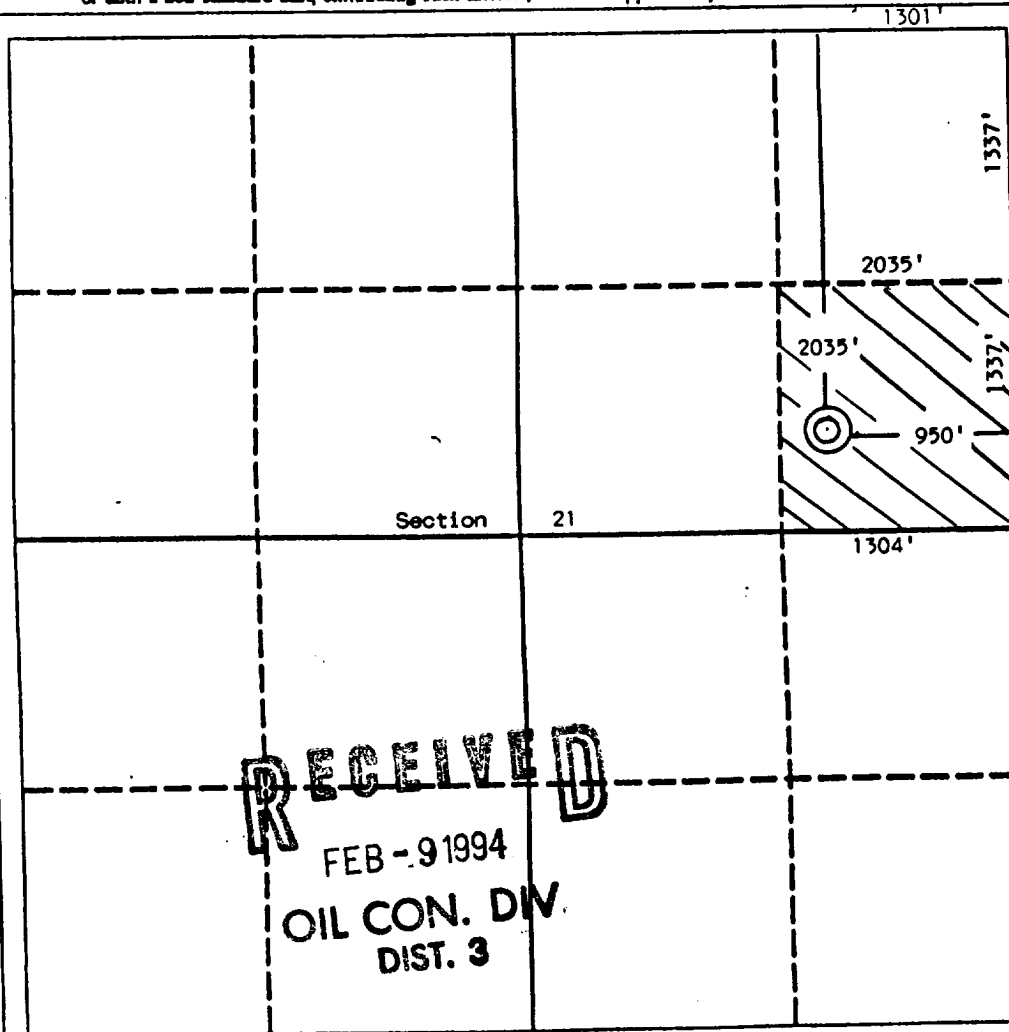
OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088DISTRICT I
P.O. Box 1980, Hobbs, NM 88240DISTRICT II
P.O. Drawer DD, Artesia, NM 88210DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator BCO, Inc.			Lease Federal B		Well No. 20
Unit Letter H	Section 21	Township 23 North	Range 7 West	County Sandoval	
Actual Footage Location of Well: 2035 feet from the North line and 950 feet from the East line					
Ground level Elev. 7445 Est.	Producing Formation Gallup		Pool Lybrook Gallup		Dedicated Acreage: 40 Acres
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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 interest, has been approved by the Division.</p>					



RECEIVED
FEB - 9 1994
OIL CON. DIV.
DIST. 3

OPERATOR CERTIFICATION

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

Signature

Rick Wilcox

Printed Name

Rick Wilcox

Position

Senior Field Engineer

Company

BCO, INC.

Date

12/09/93

SURVEYOR CERTIFICATION

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.

Date Surveyed

November 30, 1993

Signature & Seal of
Professional Surveyor

Edgar L. Risenhoover

EDGAR L. RISENHOOVER
NEW MEXICO
15979
Edgar L. Risenhoover, R.S.

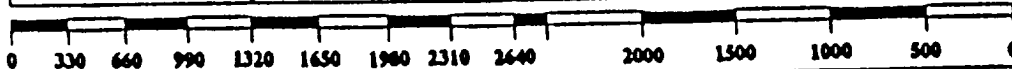


EXHIBIT E
NEW ROADS
PIPELINE

