

**UNITED STATES
DEPARTMENT OF THE INTERIOR**

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

BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 b. TYPE OF WELL
 OIL WELL GAS WELL Other DRILL DEEPEN
 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR: AMOCO PRODUCTION COMPANY
 Attention: Melissa Velasco

3. ADDRESS AND TELEPHONE NO.: P.O. BOX 3092 HOUSTON, TX 77253
 281-368-2548

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *)
 At surface: 820' FNL 1500' FWL
 At proposed prod. zone: Unit C

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 7 1/2 Miles from Farmington, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 635.84
 16. NO. OF ACRES IN LEASE: 635.84
 17. NO. OF ACRES ASSIGNED TO THIS WELL: 157.92

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 1692' -
 19. PROPOSED DEPTH: 1692' -
 20. ROTARY OR CABLE TOOLS

21. ELEVATIONS (Show whether DF, RT, GR., etc.): 5595' GR -
 22. APPROX. DATE WORK WILL START*: 08-12-2000

5. LEASE DESIGNATION AND SERIAL NO.: NMSF - 080844A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

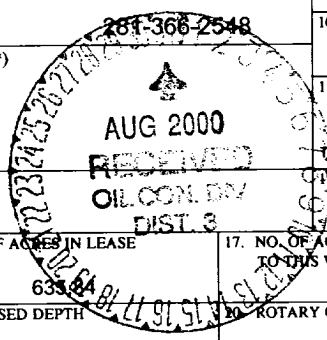
8. FARM OR LEASE NAME, WELL NO.: Gallegos Canyon Unit 574

9. API WELL NO.: 30-045-30312

10. FIELD AND POOL, OR WILDCAT: Pictured Cliffs

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Section 19
 Township 28N Range 11W

12. COUNTY OR PARISH: San Juan
 13. STATE: New Mexico



23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8 3/4"	J-55 ST&C, 7"	23#	135	115 SXS CLS B CIRC TO SURF
6 1/4"	J-55 ST&C, 4 1/2"	10.5#	1692 -	160 SXS CLS B LEAD & 134 SXS CLS B TAIL

NOTICE OF STAKING SUBMITTED ON 7/12/00
 This action is subject to technical and procedural review pursuant to 43 CFR 3105.3 and appeal pursuant to 43 CFR 3105.4.

OBJECTIVE: Drill 200' into the Pictured Cliffs, set 4 1/2" casing to TD, Perf & Stimulate the Pictured Cliffs interval.

METHOD OF DRILLING: Rotary/Top Drive DEPTH OF DRILLING: 0' - TD
 LOG PROGRAM TYPE: Cased Hole (GR-CCL-TDT) DEPTH INTERVAL: TDT - PBTD - 0' (GR - CCL - PBTD - 0')

MUD PROGRAM: INTERVAL TYPE MUD WEIGHT#/GAL
 0 - 135' Spud 8.6 - 9.2
 135' - 1692' Water/LSND 8.6 - 9.2

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

1) CIRC CMT to Surface 2) Set Casing 200' below top of Pictured Cliffs

COMPLETION: Rigless, Single Stage Hydraulic Frac

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: Melissa Velasco Ruiz TITLE: Permitting Assistant DATE: 07-18-2000

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 Application approved does not warrant or certify that the applicant holds legal or equitable title to these rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:
 APPROVED BY: [Signature] TITLE: Permitting Assistant DATE: 8/29/00

***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
 PO Box 1980, Hobbs NM 88241-1980
 District II
 PO Drawer KK, Artesia, NM 87211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 21, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-30312		² Pool Code 79080 - West. Kutz P.C.	
⁴ Property Code 000570	³ Property Name Gallegos Canyon Unit		⁶ Well Number # 574
⁷ OGRID No. 000778	⁵ Operator Name AMOCO PRODUCTION COMPANY		⁸ Elevation 5595 -

¹⁰ Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	28 N	11 W		820	NORTH	1500	WEST	SAN JUAN

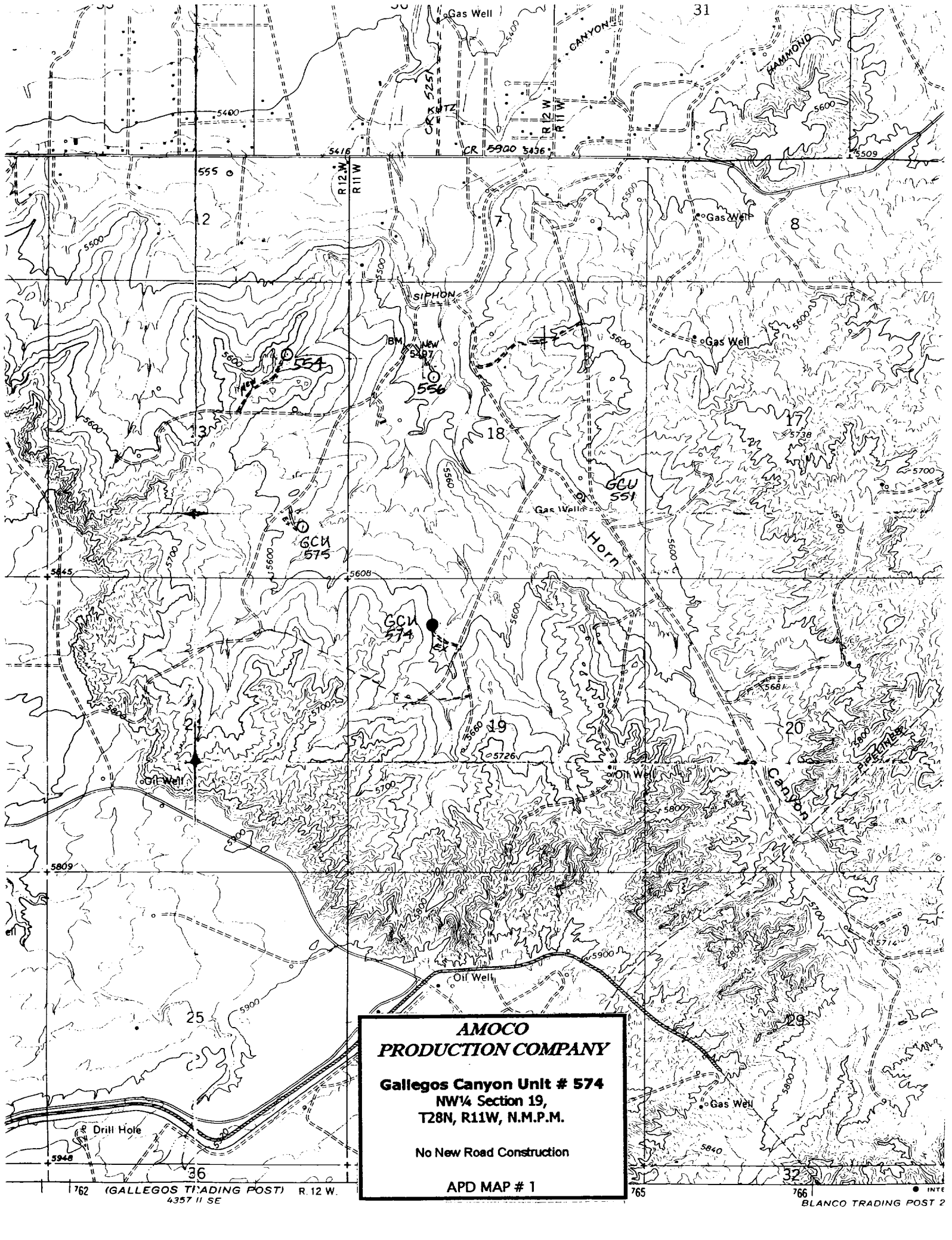
¹¹ Bottom Hole Location If Different From Surface

⁷ UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 157.92	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁶ 	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature Printed Name Melissa Velasco-Puice Title PERMITTING ASST. Date 7-18-00
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey May 18, 2000 Signature and Seal of Professional Surveyor
	5246(R)
	5280(R)



AMOCO
PRODUCTION COMPANY

Gallegos Canyon Unit # 574
 NW¼ Section 19,
 T28N, R11W, N.M.P.M.

No New Road Construction

APD MAP # 1

762 (GALLEGOS TRADING POST) R. 12 W.
 4357 11 SE

765 766 INTE
 BLANCO TRADING POST 2

**Amoco Production Company
BOP Pressure Testing Requirements**

Well Name: Gallegos Canyon Unit 574
 County: San Juan State: New Mexico

Formation	TVD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	212'		
Kirtland	402'		
Fruitland Coal	1052'		
Pictured Cliffs	1492'		

** Note: Determined using the following formula: $ABHP - (.22 * TVD) = ASP$

Requested BOP Pressure Test Exception: 750 PSI

**SAN JUAN BASIN
Pictured Cliffs Formation
Pressure Control Equipment**

Background

The objective Pictured Cliffs formation maximum surface pressure is anticipated to be less than 1000 PSI, based on shut-in surface pressures from adjacent wells. Pressure control equipment working pressure minimum requirements are therefore 2000 PSI. Equipment to be used will conform to API RP-53 (Figure 2.C.2) for a 2000 PSI system per Federal Onshore Order No. 2. Due to available conventional equipment within the area, 3000 PSI rated pressure control equipment will typically be utilized in a double ram type arrangement. Regional drilling rights to be utilized have substructure height limitations which exclude the use of annular preventers; therefore a rotating head will be installed above these rams. This pressure control equipment will be utilized for conventional drilling below conductor to total depth. No abnormal temperature, pressure, or Hydrogen Sulfide gas is anticipated.

Equipment Specification

Interval

BOP Equipment

Below conductor casing to total depth

11" nominal or 7 1/16", 3000 PSI double ram preventer with rotating head.

All ram type preventers and related control equipment will be hydraulically tested to 250 PSI (low pressure) and 750 PSI (high pressure), upon installation, following any repairs or equipment replacements, or at 30 day intervals. Accessories to BOP equipment will include Kelly cock, upper Kelly cock with a handle available, floor safety valves and choke manifold which will also be tested to equivalent pressure at the appropriate intervals.