

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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"/>				5. LEASE DESIGNATION AND SERIAL NO. NM 18327	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>				6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Palo Petroleum, Inc. <i>FALCON SEABOARD GAS CO.</i>				7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR C/O R. Simmons Box 48 Farmington, NM 87499				8. FARM OR LEASE NAME FEDERAL "K"-28 <i>CARSON</i>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1905' FSL & 1604' FWL At proposed prod. zone SAME				9. WELL NO. 1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 6 miles east south east of Gobenador				10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 1605'		16. NO. OF ACRES IN LEASE 640		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 28, T29N, R4W	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 4000		17. NO. OF ACRES ASSIGNED TO THIS WELL w/ 320		12. COUNTY OR PARISH Rio Arriba	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7402 GR		19. PROPOSED DEPTH 4000		13. STATE New Mexico	
23. PROPOSED CASING AND CEMENTING PROGRAM				20. ROTARY OR CABLE TOOLS Rotary	
22. APPROX. DATE WORK WILL START* As soon as possible				21. APPROX. DATE WORK WILL START* As soon as possible	
DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED QUANTITY OF CEMENT					
SIZE OF HOLE		SIZE OF CASING		WEIGHT PER FOOT	
12-1/4		8-5/8		24	
7-7/8		5-1/2		15.5	
SETTING DEPTH		250		4000	
200 sacks		500 sacks			

Operator plans to drill to the Fruitland Formation and run logs. If commercial new casing will be run and cemented to surface. All coal zones will be perforated and stimulated as required.

EXHIBITS:

- | | |
|---|-----------------------------------|
| "A" LOCATION AND ELEVATION PLAT | "F" DRILLING RIG LAYOUT DIAGRAM |
| "B" TEN POINT COMPLIANCE PROGRAM | "G" COMPLETION RIG LAYOUT DIAGRAM |
| "C" BLOWOUT PREVENTER DIAGRAM (2M SYSTEM) | "H" LOCATION PROFILE DIAGRAM |
| "D" MULTI-POINT REQUIREMENTS OF APD | "I" PRODUCTION FACILITIES DIAGRAM |
| "E" VICINITY MAP - ACCESS ROADS | |

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. 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 <i>R. D. Simmons</i> TITLE AGENT DATE NOVEMBER 22, 1989	
(This space for Federal or State office use)	
PERMIT NO. RECEIVED	APPROVAL DATE
APPROVED BY <i>APR 2 1990</i>	TITLE
CONDITIONS OF APPROVAL, IF ANY	
OIL CON. DIV DIST. 3	NMOCD
	FOR <i>Ken Townsend</i> AREA MANAGER

*See Instructions On Reverse Side

EXHIBIT "A"

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT 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 PALO PETROLEUM, INC. GAS CO		Lease CHARSON FEDERAL K28		Well No. K-28-1
Unit Letter K	Section 28	Township T.29 N.	Range R.4 W.	County RIO ARriba
Actual Footage Location of Well: 1905 feet from the SOUTH line and 1604 feet from the WEST line				
Ground Level Elev. 7401.8	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

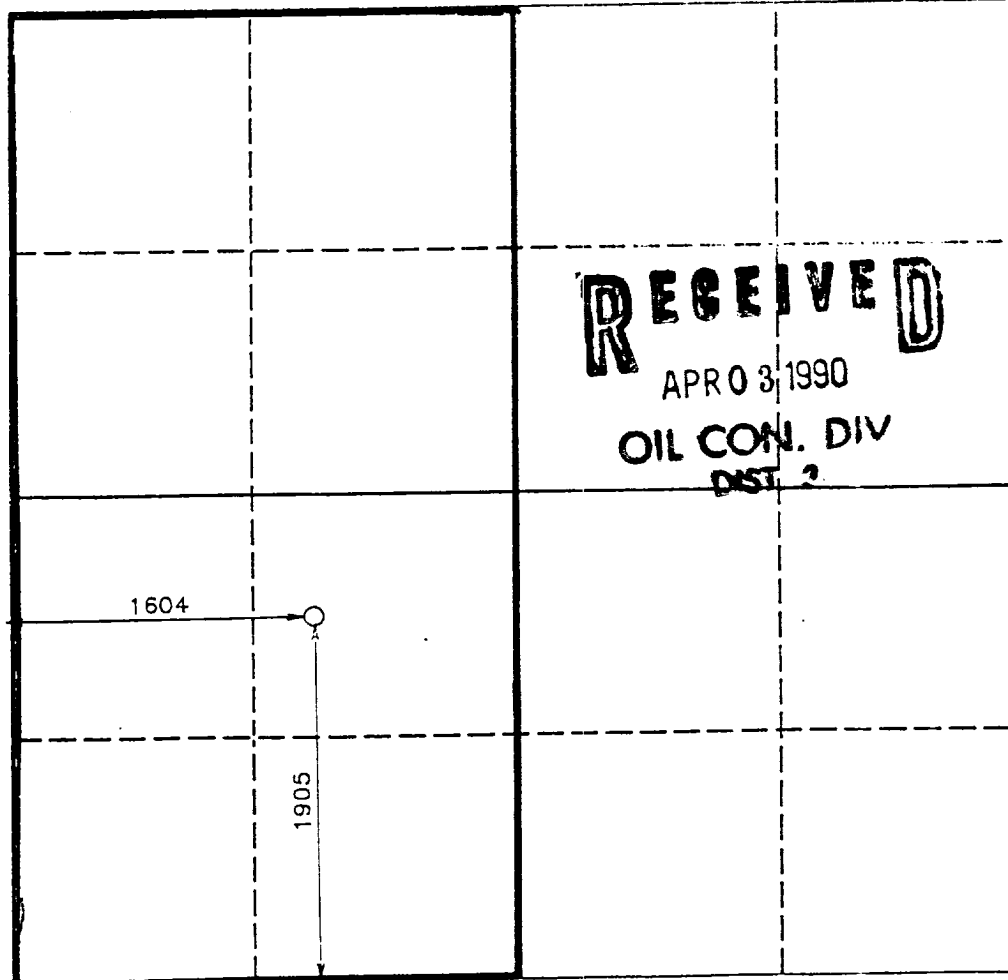
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Printed Name

R. D. Simmons

Position

Agent

Company

Palo Petroleum, Inc.

Date

November 22, 1989

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

OCT 30 1989

Signature of Seal of Professional Surveyor

R. Howard Daggett

Certificate No.

R 9679 Professional

EXHIBIT "E"
VICINITY MAP
PALO PETROLEUM, INC.
FEDERAL "K" 28 # 1

