

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 18321	
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. 7735 Falcon Seaboard Oil Company		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OFFICE 3005 Northridge Dr. Farmington, NM 87499		8. FARM OR LEASE NAME FEDERAL "K" 22 13774	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1850' FSL & 2053' 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 Gobernador		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) 1850'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 22, T29N, R4W NMPM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 4150		12. COUNTY OR PARISH Rio Arriba	
19. PROPOSED DEPTH 4150		13. STATE New Mexico	
20. ROTARY OR CABLE TOOLS Rotary		17. NO. OF ACRES ASSIGNED TO THIS WELL S/320	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7130' GR		22. APPROX. DATE WORK WILL START* AS SOON AS POSSIBLE	
23. SUBJECT TO COMPLETION OF PROPOSED CASING AND CEMENTING PROGRAM "GENERAL REQUIREMENTS"			
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12-1/4	8-5/8	24.0	250
7-7/8	5-1/2	15.50	4150
			200 sacks
			500 sacks

Operator plans to drill to the fruitland formation and log well. If commercial new casing will be run and cemented to the 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 <u>R. D. SIMMONS</u> TITLE <u>AGENT</u> DATE <u>NOVEMBER 22, 1989</u>	
(This space for use by Bureau of Land Management)	
PERMIT NO. <u>APR 14 1992</u>	APPROVAL <u>Approval of this action does not warrant that the applicant holds legal or equitable title to this land.</u>
APPROVED BY <u>OIL CON. DIV. 1 DIST. 3</u>	TITLE <u>NMOCD</u>

*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.

EXHIBIT " A "

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

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

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

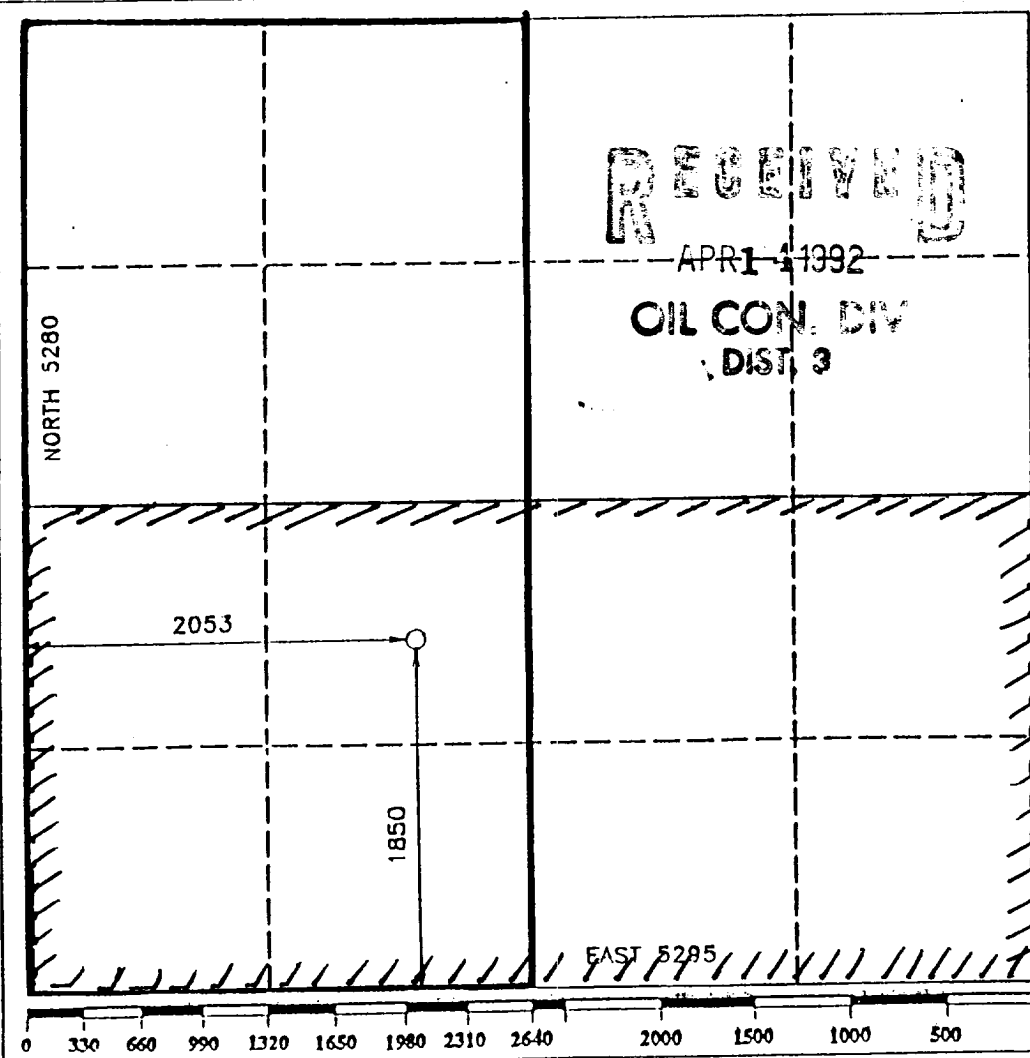
Operator FALCON SEABOARD CO COMPANY		Lease 29-4 Carson 22 N.M. - 18321		Well No 29-4 CARSON 22/1
Unit Letter K	Section 22	Township T.29 N.	Range R.4 W.	County NMPM RIO ARRIBA
Actual Footage Location of Well: 1850 feet from the SOUTH line and 2053 feet from the WEST line				
Ground level Elev. 7130	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 *R. D. Simmons*
 Printed Name **R. D. Simmons**
 Position **Agent**
 Company **FALCON SEABOARD GAS CO**
 Date **APRIL 10, 1992**

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 & Seal of Professional Surveyor
R. Howard Doggett
 Certificate No. **9679**
 Registered Professional
 Land Surveyor

NATIONAL

FOREST

EXHIBIT "E"

PALO PETROLEUM, INC.
FEDERAL "K" 22 # 1

EXISTING
NEW ROAD
CANYON

NATIONAL

FOREST

CANYON

