

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1094-01-00  
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		
2. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER Coalbed Meth <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		
3. NAME OF OPERATOR McKenzie Methane Corporation		
4. ADDRESS OF OPERATOR 1911 Main #255, Durango, Colorado 81301		
5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*) At surface 2060' FSL, 1285' FWL At proposed prod. zone Same		
6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15 miles east of Blanco, NM		
7. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)	1285'	8. NO. OF ACRES IN LEASE 936.2
9. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	200'	10. PROPOSED DEPTH 2870
11. ELEVATIONS (Show whether DF, RT, GR, etc.) 6235 GL		12. NO. OF ACRES ASSIGNED TO THIS WELL W/ 320
		13. ROTARY OR CABLE TOOLS Rotary
		14. APPROX. DATE WORK WILL START* 11-30-90

5. LEASE DESIGNATION AND SERIAL NO. SF- 079938
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME Jones 35 L
9. WELL NO. #10
10. FIELD AND POOL, OR WILDCAT Basin FT Coal
11. SEC. T. R. M. OR BLK. AND SURVEY OR AREA Sec35-T29N-R8W
12. COUNTY OR PARISH San Juan
13. STATE NM

PROPOSED CASING AND CEMENTING PROGRAM				DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLY WITH ATTACHED QUANTITY OF CEMENT	
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	175 sx (207 cu ft)	350/150 sx (826 cu ft)
12 1/4	8-5/8	24	250		
7-7/8	4 1/2	11.6	2870		

RECEIVED  
DEC 21 1990  
OIL CON. DIV.  
DIST. 3

"Approval of this action  
not warranted by the  
bureau logs or a plan  
or title to this lease."

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.

SIGNED TR/ Sayle TITLE Operations Manager DATE 10-29-90  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY: \_\_\_\_\_  
NM000

APPROVED  
AS AMENDED  
DATE  
DEC 18 1990  
AREA MANAGER

\*See Instructions On Reverse Side

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  
Federal Lease - 3 copies

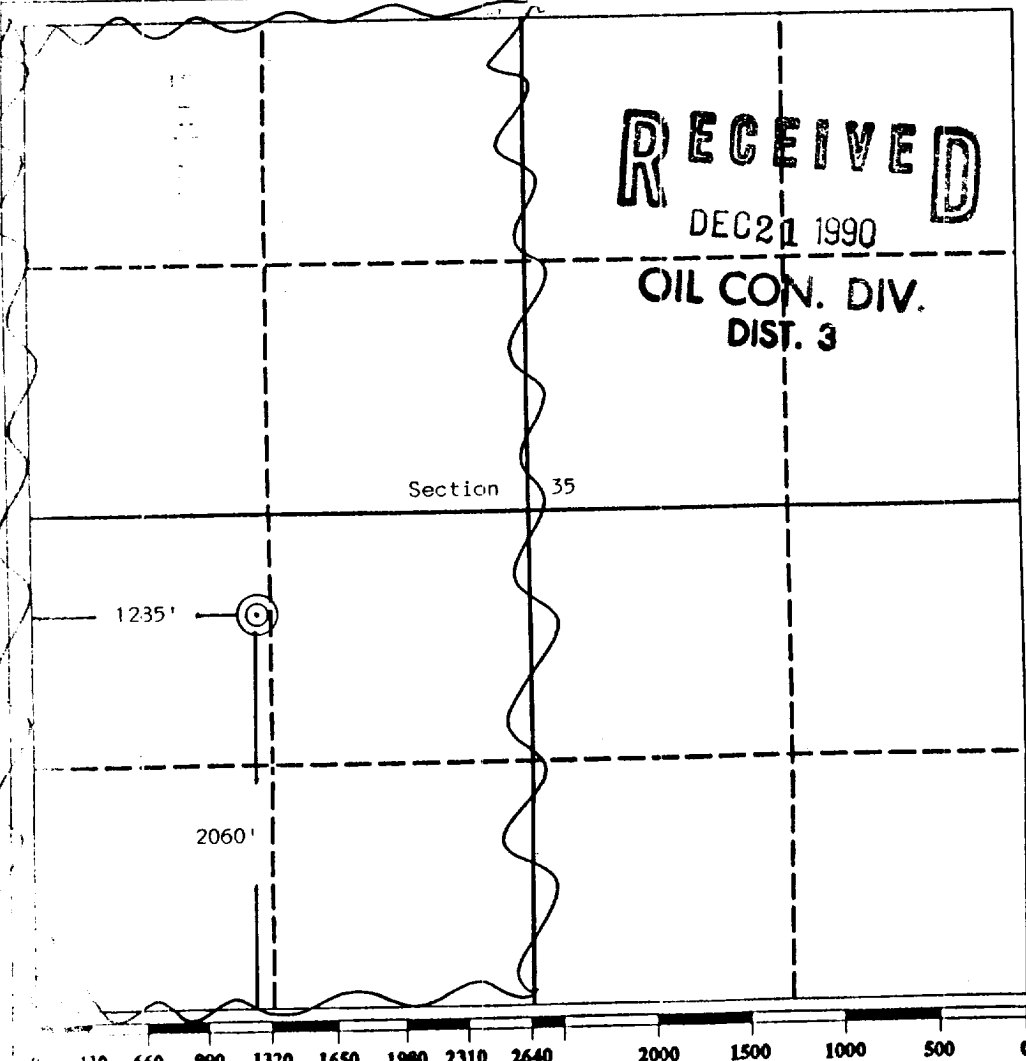
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
P.O. Box Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator McKenzie Methane Corporation		Lease Jones 35 L		Well No. 10
Unit Letter L	Section 35	Township 29 North	Range 8 West	County San Juan
Actual Footage Location of Well: 2060 feet from the South line and 1285 feet from the West line				
Ground level Elev. 6235	Producing Formation FRUITLAND COAL	Pool BASIN FT COAL	Dedicated Acreage: W/2 320 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 communization, 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>				
			<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <i>R. J. Sagle</i></p> <p>Printed Name <i>R. J. Sagle</i></p> <p>Position <i>OP. MGR.</i></p> <p>Company <i>McKenzie Methane</i></p> <p>Date <i>10-27-90</i></p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>Date Surveyed <i>October 15, 1990</i></p> <p>Signature &amp; Seal of Professional Surveyor <i>Edgar L. Risenhoover</i> Certificate No. <i>5979</i> Edgar L. Risenhoover, P.S.</p>	

