

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. SF-079485-A		
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 Taurus Exploration, U.S.A., Inc.		7. UNIT AGREEMENT NAME San Juan 30-4 Unit		
3. ADDRESS AND TELEPHONE NO. 2198 Bloomfield Highway; Farmington, NM 87401		8. FARM OR LEASE NAME, WELL NO. San Juan 30-4 Unit 41		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 1260' FSL, 1905' FWL At proposed prod. zone		9. API WELL NO. 30-039-25937		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Seven (7) miles NE of Gobernador, New Mexico		10. FIELD AND POOL, OR WILDCAT Blanco Mesaverde/Basin Dakota		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1260'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 18, T30N, R4W		
16. NO. OF ACRES IN LEASE 539.04		12. COUNTY OR PARISH Rio Arriba		
17. NO. OF ACRES ASSIGNED TO THIS WELL 269.56		13. STATE NM		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 100'		19. PROPOSED DEPTH 8840		
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7408' GL		
22. APPROX. DATE WORK WILL START*		23. DRILLING AND CEMENTING PROGRAM		
24. 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.		25. DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"		
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15	10 3/4	32.75#	200	236 cu. ft. circulated
9 7/8	7 5/8	26.4#	4595	1890 cu. ft. circulated - 2 stages
6 3/4	5 1/2	17#	8840	538 cu. ft. intermediate

An application with the NMOCD is being submitted to dual complete selectively perforated and sand fracture the Mesaverde and Dakota formations. This gas is dedicated.

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 Production Superintendent DATE 5/14/98

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE AUG 11 1998

Application approval does not warrant or certify 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 /s/ Duane W. Spencer TITLE \_\_\_\_\_ DATE AUG 11 1998

\*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.

NMOCD

1. The first part of the document is a list of the names of the persons who have been appointed to the various positions of the Board of Directors of the company. The names are listed in alphabetical order.

2. The second part of the document is a list of the names of the persons who have been appointed to the various positions of the Board of Directors of the company. The names are listed in alphabetical order.



APD  
NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

June 30, 1998

Taurus Exploration U.S.A., Inc.  
2198 Bloomfield Highway  
Farmington, New Mexico 87401  
Attention: Richard P. Corcoran

RECEIVED  
JUL 1 1998  
OIL CONSERVATION DIVISION

Administrative Order NSL-4083

Dear Mr. Corcoran:

Reference is made to your applications dated May 29, 1998 for an exception to the well location requirements provided within the "Special Rules and Regulations for the Blanco-Mesaverde Pool/Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987, for Taurus Exploration U.S.A., Inc.'s ("Taurus") proposed: (i) San Juan "30-4" Unit Well No. 41 to be drilled at an unorthodox gas well location 1260 feet from the South line and 1905 feet from the West line (Unit O) of Section 18, Township 30 North, Range 4 West, NMPM, Rio Arriba County, New Mexico; and, (ii) San Juan "30-4" Unit Well No. 41-M to be drilled at an unorthodox infill gas well location 807 feet from the South line and 692 feet from the East line (Unit P) of Section 18.

Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 18, being a standard 269.56-acre gas spacing and proration unit for both the Basin Dakota and Blanco-Mesaverde Pools, is to be dedicated to the proposed wells.

The application has been duly filed under the provisions of Rules 104.F and 605.B of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox Basin-Dakota/Blanco-Mesaverde gas well locations for both the San Juan "30-4" Unit Well No. 41 and 41-M are hereby approved.

Further, both wells and both spacing units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec  
U. S. Bureau of Land Management - Farmington

GENERAL SERVICES	
ADM 1	mch
NATURAL RESOURCES	
SOIL CONSERVATION	
PLANNING	2
STATE POLICE	
ALL FIELD OFFICES	
LAND RECORDS	
ENVIRONMENT	
FILES	

District I  
170 Box 1980, Hobbs, NM 88241-1980  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102

Revised October 18, 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

<sup>1</sup> API Number 30-039-25931	<sup>2</sup> Pool Code 723/9/71599	<sup>3</sup> Pool Name Blanco Mesaverde/Basin Dakota
<sup>4</sup> Property Code 21977	<sup>5</sup> Property Name SAN JUAN 30-4 UNIT	<sup>6</sup> Well Number 41
<sup>7</sup> OGRID No. 162928	<sup>8</sup> Operator Name TAURUS EXPLORATION U.S.A., INC.	<sup>9</sup> Elevation 7408

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	18	30N	4W		1260	SOUTH	1905	WEST	RIO ARriba

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 269.56/269.56	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

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

<sup>16</sup> LOT 1 R. 5 W. LOT 2 R. 4 W. SOUTH 5280.0 LOT 3 LOT 4 1905' 1260' WEST 4448.40	WEST 4445.76	<div>RECEIVED OIL CONSERVATION DIVISION NOV 19 1998</div>	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature Gary W. Brink Printed Name Production Superintendent Title 5/14/98 Date	
			<sup>18</sup> 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 belief. 4-24-98 Date of Survey Signature and Seal of Professional Surveyer:  NEW MEXICO HENRY P. BROADHURST, JR. REGISTERED PROFESSIONAL SURVEYOR 11824	