

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. SF-078578	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> Coal Seam <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Amoco Production Company		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 2325 East 30th Street, Farmington NM 87401		8. FARM OR LEASE NAME Florance Gas Com A	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FNL x 1710' FEL At proposed prod. zone Same		9. WELL NO. 1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 31 miles northeast of Bloomfield NM		10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal Gas	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 1710'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SWNE Sec 22 T30N, R8W	
16. NO. OF ACRES IN LEASE 1,211.81		12. COUNTY OR PARISH San Juan	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320 E/2		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. See attached plan 3236'		19. PROPOSED DEPTH 3236'	
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START* As soon as permit had	
22. ELEVATIONS (Show whether DF, RT, GR, etc.) 6021' GR		23. DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS" PROPOSED CASING AND CEMENTING PROGRAM	
This action is subject to permit had procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.			
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12-1/4"	9-5/8"	36# K55	250'
8-3/4"	7"	20# K55	2791'
6-1/4"	5-1/2"	23# P110	2976'
			200 cf Class B
			785 cf Class B

Notice of Staking submitted 04/07/89.

Lease description:

T30N-R8W, NMMP  
Sec. 10: S/2 SE/4  
Sec. 15: SW/4  
Sec. 17: NE/4  
Sec. 20: Lots 1,3,4,5,6,11,12  
Sec. 21: E/2  
Sec. 22: NE/4, W/2 SE/4

RECEIVED  
JUL 17 1989  
OIL CON. DIV.  
DIST. 3

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>J. J. Hampton</u> TITLE <u>Admin. Supv.</u> 5/12/89	
(This space for Federal or State office use)	
PERMIT NO. _____	APPROVAL DATE _____
APPROVED BY <u>OK</u> TITLE _____	
CONDITIONS OF APPROVAL, IF ANY:	
APPROVED AS AMENDED JUL 12 1989 AREA MANAGER	

NMOCD

\*See Instructions On Reverse Side

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

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

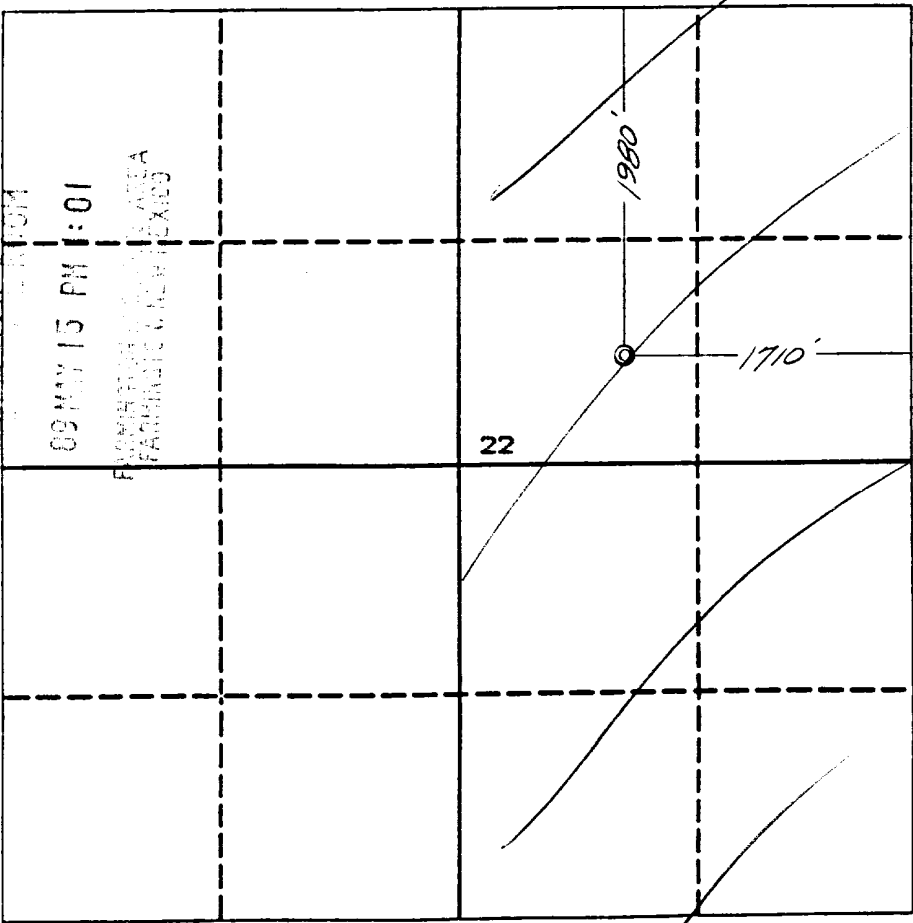
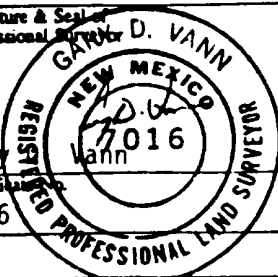
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

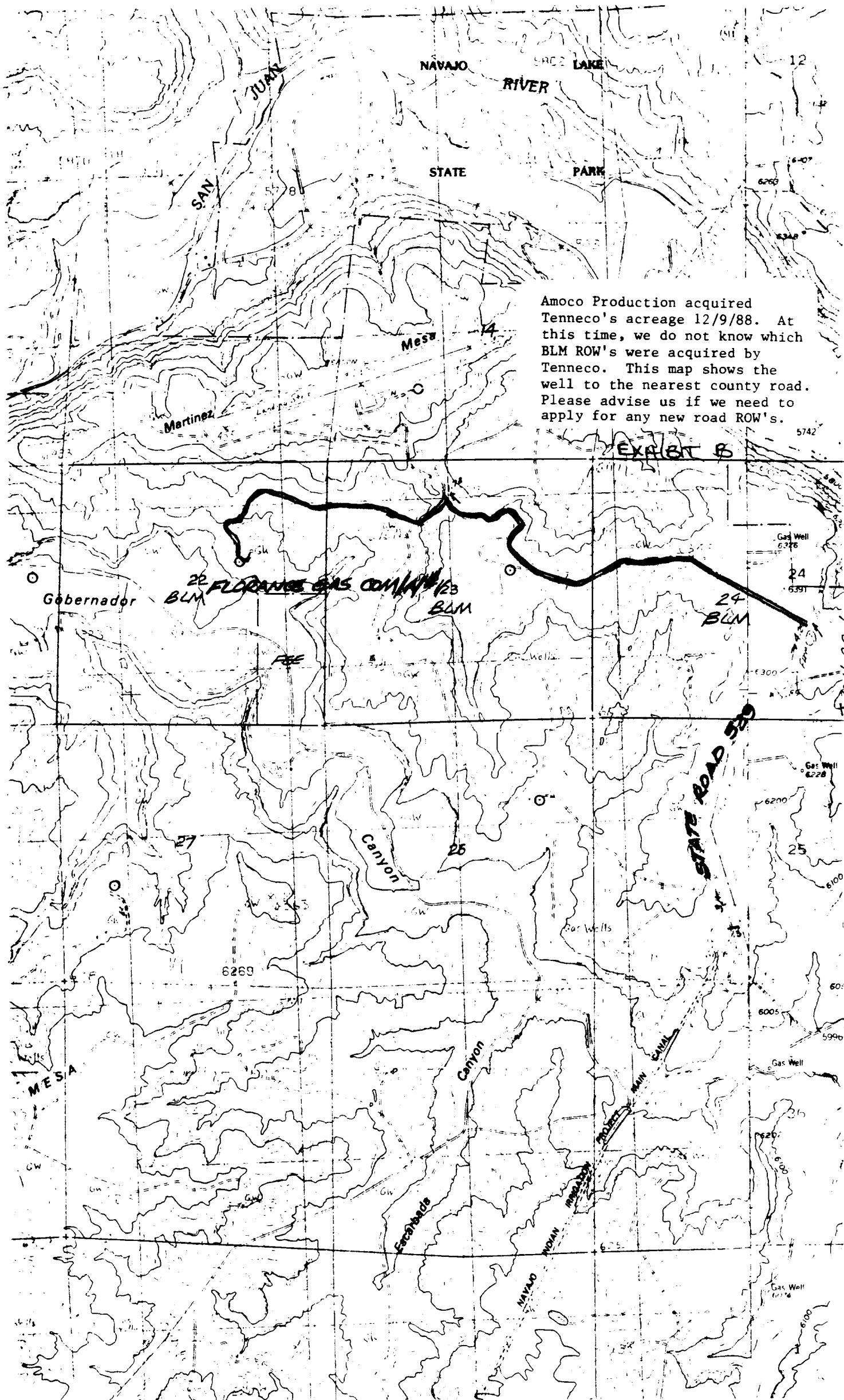
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

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 <b>AMOCO PRODUCTION COMPANY</b>			Lease <b>FLORANCE GAS COM /A/</b>		Well No. <b># 1</b>
Unit Letter <b>G</b>	Section <b>22</b>	Township <b>30 NORTH</b>	Range <b>B WEST</b>	County <b>SAN JUAN</b>	
Actual Footage Location of Well: <b>1980</b> feet from the <b>NORTH</b> line and <b>1710</b> feet from the <b>EAST</b> line					
Ground level Elev. <b>6021</b>	Producing Formation <b>Fruitland</b>		Pool <b>Basin Fruitland Coal Gas</b>		Dedicated Acreage: <b>320 E/2 Acres</b>
<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 communitization, 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 communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>					
			<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.		
			Signature <i>K.K. Stratton</i>		
			Printed Name <b>K. K. Stratton</b>		
			Position <b>Admin. Supv.</b>		
Company <b>Amoco Production</b>			Date <b>4/7/89</b>		
			<b>SURVEYOR CERTIFICATION</b> 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 <b>April 5, 1989</b>		
			Signature & Seal of Professional Surveyor <b>GARY D. VANN</b>		
			Gary D. Vann 7016		



Amoco Production acquired Tenneco's acreage 12/9/88. At this time, we do not know which BLM ROW's were acquired by Tenneco. This map shows the well to the nearest county road. Please advise us if we need to apply for any new road ROW's.

EXHIBIT B