

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

b. TYPE OF WELL

DRILL ☒

DEEPEN ☐

OIL WELL ☐

GAS WELL ☒

Other ☐

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

AMOCO PRODUCTION COMPANY

Attention:

Mary Corley

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 3092 HOUSTON, TX 77253

281-366-4491

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *)

At surface

970' FSL

945' FWL

At proposed prod. zone

Lot 3

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

7 1/2 Miles from Farmington, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)

16. NO. OF ACRES IN LEASE

43102.47

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

1521' —

21. ELEVATIONS (Show whether DF, RT, GR., etc.)

5387' GR —

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3

and appeal pursuant to 43 CFR 3165.4.

22. APPROX. DATE WORK WILL START*

07-25-2000

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT	DENSITY (lb/gal)	YIELD (ft ³ /sk)	WATER (gal/sk)	EXCESS %
8 3/4"	J-55 ST&C 7"	23#	135'	95 SXS (113 CU.FT.) CLS B CIRC TO SURFACE	15.6	1.19	5.25	100%
6 1/4"	J-55 ST&C 4 1/2"	10.5	1521' —	120 SXS (251 CU.FT.) CLS B - LEAD 44 SXS (97 CU.FT.) CLS B - TAIL	14	2.09	6.68	70%

NOTICE OF STAKING SUBMITTED 04/28/2000

OBJECTIVE: Drill 150' into the Pictured Cliffs, set 4 1/2" Casing to TD, perf & stimulate the Fruitland Coal.

METHOD OF DRILLING: Rotary/Top Drive

DEPTH OF DRILLING: 0' - TD

LOG PROGRAM TYPE: Cased Hole (GR-CCL-TDT)

DEPTH INTERVAL: TDT - PBTD to Top of Limer GR & CCL - PBTD to 0'

MUD PROGRAM: INTERVAL

TYPE MUD

WEIGHT, #/GAL

0' - 135' (3 JTS)

Spud

8.6 - 9.2

135' - 1521'

Water/LSND

8.6 - 9.2

(1) Circulate Cement to Surface

(2) Set Casing 150' below top of Pictured Cliffs

COMPLETION: Rigless, Single Stage Hydraulic Frac

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

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

TITLE SR Business Analyst

DATE

06-22-2000

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to these rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

WAYNE TOWNSEND

TITLE

Pet. Eng.

DATE

8/16/00

*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.

NMOC

District I
PO Box 1980, Hobbs NM 88241-1980
District II
PO Drawer KK, Artesia, NM 87211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 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

¹ API Number 30-045-30290		² Pool Code 71629		³ Pool Name Basin Fruitland Coal	
⁴ Property Code 000570		⁵ Property Name Gallegos Canyon Unit			⁶ Well Number # 563
⁷ OGRID No. 000778		⁸ Operator Name AMOCO PRODUCTION COMPANY			⁹ Elevation 5387-

¹⁰ Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M (Lot 3)	26	29 N	12 W		970	SOUTH	945	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

⁷ UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320.15		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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

¹⁶ Lot 1		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Mary Corley</i> Printed Name: <i>MARY CORLEY</i> Title: <i>Sr. Business Analyst</i> Date: <i>6-22-2000</i>	
¹⁸ 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. Date of Survey: <i>April 5, 2000</i> Signature and Seal of Professional Surveyor: <i>GARY D. VANN</i> 7016 Certificate Number			

**Amoco Production Company
BOP Pressure Testing Requirements**

Well Name: Gallegos Canyon Unit 563
County: San Juan

State: New Mexico

Formation	TVD	Anticipated Bottom Hole Pressure	Maximum Anticipated Surface Pressure **
Ojo Alamo	98'		
Kirtland	248'		
Fruitland Coal	1058'		
Pictured Cliffs	1371'		

** Note: Determined using the following formula: $ABHP - (.22 * TVD) = ASP$

Requested BOP Pressure Test Exception: 750 PSI

**SAN JUAN BASIN
Fruitland Formation
Pressure Control Equipment**

Background

The objective Fruitland Coal formation maximum surface pressure is anticipated to be less than 1000 PSI, based on shut-in surface pressures from adjacent wells. Pressure control equipment working pressure minimum requirements are therefore 2000 PSI. Equipment to be used will conform to API RP-53 (Figure 2.C.2) for a 2000 PSI system per Federal Onshore Order No. 2. Due to available conventional equipment within the area, 3000 PSI rated pressure control equipment will typically be utilized in a double ram type arrangement. Regional drilling rights to be utilized have substructure height limitations which exclude the use of annular preventers; therefore a rotating head will be installed above these rams. This pressure control equipment will be utilized for conventional drilling below conductor to total depth. No abnormal temperature, pressure, or Hydrogen Sulfide gas is anticipated.

Equipment Specification

Interval

BOP Equipment

Below conductor casing to total depth

11" nominal or 7 1/16", 3000 PSI double ram
preventer with rotating head.

All ram type preventers and related control equipment will be hydraulically tested to 250 PSI (low pressure) and 750 PSI (high pressure), upon installation, following any repairs or equipment replacements, or at 30 day intervals. Accessories to BOP equipment will include Kelly cock, upper Kelly cock with a handle available, floor safety valves and choke manifold which will also be tested to equivalent pressure at the appropriate intervals.

