

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 DENIGATION AND SERIAL NO. SF-078319, SF-07821	
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 D	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2160' FSL x 1260' FWL At proposed prod. zone Same		9. WELL NO. 1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 16 miles northeast of Aztec 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 drip unit line, if any) 1260'		11. SEC., T., R., M., OR BLK. AND SUBVET OR AREA NWSW Sec 10, T30N, R9W	
16. NO. OF ACRES IN LEASE 959.40		12. COUNTY OR PARISH San Juan	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320 W/2		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. See attached plan 3289'		19. PROPOSED DEPTH 3289'	
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START* As soon as permitted	
22. ELEVATIONS (Show whether DF, RT, GR, etc.) 6179' GR		23. PROPOSED CASING AND CEMENTING PROGRAM	
24. 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.		25. QUANTITY OF CEMENT 200 cf Class B 790 cf Class B	

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	2815'
6-1/4"	5-1/2"	23# P110	3029'

Notice of Staking submitted 04/17/89.

Lease description:

T29N-R9W, NMPM
Sec. 1: N/2 NW/4, S/2 NW/4, SW/4
Sec. 12: NE/4

T30N-R9W, NMPM
Sec. 10: SW/4
Sec. 24: E/2

RECEIVED
JUN 3 1989
OIL CON. DIV.
DIST. 3

SIGNED J. J. Hampton TITLE Admin. Supv.

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____
CONDITIONS OF APPROVAL, IF ANY:
Habitat 104 for T. J. Blomgren #15 NMOC

APPROVED
AS AMENDED

JUN 22 1989
AREA MANAGER

*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

Amoco proposes to drill the well to further develop the Fruitland Coal reservoir. The well will be drilled to the surface casing point using native mud. The well will then be drilled to the intermediate casing point with a non-dispersed mud system. The attached modified 11" 3000 psi blowout preventer will be used. Amoco will attempt to complete the Fruitland coal by drilling the interval with water and air. A service unit will probably be used to drill into the coals using the attached modified 6" 3000 psi BOP. If commercial productivity is established, then a 5-1/2" uncemented liner will be run. Amoco reserves the right to utilize a drilling rig to drill this hole section.

Quantity	Size	Weight	Description	Cementing Program
<u>SURFACE CASING</u>				
250'	9-5/8"	36#	K55 ST&C	200 cf Class B, 2% CaCl ₂ 15.6 ppg
<u>INTERMEDIATE STRING</u>				
9815'	7"	20#	K55 ST&C	790 cf Class B, 65:35:6 10% salt, .25% dispersant 13.1 ppg 118 cf Class B, 2% CaCl ₂ 15.6 ppg
<u>LINER</u>				
300'	5-1/2"	23#	P110 LT&C	None

The above casing design is based upon a 9.0#/gallon mud weight.

CONTINGENCY OPERATIONAL PLAN

In the event the well does not yield commercial volumes of gas from the open hole completion, the water filled hole will be mudded-up and weighted-up as necessary (9-11#/gal.) for hole stability and well control. The well will then be deepened approximately 250' into the Pictured Cliffs formation to provide necessary footage for a cased and cemented completion technique. The Fruitland coals will then be perforated and fracture stimulated. The Pictured Cliffs formation will be isolated with cement.

CONTINGENCY LINER

650'	4-1/2"	11.6#	K-55 LT&C	250 cf Class B
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The contingency string is based upon a 11.0#/gallon mud weight.

Evaluation:

Mud logs will be the only logs run if the well is completed as an open hole. The log surveys (FDC/GR/CAL, DIL/SP/GR, Microlog, Mudlogger) will be run only if the well is drilled into the Pictured Cliffs formation, and only if well condition is suitable to allow proper wireline log interpretation.

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

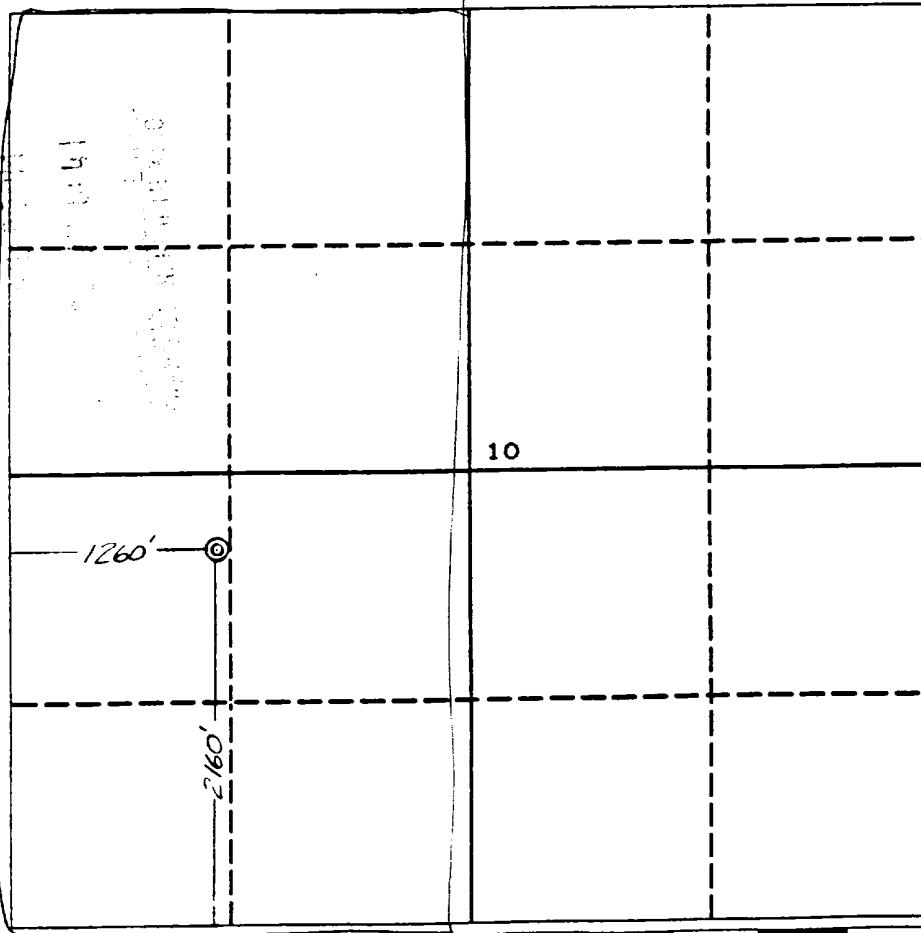
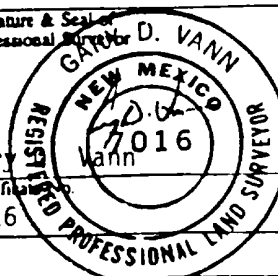
Operator AMOCO PRODUCTION COMPANY			Lease FLORANCE GAS com D		Well No. # 1
Unit Letter L	Section 10	Township 30 NORTH	Range 9 WEST	County SAN JUAN	
Actual Footage Location of Well: 2160 feet from the SOUTH line and 1260 feet from the WEST line					
Ground level Elev. 6179	Producing Formation FRUITLAND		Pool Basin Fruitland Coal Gas		Dedicated Acreage: 320 W/2 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 communitization, unitization, force-pooling, etc.? <input type="checkbox"/> Yes <input type="checkbox"/> 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.</p>					
				OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
				Signature <i>B.D. Shaw</i>	
				Printed Name B.D. Shaw	
				Position Adm. Supv	
				Company Amoco Prod.	
				Date 4-17-89	
				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 April 11, 1989	
				Signature & Seal of Professional Surveyor 	
				Gary Certified 7016	

EXHIBIT B

