

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

OIL CON. DIV
DIST. 3

API NO. (assigned by OCD on New Wells)	30-045-27583
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	Chavez Ar
8. Well No.	Ar-2 E/319.40
9. Pool name or Wildcat	Basin Fruitland Coal

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK					
1a. Type of Work:					
DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>					
b. Type of Well:					
OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>					
2. Name of Operator					
Quinoco Petroleum, INC.					
3. Address of Operator					
PO Box 378111 Denver, Colorado 80237					
4. Well Location					
Unit Letter A : 1120 Feet From The North Line and 910 Feet From The East Line					
Section 2 Township 31N Range 13W NMPM San Juan County					
10. Proposed Depth					
2290					
11. Formation					
Fruitland					
12. Rotary or C.T.					
Rotary					
13. Elevations (Show whether DF, RT, GR, etc.)					
5792 GR					
14. Kind & Status Plug. Bond					
National Blanket					
15. Drilling Contractor					
2/25/90					
16. Approx. Date Work will start					
17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4	8 5/8	28	300	210 sxs B	Surface
7 7/8	5 1/2	17	2290	200 sxs 65/35	
				142 sxs B	Surface

Quinoco Petroleum, INC. wishes to advise that we intend to drill a 12 1/4" hole with spud mud to 300' and set 8 5/8", 28.0#, K-55 ST&C casing to 300' cementing to surface with 210 sxs (248 cu ft) Class B cement with 2% CaCl2. Wait on cement 12 hours. Nipple up and test BOP. Drill 7 7/8" hole out of surface to 2290' with mud. Log well. Set 5 1/2", 17.0#, J-55 ST&C production casing to 2290' cementing to surface with 200 sxs (368 cu ft) 65/35 POZ with 6% gel and 12 1/4# gilsonite/sk, tailed by 142 sxs (168 cu ft) Class B cement with 2% CaCl2. Perforate pay section in the Fruitland Coal, acidize perforations and frac with 100,000# sand in 65,000 gal 30# cross linked gel. Clean up well and install standard production equipment. Test well to reserve pit for a period not to exceed 30 days. Connect well to a gathering system.

ALL DRILLING IS COMMENCED.
NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Robert C. Frank TITLE Agent DATE 1/25/90
TYPE OR PRINT NAME Robert C. Frank TELEPHONE NO. 505-326-1962

(This space for State Use)

APPROVED BY Ernie Rueda DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE JAN 20 1990
CONDITIONS OF APPROVAL, IF ANY:

Hold C-104 FOR CA

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

OIL CON. DIV.
DIST. 3

JAN 26 1990

Operator QUINOCO			Lease CHAVEZ A2		Well No. AE-2
Unit Letter A	Section 2	Township 31N	Range R13W	County NMPM San Juan	
Actual Footage Location of Well: 1120 feet from the North line and 910 feet from the East line					
Ground level Elev. 5792	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal		Dedicated Acreage: E/2 317.35 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

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).

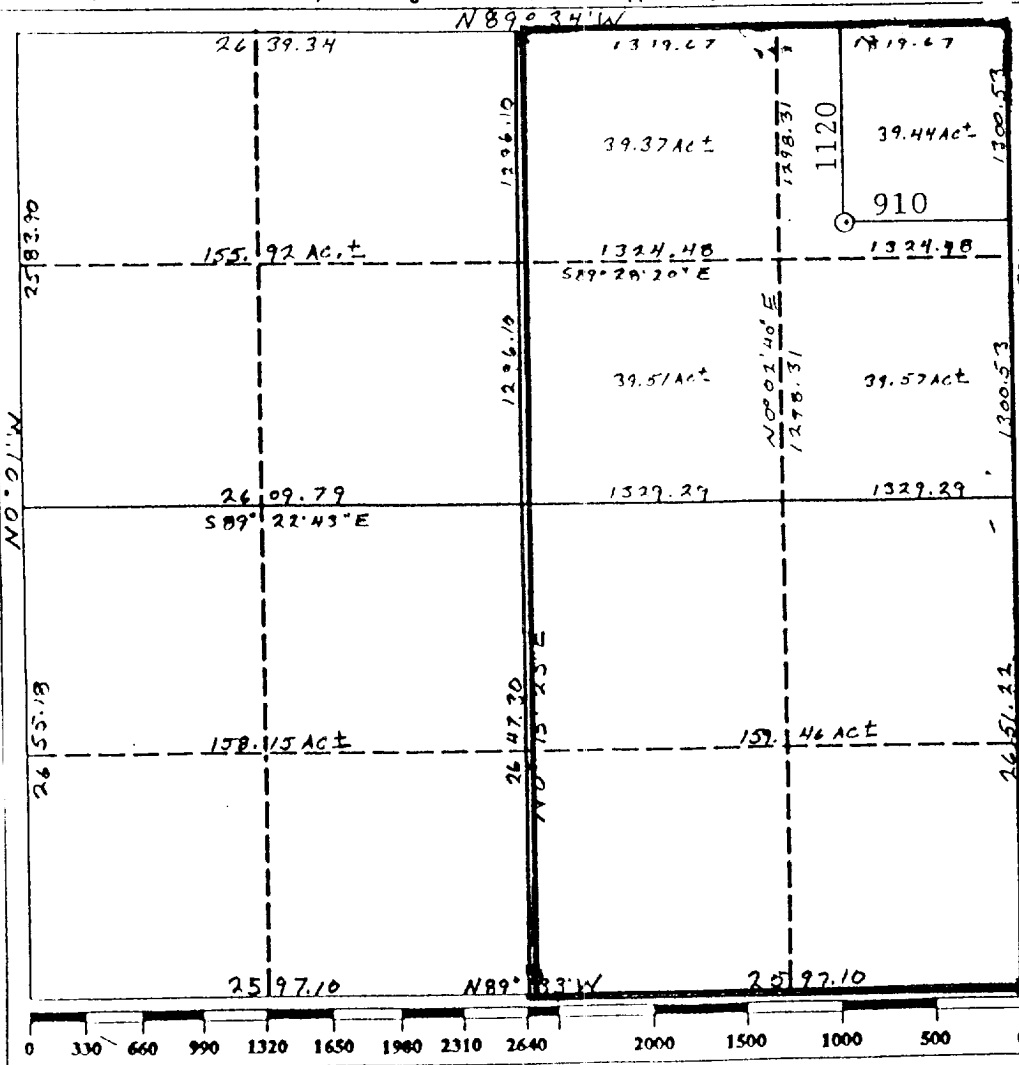
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force pooling, etc.?

☐ Yes ☒ No

If answer is "yes" type of consolidation Being Communitized

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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature Robert C. Frank

Printed Name
Robert C. Frank

Position
Agent

Company
Quinoco Petroleum, INC

Date
January 25, 1990

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

January 25, 1990

Signature & Seal

Professional Surveyor

Cecil B. Thellis

Certificate No.

9672

NEW MEXICO

REGISTERED PROFESSIONAL SURVEYOR

9672