

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. NM-10183-A
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"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
2. NAME OF OPERATOR Quinoco Petroleum, INC.			7. UNIT AGREEMENT NAME N/A
3. ADDRESS OF OPERATOR PO Box 378111 Denver, CO 80237			8. FARM OR LEASE NAME Federal 112
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 835 FSL & 1275 FWL At proposed prod. zone			9. WELL NO. M2-1
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 2 miles East of LaPlata, NM			10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coa
16. NO. OF ACRES IN LEASE 360			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA M Sec. 1-T31N-R13W
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 875'			12. COUNTY OR PARISH San Juan
20. ROTARY OR CABLE TOOLS Rotary			13. STATE NM
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5774 Gr.			22. APPROX. DATE WORK WILL START* 2/15/90

PROPOSED CASING AND CEMENTING PROGRAM				DEVELOPMENT OPERATIONS AUTHORIZED ARE SUBJECT TO QUANTITY OF CEMENT ATTACHED "GENERAL REQUIREMENTS".	
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	210 sxs C1 B	
12 1/4	8 5/8	28	300'	200 sxs 65/35 and 142	
7 7/8	5 1/2	17	2290'	sxs C1 B	

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.

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>Robert C. Frank</u> TITLE <u>Agent</u>		APPROVED <u>5/90</u> AS AMENDED
(This space for Federal or State office use)		
PERMIT TO <u>RECEIVED</u>	APPROVAL DATE <u>FEB 14 1990</u>	
APPROVED <u>FEB 20 1990</u>	TITLE <u>AREA MANAGER</u>	
CONDITIONS OF APPROVAL IF ANY		

OIL CON. DIV.
DIST. 3

*See Instructions On Reverse Side

RECEIVED
BLM MAIL ROOM

Form C-102
Revised 1-1-89

90 JAN 19 AMID: 39

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Boxos Rd., Aztec, NM 87410

All Distances must be from the outer boundaries of the section

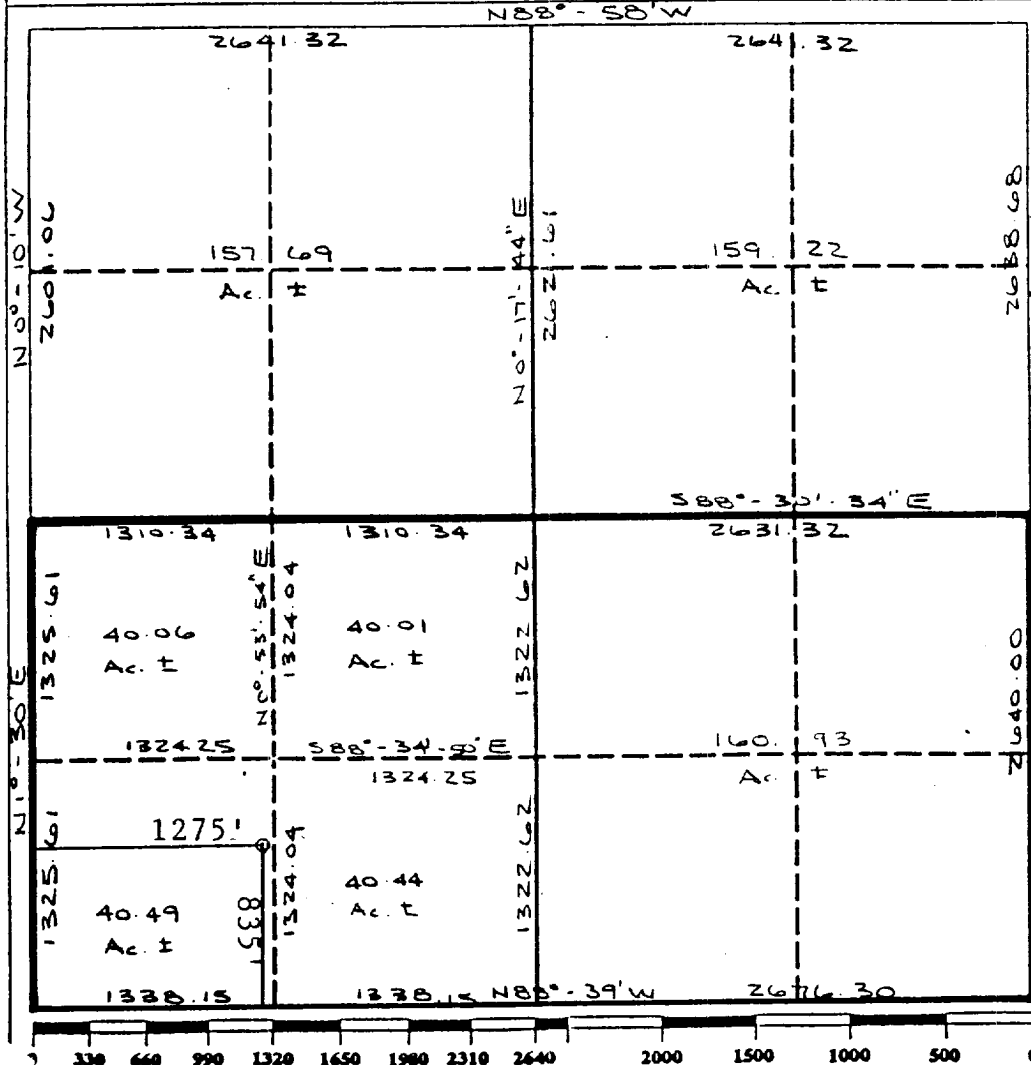
QUINOCO			Lease FEDERAL 112		Well No. M2-1
Unit Letter M	Section 1	Township 31N	Range 13W	County NMPM	SAN JUAN
Actual Footage Location of Well: 835 feet from the SOUTH line and 1275 feet from the WEST line					
Ground level Elev. 5774	Producing Formation Fruitland	Pool Basin Fruitland Coal	Dedicated Acreage: S/2 321.93 Acres 320		
<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 communization, 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 communization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>					

RECEIVED

FEB 20 1990

OIL CON. DIV. 1

DIST. 3



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
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Company	Quinoco Petroleum,
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Date: January 10, 1990

I hereby certify that the well location shown on this plat was plotted from field notes and actual surveys made by me or under supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
December 6, 1989

Signature of _____
 Position of _____
 OFFICE OF THE SECRETARY OF DEFENSE
 NEW MEXICO
 RECEIVED
 9672
 GEORGE B. TULLIS
 Certificate No. _____
 OFFICE OF THE SECRETARY OF DEFENSE
 9672