Form 3160-3 (November 1983) (formerly 9-331C)

## UNITED STATES DEPARTMENT OF THE INTERIOR

SUBMIT IN TRIPLICATE\*
(Other instructions on reverse side)

Form approved. Budget Bureau No. 1004-0136 Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT 30-145-14693 SF 078146A 6. IF INDIAN, ALLOTTEE OR TRIBE NAME OR PLUG BACK APPLICATION FOR PERMIT TO DRILL. DEEPEN. N/A 1a. TIPE OF WORK 7. UNIT AGREEMENT NAME DRILL X DEEPEN -PLUG BACK N/A b. TYPE OF WELL SINGLE ZONE MULTIPLE ZONE OIL \_\_ X 8. FARM OR LEASE NAME 13609 OTHER 2. NAME OF OPERATOR Horton Federal CB-27 Emerald Gas Operating Company 9. WELL NO. 3. ADDRESS OF OPERATOR #1 10. FIELD AND POOL, OR WILDCAT 570 Turner Drive, Unit B, Durango, CO 81301 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*) 2GBasin Fruitland Coal At surface 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA NESW, 1934' FSL & 1794' FWL At proposed prod. zone K, Sec. 27, T32N-R12W 12. COUNTY OR PARISH | 13. STATE 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\* Eight miles east-northeast of La Plata, N.M. San Juan NM NO. OF ACRES ASSIGNED 15. DISTANCE FROM PROPUSED\* 16. NO. OF ACRES IN LEASE LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT TO THIS WELL 820 320 (Also to nearest drlg. unit line, if any) 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 18. DISTANCE FROM PROPOSED LOCATIONS TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1018 2510 Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) his action is successful to technical end 22. APPROX. DATE WORK WILL START\* procedural resident purcused to 43 CFR 9188.3 December 20, 10 43 CFN 5105.4 PROPOSED CASING AND CEMENTING PROGRAM PERATORS AUTHORIZED ARE 23 QUANTITY OF CEMENT SIZE OF HOLE SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH  $12 \ \overline{1/4''}$ 300 q 5/8" 32.0 - J55200 sx Class 8 3/4" 23.0 - K552315 (128 sx lead 200 sx tail) 2315'-2510' Cavity N/A N/A Operator proposes to drill the well and complete open hole to test gas potential of the Fruitland formation coal zones. The following are attached: Exhibit 'A': Surveyors' Location and Elevation Plat Exhibit 'B': Drilling Program Exhibit 'C' 1, 2 and 3: Blowout Preventer Schematic Exhibit 'D': Surface Use Program Exhibit 'E' 1 and 2: Vicinity Map & Existing and Access Road Map Exhibit 'F': Radius Map of Field, Showing Existing Wells Exhibit 'G': Drill Pad Layout with Cut/Fill Diagram Exhibit 'H' - 1 and 2: Drilling Rig Layout and Layout of Anticipated Production Facilities Exhibit 'I': Surface Owner Damage Agreement This APD will serve as an application for a right-of-way grant to travelon BLM roads in order to access the well site. IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive sone 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 Date December 2, 1992 Manager Development SIGNED APPROVAL DATE PERMIT NO DEC<sub>1</sub> 5 1992 APPROVED BY TITLE CONDITIONS OF APPROVAL. OIL CON. DIV.

## EMERALD GAS OPERATING COMPANY

## EXHIBIT "A": SURVEYOR'S LOCATION & DEDICATION PLAT

| DISTRICT II P.O. Drawer DD, Artesia, NM 88210  |  |                                   |          |                                   |  |
|--|--|-----------------------------------|----------|-----------------------------------|--|
| DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410  WELL LOCATION AND ACREAGE DEDICATION PLAT All Distances must be from the outer boundaries of the section  |  |                                   |          |                                   |  |
| Operator   | Lease                                  |                                   |          | Well No.                          |  |
| EMERALD GAS OPERATING COMPANY  |  | HORTON FEDERAL CB-27              |          |                                   | #1   |
| Unit Letter Section Towns K 27 3   | up<br>2 North                          | Range                             |          | County                            |  |
| K 27 3 Actual Footage Location of Well:  | 12 West NMPM San                       |                                   |          | n Juan                            |  |
| 1934   |  |                                   |          |                                   |  |
| Ground level Elev. Producing Formation   | line and                               | Pool                              | iee iron | the west                          | line Dedicated Acreage:  |
| 6128 Fruitlan  | d Coals                                | Basin Fruitlan                    | nd Coal  |                                   | 320 Acres  |
| 1. Outline the acreage dedicated to the su   | bject well by colored per              |                                   |          |                                   | 7,444  |
| 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 communitization, unitization, force-pooling, etc.?  Yes No N/A 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.  |  |                                   |          |                                   |  |
| RECORD = \$89°27'00"W 2622.51  |  | S89°27'00" W 2622.5               |          |                                   |  |
|  | BRASS<br>CAP                           | 1                                 |          |                                   | OR CERTIFICATION  certify that the informatic  |
|  |  | 1                                 |          |                                   | n in true and complete to t  |
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| <b> </b>   | \ \                                    | ļ                                 |          | rinted Name                       | rd C. Boyce  |
| 8-7-7-7-7-7-7  | <u> </u>                               |                                   |          | Manage                            | of Development   |
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|  | / /                                    | !<br>!                            |          | Emeral                            | l Gas  |
| SF 078146A   | , \ jg                                 | !<br>!                            | ` اسا    | Company                           |  |
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| SF 078146A   | \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\ | ļ                                 |          | /ELG                              |  |
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|  | 27                                     | <u></u>                           |          | SURVEY                            | OR CERTIFICATION   |
| BRASS<br>CAP   | 7.                                     | i                                 |          | terebu certifi                    | that the well location sho   |
|  |  | CORFFE                            |          |                                   | as plotted from field notes  |
|  |  |                                   |          |                                   | made by me or under  |
| 1794   | N00°01' 49                             | 1                                 |          | •                                 | d that the same is true c<br>best of my knowledge c  |
| 7 179%   | ر اق                                   | 0883 5 <b>1892</b> - <sup>1</sup> | ( D      | مداله                             | • •  |
|  | / 18                                   | 1                                 |          | 11/2                              | 1/92   |
| 200  |  | ERTON ON                          | 1 1      | Date Surveyed                     | lahmasu  |
|  | 7-1                                    | 0.57.                             |          | Signature & Se                    | Johnson<br>DE. JOAN  |
| The state of the s |  | <b>6</b> 107.10                   | S S      | Professional Sy                   | The state of the s |
| 8 / / E  | \ 1                                    | j                                 | RECORD   | Signature & Se<br>Professional Su | SEW MEX CO   |
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| W.000 500 000 N  | \ \ \                                  | İ                                 |          | 1000                              | 6703   |
|  | $\sim$                                 | j                                 |          | 247                               | <del>2</del>   |
| 6M55 NB9°22'06"W   | BRASS RECOR                            | D = N89º18'00'W 2612.6            | 1   1    | Certificate No.                   | TERED LAND SUPPLY  |
|  |  |                                   |          | 6703                              | COLAND   |
| 0 330 660 990 1320 1650 1980 2   | 310 2640 200                           | 00 1500 1000 5                    | 00 0     |                                   |  |
| L  |  |                                   |          |                                   | ,  |

## EMERALD GAS OPERATING COMPANY

EXHIBIT "E-2": EXISTING ROAD AND ACCESS MAP

Horton Federal CB-27 #1 NESW, Section 27, T32N-R12W

