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LAND OFFICE	
OPERATOR	

5A. Indicate Type of Lease	
STATE <input checked="" type="checkbox"/>	FEE <input type="checkbox"/>
5. State Oil & Gas Lease No. V 2258	

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		8. Form or Lease Name State J	
2. Name of Operator BCO, INC.		9. Well No. 1	
3. Address of Operator 135 Grant, Santa Fe, N.M. 87501		10. Field and Pool, or Wildcat Undesignated Graneros to 7th/Lybrook Gallup	
4. Location of Well UNIT LETTER <u>A</u> LOCATED <u>540</u> FEET FROM THE <u>North</u> LINE AND <u>820</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>16</u> TWP. <u>23N</u> REC. <u>7W</u> NMPM		12. County Rio Arriba	
19. Proposed Depth 6620		19A. Formation Graneros /Gallup	
20. Rotary or C.T. Rotary		21. Elevations (Show whether DF, RT, etc.) 7210 GR	
21A. Kind & Status Plug. Bond \$50,000 statewide bond on file with OCD		21B. Drilling Contractor Walters Drilling Co.	
22. Approx. Date Work will start August 1, 1987			

## 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 new	23.0	200	150	Circulate
7-7/8	4-1/2 new	11.6	6620	1750	Circulate

Propose to drill 12-1/4" hole approximately 200' and run approximately 200' of 8-5/8" surface casing which will be cemented with approximately 150 sacks of cement. Will drill 7-7/8" hole to about 6620'. Intend to run Induction Electric Gamma Log and Density Neutron Log. Will cement approximately 6620' of 4-1/2" casing to surface with approximately 1750 sacks of cement. We intend to perforate and frac Graneros and Gallup formations as determined after reviewing logs. We may delay completion until Spring of 1988. It is anticipated we will request commingling of the Graneros and Gallup in accordance with Oil Conservation Commission Order 7279. Attached is a copy of a topographic map showing the approximate location of the well. Intend to request off-lease storage at the Dunn 2E location in the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 10T23NR7W. The surface of this location is owned by BCO, Inc. We request off-lease storage so that oil is stored at a greater distance from Highway 44.

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.

Signed Elizabeth B. Keeshan Title Vice President Date July 17, 1987  
(This space for State Use)

APPROVED BY Ernie Busch TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE JUL 20 1987  
CONDITIONS OF APPROVAL, IF ANY:

Hold C-104 for off lease storage approval EB

APPROVAL EXPIRES 1-20-88  
UNLESS DRILLING IS COMMENCED.  
SPUD NOTICE MUST BE SUBMITTED  
WITHIN 10 DAYS.

All distances must be from the outer boundaries of the Section.

Operator BCO, Inc.		Lease State J		Well No. 1	
Unit Letter A	Section 16	Township 23 North	Range 7 West	County Rio Arriba	
Actual Footage Location of Well: 540 feet from the North line and 820 feet from the East line					
Ground Level Elev. 7210	Producing Formation Graneros/Gallup	Pool Undesignated Graneros <del>to</del> to M Lybrook Gallup <del>Ext</del>		Dedicated Acreage: 40/40 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ 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 interests, has been approved by the Division.

Section 16

540'

820'

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JUL 20 1987  
OIL CON. DIV.  
DIST. 3

#### CERTIFICATION

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

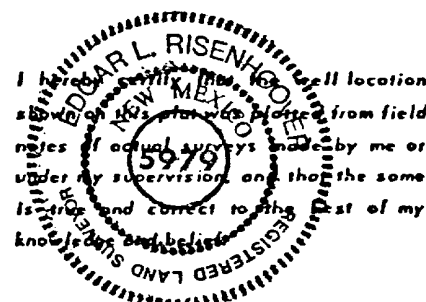
*Elizabeth B. Keeshan*

Name  
Elizabeth B. Keeshan

Position  
Vice President

Company  
BCO, Inc.

Date  
July 16, 1987



Date Surveyed  
July 9, 1987

Registered Professional Engineer  
and/or Land Surveyor

*Edgar L. Risenhoover*

Certificate No. 5979  
Edgar L. Risenhoover, L.S.

