

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"/>		5 LEASE DESIGNATION AND SERIAL NO NM-09867A	
1b TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE <input checked="" type="checkbox"/> MULTIPLE <input type="checkbox"/> WELL <input type="checkbox"/> WELL <input type="checkbox"/> ZONE <input type="checkbox"/> ZONE <input type="checkbox"/>		6 IF INDIAN, ALLOTTEE OR TRIBE NAME	
2 NAME OF OPERATOR Greystone Energy, Inc.		7 UNIT AGREEMENT NAME 25725	
3 ADDRESS OF OPERATOR c/o Walsh Engineering, 7415 E. Main Street, Farmington, NM 87402		8 FARM OR LEASE NAME Cowboy	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At Surface 970' FSL and 970' FWL (SWSW) At proposed Prod. Zone Same		9 WELL NO #1 30-045-30217	
14 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 5 miles north of Farmington, NM		10 FIELD AND POOL OR WILDCAT Basin Fruitland Coal	
15 DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drlg. unit line, if any) 970'		11 SEC. T, R, M, OR BLK AND SURVEY OR AREA M Sec. 5, T30N, R13W	
16 NO. OF ACRES IN LEASE 2276.39		12 COUNTY OR PARISH San Juan	
17 NO. OF ACRES ASSIGNED TO THIS WELL 320		13 STATE NM	
18 DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. 3500'		19 PROPOSED DEPTH 1550'	
20 ROTARY OR CABLE TOOLS Rotary		21 ELEVATIONS (Show whether DF, RT, GR, etc.) 5544' GR	
22 APPROX. DATE WORK WILL START* May 1, 2000		23. PROPOSED CASING AND CEMENTING PROGRAM	
SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH
8-3/4"	7"	20# (J-55)	120'
6-1/4"	4-1/2"	10.5# (J-55)	1550'
		QUANTITY OF CEMENT	
		30 sx (36 cu.ft.) or to surface	
		98 cu.ft. Cl "B" and 146 cu.ft. Cl "B"	

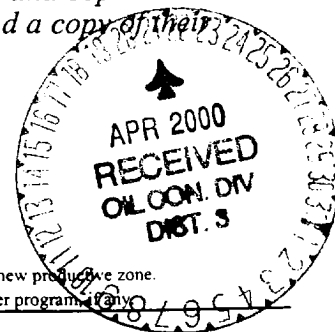
This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

Greystone Energy proposes to drill a vertical well and test the Basin Fruitland Coal pool at the above described location in accordance with the attached drilling and surface use plans.

Moore Anthropological Research has performed an archaeological survey and copies of their report will be sent directly to your office. Cimarron performed a T&E survey and a copy of their report is attached.

No new road or pipeline ROW will be required for this well.



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 Paul C. Townsend TITLE Agent DATE 2/21/00

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

CONDITIONS OF APPROVAL, IF ANY
APPROVED BY WAYNE TOWNSEND TITLE Ref. Eng DATE 4/19/00

*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 United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

AMOC

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-30217	*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 25725	*Property Name COWBOY	*Well Number 1
*OGRID No. 173252	*Operator Name GREYSTONE ENERGY CORP.	*Elevation 5544'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	5	30-N	13-W		970	SOUTH	970	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
13 Dedicated Acres 320 /			13 Joint or Infill N		14 Consolidation Code		15 Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

18

4 3 2 1

APR 2000
RECEIVED
GEOLOGICAL DIV.
DIST. 3

QTR. SEC. CORNER
FD. B.L.M.
BC. 1952

5

N 00-45-05 W
2642.57' (M)

970'

LAT = 36° 50.2' N
LONG = 108° 14.0' W

Vol. 1

970'

SEC. CORNER
FD. B.L.M.
BC. 1952

N 88-52-08 E
2609.00' (M)

QTR. SEC. CORNER
FD. PK NAIL
w/ BRASS TAG LS 5992

17 OPERATOR CERTIFICATION

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

Paul C. Thompson
Signature
Paul C. Thompson

Printed Name
Agent

Title
2/21/00

Date

18 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 belief.

1-7

Date of Survey

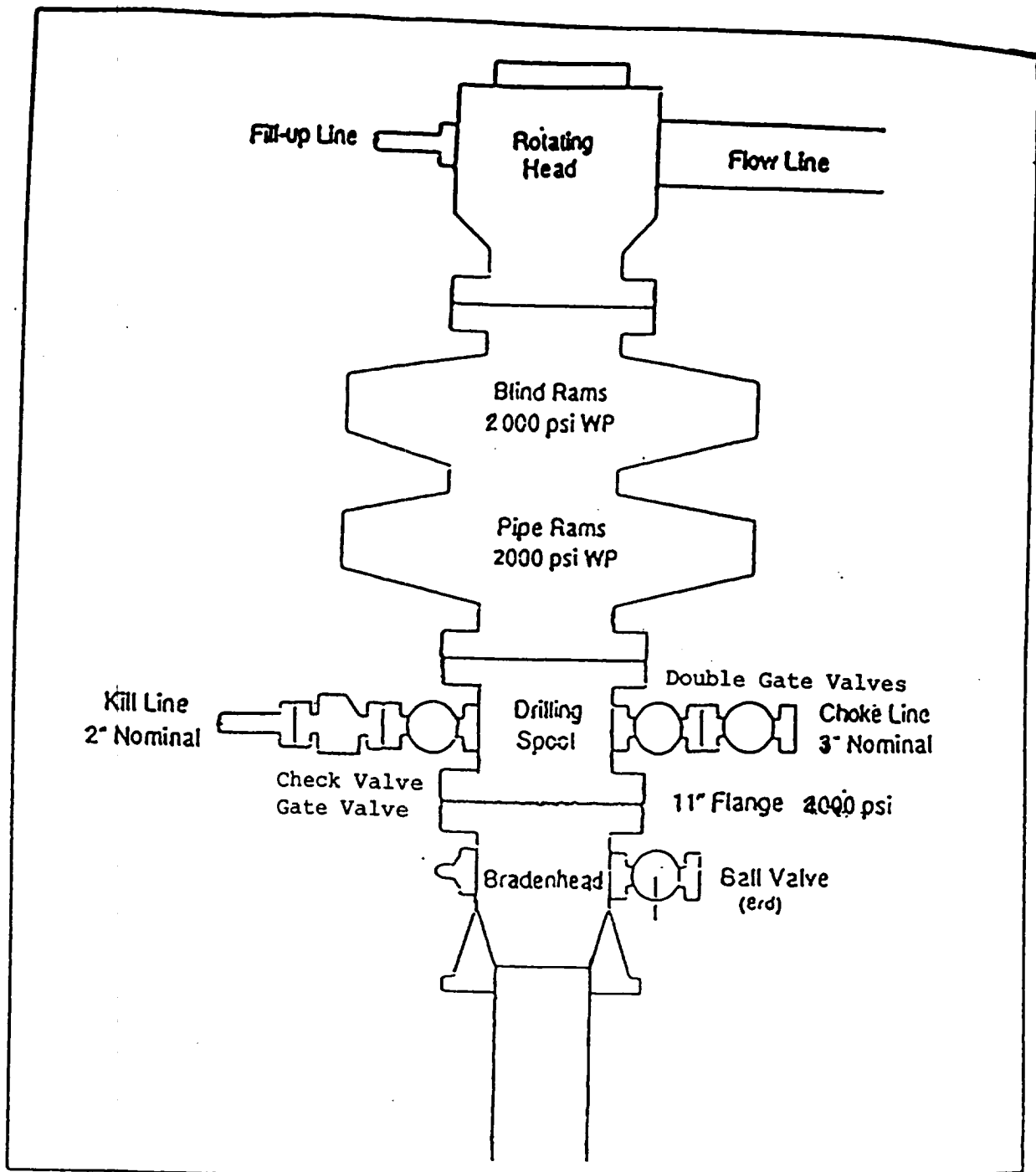
Signature and Seal of Professional Surveyor:

ROY A. ROSE
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
8894

Certificate Number

EXHIBIT 1

BOP STACK ARRANGEMENT



All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1500 psi. The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock with handle, floor safety valve with change over for each tool joint in the string, and choke manifold all rated to 2000 psi.

G. LYSTONE ENERGY CORP.

COWBOY No.1

SW/4 SEC. 5, T-30-N, R-13-W, N.M.P.M.

SAN JUAN COUNTY, NEW MEXICO

970 FSL

970 FWL

