

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

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

API NO. (assigned by OCD on New Wells) <u>30-0245-27892</u>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

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"/>			7. Lease Name or Unit Agreement Name Scott Gas Unit		
b. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER Coal Seam <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. Well No. #4 <u>5/324/44</u>		
2. Name of Operator <u>Amoco Production Co. Atten. J.L. Hampton</u>			9. Pool name or Wildcat <u>Basin Fruitland Coal Gas</u>		
3. Address of Operator <u>P.O. Box 800, Denver, CO 80201</u>					
4. Well Location Unit Letter <u>N</u> : <u>1200</u> Feet From The <u>South</u> Line and <u>1550</u> Feet From The <u>West</u> Line Section <u>29</u> Township <u>32N</u> Range <u>10W</u> NMPM <u>San Juan</u> County					
10. Proposed Depth <u>2791' TD</u>		11. Formation <u>Fruitland</u>		12. Rotary or C.T. <u>Rotary</u>	
13. Elevations (Show whether DF, RT, GR, etc.) <u>5985' GR</u>		14. Kind & Status Plug, Bond <u>State wide</u>		15. Drilling Contractor <u>unknown</u>	
16. Approx. Date Work will start <u>As soon as permitted</u>					
17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
<u>12 1/4"</u>	<u>9 5/8"</u>	<u>36#</u>	<u>250'</u>	<u>200 cf Cl.B</u>	<u>Surface</u>
<u>8 3/4"</u>	<u>7"</u>	<u>20#</u>	<u>2791'</u>	<u>781 cf Cl.B</u>	<u>Surface</u>
<u>6 1/4"</u>	<u>5 1/2"</u>	<u>23#</u>		<u>None</u>	

RECEIVED

JUN 18 1990

OIL CON. DIV.
DIST. 3

APPROVAL EXPIRES 12-18-90
UNLESS DRILLING IS COMMENCED.
SPUD 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

J.L. Hampton

TITLE

Sr. Staff Admin. Supr

DATE

6/15/90

TYPE OR PRINT NAME

J.L. Hampton

TELEPHONE NO.

(This space for State Use)

APPROVED BY

[Signature]

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. 3

DATE

JUN 18 1990

CONDITIONS OF APPROVAL, IF ANY:

Amoco proposes to drill the well to further develop the Fruitland Coal reservoir. The well will be drilled to the surface casing point using native mud. The well will then be drilled to the intermediate casing point with a non-dispersed mud system. The attached modified 12" 3000 psi blowout preventer will be used. Amoco will attempt to complete the Fruitland coal by drilling the interval with water and air. A service unit will probably be used to drill into the coals using the attached modified 6" 3000 psi BOP. If commercial productivity is established, then the well will be completed as an open hole.

SURFACE CASING

<u>Quantity</u>	<u>Size</u>	<u>Weight</u>	<u>Description</u>	<u>Cement Program</u>
250'	9 5/8"	36#	K55 ST&C	200 cf Class B, 2% CaCl ₂ 15.6 ppg

INTERMEDIATE CASING

<u>Quantity</u>	<u>Size</u>	<u>Weight</u>	<u>Description</u>	<u>Cement Program</u>
2791'	7"	20#	K55 ST&C	781 cf Class B, 65:35:5 10% salt, .25% dispersant 13.1 ppg 118 cf Class B 2% CaCl ₂ 15.6 ppg

The above casing design is based upon a 9.0#/gallon mud weight.

CONTINGENCY OPERATIONAL PLAN

In the event the well does not yield commercial volumes of gas from the open hole completion, the water filled hole will be mudded-up and weighted-up as necessary (9-11#/gal.) for hole stability and well control. The well will then be deepened approximately 200' into the Pictured Cliffs formation to provide necessary footage for a cased and cemented completion technique. The Fruitland coals will then be perforated and fracture stimulated. The Pictured Cliffs formation will be isolated with cement.

CONTINGENCY LINER

650'	4-1/2"	11.6#	K55 LT&C	250 cf Class B
------	--------	-------	----------	----------------

The contingency string is based upon an 11.0#/gallon mud weight.

EVALUATION

Mud logs will be the only logs run if the well is completed as an open hole. The log surveys (FDC/GR/CAL, Microlog, Mudlogger) will be run only if the well is drilled into the Pictured Cliffs formation, and only if well condition is suitable to allow proper wireline log interpretation.

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

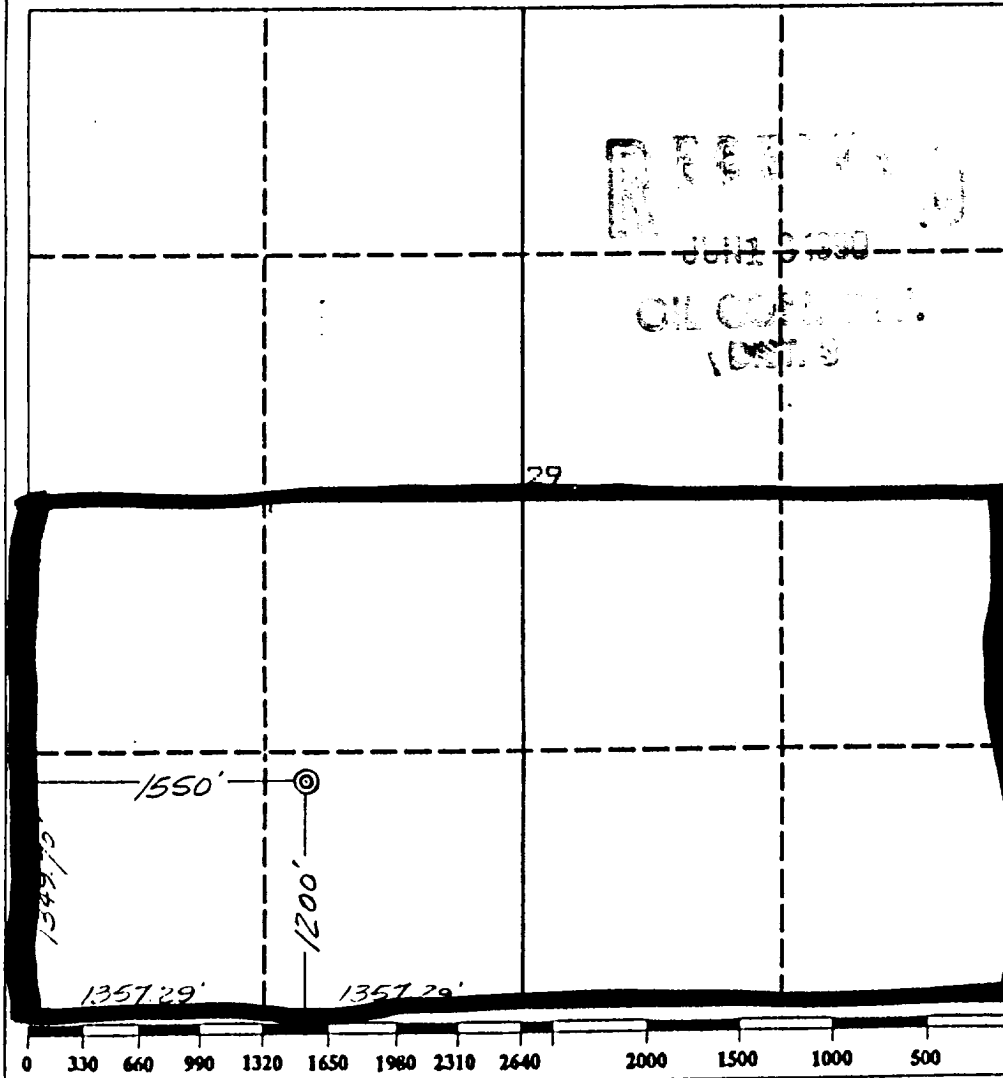
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator AMOCO PRODUCTION COMPANY			Lease SCOTT GAS UNIT		Well No. # 4
Unit Letter N	Section 29	Township 32 NORTH	Range 10 WEST	County SAN JUAN	
Actual Footage Location of Well: 1200 feet from the SOUTH line and 1550 feet from the WEST line					
Ground level Elev. 5985	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal Gas	Dedicated Acreage: 5/2 324.44 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 _____
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: J. Hampton/CB
Printed Name: J. Hampton
Position: Sr Staff Admin Supr
Company: Amoco Prod
Date: 3/13/90

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: March 9, 1990

Signature & Seal of Professional Surveyor: Gary D. Vann
Registered Professional Land Surveyor: 7016
Gary Vann
7016

SAN JAN BASIN
FRUITLAND COAL DEGASIFICATION (TOPSET WELLS)
PRESSURE CONTROL EQUIPMENT

Background

The objective Fruitland Coal formation maximum surface pressure is anticipated to be 1400 PSI, based on completion testing. Pressure control equipment working pressure minimum requirements are therefore 2000 PSI. Equipment to be used will conform to API RP-53 (Figure 2.C.2) for a 2000 PSI system per Federal Onshore Order No. 2. Due to available conventional equipment within the area, 3000 PSI rated pressure control equipment will typically be utilized in a double ram type arrangement. Regional drilling rigs to be utilized have substructure height limitations which exclude use of annular preventers; therefore a rotating head will be installed above these rams. This pressure control equipment will be utilized for conventional drilling below surface to intermediate casing point above the Fruitland Coal.

Prior to drilling below intermediate casing, a modified two (2) double ram pressure control equipment system will be installed. This system is designed for Fruitland Coal formation interval drilling with air and water. A service unit will typically be used to drill this interval, and the wellbore will be completed as an uncased open hole if commercial productivity is established. If not, the wellbore will be cased and cemented with a 4 1/2" contingency liner. Based upon maximum surface pressure criteria, 2000 PSI equipment is required. However, as stated above, 3000 PSI working pressure equipment will typically be utilized.

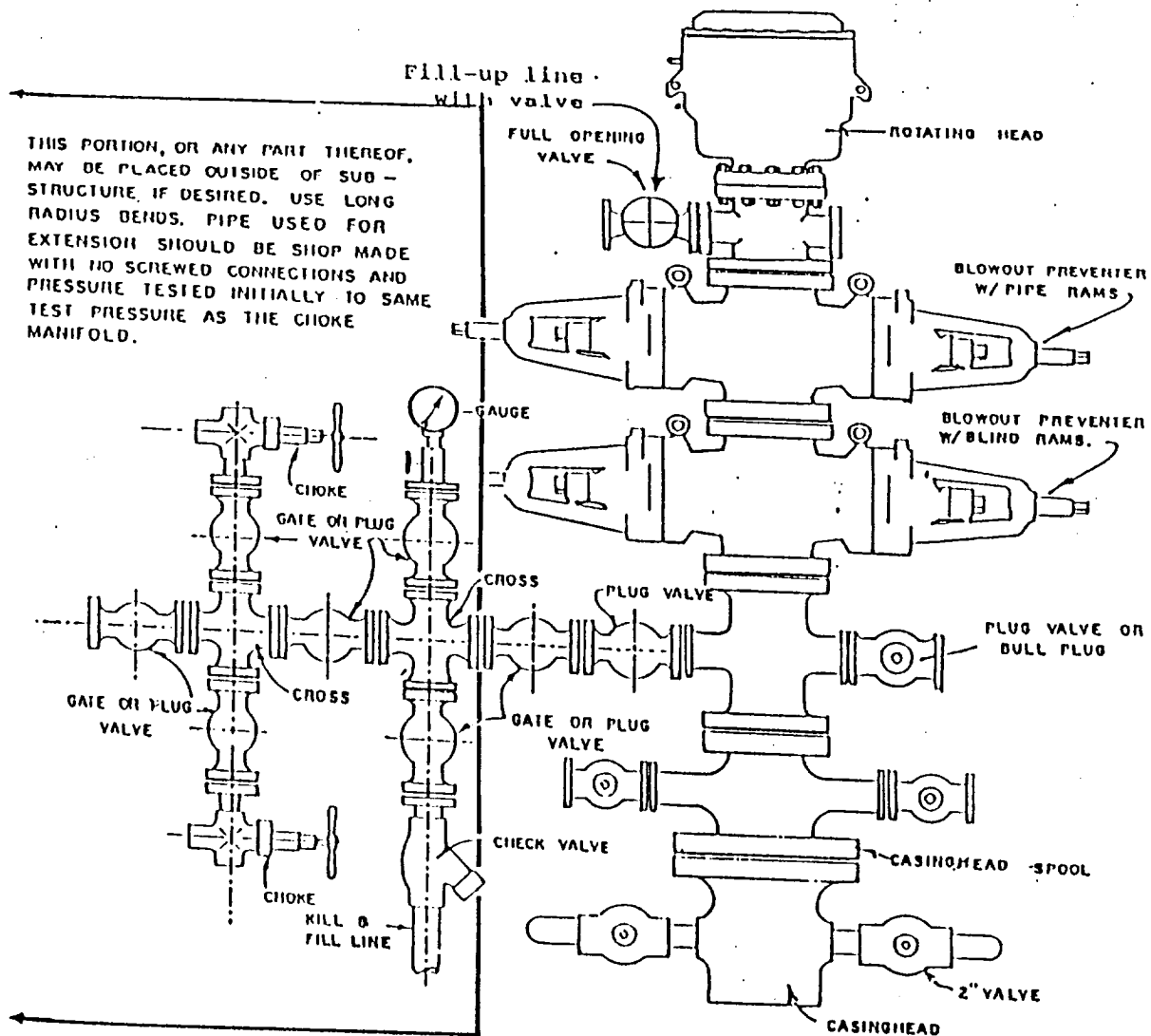
Equipment Specification

<u>Interval</u>	<u>BOP Equipment</u>
Below Surface Casing through Intermediate Casing	12" nominal, 3000 PSI double ram preventer with rotating head (see Exhibit No. 1 - BOPE)
Intermediate Casing to Total Depth	6" nominal, 3000 PSI Two (2) double ram preventers (see Exhibit No. 2 - BOPE)

All ram type preventers and related control equipment will be hydraulically tested to 250 PSI (low pressure) and 2000 PSI (high pressure), upon installation, following any repairs or equipment replacements, or at 30 day intervals. Accessories to BOP equipment will include kelly cock, floor safety valves and choke manifold which will also be tested to equivalent pressure.

Please direct any questions to George Gray at (303) 830-5190 in our Denver office.

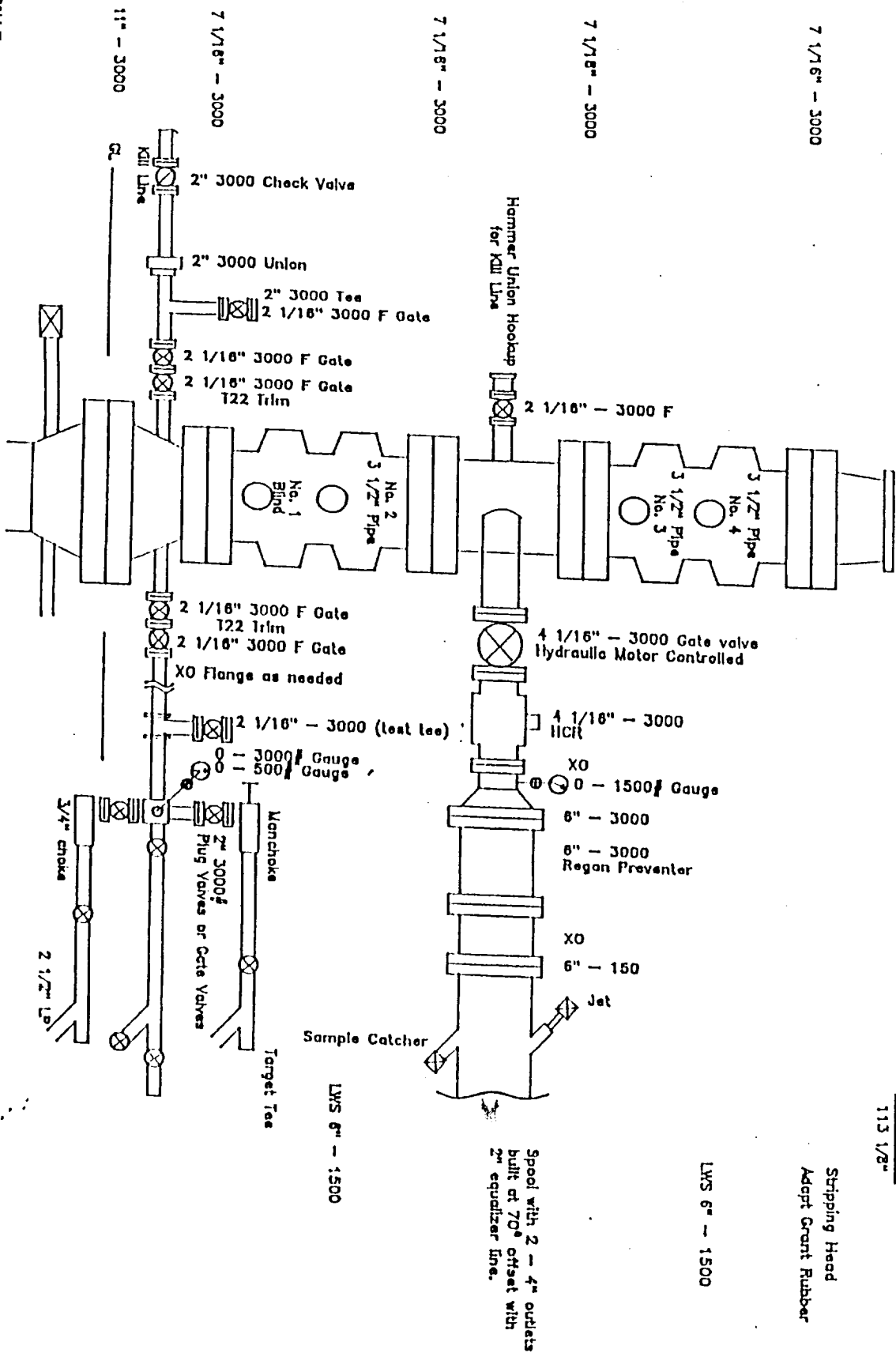
EXHIBIT NO. 1 - BOPE

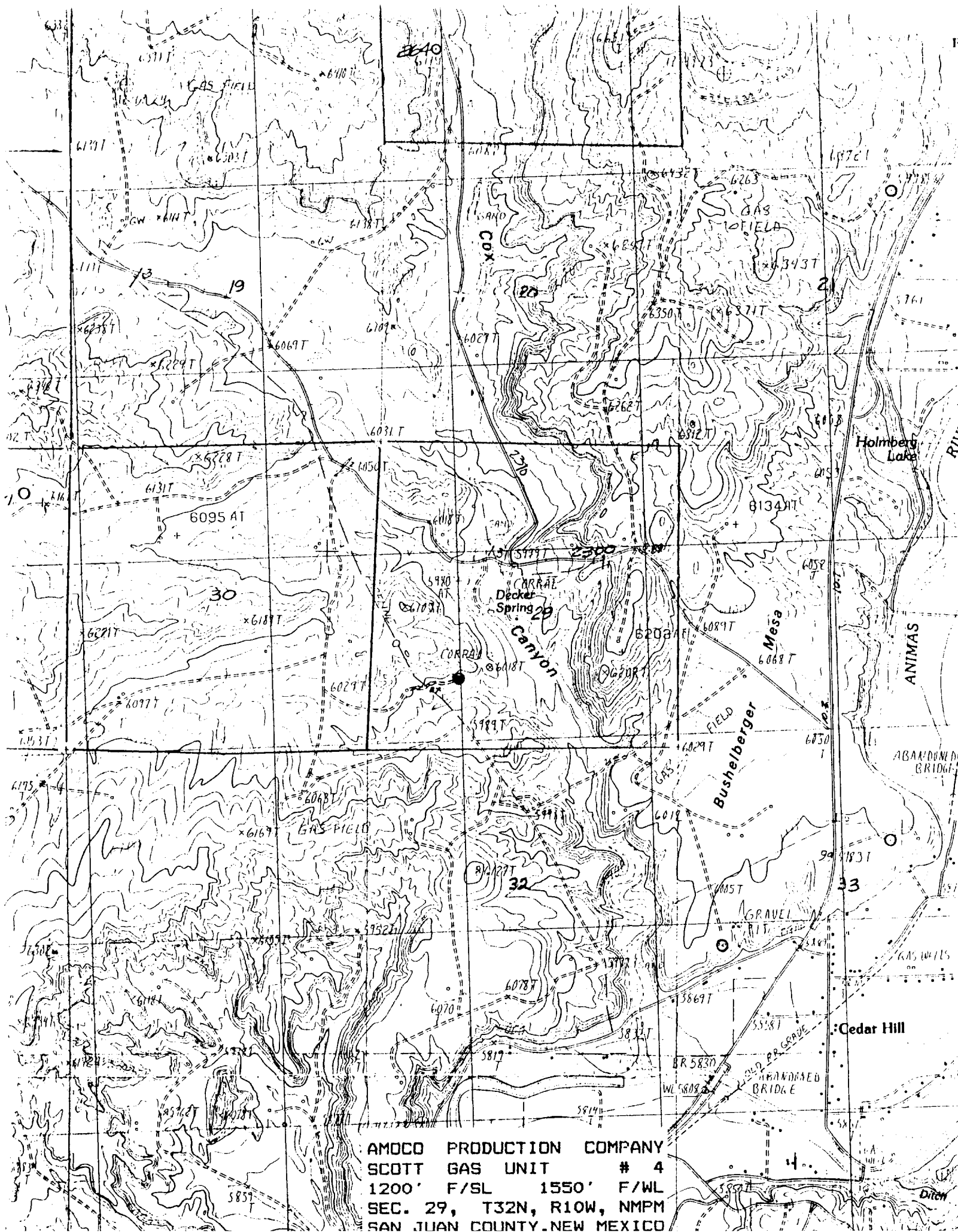


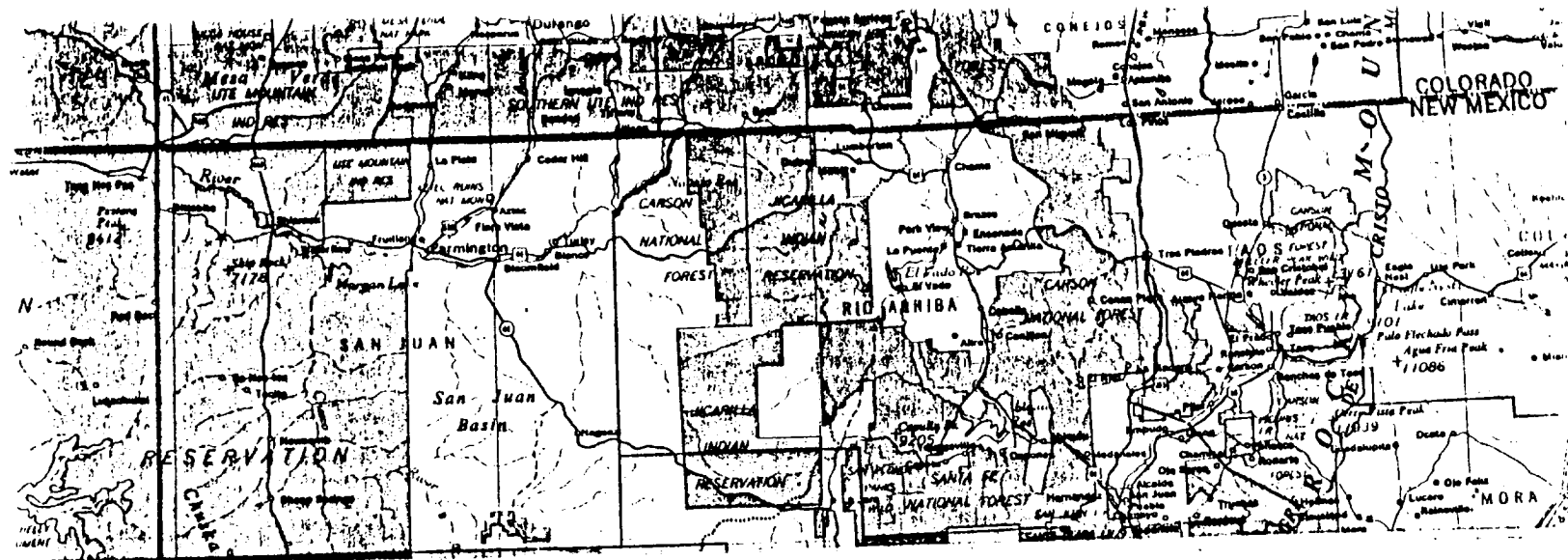
BLOWOUT PREVENTER HOOKUP

An 8 Section, 250 gal., 3000 psi accumulator will be required.
Air and electric power.

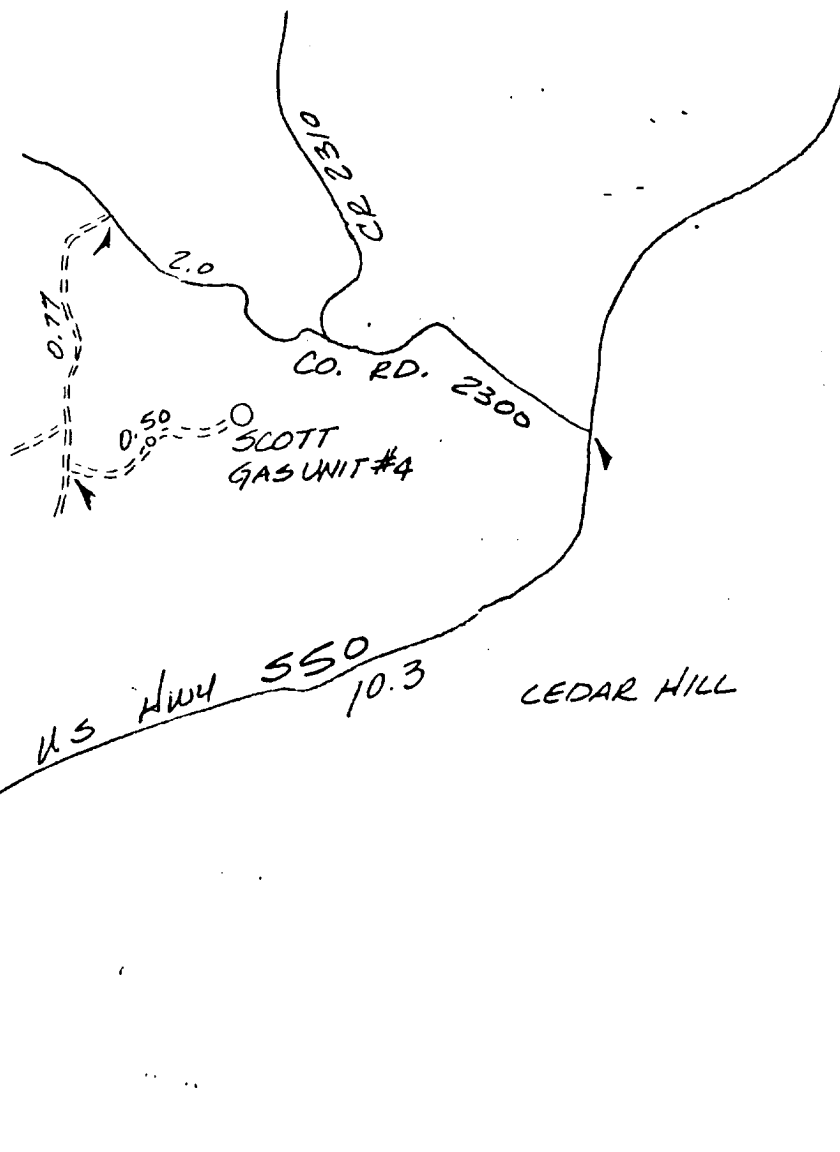
Stripping Head Adapt Grant Rubber







SCOTT GAS UNIT # 4
 1200' F/SL 1550' F/WL
 SEC. 29, T32N, R10W, NMPM
 RAIL POINT: 157 miles - Montrose, Co.
 MUD POINT: 14 miles - Aztec, NM
 CEMENT POINT: 28 miles - Farmington, NM



Operator AMOCO PRODUCTION COMPANY			Lease SCOTT GAS UNIT		Well No. # 4
Unit Letter N	Section 29	Township 32 NORTH	Range 10 WEST	County SAN JUAN	
Actual Footage Location of Well: 1200 feet from the SOUTH line and 1550 feet from the WEST line					
Ground level Elev. 5985	Producing Formation		Pool		Dedicated Acreage: Acres

