

UNITED STATES  
DEPARTMENT OF THE INTERIOR

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

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. USA SF 078463	
1b. TYPE OF WELL OIL <input type="checkbox"/> GAS <input type="checkbox"/> WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR GREYSTONE ENERGY, INC. 173252		7. UNIT AGREEMENT NAME 25128	
3. ADDRESS AND TELEPHONE NO. 5802 HIGHWAY 64, FARMINGTON, NEW MEXICO 87401		8. FARM OR LEASE NAME, WELL NO. MCLINTOCK #12	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1288' FNL AND 993' FEL - UL "A"		9. API WELL NO. 30-045-30046	
At proposed prod. zone Same (Straight Hole)		10. FIELD AND POOL, OR WILDCAT 71629 BASIN FRUITLAND COAL	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 5 MILES SOUTH OF LA PLATA POST OFFICE, NEW-MEXICO		12. COUNTY OR PARISH SAN JUAN	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 993'		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3320' NW		17. NO. OF ACRES ASSIGNED TO THIS WELL 320 - EAST 1/2	
19. PROPOSED DEPTH 2061'		20. ROTARY OR CABLE TOOLS ROTARY	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5703' GR		22. APPROX. DATE WORK WILL START* 12/01/1999	
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12-1/4"	8-5/8" J55	24#	0 - 350'
7-7/8"	5-1/2" K55	17#	0 - 2061'
QUANTITY OF CEMENT			
242 #3 CLASS G + 2% CACL 2			
450 #3 - RFC (TAIL) & G + 12% GEL (LEAD)			

1. A notice of staking form was delivered 9/3/99 to the BLM Farmington Resources Area office.
2. Greystone Energy proposes to spud this well with a 12-1/4" hole and drill to 350' where 8-5/8", 24#, J55 surface casing will be set and cemented to surface. After WOC for 12 hrs, the BOP's will be installed and tested. The 7-7/8" hole will be drilled to TD of approximately 2237' with low weight (9-10 ppg) water based mud. The well will be electric logged with a density tool and 5.50", 15.5# K55 csg. will be run to total depth and cemented from the Basin Fruitland Coal to surface with approximately 450 cf of cement. The Basin Fruitland Coal interval will then be fracture stimulated through perforations at approximately 1941 - 1956' with approximately 100,000# of 12/20 sand and swab or flow test to clean up and put on conventional beam lift with a pump, rods and pumping unit.
3. A copy of the archaeological inventory report is enclosed.
4. Attached is a plat of the proposed pipeline route and tie-in to Greystone's existing gas gathering facilities.

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

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 Kay S. Eckstein TITLE PRODUCTION ANALYST DATE 11/04/1999  
(This space for Federal or State Office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE NOV 12 1999

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 \_\_\_\_\_ TITLE \_\_\_\_\_ DATE 12/1/99

\*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.

on 7C

NMCCD

DISTRICT I  
P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 21, 1994

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

Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION

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

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

☐ AMENDED REPORT

RECEIVED  
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-30046		Pool Code 71629		Pool Name NOV 12 1999	
Property Code 25128		Property Name McCLINTOCK BUREAU OF LAND MANAGEMENT FARMINGTON FIELD OFFICE			Well Number 1
OGED No. 173252		Operator Name GREYSTONE ENERGY, INC.			Elevation 5703'

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
A	34	31-N	13-W		1288	NORTH	993	EAST	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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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

16 FD. BLM BC. 1952 N 87-40-21 W 2894.07' (M) N 87-44-00 W 2891.81' (R)	17 FD. BLM BC. 1952 N 0-19-27 E 2825.24' (M) N 0-15-09 S 2827.45' (R)	OPERATOR CERTIFICATION	
		I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: Brian D. Voigt Printed Name: Brian D. Voigt Title: VP Date: 11/9/99	
18 FD. BLM BC. 1952	19 FD. BLM BC. 1952	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. Date of Survey: 9-1-99 Signature: [Signature] Certificate Number: 8894	