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to Appropriate District Office
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

DISTRICT I

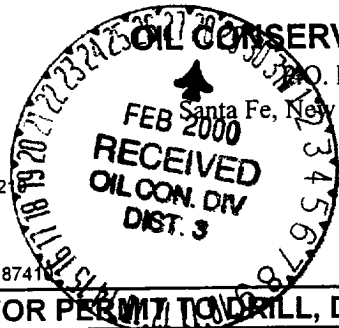
P.O. Box 1980, Hobbs, NM 88

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410



P.O. BOX 2088

Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)

30-045-30160

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL

GAS

WELL ☐

WELL ☒

OTHER: ☐

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

7. Lease Name or Unit Agreement Name

Horton

5619

2. Name of Operator

Hallador Petroleum, LLP

303/839-5506

012672

8. Well No.

#2-B

3. Address of Operator

1660 Lincoln Street, Suite 2700 Denver, CO 80264

9. Pool Name or Wildcat

Blanco Mesaverde Pool

4. Well Location

Unit Letter

G

: 2215

Feet From The

North

Line and

1640

Feet From The

East

Line

Section

22

Township

32N

Range

11W

,NMPM,

San Juan

County

16. Proposed Depth

5797'

11. Formation

Mesa Verde

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DR, RT, GR, etc.)

6396' GR

14. or Dry Gas

\$50,000 Blanket

15. Drilling Contractor

Key Energy Services

16. Approx. Date Work Will Start

March 15, 2000

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	9-5/8"	36#	200'	90	Surface
8-3/4"	7"	20#	3385'	440	Surface
6-1/8"	4-1/2"	11.6#	5797'	300	3129'

Hallador Petroleum, LLP proposes to drill a well to 5797' to test the Mesa Verde formation. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per State of New Mexico requirements.

See Drilling/Geological prognosis attached.

CONFIDENTIAL - TIGHT HOLE

See BOP Diagram, Survey Plat and Wellpad diagram also attached.

cc: 1 - Hallador Petroleum - Denver, CO

1 - Directional Petroleum Corp. - Denver, CO

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

Lisa L. Smith

TITLE Agent for Hallador Petroleum

DATE 2/24/00

TYPE OR PRINT NAME

Lisa L. Smith

TELEPHONE NO. 303/857-9999

(This space for State Use)

APPROVED BY

Charlie T. Perrin

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. 3

DATE

FEB 28 2000

CONDITIONS OF APPROVAL, IF ANY:

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30045-30160		2 Pool Code		3 Pool Name Blanco Mesa Verde Pool	
4 Property Code 5619		5 Property Name HORTON			6 Well Number 2B
7 OGRID No. 012672		8 Operator Name HALLADOR PETROLEUM LLP			9 Elevation 6396'

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
G	22	32N	11W		2215'	NORTH	1640'	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

12 Dedicated Acres 320	13 Joint or Infill Infill	14 Consolidation Code	15 Order No. Communitization Agreement No. SRM-1395
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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 S89°50'W 320 Acre Spacing See List of Mineral Owners Attached 5308.38' N00°24'E S89°34'W 5072.1'		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature Lisa L. Smith Printed Name Agent for Hallador Petroleum Title Date 2/24/00	
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. Date of Survey 12/20/99 Signature and Seal of Professional Surveyer: HENRY P. BROADHURST, JR. NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR			

Horton #2B**E/2 Section 22-32N-11W****Owner**

Universal Resources Corporation	0.250000000
Walter K. Arbuckle Trust	0.098894000
Cynthia Calvin	0.012500000
Edward Calvin	0.012500000
John Calvin	0.012500000
Crady Davis Corp.	0.098894000
DMA Colorado Company	0.065324000
Hallador Petroleum, LLP	0.059513000
Patricia Lauder milk	0.003058000
Laurel Hill Trust	0.190036000
Holmes P. McLish	0.037500000
Elliott A. Riggs	0.003058000
The Salvation Army	0.042188000
Raymond Stone	0.003058000
William R. Thurston Trust	0.098894000
Anna Venen	0.003058000
WBA Colorado Company	0.009025000
Total	1.000000000

Overriding Royalty Interests

Susan D. Horton	0.000578130
Sarah S. Mims Revocable Trust	0.000289060
Henrietta Schultz, Indiv. & Exec. of the Estate of Frank Schultz	0.004166750
Union Oil of California	0.011562500
Robert Beamon	0.000312450
Harriet M. Buchenau	0.000289060
Paul B. Horton	0.000578130
Cross Timbers Oil Company	0.018750000
Betsy Bryant	0.000192710
Susan H. Ritter	0.000192710
Mitzi Easley	0.000192710
Gloria Wynne Lankford	0.000312500
Moore Loyal Trust	0.012499990
Warren American Oil Company	0.002083250
Estate of Pattie A. B. Lundell	0.000312550
Total	0.052312500

Royalty Interests

USA SF-078039B	0.062500000
Roy M. Brown	0.062500000
Total	0.125000000

Revised Drilling and Geological Prognosis

Horton #2B
Blanco-Mesaverde Pool
San Juan County, New Mexico

Operator
Hallador Petroleum, LLP

Location
2215 feet fnl, 1640 feet fel, SW NE Section 22, T32N, R11W

Objectives
Mesaverde including Cliff House Sandstone, Menefee Formation and Point Lookout Sandstone

Open-Hole Logging Suite
200' to 3385' - Induction log/GR/SP, Density, Neutron
3385' to 5797' - Induction log/GR/SP, Density, Neutron

Cased-Hole Logging Suite
3385' to 5797' - Cement Bond Log

Casing Points
200' - Conductor - about 200 feet below ground surface
3385' - Intermediate casing - about 100 feet below top of Lewis
5797' - Production liner - about 50 feet below top of Mancos

Total Depth
5797' - about 50 feet below top of Mancos

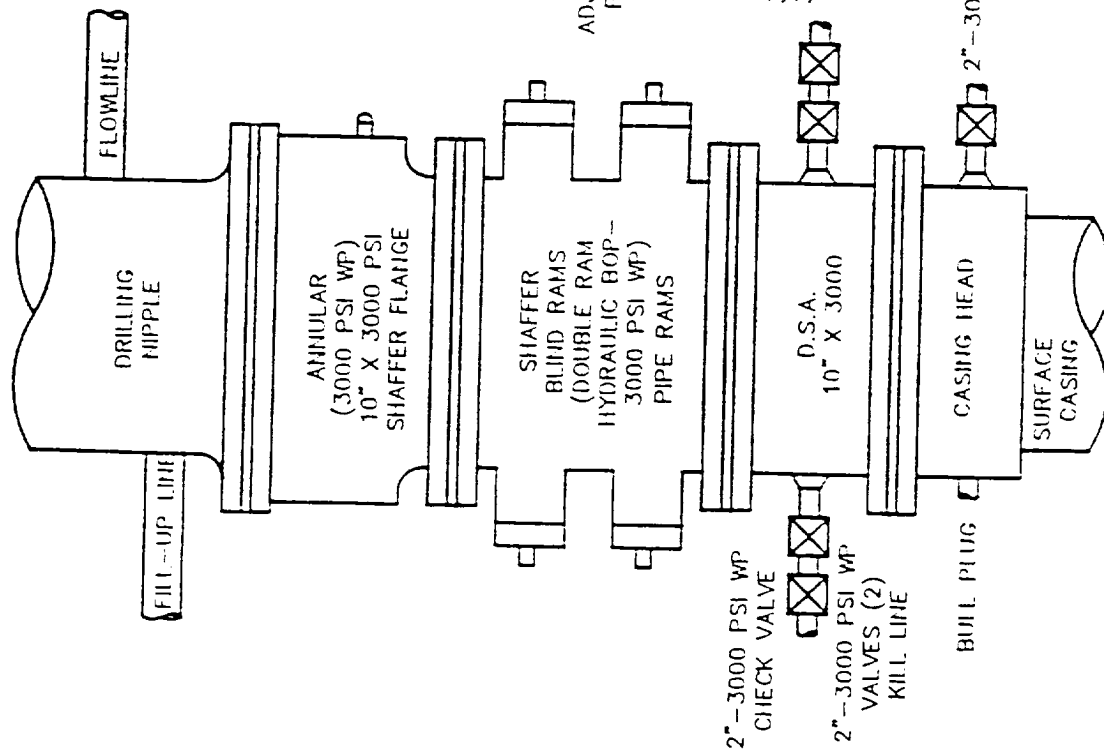
Type Log
Horton #2A is on strike with the proposed well

Estimated Ground Surface Elevation
6396

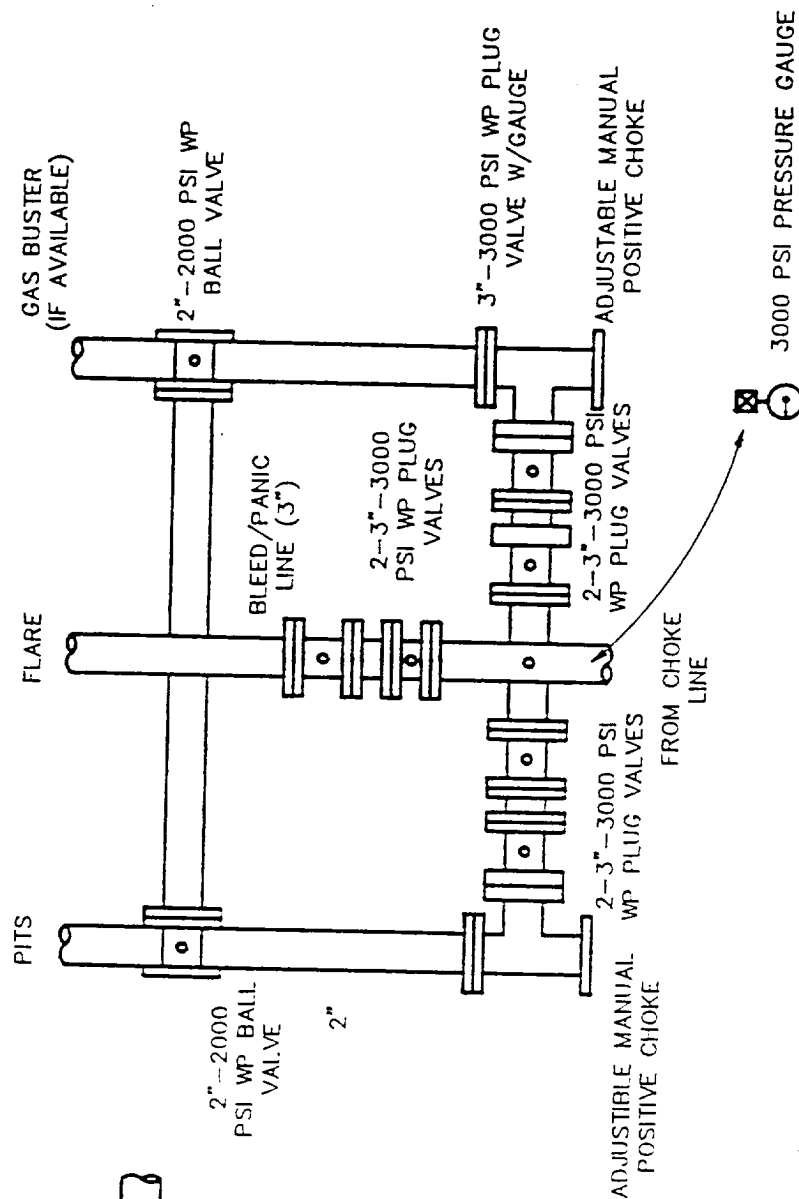
Estimated KB Elevation
6408

<u>Formation Tops</u>	<u>Depth (ft)</u>	<u>Subsea Elevation (ft)</u>
Pictured Cliffs	3135	3273
Lewis	3285	3123
Mesaverde Transition	4663	1745
Cliff House	4814	1594
Menefee	5057	1351
Point Lookout	5405	1003
Mancos	5747	661

BOP SCHEMATIC 3000 PSI WORKING PRESSURE

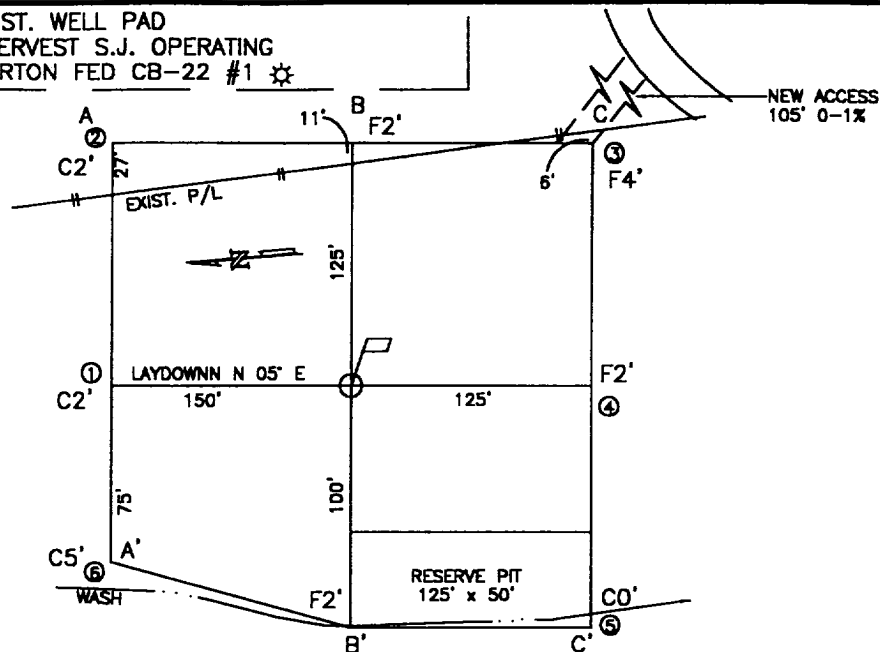


PLAN VIEW CHOKE MANIFOLD



THE HYDRAULIC CLOSING UNIT WILL BE LOCATED MORE THAN 30' FROM THE WELLHEAD. CHOKES AND BLEED/PANIC LINES WILL GO TO THE PIT AND FLARE. ALL CONNECTIONS IN CHOKES LINES AND MANIFOLD WILL BE FLANGED OR WELDED. ALL FLANGES SHOULD BE RING JOINT GASKET TYPE. ALL TURNS IN LINES SHALL BE CONSTRUCTED USING TARGETING 90° TEES OR ELBS. ALL LINES SHALL BE ANCHORED.

EXIST. WELL PAD
ENERVEST S.J. OPERATING
HORTON FED CB-22 #1



ELEVATION A-A'

C/L

6416				
6406				
6396				
6386				
6376				

B-B'

C/L

6416				
6406				
6396				
6386				
6376				

C-C'

C/L

6416				
6406				
6396				
6386				
6376				

COMPANY: HALLADOR PETROLEUM, LLP

LEASE: HORTON #2B

FOOTAGE: 2215' FNL, 1640' FEL UNIT G

SEC. 22 TWN. 32-N RNG. 11-W N.M.P.M.

COUNTY, SAN JUAN STATE, N.M.

ELEVATION: 6396

LATITUDE: 36-58-18

LONGITUDE: 107-58-24

HALLADOR PETROLEUM, LLP
DENVER, COLORADO

SURVEYED: 12/20/99

REV. DATE:

APP. BY H.B.

DRAWN BY: T.G.

DATE DRAWN: 12/30/99

FILE NAME: H000101

UNITED
FIELD SERVICES INC.

P.O. BOX 3651
FARMINGTON, NM 87499
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