

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

FORM APPROVED  
OMB 1004-0136  
Expires: February 25, 1995

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. <b>24 NMNM61</b>
1b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME <b>24 848</b>
2. NAME OF OPERATOR <b>Pendragon Energy Partners</b>		7. UNIT AGREEMENT NAME <b>Cowsaround 36#7R</b>
3. ADDRESS OF OPERATOR <b>c/o Walsh Engineering, 7415 E. Main St. Farmington, NM 87402 (505) 327-4892</b>		8. FARM OR LEASE NAME, WELL NO.
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At Surface <b>1360' FNL and 1850' FEL</b> At proposed Prod. Zone <b>Same</b>		9. API WELL NO. <b>30-045-30081</b>
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>20 miles south of Farmington, NM</b>		10. FIELD AND POOL OR WILDCAT <b>Basin Fruitland Coal</b>
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) <b>1360'</b>	16. NO. OF ACRES IN LEASE <b>640</b>	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>G Sec. 36, T26N, R12W</b>
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. <b>2500'</b>	19. PROPOSED DEPTH <b>1375</b>	12. COUNTY OR PARISH <b>San Juan</b>
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>6250' GR</b>		13. STATE <b>NM</b>
23. PROPOSED CASING AND CEMENTING PROGRAM		17. NO. OF ACRES ASSIGNED TO THIS WELL <b>320</b>
22. APPROX. DATE WORK WILL START* <b>March 2000</b>		20. ROTARY OR CABLE TOOLS <b>Rotary</b>

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7"	20#	120'	30sx (36 cu.ft.) to surface
6-1/4"	4-1/2"	10.5#	1375	59 cu.ft. Cl "B" and 227 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.

Pendragon Energy Partners proposes to drill a vertical well to develop the Basin Fruitland Coal formation at the above described location in accordance with the attached drilling and surface use plans.

No new road will be required for this well. A pipeline ROW which is 20' wide by 404' long is described on Plat #4.

The surface is Navajo Tribal Trust Lands

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

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. Thompson TITLE Paul Thompson, Agent DATE 12/9/99

(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 /s/ Charlie Beecham TITLE \_\_\_\_\_ DATE APR - 6 2000

\*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.

ch2c HOLD C104 FOR PHA TA 47  
NMOC

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer 00, Artesia, NM 88211-0719

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

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

SEP 10 PM 1:24

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-30081		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 24848	*Property Name COWSAROUND 36		*Well Number 7R
*OGRID No. 145295	*Operator Name PENDRAGON ENERGY PARTNERS		*Elevation 6250'

<sup>10</sup> Surface Location

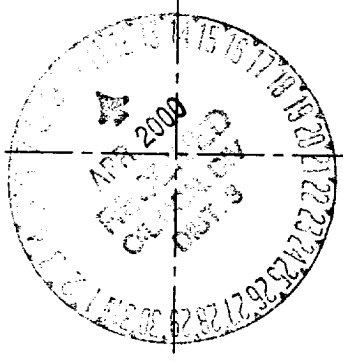

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	36	26N	12W		1360	NORTH	1850	EAST	SAN JUAN

<sup>11</sup> 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

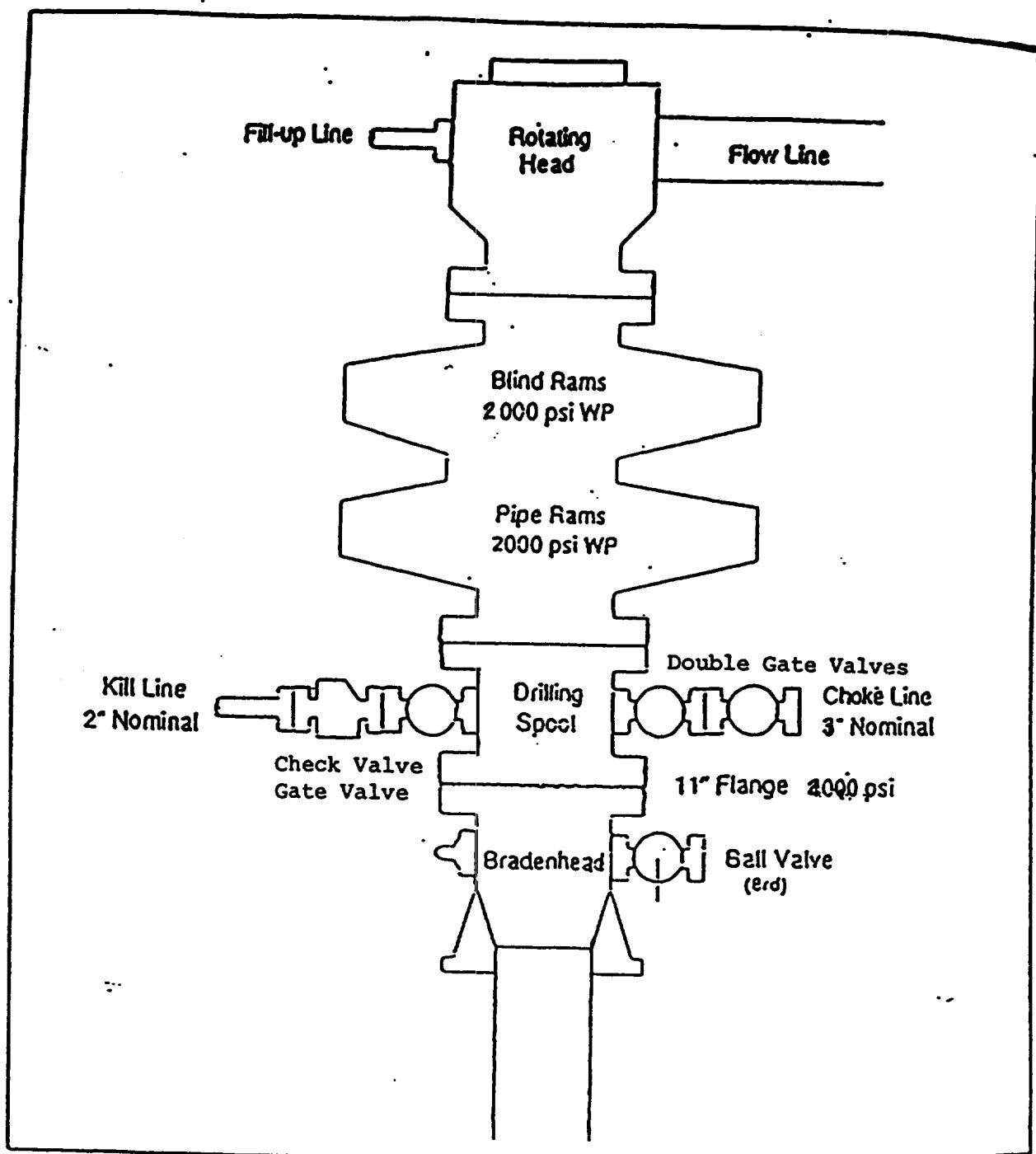
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill N	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

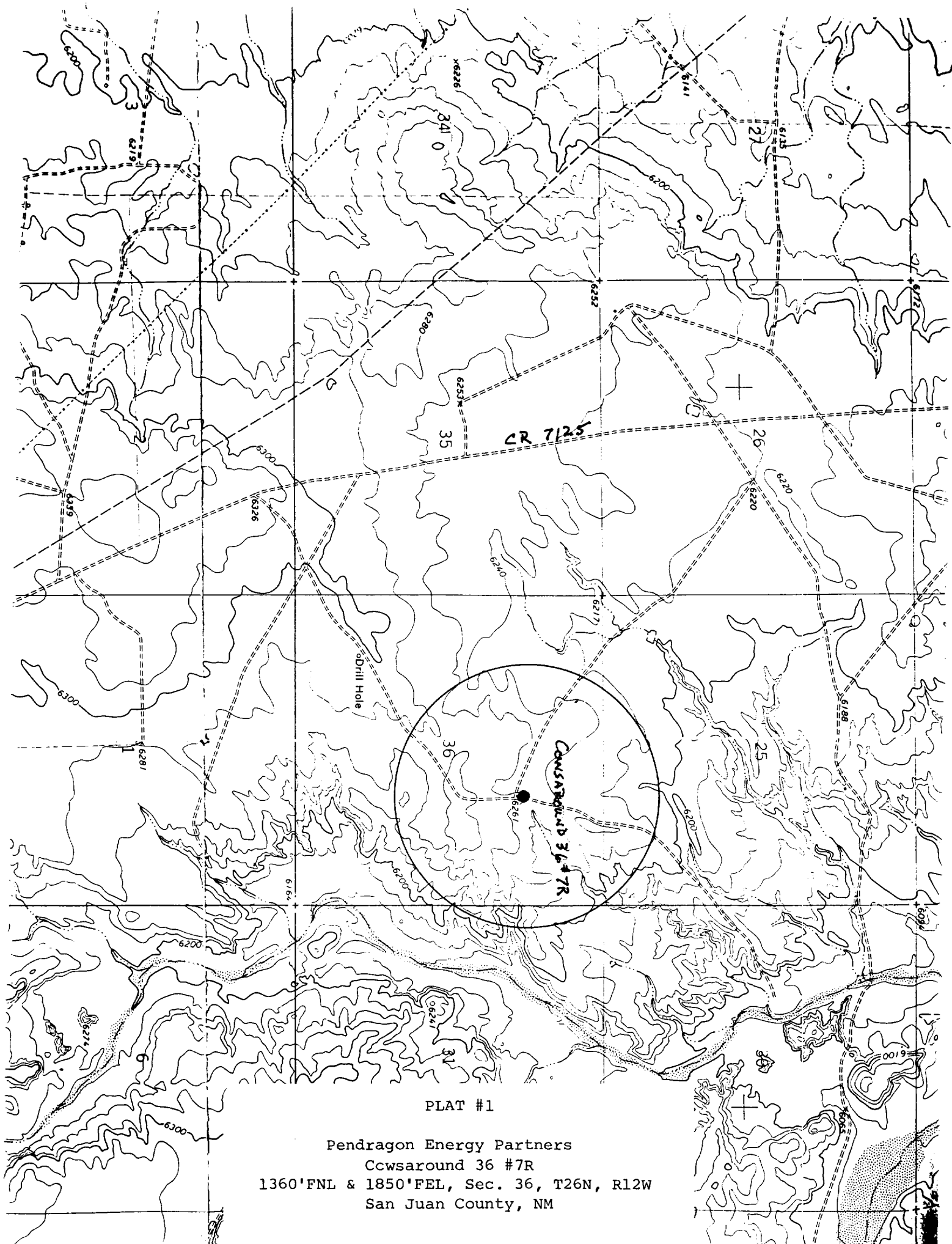
 5280.00' 36 5280.00'	5280.00' 1360' 1850'	<p><sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Paul C. Thompson</i> Signature Paul C. Thompson Printed Name Agent Title 12/9/99 Date</p>
	5280.00'	<p><sup>18</sup> 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.</p> <p>SEPTEMBER 7, 1999 Date of Survey Signature and Seal of Professional Surveyor  Certificate 6857</p>

# 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 kill cock with handle, floor safety valve with change overs for each tool joint in the string, and choke manifold all rated to 2000 psi.



PLAT #1

Pendragon Energy Partners  
Cowsaround 36 #7R  
1360'FNL & 1850'FEL, Sec. 36, T26N, R12W  
San Juan County, NM