

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
RIM

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

McKenzie Methane Corporation

3. ADDRESS OF OPERATOR

1911 Main Ave., #255, Durango, Colorado 81301

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface 1060' FNL, 1735' FEL

At proposed prod. zone
1063' 1765'
SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

11 miles east of Blanco, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any) 1060'

16. NO. OF ACRES IN LEASE

809.04

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

300'

19. PROPOSED DEPTH

3100'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

E/2 320

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

This action is subject to technical and
proper review pursuant to 42 CFR 3165.3
and appeal pursuant to 42 CFR 3165.4.

6296' GR level

22. APPROX. DATE WORK WILL START*

9-15-91

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	GENERAL QUANTITY OF CEMENT
12 1/4	8-5/8	24	250	175 sx (207 cu ft)
7-7/8	4 1/2	10.5	3100	375 sx + 150 sx (872 cu ft)

RECEIVED

SEP 18 1991

OIL CON. DIV.,
DIST. 3

"Approval of this action does
not warrant that the applicant
holds legal or equitable rights
or title to this lease."

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

R. H. H. H. H. H.

TITLE Vice President

DATE 8-15-91

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED
AS AMENDED

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

NMOOD

SEP 16 1991
AREA MANAGER

*See Instructions On Reverse Side

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

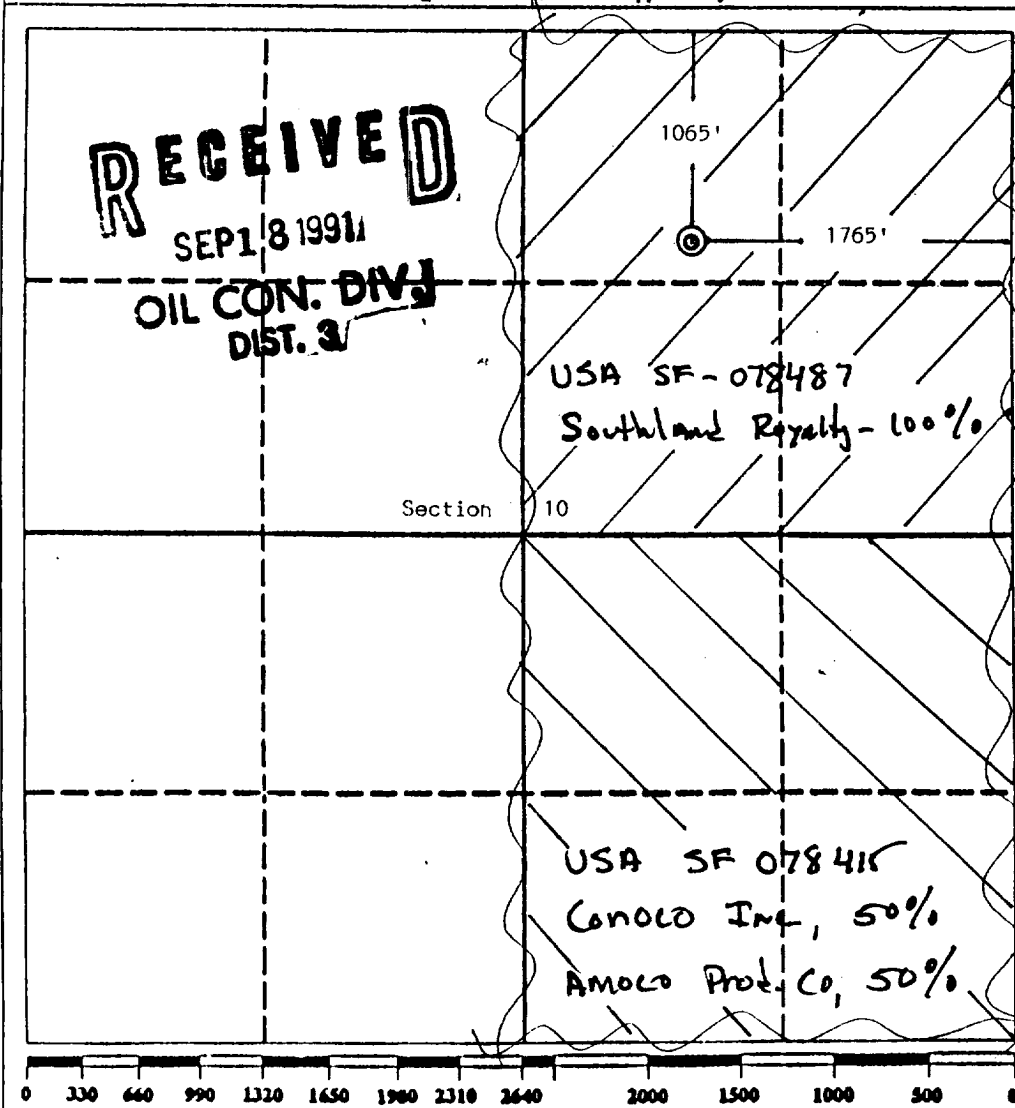
Operator McKenzie Methane Corporation			Lease Roelofs 10 B		Well No. 11
Unit Letter B	Section 10	Township 29 North	Range 8 West	County San Juan	

Actual Footage Location of Well:

1065 feet from the North line and 1765 feet from the East line

Ground level Elev. 6297	Producing Formation Basin FT Coal	Pool Basin FT COAL	Dedicated Acreage: 5/2 320 Acres
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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 communitization, unitization, force-pooling, etc?
☐ Yes ☐ No If answer is "yes" type of consolidation Communitization agreement
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 communitization, 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 <i>RJ Sale</i>
Printed Name RJ SALE
Position OP. MGR.
Company McKenzie Methane
Date 8/26/91

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 August 22, 1991
Signature & Seal of Professional Surveyor <i>Edgar B. Risenhauer</i> Certificate No. 5979 Edgar B. Risenhauer

6. Anticipated Testing and Coring Program:

No DST's or cores of the Fruitland Coals are planned. Openhole logs will include a GR, SP, High Resolution Density, and Microlog. These logs will be run from TD to the top of the Fruitland Formation. A GR-Caliper log will be run from TD to surface. A Gr/CCL/CBL will be run across the Fruitland Formation prior to completion.

Deviation surveys will be taken at least every 500' and will be reported on IADC report

7. Anticipated Abnormal Pressures, Temperatures:

No abnormal conditions are expected. Reservoir pressure in the Fruitland and PC is expected to be approximately 1000 psig.

8. Operations:

Anticipated spud date is September 15, 1991 or as soon as permits to drill are received. Estimated drilling time is 4 days with 5 days for completion.

As required, your office will be given sufficient notice of spudding and cementing operations. Immediate notice will be given in the event of blowouts, fires, spills, and accidents involving life threatening injuries or loss of life. Prior approval will be obtained before significantly changing drilling procedures or commencing plugging operations, plug back work, casing repair work or corrective cementing operations.

In case of emergency notify the following in this order:

1. Bob Sagle	303-385-4654	office
Engineer	303-259-5205	home
	303-749-0473	mobil
2. Lynn Davis	505-327-9540	home
Foreman	505-320-0434	mobil
3. Steve Jeu	713-783-4300	office
V.P.	713-266-6203	home
4. Mike McKenzie	713-783-4300	office
President		

McKenzie Methane Corporation