

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. SF-078387-A	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> Coal Seam <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Amoco Production Company		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 2325 East 30th Street, Farmington NM 87401		8. FARM OR LEASE NAME Kernaghan B	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1440' FNL x 1040' FEL At proposed prod. zone Same		9. WELL NO. 7	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 24 miles northeast of Aztec NM		10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal Gas	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 1040'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SENE Sec 30, T31N, R8W	
16. NO. OF ACRES IN LEASE 1,280 ac.		12. COUNTY OR PARISH San Juan	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320 E/2		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3628'		19. PROPOSED DEPTH See attached plan	
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START* As soon as permitted	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6541' GR		22. APPROX. DATE WORK WILL START* As soon as permitted	
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12-1/4"	9-5/8"	36# K55	250'
8-3/4"	7"	20# K55	3185'
6-1/4"	5-1/2"	23# P110	3368'

Notice of Staking was submitted 04/06/89.

This well was formerly named Kernaghan LS 1-4, 1A-4A #7

Lease description:

T31N-R8W, NMPM

Sec. 28: E/2

Sec. 29: E/2

Sec. 30: E/2

Sec. 33: W/2

RECEIVED

MAY 24 1989

OIL CON. DIV.
DIST. 3

APPROVED
AS AMENDED

MAY 18 1989

AREA MANAGER

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 J. J. Hampton TITLE Admin. Supv. DATE 5/3/89
(This space for Federal or State office use)

PERMIT Approval of this action does not warrant that the applicant holds legal or equitable right or title to this lease. APPROVAL DATE May 18 1989

APPROVED BY See Instructions On Reverse Side TITLE See Instructions On Reverse Side

or title to this lease.

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

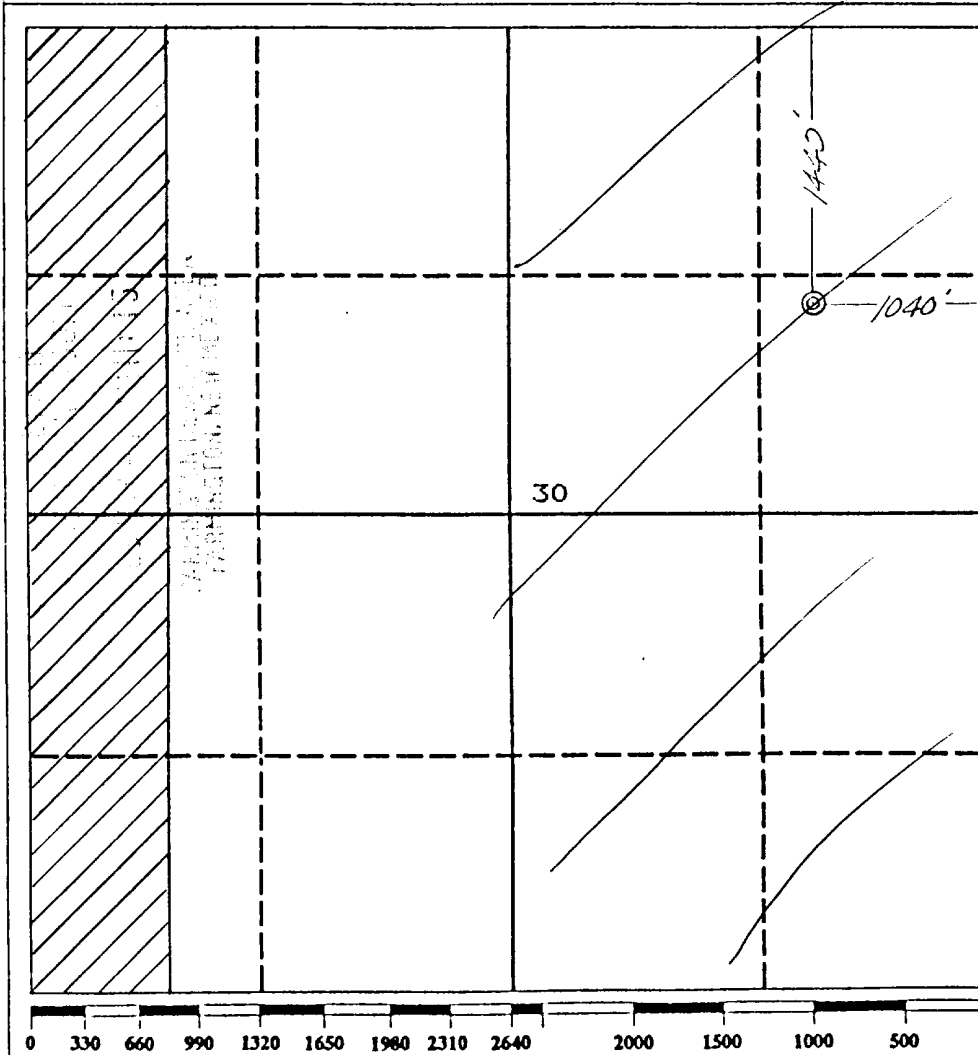
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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 KERNAGHAN B		Well No. # 7
Unit Letter H	Section 30	Township 31 NORTH	Range 8 WEST	County SAN JUAN	
Actual Footage Location of Well: 1440 feet from the NORTH line and 1040 feet from the EAST line					
Ground level Elev. 6541	Producing Formation Fruitland		Pool Basin Fruitland Coal Gas		Dedicated Acreage: 320 E/2 Acres
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>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.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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.</p>					



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

C. B. Douglas
Signature

C. B. Douglas
Printed Name

Dist. Admin. Supv.
Position

Amoco Production
Company

April 6, 1989
Date

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 31, 1989

Signature & Seal of
Professional Surveyor

Gary D. Vann
7016
Certification
7016
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR

Amoco Production acquired Tenneco's acreage 12/9/88. At this time, we do not know which BLM ROW's were acquired by Tenneco. This map shows the well to the nearest county road. Please advise us if we need to apply for any new road ROW's

PUMP

COUNTY ROAD 4600

Canyon

Manga

520/3

22