

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 Coal Seam OTHER

2. NAME OF OPERATOR
 Amoco Production Company

3. ADDRESS OF OPERATOR
 2325 East 30th Street, Farmington NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 1845' FNL x 1560' FEL
 At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 17 miles northeast of Aztec NM

5. LEASE IDENTIFICATION AND SERIAL NO.
 SF-078201

6. IF INDIAN, ALLOTTED OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Florance 0

9. WELL NO.
 3

10. FIELD AND POOL, OR WILDCAT
 Basin Fruitland Coal Gas

11. SEC., T., R., M., OR BLE.
 AND SURVEY OR AREA
 SWNE Sec 24, T30N, R9W

12. COUNTY OR PARISH
 San Juan

13. STATE
 NM

15. DISTANCE FROM PROPOSED*
 LOCATION TO NEAREST
 PROPERTY OR LEASE LINE, FT.
 (Also to nearest drlg. unit line, if any)
 1560'

16. NO. OF ACRES IN LEASE
 959.40

17. NO. OF ACRES ASSIGNED
 TO THIS WELL
 320 E/2

18. DISTANCE FROM PROPOSED LOCATION*
 TO NEAREST WELL, DRILLING, COMPLETED,
 OR APPLIED FOR, ON THIS LEASE, FT.
 See attached plan
 2820'

19. PROPOSED DEPTH
 See attached plan
 2820'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DE, RT, GR, etc.)
 5797' GR

22. APPROX. DATE WORK WILL START*
 As soon as permitted

DRILLING OPERATIONS AUTHORIZED ARE
 SUBJECT TO COMPLIANCE WITH ATTACHED
 "GENERAL REQUIREMENTS"
 PROPOSED CASING AND CEMENTING PROGRAM
 This action is subject to technical and
 procedural review pursuant to 43 CFR 3165.3
 and appeal pursuant to 43 CFR 3165.4.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	
12-1/4"	9-5/8"	36# K55	250'	200 cf Class B
8-3/4"	7"	20# K55	2389'	670 cf Class B
6-1/4"	5-1/2"	23# P110	2559'	

Notice of Staking was submitted 4-21-89.

This well was formerly named Florance #142 by Tenneco. This well was onsited by S. J. County Archaeological Research Center 9-26-88 under Florance #142.

Lease description:

T29N-R9W, NMPM
 Sec. 1: N/2 NW/4, S/2 NW/4, SW/4
 Sec. 12: NE/4

T30N-R9W, NMPM
 Sec. 10: SW/4
 Sec. 24: E/2

RECEIVED
 JUN 22 1989
 OIL CON. DIV
 DIST. 3

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. L. Hampton TITLE Admin. Supv. DATE 5/16/89

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

**APPROVED
 AS AMENDED**

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

ok

NMOOD

JUN 20 1989
John D. Keller
 AREA MANAGER

*See Instructions On Reverse Side

Amoco proposes to drill the well to further develop the Fruitland Coal reservoir. The well will be drilled to the surface casing point using native mud. The well will then be drilled to the intermediate casing point with a non-dispersed mud system. The attached modified 11" 3000 psi blowout preventer will be used. Amoco will attempt to complete the Fruitland coal by drilling the interval with water and air. A service unit will probably be used to drill into the coals using the attached modified 6" 3000 psi BOP. If commercial productivity is established, then a 5-1/2" uncemented liner will be run. Amoco reserves the right to utilize a drilling rig to drill this hole section.

Quantity	Size	Weight	Description	Cementing Program
<u>SURFACE CASING</u>				
250'	9-5/8"	36#	K55 ST&C	200 cf Class B, 2% CaCl ₂ 15.6 ppg
<u>INTERMEDIATE STRING</u>				
238'	7"	20#	K55 ST&C	670 cf Class B, 65:35:6 10% salt, .25% dispersant 13.1 ppg 118 cf Class B, 2% CaCl ₂ 15.6 ppg
<u>LINER</u>				
300'	5-1/2"	23#	P110 LT&C	None

The above casing design is based upon a 9.0#/gallon mud weight.

CONTINGENCY OPERATIONAL PLAN

In the event the well does not yield commercial volumes of gas from the open hole completion, the water filled hole will be mudded-up and weighted-up as necessary (9-11#/gal.) for hole stability and well control. The well will then be deepened approximately 250' into the Pictured Cliffs formation to provide necessary footage for a cased and cemented completion technique. The Fruitland coals will then be perforated and fracture stimulated. The Pictured Cliffs formation will be isolated with cement.

CONTINGENCY LINER

650'	4-1/2"	11.6#	K-55 LT&C	250 cf Class B
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The contingency string is based upon a 11.0#/gallon mud weight.

Evaluation:

Mud logs will be the only logs run if the well is completed as an open hole. The log surveys (FDC/GR/CAL, DIL/SP/GR, Microlog, Mudlogger) will be run only if the well is drilled into the Pictured Cliffs formation, and only if well condition is suitable to allow proper wireline log interpretation.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-107
 Supersedes O-12
 Effective 1-1-65

All distances must be from the outer boundaries of the Section.

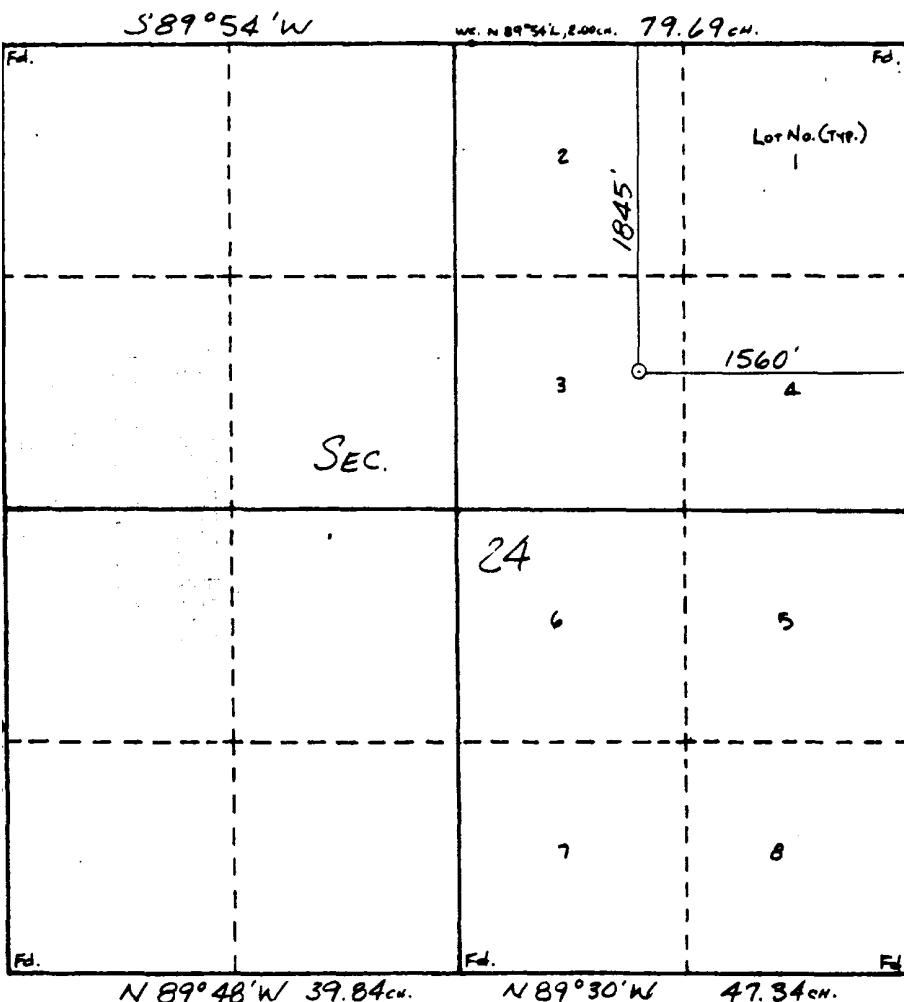
Operator TENNECO OIL COMPANY		Lessee FLORANCE O			Well No # 3
Unit Letter G	Section 24	Township 30 N	Range 9 W	County SAN JUAN	
Actual Footage Location of Well: 1845 feet from the North line and 1560 feet from the East line					
Ground Level Elev. 5797	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal Gas		Dedicated Acreage: 348.62 Acres	

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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

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 interests, has been approved by the Commission.



CERTIFICATION

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

C. B. Douglas
 Name

C. B. Douglas

Position

Dist. Admin. Supv.

Company

Amoco production

Date

4-21-89

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.

9-12-88

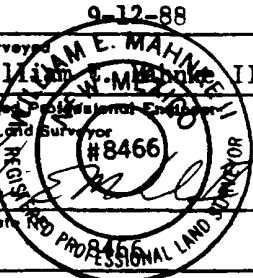
Date Surveyed

William E. Mahoney II

Registered Professional Engineer and Land Surveyor

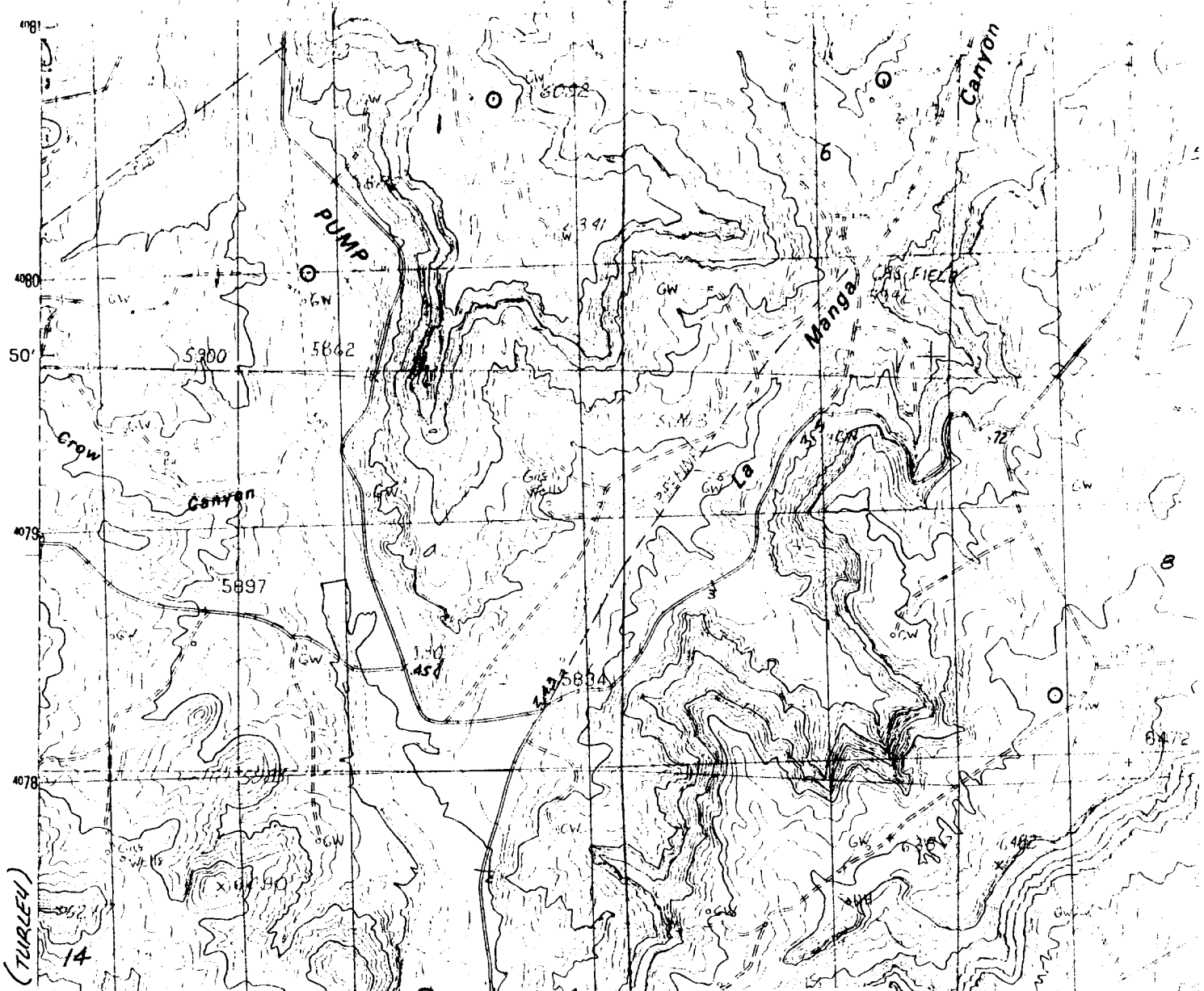
#8466

Certification



FORM 24-11

NOT TO SCALE



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 is located on a county road.

EXHIBIT B

