Submit to Appropriate
District Office
State Lease – 6 copies
Fee Lease – 5 copies

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-101
Revised 1-1-89

API NO. (assigned by OCD on New Wells) 30-045-27890

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 WELL ☐ GAS WELL ☒ OTHER Coal Seam SINGLE ZONE ☒ MULTIPLE ZONE ☐

7. Lease Name or Unit Agreement Name
15898
Florance Gas Com "G"

2. Name of Operator
Amoco Production Co. Atten. J.L. Hampton

8. Well No.
#1 E/290.69

3. Address of Operator
P.O. Box 800, Denver, CO 80201

9. Pool name or Wildcat
Basin Fruitland Coal Gas

4. Well Location
Unit Letter B : 1190 Feet From The North Line and 1490 Feet From The East Line

Section 30 Township 30N Range 8W NMPM San Juan County

10. Proposed Depth	11. Formation	12. Rotary or C.T.
2390' TD	Fruitland	Rotary

13. Elevations (Show whether DF, RT, GR, etc.)	14. Kind & Status Plug. Bond	15. Drilling Contractor	16. Approx. Date Work will start
5694' GR			As soon as permitted

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12¼"	9 5/8"	36#	250'	200 cf Cl.B	Surface
8 3/4"	7"	20#	2390'	669 cf Cl.B	Surface
6¼"	5½"	23#		None	

APPROVAL EXPIRES 12-18-90
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

RECEIVED
JUN1 8 1990
OIL CON. DIV.
DIST. 3

EXPIRES
LESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

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.

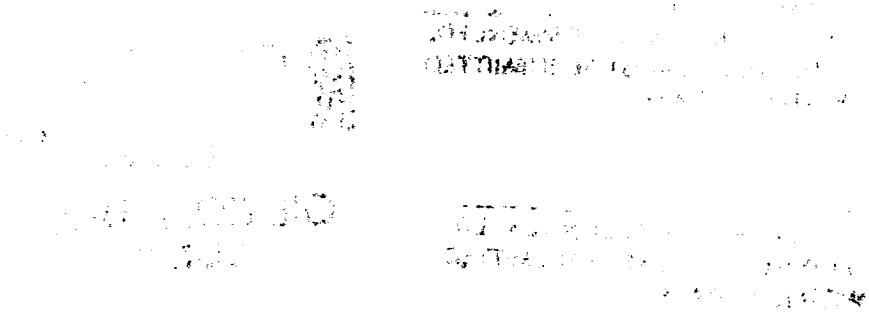
SIGNATURE J L Hampton/cbb TITLE Sr. Staff Admin. Supr. DATE 6/15/90

TYPE OR PRINT NAME J.L. Hampton TELEPHONE NO.

(This space for State Use)

APPROVED BY Frank Kusch TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE JUN 18 1990

CONDITIONS OF APPROVAL, IF ANY:



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 wit a non-dispersed mud system. The attached modified 12" 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 the well will be completed as an open hole.

SURFACE CASING

Quantity	Size	Weight	Description	Cement Program
250'	9 5/8"	36#	K55 ST&C	200 cf Class B, 2% $CaCL_2$ 15.6 ppg

INTERMEDIATE CASING

Quantity	Size	Weight	Description	Cement Program
2390'	7"	20#	K55 ST&C	669 cf Class B, 65:35:5 10% salt, .25% dispersant 13.1 ppg 118 cf Class B 2% $CaCl_2$ 15.6 ppg

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 200' 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# K55 LT&C 250 cf Class B

The contingency string is based upon an 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, 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.

apdatt.clb disk 210

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State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised 1-1-89

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
AMOCO PRODUCTION COMPANY	FLORANCE GAS COM /G/	# 1

Unit Letter	Section	Township	Range	County
B	30	30 NORTH	8 WEST NMPM	SAN JUAN

Actual Footage Location of Well:
1190 feet from the NORTH line and 1490 feet from the EAST line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
5694	Fruitland Coal	Basin Fruitland Coal Gas	E/2 290.69 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

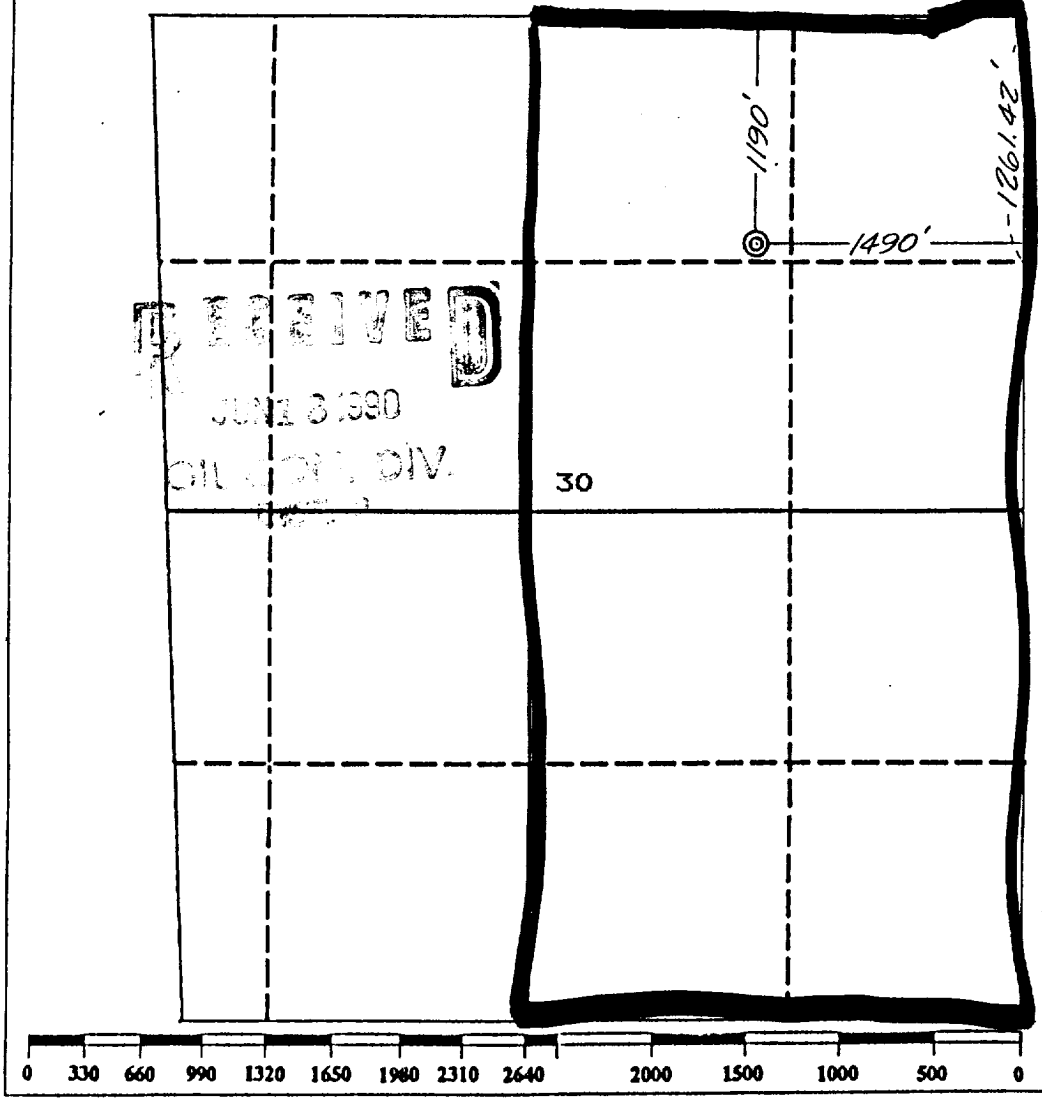
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if neccessary. _____

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.



RECEIVED
JUN 1 8 1990
OIL CON. DIV.

OPERATOR CERTIFICATION

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

Signature: JL Hampton/cb

Printed Name: JL Hampton

Position: Sr Staff Admin Supr

Company: Amoco Prod

Date: 5-15-90

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 supervison, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: May 9, 1990

Signature & Seal of Professional Surveyor: GARY D. VANN NEW MEXICO 7016 REGISTERED PROFESSIONAL LAND SURVEYOR

Gary Vann

Certificate No. 7016

SAN JAN BASIN
FRUITLAND COAL DEGASIFICATION (TOPSET WELLS)
PRESSURE CONTROL EQUIPMENT

Background

The objective Fruitland Coal formation maximum surface pressure is anticipated to be 1400 PSI, based on completion testing. Pressure control equipment working pressure minimum requirements are therefore 2000 PSI. Equipment to be used will conform to API RP-53 (Figure 2.C.2) for a 2000 PSI system per Federal Onshore Order No. 2. Due to available conventional equipment within the area, 3000 PSI rated pressure control equipment will typically be utilized in a double ram type arrangement. Regional drilling rigs to be utilized have substructure height limitations which exclude use of annular preventers; therefore a rotating head will be installed above these rams. This pressure control equipment will be utilized for conventional drilling below surface to intermediate casing point above the Fruitland Coal.

Prior to drilling below intermediate casing, a modified two (2) double ram pressure control equipment system will be installed. This systems is designed for Fruitland Coal formation interval drilling with air and water. A service unit will typically be used to drill this interval, and the wellbore will be completed as an uncased open hole if commercial productivity is established. If not, the wellbore will be cased and cemented with a 4 1/2" contingency liner. Based upon maximum surface pressure criteria, 2000 PSI equipment is required. However, as stated above, 3000 PSI working pressure equipment will typically be utilized.

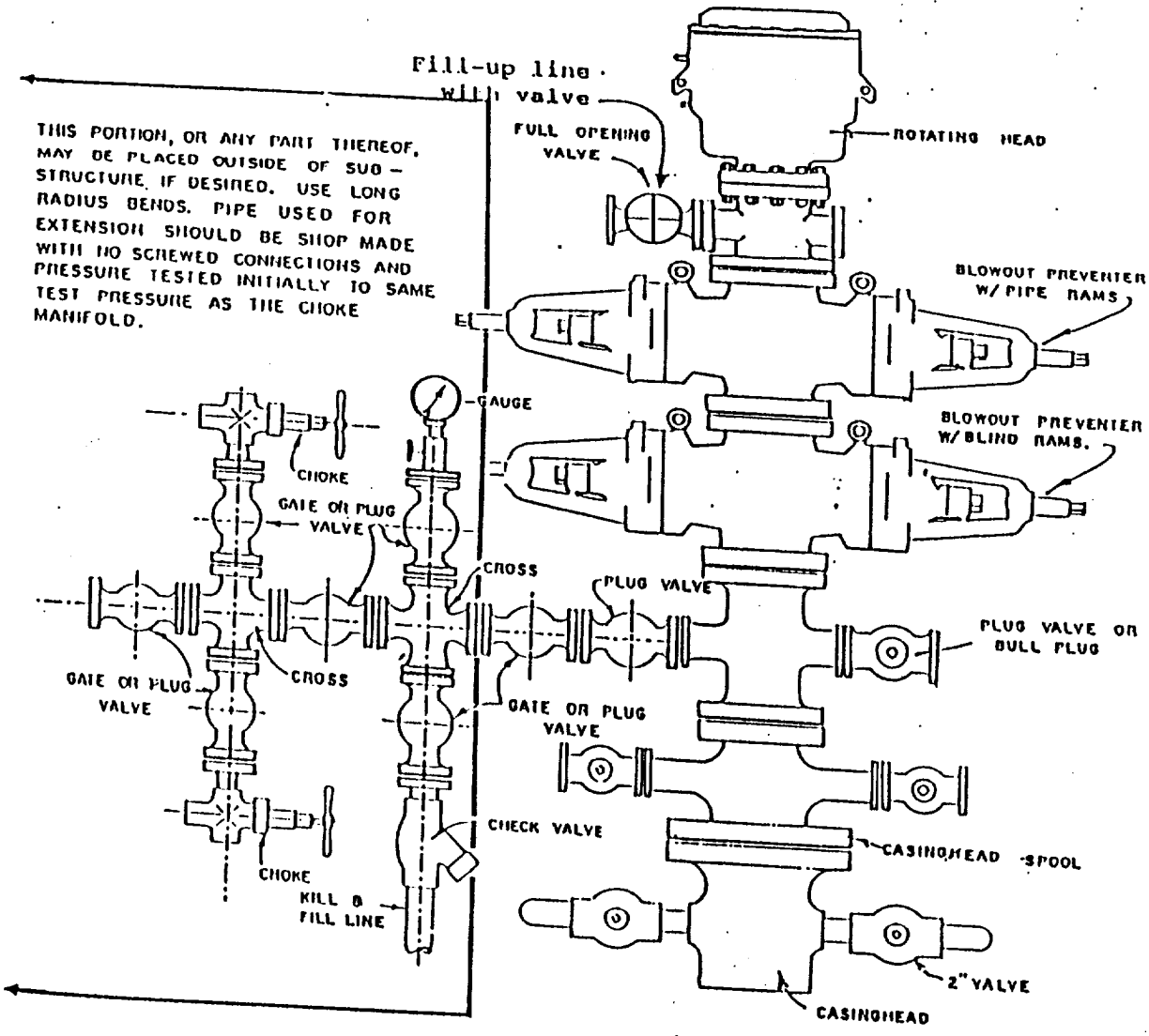
Equipment Specification

Interval	BOP Equipment
Below Surface Casing through Intermediate Casing	12" nominal, 3000 PSI double ram preventer with rotating head (see Exhibit No. 1 - BOPE)
Intermediate Casing to Total Depth	6" nominal, 3000 PSI Two (2) double ram preventers (see Exhibit No. 2 - BOPE)

All ram type preventers and related control equipment will be hydraulically tested to 250 PSI (low pressure) and 2000 PSI (high pressure), upon installation, following any repairs or equipment replacements, or at 30 day intervals. Accessories to BOP equipment will include kelly cock, floor safety valves and choke manifold which will also be tested to equivalent pressure.

Please direct any questions to George Gray at (303) 830-5190 in our Denver office.

EXHIBIT NO. 1 - BOPE



BLOWOUT PREVENTER HOOKUP

EXHIBIT NO. 2 - BOPE

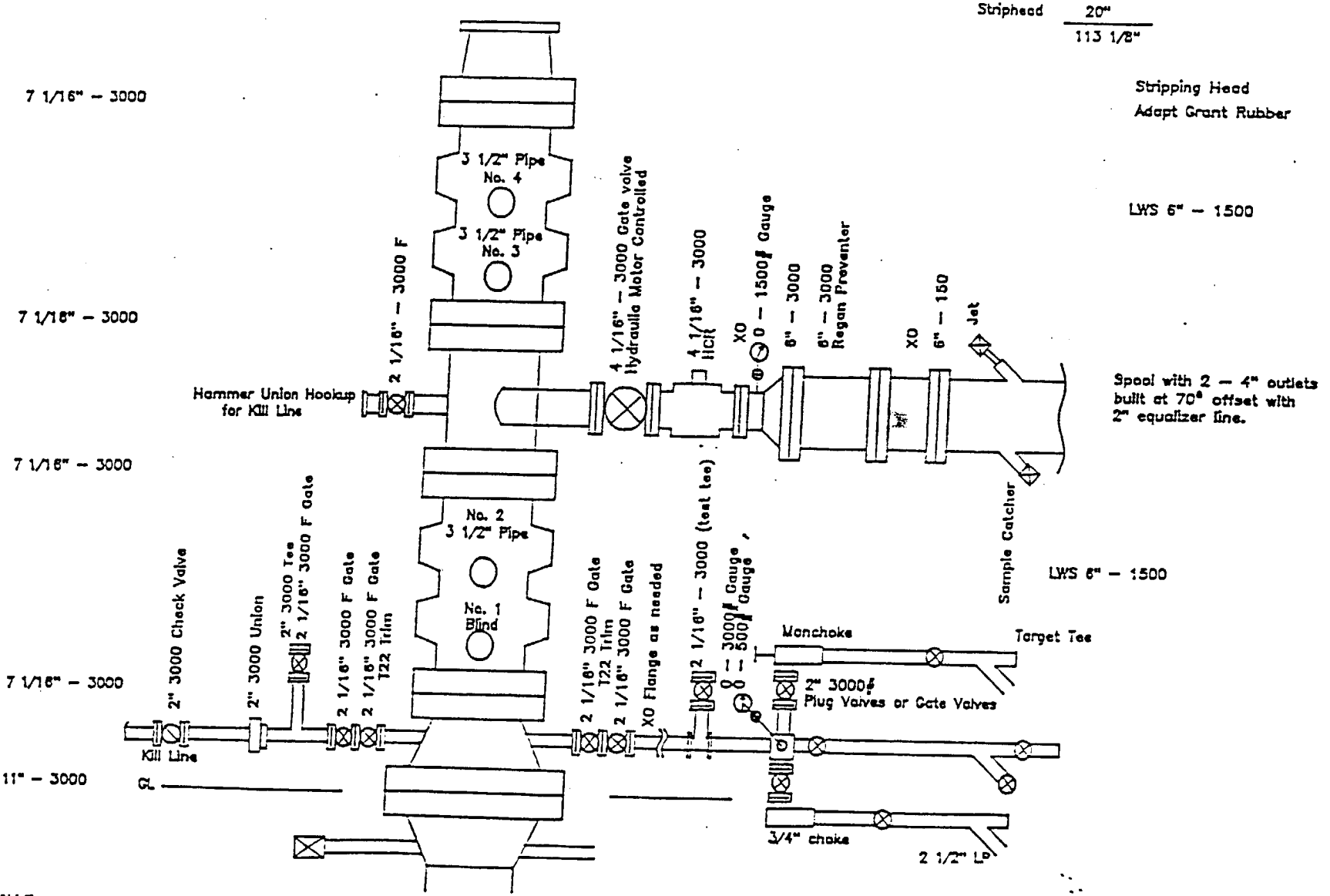
Drill Out BOPE
6" 3000 psi BOPE

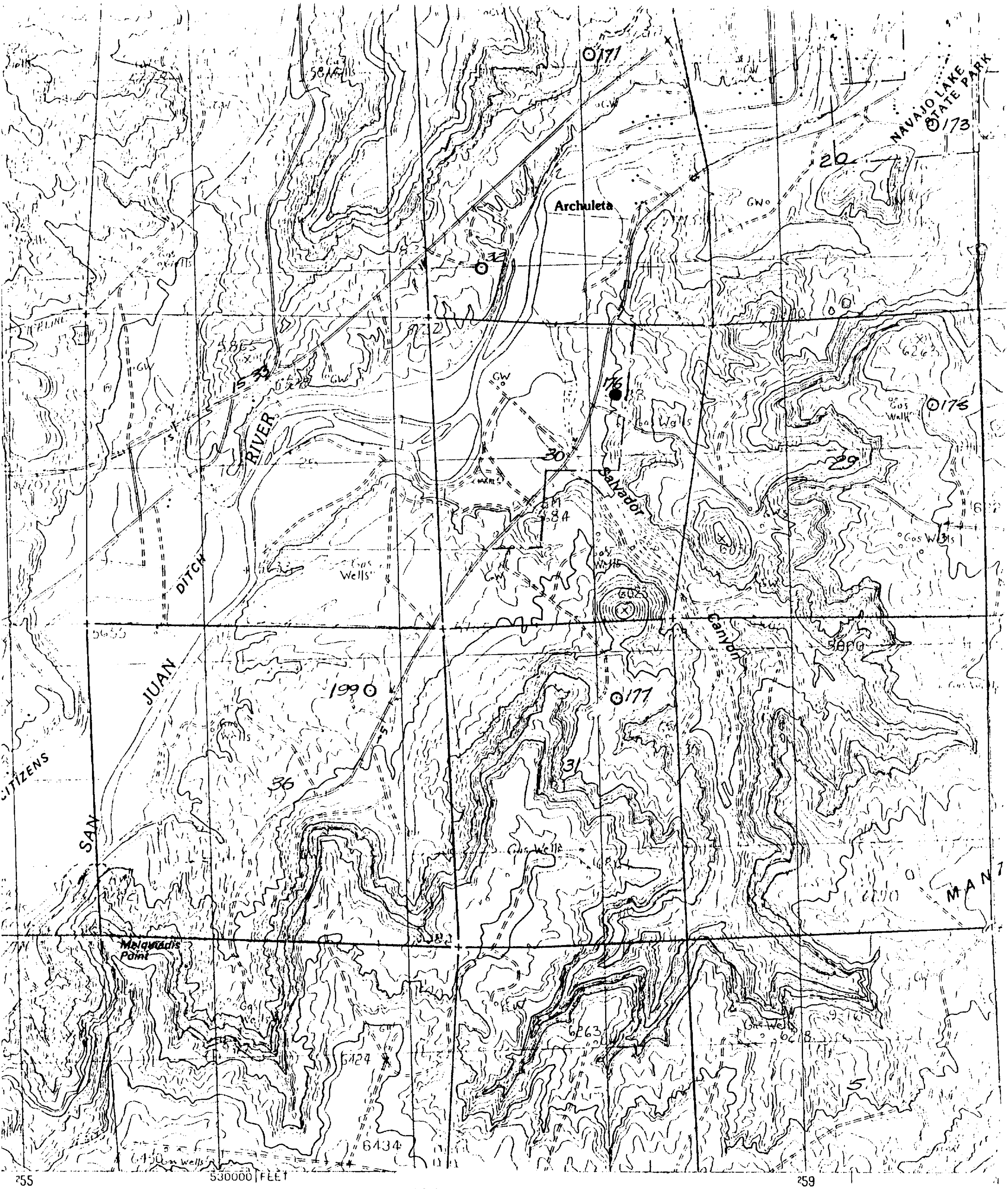
NOTE: 2 — 4" outlets on mud cross
secondary bloole line will not
be equipped with Reagan Preventer.

An 8 Station, 250 gal., 3000 psi
accumulator will be required.
Air and electric power.

Eqpt Ht.

Tbghd	20 7/8"
LWS double	27 5/8"
Spool	17"
LWS double	27 5/8"
Striphead	20"
	113 1/8"

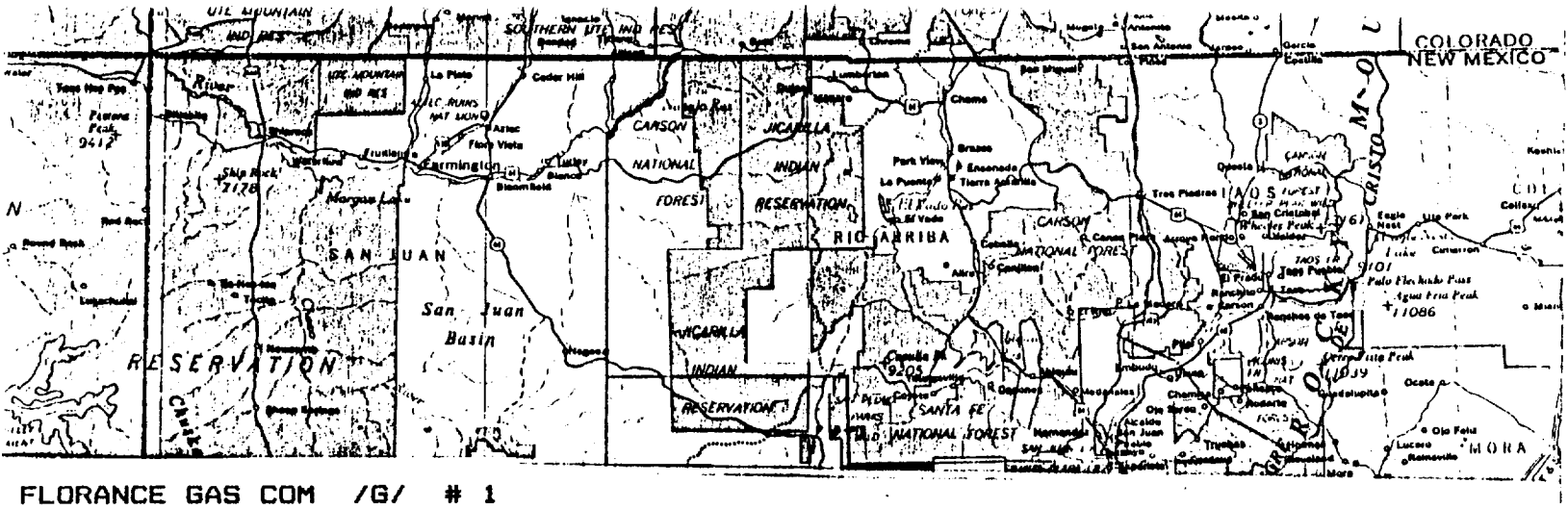




UNITED STATES GEOLOGICAL SURVEY
. . . . USGS, NOS/NOAA
PHOTOGRAPHS TAKEN. 1981
. 1981 MAP EDITED 1985
. . . . TRANSVERSE MERCATOR
AL TRANSVERSE MERCATOR . . . . ZONE 13

AMOCO PRODUCTION COMPANY
FLORANCE GAS COM /G/ # 1
1190' F/NL 1490' F/EL
SEC. 30, T30N, R8W, NMPM
SAN JUAN COUNTY, NEW MEXICO

SCALE
0 1000 2000 3000 4000



FLORANCE GAS COM /G/ # 1
1190' F/NL 1490' F/EL
SEC. 30, T30N, R8W, NMPM
RAIL POINT: 162 miles - Montrose, Co.
MUD POINT: 20 miles - Aztec, NM
CEMENT POINT: 34 miles - Farmington, NM.

(2)