

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

30-045-28668

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

2. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

3. NAME OF OPERATOR
14433
 McKenzie Methane Corporation

4. ADDRESS OF OPERATOR
 1911 Main Ave., #255, Durango, Colorado 81301

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface: 1743' FSL, 825' FWL
 At proposed prod. zone: same

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 5 miles SE of Aztec, NM

7. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
 (Also to nearest drlg. unit line, if any) 825'

8. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 200'

9. NO. OF ACRES IN LEASE 2450.28

10. PROPOSED DEPTH 2810

11. NO. OF ACRES ASSIGNED TO THIS WELL

12. ROTARY OR CABLE TOOLS
 Rotary

13. LEASE DESIGNATION AND SERIAL NO.
 NM SF 078194

14. IF INDIAN, ALLOTTEE OR TRIBE NAME

15. UNIT AGREEMENT NAME

16. FARM OR LEASE NAME
15278
 Stewart *17 73218*

17. WELL NO.
19-2

18. FIELD AND POOL, OR WILDCAT
 Basin FT Coal *-71629*

19. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 L Sec19-T30N-R10W

20. COUNTY OR PARISH 21. STATE
 San Juan NM

22. ELEVATIONS (Show whether DF, RT, GR, etc.)
 This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4. 6215 GL ✓

23. APPROX. DATE WORK WILL START*
 April 30, 1992

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8-5/8"	24	250'	175 sx (207 cu ft)
7-7/8"	4 1/2"	10.5	2810	425 sx 65/35 POZ + 125 sx 50/50 POZ (933 cu ft)

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

FORM 2800 ATTACHED FOR ACCESS RIGHT - OF-WAY.

RECEIVED
 MAY 13 1992
 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."

RECEIVED
 BLK
 MAY 11 1992 PM 1:11
 DISTRICT MANAGER, N.M.

25. 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.

SIGNED *R/S* TITLE Operations Manager DATE 3-16-92

(This space for Federal or State office use)

APPROVED AS AMENDED

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE MAY 11 1992

CONDITIONS OF APPROVAL, IF ANY:
etc

NMOOD

EA MANAGER

*See Instructions On Reverse Side

REVISED
DATE
NO. 1000
1970

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

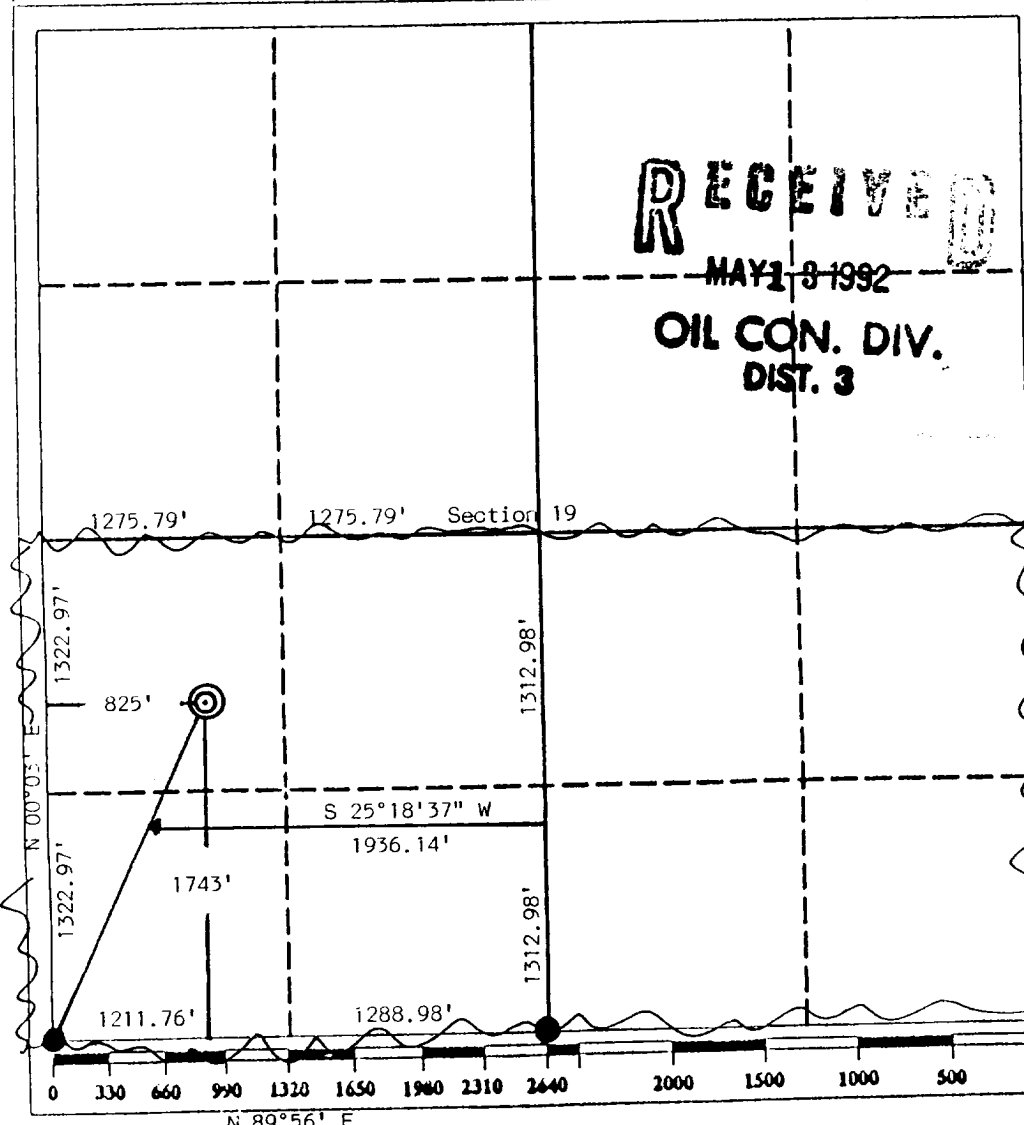
Operator McKenzie Methane Corporation			Lease Stewart 19		Well No. 182
Unit Letter L	Section 19	Township 30 North	Range 10 West	County NMPM	San Juan
Actual Footage Location of Well: 1743 feet from the South line and 825 feet from the West line					
Ground level Elev. 6215 Est.	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal		Dedicated Acreage: 1/2 300 306.83 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 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: *R.J. Sagle*
 Printed Name: R.J. Sagle
 Position: OPERATIONS MANAGER
 Company: McKenzie Methane Corp.
 Date: 3-14-92

SURVEYOR CERTIFICATION

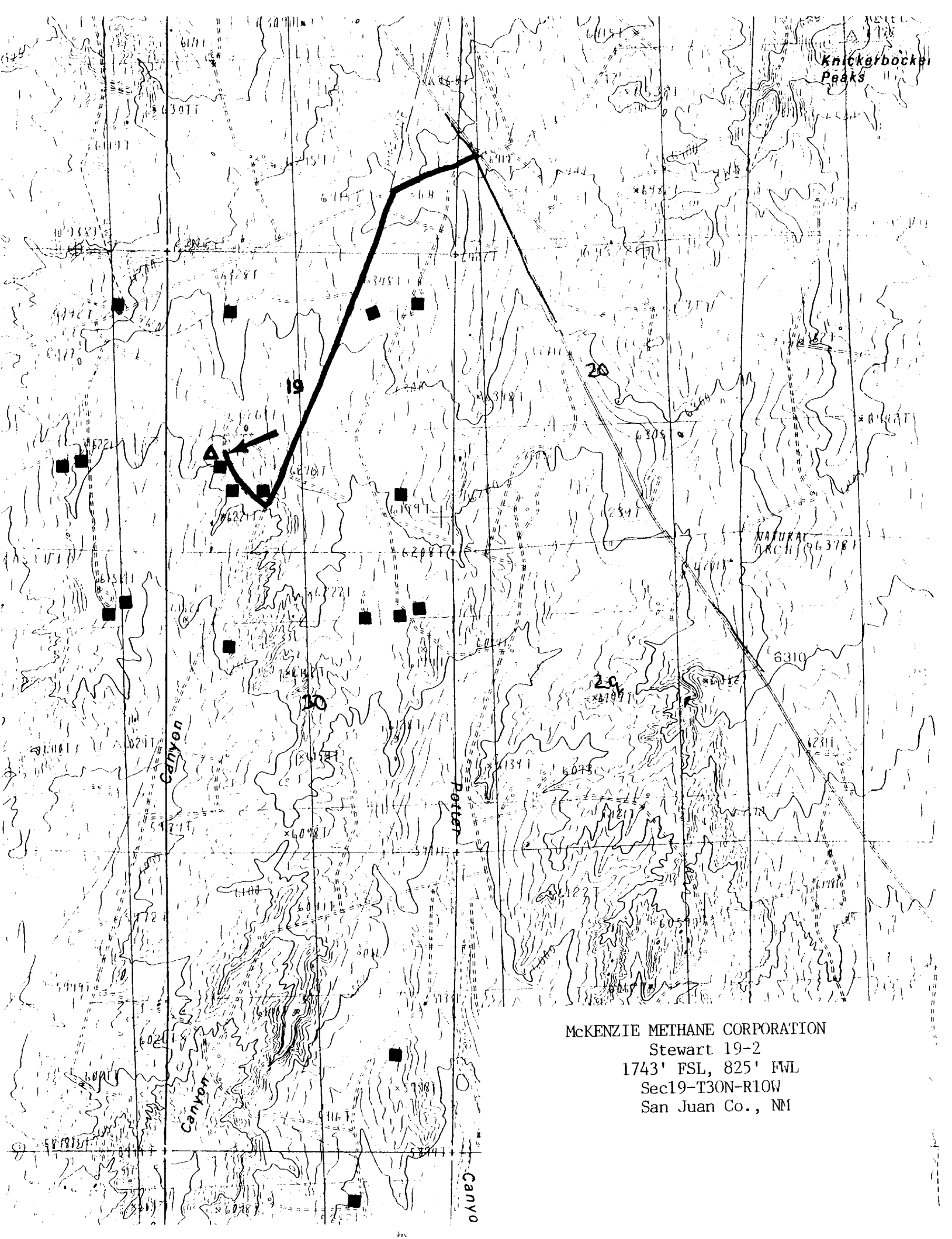
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: March 3, 1992

Signature & Seal of Professional Surveyor: *Edgar L. Risenhoover*
 Certificate No. 5979
 Edgar L. Risenhoover, P.E.

RECEIVED
 DISTRICT III
 92 MAR 20 11:11 AM '92

RECEIVED
 MAY 13 1992
 OIL CON. DIV.
 DIST. 3



McKENZIE METHANE CORPORATION
Stewart 19-2
1743' FSL, 825' FWL
Sec19-T30N-R10W
San Juan Co., NM