

UNITED STATES
DEPARTMENT OF THE INTERIOR

SUBMIT IN TRIPLICATE*

(Other instructions on
reverse side)

FORM APPROVED

OMB NO. 1004-0138

Expires: February 28, 1995

BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL ☐

GAS ☐

SINGLE ☐

MULTIPLE ☐

WELL ☐

WELL ☒

OTHER ☐

ZONE ☒

ZONE ☐

2. NAME OF OPERATOR

GREYSTONE ENERGY, INC.

3. ADDRESS AND TELEPHONE NO.

5802 HIGHWAY 64, FARMINGTON, NEW MEXICO 87401

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

At surface 1386' FSL AND 1233' FWL - UL "L"

At proposed prod. zone

Same (Straight Hole)

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

3.6 MILES SE OF LA PLATA POST OFFICE, NEW MEXICO

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

1233'

16. NO. OF ACRES IN LEASE

320+

17. NO. OF ACRES ASSIGNED

TO THIS WELL

820- WEST 1/2

714.48

18. DISTANCE FROM PROPOSED LOCATION*

2000' W

19. PROPOSED DEPTH

2188'

20. ROTARY OR CABLE TOOLS

ROTARY

OR APPLIED FOR, ON THIS LEASE, FT.

This action is subject to technical and

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

5866' GR

procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

22. APPROX. DATE WORK WILL START*

12/01/1999

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" J55	24#	0 - 350'	242 ft3 CLASS G + 2% CACL 2
7-7/8"	5-1/2" K55	17#	0 - 2188'	450 ft3 - RFC (TAIL) & G + 12% GEL (LEAD)

1. A notice of staking form was delivered 9/3/99 to the BLM Farmington Resources Area office.

2. Greystone Energy proposes to spud this well with a 12-1/4" hole and drill to 350' where 8-5/8", 24#, J55 surface casing will be set and cemented to surface. After WOC for 12 hrs, the BOP's will be installed and tested. The 7-7/8" hole will be drilled to TD of approximately 2188' with low weight (9-10 ppg) water based mud. The well will be electric logged with a density tool and 5.50", 15.5# K55 csg. will be run to total depth and cemented from the Basin Fruitland Coal to surface with approximately 450 cf of cement. The Basin Fruitland Coal interval will then be fracture stimulated through perforations at approximately 2069 - 2083' with approximately 100,000# of 12/20 sand and swab or flow test to clean up and put on conventional beam lift with a pump, rods and pumping unit.

3. A copy of the archaeological inventory report is enclosed.

4. Attached is a plat of the proposed pipeline route and tie-in to Greystone's existing gas gathering facilities.

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

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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

Kay S. Skelton

TITLE PRODUCTION ANALYST

DATE 11/04/1999

(This space for Federal or State Office use)

PERMIT NO.

APPROVAL DATE

NOV 30 1999

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

12/1/99

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

ase

FMOC

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

RECEIVED
BLM

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-30047	Pool Code	Pool Name 070 B. D. Vought
Property Code 25129	Property Name RED RIVER	Well Number 1
OGED No. 173252	Operator Name GREYSTONE ENERGY, INC.	Elevation 5866'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	18	31-N	12-W		1386	SOUTH	1233	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 314.48		Joint or Infill		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Brian D. Vought</u> Printed Name: <u>Brian D. Vought</u> Title: <u>VP</u> Date: <u>11/9/99</u>	
		18 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 belief. Date of Survey: <u>9-18-99</u> Signature and Title of Professional Surveyor: <u>ROY A. RUSH</u> Certificate Number: <u>8894</u>	

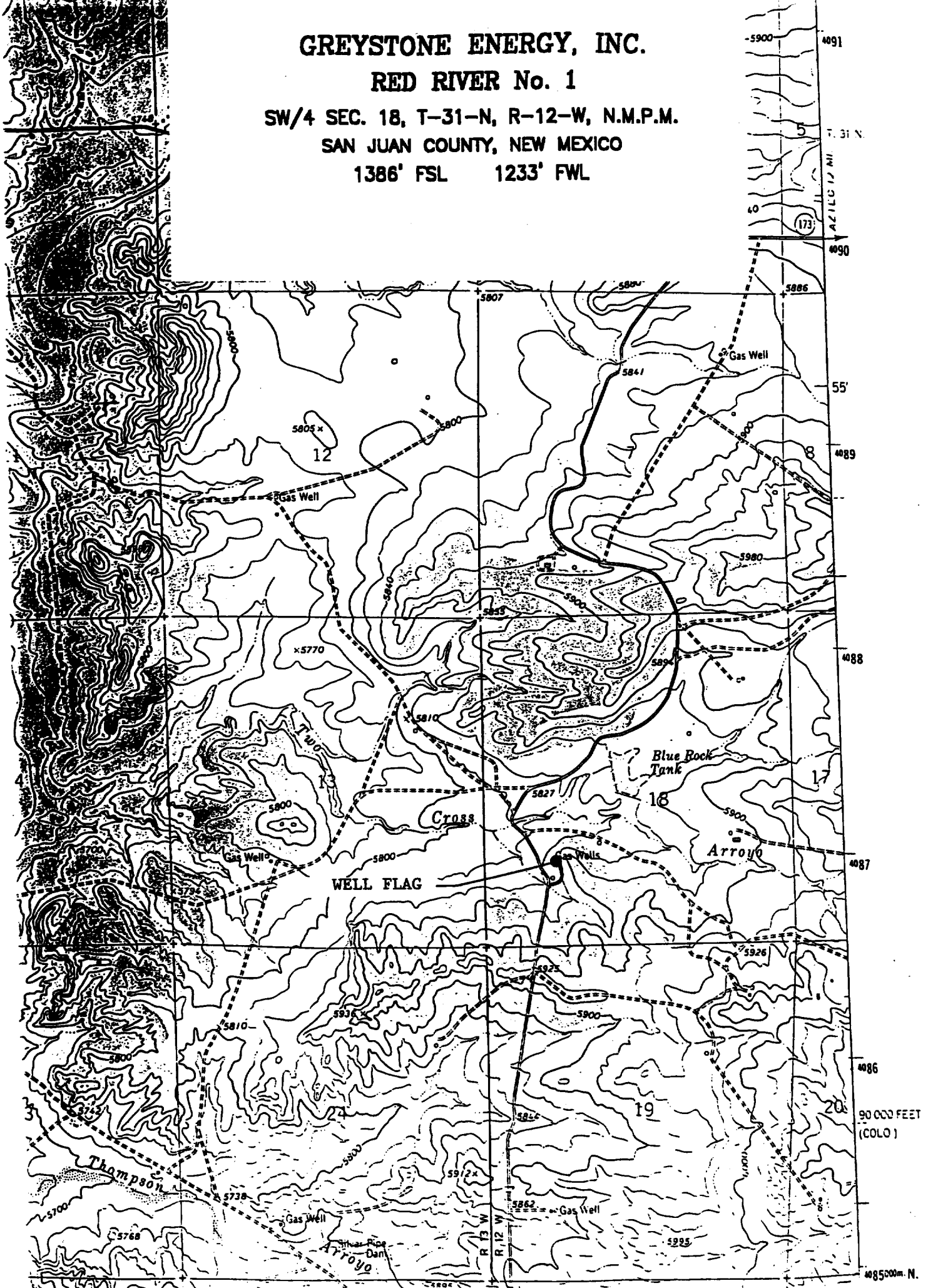
GREYSTONE ENERGY, INC.

RED RIVER No. 1

SW/4 SEC. 18, T-31-N, R-12-W, N.M.P.M.

SAN JUAN COUNTY, NEW MEXICO

1386' FSL 1233' FWL



TYPE 2-BLOWOUT PREVENTER SPECIFICATIONS
3M @ 5M WORKING PRESSURE

