

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 ☐

b. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☒

2. NAME OF OPERATOR 303/839-5504 1660 Lincoln Street, Suite 2700
HALLADOR PETROLEUM, LLP SEP 2000 Denver, CO 80264

3. ADDRESS AND TELEPHONE NO. 303/857-9999 14421 County Road 10
PERMITCO INC. Fort Lupton, CO 80621

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At Surface 2370' FSL and 1750' FBL procedural review pursuant to 43 CFR 3165.3
At proposed prod. zone NW SE Section 7

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
7 miles north of Aztec, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 868'

16. NO. OF ACRES IN LEASE 320

17. NO. OF ACRES ASSIGNED TO THIS WELL 320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 800'

19. PROPOSED DEPTH 7,501'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6238' GR

22. APPROX. DATE WORK WILL START* Upon Approval

5. LEASE DESIGNATION AND SERIAL NO.
SF-078095A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME, WELL NO. 5619
Horton #1B

9. API WELL NO. 30-045-30165

10. FIELD AND POOL, OR WILDCAT Blanco-Mesa Verde Pool

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
J Section 7, T31N - R11W

12. COUNTY OR PARISH San Juan

13. STATE NM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36#	200'	90 sx Premium & Lite to Surf.
8-3/4"	7"	20#	2980'	425 sx Poz & "G" to Surface
6-1/8"	4-1/2"	11.6#	7501'	530 sx Poz. TOC @ 2730'

Hallador Petroleum, LLP proposes to drill a well to 7501' to test the Dakota Sands and Mesa Verde formations. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of New Mexico requirements.

CONFIDENTIAL - TIGHT HOLE

See Onshore Order No. 1 attached.

Please be advised that Hallador Petroleum, LLP is considered to be the Operator of the above mentioned well. Hallador Petroleum, LLP agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands.

Hallador Petroleum, LLP has been designated by proper lease interest owners to conduct operations on the above mentioned lease. Bonding by Hallador Petroleum, LLP is covered under their Statewide Bond No. NM-2129.

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. Lisa L. Smith Authorized Agent for:
SIGNED Lisa L. Smith TITLE Hallador Petroleum, LLP DATE 02/24/00

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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

E. Errol Becher TITLE Errol Becher

TITLE

DATE

MAR - 9 2000

*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.

NSL in Basin Dakota
plugged back to mesa verde

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

District III
10000 Rio Hrazon Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 32045-30165		2 Pool Code 72319 71594		3 Pool Name Blanca Mesaville / Basin Dakota	
4 Property Code 5019		5 Property Name HORTON			6 Well Number 1B
7 OGRID No. 12672		8 Operator Name HALLADOR PETROLEUM LLP			9 Elevation 6238'

10 Surface Location

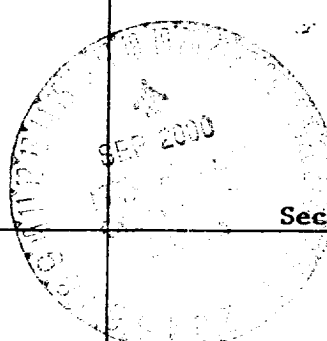
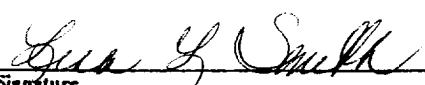
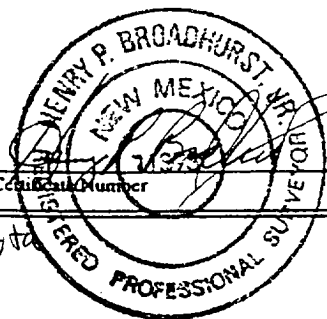
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	7	31N	11W		2370'	SOUTH	1750'	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

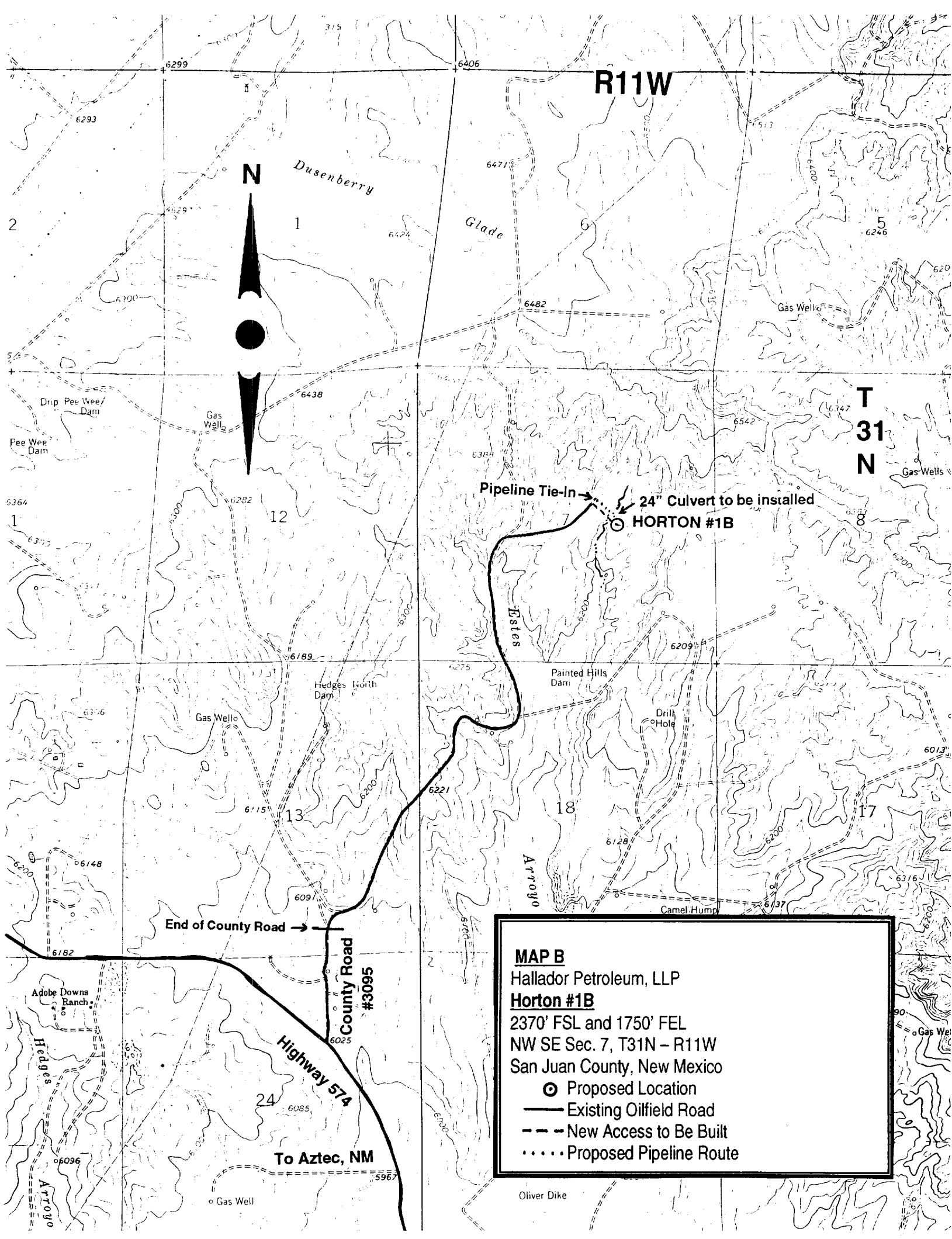
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 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

<div>16 2655.18' N00°06'E 2 2583.24' N00°30'W 4</div>	<div>N88°49'W 1 320 Acre Spacing Unit See Mineral Interest owners attached.  Section 7 N88°57'W</div>	<div>5228.52' 5210.70' 1750' 2370' 5236.44'</div>	<div>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature Lisa L. Smith Printed Name Agent Title 2/24/00 Date</div>
			<div>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. 01/25/2000 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number</div>

NSL - Basin Dakota



2. ANTICIPATED DEPTH OF OIL, GAS, WATER & OTHER MINERAL ZONES

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

<i>Substance</i>	<i>Formation</i>	<i>Depth</i>
Coal	Coal	500'
Gas	Mesa Verde	4296'
Gas	Dakota	7325-7475'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

If noticeable water flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. BOP EQUIPMENT/REQUIREMENTS

Hallador Petroleum, LLP's minimum specifications for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double, 3000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

