Form 3160-3 (November 1983) (formerly 9-331C)

UNITED STATES DEPARTMENT OF THE INTERIOR

SÚBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved. Budget Bureau No. 1004-0136 Expires August 31, 1985

DEPARTMENT OF THE INTERIOR 5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT 045-28890 SF 078147A 6. IF INDIAN, ALLOTTER OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL. DEEPEN. OR PLUG BACK 1a. TYPE OF WORK 7. UNIT AGREEMENT NAME DRILL X DEEPEN PLUG BACK N/Ab. TYPE OF WELL MULTIPLE WELL SINGLE S. FARM OR LEASE NAME OTHER ZONE Horton Federal CB-13 2. NAME OF OPERATOR 9. WELL NO. Emerald Gas Operating Co. 3. ADDRESS OF OPERATOR 10. FIELD AND POOL, OR WILDCAT 570 Turner Drive, Unit B, Durango, CO 81301 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) Basin Fruitland Coal At surface 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 1837' FNL & 893' FEL At proposed prod. zone Same H, Sec. 13, T32N-R12W 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 12. COUNTY OR PARISH | 13. STATE Approximately 12 Miles Northeast of La Plata, NM San Juan NM 15. DISTANCE FROM PROPOSED® LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED TO THIS WELL 792 320 (Also to nearest drig, unit line, if any) 18. DISTANCE FROM PROPOSED LOCATIONS
TO NEAREST WELL, DRILLING, COMPLETED, 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 2071 2880' OR APPLIED FOR, ON THIS LEASE, FT. Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) This 22. APPROX. DATE WORK WILL START 10.51 to 43 CAR 3165.3 64681 <u>December 11, 1992</u> 46 CF 17 3165.4. 23.PROPOSED CASING AND CEMENTING PROGRAM WEIGHT PER FOOT QUANTITY OF CEMENT SIZE OF HOLE SIZE OF CASING SETTING DEPTH 12 1/4" 5/8" 32.0 - J55300 230 sx (Class 'B') 7" 8 3/4" 23.0 - K55 2685 395 sx (195 sx lead, 200 sx 2685 - 2880 tail) N/A N/ACavity Operator proposes to drill the well and complete open hole to test the gas potential of the Fruitland Formation coal seams. The following are attached: Exhibit A: Surveyor's Location and Elevation Plat. Exhibit B: Drilling Program Exhibit C-1, 2 and 3: Blowout Preventer Schematic Exhibit D: Surface Use Program Exhibit E-1 and 2: Vicinity Map and Existing/Acesss Road Map Exhibit F: Radius Map of Field, Showing Existing Wells Exhibit G: Drill Pad Layout with Cut/Fill Diagram Exhibit H-1 and 2: Drilling Rig Layout and Layout of Anticipated Production Facilities. Exhibit I: Surface Damage Agreement IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give dath 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. Manager Development/Geology DATE __ December 2, 1992 SIGNED (This space for Federal or State office use) APPROVED PERMIT NO. CONDITIONS OF APPROVAL. IDEA 5 1992

*See Instructions On Reverse Side

EMERALD GAS OPERATING COMPANY

EXHIBIT "A": SURVEYOR'S LOCATION & DEDICATION PLAT

DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410 WELL LOCATION AND ACREAGE DEDICATION PLAT All Distances must be from the outer boundaries of the section											
Operator Lease Well No.											
Emera	Horton Federal CB-13					-4.4	#1				
Unit Letter	Section 13	ion Township 13 32N		Range 12W				1	•	Juan	
Actual Footage Location of Well:											
1837 feet from the North line and							et from the East			line	
Ground level Elev.				Pool						Dedicated Acre	age:
6468	1. Outline the acreage dedicated to the subject well by colored pend				Basin Fruitland Co					<u>320 </u>	Acres
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.? N/A 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.											
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RECORD =	N86°16'00'	'w 2600.07'	BRASS CAP RECO	RD = NB6°	6,00,A	2600.07	اِ	6703	3	KARO	CIRIL
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0 330 660	990 1320 165	50 1980 2310 26	40 200	0 1500	1000	500	<u> </u>				

EMERALD GAS OPERATING COMPANY

EXHIBIT "E-2": EXISTING ROAD AND ACCESS MAP

Horton Federal CB-13 #1 SENE, Section 13, T32N-R12W

