

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
PAN AMERICAN PETROLEUM CORPORATION

3. ADDRESS OF OPERATOR
P. O. Box 480, Farmington, New Mexico

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface **1850 PBL & 2510 PBL**
 At proposed prod. zone **Same**

5. LEASE DESIGNATION AND SERIAL NO.
SP 078903

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
Gallegos Canyon Unit

8. FARM OR LEASE NAME
2

9. WELL NO.
244

10. FIELD AND POOL, OR WILDCAT
Basin Dakota

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SW/4 SE/4 Section 36, T-28-N, R-12-W

12. COUNTY OR PARISH
San Juan

13. STATE
New Mexico

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
12 miles southeast of Farmington, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
1850' (790')

16. NO. OF ACRES IN LEASE
43,146.62

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.
1150' (dry PC well)

19. PROPOSED DEPTH
6,500

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
To be reported later

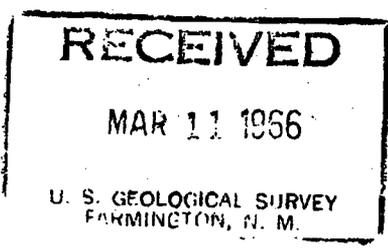
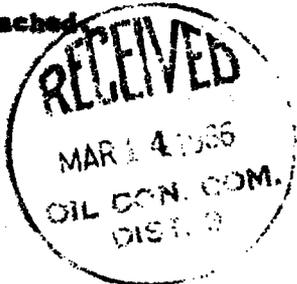
22. APPROX. DATE WORK WILL START*
March 9, 1966

23. 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#	350'	200 sacks
7-7/8"	4-1/2"	10.5#	6500'	1400 sacks (Two stage tool set 100' below base of Mesaverde with possible third stage tool set below Pictured Cliffs)

Completion will be determined upon reaching total depth.

Copies of Location Plat are attached.



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. ORIGINAL BY G. W. Eaton, Jr.
 SIGNED G. W. Eaton, Jr. TITLE Area Engineer DATE March 8, 1966
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY GWA TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

Operator PAN AMERICAN PETROLEUM CORPORATION			Lease GALLEGOS CANYON UNIT (DAKOTA)		Well No. 244
Unit Letter J	Section 36	Township 28 NORTH	Range 12 WEST	County SAN JUAN	
Actual Footage Location of Well: 1850 feet from the SOUTH line and 2510 feet from the EAST line					
Ground Level Elev. REPORT LATER	Producing Formation DAKOTA	Pool EASIN DAKOTA	Dedicated Acreage: 320 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

(X) Yes () No If answer is "yes," type of consolidation Unitization

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this plat if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.



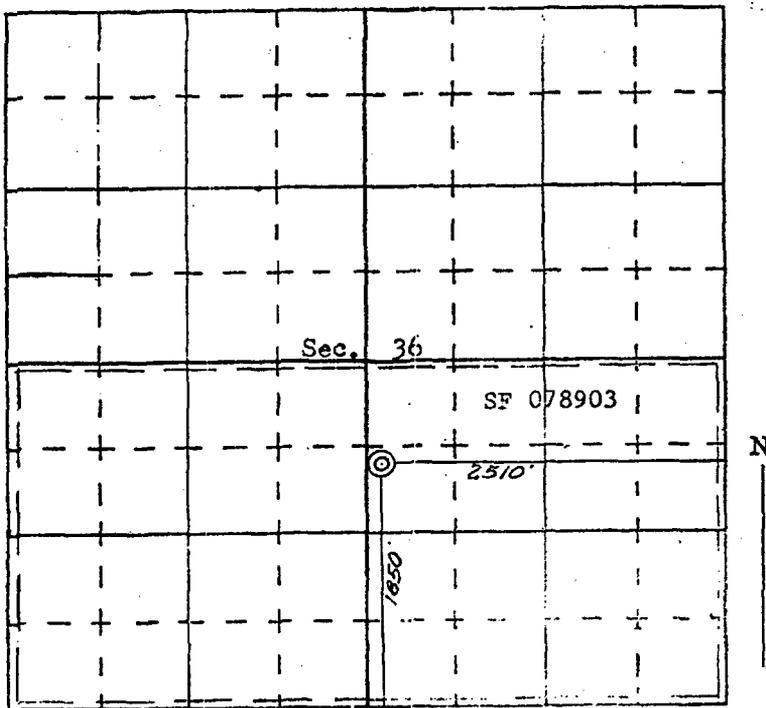
CERTIFICATION

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

G. W. Eaton, Jr.
Name
G. W. Eaton, Jr.
Position
Area Engineer
Company
PAN AMERICAN PETROLEUM CORP.
Date
March 7, 1966

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.

March 7, 1966
Date Surveyed
James F. Lees
Registered Professional Engineer
and/or Land Surveyor
James F. Lees
Certificate No. 1463



SCALE—4 INCHES EQUALS 1 MILE

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other _____

2. NAME OF OPERATOR
Fox American Petroleum Corporation

3. ADDRESS OF OPERATOR
Security Life Building Denver, Colorado

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface **1850 PSL & 2310 PSL**

At top prod. interval reported below

At total depth

SAME

14. PERMIT NO.
DATE ISSUED
OIL CON. COM. DIST 3
JUN 16 1966
PER. 6047

5. LEASE DESIGNATION AND SERIAL NO.

SV-078903

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Gallegos Canyon Unit

8. FARM OR LEASE NAME

9. WELL NO.

244

10. FIELD AND POOL, OR WILDCAT

Basin Dakota

11. SEC., T., R., M., OR BLOCK AND SURVEY

NE 1/4 SE 1/4 Section 36 T28N-R12W

12. COUNTY OR PARISH

San Juan

13. STATE

New Mexico

15. DATE SPUNDED 16. DATE T.D. REACHED 17. DATE COMPL. (Ready to prod.) 18. ELEVATIONS (OF, BEH, BT, GR, ETC.)* 19. ELEV. CASINGHEAD

3/28/66 4/6/66 5/12/66

20. TOTAL DEPTH, MD & TVD 21. PLUG, BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 25. WAS DIRECTIONAL SURVEY MADE

6520 6431

6410-6435, 6341-6346, 6364-6369

Dakota

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN 27. WAS WELL CORED

Induction electric log, Gamma Ray sonic

NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24.4	387	12-1/4"	225 sacks	NONE
4-1/2"	10.54	6515	7-7/8"	1425 sacks	NONE

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8	6321	

31. PERFORATION RECORD (Interval, size and number) 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
6410-6435	500 gallons 7-1/2" acid 39,816 gal water, 40,000 lbs sand
6341-6346	32,928 gallons water 30,000 lbs sand.

33. PRODUCTION

DATE FIRST PRODUCTION **5/12/66** PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) **FLOW** WELL STATUS (Producing or shut-in) **Shut in**

DATE OF TEST **5/25/66** HOURS TESTED **3 hr.** CHOKER SIZE **3/4** PROD'N. FOR TEST PERIOD **→** OIL—BBL. **389** GAS—MCF. **389** WATER—BBL. **389** GAS-OIL RATIO

FLOW. TUBING PRESS. **252** CASING PRESSURE **684** CALCULATED 24-HOUR RATE **→** OIL—BBL. **3116** GAS—MCF. **3116** WATER—BBL. **3116** OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) TEST WITNESSED BY

To be sold to El Paso Natural Gas Company

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED **B. I. TOLLERSON** TITLE **Administrative Assistant** DATE **June 8, 1966**

*(See Instructions and Spaces for Additional Data on Reverse Side)

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

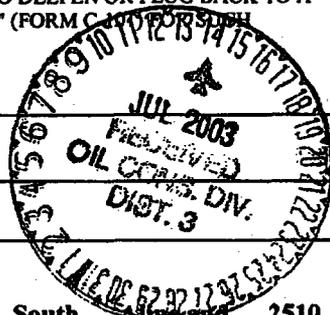
State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-11690
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-100) FOR SUCH PROPOSALS.)		7. Lease Name or Unit Agreement Name: Gallegos Canyon Unit (Federal Well SF 078903 also filed on BLM form 3160-5)
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	8. Well No. 244	
2. Name of Operator BP America Production Company	9. Pool name or Wildcat Basin Fruitland Coal & Kutz PC, West	
3. Address of Operator P.O. Box 3092 Houston, Tx 77253		
4. Well Location Unit <u>Letter J</u> <u>1850</u> feet from the <u>South</u> line and <u>2510</u> feet from the <u>East</u> line Section <u>36</u> Township <u>28N</u> Range <u>12W</u> NMPM San Juan County		
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 6033' GR		



11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Add perfs in PC & FC & DHC <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
---	---

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

BP America Production Company requests permission to plug back from the Dakota and recomplete to commingle the Kutz Pictured Cliffs, West Pool and Basin Fruitland Coal Pool as per the attached procedure. The Basin Fruitland Coal (71629) & Kutz Picture Cliffs, West (79680) Pools are Pre-Approved for Down hole Commingling per NMOCD CASE NO.12520, ORDER NO. R-11567 effective 04/26/2001. Although the interest owners are not identical between these two pools, this same order established approval for subsequent applications for the down hole commingling of production in wellbores within the Gallegos Canyon Unit without notice to the unit interest owners, therefore, no additional notification is required prior to down hole commingling approval.

Production is proposed to be allocated based on a fixed percentage using the actual production rate from two offset wells; the Gallegos Canyon Unit #55 & Gallegos Canyon Unit #56. Both wells produce from the Basin Fruitland Coal @ 24% and the Pictured Cliffs @ 76%. That production percentage will serve as a base for production from the above mentioned well.

Commingling Production Downhole in the subject well from the proposed pools will not reduce the value of the total remaining production.

DHC 1269A2

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Cherry Hlava TITLE Regulatory Analyst DATE 07/09/03

Type or print name Cherry Hlava Telephone No. 281-366-4081

(This space for State use) APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE JUL 14 2003

Conditions of approval, if any: HOLD C104 FOR NSL-PC/FC

GCU Well Work Procedure

Well Name: GCU 244
Date: 6/26/03
Project Number X5-xxxxx

Objective:

Plug back from Dakota and recomplete to commingled Fruitland Coal/Pictured Cliffs.

Pertinent Information:

Location: 1850' FSL & 2510' FEL
Sec. 36, T28N, 12W
County San Juan
State: New Mexico
Meter No. 75386
Well FLAC 98572901

Horizon: Fruitland Coal & PC
API #: 30-045-11690
Engr: John Papageorge
Phone: W (281) 366-5721
H (713) 464-5053

Note: Charge invoices associated with steps #1 through #5 to DRA WBS element of project.

1. Check anchors. MIRUSU.
2. Blow down wellhead, kill if necessary. ND tree, NU and pressure test BOP.
3. TOH with 2-3/8" tubing.
4. PXA Dakota. RIH with CIBP on tubing and set at approximately 6200'. Load well with KCl water. Pressure test casing to 300 psi.
5. Spot 150' cmt plug on top of CIBP. Spot 150' balanced cement plugs in casing across Gallup from 5300' to 5450' and Mesa Verde Cliffhouse from 2650' to 2800'.
6. Run GR/CCL. Correlate to Schlumberger Induction Log dated 4/5/66.
7. Perforate the following intervals using 3-1/8" HSC, 120 degree phasing:
Fruitland Coal - xxxx-xxxx' (x spf)
Pictured Cliffs - xxxx-xxxx' (x spf)
8. RU frac equipment and install WH isolation tool. Fracture stimulate down casing according to schedule 'A'.
9. Immediately flow back frac load on 1/4" choke for 8 hours then open to 1/2" choke until well loads up or until a sufficient test is achieved.
10. Clean out to PBTD.
11. TIH with 2 3/8" tubing. Land one joint below PC/FC at approximately xxxx'. ND BOP. NU tree.
12. Run pump and rods. RD MO SU.
13. Hook up to pumping unit. Pump back load water and test.

GCU #244

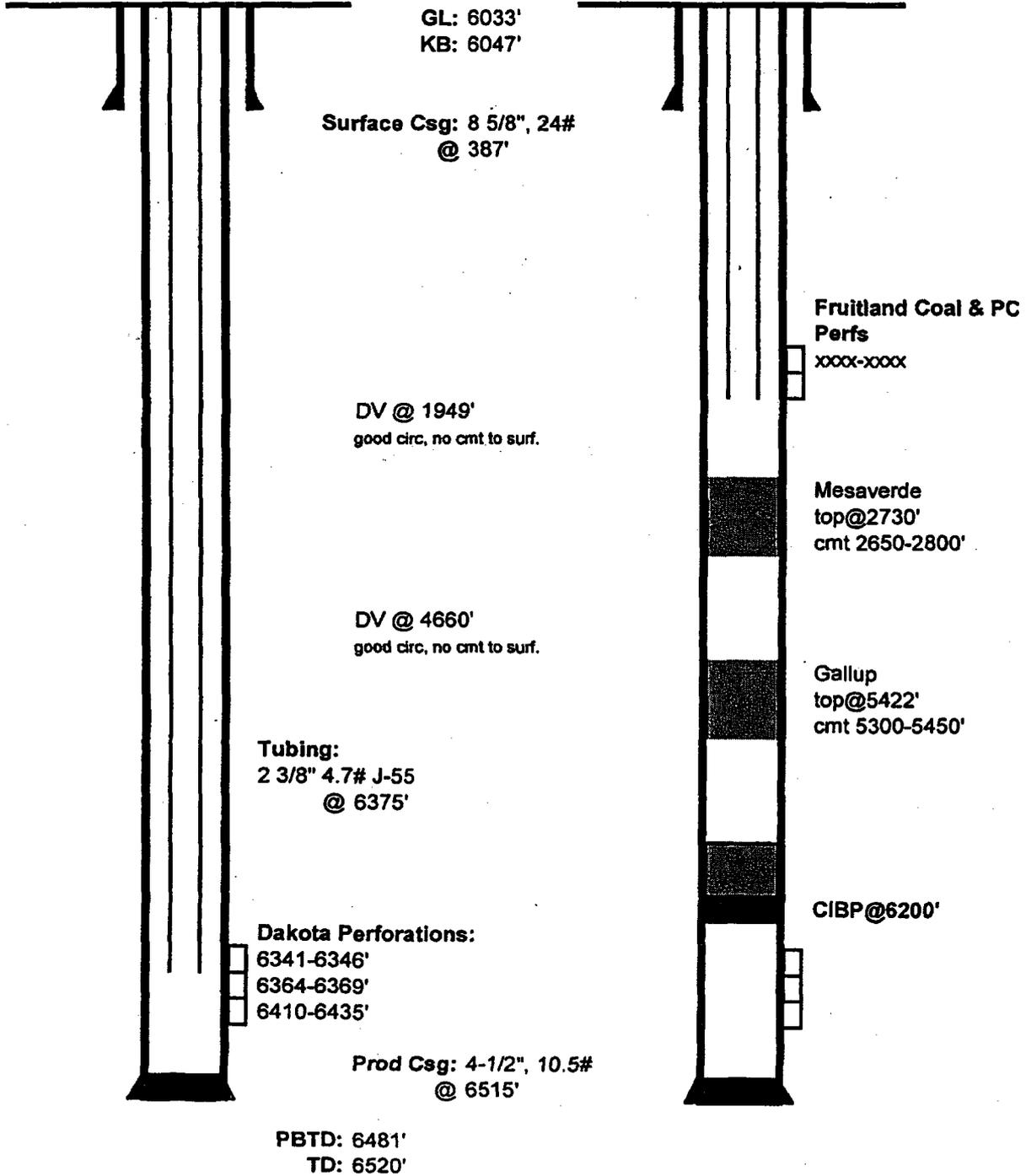
Wellbore Diagram

6/26/03

1850' FSL X 2510' FEL
Sec. 36, T28N, R12W
San Juan Co., NM

Current Configuration

Proposed



GCU Well Work Procedure

Well Name: GCU 244
Date: 6/26/03
Project Number: X5-xxxxx

Objective:
Plug back from Dakota and recomplete to commingled Fruitland Coal/Pictured Cliffs.

Pertinent Information:

Location:	1850' FSL & 2510' FEL Sec. 36, T28N, 12W	Horizon:	Fruitland Coal & PC
County:	San Juan	API #:	30-045-11690
State:	New Mexico	Engr:	John Papageorge
Meter No.:	75386	Phone:	W (281) 366-5721 H (713) 464-5053
Well FLAC:	98572901		

Note: Charge invoices associated with steps #1 through #5 to DRA WBS element of project.

1. Check anchors. MIRUSU.
2. Blow down wellhead, kill if necessary. ND tree, NU and pressure test BOP.
3. TOH with 2-3/8" tubing.
4. PXA Dakota. RIH with CIBP on tubing and set at approximately 6200'. Load well with KCl water. Pressure test casing to 300 psi.
5. Spot 150' cmt plug on top of CIBP. Spot 150' balanced cement plugs in casing across Gallup from 5300' to 5450' and Mesa Verde Cliffhouse from 2650' to 2800'.
6. Run GR/CCL. Correlate to Schlumberger Induction Log dated 4/5/66.
7. Perforate the following intervals using 3-1/8" HSC, 120 degree phasing:
Fruitland Coal - xxxx-xxxx' (x spf)
Pictured Cliffs - xxxx-xxxx' (x spf)
8. RU frac equipment and install WH isolation tool. Fracture stimulate down casing according to schedule 'A'.
9. Immediately flow back frac load on 1/4" choke for 8 hours then open to 1/2" choke until well loads up or until a sufficient test is achieved.
10. Clean out to PBTD.
11. TIH with 2 3/8" tubing. Land one joint below PC/FC at approximately xxxx'. ND BOP. NU tree.
12. Run pump and rods. RD MO SU.
13. Hook up to pumping unit. Pump back load water and test.