

COPY

Form Approved
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

5. Lease Serial No.

NMMN-0013642

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

Gardner

8. Lease Name and Well No.

12

9. API Well No.

30-045-33630

10. Field and Pool, or Exploratory

Blanco Mesaverde

11. Sec., T., R., M., or Blk. and Survey or Area

Section 26, 32N, 8W

12. County or Parish

San Juan

13. State

NM

1a. Type of Work: ☒ DRILL ☐ REENTER1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator

Peoples Energy Production - TX, L.P.

3a. Address

909 Fannin, Suite 1300

3b. Phone No. (include area code)

(713) 890-3651

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface 895' FSL & 1065' FEL

At proposed prod. zone 1820' FSL & 2000' FWL

14. Distance in miles and direction from nearest town or post office*

approximately 18 miles northeast of Aztec, New Mexico

15. Distance from proposed*

location to nearest
property or lease line, ft.
(Also to nearest drg. unit line, if any)

895'

16. No. of Acres in lease

2,264.04

17. Spacing Unit dedicated to this well

271.74 (S/2)

18. Distance from proposed location*

to nearest well, drilling, completed,
applied for, on this lease, ft.

55'

19. Proposed Depth

6,080'

20. BLM/BIA Bond No. on file

NMB000147

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

6,544' GR

22. Approximate date work will start*

September 1, 2005

23. Estimated duration

1 month

24. Attachments

DRILLING OPERATIONS AUTHORIZED ARE

SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

1. Well plat certified by a registered surveyor
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPU shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other data, information and/or plans as may be required by the authorized officer.

25. Signature

B. L. W.

Name (Printed/Typed)

Brad Walls, Resource Production

Date

11/7/05

Title

Agent, Peoples Energy Production

Approved by (Signature)

J. M. M. C. C.

Name (Printed/Typed)

Date

3/16/06

Title

AFM

Office

FFO

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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

*(Instructions on reverse)

Peoples Energy Production Company, LLC, proposes to drill a well to develop the Blanco Mesaverde formation at the above described location in accordance with the attached drilling and surface use plans.

The surface is under jurisdiction of the Bureau of Land Management, Farmington Field Office.

This location has been culturally inventoried by Aztec Archaeological Consultants. Copies of their report have been submitted to FFO/BLM.

This location is proposed to be constructed on a location containing the existing Gardner #5A and C#5A wells.

This APD is also serving as an application to obtain a pipeline right-of-way. A 112.0-foot pipeline tie would be required for this location.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13794 Exhibit No. 2
Submitted by:
PEOPLES ENERGY PRODUCTION - TEXAS L.P.
Hearing Date: October 26, 2006

OPERATOR

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

DISTRICT II
811 South First, Artesia, N.M. 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87504-2088

State of New Mexico
E. / Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102

Revised February 21, 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

*API Number		*Pool Code		*Pool Name	
*Property Code		*Property Name GARDNER			*Well Number 12
*OGRND No		*Operator Name PEOPLES ENERGY PRODUCTION			*Elevation 6544

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
0	26	32 N	9 W		695	SOUTH	1665	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
K	26	32 N	9 W		1920	SOUTH	2600'	WEST	SAN JUAN

*Dedicated Acres	*Joint or Infill	*Consolidation Code	*Order No.

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

16 S 88°37' W		5252.28'		17 OPERATOR CERTIFICATION	
2648.55'	N 3°17' E	SECTION 26		I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
				Signature: <i>[Signature]</i>	
				Printed Name: JOE GARCIA	
				Title: DRILLING/WO SPT.	
				Date: 11/28/05	
2648.61'		2600'		18 SURVEYOR CERTIFICATION	
N 3°22'17" E	1920'	695'		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: 3/8/05	
				Signature and Seal of Professional Surveyor: <i>[Signature]</i>	
S 68°26'31" W		5357.62'		Certificate Number: 1088 3204400	