

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, 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-101
March 4, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Benson-Montin-Greer Drilling Corp. 4900 College Blvd. Farmington, NM 87401		² OGRID Number 2096
³ Property Code 34112		³ API Number 30 - 039-27811
³ Property Name Casaus		⁶ Well No. 1- 0000

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	20	25N	2W		885	South	1945	East	Rio Arriba

8 Proposed 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

⁹ Proposed Pool 1 Basin Fruitland coal	¹⁰ Proposed Pool 2 Gravellan PC
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Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	20	25N	2W		885	South	1945	East	Rio Arriba
Depth to ground water 200' - 500'				Distance from nearest fresh water well approx. 1800'			Distance from nearest surface water > 3 miles		
¹¹ Work Type Code N		¹² Well Type Code G		¹³ Cable/Rotary R		¹⁴ Lease Type Code P		¹⁵ Ground Level Elevation 7152'	
¹⁶ Multiple N		¹⁷ Proposed Depth 3604'		¹⁸ Formation Fruitland Coal/Pictured Cliffs		¹⁹ Contractor RP Well Services		²⁰ Spud Date As Soon As Permitted	

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	23# LS	610'	420	Surface
7-7/8"	5-1/2"	17# J-55 LTC	3600'	100	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature: *Mike Diamond*

Printed name: Mike Diamond

Title: Vice President

E-mail Address:

Date: 6/4/04

Phone: 505-325-8874

OIL CONSERVATION DIVISION

Approved by:

Title: DEPUTY OIL & GAS INSPECTOR, DIST. NO.

Approval Date: JUN 25 2004

Expiration Date: JUN 25 2005

Conditions of Approval: supply pit information

Attached ☐

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

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO 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 30-039-27811		*Pool Code 71629/77360	*Pool Name Basin FRUITLAND COAL / GAVILAN PC
*Property Code 34112	*Property Name CASUS		*Well Number 1 (2-20)
*GRID No. 2096	*Operator Name BENSON-MONTIN-GREER DRILLING CORPORATION		*Elevation 7152'

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	20	25N	2W		885	SOUTH	1945	EAST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

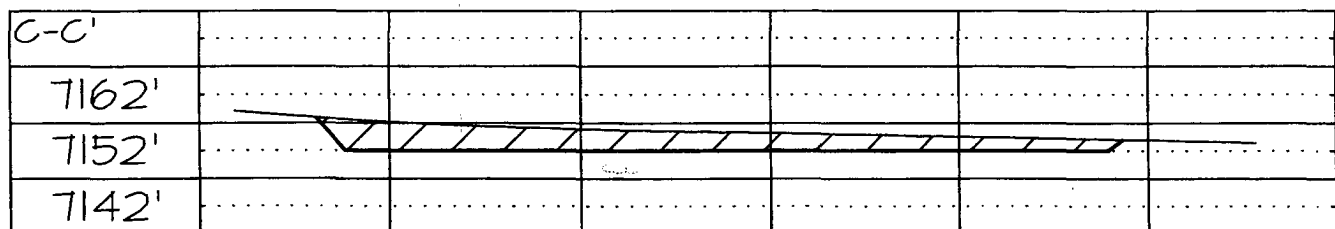
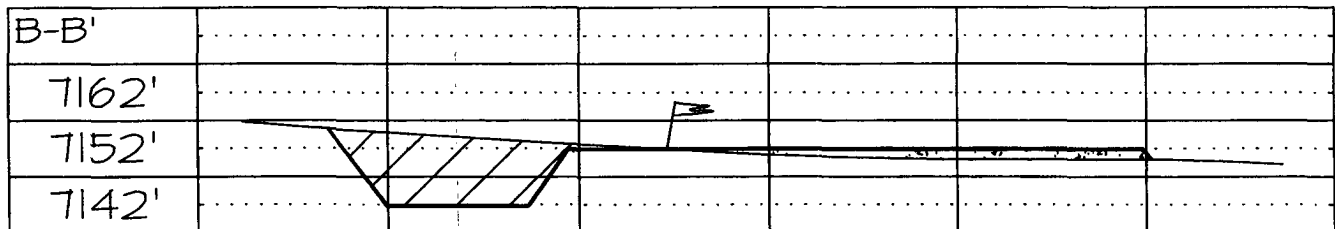
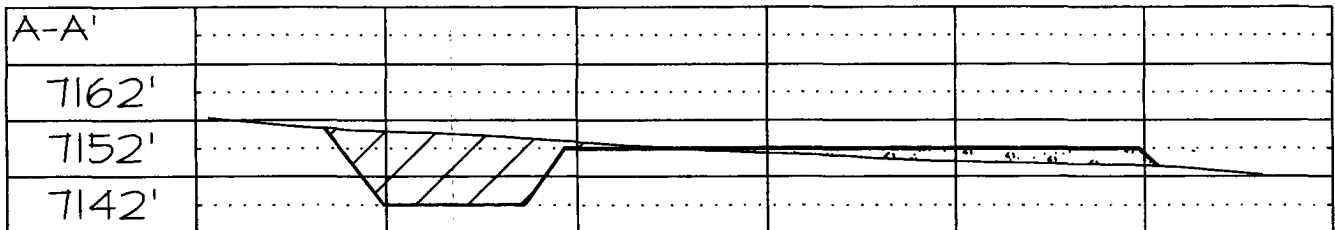
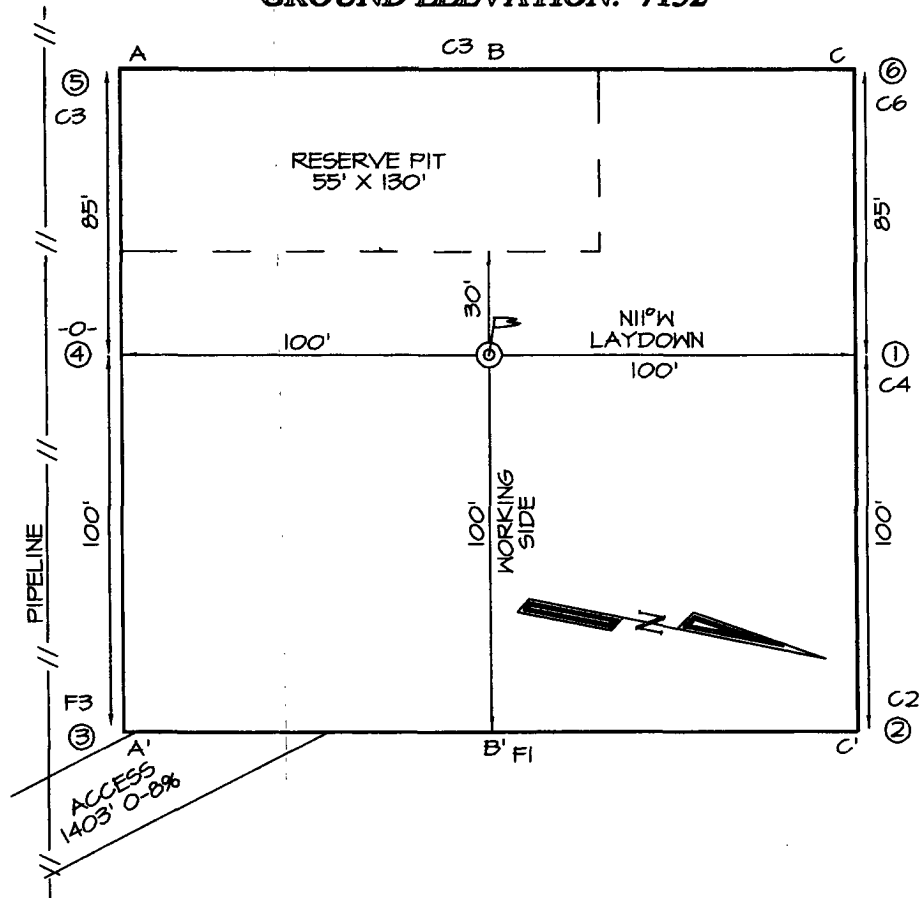
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320 E/2 / 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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</div> <div>5281.98'</div> <div>5280.00'</div> <div>5277.36'</div> <div>1945'</div> <div>885'</div> <div>20</div>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Mike Diamond</i> Signature MIKE DIAMOND Printed Name VICE PRESIDENT Title 6/4/04 Date</p> <div>18 SURVEYOR CERTIFICATION</div> <p>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.</p> <p>Date of Survey: MAY 11, 2004</p> <p>Signature and Seal of Professional Surveyor</p> <div><p>JASON C. EDWARDS Certificate Number 15269</p></div>
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BENSON-MONTIN-GREER DRILLING CORPORATION: CASAUS #1
885' FSL & 1945' FEL, SECTION 20, T25N, R2W, NMPM
RIO ARriba COUNTY, NEW MEXICO
GROUND ELEVATION: 7152'



Benson-Montin-Greer Drilling Corporation
4900 College Blvd.
Farmington, NM 87402
(505) 325-8874

Casaus #1 (~~C-20~~)
SWSE Sec 20-T25N-R2W
885' FSL & 1945' FEL
Rio Arriba County, New Mexico

EIGHT POINT DRILLING PROGRAM

1. Estimated Formation Tops:

Ojo Alamo	3177'
Kirtland	3303'
Fruitland Coal	3316'
Pictured Cliffs	3460'
Total Depth	3604'

2. Estimated Depth of Anticipated Minerals:

Fruitland (Gas)	3316'
Pictured Cliffs (Gas)	3460'

3. Minimum Specifications for Pressure Control Equipment:

BOP equipment and accessories will meet or exceed BLM requirements outlined in 43 CFR Part 3160.

A 2000 psig working pressure double ram hydraulic BOP with a Hydrill will be used (see attached diagram). The BOP and all related equipment will be hydraulically tested prior to drilling. Operation of both rams will be checked on each trip. The BOP equipment will include a Kelly valve, floor safety valve, and choke manifold, all rated to 1500 psig.

4. Casing and Cementing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>Csg Size</u>	<u>Wt, Grd, Jt</u>
12-1/4"	0-610'	8-5/8"	23#/foot, LS
7-7/8"	610' - 3600'	5-1/2"	17#/foot J-55, LT&C

Surface Casing will be cemented to surface with 420 sacks (100% excess) class B regular w/2% CaCl and 1/4# flocele/sack. A guide shoe, insert float valve top and bottom joint

Eight Point Drilling Program – Casaus #1
Page 2

and five (5) centralizers will be used. WOC time is 12 hours. Pressure test surface casing to 1500 psig prior to drilling guide shoe.

Production Casing: 100 sacks Class B regular cement with fluid loss additive plus floccle and gilsonite followed by 312 sacks of Lite cement. Cement volume includes excess to circulate cement to surface. Cementing equipment will include a guide shoe, insert float valve, 10 centralizers, and reciprocating well scratchers throughout the Fruitland/Ojo Alamo zones. A packoff-DV tool will be used 500' above Total Depth.

5. Mud Program:

A fresh water polymer mud system will be used from the surface to TD. Adequate filter cake and minimum mud weight will be maintained to prevent excessive fluid loss. Mud weight will be 9.0 (ppg) or less, Ph of 9.0-9.5, and viscosity of 28-35 (sec/qt) across all intervals.

6. Testing, Coring and Logging Program:

SP/GR-DIL, CDL/CNL.

7. Anticipated Abnormal Pressures and Temperatures:

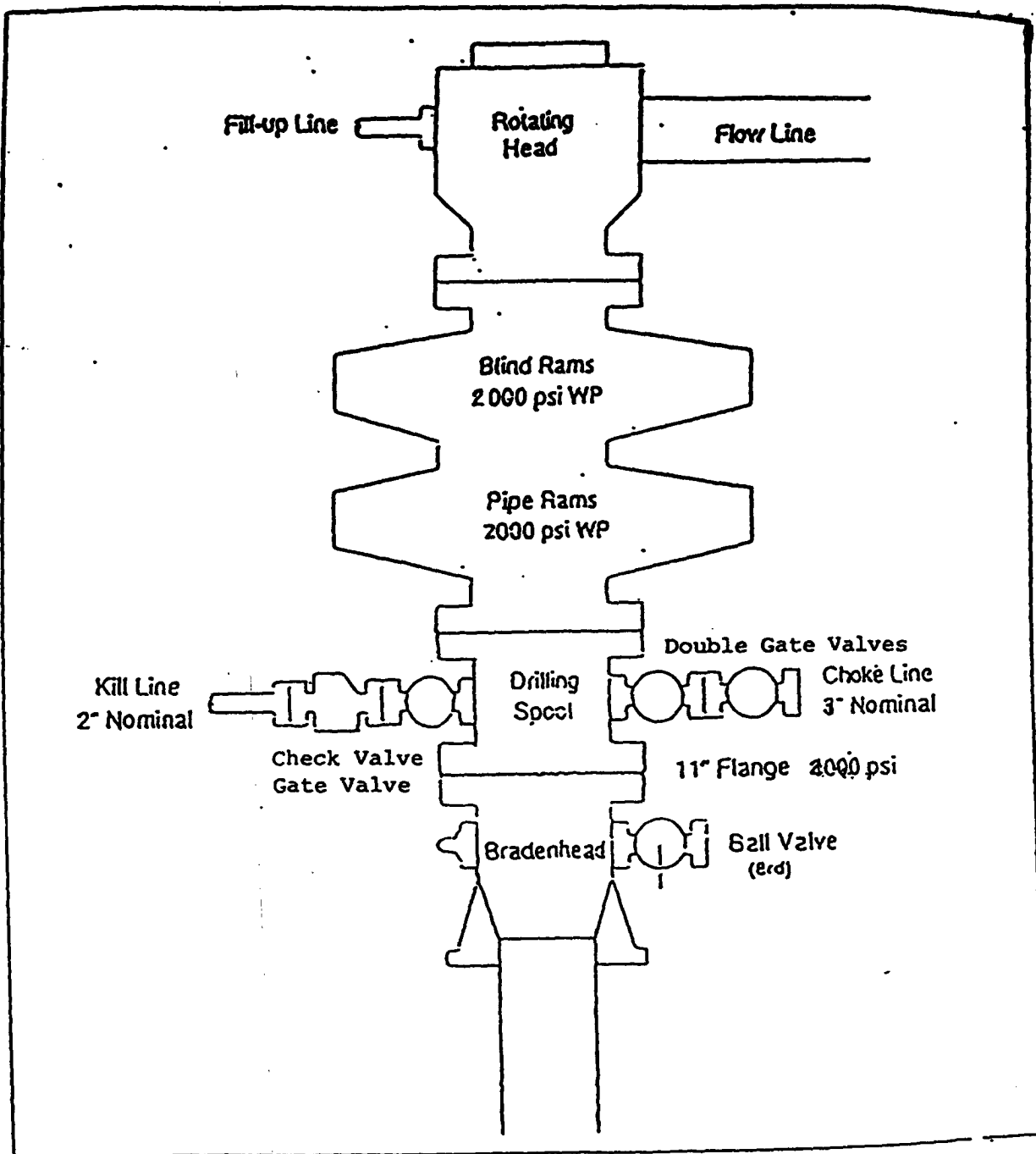
No abnormal pressures or temperatures are expected in this well. Maximum anticipated Fruitland reservoir pressure is 1200-1300 psig with a normal temperature gradient. Maximum anticipated Pictured Cliffs reservoir pressure is 1400-1500 psig with a normal temperature gradient.

8. Operations:

Anticipated spud date is as soon as permits are received and work can be scheduled. Estimated drilling time is 7 days. Completion operations are expected to take 7 – 10 days and will commence as soon after completion of drilling operations and scheduling allow.

EXHIBIT 1

BOP STACK ARRANGEMENT



All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1500 psi. The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock with handle, floor safety valve with change overs for each tool joint in the string, and choke manifold all rated to 2000 psi.

EXHIBIT 2

Choke Manifold & Accumulator Schematic

