

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

2005 JAN 10 07 10 52

1a. Type of Work DRILL		5. Lease Number NMSF-079186 NMNM-83551	
1b. Type of Well GAS		6. If Indian, Name of Allottee or Tribe	
2. Operator CAULKINS OIL COMPANY		7. API Number 30-039-29414	
3. Address & Phone No. of Operator c/o ROBERT VERQUER 1409 W. Aztec Blvd. # 7 Aztec, N.M. 87410 (505) 334-4323		8. Farm or Lease Name BREECH "E"	
4. Location of Well 1845 FNL & 2075' FEL		9. Well Number 65	
14. Distance in Miles from Nearest Town 35 miles southeast of Blanco, NM Post Office.		10. Filed, Pool, or Wildcat Basin Dakota	
15. Distance from Proposed Location To Nearest Property Line or Lease Line 1845'		11. Section, Township, & Range, Meridian, or Block 9 5-26N-6W	
16. Acres in Lease 2560 Acres		12. County Rio Arriba ✓	
17. Acres Assigned to Well 320.52 NORTH - 320 Acres		13. State New Mexico	
18. Distance From Proposed Location To Nearest Well Drill, Compl., Or Applied For on Lease 675'		19. Proposed Depth 7520'	
20. Rotary or Cable Tools ROTARY		21. Elevations (DR, RT, GR, Etc.) 6555 GR	
22. Approximate Date Work Will Start March 26, 2005		23. Proposed Casing and Cementing Program	

EXHIBITS attached as follows

"A" C-103 & Location and Elevation Plat
"B" Ten-Point Compliance Program
"C" Blowout Preventer Schematic
"D" Multi-Point Requirements for APD
"E" Vicinity Map - Access Roads

"F" Drill Rig Layout
"G" Production Facility Schematic
"H" Acreage dedication plat
"I" Archaeological Report

24. Signed Robert L. Verquer Title Superintendent Date 1-19-05
Robert L. Verquer

Permit No. _____ Approval Date _____

Approved By [Signature] Title AFM Date 4-4-05

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003

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

04-361

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-29414		*Pool Code 71549	*Pool Name Basin Dakota
*Property Code 2459	*Property Name BREECH "E"		*Well Number 65
*OGUID No. 3824	*Operator Name CAULKINS OIL COMPANY		*Elevation 6555

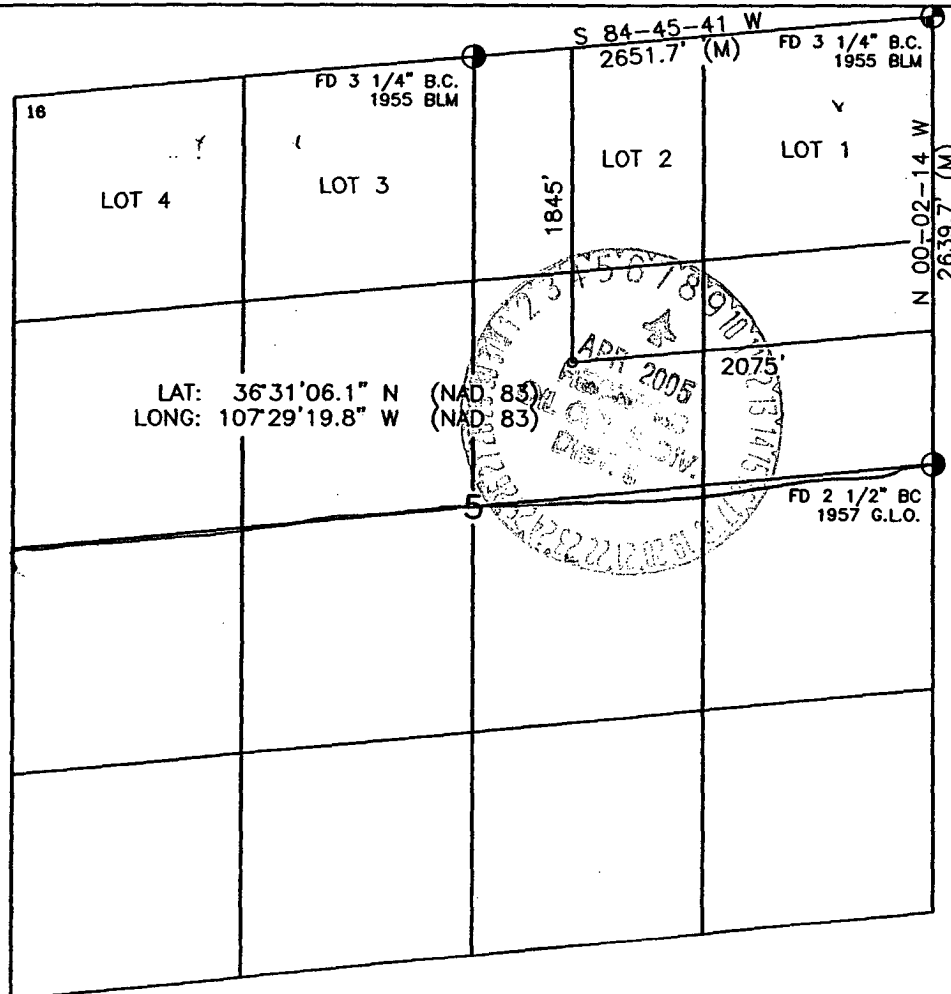
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	5	26-N	6-W		1845	NORTH	2075	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
*Dedicated Acres 320.52		*Joint or Infill		*Consolidation Code		*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



17 OPERATOR CERTIFICATION

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

Robert L. Verquer
Signature

Robert L. Verquer
Printed Name

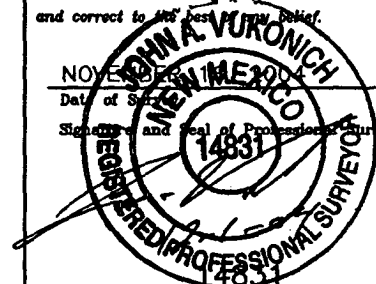
Superintendent
Title

January 19, 2005
Date

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.

NOV 17 2004
Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

WELL API NO.

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Breech "E"

8. Well Number

65

9. OGRID Number

003824

10. Pool name or Wildcat

Basin Dakota

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-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

Caulkins Oil Company

3. Address of Operator

1409 W. Aztec Blvd., Suite B7, Aztec New Mexico 87410

4. Well Location

Unit Letter G : 1845' feet from the North line and 2075' feet from the East line

Section 5 Township 26N Range 6W NMPM County Rio Arriba

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

6555 GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Drilling Depth to Groundwater 65' Distance from nearest fresh water well 1/2 mile Distance from nearest surface water 1 mile

Pit Liner Thickness: mil Below-Grade Tank: Volume: bbls; Construction Material:

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Drilling Pit ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. 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.

Construct new below grade drilling pit along with location.

Cut and fill diagram attached.

No liner will be required for this pit due to distance from water sources.

Construction is scheduled to begin: March 2005

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed and closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Robert L. Verquer

Type or print name Robert L. Verquer

TITLE Superintendent

E-mail address:

DATE 1-19-05

Telephone No. 505-334-4323

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 30

Conditions of Approval (if any):

DATE APR - 8 2005

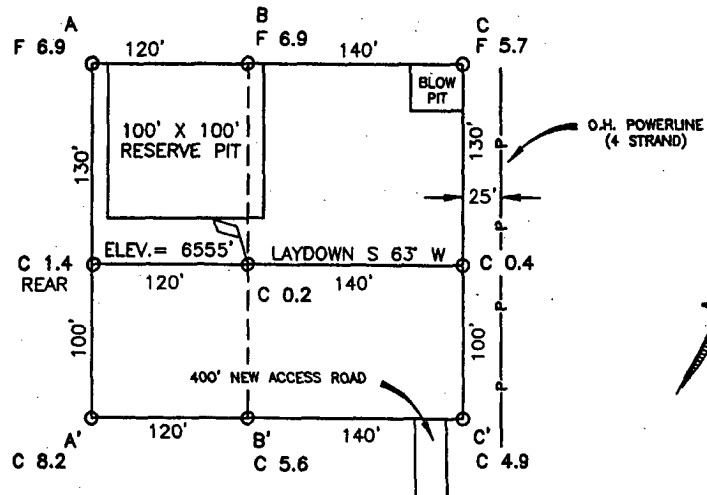
COMPANY: CAULKINS OIL COMPANY

LEASE: BREECH "E" NO. 65

FOOTAGE: 1845' FNL 2075' FEL

SEC.: 5 TWN: 26-N RNG: 6-W NMPM

ELEVATION: 6555'



230' x 260' (330' x 360') = 2.73 ACRES

ELEV. A-A'	C/L
6580	
6570	
6560	
6550	
6540	
6530	
6520	

ELEV. B-B'	C/L
6580	
6570	
6560	
6550	
6540	
6530	
6520	

ELEV. C-C'	C/L
6580	
6570	
6560	
6550	
6540	
6530	
6520	

NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15068 • Farmington, NM 87401
 Phone (505) 338-1772 • Fax (505) 338-8019
 NEW MEXICO L.S. No. 14831
 DATE: 11/29/04
 DRAWN BY: G.V.
 REVISED BY:
 DATE:
 REVISION:
 NO. 00034

EXHIBIT "B"

TEN POINT COMPLIANCE PROGRAM

Caulkins Oil Company
Breach "E" 65
1845' FNL & 2075' FEL, Sec. 5, 26N, 6W
Rio Arriba County, New Mexico
Lease No. NMSF-079186

1. The Geological Surface Formation is : San Jose.
2. The Estimated Tops of Important Geological Markers:

Ojo Alamo	2081
Fruitland	2660
Picture Cliffs	2970
Chacra	3885
Point Lookout	5139
Greenhorn	7130
Dakota	7346
TD	7520

3. Estimated Depths and pressures of Anticipated Water, Oil, Gas or Minerals:

Substance	Formation	Depth	Pressure
Water	Alamo	2184	0
Gas	Fruitland	2968	200
Gas	Pictured Cliffs	3050	450
Gas	Chara	3988	500
Gas	Mesa Verde	5425	1000
Gas	Dakota	7465	1500

4. The proposed casing program will be as follows:

Depth	Hole Size	O.D.	Weight	Grade	Type	New/Used
0-350	12-1/4	9-5/8	36#	J55	LT&C	NEW
0-1000	7-7/8	5-1/2	17#	K55	LT&C	NEW
1000-6520	7-7/8	5-1/2	15.50#	K55	LT&C	NEW
6520-7520	7-7/8	5-1/2	17#	K55	LT&C	NEW

The proposed cement program will be as follows:

Surface: 163 sacks class H with 1% CaCl
and 1/4# per sack cellophane flake.

VOLUME CALCULATIONS

YIELD 1.14 350 ft x 0.3132 cu-ft/ft with 70% excess = 186 cu-ft

PRODUCTION:

Cement will be run in three stages with
stage tools set at approximately 3520' and 5520'.

1st stage Cement through shoe at approx. 7520' with 233 sacks
class B 35/65 poz + 6% gel (bentonite) + 1/4# /sk
cellophane flake followed by 100 sacks class H
+ 1% CaCl + 1/4# /sk cellophane flake.

VOLUME CALCULATIONS

YIELD 1.79 1341 ft x 0.1732 cu-ft/ft with 80% excess = 418 cu-ft

YIELD 1.14 659 ft x 0.1732 cu-ft/ft with 0% excess = 114 cu-ft

2nd stage Cement through shoe at approx. 5520' with 233 sacks
class B 35/65 poz + 6% gel (bentonite) + 1/4# /sk
cellophane flake followed by 100 sacks class H
+ 1% CaCl + 1/4# /sk cellophane flake.

VOLUME CALCULATIONS

YIELD 1.79 1341 ft x 0.1732 cu-ft/ft with 80% excess = 418 cu-ft

YIELD 1.14 659 ft x 0.1732 cu-ft/ft with 0% excess = 114 cu-ft

EXHIBIT "B"

TEN POINT COMPLIANCE PROGRAM

Caulkins Oil Company
Breech "E" 65
1845' FNL & 2075' FEL, Sec. 5, 26N, 6W
Rio Arriba County, New Mexico
Lease No. NMSF-079186

3rd stage Cement through tool at approx. 3520' with 498 sacks class B 35/65 poz + 6% gel (bentonite) + 1/4# /sk cellophane flake followed by 100 sacks class H + 1% CaCl + 1/4# /sk cellophane flake.

VOLUME CALCULATIONS

YIELD 1.79 2861 ft x 0.1732 cu-ft/ft with 80% excess = 892 cu-ft

YIELD 1.14 659 ft x 0.1732 cu-ft/ft with 0% excess = 114 cu-ft

5. Operator's Minimum Specifications for Pressure Control:

EXHIBIT "C" is a schematic of a 2M blowout preventer system. The BOP's will be hydraulically tested prior to drilling out from under surface and operational checks will be made daily thereafter and recorded in the drilling tour report.

Accessories to BOP will include the following:

- A. 2" minimum kill line and valve.
- B. Choke line and valve
- C. 2 Chokes
- D. Upper kelly cock valve with handle.
- E. Safety valve and subs to fit all drill strings.
- F. Pressure gauge on choke manifold.
- G. 2" minimum choke line.
- H. Fill-up line above uppermost preventer.

6. The type and Characteristics of the Proposed Circulating Mud's:

Mud system will be gel-chemical with adequate stocks of absorbent agents on location to handle possible spills of fuel and oil in the surface. Heavier mud's will be on location to be added if pressure requires.

Interval	Mud Wt	Vis	Fluid Loss	Ph	Additives
0- 350	9.0	50	---	9	Lime
350-TD	9.0	34-40	8cc	9	Chemicals

7. Auxiliary equipment to be used is as follows:

- a. Float valve above bit.
- b. Monitoring of mud system will be visual.
- c. A sub with a full opening valve will be on the floor when the kelly is not in use.

8. Testing, logging and coring will be as follows:

- a. Cores - none will be taken.
- b. Drill stem tests - none anticipated.
- c. Logging - Cased hole Gas Spectrum Log bottom of surface pipe to TD.

9. Anticipated Abnormal Pressures and Temperatures:

No abnormal pressure, temperatures or hydrogen sulfide gases are anticipated during the course of drilling to TD. The maximum bottom hole pressure to be expected is 1500 psi.

10. Anticipated Starting Date and Duration of the Operations:

The anticipated starting date is set for March 26, 2005, or as soon as possible after examination and approval of drilling requirements. Operations should be completed within 25 days.

EXHIBIT "C"

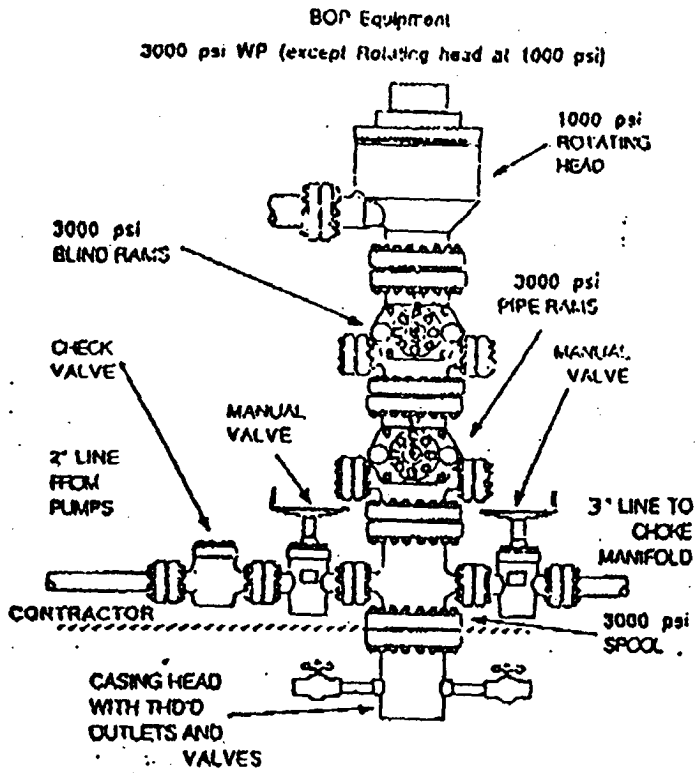


EXHIBIT "B" CHOKE MANIFOLD

