

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

ORIGINAL

Form C-101
May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

Operator Name and Address Holcomb Oil and Gas, Inc. P.O. Box 2058 Farmington, NM 87499		OCRD Number 010605
Property Code 34959	Property Name J.B. Sullivan	API Number 30 - 045-33223
Proposed Pool 1 Fruitland Coal		Well No. 4Y
Proposed Pool 2		

7 Surface Location

UL or lot no. L	Section 25	Township 29N	Range 11W	Lot Idn	Feet from the 1535	North/South line South	Feet from the 1050	East/West line West	County San Juan
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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
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Additional Well Information

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 5575
Multiple NO	Proposed Depth 1850'	Formation Fruitland Coal	CHIHUAHUA DRILLING	Spud Date
Depth to Groundwater 100'		Distance from nearest fresh water well 1000'		Distance from nearest surface water > 1000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
8 3/4"	7"	23#/ft	130'	40	Surface
6 1/4"	4 1/2"	10.5 #/ft	1820'	200	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.

See Attached "Ten-Point Program" and its Attachments.

Exhibits Attached as Follows:

"A" Well Location and Acreage Dedication Plat C-102; "B" Vicinity Map Access Roads; "C" Ten-Point Compliance Program; "D" Multi-Point Requirements for APD; "E" Blowout Preventer Schematic; "F" Location, Profile-Well Pad and Section; "G" Access Road and Pipeline R-O-W; "H" Drill Rig Layout; "I" Completion Rig Layout; "J" Production Facility Plat; "K" Wells within 1 mile.

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 ☐.

Printed name: **William J. Holcomb**

Title: **President**

E-mail Address: **Holcomb@digii.net**

Date: **7-11-05**

Phone: **(505) 326-0550**

OIL CONSERVATION DIVISION

Approved by:

Title: **DEPUTY OIL & GAS INSPECTOR, DIST. 3**

Approval: **JUL 12 2005**

Expiration: **JUL 12 2006**

Conditions of Approval Attached ☐

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

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

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

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

State of New Mexico
Energy, 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

¹ API Number 30-045-33223	² Pool Code 71629	³ Pool Name BRAIN FRIEDLAND COAL
⁴ Property Code 36959	⁵ Property Name JB SULLIVAN	⁶ Well Number 4-Y
⁷ OGRID No. 010605	⁸ Operator Name HOLCOMB OIL AND GAS INC.	⁹ Elevation 5575'

¹⁰ Surface Location

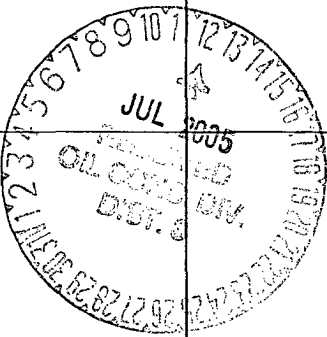
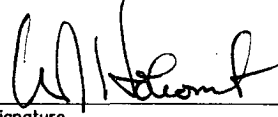

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	25	29-N	11-W		1535	SOUTH	1050	WEST	SAN JUAN

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
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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

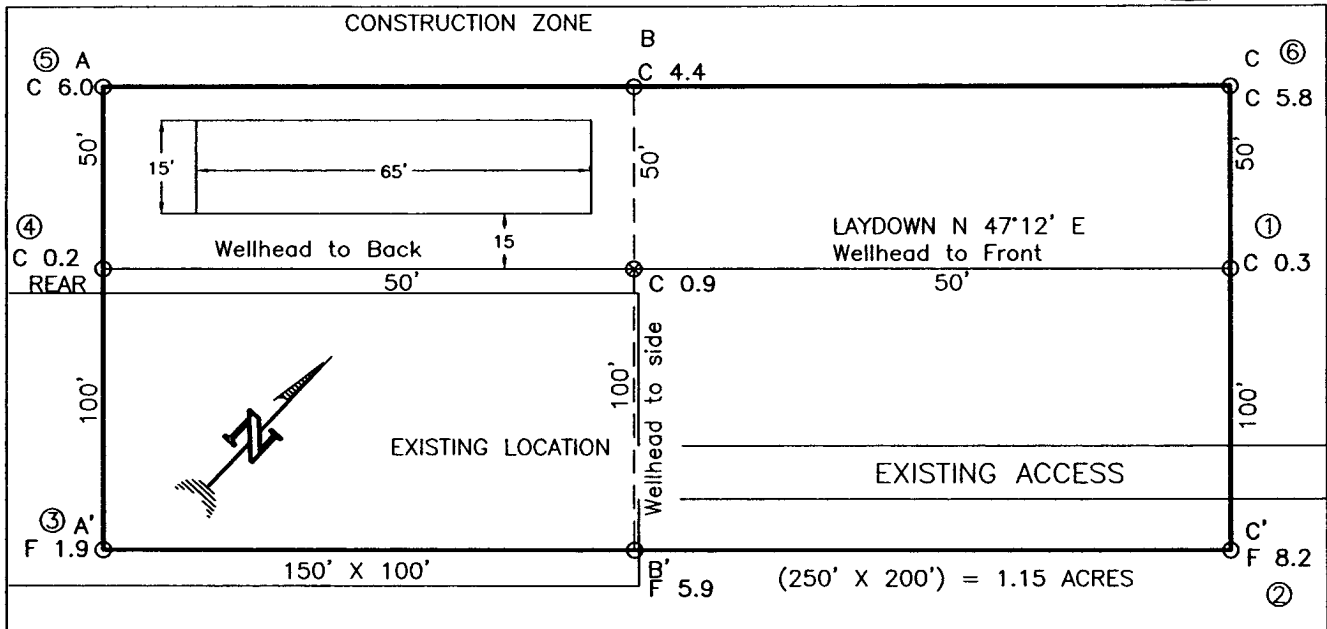
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		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p> Signature W. J. Holcomb Printed Name President Title 7-11-05 Date</p>	
<p>QTR. CORNER FD. 3 1/4" BC LS. 9671, 1999</p>		<p>18 SURVEYOR CERTIFICATION</p> <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 Signature and Seal of Professional Surveyor Certificate Number</p>	
<p>25</p> <p>1050'</p> <p>1535'</p> <p>LAT: 36°41'38.5" N (NAD 83) LONG: 107°56'54.5" W (NAD 83)</p> <p>S 89-59-35 E 2627.7'</p> <p>QTR. CORNER FD. 3/4" REBAR</p>			

Attachment "F" Location, Profile-Well Pad and Section

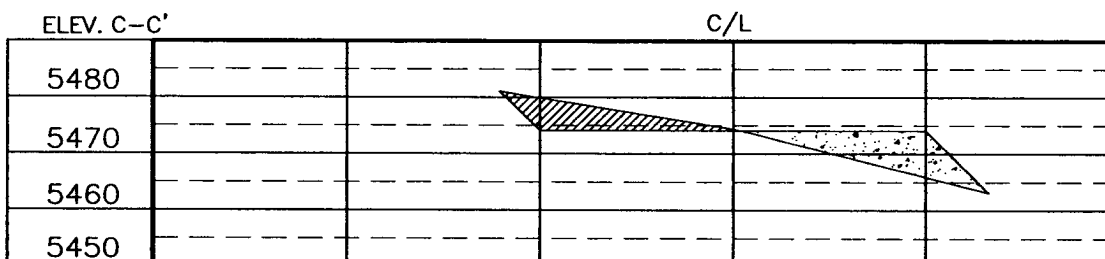
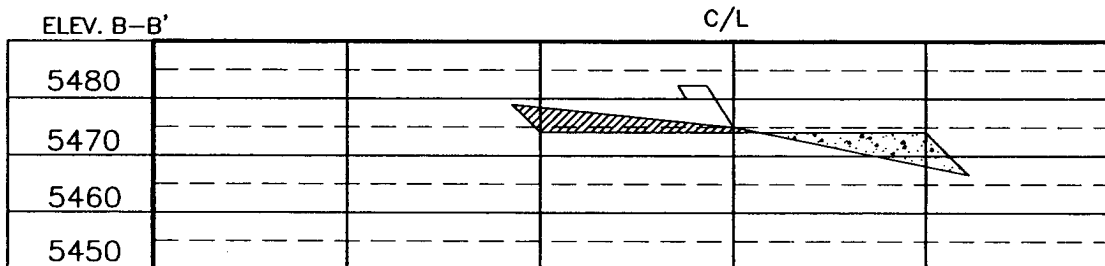
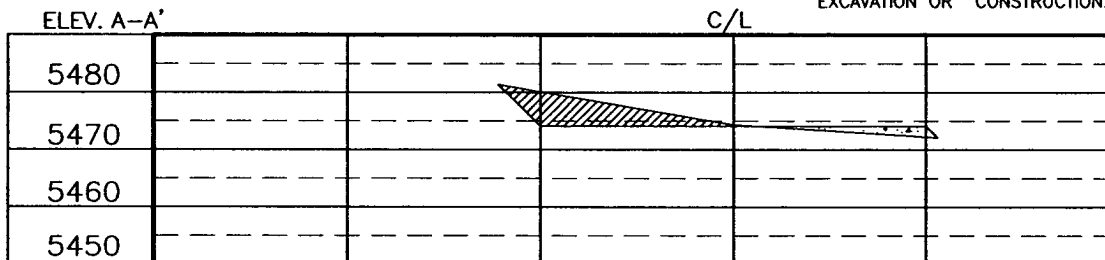
HOLCOMB OIL AND GAS INC.
SULLIVAN 4-Y, 1535 FSL 1050 FWL
SECTION 25, T29N, R11W, N.M.P.M., SAN JUAN COUNTY, N. M.
GROUND ELEVATION: 5575, DATE: JUNE 23, 2005

LAT. = 36°41'38.5" N
LONG. = 107°56'54.5" W
NAD 83



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.



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) 326-1772 • Fax (505) 326-6019
NEW MEXICO L.S. No. 14831
GAPLE HOG003CF8
DATE: 06/30/05
DRAWN BY: A.G.
ROW#: HOG003

Ten-Point Program

TEN-POINT PROGRAM
Holcomb Oil and Gas, Inc.
Sullivan #4Y
SW/4, SEC. 25, T29N, R11W
San Juan County, New Mexico

1. THE GEOLOGICAL SURFACE FORMATION IS THE NACIMIENTO.
2. THE TOPS OF IMPORTANT GEOLOGICAL MARKERS: (BASED ON EXISTING LOG INFORMATION)

FRUITLAND	'	1450'
PICTURED CLIFFS	'	1800'
TOTAL DEPTH	'	1950'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

<u>SUBSTANCE</u>	<u>FORMATION</u>	<u>ANTICIPATED DEPTH</u>
Water	OJO	480'
Gas	Fruitland Coal	1500'
	Pictured Cliffs	1800'

4. THE CASING PROGRAM:

<u>DEPTH</u>	<u>HOLE SIZE</u>	<u>CASING O.D.</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>TYPE</u>	<u>NEW/USED</u>
8¾		7.0	23#	J-55	STxC	New
6¼		4½"	11.6#	J-55	STxC	New

PROPOSED CEMENT PROGRAM: To effectively isolate and seal off all water, oil, gas and coal-bearing Strata encountered by the utilization of spacers, centralizers and turbo-centralizers at the base of the Ojo Alamo Formation or the base of the lowest useable water zone and by using cement volumes as follows (exact volumes to be determined from caliper log):

SURFACE: 45 Cubic Feet (38 sacks) Class B w/0.25# Cello Flake/sack plus 2% CaCl (100% excess).

PRODUCTION: 220 Cubic Feet (105 Sacks Class B Cement w/2% SM +0.25 lbs/sk Cello Flake #3lb/sk Gilsonite mixed to 12.5 ppg followed by 56 Cubic Feet (47 Sacks) Standard Type Class B Cement w/0.25#/sk Cello Flake and 3lbs/sack Gilsonite mixed to 15.6 ppg w/caliper plus 50% excess in both slurries. Total 276 Cubic Feet + (152 Sacks).

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Exhibit E is a schematic of the blowout preventer used by our drilling contractor for other wells in the area.

The BOP to be used is an Annular BOP with screwed connections with high pressure inlet and outlet hoses, all tested to 2,000 psig minimum.

TEN-POINT PROGRAM
Holcomb Oil and Gas, Inc.
Sullivan #4Y
SW/4, SEC. 25, T29N, R11W
San Juan County, New Mexico

6. THE TYPE AND CHARACTERISTIC OF THE PROPOSED DRILLING MUD FLUIDS:

SURFACE CASING: Native mud with bentonite and lime as needed for viscosity.

PRODUCTION CASING: Fresh water, low solids native mud with polymer gel for viscosity as needed to clean the hole for logging, running casing and cementing.

<u>INTERVAL</u>	<u>MUD WEIGHT</u>	<u>VISCOSITY</u>	<u>FLUID LOSS</u>	<u>PH</u>	<u>ADDITIVES</u>
0-20'	water		None		
20-130'	9.0	45	None	9	Gel Lime
130-1950'	8.6-9.0	30-50	15	9	Polymer

7. AUXILIARY EQUIPMENT TO BE USED IS AS FOLLOWS:

- a. Float valve above bit.
- b. Monitoring of mud systems will be visual.
- c. A safety valve and subs to fit all drill strings will be used.

8. TESTING, LOGGING AND CORING WILL BE AS FOLLOWS:

- a. Cores: none.
- b. Drill stem tests: none anticipated.
- c. Logging: Spectral Density Log, Dual Spaced Neutron will be run from TD to the surface casing shoe.

9. ANTICIPATED ABNORMAL PRESSURES AND TEMPERATURES:

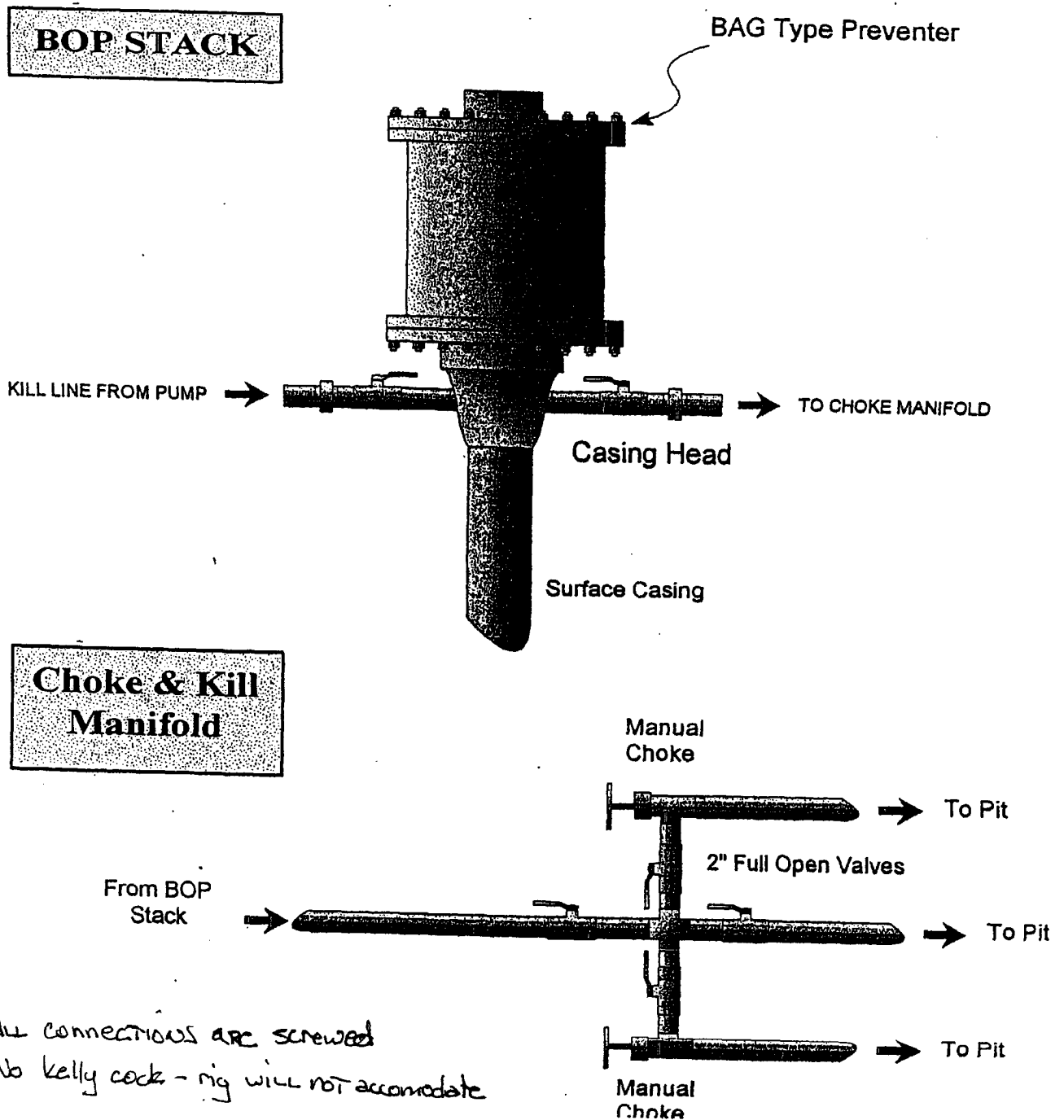
No abnormal pressures, temperatures or Hydrogen Sulfide gases are anticipated during the completion of this well. The maximum bottom hole pressure is expected to be less than 600 psig.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

The anticipated starting date is September, 2005. The drilling operations should be completed with 7 days after Rig up. Completion will be done when equipment is available and weather permits.

ATTACHMENT "E"

BOP - Blow Out Preventor



All connections are screwed
No Kelly cock - rig will not accommodate