

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
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 Manana Gas, Inc. c/o Walsh Engineering 7415 E. Main St., Farmington, NM 87402		OGRID Number 13931
Property Code 36480	Property Name Crooked Seams	API Number 30-045-34312
Proposed Pool 1 Basin Fruitland Coal		Well No. 2
		RCVD MAY 9 07 OIL CONS. DIV. DIST. 3

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	22	29N	11W		660'	South	1945'	West	San Juan

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

Additional Well Information

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 5428'
Multiple N	Proposed Depth 1800'	Formation Pictured Cliffs	Contractor	Spud Date
Depth to Groundwater 20'		Distance from nearest fresh water well >500'		Distance from nearest surface water 300'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 1250 bbls Drilling Method: Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
8-3/4"	7"	20.0#	120'	30 sx (36 cu.ft.)	Surface
6-1/4"	4-1/2"	10.5#	1800'	140sx & 75sx	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.

Manana Gas, Inc. proposes to drill a vertical well at the above listed location and test the Fruitland Coal formation. An 8-3/4" surface hole will be drilled to approx. 120' with spud mud. 7", 20# casing will be set and cemented to surface with 30 sx (36 cu.ft.) of Type 5 cement with 3% CaCl₂ and 1/4#/sk celloflake. A double ram, 2000 psi rated BOP will be installed and pressure tested to 600 psi. A 6-1/4" hole will be drilled using a fresh water - polymer mud system to approx. 1800'. 4-1/2", 10.5# casing will be set and cemented to surface with 140 sx (288 cu.ft.) of CI "B" cement with 2% SMS, 1/4 #/sk. celloflake followed by 75 sx (89 cu.ft.) of Type 5 with 2% CaCl₂, 1/4 #/sk celloflake.

Open hole DIL and FDC/CNL/GR/SP logs will be run. Surveys will be run every 500'. The W/2 of Section 22 (320 acres) is dedicated to this well.

Formation tops: Ojo Alamo - 350', Kirtland - 1305', Fruitland - 1500'. Pictured Cliffs 1572'

**NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT**

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 NMOC guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Paul C. Thompson, P.E. *Paul C. Thompson*
Title: Agent
E-mail Address: paul@walsheng.net
Date: 5/8/07

Phone: (505) 327-4892

OIL CONSERVATION DIVISION

Approved by:

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

Approval Date: **MAY 11 2007**

Expiration Date: **MAY 11 2008**

Conditions of Approval Attached ☐ Vulnerable area ☒

B 5/11

below grade pits or tanks

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

District II
1301 W. Grand Avenue, 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 & Natural Resources Department

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

Form C-102
Revised October 12, 2005
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 30-045-34312	*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 36480	*Property Name ROYAL FLUSH	*Well Number 1
*OGRID No. 13931	*Operator Name MANANA GAS, INC.	*Elevation 5428'

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
N	22	29N	11W		660	SOUTH	1945	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 320.0 Acres - W/2					¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No. DIST. 3		

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

2657.16'

2646.60'

16	5280.00'	22	1945'	2670.36'	660'	2624.16'	2579.28'	2640.00'	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <u>Paul C. Thompson</u> - 5/8/07 Signature Date <u>Paul C. Thompson, P.E.</u> Printed Name
									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 Survey Date: JANUARY 23, 2007 Signature and Seal of Professional Surveyor  <u>JASON C. EDWARDS</u> Certificate Number 15269