

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED

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

Lease Serial No.  
NM-18947 109407

If Indian, Allottee or Tribe Name

1a. Type of work: ☒ DRILL

☐ REENTER

7 If Unit or CA Agreement, Name and No.

32271

1b. Type of Well: ☐ Oil Well ☐ Gas Well ☒ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.  
Federal Strat Test C-1Y

2. Name of Operator

Northstar Oil and Gas Corp.

9. API Well No.

3004532139

3a. Address P.O. Box 93  
Farmington, NM 87499

3b. Phone No. (include area code)  
(505) 327-5751

10. Field and Pool, or Exploratory  
Mancos

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

At surface 1214' FNL, 1443' FWL

At proposed prod. zone Same

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

B, Sec. 35, T24N, R11W

14. Distance in miles and direction from nearest town or post office\*  
12.5 miles SW of Blanco Trading Post

12. County or Parish

San Juan county

13. State

NM

15. Distance from proposed\*  
location to nearest  
property or lease line, ft.  
(Also to nearest drig. unit line, if any)  
1214'

16. No. of acres in lease  
1280

17. Spacing Unit dedicated to this well  
NA - Well is to be plugged and abandoned

18. Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft.

19. Proposed Depth  
4000'

20. BLM/BIA Bond No. on file  
RLB 0000932

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
6540 KB

22. Approximate date work will start\*  
01/17/2004

23. Estimated duration  
10 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

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 SUPO 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 site specific information and/or plans as may be required by the authorized officer.

25. Signature

John C. Corbett

Name (Printed/Typed)

John C. Corbett

Date

01/12/2004

Title

President

Approved by (Signature)

Wayne Townsend

Name (Printed/Typed)

Wayne Townsend

Date

1/26/04

Title

Acting Assistant Field Manager (Minerals)

Office

FFO

WMOCD

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 page 2)

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

IF DRILLING OPERATIONS ARE AUTHORIZED, THEY ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

Northstar Oil and Gas Corp.  
Federal Strat Test C-1Y  
1214' FNL, 1443' FEL  
NWNE Sec. 35, T24N, R11W  
San Juan County, New Mexico

The Federal Strat Test C-1Y is to be drilled on Federal surface and minerals administered by the Bureau of Land Management. The proposed location is approximately 13.5 miles SW of NM-44 from the Blanco Trading Post. Drilling and plugging operations will last approximately ten days. All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of this application and any conditions of approval will be furnished to the field representative to insure compliance.

### **Drilling Program:**

#### **1. Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth(TVD)</u>	<u>Subsea</u>
Alluvium	0'	0'
Kirtland Formation	30'	6,502'
Fruitland Formation	637'	5,895'
Pictured Cliffs Sandstone	965'	5,567'
Cliff House Sandstone	1,692'	4,840'
Mancos Shale	3,531'	3,001'
T.D.	4,000'	2,532'

All tops are projected from the Roadrunner #1, Sec. 36, T24N, R11W

#### **2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth(TVD)</u>
Gas	Fruitland Coal	925'
Water	Cliff House	1,692'
Other Mineral Zones	N/A	N/A

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

Northstar Oil and Gas Corp.  
Federal Strat Test C-1Y  
1214' FNL, 1443' FEL  
NWNE Sec. 35, T24N, R11W  
San Juan County, New Mexico

**4. Mud Program:**

The surface hole will be drilled with a gel-lime slurry mixed to 40 – 50 sec./qt viscosity. Beneath surface mud will be conditioned for coring operations.

Fluid properties will be:

Weight – 8.4 to 8.8 #/gallon

Viscosity – 34-45 sec. qt

Plastic Visc. – 4-8 cps

Fluid Loss – 8-12 cc's API

pH 8.3 – 8.5

Solids Content – 5-1/2% or less

Annular velocity – 120'/min during normal drilling

Sufficient quantities of mud materials will be maintained or readily accessible for the purpose of assuring well control during the course of drilling operations.

**5. Testing, Logging and Coring**

This well will be cored in potential pay zones. Open hole logs will include induction-electric and gamma logs for correlation purposes. Drill stem testing is not anticipated. There will be no cased hole logs run as there will be no production casing.

**6. Proposed Casing and Cementing Program will be as follows:**

Surface casing will be 300' of 7", 20# J-55 ST&C new casing. It will be cemented to surface using three centralizers and 70 sacks Class "B" neat cement. Cement will be displaced with water to 30' above the shoe. Rig will wait on cement until a compressive strength of 500# is reached.

There will be no production casing. After drilling operations are completed the hole will be plugged with class "B" cement as follows:

1. Circulate and condition hole with mud to prepare for cementing.
2. Place a plug from 1705' - 1605' across the top of the Mesaverde.  
Place a plug from 979' - 879' across the top of the Pictured Cliffs.  
Place a plug from 688' - 588' across the top of Fruitland.  
Place a plug from 350' – 250' across the bottom of the surface casing.  
Place a plug from 172' to surface.

7. When the well is completed as a dry hole the "Well Completion and Recompletion Report Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (A.O.).

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

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 87506

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-32139		*Pool Code	*Pool Name
*Property Code	*Property Name FEDERAL STRAT TEST C		*Well Number 164
*GRID No.	*Operator Name NORTHSTAR OIL & GAS CO.		*Elevation 6531'

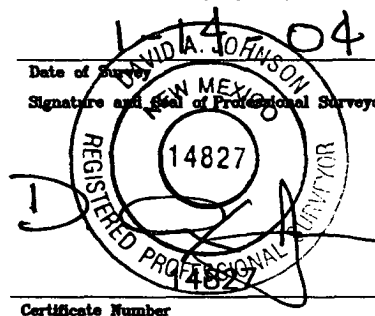
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	24-N	11-W		1214'	NORTH	1443'	EAST	SAN JUAN

<sup>11</sup> 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			*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

16	FD U.S.G.L.O. BC. 1932	N 89-33-22 W 2624.25' (M)	FD U.S.G.L.O. BC. 1932	17 OPERATOR CERTIFICATION  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature <u>John C. Corbett</u> Printed Name <u>JOHN C. CORBETT</u> Title <u>PRESIDENT</u> Date <u>1/15/2004</u>	
	LAT. 36°16'26" N LONG. 107°58'07" W	(NAD 83)	1214'		1443'
				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.  Date of Survey <u>1/14/04</u> Signature and Seal of Professional Surveyor:  Certificate Number	

Northstar Oil and Gas Corp.  
Federal Strat Test C-1Y  
1214' FNL, 1443' FEL  
NWNE Sec. 35, T24N, R11W  
San Juan County, New Mexico

3. Pressure Control Equipment: - The BOP to be used is detailed in the following diagram. An upper Kelly cock valve will be employed with an accessible handle. Equipment will be installed, tested and maintained in compliance for 2M systems.

### 2-M SYSTEM

