

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-031-20394

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL
 OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
 American Fuels Corporation

3. ADDRESS OF OPERATOR
 2921 Carlisle NE, Albuquerque, New Mexico 87110

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface T18N, R12W, NE 1/4 NW 1/4 Sec. 21, McKinley County, New Mexico
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 NA

5. LEASE DESIGNATION AND SERIAL NO.
 NM #9662

6. IS INDIAN, ALLOTTEE OR TRIBE NAME
 NA

7. UNIT AGREEMENT NAME
 NA

8. FARM OR LEASE NAME
 NMD (Shell Oil Co.)

9. WELL NO.
 #3

10. FIELD AND POOL, OR WILDCAT
 Wildcat

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA
 T18N, R12W, NW 1/4 NW 1/4 Sec. 21

12. COUNTY OR PARISH
 McKinley

13. STATE
 NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any)
 660' FNL
 660' FWL

16. NO. OF ACRES IN LEASE
 2555.48

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 NA

19. PROPOSED DEPTH
 3500'

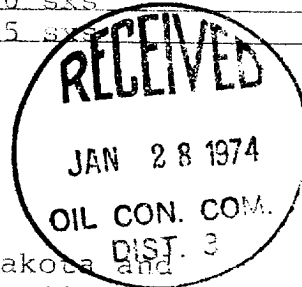
20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DP, RT, CR, etc.)
 6525.0' GR

22. APPROX. DATE WORK WILL START*
 upon approval

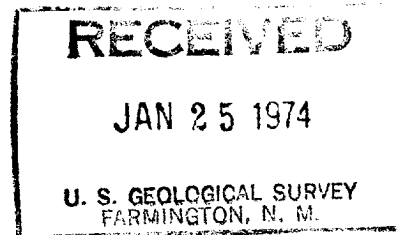
PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	8 5/8"	24.0	100'	100 SXS
6 1/2"	4 1/2"	10.5	3400'	125 SXS



Blowout preventors will be tested daily.

Objective will be to drill, test and log the Dakota and Entrada formations. All shows of Hydrocarbons will be tested.



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED [Signature] TITLE Agent DATE 1/23/74
 (This space for Federal or State office use)

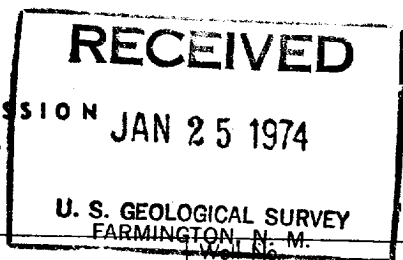
PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY [Signature] TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

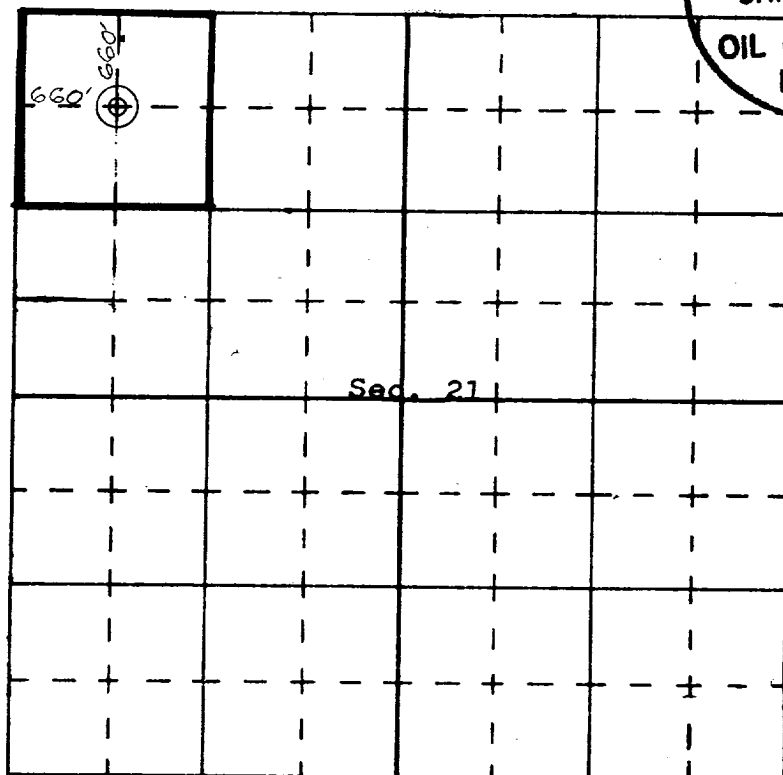
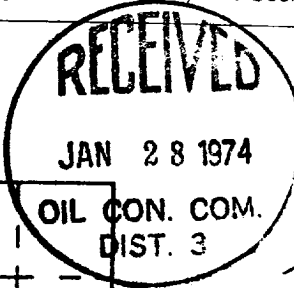


Operator AMERICAN FUELS CORPORATION		Lease NMD		Well No. 3	
Unit Letter D	Section 21	Township 18 NORTH	Range 12 WEST	County McKINLEY	
Actual Footage Location of Well: 660 feet from the NORTH line and 660 feet from the WEST line Ground Level Elev. 6525.0 Producing Formation Entrada Pool 3500' Wc Dedicated Acreage: NW$\frac{1}{4}$ NW$\frac{1}{4}$ 40 Acres					

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty), **NA**
 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc? **NA**
- () Yes () No If answer is "yes," type of consolidation

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.



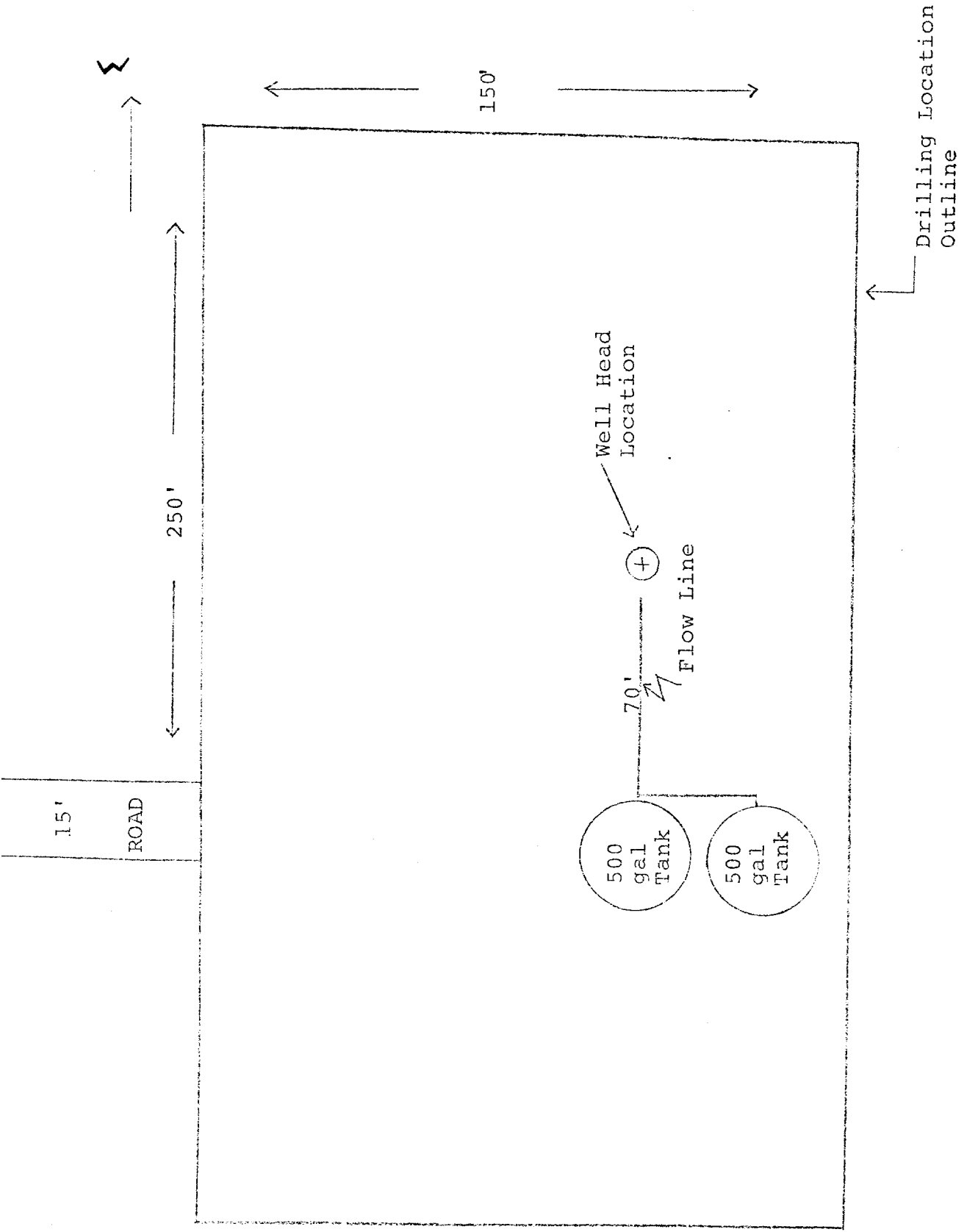
CERTIFICATION

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

[Signature]
 Name _____
 Agent
 Position _____
American Fuels Corporation
 Company _____
1/23/74
 Date _____

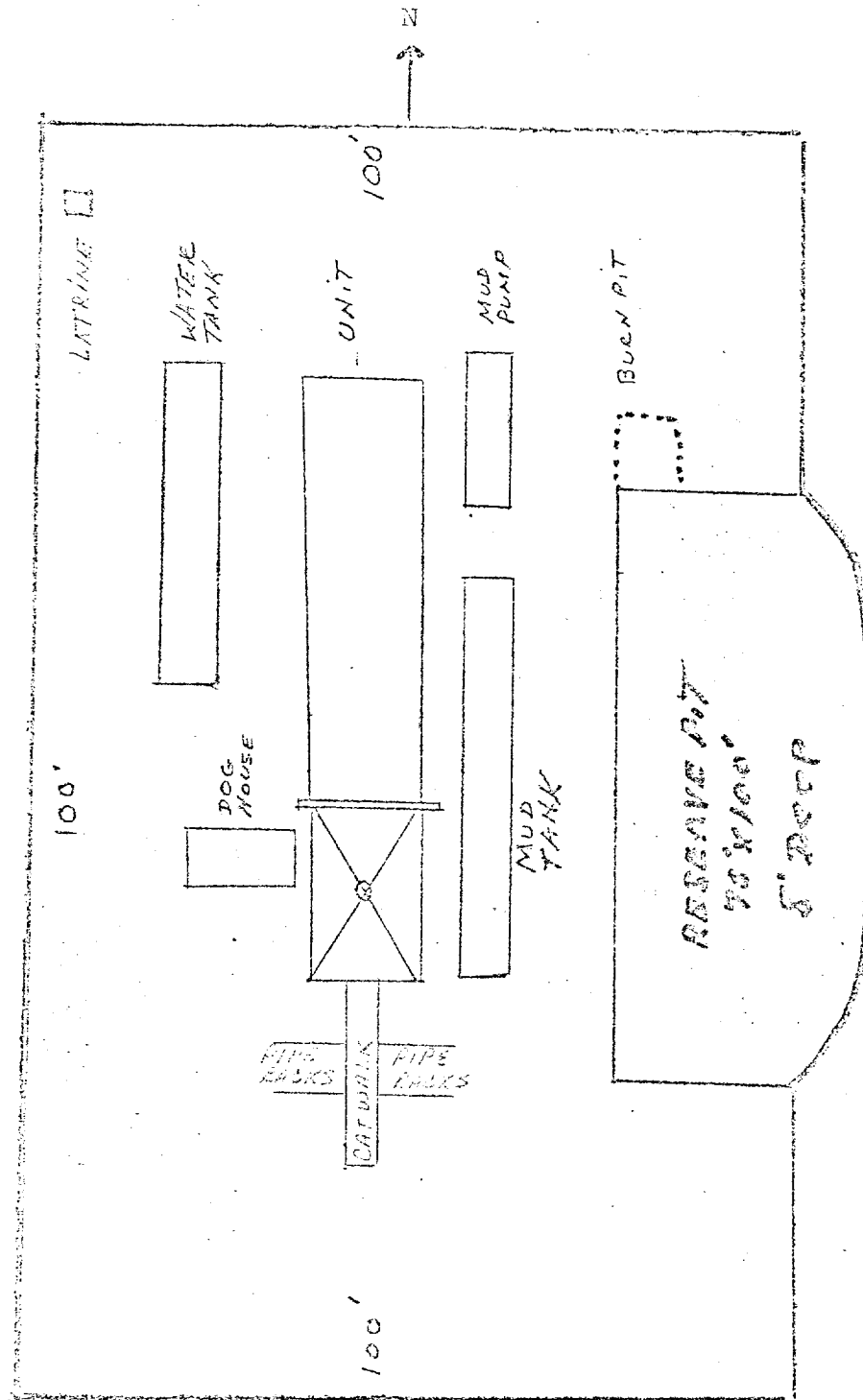
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

9 January, 1974
 Date Surveyed _____
[Signature]
 Registered Professional Engineer
 and/or Land Surveyor
JAMES P. LEESE
1463
 Certificate No. _____



LOCATION AND EQUIPMENT
LAY OUT

Location Size 150' X 200'



E

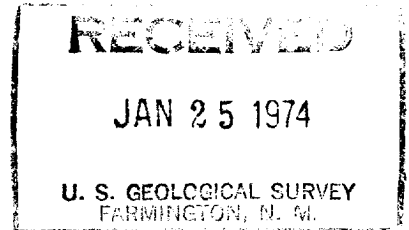
American Fuels Corporation

TELEPHONES
(505) 345-3507
(505) 343-5519

SUITE 200
2921 CARLISLE BOULEVARD, N. E.
ALBUQUERQUE, NEW MEXICO 87110

January 23, 1974

Mr. Phil McGrath
District Engineer, U.S.G.S.
Petroleum Club Plaza
P.O. Box 959
Farmington, NM 87401



Re: Application for Permit to Drill
AFCo NMD #3
Sec. 21, T18N, R12W

Dear Mr. McGrath:

In compliance with the new "12 Point" Environmental Inspection requirements, the following information is submitted:

1. See Exhibit "A". (The U.S.G.S. topographic map for the quadrangle in which this location lies is not as yet in print.)
2. See Exhibit "A". It will be necessary to construct approximately 2000 feet of new road to the Drill Site which will be 15 feet in width.
3. See Exhibit "B".
4. See Exhibit "A".
5. See Exhibit "C".
6. Water will be hauled from Largo Water Hole, T24N, R4W, SE $\frac{1}{4}$ Section 9.
7. See Exhibit "D". Waste disposal will be buried in the burn pit, latrine, or reserve pit as applicable.
8. NA
9. NA

Mr. Phil McGrath

"12 Point" Environmental Inspection Requirements

10. See Exhibit "D".
11. We will restore the Drill Site location to as near its original condition as possible. Particular emphasis will be placed upon the prevention of any erosion potential.
12. Our field representative will be Mr. Donald Burton, Burton Drilling Company, P.O. Box 407, Farmington, New Mexico, (505) 325-5363.

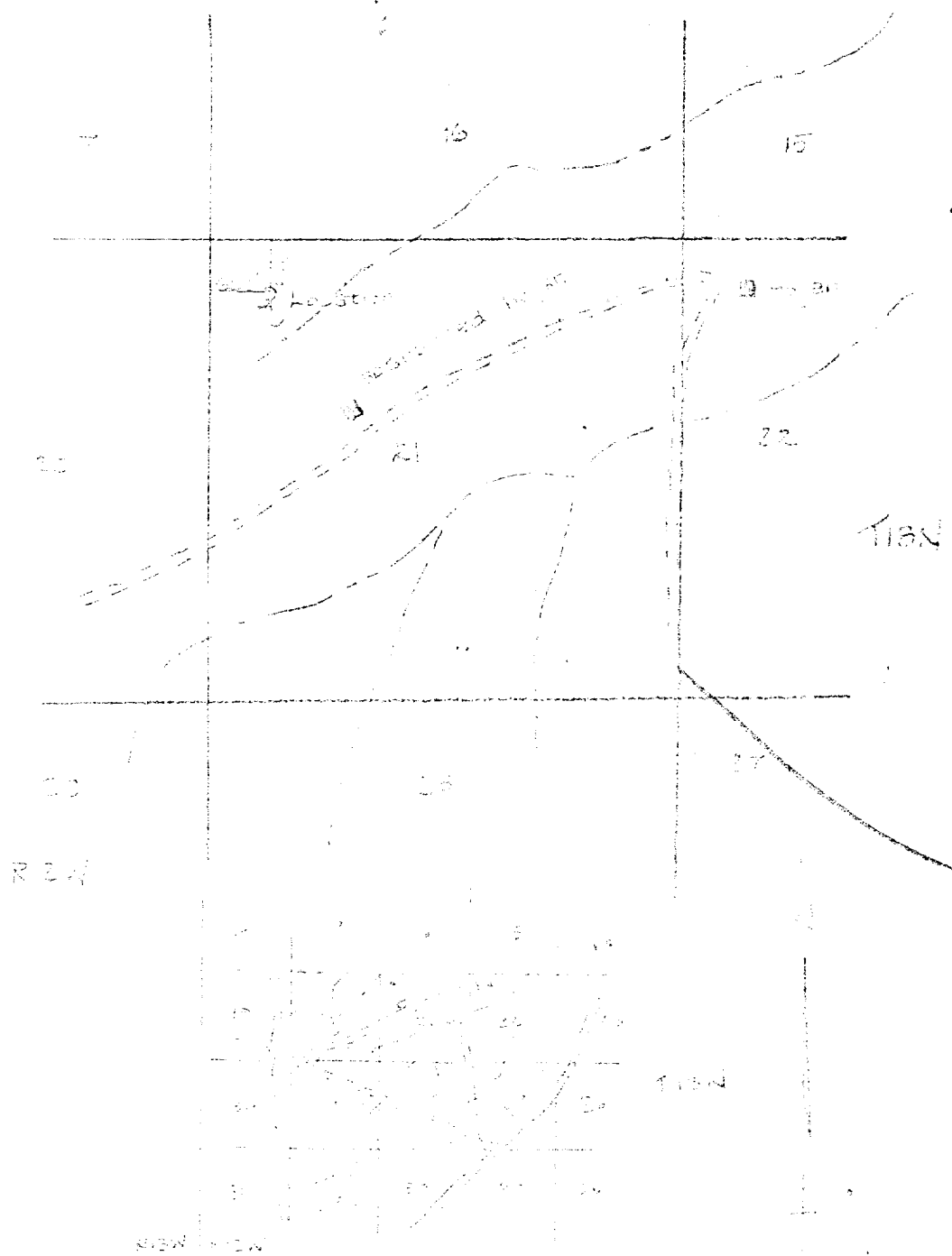
If any additional information is needed, please do not hesitate to contact me.

Very truly yours,

C. R. Robinson
Agent

CRR/bac

Enclosures (4)



1172000

VICINITY MAP #12
 American Fuels Corp.
 well 20-41
 10 NWP N1/4 of Sec 21,
 T13N, R24W, S4R.M.,
 Monterey Co., N.Mex. 19014

San Juan Formation