

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY *APT-30-031-2098*

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
 Filon Exploration Corporation

3. ADDRESS OF OPERATOR *c/o Minerals Management Inc.*
 501 Airport Drive, Suite 105, Farmington, N.M. 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface
 2310 FSL, 2310 FWL, Sec 21, T20N, R5W
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 23 miles South-Southwest Counslers Trading Post, N.M.

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 2310 FSL

16. NO. OF ACRES IN LEASE
 480

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.

19. PROPOSED DEPTH
 6200'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 6775 GR

22. APPROX. DATE WORK WILL START*
 7-1-76

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	10 3/4"	40.50#	200	200 sx
8 3/4"	7"	23-26#	6200	300-500 sx (2 stage)

Filon Exploration Corporation (Operator) proposes to drill a Jurassic test to 6200'. Completion will be determined from logs. Series 900 (3000 psi) WP. Blowout perventer will be used.



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.

24. SIGNED *J. Arnold Swell* TITLE *Area Manager Minerals Management Inc* DATE *June 18, 1976*

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:
OK

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

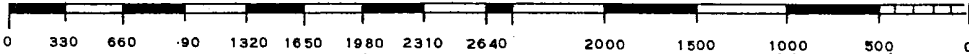
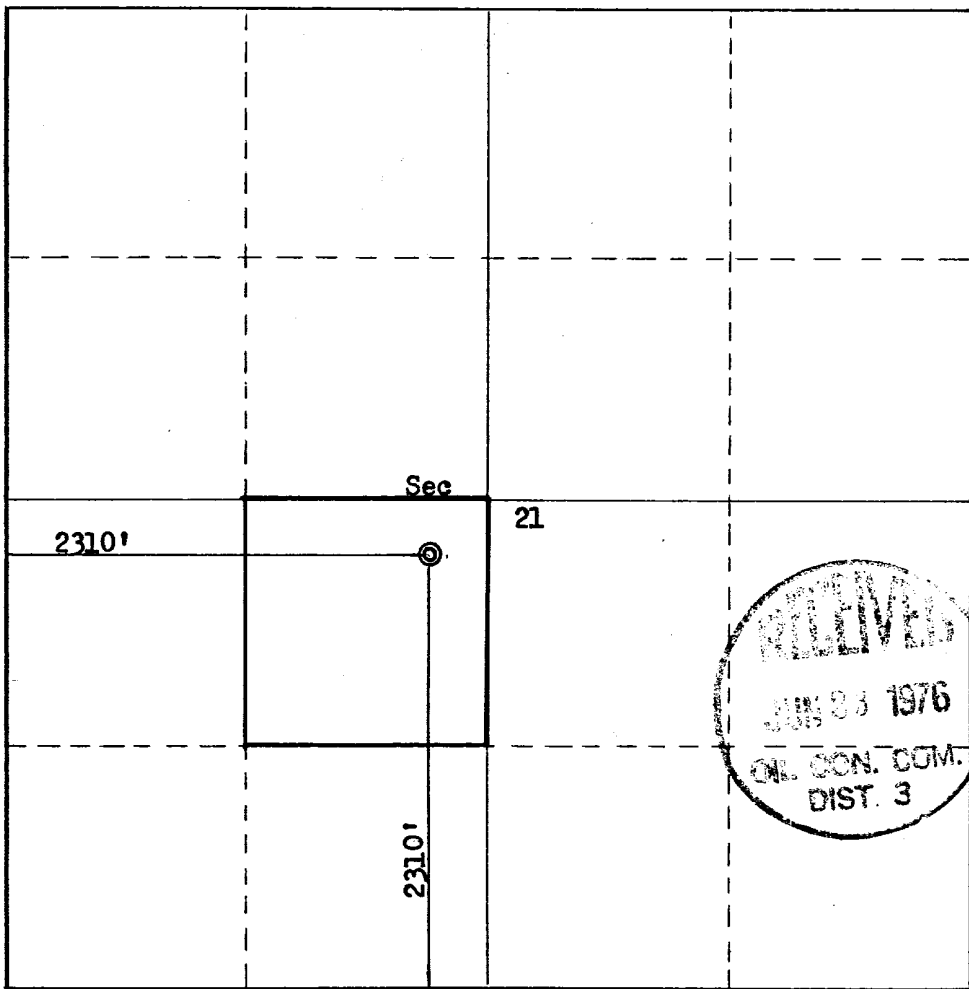
Operator Filon Exploration			Lease Filon-Federal 21		Well No. 1
Unit Letter K	Section 21	Township 20N	Range 5W	County McKinley	
Actual Footage Location of Well: 2310 feet from the South line and 2310 feet from the West line					
Ground Level Elev. 6775	Producing Formation Entrada		Pool Wildcat	Dedicated Acreage: 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).
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?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been 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.



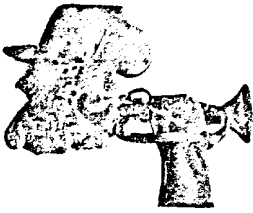
CERTIFICATION

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

Name
J. Arnold Swell
Position
Area Manager
Company
Minerals Management Inc.
Date
June 18, 1976

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.

Date Surveyed
March 9, 1976
Registered Professional Engineer
and/or Land Surveyor
Fred B. Kerr Jr.
Fred B. Kerr Jr.
Certificate No.
3950



MINERALS MANAGEMENT INCORPORATED
A Division of SCIENTIFIC SOFTWARE CORPORATION

June 18, 1976

DEVELOPMENT PLAN FOR SURFACE USE

FILON EXPLORATION CORPORATION

FEDERAL 21 WELL NO. 1

2310' FSL, 2310' FWL, SEC. 21, T20N, R5W

MCKINLEY COUNTY, NEW MEXICO

1. Existing Roads

The existing road from Counslers Trading Post to Ojo Encino School, from the school to Star Lake Compressor Station will be used.

2. Planned Access Road

As per topographic map, approximately 100' of new road will be built.

3. Location of Existing Wells

None

4. Location of Tank Batteries and Flowlines

Will be initially located on location pad approximately 150' from well if production is encountered.

5. Water Supply

Water will be hauled to location from BLM Encino water well.

6. Source of Construction Materials

Not applicable



7. Method of Handling Waste Disposal

Waste will be buried in the reserve pit on completion of the well. The reserve pit will be backfilled. Toilet facilities will be provided.

8. Ancillary Facilities

No camps or airstrips will be used

9. Diagram of Well Location

See attachment

10. Plans for Restoration to Surface

The surface will be restored and reseeded as directed by the Bureau of Land Management.

11. Other Information

Impact on the environment will be minimal. The access road and well location is sparsely vegetated and minimal trees and sage will be disturbed.

12. Operators Representative

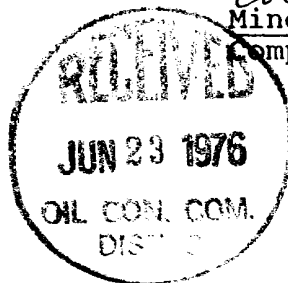
Minerals Management, Inc. 501 Airport Dr., Suite 105, Farmington, New Mexico 87401.

13. Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Filon Exploration Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

6-18-76
Date

J. Arnold Shell
Name and Title
Area Manager
Minerals Management Inc.
Company



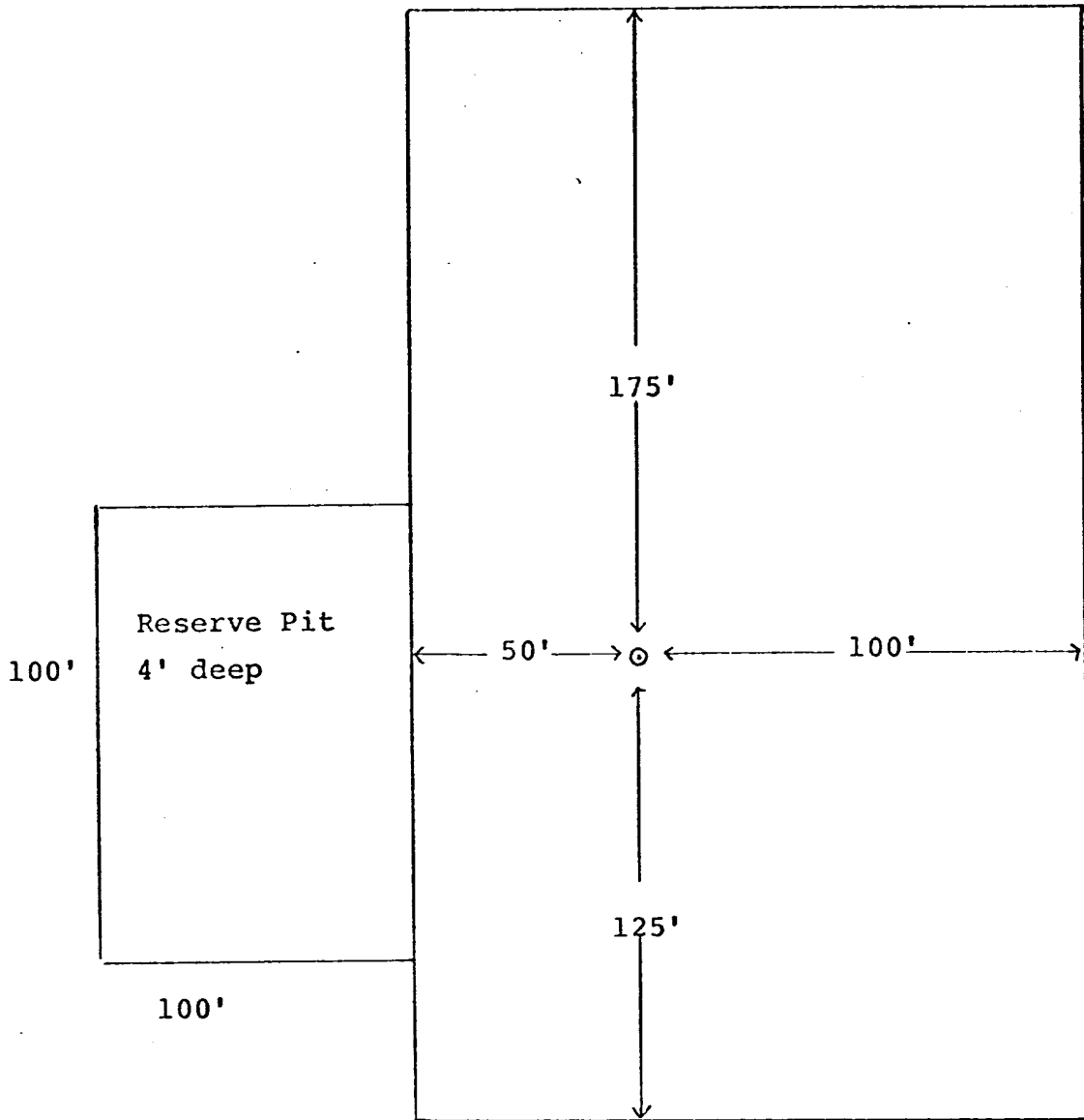
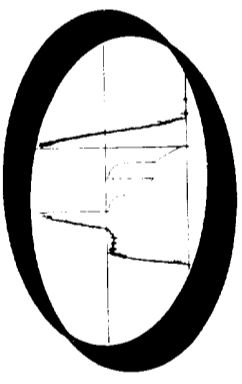
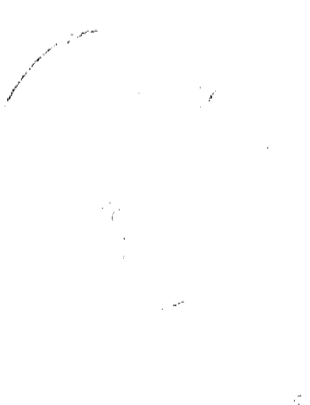


DIAGRAM OF WELL LOCATION



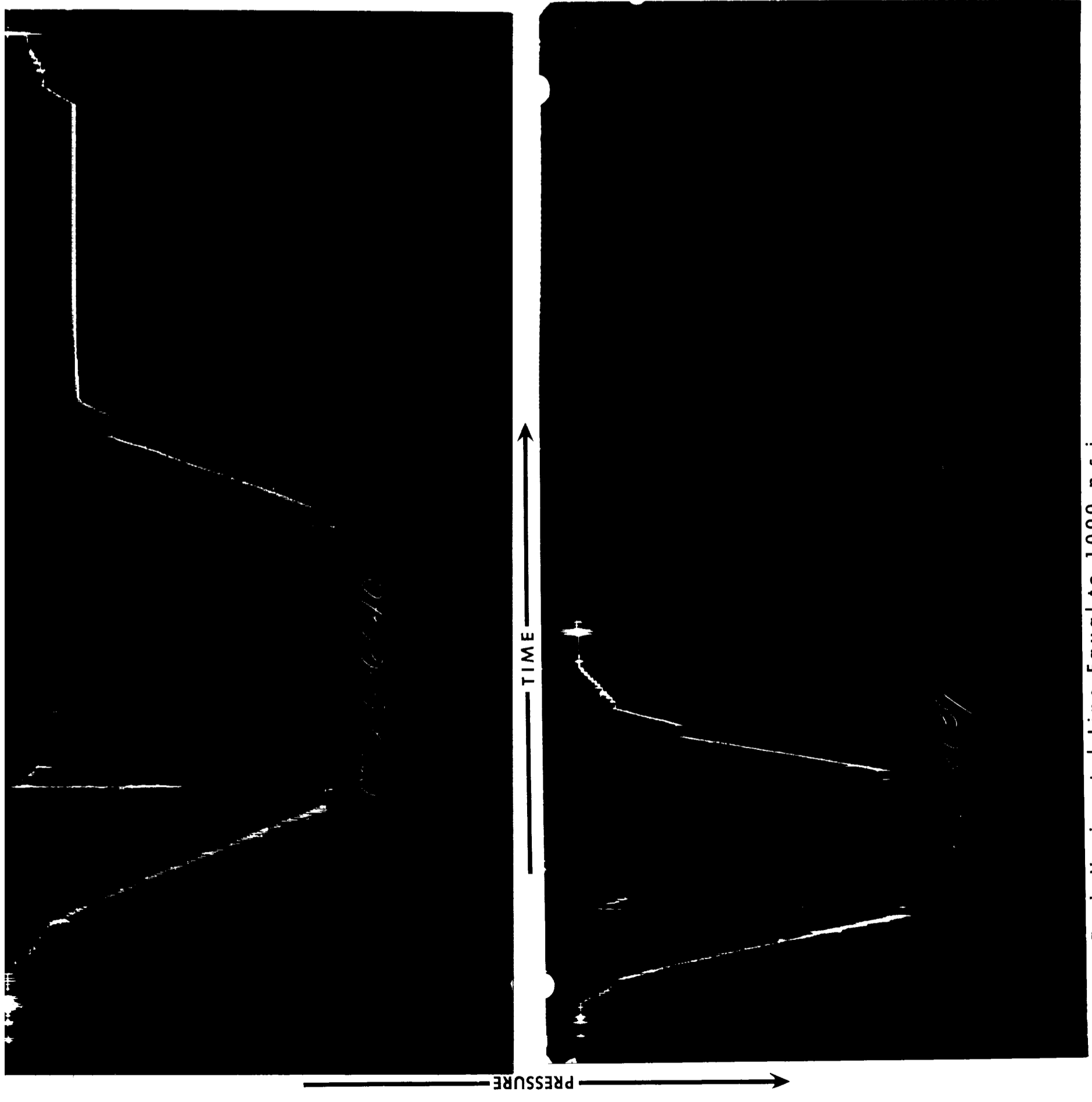
Formation Testing Service Report



NOMENCLATURE

b	==	Approximate Radius of Investigation	.....	Feet
b₁	==	Approximate Radius of Investigation (Net Pay Zone h ₁)	.....	Feet
D.R.	==	Damage Ratio	.....	_____
EI	==	Elevation	.....	Feet
GD	==	B.T. Gauge Depth (From Surface Reference)	.....	Feet
h	==	Interval Tested	.....	Feet
h₁	==	Net Pay Thickness	.....	Feet
K	==	Permeability	.....	md
K₁	==	Permeability (From Net Pay Zone h ₁)	.....	md
m	==	Slope Extrapolated Pressure Plot (Psi ² /cycle Gas)	.....	psi/cycle
OF₁	==	Maximum Indicated Flow Rate	.....	MCF/D
OF₂	==	Minimum Indicated Flow Rate	.....	MCF/D
OF₃	==	Theoretical Open Flow Potential with/Damage Removed Max.	.....	MCF/D
OF₄	==	Theoretical Open Flow Potential with/Damage Removed Min.	.....	MCF/D
P_s	==	Extrapolated Static Pressure	.....	Psig.
P_F	==	Final Flow Pressure	.....	Psig.
P_{oi}	==	Potentiometric Surface (Fresh Water*)	.....	Feet
Q	==	Average Adjusted Production Rate During Test	.....	bbls/day
Q₁	==	Theoretical Production w/Damage Removed	.....	bbls/day
Q_g	==	Measured Gas Production Rate	.....	MCF/D
R	==	Corrected Recovery	.....	bbls
r_w	==	Radius of Well Bore	.....	Feet
t	==	Flow Time	.....	Minutes
t_o	==	Total Flow Time	.....	Minutes
T	==	Temperature Rankine	.....	°R
Z	==	Compressibility Factor	.....	_____
μ	==	Viscosity Gas or Liquid	.....	CP
Log	==	Common Log	.....

* Potentiometric Surface Reference to Rotary Table When Elevation Not Given, Fresh Water Corrected to 100° F.



FEDERAL 21
 Lease Name 21-20-5
 Well No. 1
 Test No. 3
 5875' to 5890'
 FLON EXPLORATION CORPORATION

Legal Location Sec. - Twp. - Rng. 21 20 5
 Field Area WILDCAT
 County MC KINLEY
 State NEW MEXICO
 Tasted Interval

FLUID SAMPLE DATA				Date	8-7-76	Ticket Number	000216
Sampler Pressure	0	P.S.I.G. at Surface		Kind of Job	OPEN HOLE	Halliburton District	FARMINGTON
Recovery: Cu. Ft. Gas	0			Tester	MR. HOEFER	Witness	MR. MOORE
cc. Oil	2250			Drilling Contractor	LOFFLAND BROTHERS	BJ S	
cc. Water	0			EQUIPMENT & HOLE DATA			
cc. Mud	0			Formation Tested	Entrada		
Tot. Liquid cc.	2250			Elevation	6788'	Ft.	
Gravity _____ ° API @ _____ ° F.				Net Productive Interval	8'	Ft.	
Gas/Oil Ratio _____ cu. ft./bbl.				All Depths Measured From	Kelly Bushing		
RESISTIVITY				Total Depth	5890'	Ft.	
CHLORIDE CONTENT				Main Hole/Casing Size	8 3/4"		
Recovery Water @ _____ ° F. _____ ppm				Drill Collar Length	659'	I.D.	2.25"
Recovery Mud 1.48 @ 80 ° F. _____ ppm				Drill Pipe Length	5179'	I.D.	3.340"
Recovery Mud Filtrate @ _____ ° F. _____ ppm				Packer Depth(s)	5870'	5875' Ft.	
Mud Pit Sample 1.12 @ 85 ° F. _____ ppm				Depth Tester Valve	5848' Ft.		
Mud Pit Sample Filtrate @ _____ ° F. _____ ppm							
Mud Weight 9.0 vis 82 sec 58							
Cushion	TYPE	AMOUNT	Depth Back Ft.	Surface Choke	3/4" Adj.		Bottom Choke 3/4"
Recovered	1570'	Feet of	oil.				
Recovered	328'	Feet of	mud cut water.				
Recovered		Feet of					
Recovered		Feet of					
Recovered		Feet of					
Remarks	SEE PRODUCTION TEST DATA SHEET....						
CHARTS INDICATE PARTIAL PLUGGING OF ANCHOR PERFORATIONS DURING INITIAL FLOW PERIOD....							
TEMPERATURE							
	Gauge No. 6040	Gauge No. 6039	Gauge No.	TIME			
	Depth: 5853' Ft.	Depth: 5887' Ft.	Depth: _____ Ft.				
Est. _____ ° F.	12 Hour Clock	24 Hour Clock	Hour Clock	Tool	A.M.		
	Blanked Off NO	Blanked Off YES	Blanked Off	Opened 4:05	P.M.		
Actual 170 ° F.	Pressures		Pressures		Pressures		
	Field	Office	Field	Office	Field	Office	Reported
Initial Hydrostatic	2811	2803	2839	2821			Computed
First Period	Flow Initial	79	81-Q	119	126-Q		Minutes
	Flow Final	315	322-Q	369	371-Q		Minutes
	Closed in	2337	2337	2338	2351		30 30
Second Period	Flow Initial	420	425	460	467		45 46
	Flow Final	827	844	893	894		60 60
	Closed in	2337	2351	2365	2367		120 120
Third Period	Flow Initial						
	Flow Final						
Final Hydrostatic	2811	2778	2813	2797			
Q = Questionable							

Gauge No.		6040		Depth		5853'		Clock No.		10444		12 hour		Ticket No.		000216	
First Flow Period		Closed In Pressure		Second Flow Period		Closed In Pressure		Third Flow Period		Closed In Pressure		Third Flow Period		Closed In Pressure		Third Flow Period	
Time Defl. .000"	PSIG Temp. Corr.	Time Defl. .000"	$\text{Log } \frac{t + \theta}{\theta}$	Time Defl. .000"	PSIG Temp. Corr.	Time Defl. .000"	$\text{Log } \frac{t + \theta}{\theta}$	Time Defl. .000"	PSIG Temp. Corr.	Time Defl. .000"	$\text{Log } \frac{t + \theta}{\theta}$	Time Defl. .000"	PSIG Temp. Corr.	Time Defl. .000"	$\text{Log } \frac{t + \theta}{\theta}$	Time Defl. .000"	PSIG Temp. Corr.
0	.0000	81-Q	.0000	.0000	322	.0000	425	.0000	844	.0000	844						
1	.0337	110	.0261*	.0668	2166	.0668	462	.0537	2224	.0537	2224						
2	.0673	168	.0456	.1337	2225	.1337	517	.1073	2271	.1073	2271						
3	.1010	228	.0652	.2005	2254	.2005	594	.1610	2295	.1610	2295						
4	.1346	257	.0848	.2673	2274	.2673	665	.2146	2309	.2146	2309						
5	.1683	291	.1043	.3342	2287	.3342	752	.2683	2320	.2683	2320						
6	.2020	322-Q	.1239	.4010	2297	.4010	844	.3220	2328	.3220	2328						
7			.1434		2305			.3756	2333	.3756	2333						
8			.1630		2312			.4293	2337	.4293	2337						
9			.1826		2317			.4829	2341	.4829	2341						
10			.2021		2322			.5366	2343	.5366	2343						
11			.2217		2326			.5903	2346	.5903	2346						
12			.2412		2329			.6439	2347	.6439	2347						
13			.2608		2332			.6976	2350	.6976	2350						
14			.2804		2334			.7512	2351	.7512	2351						
15			.3000		2337			.8050	2351	.8050	2351						
Gauge No. 6039																	
Depth 5887'																	
Clock No. 7276'																	
24 hour																	
0	.0000	126-Q	.0000	.0000	371	.0000	467	.0000	894	.0000	894						
1	.0167	147	.0134*	.0335	2151	.0335	509	.0269	2238	.0269	2238						
2	.0333	209	.0234	.0670	2229	.0670	560	.0539	2286	.0539	2286						
3	.0500	321	.0335	.1005	2266	.1005	643	.0808	2311	.0808	2311						
4	.0666	301	.0435	.1340	2286	.1340	709	.1077	2325	.1077	2325						
5	.0833	421	.0536	.1675	2300	.1675	802	.1347	2336	.1347	2336						
6	.1000	371-Q	.0636	.2010	2311	.2010	894	.1616	2343	.1616	2343						
7			.0736		2318			.1885	2349	.1885	2349						
8			.0837		2325			.2154	2353	.2154	2353						
9			.0937		2330			.2424	2357	.2424	2357						
10			.1038		2336			.2693	2359	.2693	2359						
11			.1138		2339			.2962	2361	.2962	2361						
12			.1238		2343			.3232	2363	.3232	2363						
13			.1339		2346			.3501	2364	.3501	2364						
14			.1439		2350			.3770	2366	.3770	2366						
15			.1540		2351			.4040	2367	.4040	2367						
Reading Interval 5																	
3																	
10																	
8																	
Minutes																	
REMARKS:																	
* INTERVAL = 4 MINUTES																	
Q = Questionable																	

	O. D.	I. D.	LENGTH	DEPTH
Drill Pipe or Tubing	6"	2.50"	1'	
Reversing Sub				
Water Cushion Valve				
Drill Pipe	4"	3.340"	5179'	
Drill Collars	6.25"	2.25"	659'	
Handling Sub & Choke Assembly				
Dual CIP Valve				
Dual CIP Sampler	5"	.87"	8'	5840'
Hydro-Spring Tester	5"	.75"	5'	5848'
Multiple CIP Sampler				
Extension Joint				
AP Running Case	5"	3.50"	4'	5853'
Hydraulic Jar	5"	1.75"	5'	
VR Safety Joint	5"	1"	3'	
Pressure Equalizing Crossover				
Packer Assembly	7.50"	1.53"	6'	5870'
Distributor				
Packer Assembly	7.50"	1.53"	6'	5875'
Flush Joint Anchor				
Pressure Equalizing Tube				
Blanked-Off B.T. Running Case				
Drill Collars				
Anchor Pipe Safety Joint				
Packer Assembly				
Distributor				
Packer Assembly				
Anchor Pipe Safety Joint				
Side Wall Anchor				
Drill Collars				
Flush Joint Anchor	5.75"	2.50"	10'	
Blanked-Off B.T. Running Case	5.75"	3.50"	4'	5887'
Total Depth				5890'