

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-031-20494

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

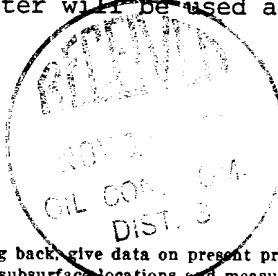
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM 0555838-A
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
2. NAME OF OPERATOR Basin Fuels, Incorporated			7. UNIT AGREEMENT NAME N/A
3. ADDRESS OF OPERATOR 152 Petroleum Center Building, Farmington, N.M. 87401			8. FARM OR LEASE NAME Star
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2310' FSL 2310' FWL At proposed prod. zone Same			9. WELL NO. 3
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 22 miles SE Counselor, N.M., 5 miles southwest Ojo Encino School			10. FIELD AND POOL, OR WILDCAT Wildcat - <i>Mesaville</i>
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330'	16. NO. OF ACRES IN LEASE 960	17. NO. OF ACRES ASSIGNED TO THIS WELL 40 if oil, 160 if gas	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1320'	19. PROPOSED DEPTH 3000'	20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6770' GR			22. APPROX. DATE WORK WILL START* Nov. 27, 1976

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11 1/2	8-5/8	24#	100	100 sx.
7-7/8	4-1/2	9.50#	3000	150 sx.

Set 8-5/8 surface casing at 100' and circulate cement. Drill to 3000', run logs, if production is indicated, set and cement 4-1/2" production casing with 150 saces cement. Gun perforate, fracture treat in a completion attempt. If non-commercial, will plug and abandon in accordance with U.S.G.S. abandonment instructions and restore surface.

A 10" Shaffer 3000 Series blow-out preventer will be used at all times material to the drilling of the well in question.



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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 [Signature] TITLE President DATE 11/8/76
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

OK

[Signature]

*See Instructions On Reverse Side

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NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT

U. S. GEOLOGICAL SURVEY
DURANGO, COLO.

All distances must be from the outer boundaries of the Section

Operator BASIN FUELS, INCORPORATED		Lease EASTER FLATS		Well No. STAR #3
Unit Letter K	Section 7	Township 20 NORTH	Range 5 WEST	County McKINLEY
Actual Footage Location of Well: 2310 feet from the SOUTH line and 2310 feet from the WEST line				
Ground Level Elev. 6770	Producing Formation MESAVERDE	Pool UNDESIGNATED	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty),
- 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 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 Paul B. Bunn
Position President
Company Basin Fuels, Incorporated
Date November 8, 1976

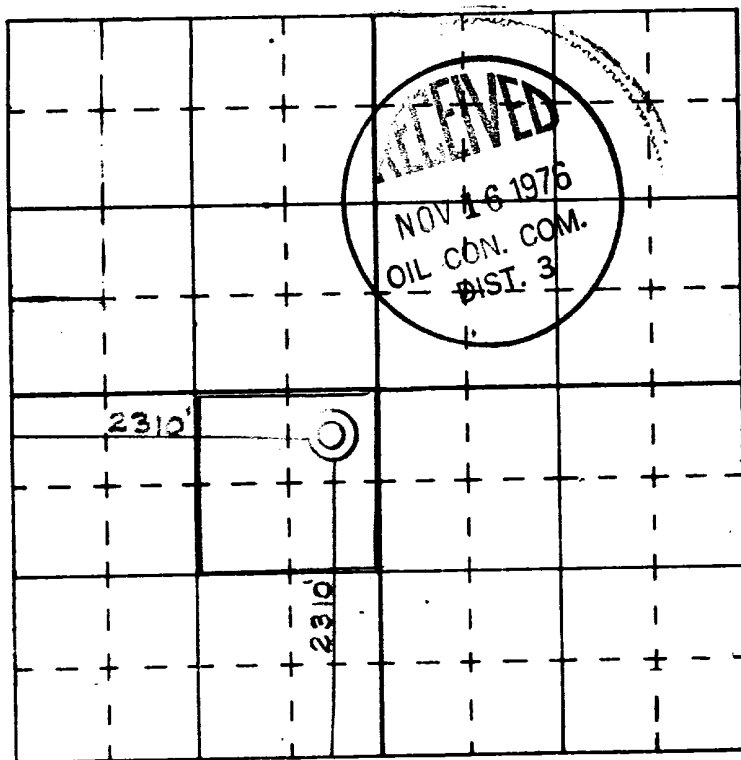
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed 23 October, 1976

Registered Professional Engineer
and/or Land Surveyor

James P. Leese

1463
Certificate No.



DEVELOPMENT PLAN FOR SURFACE RESUME

COMPANY:

Basin Fuels, Incorporated
152 Petroleum Center Building
Farmington, New Mexico 87401

WELL:

Star No. 3
2310' FUL 2310' FUL
Sec. 7, T20N, R5W
McKinley County, N.M.

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U. S. GEOLOGICAL SURVEY
DALLAS, TEX.

1. Location and vicinity map, San Juan Engineering Company. Exit Highway 44: 22 miles northwest of lease. Directions to site: At Counselor, N.M. - Turn right, go 4.5 miles to cross-road, left at cross-road, on Ojo Encino road go 14.5 miles, at this point, trail off main road, go south 3 miles to site.
2. No roads required; only slight improvement of existing trail will be required.
3. Six producing wells, located in the SW SW Sec. 7, SE NW Sec. 7, and NW NW Sec. 18, Township 20 North, Range 5 West; SE SE Sec. 12, Township 20 North, Range 6 West, SW NE Sec. 7, Township 20 North, Range 5 West; and SE NE Sec. 12, Township 20 North, Range 6 West-
4. Roads shown on vicinity plat and location plat.
5. In the event of production, tank battery to be installed on location.
6. Water will come from a B.L.M. well approximately ten miles to the east of the field.
7. All trash and waste material to be placed in mud pit and covered. No other surface to be used.
8. None.
9. None.
10. Rig layout shown on plat attached. Area is flat with sagebrush. Drilling pad to be compacted.
11. Upon completion of drilling or producing operation, the surface will be leveled and restored in accordance with instructions from appropriate governmental agency.
12. Area is flat, covered with sagebrush. Drill site to be compacted, and upon completion of operation will be leveled and restored.

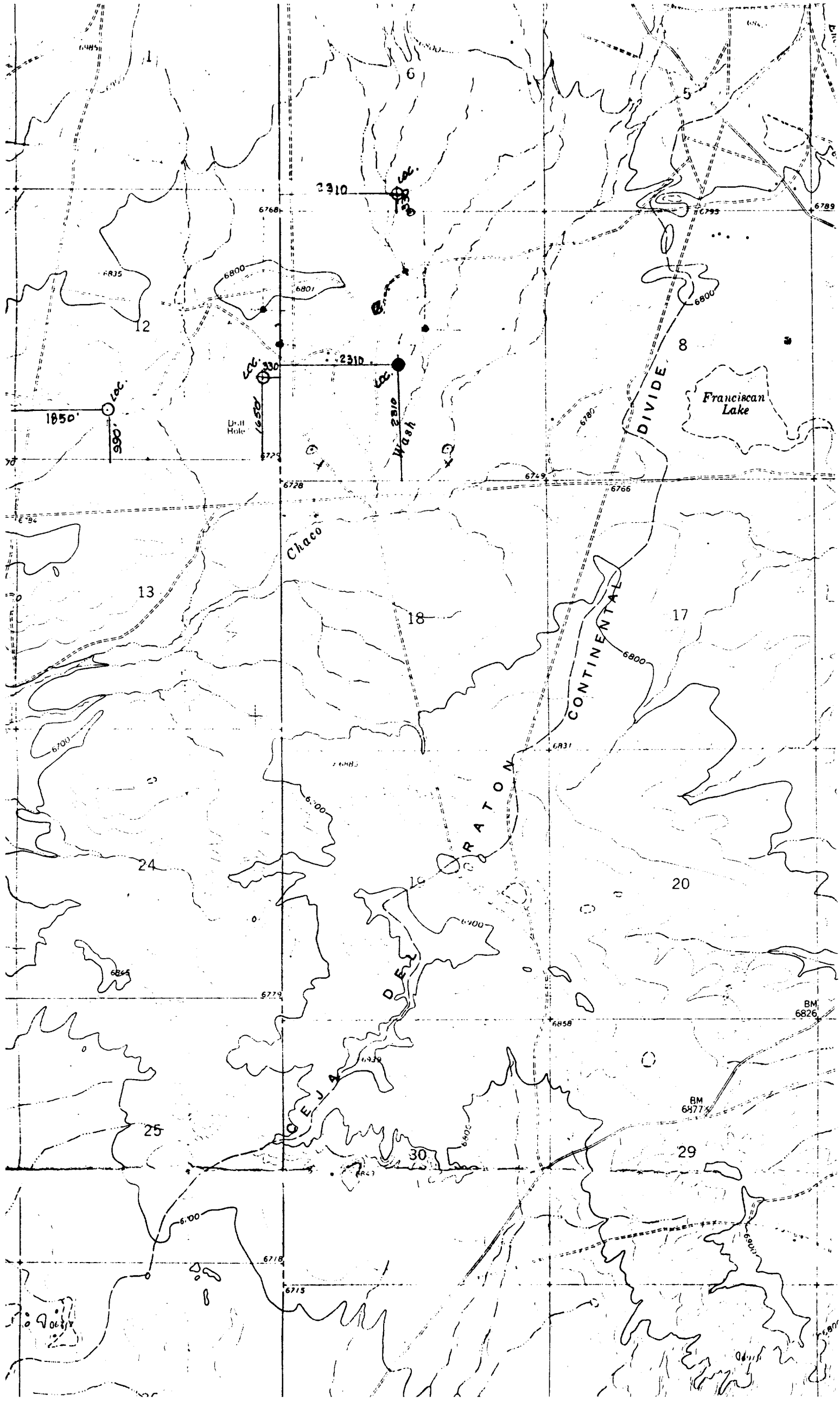
Field representatives to contact:

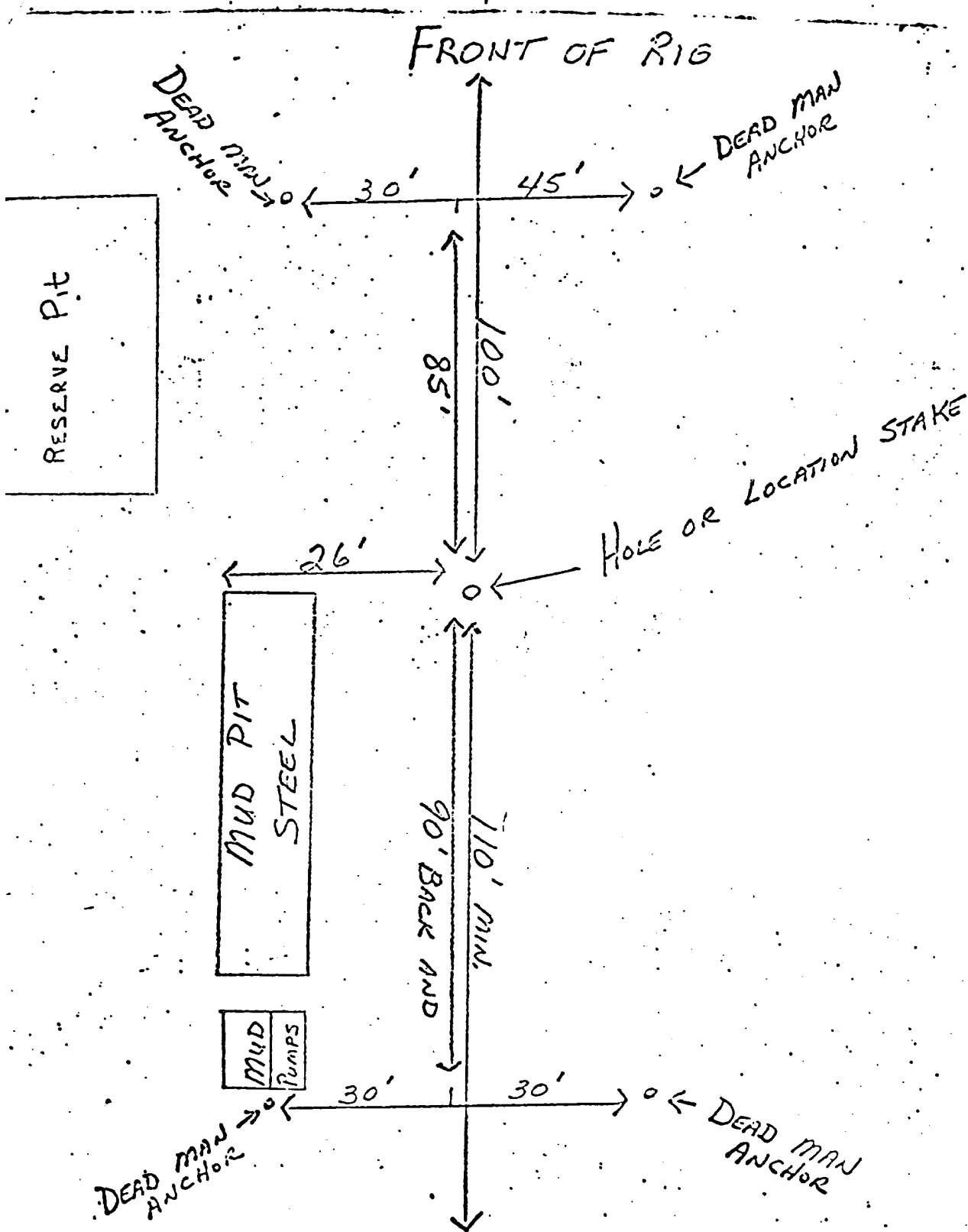
In Farmington:

Joel B. Burr, Jr.
Basin Fuels, Incorporated
152 Petroleum Center Building
Farmington, New Mexico 87401
Phone: (505) 325-1701

Pumper at Location:

Charles Trueman
Cuba, New Mexico
Phone: (505) 786-5922





RESERVE PIT 90'X90'X5'DEEP