

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

## 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

Basin Fuels, Ltd.

## 3. ADDRESS OF OPERATOR

300 W. Arrington, Suite 300, Farmington, NM 87401

## 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

1980' FSL &amp; 2310' FEL

At proposed prod. zone

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

18 miles SE of Counselors, NM

## 15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drig. unit line, if any)18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

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

6746'

## 23.

## PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	20	100	100 sacks
6 1/4	4 1/2	10.5	2750	325 sacks

(See Attachments)

Gas under this lease is not dedicated to a contract.

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

John Alexander

TITLE

Agent

DATE

2-12-79

(This space for Federal or State office use)

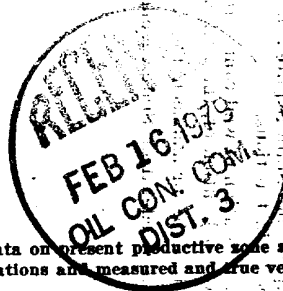
PERMIT NO.

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

ok Snake



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DURANGO, COLO.

1. Geologic name of surface formation.

Kirtland

2. Estimated tops of important geologic markers

La Ventata	875
Chacra	1233
Cliff House	1779
Menefee	1841
Point Lookout	2675

3. Estimated depths at which anticipated water, oil, gas or other mineral-bearing formations are expected.

2675' Oil & gas

4. Proposed casing program

Surface: 8 5/8", 20#, K-55, new casing to be set at 100'. Cement will be with 100 sacks Class "B" + 2% gel + 0.5% CFR-2.

Production: 4 1/2", 10.5, K-55, new casing to be set at 2750'. Cement will be 325 sacks Class "B" + 2% gel + 0.5% CFR-2.

5. Specifications for pressure control equipment

The attached schematic shows the type of blow out preventer to be used while drilling. The unit will be tested to 200 psi as soon as possible after its installation on the surface pipe. Testing will be done with the rig pump. This is a manual type preventer, and its operation will be manually checked when practical.

6. DRILLING FLUIDS.

Depth	Type	Viscosity	Weight	Fluid Loss (cc)
0-100	gel-line	35-45	8.6-9.0	N/C
100-2600	low-solids	29-33	8.4-8.8	15
2600-2750	gel-chem	35-40	8.8-9.4	8

7. Auxiliary equipment

- a. Bit float
- b. Full opening stabbing valve to be used when kelly is not in the string.

8. Logging-coring-testing

Logging: Induction Electric log  
Formation Compensated Density  
Gamma Ray  
Caliper

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8. Coring: None

Drill Stem Testing: None

9. Abnormal temperatures, pressures, or hazardous conditions

None expected.

10. Starting date

Anticipated starting date is February 26, 1979. Approximately 6 days will be needed to build roads and location and drill the well to total depth. If commercial, completion will commence immediately and require 10 days.

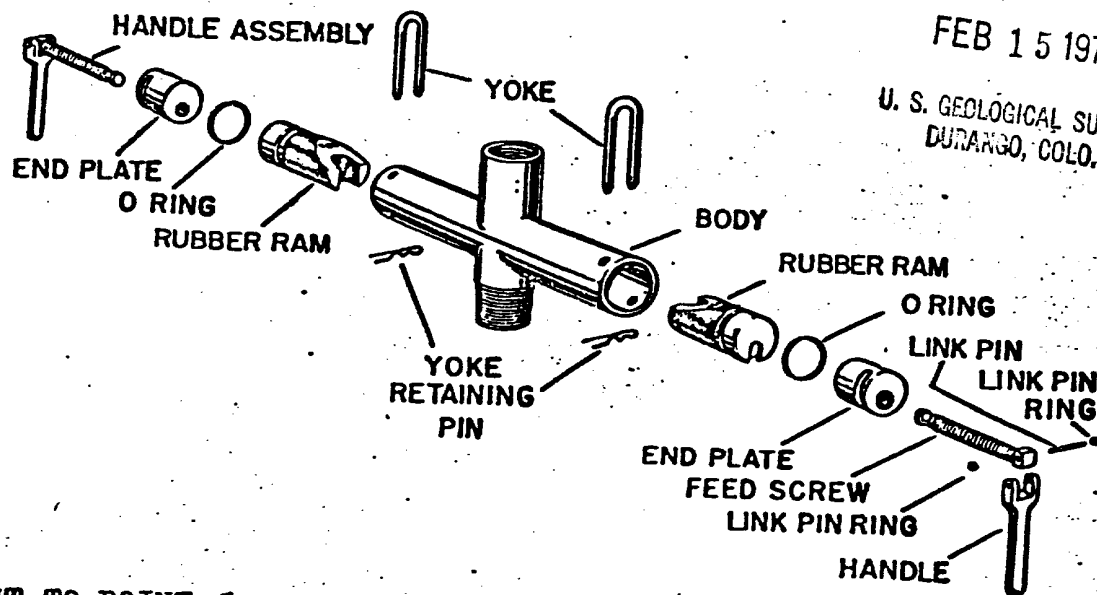
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# BLOWOUT PREVENTERS

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ATTACHMENT TO POINT 5  
API SERIES 6" 600

BASIN FUELS, INC.

Development Plan for Surface Use

WELL:

Steppin Out #1

LOCATION:

1980' FSL & 2310' FEL  
Sec 18-20N-5W  
McKinley County, NM

LEASE NUMBER:

NM 8896

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1. Existing roads (Shown in green)

The attached topographic map shows all existing roads within one mile of the proposed location. All roads are in fair condition and will require a minimal amount of work in upgrade them to handle normal drilling activity traffic.

2. Planned access road (Shown in red)

The new access road will be approximately 20' wide and  $\frac{1}{2}$  mile long. No cut, fill, turnouts, or culverts will be needed. No fences, gates or cattle guards will be crossed. Maximum grade will be 5%. Water bars will be used where needed to aid drainage and help prevent erosion.

3. Location of existing wells.

All wells (water, abandoned, disposal, and drilling) are shown and so labeled on the attached plat.

4. Location of existing production facilities

All production facilities for this well will be located on the site.

All tank batteries, production facilities or production, gathering and service lines within one mile of the proposed location are shown on the attached topographic map.

5. Location and type of water supply

Water for drilling will be trucked from Chapman's water hole, approximately 35 miles northwest of the location. This water is privately owned.

6. Source of construction material

Any construction material required for road or location will be excess material accumulated during building of such sites.

7. Methods of handling waste material

(Refer to attached well site layout.

All material that can be safely burned will be so disposed if weather conditions permit.

All nonburnable waste (drilling fluids, cuttings, chemicals, etc.) will be held in the reserve pit until dry, and then buried. Any oil that accumulates on the pit will be removed prior to leaving the pit to dry. Pits will be fenced during dry out, then completely back-filled with dirt prior to preparing the location for production or abandonment.

Any solid waste that can not be buried will be taken from the location and properly destroyed.

All portable chemical toilet will be supplied for human waste.

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8. Ancillary facilities

None planned

9. Well site layout

The attached layout shows the drilling rig with all supporting facilities. Cut and fill, required for pad construction, is also shown.

10. Plans for restoration of surface

Restoration of the well site and access road will begin within 90 days of well completion, weather permitting.

Should the well be abandoned, the drilling site will be reshaped to its approximate former contour. The access road will be plowed and leveled. Both road and location will have top soil replaced and will be reseeded when germination can occur.

Should the well be commercial, that portion of location not needed for operation will be repaired as above. The portion of the location needed for daily production operations, and the access road, will be kept in good repair and clean.

In either case, cleanup of the site will include burning any safely burnable material, filling of all pits, and proper disposal of any nonburnable material that can not be safely buried. Any oil that has accumulated on the pits will be trucked away.

11. Other information

General topography of the area may be seen on the attached map.

This location is one mile west of the Continental Divide at Ceja Del Raton Mesa. The site has a small westerly slope. The area is sandy and is covered with sage brush and native grasses. There is evidence of sheep and small animal life in the area.

Surface at this location belongs to the Bureau of Land Management.

There are no occupied dwellings in the area.

There were no archaeological or cultural sites visible on the location. The archaeologist's report is forthcoming.

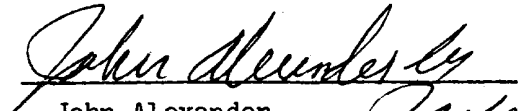

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John Alexander  
3E Company, Inc.  
P.O. Box 190  
Farmington, NM 87401  
Phone: 505-327-4020

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13. I hereby certify that I or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in the 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 Basin Fuels, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

February 15, 1979

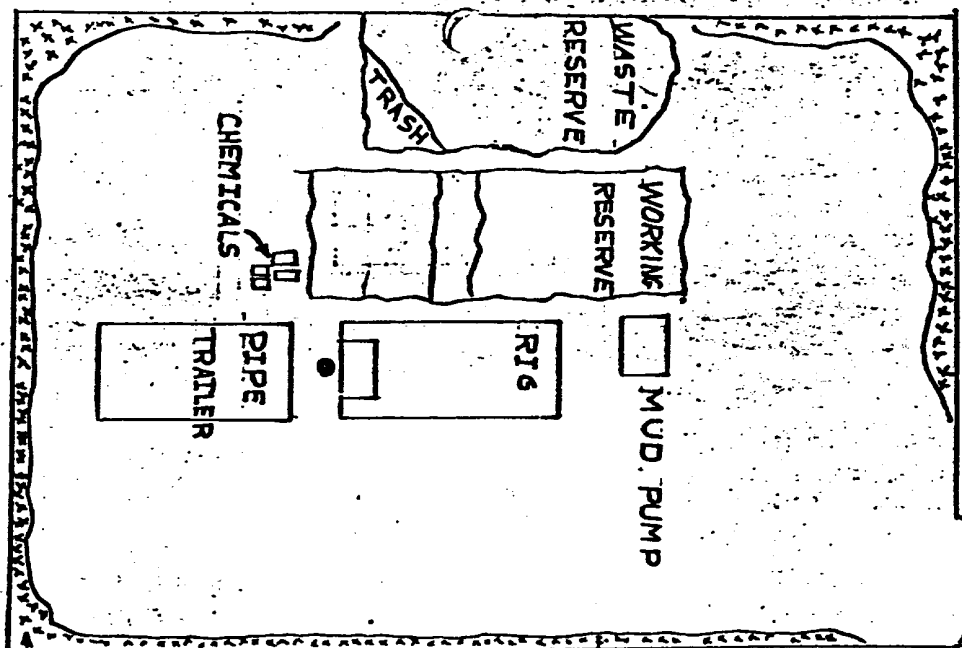
  
John Alexander 

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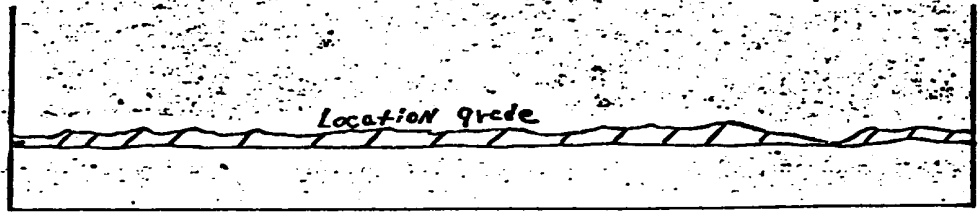


PLAN VIEW 1"=30'  
ALL PITS-EARTHEN

← Access Road

SOIL MATERIAL STOCKPILE

WELL SITE LAYOUT  
BASIN FUELS  
STEPPIN OUT NO. 1



CUT & FILL (SIDE) - 6" TOP SOIL

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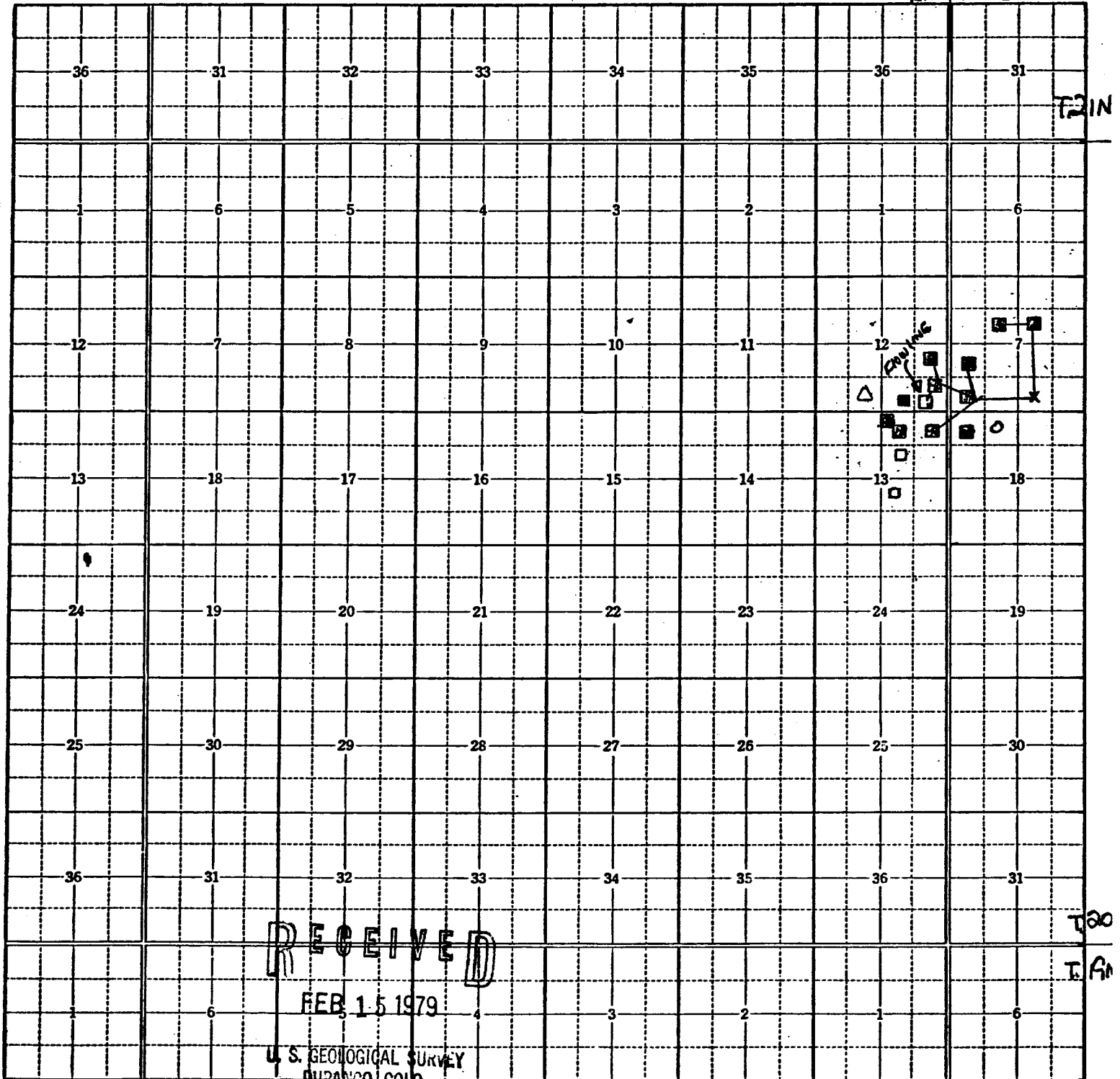


O = Subject well  
△ = Plugged & abandoned  
■ = Producing w/ tank on loc.  
□ = Producing  
X = Injection Well  
— = WATER INJECTION LINE

Township 20 N, Range 5 & 6, County \_\_\_\_\_ State \_\_\_\_\_

Island Township Plat

R. 6 | R. 5



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BASIN FUELS INC.  
OFFSET WELLS

25' R 6 W. R 5 W.

15 MI TO N. MEX. 44' 630 000 FEET

BASIN FUELS, INC.  
STEPPIN OUT #1  
NW $\frac{1}{4}$ SE $\frac{1}{4}$  Section 18, T20N, R5W  
McKinley County, New Mexico

