

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, New Mexico 87401

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

At surface

1650'/S & 660'/E

At proposed prod. zone

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

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. 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.)

6773 GR

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 3/8	20	100	100 sacks
7 7/8	4 1/2	10.5	2800	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
JOHN ALEXANDER

TITLE

AGENT

DATE

August 9, 1979

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

ok Fred

TITLE

U. S. GEOLOGICAL SURVEY
DURANGO, COLO.

5. LEASE DESIGNATION AND SERIAL NO.

NM 7774

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

McCOLLUM

9. WELL NO.

4

10. FIELD AND POOL, OR WILDCAT

FRANCISCAN LAKE-MESA VERDE

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

SEC. 12, T20N, R6W

12. COUNTY OR PARISH

MCKINLEY

13. STATE

NEW MEXICO

16. NO. OF ACRES IN LEASE

160

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

19. PROPOSED DEPTH

2800

20. ROTARY OR CABLE TOOLS

ROTARY

22. APPROX. DATE WORK WILL START*

August 27, 1979



**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.

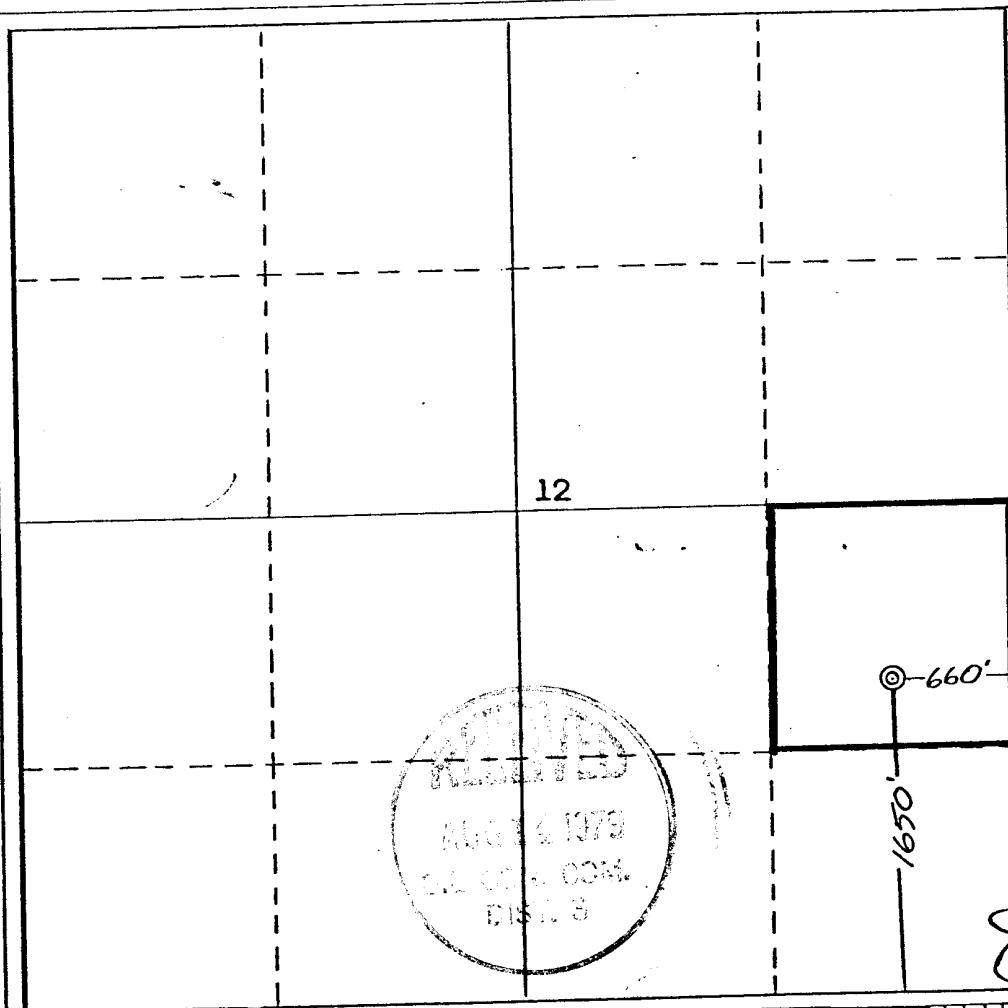
Operator BASIN FUELS, LIMITED			Lease MCCOLLUM		Well No. #4
Unit Letter I	Section 12	Township 20 NORTH	Range 6 WEST	County MCKINLEY	
Actual Footage Location of Well: 1650 feet from the SOUTH line and 660 feet from the EAST line					
Ground Level Elev. 6773 UNGRADED	Producing Formation MESA VERDE	Pool FRANCISCAN LAKE-MESA VERDE		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.

John Alexander
Name

JOHN ALEXANDER

Position

AGENT

Company

BASIN FUELS, LTD.

Date

August 9, 1979

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

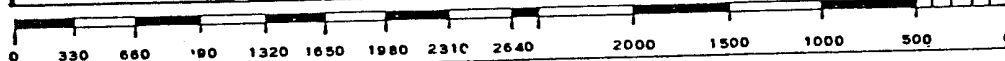
July 20, 1979

Registered Professional Engineer
and/or Land Surveyor

James P. Leese
JAMES P. LEESE

Certificate No.

1463



BASIN FUELS, LTD.

FORMATION INFORMATION AND DRILLING PRACTICE

WELL:

McCOLLUM NO.4

LOCATION:

1650'/S & 660'/E

S 12-T20N-R6W.

McKinley Co., NM

LEASE NUMBER:

NM 7774

1. GEOLOGIC NAME OF SURFACE FORMATION

Kirtland

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

La Ventata	935	Menefee	1901
Chacra	1293	Point Lookout	2735
Cliff House	1839		

3. EST. DEPTHS AT WHICH ANTICIPATED WATER, OIL, GAS OR OTHER MINERAL-BEARING FORMATIONS ARE EXPECTED

2735' - oil & gas

4. PROPOSED CASING PROGRAM

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

Production: 4 1/2", 10.5# K-55 new casing to be set at 2800'. Cement will be 325 sk class "B" + 2% gel + 0.5% CFR-2.

5. SPECIFICATIONS FOR PRESSURE CONTROL EQUIPMENT

The attached schematic shows the type of blowout 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.

5. DRILLING FLUIDS

DEPTH	TYPE	VISCOSITY	WEIGHT	FLUID LOSS (cc)
0-100	Gel-lime	35-45	8.6-9.0	N/C
100-2600	Low-solids	29-33	8.4-8.8	15
2600-2800'	Gel-chem	35-40	8.8-9.4	8

7. AUXILIARY EQUIPMENT

- Bit float
- 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

Coring: None

Drill stem testing: None

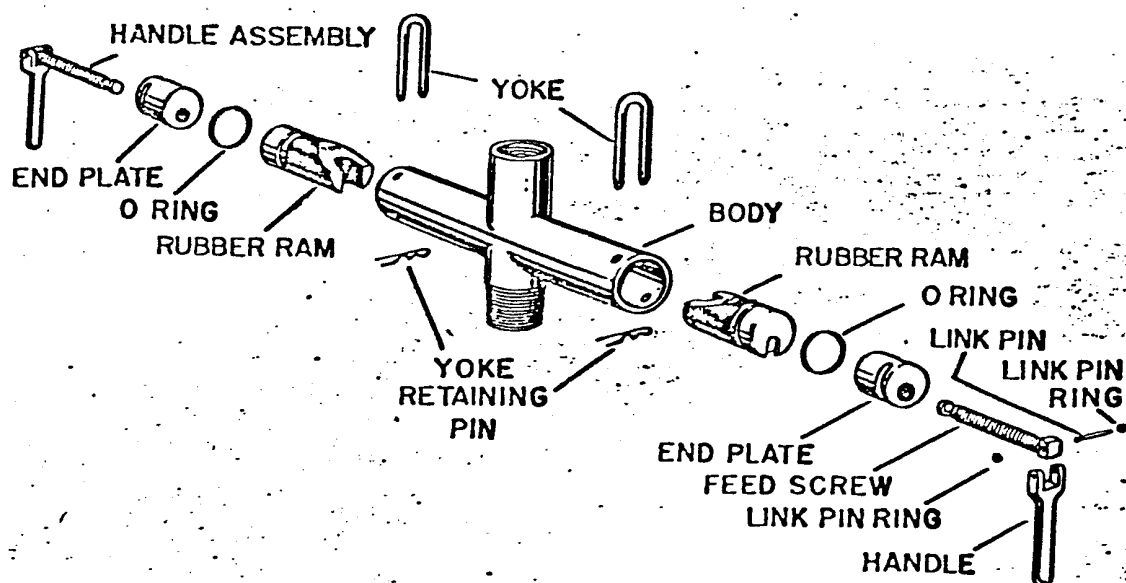
9. ABNORMAL TEMP., PRESSURES, OR HAZARDOUS CONDITIONS

None expected.

10. STARTING DATE:

Anticipated starting date is August 27, 1979. Approximately six days will be needed to build roads and location and drill the well to total depth. If commercial, completion will commence immediately and require ten days.

BLOWOUT PREVENTERS



ATTACHMENT TO POINT 5
API SERIES 6" 600

BASIN FUELS, LTD.

DEVELOPMENT PLAN FOR SURFACE USE

WELL:

McCOLLUM #4

LOCATION:

1650'/S and 660'/E

S 12, T20N, R6W

McKinley Co., NM

LEASE NUMBER:

NM 7774

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 to 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 700' long. No cut, fill, turnouts or culverts will be needed. No fences, gates or cattleguards 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 section layout.

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 section layout.

5. LOCATION AND TYPE OF WATER SUPPLY

Water for drilling will be trucked from produced water pits in the immediate area. 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 of when weather conditions permit. All nonburnable waste (drilling fluids, cuttings, chemical, 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 dryout, then completely backfilled with dirt prior to preparing the location for production or abandonment. Any solid waste that cannot be buried will be taken from location and properly destroyed. All portable chemical toilets will be supplied for human waste.

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 topsoil replaced and will be reseeded when germination can occur. Should the well be commercial, that 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 cannot 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 $1\frac{1}{2}$ miles west of the Continental Divide at Deja Del Raton Mesa. The site has a small southernly 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.

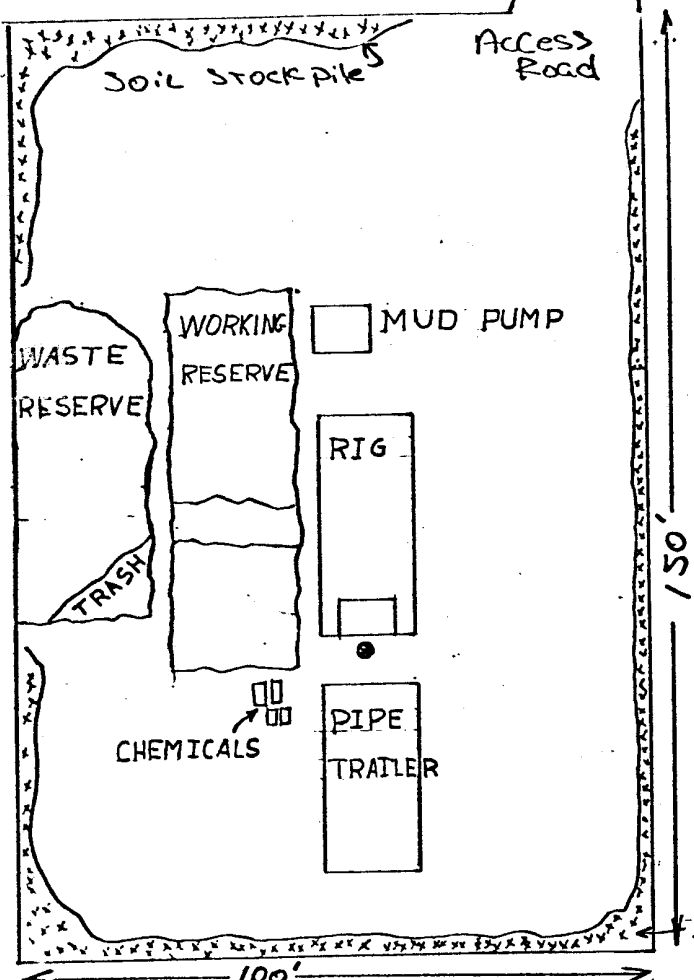
12. JOHN ALEXANDER
3E Company, Inc.
Box 190
Farmington, NM 87401
Phone: 505-327-4020

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, Ltd. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

August 9, 1979


JOHN ALEXANDER

JA/cp



SOIL MATERIAL STOCKPILE
 Vertical Scale 1" = 10'

PLAN VIEW 1" = 30'
 ALL PITS: EARTHEN

WELL SITE LAYOUT
 BASIN FUELS, LTD.
 Mc Collum NO. 4

location grade

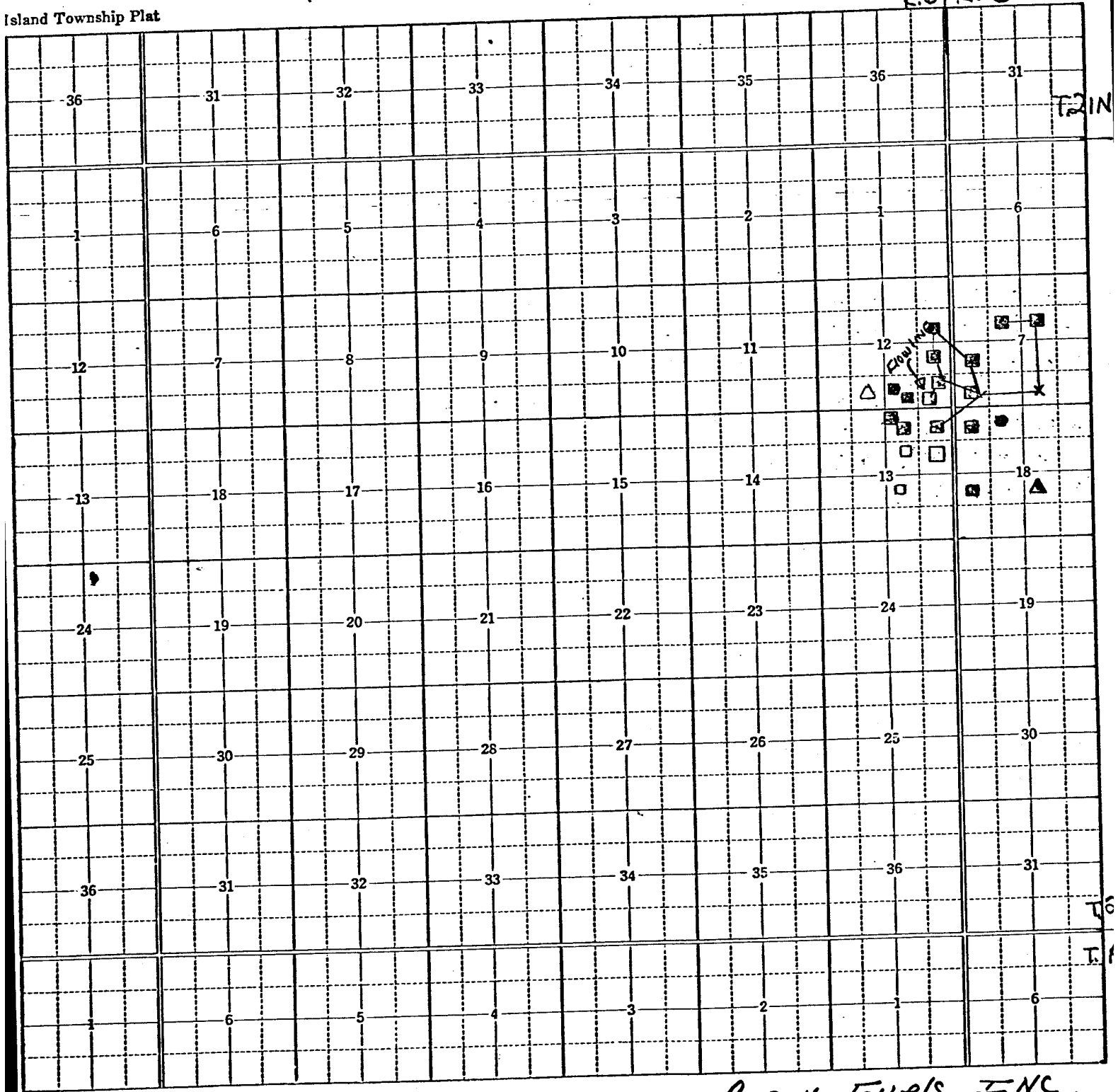
location grade

O = Subject well
 Δ = Plugged & abandoned
 □ = Producing w/ tank on loc
 □ = Producing
 X = Injection well
 — = WATER INJECTION LINE
 State

Township 20 N, Range 5 E 6, County

R. 6 | R. 5

Island Township Plat



BASIN FUELS INC.
 OFFSET WELLS

STAR LAKE
NE
7.5 MINUTE SE
15 MI. TO N. MEX. 44 630 000 FEET
B2 SAN

