

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
Terra Oil Corporation

3. ADDRESS OF OPERATOR
8000 East Girard Ave., Denver, Colorado 80231

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
330' From the South Line and 760' from the West Line.
At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
20.5 Miles north of San Mateo, N.M.

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 1155.55

17. NO. OF ACRES ASSIGNED TO THIS WELL 48 52.18

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

19. PROPOSED DEPTH 900'

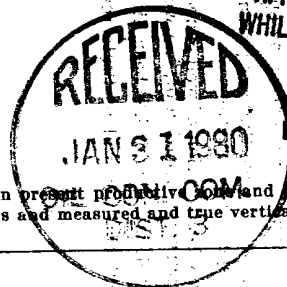
20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6655' GR

22. APPROX. DATE WORK WILL START* January 31, 1980

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
10 3/4"	8 5/8"	32#	100'	Cement to surface
6 3/4"	5 1/2"	15.5#	900'	Cement to surface

"APPROVAL TO FLARE GRANTED
WHILE DRILLING AND TESTING."APPROVED FOR A PERIOD
NOT TO EXCEED 1 YEAR.

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 James F. Sims TITLE Consulting Geologist DATE January 15, 1980

(This space for Federal or State office use)

PERMIT NO. APPROVED AS AMENDED APPROVAL DATE

APPROVED BY James F. Sims TITLE DATE

CONDITIONS OF APPROVAL, IF ANY:

James F. Sims
JAMES F. SIMS
DISTRICT ENGINEER

Hold C-104 for NSR
State

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.

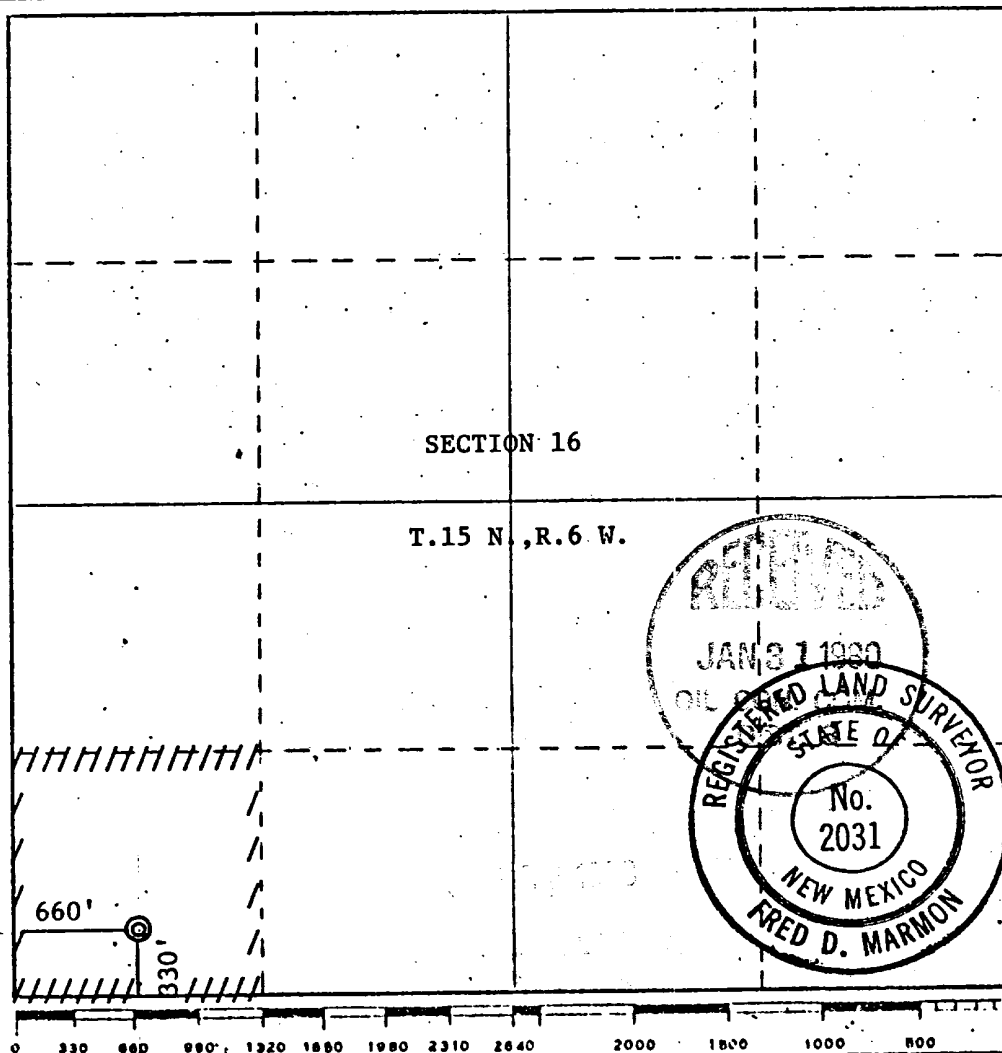
Operator Terra Oil Corporation			Lessee Michael		Well No. 2
Unit Letter M	Section 16	Township 15 North	Range 6 West	County McKinley	
Actual Footage Location of Well: 330 feet from the South line and 660 feet from the West line					
Ground Level Elev. 6655	Producing Formation Hesperia Gallup		Pool Wildcat	Dedicated Acreage 52.18 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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
Gene D. Wilson
Position
Consulting Geologist
Company
Terra Oil Corporation
Date
January 15, 1980

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
Jan. 11, 1980
Registered Professional Engineer and/or Land Surveyor
Fred Marmon
Certificate No.
2031

Drilling Plan
Terra Oil Corporation
well No 2 Michael

Logene Formation: Ct Jorlent

Drilling Equipment: Truck Mounted
Rotary tools

Estimated Tops: Hesperia 800'
Gallup 950'
Dakota 1750'
Entrada 3020'

Anticipated water in Gallup
Anticipated oil in Hesperia, Dakota, Entrada

Casing, logs will be circulated with neat
Cement.

Area of subnormal pressure, 80" will
not be used.

Drilling fluid will be water based
sufficient to contain expected waterflow

No cores or cuttings. Full suite of
logs will be run by GO International

This is area of sub-normal pressure
and Temperature. There is no
hydrogen sulfide anticipated.

Foss. Oil 1911
B- - - - -



301-B GRACELAND DRIVE, S.E. • ALBUQUERQUE, NEW MEXICO • TELEPHONE 268-9570

January 15, 1980

Mr. Jerry W. Long
District Engineer
U.S. Geological Survey
P.O. Box 1809
Durango, Colorado 81301

Re: NTL-6

Dear Mr. Long:

The NTL-6 for Lease NM 10521 is as follows:

1. Existing roads--

- A. See topographic map. Attached map #1.
- B. Located 19 miles North of San Mateo, N.M. on county maintained farm roads. (Dirt) See attached map #2
- C. Access road to lacoation is colored orange. (see map #1).
- D. This is an exploration well, see map #1 for existing wells within 3 mile radius.
- E. N/A
- F. We will maintain the ranch roads in accordance with the surface owner's wishes. The county highway dept. and Gulf Oil Corp. are now repairing the stream crossing 0.6 miles west of the location. The existing roads are in suitable condition for drilling rig transit. The various drilling contractors continously use these roads for mineral exploration.

2. Planned acces roads -- See map #3.

- A. Width--12'
- B. Maximum grade -- 3 to 4%.
- C. No turnouts will be necessary.
- D. Access roads will drain into existing ranch road ditching.
- E. No culverts will be necessary.
- F. Surfacing material be natural dirt surface.
- G. No gates or cattle guards will be necessary.

12-10-80

12-10-80

3. Location of existing wells-- See map #1
4. Location of existing and/or Proposed facilities
 - A. There are no existing facilities.
 1. See map #3 for proposed location of production tank, if necessary.
5. Location and type of water supply
 - A. See map #1 for location of water supply, two farm tanks and one well. There is adequate water in the tanks for and the land owner has offered us the water in the two tanks.
 - B. Water will be hauled by the drilling contractors water trucks.
 - C. No new water well will be needed.
6. Source of Construction materials --
 - A. No construction material will be needed.
 - B. & C. N/A
 - D. None. Surface is privately owned.
7. Methods for handling waste materials --
 - A.
 1. Drill cuttings will be left in settling pit until dry then properly buried. See map #3
 2. Drilling fluids will be allowed to dry in mud pits until properly dry then buried.
 3. Produced fluids (oil and Water) Water will be allowed to burn pit, since water is fresh. Oil will be contained in production tanks. Any oil on pits will be properly burned.
 4. Sewage disposal--Porta-Potti and sewage pit. See map #3.
 5. Garbage will be disposed of into a deep garbage pit burned and buried.
 6. All trash near location will be picked up and burned. All other materials will be hauled off by contractor.
8. Ancillary Facilities --
 - A. None will be needed.
9. Well site layout -- See detail map #3
10. Plans for restoration of the surface -- See attached rehabilitation plan.
11. Other Information -- See attached portion of archeological survey by Karol J. Klager. Entitled "Environmental Setting".

12. Lessee's or Operator's Representative

A. Bill Ballard
Terra Oil Corporation
1601 Pennsylvania N.E.
U-18
Albuquerque, N.M. 87110
Telephone -- 505-884-9160

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 The Chesney Drilling Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

2/5/80
Date

Bill Ballard
Bill Ballard

Signature
Title

If there is anything else that you need, please let me know.

Very truly yours:

Gene D. Wilson
Gene D. Wilson AIPG
Consulting Geologist

REHABILITATION PLAN

Lease No.: NM-10521; Well Name and No.: Terra Oil Corp. Michaels #2
Location: 330 FSL, 660 FWL, XXXXXX, Sec. 16, T. 15 N., R. 6 W.

McKinley County, N.M. intends to drill a well on surface owned by Albert Michael. The lessee/operator agrees to complete the following rehabilitation work if the well is a producer:

☒ Yes ☐ No Maintain access road and provide adequate drainage to road.

☒ Yes ☐ No Reshape and reseed any area not needed for maintenance of the pump and support facilities.

Other requirements: None

The following work will be completed when the well is abandoned:

☒ Yes ☐ No Pit will be fenced until dry, then filled to conform to surrounding topography.

☒ Yes ☐ No Water bars will be constructed as deemed necessary.

☐ Yes ☒ No Site will require reshaping to conform to surrounding topography.

☒ Yes ☐ No Entire disturbed area will be reseeded. If yes, the following seed mixture will be used.

Western Wheat Grass as suggested by Mr. Albert Michael, the
Surface owner.

☒ Yes ☐ No Access road will be closed, rehabilitated and reseeded using the same seed mixture as above.

☐ Yes ☒ No Access road will remain for surface owner's use.

☒ Yes ☐ No Water bars will be constructed on the access road as deemed necessary.

Other requirements: None

Surface Owner:

Name: Albert Michael
Address: 619 West Santa Fe
City: Grants
State: New Mexico
Telephone: 505 287 4292
Date: January 3, 1980

Operator/Lessee:

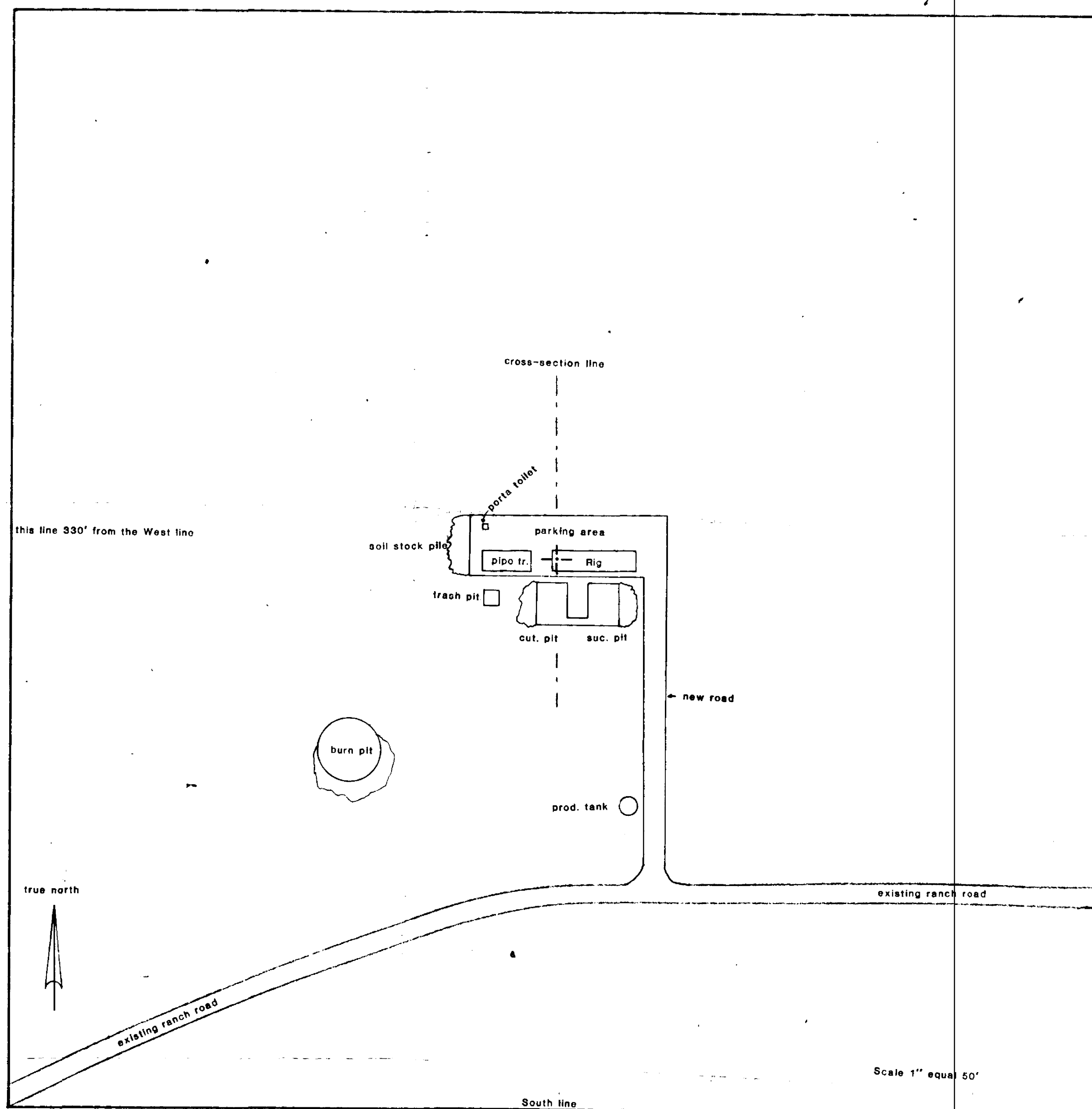
Name: Terra Oil Corporation
Address: 8000 East Girard Ave. Suite 401
City: Denver
State: Colorado 80231
Telephone: 303-750-5531
Date: January 3, 1980

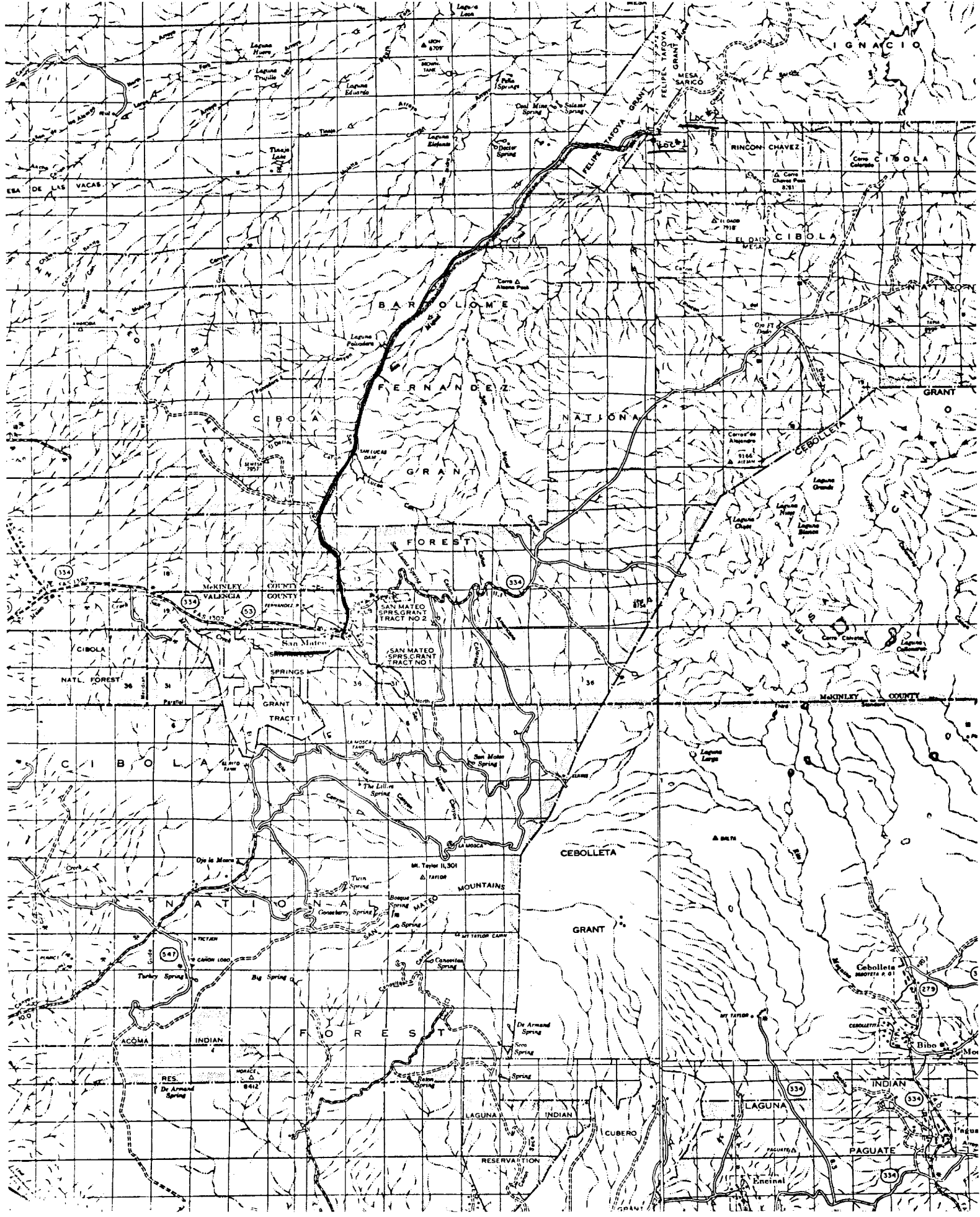
I CERTIFY that above rehabilitation plan is acceptable to me. I also waive an intensive Cultural Resource Field Inventory.

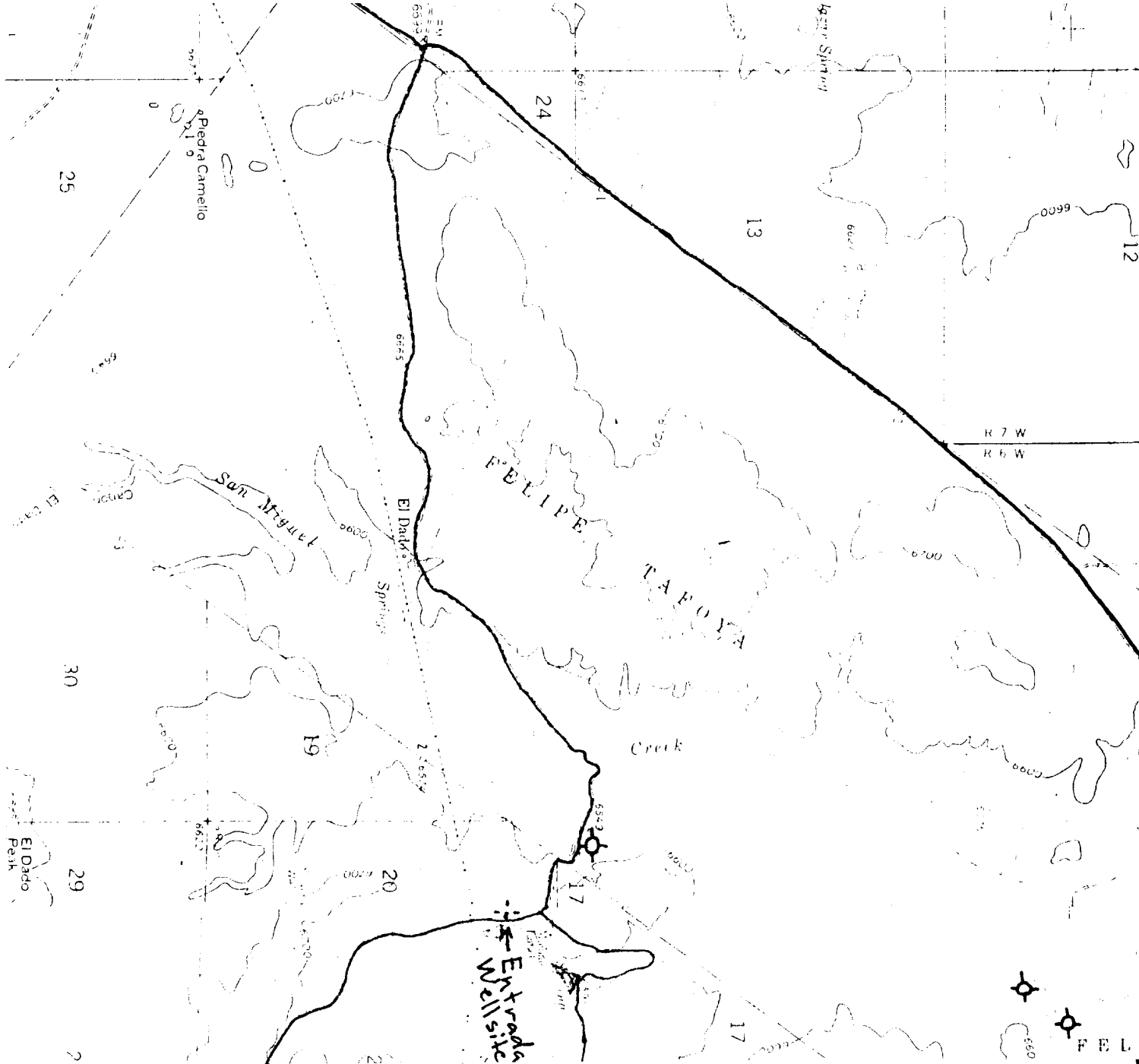

(Surface owner's signature)

This plan does not affect any other agreements between the lessee/operator and surface owner.

Terra Oil Corp.
Hospah Well Location
T. 15 N. R. 6 W.
330' from the South line
660' from the West line
Section 16







UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil ☒ gas ☐ other ☐
well well

2. NAME OF OPERATOR
Terra Oil Corporation

3. ADDRESS OF OPERATOR
8000 East Girard Ave. Suite 401, Denver, CO 80231

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 330' FSL; 360' FWL
AT TOP PROD. INTERVAL: Same
AT TOTAL DEPTH: "

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

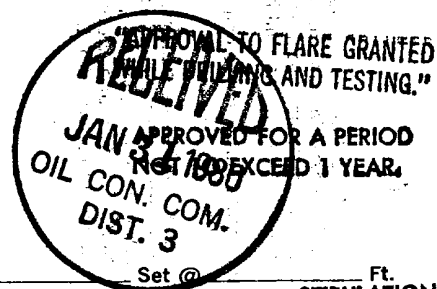
REQUEST FOR APPROVAL TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	<input type="checkbox"/>		<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>		<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>		<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>		<input type="checkbox"/>
PULL OR ALTER CASING	<input type="checkbox"/>		<input type="checkbox"/>
MULTIPLE COMPLETE	<input type="checkbox"/>		<input type="checkbox"/>
CHANGE ZONES	<input type="checkbox"/>		<input type="checkbox"/>
ABANDON*	<input type="checkbox"/>		<input type="checkbox"/>
(other) <u>Move location 100' East</u>			

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

As per request of Archeologist and in concurrence with USGS and BLM representatives to avoid possible Archaic site, location will be moved 100' to the east.

5. LEASE NM- 10521
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME Michael
9. WELL NO. XX 2
10. FIELD OR WILDCAT NAME Wildcat
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 16, T15 N; R 6 W
12. COUNTY OR PARISH McKinley 13. STATE New Mexico
14. API NO.
15. ELEVATIONS (SHOW DF, KDB, AND WD) 6655' GR

(NOTE: Report results of multiple completion or zone change on Form 9-330.)



Subsurface Safety Valve: Manu. and Type

18. I hereby certify that the foregoing is true and correct

SIGNED [Signature] TITLE Consulting Geologist DATE January 25, 1980

(This space for Federal or State office use)

APPROVED BY
CONDITIONS OF APPROVAL IF ANY:

[Signature]
JAMES F. SELL
DISTRICT ENGINEER

*See Instructions on Reverse Side

STIPULATIONS
ATTACHED