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Denver Colorado 80201
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Petro-Lewis Corporation
Oil and Gas Producers

September 28, 1976

U.S.G.S.
P.O. Box 1809
Durango, Colorado 81301

Gentlemen:

Re: Application for Permit to Drill #7-27 Federal
SW NE Section 27-19N-3W
Sandoval County, New Mexico

In accordance with NTL-6, and in addition to Form 9-331C, the following information is presented:

1. Geologic name of surface formation:

Lewis

2. Estimated tops of important geologic markers:

| | | | |
|---------------|------|---------------|------------------|
| Point Lookout | 1747 | Morrison | 4249 |
| Mancos | 1874 | Entrada | 5119 |
| Gallup | 3004 | Permian | 6472 (De Chelly) |
| Dakota Sand | 4060 | Pennsylvanian | 8358 (Hermosa) |

3. Estimated depths at which oil, water, gas or other mineral-bearing formations are expected to be encountered:

| | | | |
|---------------|------|---------------|----------------|
| Point Lookout | 1747 | Pennsylvanian | 8358 (Hermosa) |
| Gallup | 3004 | | |
| Dakota Sand | 4060 | | |
| Entrada | 5119 | | |

4. Proposed casing program:

- Surface casing - 9-5/8", K-55, 36#/ft new casing
- Production string - K-55 and N-80, 23#/ft and 26#/ft, new and used.

X

5. Casing setting depths:
 - a. Surface casing - 500', cemented with 260 sacks Class H cement containing 3% CaCl_2 .
 - b. Production string - 9700' or 200' below lowest productive zone, cemented with 250 sacks Class H containing 2% CaCl_2 .
6. Pressure control equipment:

10" Shaffer 900 series (3000 psi WP) hydraulic BOPs or equivalent will be used. See attached schematic. The BOPE will be tested to 1000 psi upon installation and every trip thereafter.
7. Circulating medium:

Fresh-water base chem-gell drilling mud will be used to drill the well. Approximately 400 bbl of muc will be stored in the surface steel mud tanks. Dry drilling mud materials and chemicals will be stored on location. Mud weight will be approximately 9 lb/gal ±.
8. Testing, logging and coring programs:
 - a. Testing program: Zones having promising shows of oil or gas will be drill stem tested upon penetration. Zones not having good oil or gas shows in the drill cutting samples, but which appear promising on wireline logs, will be tested after logging.
 - b. Logging program: Wireline logs will be run at TD. Induction, Neutron, Density and Gamma Ray logs will be run. A Sonic log will be optional. Should hole problems make open hole logging impractical, an electrical survey and a gamma ray log will be run through drill pipe.
9. Abnormal pressures, temperatures and potential hazards:

No abnormal pressures and temperatures are anticipated, based on nearby well control. No hydrogen sulfide gas has been noted in the nearby wells and none is expected here.
10. Anticipated starting date and duration of operation:

The proposed spud date is noted on Form 9-331C. Drilling operations should be completed in 30 days. If the well is productive, completion and testing operations will take about 30 days.

Sincerely,

PETRO LEWIS CORPORATION

F. A. Wise

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Manager of Operations