

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Rio Puerco Resource Area

MAR 28 1992

LEASE DESIGNATION AND SERIAL NO.

NM-68761

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 Horizontal

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

512/341-9773

10100 Reunion Place, Suite 735

Bright & Company

San Antonio, TX 78216

3. ADDRESS OF OPERATOR

303/452-8888

13585 Jackson Drive

Permitco Inc. - Agent

Denver, CO 80241

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

At surface

730' FSL and 1000' FWL (Surf. Loc.)

At proposed prod. zone 1200' FNL and 660' FWL (Btm. Hole Loc.)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

Cuba Mesa Unit

8. FARM OR LEASE NAME

Cuba Mesa 35

9. WELL NO.

#1-1

10. FIELD AND POOL, OR WILDCAT

Wildcat Ac. Resource EXT

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

M Sec. 35, T21N - R2W

12. COUNTY OR PARISH

Sandoval

13. STATE

NM

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

6 miles West of Cuba, NM

15. DISTANCE FROM PROPOSED* LOCATION TO-NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)

730'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED TO THIS WELL

320

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

none

19. PROPOSED DEPTH

4915' TVD, 7569' MD

20. ROTARY OR CABLE TOOLS

Rotary

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

7013' GR

22. APPROX. DATE WORK WILL START*

Immediately upon approval of this application.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14-3/4"	10-3/4"	40.5	250'	250 sx or suffic to circ to surf.
9-7/8"	7-5/8"	26.4#	3940'	735 sx (see attached detail)
6-1/2"	4-1/2"	11.6#	3740-7569'	No cement - Hung off at 3740'.

(Slotted Liner)

Bright and Company proposes to drill a horizontal well to a TVD of 4915' and a MD of 7569'. If productive, the well will be completed and placed on production. If dry, the well will be plugged and abandoned as per BLM and State of New Mexico requirements.

See Onshore Order No. 1 attached.

Be advised that Bright & Company is considered to be the operator of the above mentioned location and is responsible under the terms and conditons of the lease for the operations conducted on the lease lands.

Bond coverage for this will is provided by Bright & Company under their personal bond and letter of credit, as per the attached.

RECEIVED

JUN - 5 1992

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 present productive zone. Give blowout preventer program, if any.

24. Consultant for: Bright and Company
SIGNED: *Dea Y. Smith* TITLE: DATE: 3/19/92

(This space for Federal or State office use)

(Revised 3/23/92)

PERMIT NO. APPROVAL DATE

APPROVED BY: *Shirley Mondy* Acting AREA MANAGER
CONDITIONS OF APPROVAL, IF ANY: TITLE: RIO PUERCO RESOURCE AREA DATE: MAY 27 1992

cc: New Mexico Oil Conservation Division

A-9676

NMOCD

*See Instructions On Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator BRIGHT & Co.			Lease NM-68761 (U.S.F.S.) <u>35</u>		Well No. Cuba Mesa # 1
Unit Letter M	Section 35	Township 21 N.	Range 2 W.	County Sandoval	
Actual Footage Location of Well: 730 feet from the South line and 1000 feet from the West line					
Ground level Elev. 7013'	Producing Formation Gallup		Pool RIC PUERTO EXT	Dedicated Acreage: 320 Acres	

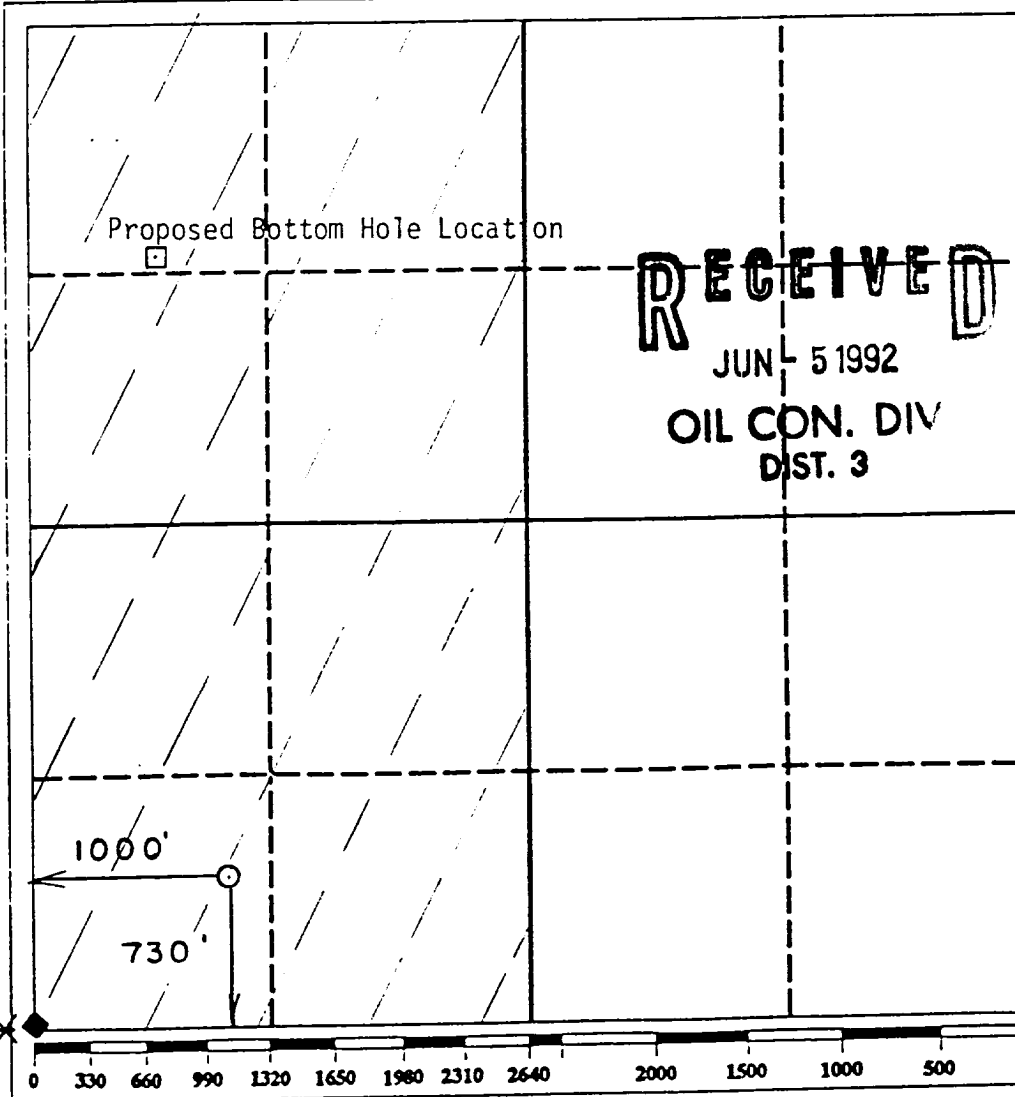
- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc.?

☐ Yes
 ☐ No

If answer is "yes" type of consolidation N/A

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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Lisa L. Smith
Signature

Lisa L. Smith

Printed Name

Agent for:

Position

Bright & Company

Company

3/19/92

Date

SURVEYOR CERTIFICATION

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

2 - 27 - 92

Signature & Seal of
Professional Surveyor

Ernest H. Smith
Ernest H. Smith
6844

Bright and Company

Cuba Mesa Unit No. 35-1

730' FSL and 1000' FWL (Surface Location)

(Revised 3/23/92)

1200' FNL and 660' FWL (Bottom Hole Location)

Sec. 35, T21N - R2W

DRILLING PROGRAM

Sandoval Co., New Mexico

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ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

1. The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>True Vertical Depth Surface</u>	<u>Measured Depth</u>	<u>Subsea</u>
Ojo Alamo	567'		+ 6461'
Fruitland	762'		+ 6266'
Picture Cliffs	940'		+ 6088'
Lewis	1025'		+ 6003'
Chacra	1367'		+ 5661'
Cliff House	1855'		+ 5173'
Minefee	2525'		+ 4505'
Point Lookout	3145'		+ 3883'
Mancos	3377'		+ 3651'
Gallup A	4105'		+ 2923'
Gallup B	4273'		+ 2755'
Gallup C	4446'		+ 2582'
Gallup D	4561'		+ 2467'
Semilla	4915'	7569'	+ 2113'

2. a. The estimated depths at which water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil	Gallup	4105'

All shows of fresh water and minerals will be reported and protected.

3. Bright and Company's minimum specifications for pressure control equipment are as follows:

Below 10-3/4" surface casing - 11", 3000 psi, double ram preventor and annular preventor.

Below 7-7/8" intermediate casing - 11", 3000 psi double ram preventor, annular preventor and rotating head.



Permitco Incorporated
A Petroleum Permitting Company

7. a. The estimated kick off point is at 4008' (70' below the shoe of the 7-5/8" casing). A 6-3/4" will be used to drill the curved section of the hole. The angle will be built at 17.5 degrees/100 foot to 86.25 degrees. The proposed target is the Gallup "B" and will be intersected at 4501' MD, 4335' TVD at a vertical section of 306'. The Gallup "B" will be drilled at an angle of 86.25 degrees with a 6-1/2" bit and the azimuth will be N 5.8 degrees W.

The horizontal displacement will be 3367'. The bottom hole location will be 1200' FNL and 660' FWL of Section 35. The total depth will be 4536' TVD and 7569' MD.

If the mud log shows while drilling indicates the well to be commercially productive, a 4-1/2" slotted liner will be set. The holes in the liner will be drilled with 6-3/4" holes per foot with 60 degree phasing.

- b. The expected bottom hole pressure is 1465 psig at 4335' TVD.
- c. No hydrogen sulfide gas or abnormal pressures are anticipated.
8. a. Bright and Company agrees to be responsible under the terms and conditions of the lease for the operations on the lease.
- b. Drilling will commence immediately upon approval of this application.
- c. It is anticipated that the drilling of this well will take approximately 26 days.
- d. The following shall be entered on the driller's log:
1. Blowout preventer pressure tests, including test pressures and results;
 2. Blowout preventer tests for proper functioning;
 3. Blowout prevention drills conducted;
 4. Casing run, including size, grade, weight, and depth set;



ONSHORE ORDER NO. 1
Bright and Company
Cuba Mesa Unit #35-1
730' FSL and 1000' FWL (Surface Location)
1200' FNL and 660' FWL (Btm. Hole Location)
Sec. 35, T21N - R2W
Sandoval County, New Mexico

CONFIDENTIAL - TIGHT HOLE

SURFACE USE PLAN
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13. Lessee's or Operator's Representative and Certification
PERMIT MATTERS DRILLING & COMPLETION MATTERS

PERMITCO INC.
Lisa L. Smith
13585 Jackson Drive
Denver, CO 80241
303/452-8888

BRIGHT & COMPANY
10100 Reunion Place, Suite 735
San Antonio, TX 78216
512/341-9773
505/325-8786 (W) Bob Griffiee
505/327-1906 (H)

CERTIFICATION

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 currently 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 Bright and Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

March 19, 1992
Date:


Lisa L. Smith - PERMITCO INC.
Authorized Agent for:
BRIGHT AND COMPANY