

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
Continental Oil Company

3. ADDRESS OF OPERATOR
Box 760, Hobbs, NM 88240

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface *840' FNL & 1850' FWL of Sec 1*
At proposed prod. zone *Same*

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.)
7137 GR

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|----------------|-------------------|-----------------|---------------|----------------------|
| <i>12 1/4"</i> | <i>8 5/8" New</i> | <i>24#</i> | <i>500'</i> | <i>310 SX. Circ.</i> |
| <i>7 7/8"</i> | <i>5 1/2" New</i> | <i>14#</i> | <i>6050'</i> | <i>403 SX.</i> |

It is proposed to drill a straight hole to a total depth of 6050' and complete as a South Blanco Pictured Cliffs and Blanco Mesa Verde gas well.

Mud Program: 0'-500' Fresh water; 500'-6050' Fresh water gel.

See attached for BOP program.

See attached proposed Well Plan for formation tops, Logging, etc.

Acres are dedicated to a gas purchaser.

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 *Wm. A. Dutterfield* TITLE *ADMIN. SUPER.* DATE *3-17-77*

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____

Okaf JUN 6 1977

CARL A. BARRICK
ACTING DISTRICT ENGINEER

*See Instructions On Reverse Side

USGS-DURANGO(6) GAS CO NM(2) EXPL. MTI REA FILE(2)

30-039-21427
5. LEASE DESIGNATION AND SERIAL NO.
Contract No. 121
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Jicarilla Apache
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME
AXI Apache "N"
9. WELL NO.
14
10. FIELD AND POOL, OR WILDCAT
BLANCO MESA VERDE
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 1 T25N, R9W
12. COUNTY OR PARISH 13. STATE
Rio Arriba N.M.

16. NO. OF ACRES IN LEASE
2543.60
17. NO. OF ACRES ASSIGNED TO THIS WELL
16.81
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
6050'
19. PROPOSED DEPTH
6050'
20. ROTARY OR CABLE TOOLS
Rotary

22. APPROX. DATE WORK WILL START*
5-25-77

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

| | | | | |
|--|---------------------|--|------------------------|-----------------------------|
| Operator CONTINENTAL OIL COMPANY | | Lease AXI APACHE <i>no n</i> | | Well No 14 |
| Unit Letter B | Section 1 | Township 25 NORTH | Range 4 WEST | County RIO ARriba |

Actual Footage Location of Well:
840 feet from the **NORTH** line and **1850** feet from the **WEST** line

| | | | |
|-----------------------------------|--|----------------------------------|---|
| Ground Level Elev. 7137 | Producing Formation Mesa Verde | Pool Blanco Mesa Verde | Dedicated Acreage: 320.81 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?

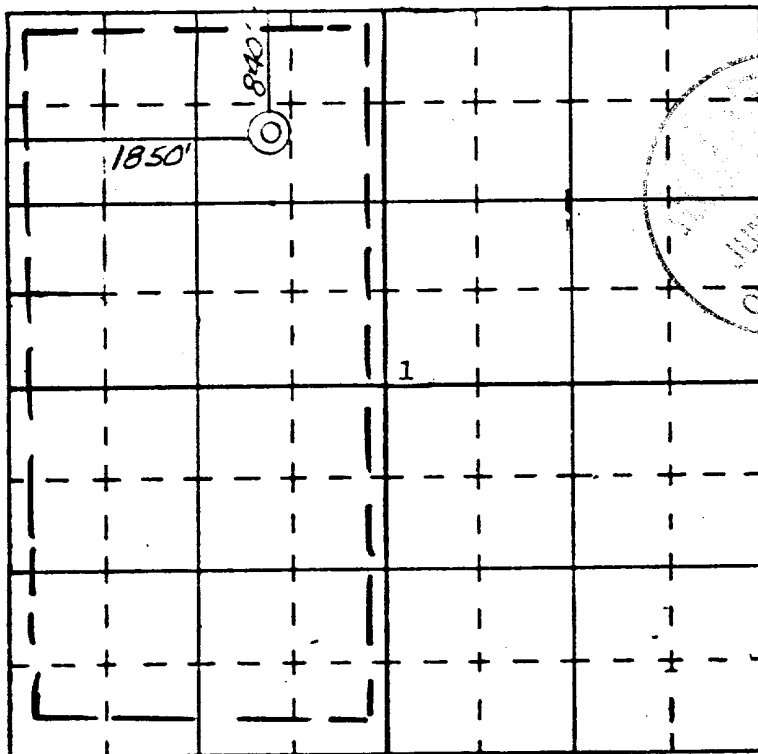
() Yes () No If answer is "yes," type of consolidation

If answer is "no," list the owners and tract descriptions which have actually 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 Wm. A. Dickey
 Position ADMIN. Supr.
 Company Continental Oil Co.
 Date 3-17-77

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.

17 February 1977

Date Surveyed
James P. Leese
 Registered Professional Engineer
 and/or Land Surveyor **James P. Leese**

1463

Certificate No.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

| | | | | |
|--|---------------------|--------------------------------------|------------------------|-----------------------------|
| Operator CONTINENTAL OIL COMPANY | | Lease AXI APACHE <i>no</i> | | Well No 14 |
| Unit Letter B | Section 1 | Township 25 NORTH | Range 4 WEST | County RIO ARriba |

Actual Footage Location of Well:
840 feet from the **NORTH** line and **1850** feet from the **WEST** line
 Ground Level Elev. **7137** *PICTURED CLIFFS* Pool *SOUTH BLANCO* Dedicated Acreage: **160.81** 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 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 Wm. A. Butterfield
 Position ADMIN. SUPV.
 Company Continental Oil Co.
 Date 3-17-77

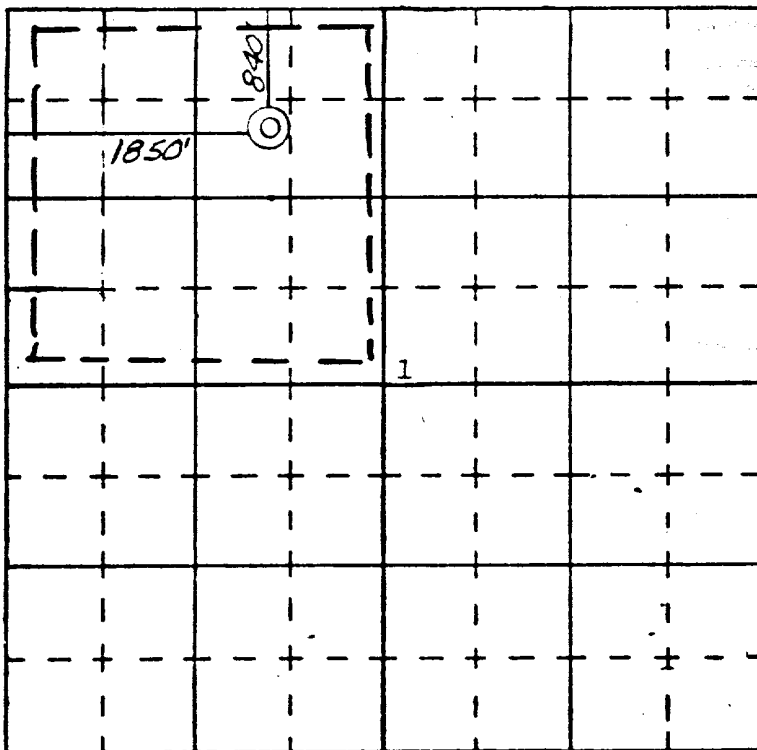
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

17 February 1977

Date Surveyed _____
James P. Leese
 Registered Professional Engineer
 and/or Land Surveyor **James P. Leese**

1463

Certificate No. _____



Attachment To Form 9-331 C
Application For Permit To Drill

Continental Oil Company, AXI Apache "N" No. 14
840' FNL and 1850' FWL of Section 1, T-25N, R-4W
Rio Arriba County, New Mexico

1. The geologic name of the surface formation is Cretaceous Sand.
2. The estimated tops of important geologic markers are shown on the attached Proposed Well Plan.
3. The estimated depths at which anticipated water, oil, gas or other mineral-bearing formations to be encountered are shown on attached Proposed Well Plan.
4. The proposed casing program is as follows:

Surface - new 8 5/8" 24# K-55 set at 500'
Production - new 5 1/2" 14.0# K-55 set at 6050'
5. A drawing of an API Series 900 Blowout Preventer Specification is attached. Pipe rams and blinds will be checked to 1,000 PSI for 30 minutes when BOP is installed. BOP will be checked when casing string is set and operated daily for checks.
6. The proposed mud program is as follows:

| | |
|----------------------------|---------------------------|
| 0-500' Fresh Water, | 8.5-9.0 pounds per gallon |
| 500'-6050' Fresh Water Gel | 8.5-9.0 pounds per gallon |
7. The auxiliary equipment to be used is:
 - (1) Kelly cocks
 - (2) Floats at the bit
8. It is proposed to run SP-IES log from TD to surface, and GR CAL FDC logs from TD to 3500' and PDC logs at selected intervals.
9. No abnormal pressures or temperatures are expected to be encountered in this well.
10. The anticipated starting date for this well is May 25, 1977, with a duration date of approximately 17 days.

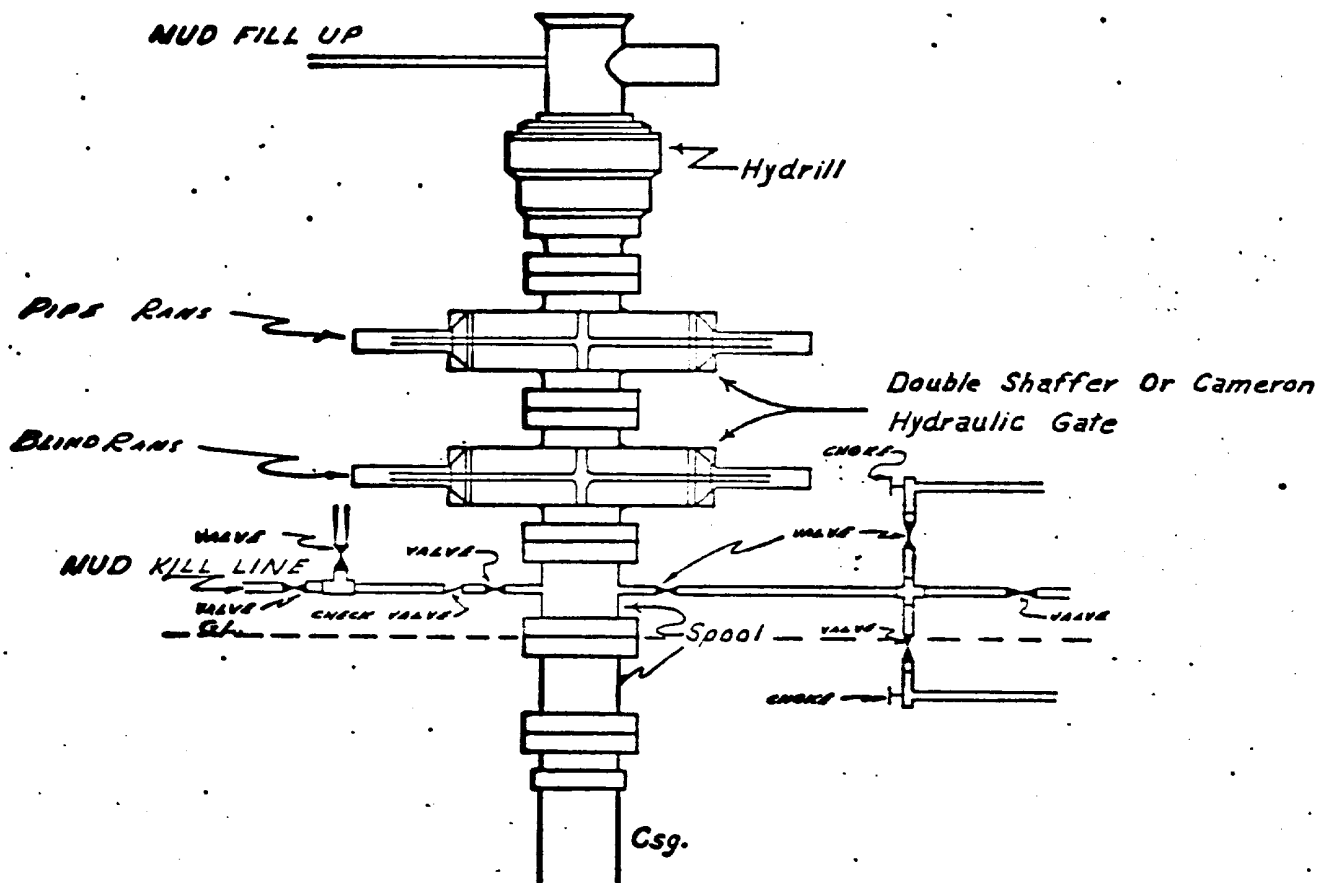
AXI Apache N No. 14

Rio Arriba, N. Mex.

Well Name: 840 FNL & 1850 FWL
Location: Sec. 1, T25N, R4WCounty & State
Elev: Est. 7149 H.B.

| H | FORMATION TOPS & TYPE | DRILLING PROBLEMS | TYPE OF FORMATION EVALUATION | HOLE SIZE | CASING | | FRACTURE GRADIENT | FORMATION PRESSURE GRADIENT | MUD | |
|---|---------------------------------|----------------------|------------------------------------|--------------|--------|-------|----------------------|-----------------------------------|---------|-------------|
| | | | | | SIZE | DEPTH | | | WEIGHT | TYPE |
| | | | | 12 1/4 | 8 5/8 | 500 | | | 8.5-9.0 | FRESH WATER |
| | | | Well Logs: | | | | | | | |
| | | | SP - IES | | | | | | | |
| | | | TD - SURFACE | | | | | | | |
| | | | 2" & 5" SCALE | | | | | | | |
| | Kirtland sh, 3370 shale | | | | | | | | | |
| | Fruitland ss, 3480 GAS. | | GR-CAL-FOC | | | | | | | |
| | Pic. Cliffs ss, 3690 GAS | | TD - 3500' | | | | | | | |
| | Lewis sh, 3850 shale | | 2" & 5" SCALE | | | | | | | |
| | Chacra ss, 4620 GAS & Water | | FOC | | | | | | | |
| | | | SELECTED INTERVALS | | | | | | | |
| | Cliffhouse ss, 5380 GAS & Water | | | | | | | | | |
| | Menefee ss, 5430 shale | | | | | | | | | |
| | Point Lookout ss, 5850 GAS | | | | | | | | | |
| | Mancos sh, 6050 shale | | | 7 7/8 | 5 1/2 | 6050 | | | 8.5-9.0 | FRESH WATER |

CONTINENTAL OIL COMPANY
Blow-out Preventer Specifications



API Series 900

NOTE:

Manual and Hydraulic controls with closing unit no less than 75' from well head.
Remote controls on rig floor.

DUE TO SUBSTRUCTURE CLEARANCE,
HYDRILL MAY OR MAY NOT BE USED.

AXI Apache "N"

No. 17

SURFACE USE PLAN
Continental Oil Company, AXI Apache "N" No. 14
840' FNL and 1850' FWL of Section 1, T-25N, R-4W
Lease Contract No. 121, Rio Arriba County, NM

This plan is to accompany "Application for Permit to Drill" the subject well. The following is a discussion of pertinent information concerning possible effect which the proposed drilling of the well may have on the environment of the well and road sites and surrounding acreage. A copy will be posted on the derrick floor so that all contractors and sub-contractors will be aware of all items of this plan.

1. Existing Roads

- A. The proposed well site is 840' FNL and 1850' FWL of Section 1, T-25N, R-4W, Rio Arriba County, New Mexico.
- B. Exhibit "A" is a portion of an AXI Apache "N" Lease map showing existing roads and proposed new road and location.
- C. The access roads are shown on Exhibits "A" and "B".

2. Planned Access Roads

Access is 1 1/4 miles north from an existing roadway. (See Exhibits A and B) Roads may be altered at the discretion of the Jicarilla Apache Tribe and will be constructed and maintained according to their specifications.

3. Location of Existing Wells

See Exhibit "A".

4. Location of Existing and/or Proposed Facilities

- A. Tank Batteries: One 400-barrel tank and a production unit will be located on well site.
- B. Rehabilitation: Pits will be backfilled and leveled as soon as practical to original condition. Commencement of rehabilitation operations will immediately follow removal of drilling and completion equipment from location and rehabilitation of the surface is planned to be completed within 45 days from commencement.

5. Water Supply

The supply of water will be hauled from Largo Wash (SE/4 of Section 10, T-24N, R-4W, Rio Arriba County, New Mexico).

6. Source of Construction Materials

Not applicable. Drilling pad to be compacted.

7. Methods for Handling Waste Disposal

Waste Disposal: Well Cuttings will be disposed in reserve pit. Trash pit is shown on "Rig Layout", Exhibit "C". All detrimental waste will be buried with a minimum cover of 24" of dirt. See Exhibit "C" for location of pits.

8. Ancillary Facilities

None

9. Well Site Layout

Exhibit "C" shows the relative location and dimensions of the well pad, mud pit, reserve pit, trash barrel, etc.

10. Plans for Restoration of Surface

Pits will be backfilled and leveled as soon as practical to original condition. Commencement of rehabilitation operations will immediately follow removal of drilling and completion equipment from location. Surface will be leveled and properly conditioned as required by USGS after consulting with proper surface managing agency.

11. Other Information

- A. Terrain: Sandy slope surrounded by level terrain. See Exhibit "B", topographic map of area.
- B. Soil: Sandy clay
- C. Vegetation: Juniper, pinon and big sage brush.
- D. Surface Use: Suitable for grazing.
- E. Ponds and Streams: None within one mile.
- F. Water Wells: None within one mile.
- G. Residences and Building: None within one mile.
- H. Arroyos, Canyons, Etc: See attached topographic map, Exhibit "B".
- I. Well Sign: Sign identifying and locating well will be maintained at drill site with the spudding of the well.
- J. Open Pits: All pits containing mud or other liquids will be fenced.
- K. Archaeological Resources: None observed.

12. Operator's Representative

Field personnel who can be contacted concerning compliance of this Surface Use Plan are as follows:

PRODUCTION AND DRILLING

B. E. Anderson
Petroleum Center Building
Room 215
501 Airport Drive
Farmington, New Mexico 87401
Phone: (505) 327-9557

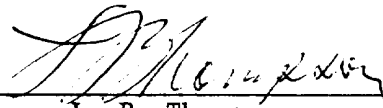
L. P. Thompson
1001 North Turner
Hobbs, New Mexico 88240
Phone: (505) 393-4141

13. 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 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 Continental Oil Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

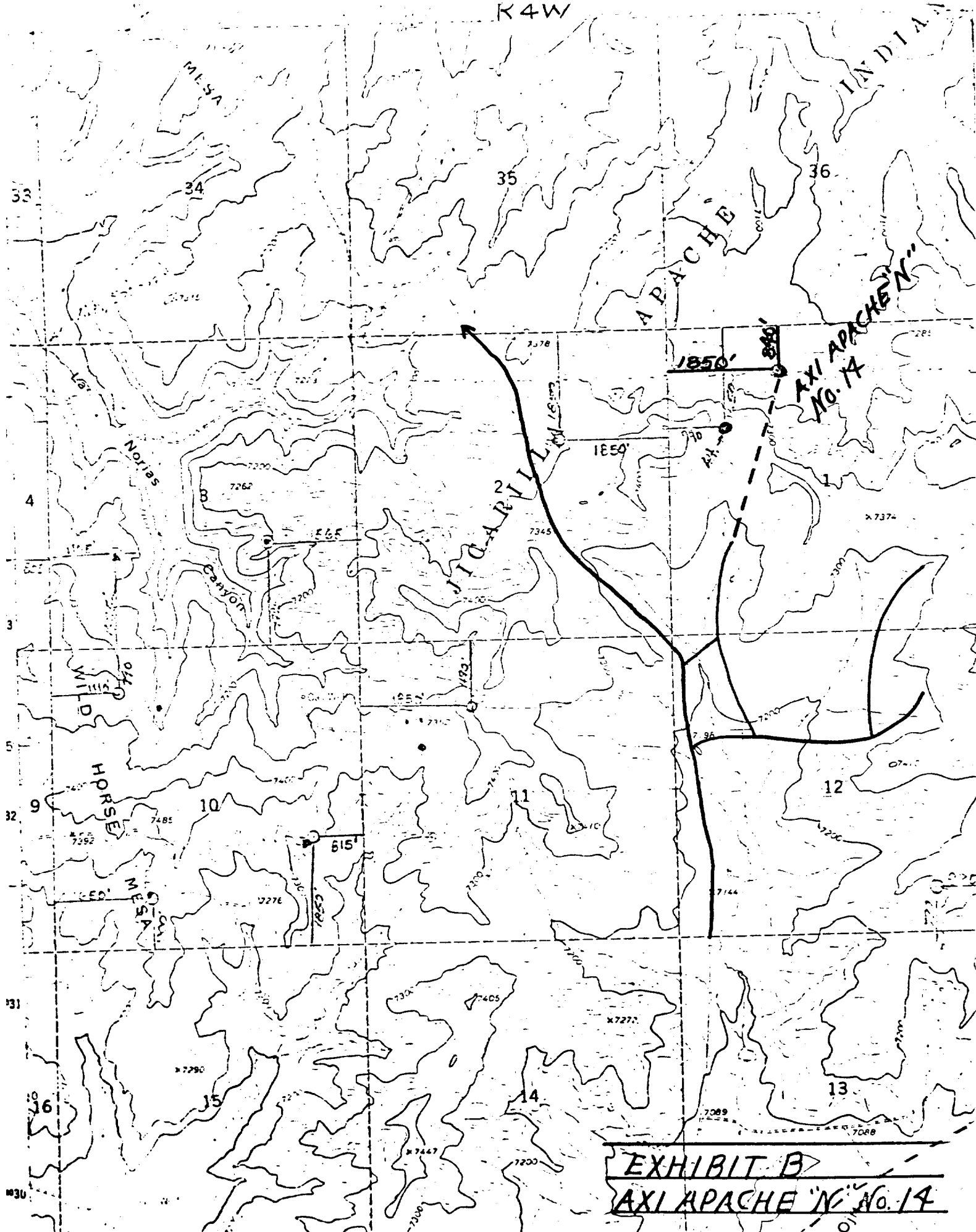
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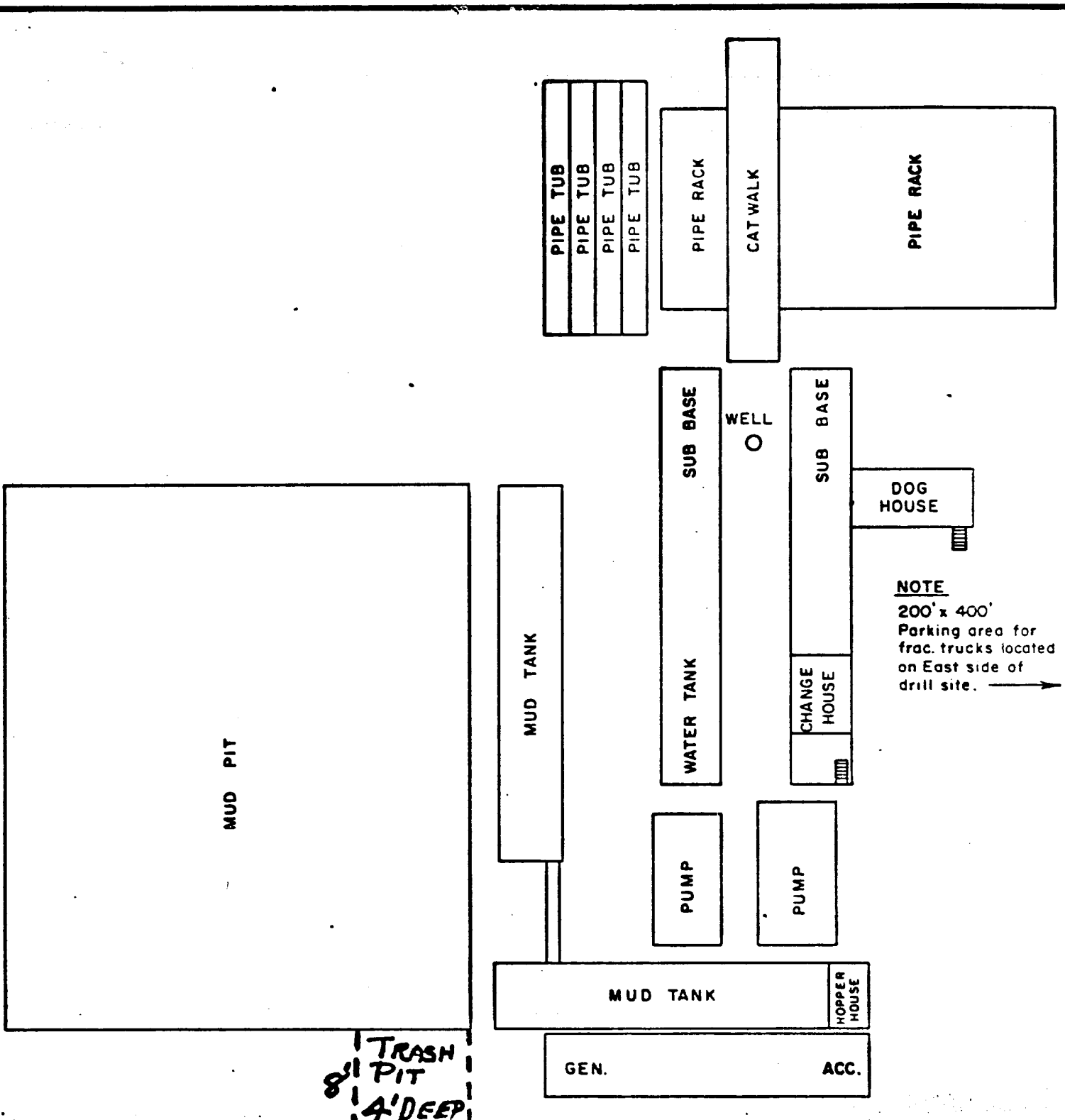
Date



L. P. Thompson
Division Manager

rej





NOTE
 200' x 400'
 Parking area for
 frac. trucks located
 on East side of
 drill site. →

APPROX. RIG SITE DIMENSIONS
 160' x 200'

CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT



RIG LAYOUT
EXHIBIT "C"

AXI Apache "N" No. 14