

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

30-039-22000

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.

NM-0560415

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Companero

9. WELL NO.

#3

10. FIELD AND POOL, OR WILDCAT

Arriba  
Tapacitos Pictured Cliffs

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

Section 12, T27N, R4W

12. COUNTY OR PARISH | 13. STATE

Rio Arriba | New Mexico

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

Southland Royalty Company

3. ADDRESS OF OPERATOR

P. O. Drawer 570, Farmington, New Mexico 87401

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

At surface

930' FNL & 800' FEL

At proposed prod. zone

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

14 miles southeast of Gobernador, New Mexico

15. DISTANCE FROM PROPOSED\*

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

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL

160

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

19. PROPOSED DEPTH

3900'

20. ROTARY OR CABLE TOOLS

Rotary

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

6833' GR

22. APPROX. DATE WORK WILL START\*

June 1, 1979

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	135'	111 cu. ft.
6-3/4"	2-7/8"	6.5#	3900'	256 cu. ft.

Surface formation is San Jose.

Top of Ojo Alamo sand is at 3060'.

Fresh water mud will be used to drill from surface to total depth.

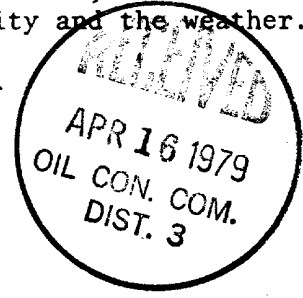
It is anticipated that an IES and a GR-Density log will be run at total depth.

No abnormal pressures or poisonous gases are anticipated in this well.

It is expected that this well will be drilled before September 1, 1979. This

depends on time required for approvals, rig availability and the weather.

Gas is not dedicated.



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

TITLE District Production Manager DATE April 10, 1979

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

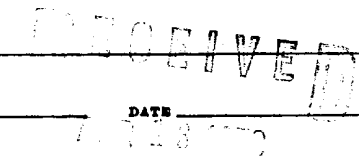
APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

ok Frank



U. S. GEOLOGICAL SURVEY  
APR 22 1979

\*See Instructions On Reverse Side

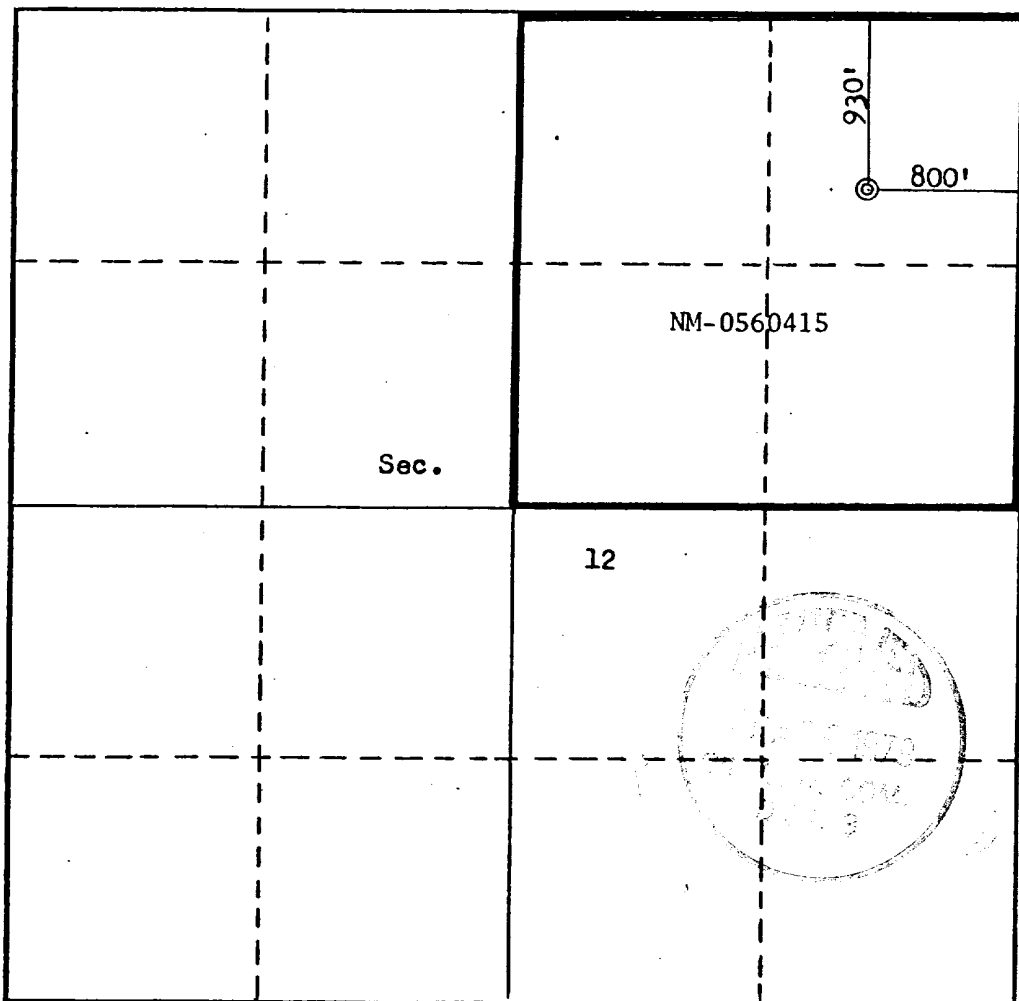
All distances must be from the outer boundaries of the Section.

Operator <b>SOUTHLAND ROYALTY COMPANY</b>			Lease <b>COMPANERO</b>		Well No. <b>3</b>
Unit Letter <b>A</b>	Section <b>12</b>	Township <b>27N</b>	Range <b>4W</b>	County <b>Rio Arriba</b>	
Actual Footage Location of Well: <b>930</b> feet from the <b>North</b> line and <b>800</b> feet from the <b>East</b> line					
Ground Level Elev. <b>6833</b>	Producing Formation <b>Pictured Cliffs</b>		Pool <b>Savilan Tapacitos</b>	Dedicated Acreage: <b>160</b> 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

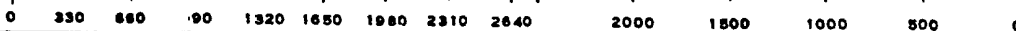
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name: *[Signature]*  
 Position: District Production Manager  
 Company: Southland Royalty Company  
 Date: April 10, 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: April 10, 1979  
 Registered Professional Engineer and/or Land Surveyor  
*[Signature]*  
 Certificate No. KERR, III

3950



DRILLING SCHEDULE - Companero #3

Location: 930' FNL & 800' FEL, Section 12, T27N, R4W, Rio Arriba, New Mexico

Field Tapacitos Pictured Cliffs

Elevation: 6833' GR

Geology:

Formation Tops:	Ojo Alamo	3060'
	Fruitland	3560'
	Pictured Cliffs	3700'
	Total depth	3900'

Logging Program: IES and GR-Density at total depth.

Coring Program : None

Natural Gauges : None

Drilling

Contractor:

Tool Pusher:

SRC Representative:

SRC Answering Service: 325-1841

Dispatch Number: 325-7391

Mud Program:

Fresh water mud from surface to total depth.

Materials

Casing Program:	Hole Size	Depth	Casing Size	Wt. & Grade	
	12-1/4"	135'	8-5/8"	24#	K-55
	6-3/4"	3900'	2-7/8"	6.5#	K-55

Float Equipment

8-5/8" Surface Casing: Pathfinder cement guide shoe (#1003-1-010).

2-7/8" Production Casing: Notched collar guide shoe. Howco 2 7/8" latch down baffle (Pr. Ref. 60). Two 3 1/16" rubber balls and one 2 7/8" Omega latching plug (Pr. Ref. 59). Use 3 1/4" plug container head. Six (6) B & W stabilizers on bottom 6 joints.

Wellhead Equipment: 8 5/8" X 2 7/8", EUE, screwed head.

Cementing

8-5/8" Surface Casing: 111 cu. ft. ( 94 sxs) Class "B" with 1/4# gel flake per sx and 3% CaCl<sub>2</sub>. (100% excess) WOC. Test to 600# prior to drilling out.

2-7/8" Production Casing: 256 cu. ft. ( 132 sxs) of 50/50 Class "B" Poz with 6% gel mixed with 7.2 gals water per sx to weigh 12.85 ppg. Tail in with 50 sxs Class "B" with 2% CaCl<sub>2</sub>. If lost circulation occurs add 1/4 cu. ft. fine gilsonite per sack. (50% excess to cover Ojo Alamo) Displace cement with 50 gals of 7 1/2% acetic acid. Run temperature survey after 12 hours.



**Southland Royalty Company**

United States Geological Survey  
P. O. Box 1809  
Durango, Colorado

Attention: Mr. Jerry Long

Dear Sir:

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 be performed by Southland Royalty Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date: April 10, 1979

Name: 

Title: District Production Manager



**Southland Royalty Company**

April 10, 1979

United States Geological Survey  
P. O. Box 1809  
Durango, Colorado

Attention: Blowout Preventer Plan

Dear Sir:

All drilling and completion rigs will be equipped with 8" or larger double gate hydraulic blowout preventers and a hydraulic operated closing unit with steel lines.

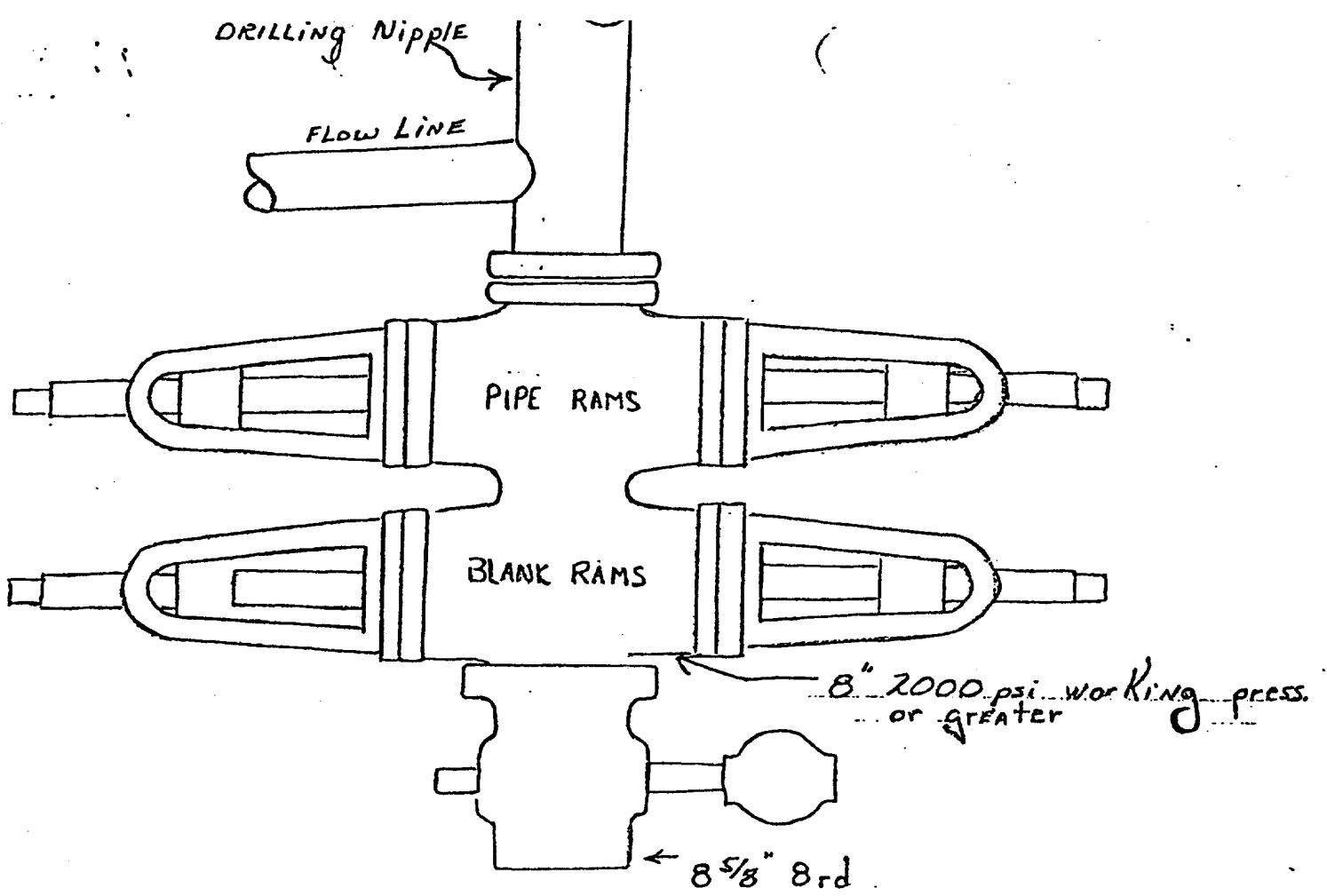
The preventer is 2000# working pressure and 6000# test.

All crews will be thoroughly trained in the operation of this preventer. The preventer will be tested frequently enough to insure proper operation.

Yours truly,

L. O. Van Ryan  
District Production Manager

LOVR/dg



Preventers and spools are to have through bore of 8" - 2000# or larger.



**Southland Royalty Company**

April 10, 1979

United States Geological Survey  
P. O. Box 1809  
Durango, Colorado

Attention: Mr. Jerry Long

Dear Sir:

Enclosed please find map showing existing roads and planned access roads to Southland Royalty Company's Companero #3 well. The locations of tank batteries and flow lines will be on location with well. A burn pit will be provided for disposal of trash. Cuttings, drilling fluid and produced fluids will be put into the reserve pit and properly disposed of depending on amount and type of fluids.

Contractor will furnish restroom facilities on location.

There will be no air strips or camps.

Also, enclosed is a location layout showing approximate location of rig, pits, pipe racks and cut required to build this location.

Water supply will be Companero Wash. All water will be transported by truck and stored on location.

The location will be restored according to Bureau of Land Management standards. This work will begin when all related construction is finished.

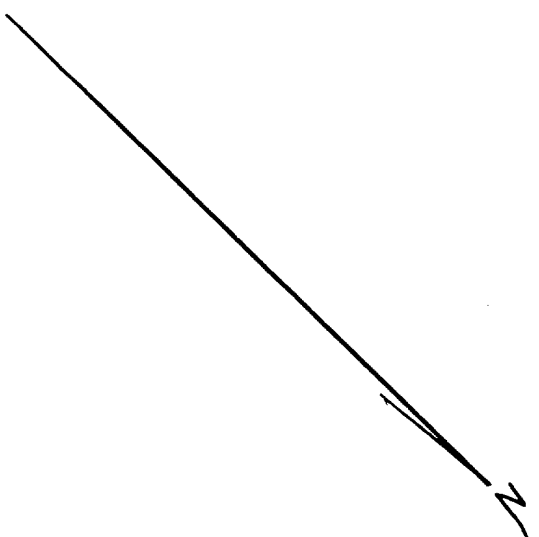
Mr. Ross Lankford will be Southland Royalty Company's field representative supervising these operations.

Yours truly,

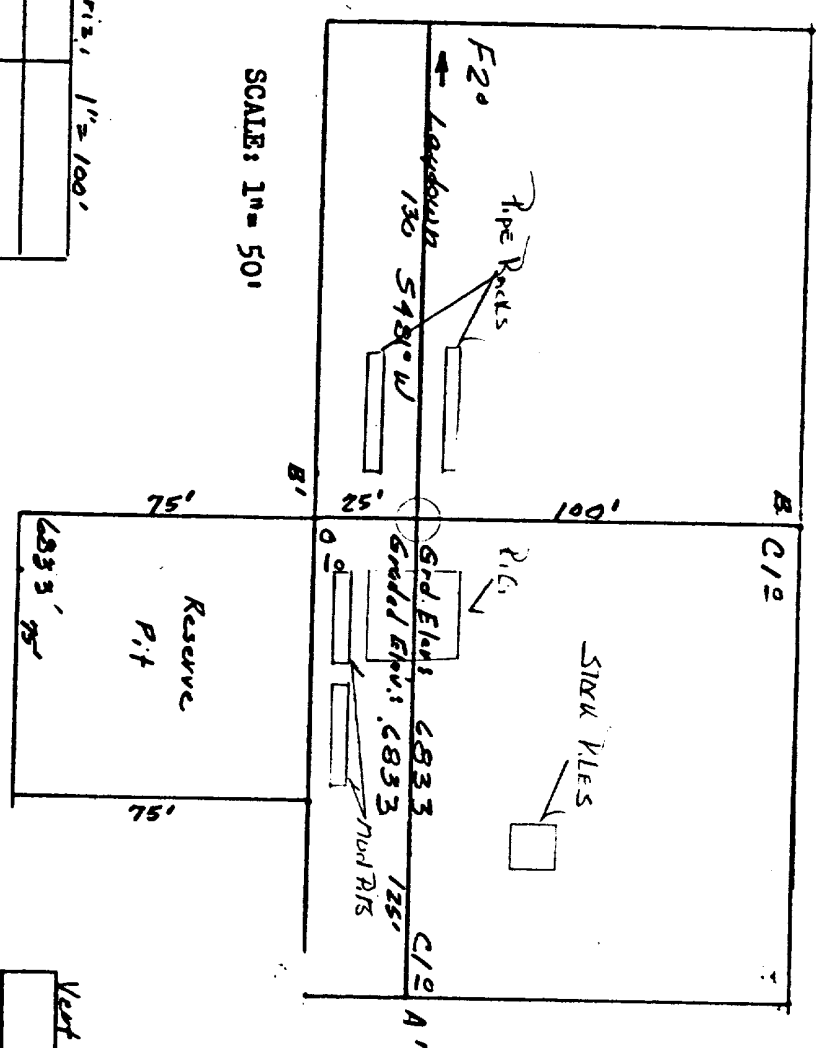
L. O. Van Ryan  
District Production Manager

LOVR/dg

ASSOCIATION FIDELITY FOR  
 SOUTHLAND ROYALTY COMPANY #3 COMPANERO  
 930' ENL 800' FEL Sec 12-T27N-RLW RIO ARRIETA COUNTY, NEW MEXICO



SCALE: 1" = 50'



Vert: 1" = 40'      A-A'      Horiz: 1" = 100'

6840				
6830				
6820				

B-B'      &

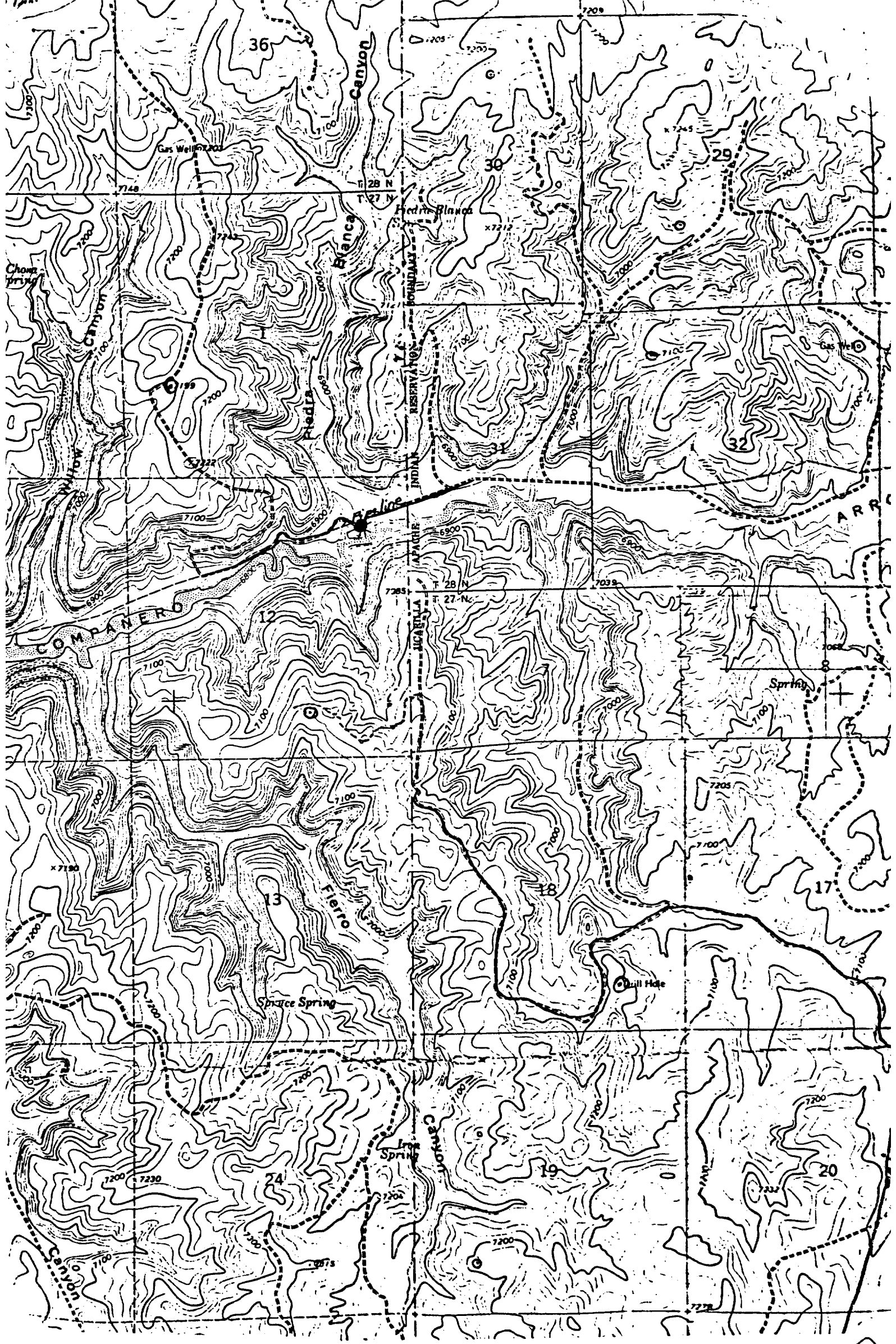
6840				
6830				
6820				

Vert: 1" = 40'      C-C'      Horiz: 1" = 100'


D-D'      &


KERR LAND SURVEYING  
 Date: 4/14/79





PROPOSED LOCATION ●  
 EXISTING LOCATIONS ○  
 PROPOSED ROADS - - -  
 EXISTING ROADS ———

Vicinity Map for  
 SOUTHLAND ROYALTY COMPANY #3 COMPANERO  
 930°FNL 800°FEL Sec 12-T27N-R1W  
 RIO ARRIBA COUNTY, NEW MEXICO