

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

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

810' FSL & 1830' 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 drig. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

19. PROPOSED DEPTH

6556

17. NO. OF ACRES ASSIGNED
TO THIS WELL

5 320/160

20. ROTARY OR CABLE TOOLS

Rotary

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

7149' 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"	9-5/8"	36#	200'	125 cu. ft.
8-3/4"	7"	20#	4381'	219 cu. ft.
6-1/4"	4-1/2"	10.5#	4231'-6556'	406 cu. ft.
	2-3/8"	4.7#	6556'	
	1-1/2"	2.7#	4100'	

Surface formation is San Jose.

Top of Ojo Alamo sand is at 3411'.

Top of Pictured Cliffs sand is at 4031'.

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

An air system will be used to drill from intermediate depth to total depth.

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

It is anticipated that a GR-Density and a GR-Induction 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 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.

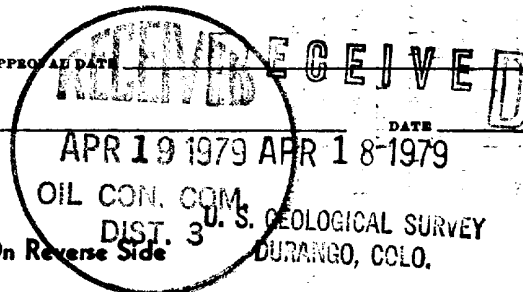
APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:



*See Instructions On Reverse Side

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

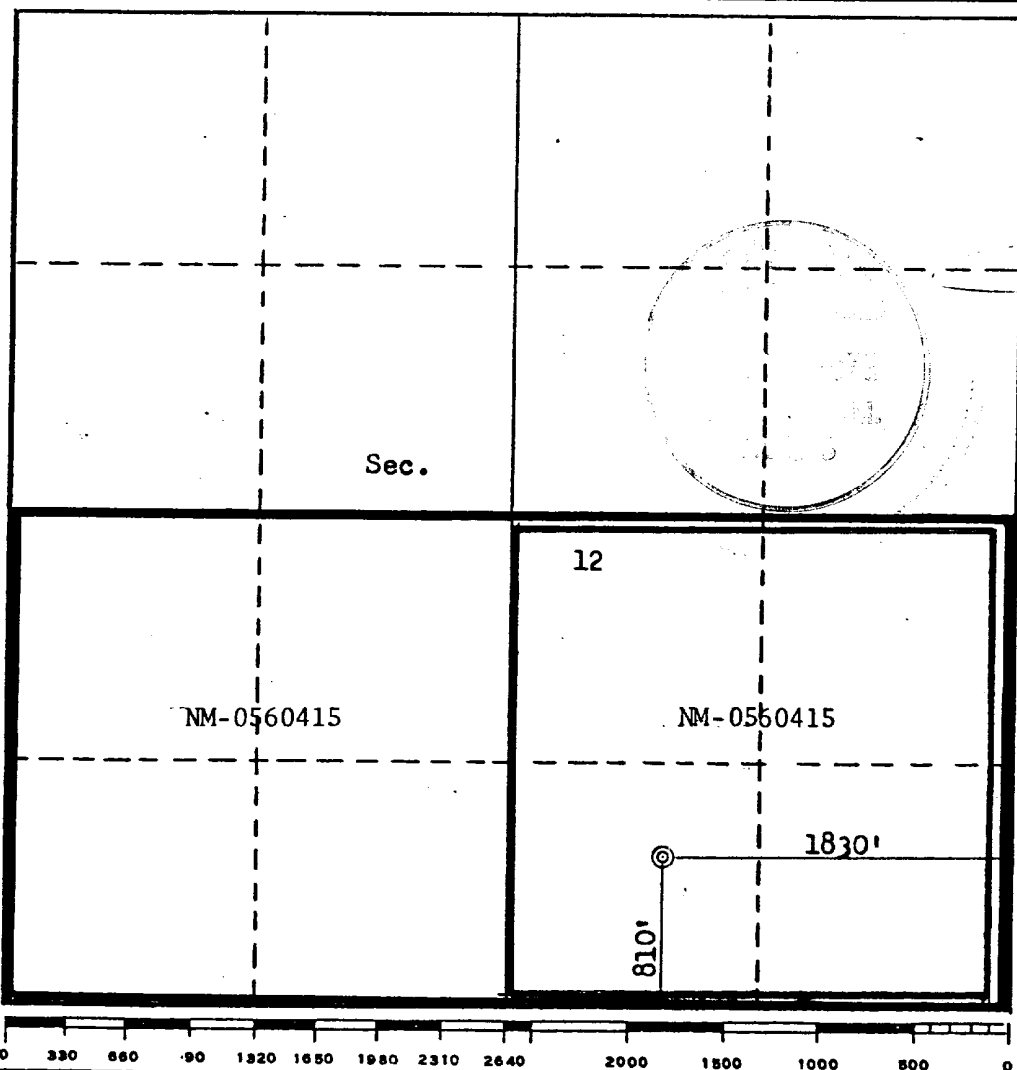
Operator SOUTHLAND ROYALTY COMPANY			Lease COMPANERO		Well No. 2
Unit Letter 0	Section 12	Township 27N	Range 14W	County RIO ARriba	
Actual Footage Location of Well: 810 feet from the South line and 1830 feet from the East line					
Ground Level Elev. 7149	Producing Formation Mesa Verde / Pictured Cliffs		Pool Blanco / Gavilan ext Tapacitos	Dedicated Acreage: 320 / 160 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 _____

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 Registered Surveyor

Fred B. Kerr Jr.

Certificate No. 3950
FRED B. KERR, JR.

DRILLING SCHEDULE - Companero #2

Location: 810' FSL & 1830' FEL, Section 12, T27N, R4W, Rio Arriba, New Mexico

Field: Blanco Mesaverde / Tapacitos Pictured Cliffs Elevation: 7149' GR

Geology:

Formation Tops:	Ojo Alamo	3411'	Cliff House	5831'	
	Fruitland	3861'	Point Lookout	6206'	
	Pictured Cliffs	4031'	Total depth	6556'	(Add 50'
	Intermediate TD	4381'			if hole
					gets wet)

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

Coring Program: None

Natural Gauges: Gauge at last connection above Cliff House, Point Lookout and total depth.
Gauge any increase in gas flow.

Drilling:

<u>Contractor:</u>	<u>Tool Pusher:</u>
	SRC Ans. Service: 325-1841
<u>SRC Representative:</u>	Dispatch Number: 325-7391

Mud Program: Fresh water mud from surface to Intermediate total depth.
Air from intermediate to total depth.

Materials:

Casing Program:	Hole Size	Depth	Casing Size	Wt. & Grade
	12-1/4"	200'	9-5/8"	36# K-55
	8-3/4"	4381'	7"	20# K-55
	6-1/4"	4231'-6556'	4-1/2"	10.5# K-55

Float Equipment:

9-5/8" Surface Casing: Pathfinder, type "A", guide shoe.

7" Intermediate Casing: Pathfinder, type "A", guide shoe. Pathfinder self-fill insert float valve. Five (5) Pathfinder rigid centralizers. Run float 2 joints above shoe. Run centralizers every other joint above shoe.

4-1/2" Liner: Pathfinder, type "AP", guide shoe. Pathfinder, type "A", flapper float collar.

Tubing:

Wellhead Equipment: 9 5/8" X 10", 2000# casing head.
10", 2000# X 6", 2000# tubing head.

Cementing:

9 5/8" surface casing: 125 cu. ft. 106 sx Class "B" with 1/4# gel flake per sack and 3% CaCl₂ (100% excess).

7" intermediate casing: 219 cu. ft. 91 sx 50/50, Class "B", Poz with 6% gel. Mix with 7.2 gals water per sack to weigh 12.85 ppg. Tail in with 50 sacks of Class "B" with 2% CaCl₂. If lost circulation occurs, add 1/4# cello flake per sack (50% excess to cover Ojo Alamo).

4 1/2" liner: 406 cu. ft. Precede cement with 20 bbls. gelled water. Cement with 272 sx of 50/50, Class "B", Poz with 6% gel, 1/4# cello flake and .6% Halad 9. Mix cement with 7.2 gals water per sack to weigh 12.85 ppg (70% excess). If hole gets wet and mist drilling is required, use 100% excess to circulate liner.
(320 sx) 477 cu. ft.



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 #2 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



Southland Royalty Company

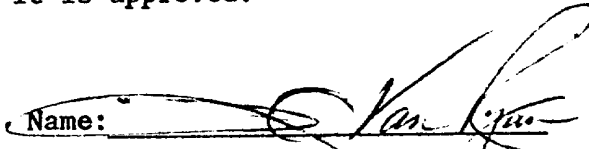
United States Geological Survey
P. O. Box 1809
Durango, Colorado

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 6" or larger double gate hydraulic blowout preventers and a hydraulic operated closing unit with steel lines.

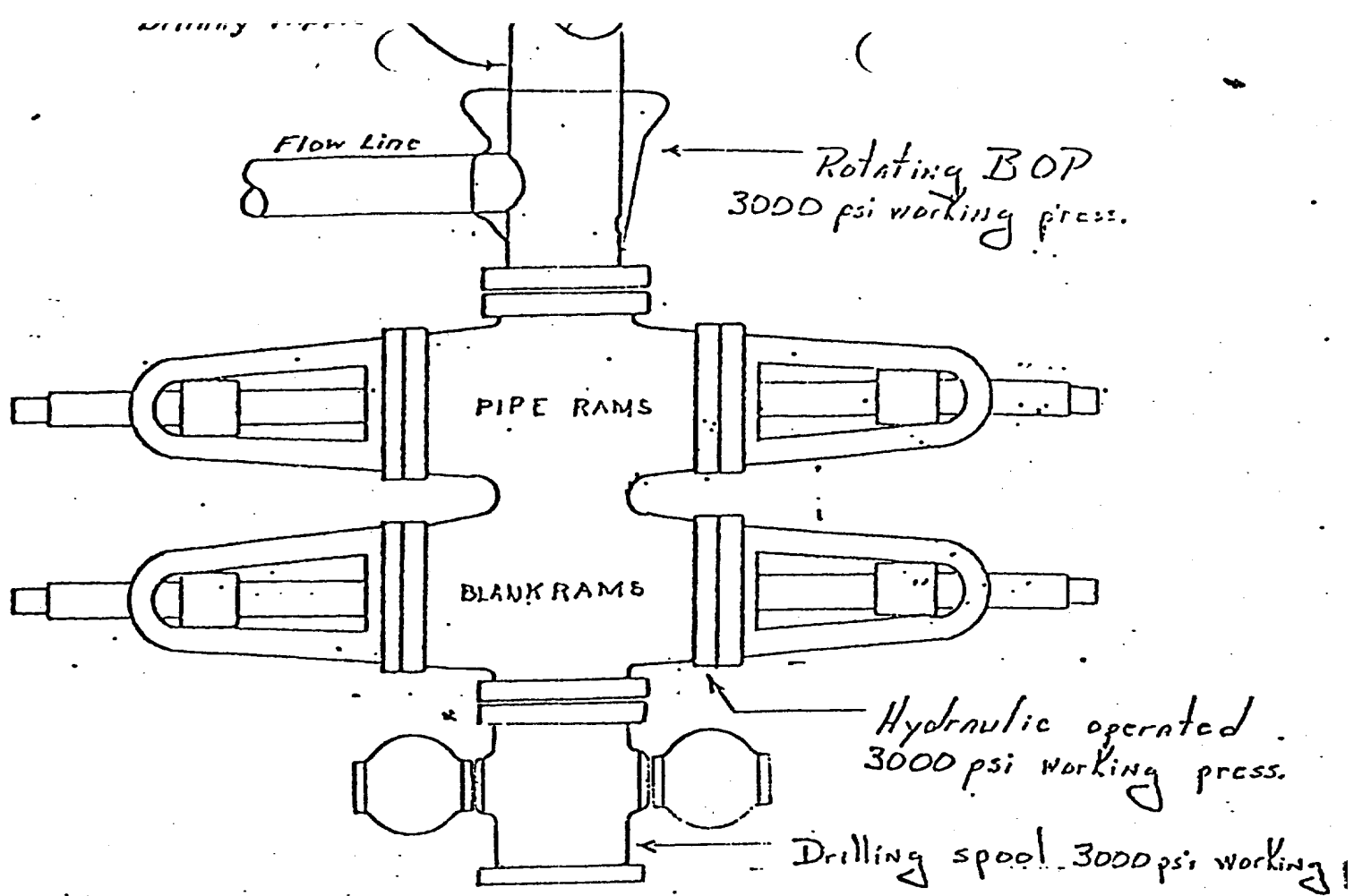
The preventer is 3000# working pressure and 6000# test.

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,

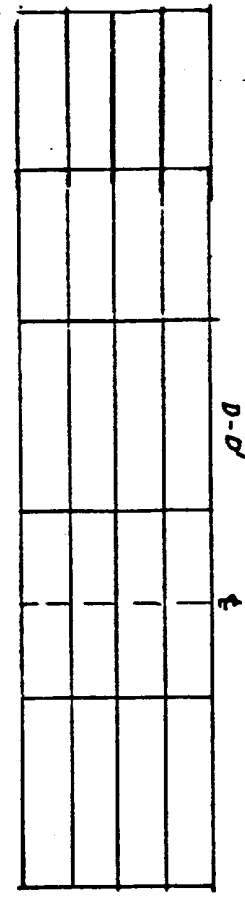
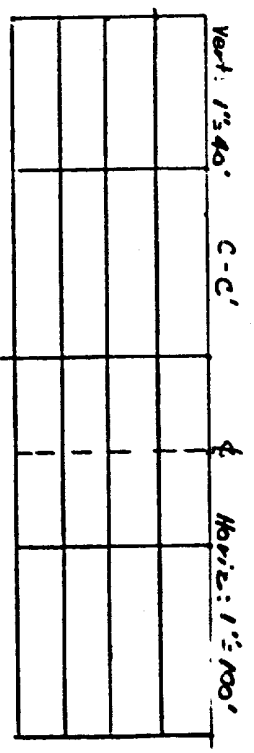
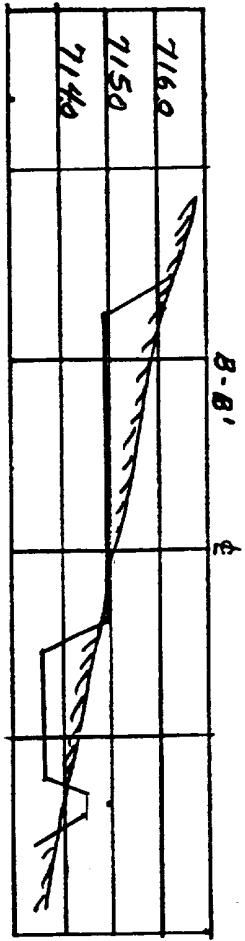
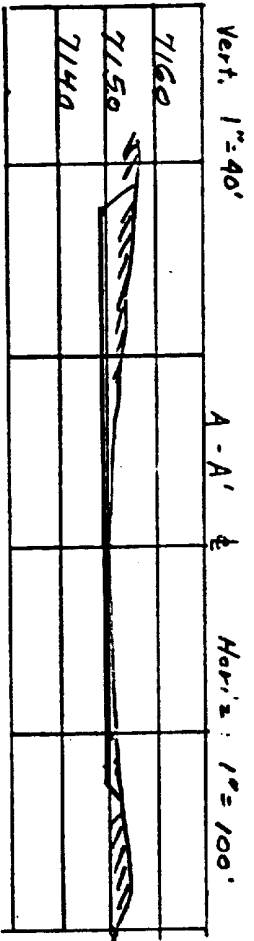
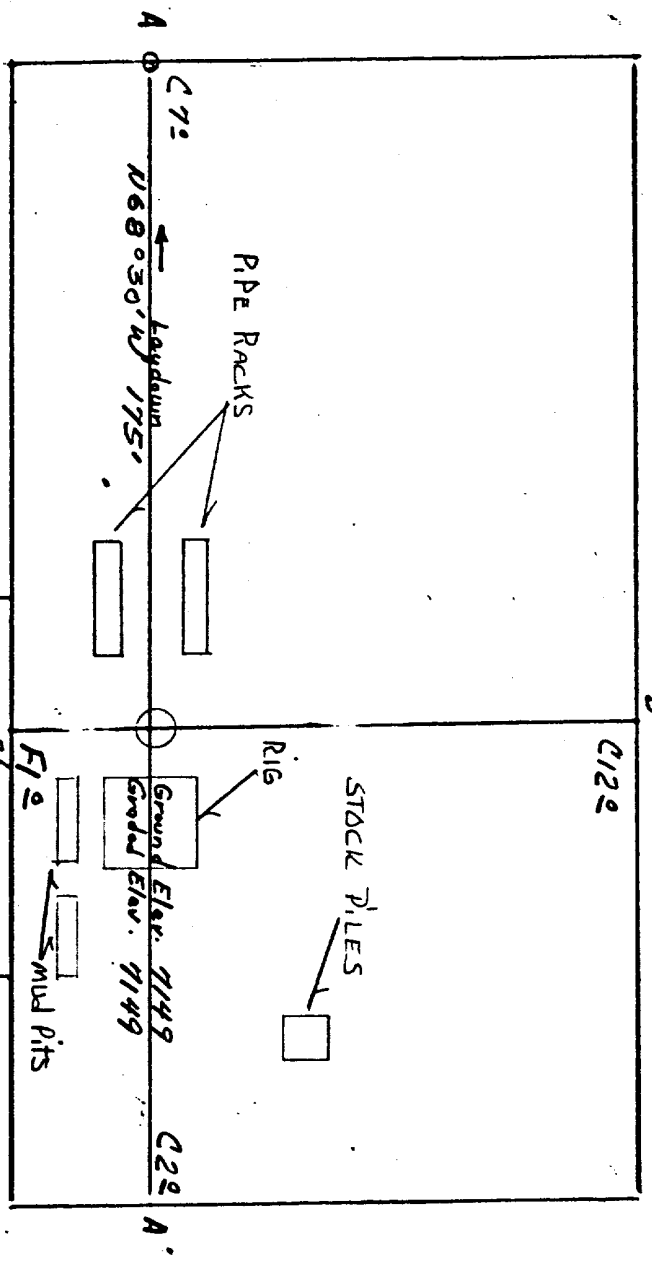
L. O. Van Ryan
District Production Manager

LOVR/dg



Preventers and spools are to have
through bore of 6" - 3000# PSI or larger.

Location Profile for
 SOUTHLAND ROYALTY COMPANY #2 COMPANERO
 810 FSL 1830 FEL Sec 12-T27N-R4W RIO ARRIBA CO. NEW MEXICO



KERR LAND SURVEYING
 Date: 4/4/79

