

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | | |
|---|--|--|--|
| 1a. TYPE OF WORK DRILL | | 5. LEASE NUMBER SF-079364 | |
| 1b. TYPE OF WELL GAS | | 6. IF INDIAN, ALL. OR TRIBE NAME | |
| 2. OPERATOR UNION OIL CO. OF CAL. | | 7. UNIT AGREEMENT NAME RINCON UNIT | |
| 3. ADDRESS OF OPERATOR P O BOX 2074 FARMINGTON, NM, 87401 (505)-325-3786 | | 8. FARM OR LEASE NAME RINCON Unit 11510 | |
| 4. LOCATION OF WELL 1380' FNL, 1842' FEL | | 9. WELL NO. 265 | |
| 10. FIELD, POOL, OR WILDCAT BASIN FRUITLAND CORAL 71629 | | 11. SEC. 30, T. 27N, R. 6W G | |
| 12. DISTANCE FROM NEAREST TOWN 40 Miles SE of Bloomfield | | 13. COUNTY Rio Arriba | |
| 14. STATE New Mex. | | 15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE 1380' | |
| 16. ACRES IN LEASE E/320 2605.33 | | 17. ACRES ASSIGNED TO WELL 320 | |
| 18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DRILLING, COMPLETED OR APPLIED FOR ON THIS LEASE: 310' | | 19. PROPOSED DEPTH 3226' | |
| 20. ROTARY OR CABLE TOOLS This action is subject to technical and procedural review pursuant to 43 CFR 3185.3 and appeal pursuant to 43 CFR 3185.4. | | 21. ELEVATIONS (DF, FT, GR, ETC.) 6598' GL | |
| 22. APPROX. DATE WORK WILL BEGIN Spring 1990 | | 23. PROPOSED CASING AND CEMENTING PROGRAM SEE ATTACHED DRILLING PLAN | |
| 24. AUTHORIZED BY: <i>Chris Russell</i> | | DATE: 3/23/90 | |
| PERMIT NO. RECEIVED | | APPROVAL DATE | |
| APPROVED BY: APR 12 1990 | | TITLE | |
| OIL CON. DIV. 1 | | DATE: APPROVED | |
| NOTE: THIS FORM IS ISSUED IN LIEU OF BLM FORM 1000-1090 | | AS AMENDED | |
| DIST. 3 | | AREA MANAGER | |

NMOCD

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

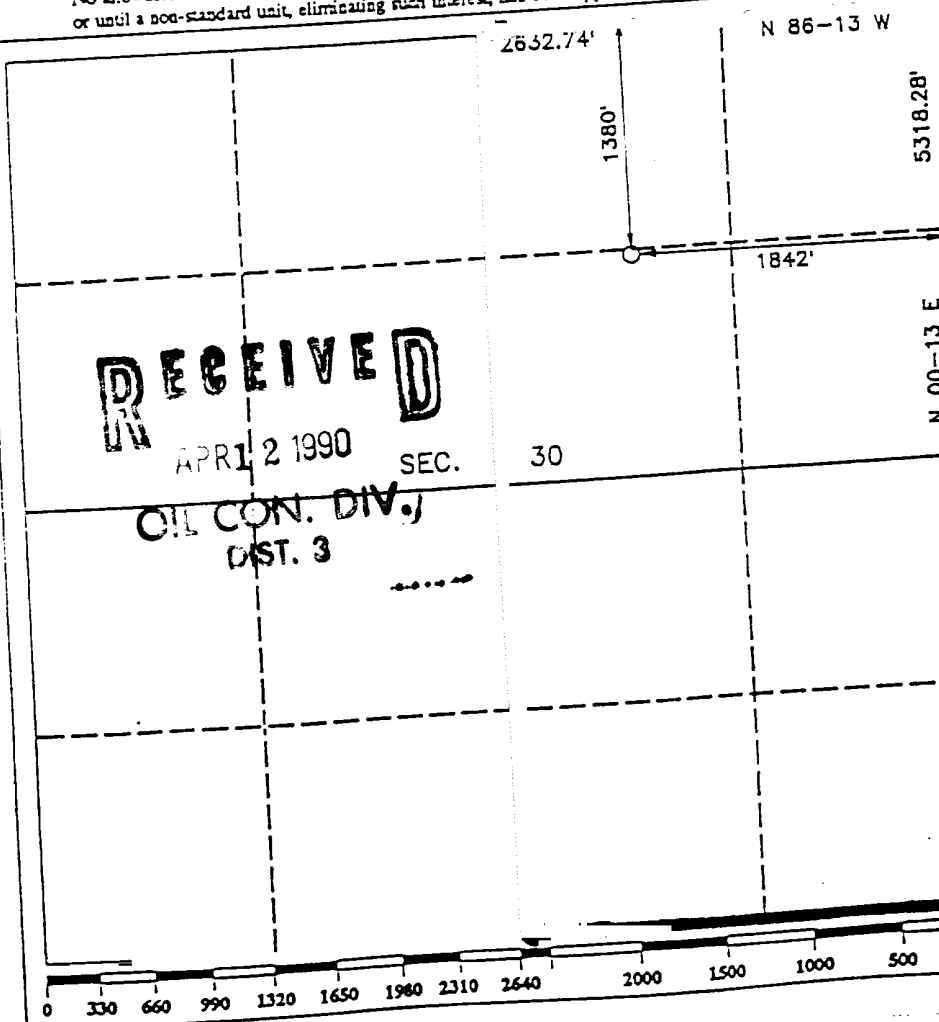
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised 1-1-89

WELL LOCATION AND ACREAGE DEDICATION PLAT
All Distances must be from the outer boundaries of the section

| | | | |
|--|----------------------|--|------------------------|
| Operator UNION OIL CO. OF CALIFORNIA | | Lease RINCON UNIT | Well No. 265 |
| Unit Lease G | Section 30 | Township 1.27 N. | Range R.6 W. |
| Actual Footage Location of Well: 1380 | | County RIO ARriba COUNTY | |
| Ground level Elev. 6598 | | line EAST | |
| Producing Formation FRUITLAND COAL | | Dedicated Acreage: 320 Acres | |
| feet from the NORTH line and 1842 feet from the EAST line | | | |
| Pool BASIN FRUITLAND COAL | | | |

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 interest of all owners been consolidated by communitization, unitization, forced-pooling, or otherwise?
☒ Yes. This is "yes" type of consolidation UNITIZATION
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 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.

Signature
Chris Russell
Printed Name
Chris Russell
Position
AGENT
Company
Union
Date
3/23/90

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
MARCH 16 1990
Signature & Seal of Professional Surveyor
R. HOWARD DAGGE
Certificate No.
9879
Registered Professional Land Surveyor

Testing Procedure:

The BOP and related equipment will be tested to 2000 psi in accordance with the provisions of Onshore Oil and Gas Order No. 2.

BOP's will be operationally tested daily, and each test will be logged in the IADC Daily Drilling Report.

Blooble line:

The blooble line and related equipment will meet all requirements of Onshore Oil and Gas Order No. 2.

4. CASING AND CEMENTING PROGRAM

| <u>SURFACE CASING</u> | | | | | | |
|-----------------------|--------------|------------------|-------------|---------------|--------------|---------------|
| <u>AGE</u> | <u>Depth</u> | <u>Hole Size</u> | <u>Size</u> | <u>Weight</u> | <u>Grade</u> | <u>Thread</u> |
| New | 0-225' | 12-1/4" | 8-5/8" | 24.0# | K-55 | ST&C |

| <u>INTERMEDIATE CASING</u> | | | | | | |
|----------------------------|--------------|------------------|-------------|---------------|--------------|---------------|
| <u>Age</u> | <u>Depth</u> | <u>Hole Size</u> | <u>Size</u> | <u>Weight</u> | <u>Grade</u> | <u>Thread</u> |
| New | 0-TD | 7-7/8" | 4-1/2" | 10.5# | K-55 | ST&C |

MINIMUM SAFETY FACTORS

Collapse: 1.0
Tension: 1.8
Burst: 1.0

Cementing Program:

1. The 8-5/8" surface casing will be cemented to the surface with 175 sacks of class "B" cement with 2% CaCl₂ and 1/4# per sack flocele.
2. The 4-1/2" production casing will be cemented in 2 stages with the DV tool set at 2900'. 1st stage will be cemented with 85 sacks class "B" cement with .95% Flo-Lock-1, 18% Thrifty Lite, 3% KCL, 3# Hi-seal.
2nd stage will be cemented with 325 sacks pacesetter lite with 6% gel, 1/3# cello-seal. .8% CF-1, 3# Hi-seal followed with 50 sacks class "C" cement. Actual cement volumes will be calculated from open hole logs and will be designed to circulate to surface.