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**OIL CON. DIV.
DIST. 3**

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

30-039-24712

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK		
1a. TYPE OF WORK DRILL	5. LEASE NUMBER SF-079298	
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)-325-8786	8. FARM OR LEASE NAME RINCON <i>Unit</i>	
	9. WELL NO. 277	
4. LOCATION OF WELL 1034' FSL, 1677' FWL	10. FIELD, POOL, OR WILDCAT BASIN FRUITLAND COAL	
	11. SEC. 13, T. 27N, R. 7W	
14. DISTANCE FROM NEAREST TOWN 40 Miles SE of Bloomfield	12. COUNTY Rio Arriba	13. STATE New Mex.
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE 1034'	16. ACRES IN LEASE 320.00 336.22	17. ACRES ASSIGNED TO WELL 320.5/336.22
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DRILLING, COMPLETED OR APPLIED FOR ON THIS LEASE: 206'	19. PROPOSED DEPTH 3351'	20. ROTARY OR CABLE TOOLS DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".
21. ELEVATIONS (DF, FT, GR, ETC.) 6721' GL	22. APPROX. DATE WORK WILL BEGIN Spring 1990	
23. PROPOSED CASING AND CEMENTING PROGRAM SEE ATTACHED DRILLING PLAN		
24. AUTHORIZED BY: <i>[Signature]</i> <i>4-2-90</i> AGENT DATE		
PERMIT NO. _____ APPROVAL DATE _____		
APPROVED BY _____ TITLE _____ DATE _____		
NOTE: THIS FORMAT IS ISSUED IN LIEU OF BLM FORM 3160-3		

**APPROVED
AS AMENDED**

APR 20 1990

[Signature]
AREA MANAGER

INMOO

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 UNION OIL CO. OF CALIFORNIA			Lease RINCON UNIT		Well No. 277
Unit Letter N	Section 13	Township T.27 N.	Range R.7 W.	County RIO ARriba COUNTY	
Actual Footage Location of Well: 1034 feet from the SOUTH line and 1677 feet from the WEST line					
Ground level Elev. 6721	Producing Formation FRUITLAND COAL		Pool BASIN FRUITLAND COAL	Dedicated Acreage: 320 ^{356.22} Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

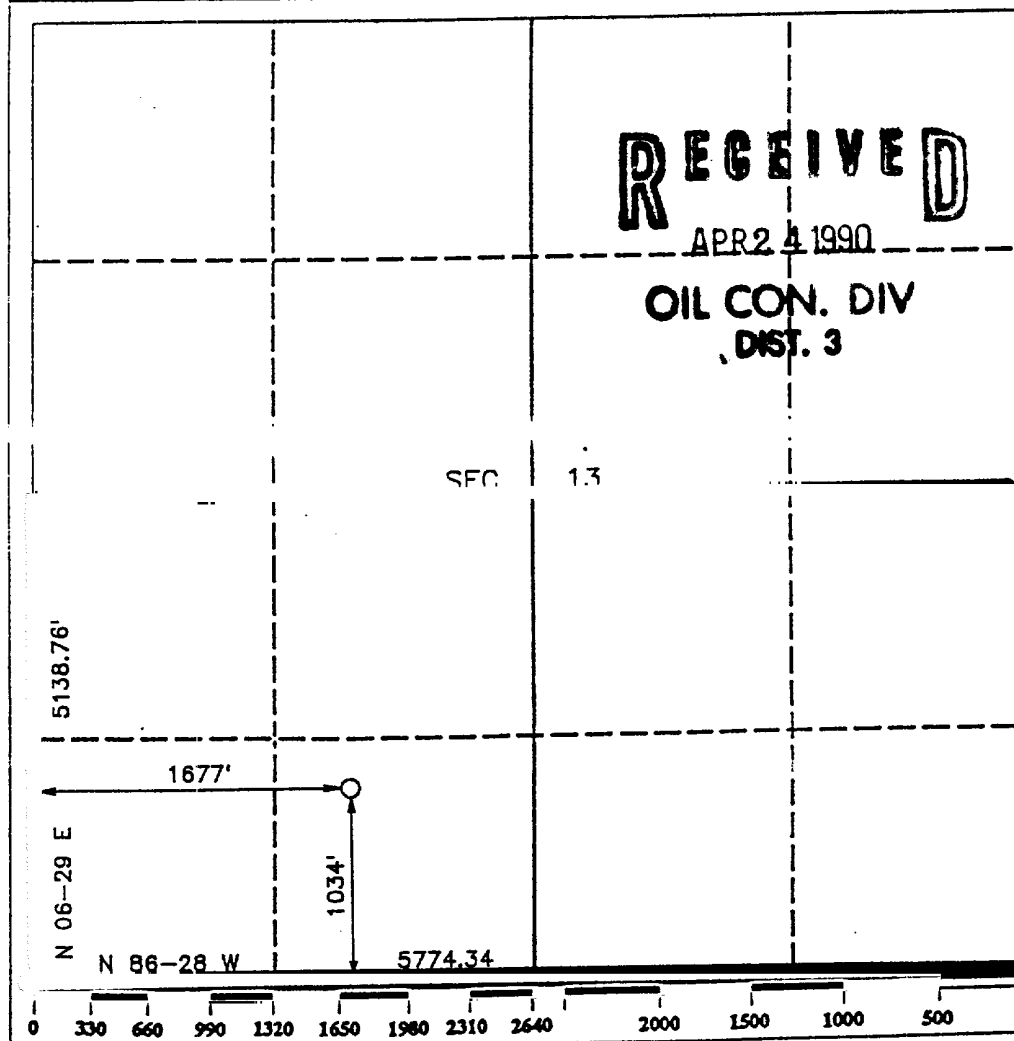
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☒ Yes ☐ No If answer 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 Unocal
Date 4-2-90

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 27 1990
Signature R. Howard Daggett
Professional Surveyor
Certificate No. 9679
Registered Professional Land Surveyor

RINCON UNIT WELL NO. 277
DRILLING PROGRAM - PAGE 2.

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.

Blooie line:

The blooie 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

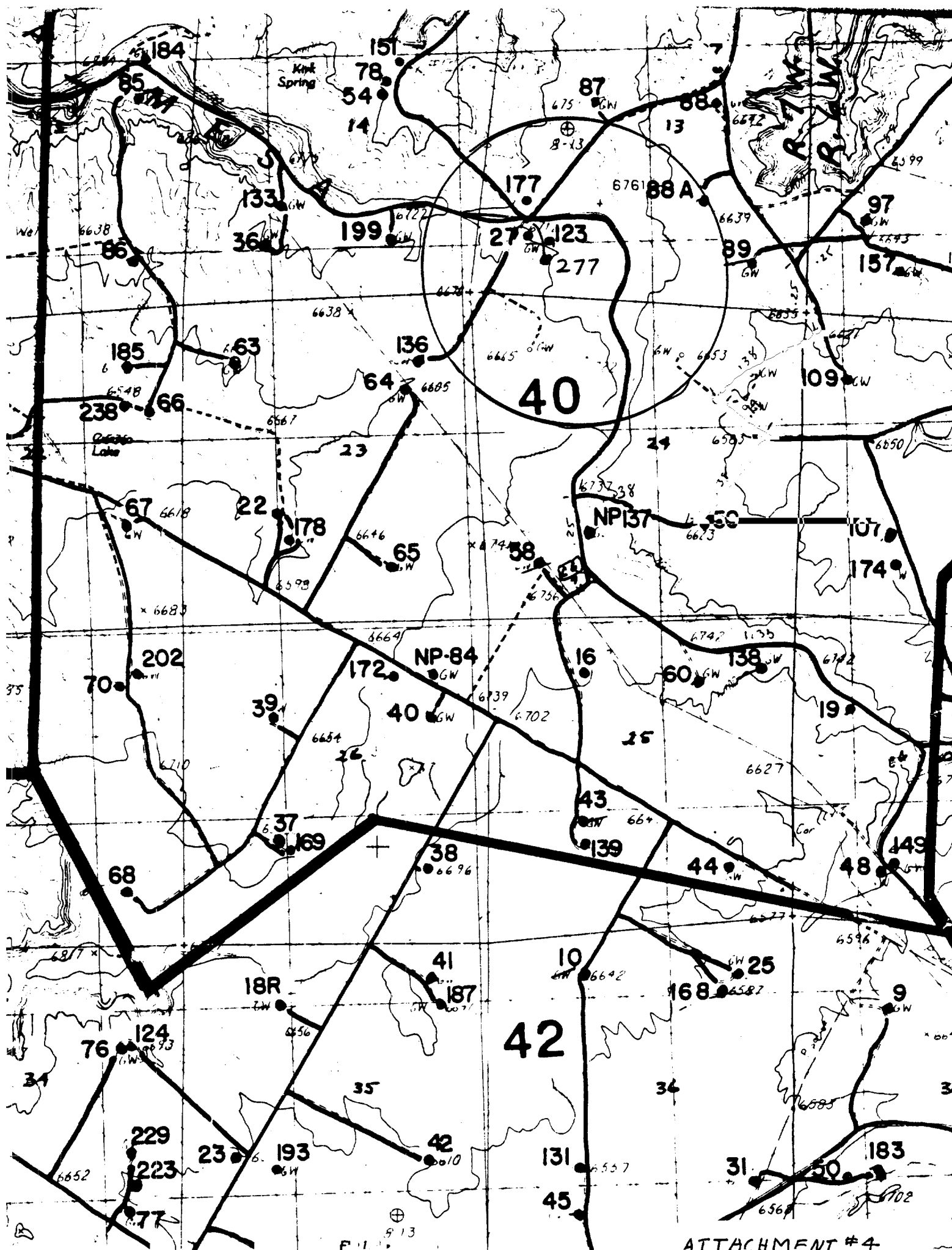
Collapse: 1.0

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 "H" cement with .95% Flo-Lock-1, 18% Thrifty Lite, 3% RCL, 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.



ATTACHMENT #4