

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-045-23918

5. LEASE DESIGNATION AND SERIAL NO.

SF-078384 (NM 863)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

N/A

8. FARM OR LEASE NAME

Newsom "B"

9. WELL NO.

#17

10. FIELD AND POOL, OR WILDCAT

Ballard Pictured Cliffs

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

NW/4 Section 8

T-26-N, R-8-W, NMPM

12. COUNTY OR PARISH

San Juan

New Mexico

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 ~~John H. Hill, individually and Gordon L. Llewellyn,~~
~~as Trustee for Johannah Hope Hill and John Henry Hill, Jr.~~3. ADDRESS OF OPERATOR Suite 140 Campbell Centre, 8350 North Central
Expressway, Dallas, Texas 752064. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface

925'FNL & 1005'FWL (NW NW)

At proposed prod. zone

(Pictured Cliffs) Same

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

22.2 miles South of Blanco, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

925'

16. NO. OF ACRES IN LEASE

2560

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

3000'

20. ROTARY OR CABLE TOOLS

Rotary

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

6268' GR

22. APPROX. DATE WORK WILL START*

December 1, 1979

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-7/8"	7-5/8" new	20# F-25 ST&C	200'	100 sx or suff. to circ. to surfac
6-3/4"	2-7/8" new	6.5# J-55 ST&C	3,000'	200 sx or suff. to cover Ojo Alamo

1. Drill 9-7/8" hole and set 7-5/8" surface casing to 200' with good returns.
2. Log B.O.P. checks in daily drill reports and drill 6-3/4" hole to 3,000'.
3. Run tests if warranted and run 2-7/8" casing if productive.
4. Run logs, as needed, and perforate and stimulate as needed.

EXHIBITS ATTACHED:

- "A" Location & Elevation Plat
- "B" The Ten-Point Compliance Program
- "C" The Blowout Preventer Diagram
- "D" The Multi-Point Requirements for A.P.D.
- "E" & "E₁" Access Road Maps to Location
- "F" Radius Map of Field
- "G" & "G₁" Drill Pad Layout, Cut-Fill Cross-Section & Production Facilities
- "H" Drill Rig Layout

See is dedicated

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present production 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

JOHN H. HILL

TITLE

GORDON L. LLEWELLYN, as Trustee for

(This space for Federal or State office use)

Johannah Hope Hill and John Henry Hill, Jr.

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

NMOCC

*See Instructions On Reverse Side



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

EXHIBIT "A"

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

Location & Elevation Plat.

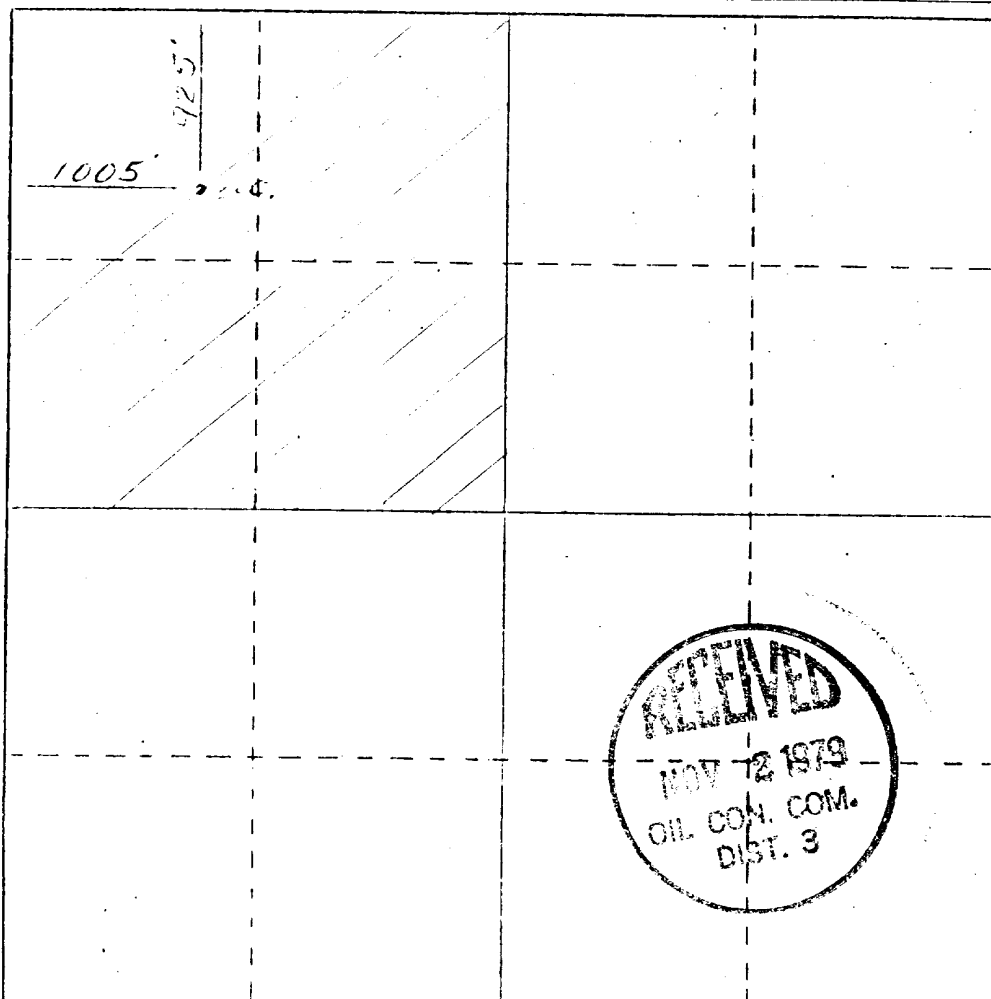
John H. Hill & Gordon L. Llewellyn		[SF-078384 (NM 363)]		Newsom B		Well No. Newsom "B" #17	
Section "D"	Section 8	Township 26N	Range 8W	County San Juan			
Actual Location of Well:							
925		Foot from the North		1005		Foot from the West	
Ground Level Elev. 6268' GR		Producing Formation Pictured Cliffs		Pool Ballard Pictured Cliffs		Dedicated Acreage 160 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 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.

George Lapaseotes

Name George Lapaseotes
Vice Pres.- Powers Elevation

Position
Agent Consultant for John H.

Company
Hill & Gordon L. Llewellyn

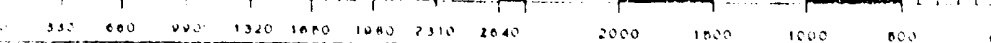
Date
October 23, 1979

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.

Robert C. Elmore

Date Surveyed
Registered Professional Engineer and/or Land Surveyor

6857
Certificate No.





POWERS ELEVATION

OIL WELL ELEVATIONS AND LOCATIONS
CHERRY CREEK PLAZA, SUITE 1201
600 SOUTH CHERRY STREET
DENVER, COLORADO 80222
PHONE NO. 303/321-2217

October 29, 1979

U.S. Geological Survey
Office of the District Engineer
P.O. Box 959
Farmington, New Mexico 87401

RE: Filing NTL-6 and A.P.D. Form 9-331C
John H. Hill and Gordon L. Llewellyn
Newsom "B" #17
NW NW Sec. 8 T26N R8W
San Juan County, New Mexico

Gentlemen:

Enclosed are five copies of the NTL-6 program and A.P.D. Form 9-331C for the above captioned well location.

The archaeological report is not included with the NTL-6 report but will be forwarded to your office, and to the B.L.M. office, from our Archaeological Division in Eagle, Colorado.

Designation of Operator has been forwarded under separate cover by the operator.

We shall appreciate your earliest attention to this matter.

Very truly yours,

POWERS ELEVATION

Connie L. Frailey
Connie L. Frailey

CLF:vg
Enclosures

cc: Gordon L. Llewellyn, Dallas, Texas
Leon Wiederkehr, Austin, Texas
Neale Edwards, Powers Elevation, Durango, Colorado
Dirt Contractor

Powers Elevation
Suite 1201 Cherry Creek Plaza
600 So. Cherry Street
Denver, Colorado 80222

RE: Newsom "B" #17
NW NW Sec. 8 T26N R8W
San Juan County, New Mexico

Gentlemen:

This is to confirm our understanding with you that Powers Elevation is authorized to act as our agent in the following capacities:

- A. In surveying, staking, and preparing and filing necessary applications, permits and compliance programs, including complete NTL-6 reports.
- B. In accepting on our behalf any changes to location, proposed facilities and/or surface use plan and compliance program requested at on-site inspections, when we are unable to have a Company representative present. Such changes will then be binding upon us or designated Operator.
- C. In performing the following rehabilitation work:

Powers' responsibilities do not include supervision of drilling, completion or rehabilitation operations, except as specifically noted in "C" above.

John H. Hill, Individually and Gordon L. Llewellyn
as Trustee for Johannah Hope Hill and John Henry
Hill, Jr.

Company

by: _____

Title Partner

Date October 12, 1979

EXHIBIT "B"
TEN-POINT COMPLIANCE PROGRAM
OF NTL-6 APPROVAL OF OPERATIONS

Attached to Form 9-331C
John H. Hill & Gordon L. Llewellyn
Newsom "B" #17
NW NW Sec. 8 T26N R8W
925'FNL & 1005'FWL
San Juan County, New Mexico

1. The Geologic Surface Formation

The surface formation is the Wasatch.

2. Estimated Tops of Important Geologic Markers

Base of Ojo Alamo/Top of Kirtland Shale	1,910'
Fruitland	2,025'
Pictured Cliffs	2,135'
Total Depth	3,000'

3. Estimated Depths of Anticipated Water, Oil, Gas and Minerals

Base of Ojo Alamo	1,910'	water
Pictured Cliffs	2,135'	gas

4. The Proposed Casing Program

<u>HOLE</u>	<u>INTERVAL</u>	<u>SECTION LENGTH</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE & JOINT</u>	<u>NEW OR USED</u>
9-7/8"	0-200'	200'	7-5/8"	20 #F-25 ST&C	New
6-3/4"	0-3000'	3000'	2-7/8"	6.5 #J-55 ST&C	New

Cement Program

Surface Casing: Cement with 100 sacks or sufficient to circulate to surface.

Production Casing: Cement with 200 sacks or sufficient to cover Ojo Alamo.

5. The Operator's Minimum Specifications for Pressure Control

EXHIBIT "C" is a schematic diagram of the blowout preventer equipment. The BOP's will be hydraulically tested to the full working pressure after nipping up and after any use under pressure. Pipe rams will be operationally checked each 24-hour period, as will blind rams each time pipe is pulled out of the hole. Such checks of BOP will be noted on daily drilling reports.

Accessories to BOP will include a floor safety valve, drill string BOP and choke manifold with pressure rating equivalent to the BOP stack.

6. The Type and Characteristics of the Proposed Circulating Muds

Mud system will be gel-chemical with adequate stocks of sorptive agents on site to handle possible spills of fuel and oil on the surface. Heavier muds will be on location to be added if pressure requires.

<u>INTERVAL</u>	<u>TYPE</u>	<u>WEIGHT #/gal.</u>	<u>VISCOSITY-sec./qt.</u>	<u>FLUID LOSS cc</u>
0-200'	Natural Mud	--	--	--
200'-3000'	Fresh water gel	8.4-9.5	35-45	less than 10cc

7. The Auxiliary Equipment to be Used

- (a) No kelly cock will be used.
- (b) A float will be used at the bit.
- (c) Neither a mud logging unit nor a gas detecting device will be monitoring the system.
- (d) A stabbing valve will be on the floor to be stabbed into the drill pipe when kelly is not in the string.

8. The Testing, Logging and Coring Programs to be Followed

- (a) No DST's are anticipated.
- (b) The logging program will consist of an IES and a GR Density over selected intervals. Others logs will be determined at well site to best evaluate any shows.
- (c) No coring is anticipated.
- (d) Stimulation procedures will be determined after evaluation of logs. If treatment is indicated, appropriate Sundry Notice will be submitted.

9. Any Anticipated Abnormal Pressures or Temperatures

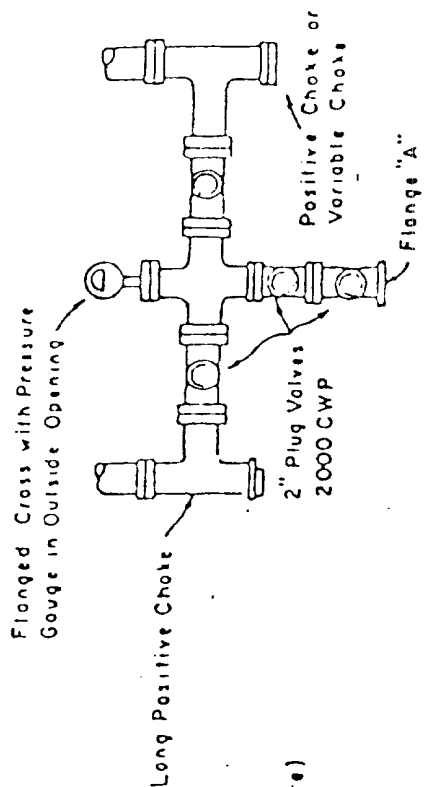
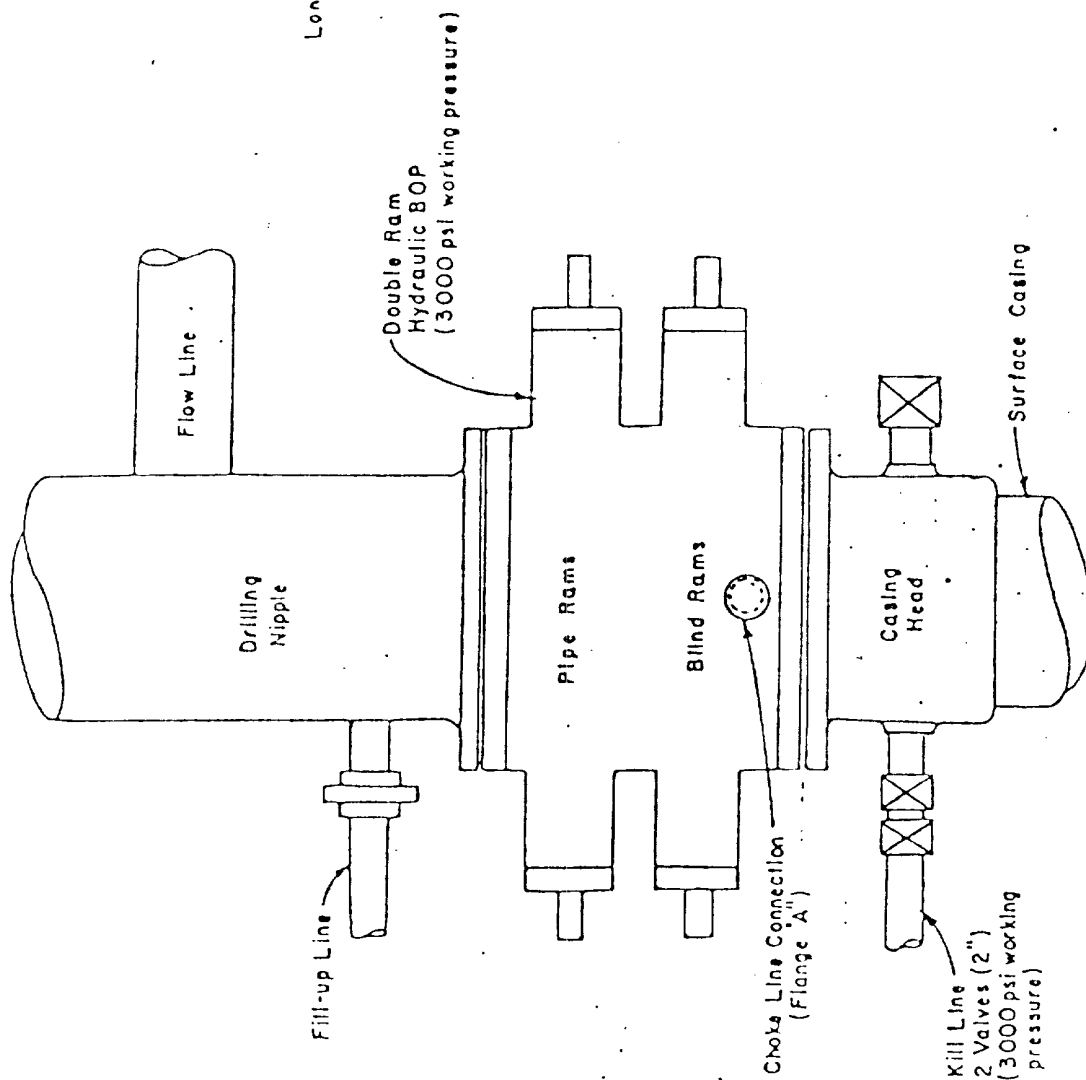
No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well.

No hydrogen sulfide or other hazardous fluids or gases have been found, reported or known to exist at these depths in the area.

10. Anticipated Starting Date and Duration of the Operations

The anticipated starting date is set for December 1, 1979, or as soon as possible after examination and approval of drilling requirements. Operations should be completed within 30 days after spudding the well and drilling to casing point.

Blowout Preventer
Diagram



PLAN VIEW - CHOKE MANIFOLD

EXHIBIT "D"

MULTI-POINT REQUIREMENTS TO ACCOMPANY A.P.D.

Attached to Form 9-331C
John H. Hill & Gordon L. Llewellyn
Newsom "B" #17
NW NW Sec. 8 T26N R8W
925' FNL & 1005' FWL
San Juan County, New Mexico

1. Existing Roads

- A. The proposed well site and elevation plat is shown as EXHIBIT "A".
- B. The distance from Blanco, New Mexico is 22.2 miles. Proceed East on State Highway #17 for 1.3 miles to Cutter Dam Road (CR A-80), then South (right) and continue on graded road for 7.5 miles to CR A-58. Turn South (right) and proceed 6.9 miles, thence East and South (left) across wash, continuing for 6 miles, thence East (left) for .3 mile on existing trail. Turn North (left) and follow flagging for .2 mile to location, as shown on EXHIBITS "E" & "E₁".
- C. All roads to location are color-coded on EXHIBITS "E" & "E₁". An access road 0.2 mile from the existing trail will be required, as shown on EXHIBITS "E" & "E₁".
- D. N/A
- E. This is a development well. All existing roads within a one-mile radius are shown on EXHIBIT "E₁".
- F. The existing roads need no improvement. Maintenance will be performed as required.

2. Planned Access Roads

Map showing all necessary access roads to be constructed or reconstructed is shown as EXHIBIT "E₁" for the following:

- (1) The maximum width of the running surface of the .5 mile of access road, extending beyond the existing trail will be 18'.
- (2) The grade will be 8% (eight percent) or less.
- (3) No turn outs are planned.

- (4) Appropriate water bars will be constructed to assure drainage off location to conform with the natural drainage pattern.
- (5) No culverts are needed. No major cuts or fills are anticipated along access road during drilling operation.
- (6) Surfacing materials will be native soil.
- (7) No gates, cattle guards, or fence cuts are needed.
- (8) The new access road to be constructed was staked and centerline flagged, as shown on EXHIBIT "E".

3. Location of Existing Wells

For all existing wells within a one mile radius of development well, see EXHIBIT "F".

- (1) There are no water wells within one-mile radius of this location.
- (2) There is one abandoned well in this one-mile radius.
- (3) There are no temporarily abandoned wells.
- (4) There are no disposal wells.
- (5) There are no wells presently being drilled.
- (6) There are 12 producing wells within this one-mile radius.
- (7) There are no shut-in wells.
- (8) There are no injection wells.
- (9) There are no monitoring or observation wells for other uses.

4. Location of Existing and/or Proposed Facilities

- A. Within a one-mile radius of location the following existing facilities are owned or controlled by lessee/operator:
 - (1) Tank Batteries: None
 - (2) Production Facilities: None
 - (3) Oil Gathering Lines: None
 - (4) Gas Gathering Lines: None
 - (5) Injection Lines: None
 - (6) Disposal Lines: None

- B. If the well is productive, new facilities will be as follows:
- (1) Production facilities will be located on solid ground of cut area of drill pad, as shown on EXHIBIT "G".
 - (2) All well flow lines will be buried and will be on the well site and battery site.
 - (3) Facilities will be 290 feet long and 100 feet wide.
 - (4) All construction materials for battery site and pad will be obtained from site. No additional material from outside sources is anticipated.
 - (5) Any necessary pits will be fenced and flagged to protect livestock and wildlife.
- C. Rehabilitation, whether well is productive or dry, will be made on all unused areas in accordance with B.L.M. stipulations.

5. Location and Type of Water Supply

- A. The source of water will be the San Juan River, located approximately 25 miles North of location, as shown on EXHIBIT "E".
- B. Water will be transported by truck over existing roadways.
- C. No water well is to be drilled on this lease.

6. Construction Materials

- A. No construction materials are needed for drilling or constructing access roads into the drilling location unless well is productive. The surface soil materials will be sufficient or will be purchased from Dirt Contractor as needed.
- B. No construction materials will be taken off Federal land.
- C. All surface soil materials for construction of access roads are sufficient.
- D. All major access roads presently exist as shown on EXHIBIT "E".

7. Handling of Waste Materials and Disposal

- (1) Drill cuttings will be buried in the reserve pit.
- (2) Drilling fluids will be handled in the reserve pit.
- (3) Any fluids produced during drilling test or while making production test will be collected in a test tank. If a test tank is not available during drilling, fluids will be handled in reserve pit. Any spills of oil, gas, salt water or other noxious fluids will be cleaned up and removed.

- (4) Chemical facilities will be provided for human waste.
- (5) Garbage, waste, salts and other chemicals produced during drilling or testing will be handled in trash/burn pit. Drill fluids, water, drilling mud and tailings will be kept in reserve pit, as shown on EXHIBIT "H". The trash/burn pit will be totally enclosed with small mesh wire to prevent wind scattering trash before being burned or buried. Reserve pit will be fenced on three sides and the fourth side fenced upon removal of the rig.
- (6) After the rig moves out, all materials will be cleaned up and no adverse materials will be left on location. Any dangerous open pit will be fenced during drilling and kept closed until the pit has dried and is filled.

8. Ancillary Facilities

No air strip, camp or other facilities will be built during drilling of this well.

9. Well Site Layout

- (1) EXHIBIT "G" is the Drill Pad Layout as staked, with elevations, by Powers Elevation of Durango, Colorado. Cuts and fills have been drafted to visualize the planned cut across the location spot and the deepest part of the pad. Topsoil will be stockpiled per BLM specifications determined at time of pre-drill inspection.
- (2) EXHIBIT "H" is a plan diagram of the proposed rig and equipment, reserve pit, trash/burn pit, pipe racks and mud tanks. No permanent living facilities are planned. There will be a trailer on site.
- (3) EXHIBIT "G" is a diagram showing the proposed production facilities layout.
- (4) The reserve pits will not be lined.

10. Plans for Restoration

- (1) Backfilling, leveling and contouring are planned as soon as all pits have dried. Waste disposal and spoils materials will be buried or hauled away immediately after drilling is completed. If production is obtained, the unused area will be restored as soon as possible.
- (2) The soil banked material will be spread over the area. Revegetation will be accomplished by planting mixed grasses as per formula provided by the BLM. Revegetation is recommended for road area, as well as around drill pad.

- (3) Three sides of the reserve pit will be fenced during drilling operations. Prior to rig release, the reserve pit will be fenced on the fourth side to prevent livestock or wildlife from becoming entrapped; and the fencing will be maintained until leveling and cleanup are accomplished.
- (4) If any oil is on the pits and is not immediately removed after operations cease, the pit containing the oil or other adverse substances will be flagged overhead or covered with wire mesh.
- (5) The rehabilitation operations will begin immediately after the drilling rig is removed. Removal of oil or other adverse substances will begin immediately or area will be flagged and fenced. Other cleanup will be done as needed. Planting and revegetation is considered best in Fall, 1980, unless requested otherwise.

11. Other Information

- (1) The soil is sandy. No distinguishing geological features are present. The area is covered with cactus, sagebrush, pinon pine, sand sage, cedar, yucca and native grass. There are livestock, desert rats, rabbits, and deer in the area. The topography is generally flat with rough breaks near washes. The location is slightly sloping to the Northwest.
- (2) The primary surface use is for grazing. The surface is owned by the U.S. Government.
- (3) The closest live water is San Juan River at Blanco, approximately 25 miles North of location, as shown on EXHIBIT "E".

The closest occupied dwelling is located along Blanco Canyon Wash approximately 1.5 miles Northwest of the proposed site, as shown on EXHIBIT "E".

There are no known archaeological, historical, or cultural heritages that will be disturbed by this drilling.

- (4) There are no reported restrictions or reservations noted on the oil and gas lease.
- (5) Drilling is planned for on or about December 1, 1979. It is anticipated that the casing point will be reached within 30 days after commencement of drilling.

12. Lessee's or Operator's Representative


George Lapaseotes
Agent Consultant for
John H. Hill & Gordon Llewellyn
600 South Cherry Street
Suite 1201
Denver, Colorado 80222
Phone (303) 321-2217

John H. Hill & Gordon Llewellyn
Suite 140 Campbell Centre
8350 N. Central Expressway
Dallas, Texas 75206
Phone (214) 692-7021

13. Certification

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 will be performed by John H. Hill & Gordon L. Llewellyn and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

10-29-79
Date


George Lapaseotes
Agent Consultant for
John H. Hill & Gordon L. Llewellyn

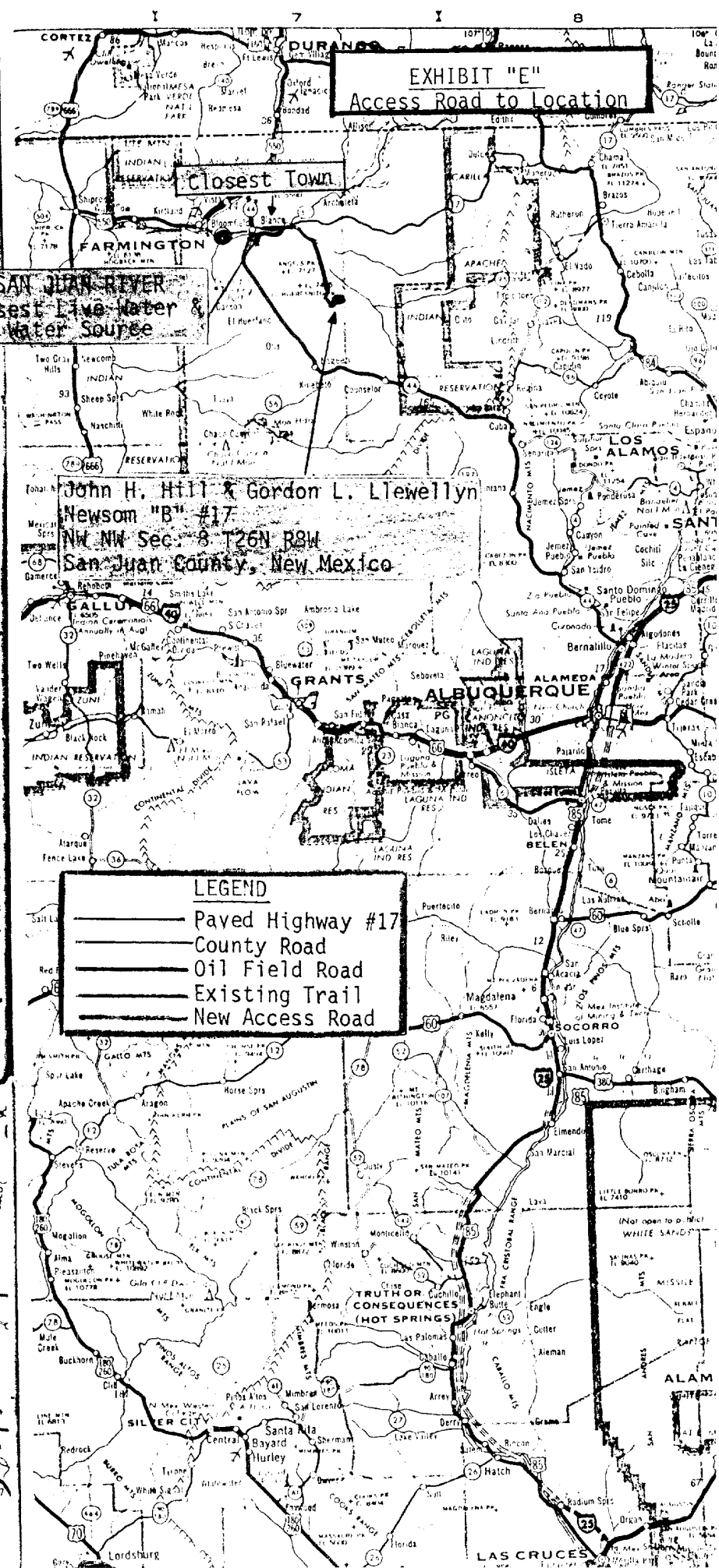
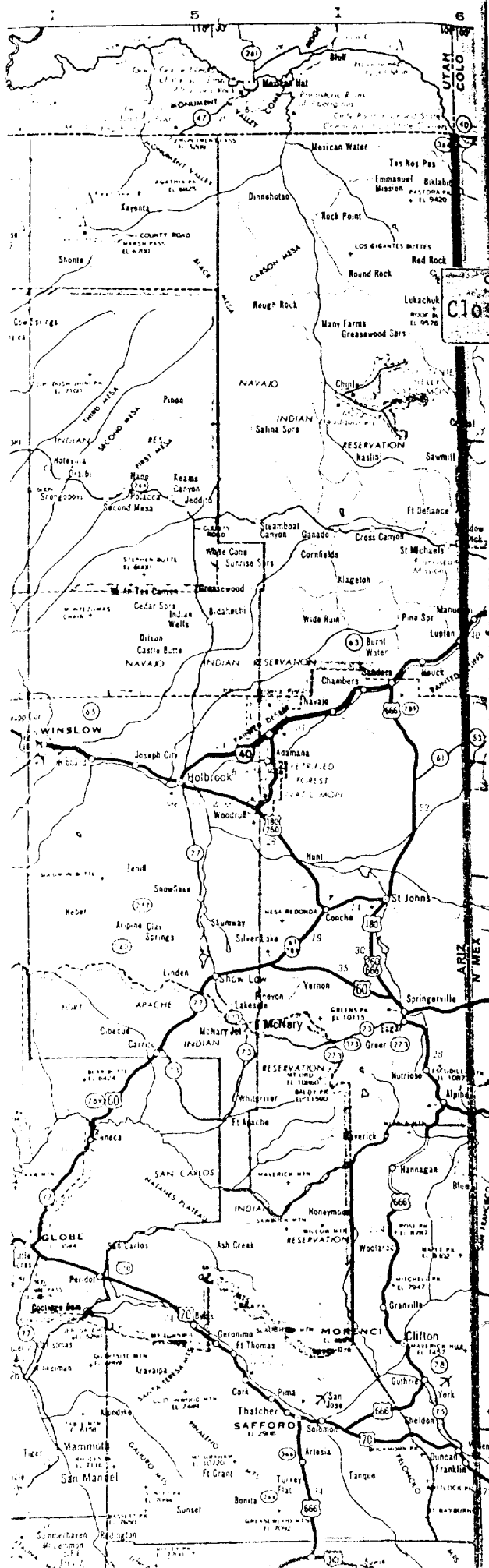


EXHIBIT "E"
Access Road to Location

Closest Town

SAN JUAN RIVER
Closest Live Water &
Water Source

John H. Hill & Gordon L. Llewellyn
Newsom "B" #17
NW NW Sec. 8 T26N R8W
San Juan County, New Mexico

LEGEND
— Paved Highway #17
— County Road
— Oil Field Road
— Existing Trail
— New Access Road

EXHIBIT "E"
Access Road to Location

TO BLANCO

CRA-80

CRA-58

BLANCO

Closest Dwelling

John H. Hill & Gordon L. Llewellyn
Newsom "B" #17
NW NW Sec. 8 T26N R8W
San Juan County, New Mexico

LEGEND

- County Road
- Oil Field Road
- Existing Trail
- New Access Road

BLANCO

SAN JUAN

RIO ARriba

CO

BLANCO

BLANCO

BLANCO

EXHIBIT "F"
Radius Map of Field

403

LEGEND

- | | |
|-----------------------|----------------------------|
| ○ LOCATION | ★ OIL & GAS WELL |
| ◊ DRY HOLE | ★ ABANDONED OIL & GAS WELL |
| ● OIL WELL | ★ GAS WELL |
| ◆ ABANDONED OIL WELL | ★ ABANDONED GAS WELL |
| △ TRIANGULATION POINT | □ WATER WELL |

John H. Hill & Gordon L. Jewell
Newsom "B" #17
NW NW Sec. 9 T26N R8W
San Juan County, New Mexico

SO. V. G. CORP.

6140' DF
2076'

ONE-MILE RADIUS

T
26
N

6461' DF
2395'

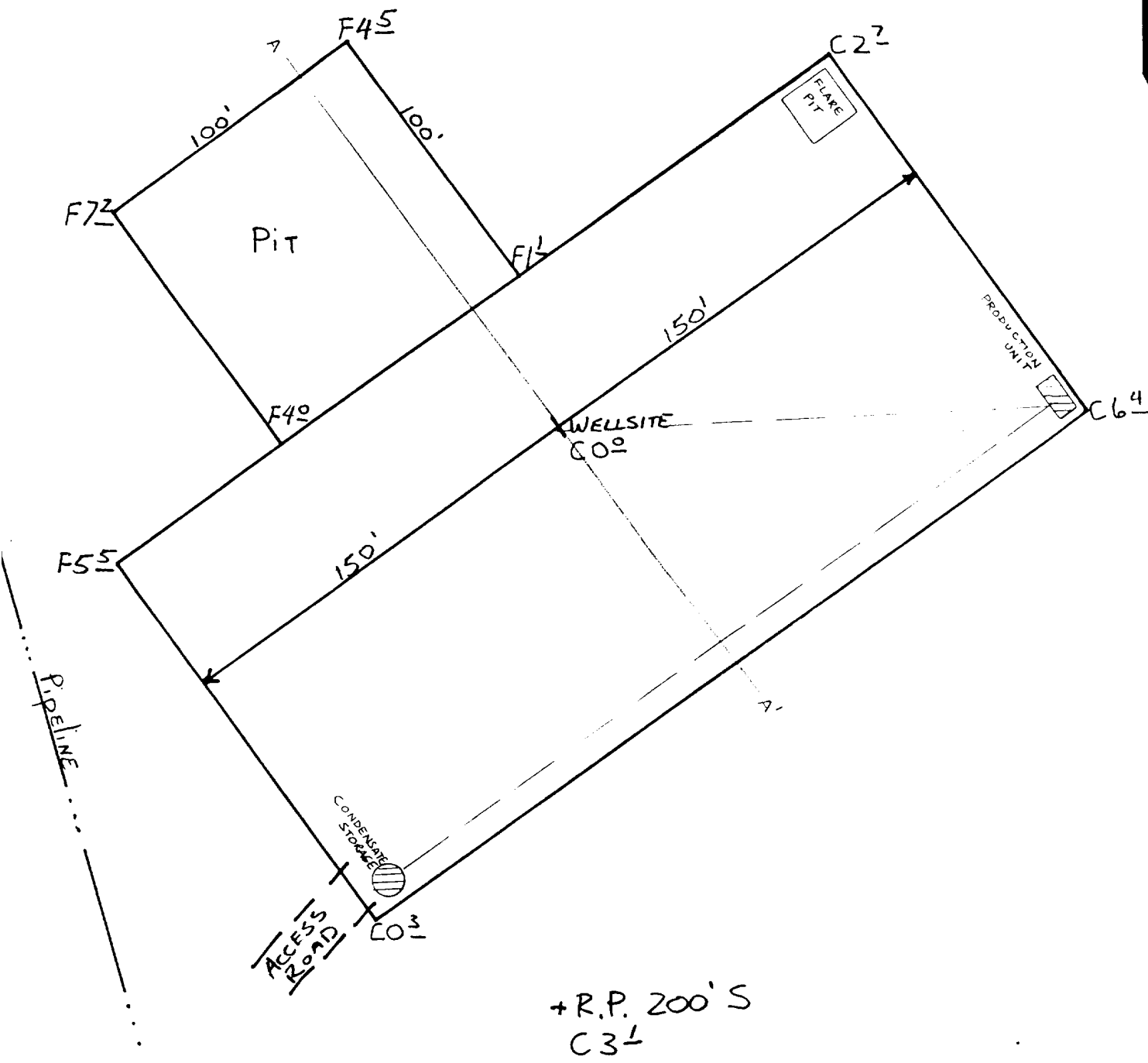
R 8 W



POWERS ELEVATION

John H. Hill & Gordon L. Llewellyn
Newsom "B" #17
925'FNL & 1005'FWL
Sec. 8 T26N-R8W
San Juan County, New Mexico

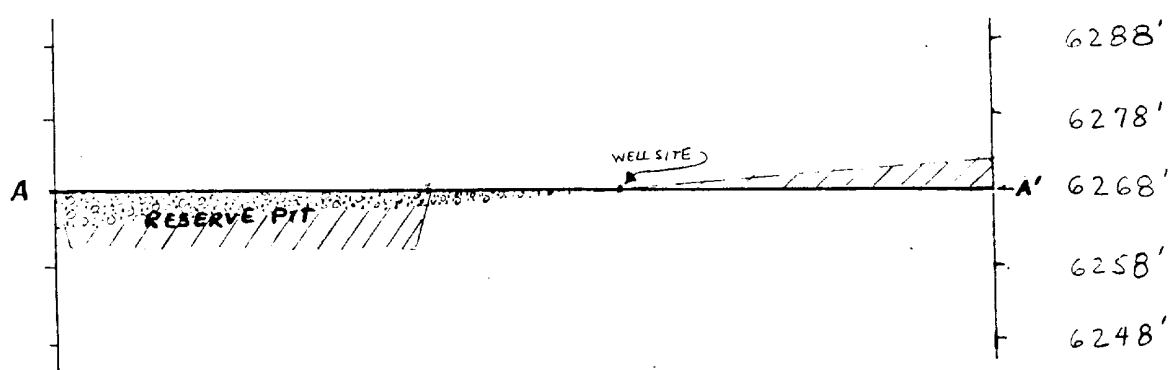
EXHIBIT "G"
Drill Pad Layout &
Production Facilities



+R.P. 200' S
C3^L

John H. Hill & Gordon L. Llewellyn
 Newsom "B" #17
 925' FNL & 1005' FWL
 Sec. 8 T26N R8W
 San Juan County, New Mexico

EXHIBIT "G₁"
 Drill Pad Cut-Fill
 Cross-Section



1cm. = 10'
 1" = 50'

SCALE

LEGEND :

original surface	----
cut	/////
fill	0.0.0
pad surface	_____



POWERS ELEVATION

John H. Hill & Gordon L. Llewellyn
Newsom "B" #17
925'FNL & 1005'FWL
Sec. 8 T26N R8W
San Juan County, New Mexico

EXHIBIT "H"
Drill Rig Layout

