

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 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

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

At surface 2130'FNL & 660'FWL (SW NW)

At proposed prod. zone

Same

Mesaverde N.

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

21.3 miles Southeast of Blanco, New Mexico

15. DISTANCE FROM PROPOSED*

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

660'

18. DISTANCE FROM PROPOSED LOCATION*

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

2300'

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

6389' GR

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8" new	24# K-55 ST&C	300'	Suff. to circl. to surface
7-7/8"	5-1/2" new	15.5# K-55 ST&C	4900'	STAGE 1: suff. to cover Mesa Verde
				STAGE 2: set stage tool 100' below
				Pictured Cliffs--use suff. to
				cover Ojo Alamo

- 1) Drill 11" hole and set 8-5/8" surface casing to 300' with good returns.
- 2) Log B.O.P. checks in daily drill reports and drill 7-7/8" hole to 4,900'.
- 3) Run tests if warranted and run 5-1/2" 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" Drill Pad Layout, Production Facilities & Cut-Fill Cross-Section
- "H" Drill Rig Layout

NOTE: THIS LOCATION IS A
FARMOUT FROM SUPRON ENERGY
CORPORATION

16. ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone, proposed new 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.

SIGNED: *John H. Hill*
JOHN HENRY HILL, KR?

(This space for Federal or State office use)

SIGNED: *Gordon L. Llewellyn*
GORDON L. LLEWELLYN, AS Trustee for
Johannah Hope Hill and John Henry Hill, Jr.

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NMOC

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-79

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

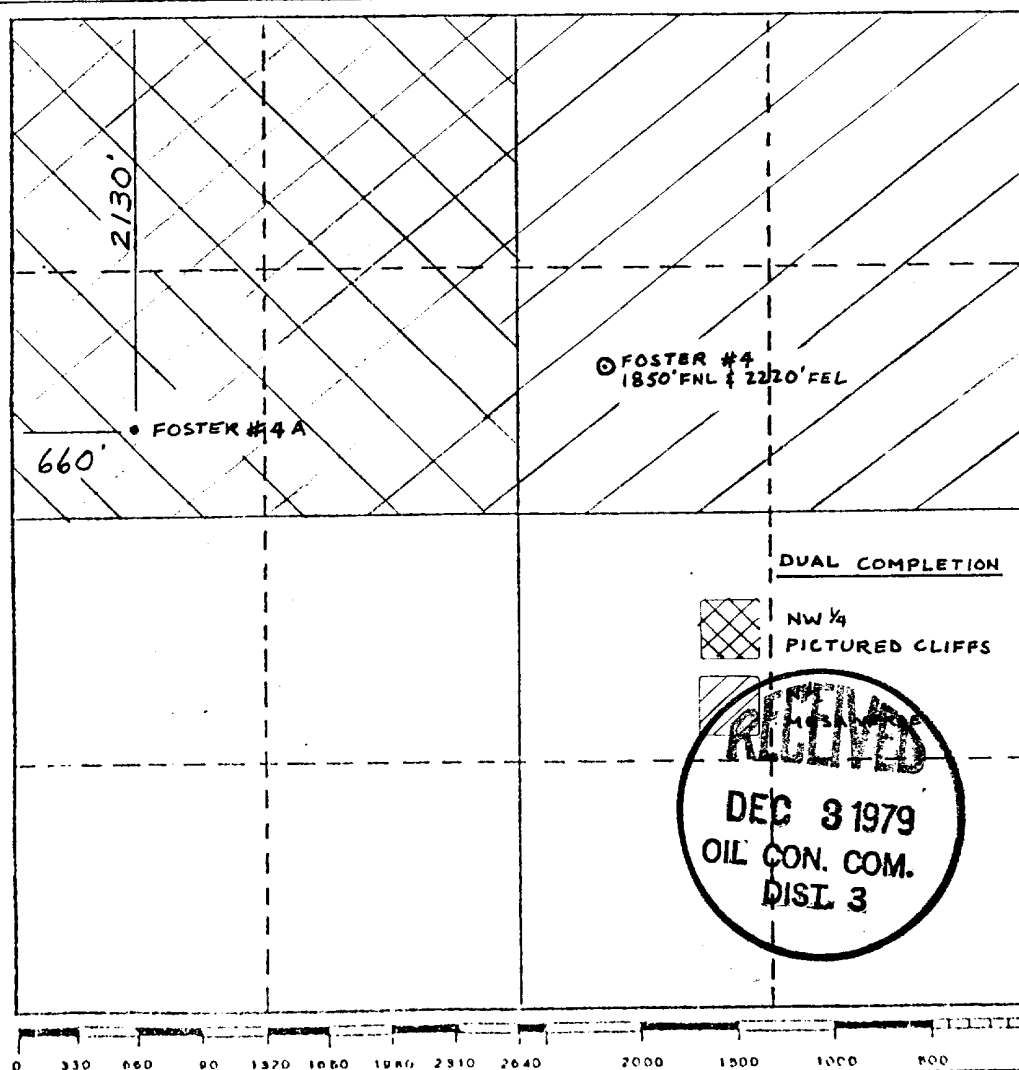
Operator John H. Hill & Gordon L. Llewellyn			Lease (NM-02901) Foster		Well No. Foster #4A
Unit Letter E	Section 4	Township 26N	Range 8W	County San Juan	
Actual Footage Location of Well: 2130' feet from the North line and 660' feet from the West line					
Ground Level Elev. 6389'	Producing Formation Ballard P.C./Blanco Mesa Verde		Pool	Dedicated Acreage: 321.20 + 159.60 <small>Acre</small>	

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 Division.



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**
V. Pres. Powers Elevation

Position
Agent Consultant for

Company **John H. Hill & Gordon L. Llewellyn**

Date
November 21, 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, that the same is true and correct to the best of my knowledge and belief.

NEALE C. EDWARDS
6857

Date Surveys
Neale C. Edwards
Registered Professional Engineer
and/or Land Surveyor

6857

Certificate No.

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

Attached to Form 9-331C
John H. Hill & Gordon L. Llewellyn
Foster #4A
SW NW Sec. 4 T26N R8W
2130' FNL & 660' 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	1,555'
Pictured Cliffs	2,260'
Cliff House	3,835'
Point Lookout	4,540'
Total Depth	4,900'

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

Base of Ojo Alamo/Top of Kirtland Shale	1,555'	Water
Pictured Cliffs	2,260'	Gas
Cliff House	3,835'	Gas
Point Lookout	4,540'	Gas

4. The Proposed Casing Program

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>SECTION LENGTH</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE & JOINT</u>	<u>NEW OR USED</u>
11"	0-300'	300'	8 5/8"	40.5# H-40 ST&C	New
7 7/8"	0-4900'	4900'	5 1/2"	15.5# K-55 ST&C	New

Cement Program

- (a) Surface Casing: Cement with 125 sacks or sufficient to circulate to surface.
- (b) Production Casing: Stage One: Cement sufficiently to cover Mesa Verde.
Stage Two: Set stage tool 100' below Pictured Cliffs.
Use sufficient cement 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 fresh water-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/REMARKS</u>	<u>WEIGHT #/gal.</u>	<u>VISCOSITY-sec./qt.</u>	<u>FLUID LOSS cc</u>
0-300'	Natural mud	-----	-----	-----
300'-4900'	Fresh water gel	8.4-9.5	35-45	less than 10 cc

7. The Auxiliary Equipment to be Used

- (a) A kelly cock will not be kept in the string.
- (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. Other 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 5, 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

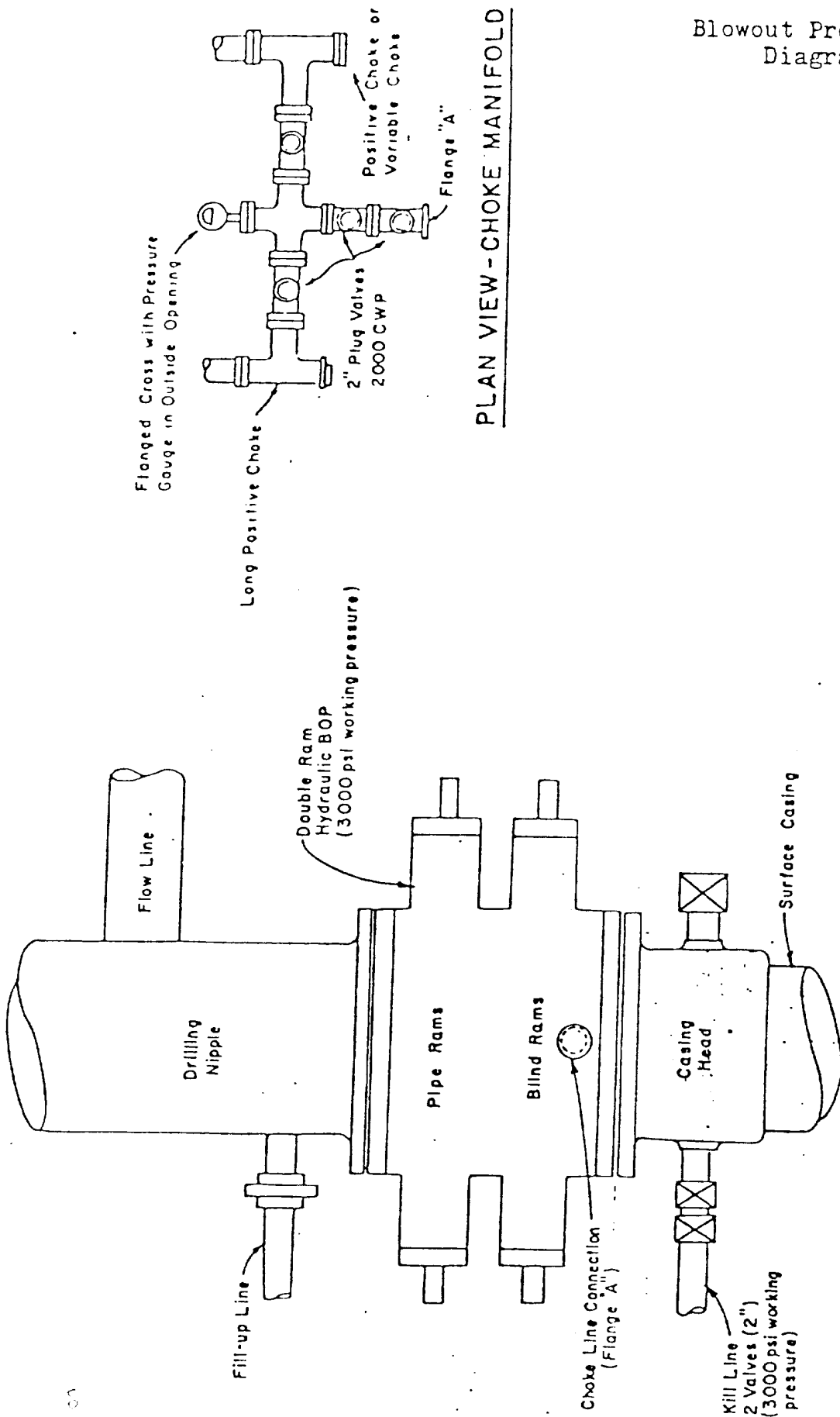


EXHIBIT "D"

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

Attached to Form 9-331C
John H. Hill & Gordon L. Llewellyn
Foster #4A
SW NW Sec. 4 T26N R8W
2130' FNL & 660' 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 21.3 miles. Proceed East on State Highway #17 for 1.3 miles to Cutter Dam Road (CR-A80), thence South (right) and continue for 7.5 miles on graded road to CR-A58. Turn South (right) and proceed 6.9 miles on CR-A58, thence East (left) and South (right) on existing oil field road a distance of 4.3 miles to a junction, thence East (left) on existing oil field road a distance of 1.3 miles to location, as shown on EXHIBITS "E" & "E₁".
- C. All roads to location are color-coded on EXHIBITS "E" & "E₁". No new access road will be required.
- 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

No new access road will be required. Maps showing all existing access roads are shown as EXHIBITS "E" & "E₁" for the following:

- (1) The maximum width of the existing oil field road is 18'.
- (2) The grade is less than 8% (eight percent).
- (3) There are no turn outs in existence or required.

- (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) No new access road will be required.

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 a one-mile radius of this location.
- (2) There are no abandoned wells 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 eleven (11) 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 22 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 well 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 toilet 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. Steel mud tanks may be used during drilling operations.

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, cedar, sandsage and native grass. There are livestock, rabbits and deer in the area. The topography is rough, dipping generally 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 the San Juan River, approximately 22 miles North of location, as shown on EXHIBIT "E".

The closest occupied dwelling is located along the Blanco Canyon Wash, approximately 2 miles West of the proposed site, as shown on EXHIBIT "E₁".

- 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 5, 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 L. Llewellyn
600 South Cherry Street
Suite 1201
Denver, Colorado 80222
Phone (303) 321-2217

John H. Hill & Gordon L. Llewellyn
8350 North Central Expressway
Suite 140 Campbell Centre
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 and Gordon L. Llewellyn and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

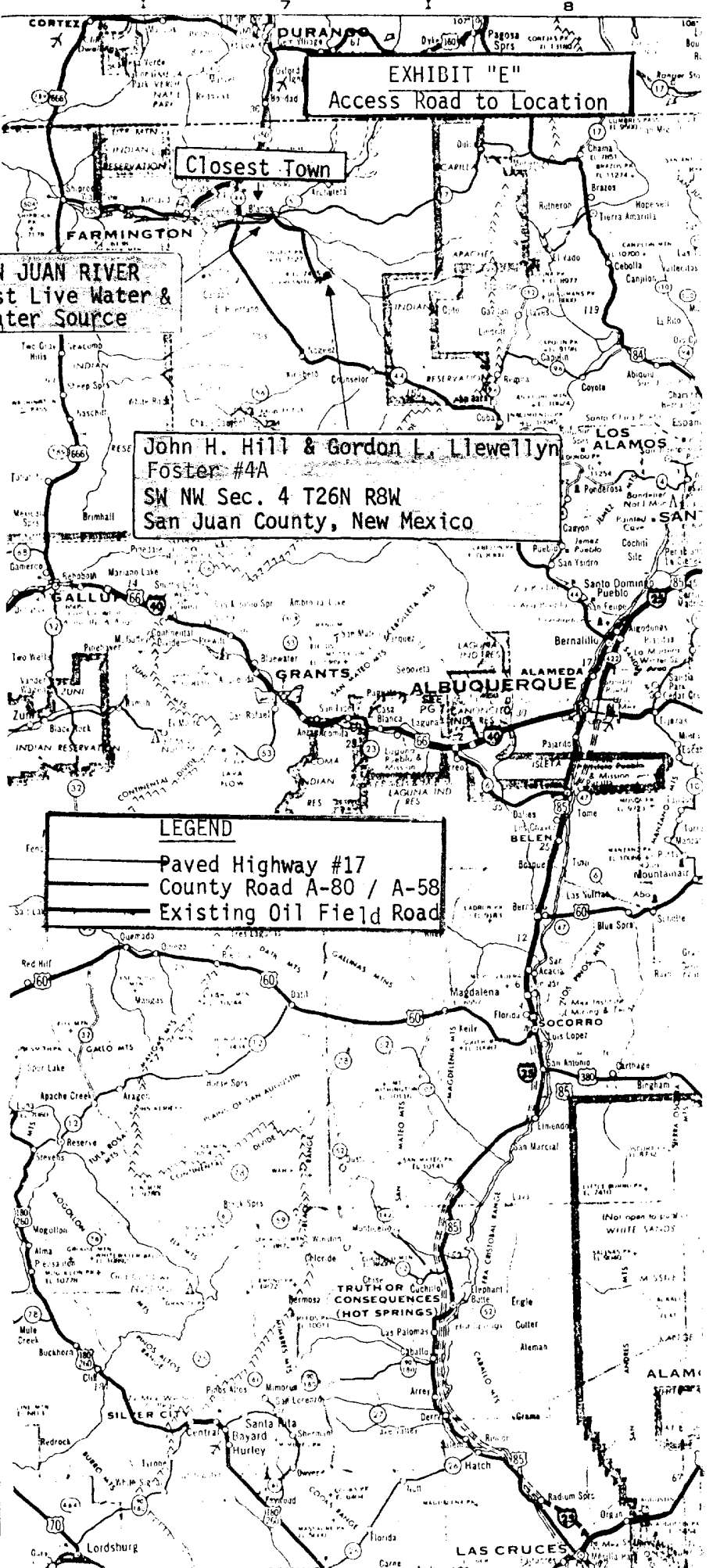
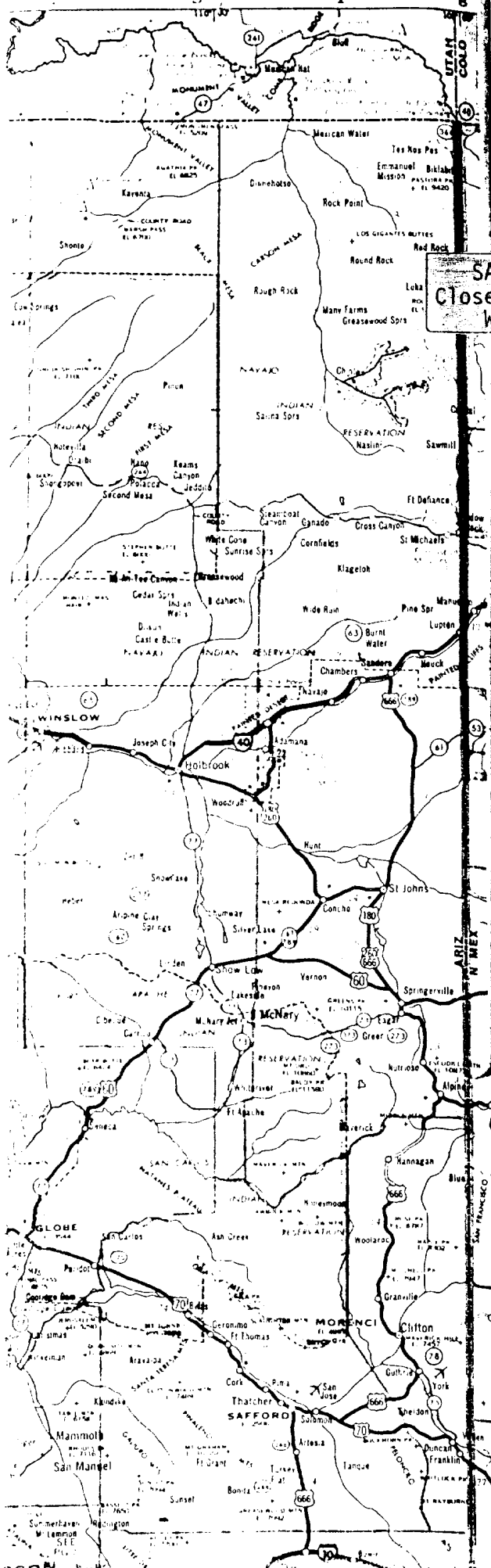
Date

11-27-29

George Lapasotes

George Lapasotes
Agent Consultant for

John H. Hill & Gordon L. Llewellyn



SAN JUAN RIVER
Closest Live Water &
Water Source

Closest Town

EXHIBIT "E"
Access Road to Location

John H. Hill & Gordon L. Llewellyn
Foster #4A
SW NW Sec. 4 T26N R8W
San Juan County, New Mexico

LEGEND
Paved Highway #17
County Road A-80 / A-58
Existing Oil Field Road

EXHIBIT "E₁"
Access Road to Location

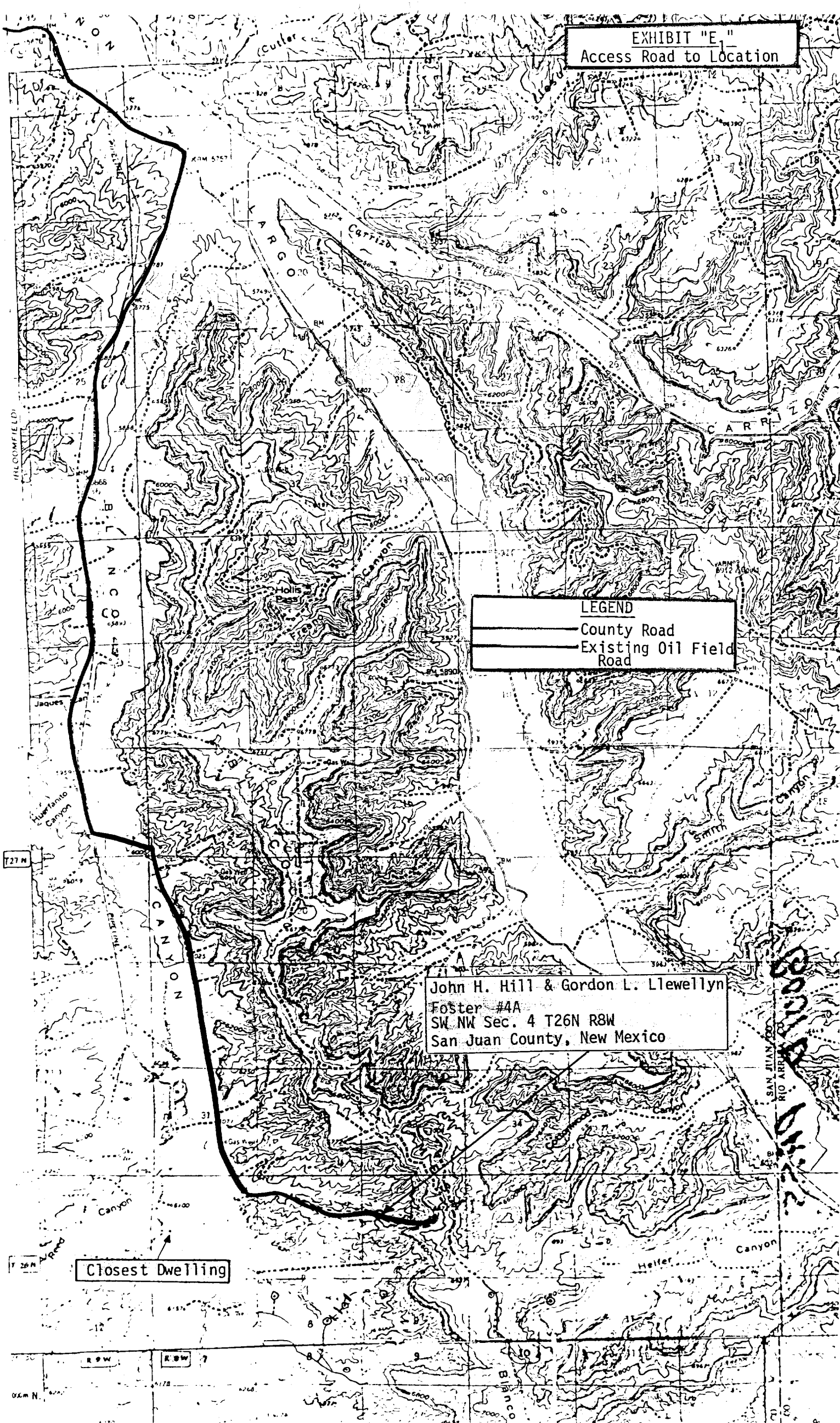


EXHIBIT "F"

Radius Map of Field

R 8 W

403

CANYON BLANCO

ONE-MILE RADIUS

SO. V. G. CORP.

6140'DF
2076'

T
26
N

6461'DF
2395'

John H. Hill & Gordon L. Llewellyn
Foster #4A
SW NW Sec. 4 T26N R8W
San Juan County, New Mexico

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. Llewellyn

Foster #4A

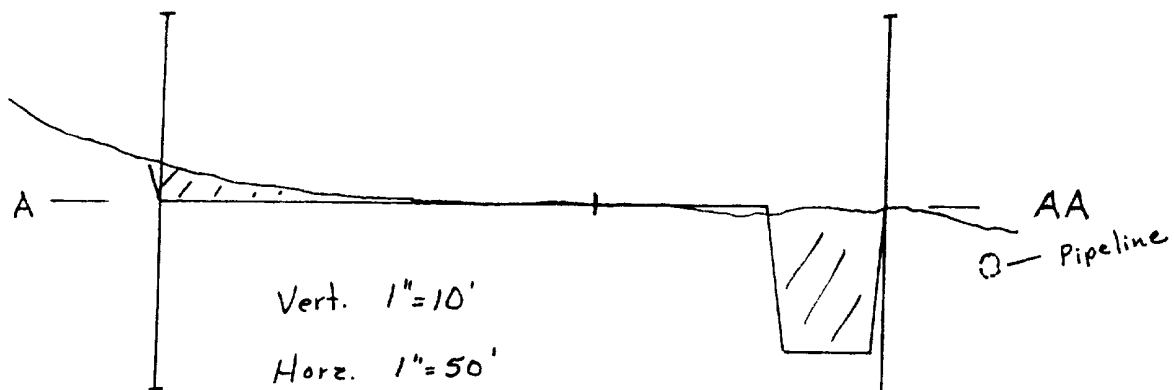
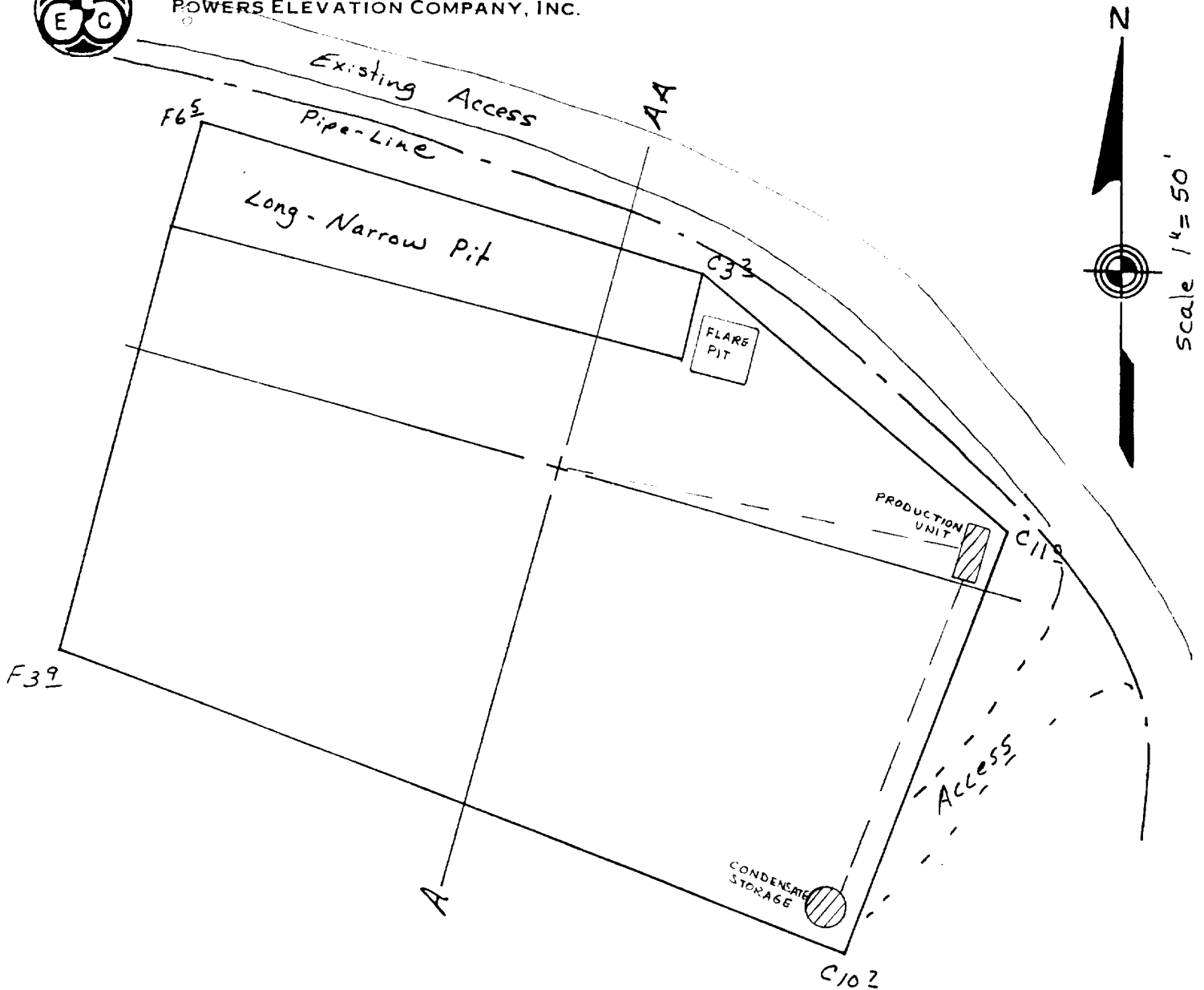
SW NW Sec. 4 T26N R8W

San Juan County, New Mexico

POWERS ELEVATION COMPANY, INC.

EXHIBIT "G"

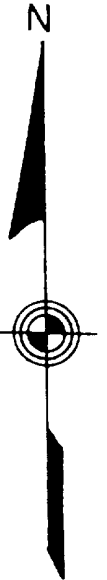
Drill Pad Layout, Production
Facilities & Cut-Fill Cross-Section





POWERS ELEVATION
John H. Hill & Gordon L. Llewellyn
Foster #4A
SW NW Sec. 4 T26N R8W
San Juan County, New Mexico

EXHIBIT "H"
Drill Rig Layout



SCALE 1"=50'

