

Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

October 2, 1980

P. O. Box 670
Hobbs, NM 88240

U. S. Geological Survey
P. O. Box 959
Farmington, New Mexico 87401

Gentlemen:

The following is Gulf Oil Corporation's plan for surface restoration associated with the drilling of our San Juan "S" Federal Com #1 to be located 790' FNL and 1520' FEL, Section 32, Township 26 North, Range 12 West, San Juan County, New Mexico.

After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in as aesthetically pleasing condition as possible. Any unguarded pits containing fluids will be fenced until they are filled.

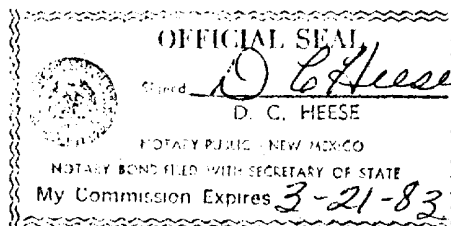
After abandonment of the well, surface restoration will be in accordance with the agreement with the surface owner. Pits will be filled and the location will be cleaned. The pit area, well pad and all unneeded access roads will be ripped to promote revegetation. Rehabilitation should be accomplished within ninety (90) days after abandonment.

Yours very truly,

R. L. Vaught
R. L. Vaught

HVH/jr

Subscribed and sworn to before me this 14th day of October, 1980.



A DIVISION OF GULF OIL CORPORATION

Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

October 2, 1980

P. O. Box 670
Hobbs, NM 88240

Re: Application for Permit to Drill
San Juan "S" Fed Com Well No. 1
San Juan County, New Mexico

U. S. Geological Survey
P. O. Box 959
Farmington, New Mexico 87401

Gentlemen:

We are submitting the information requested in NTL-6 which should accompany application for permit to drill.

Well: San Juan "S" Federal Com Well No. 1

1. Location: 790' FNL and 1520' FEL, Section 32, T26N, R12W, San Juan County, New Mexico
2. Elevation of Unprepared Ground: 6066' GL
3. Geologic Name of Surface Formation: Ojo Alamo Sandstone
4. Type Drilling Tools: Rotary
5. Proposed Drilling Depth: 1300'
6. Estimated Tops of Geologic Markers: Kirtland 275'; Fruitland 750'; Pictured Cliffs 1025'.
7. Estimated Depths at Which Anticipated Gas or Oil-Bearing Formations Expected: Pictured Cliffs - 1000' - 1100'
8. Casing Program and Setting Depths:

	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Setting Depth</u>
Surface	7-5/8"	24#	H-40	90'
Production	2-7/8"	6.5#	H-40	1300'

9. Casing Setting Depth and Cementing Program:

- a. Surface casing will be set at 90', cemented with 100 sacks Class "B" neat with 2% CaCl_2 .



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- b. Production casing will be set at 1300' and cemented with 300 sacks Class "B" cement.

NOTE: Volume of cement to be determined after running caliper log at total depth.

10. Pressure Control Equipment: An annular BOP or a double blind and pipe ram BOP will be installed before drilling out below surface casing.
11. Circulating Media:
- a. 0' - 90' Fresh water spud mud
 - b. 90' - 1300' Fresh water low solid mud with the following properties:
viscosity 32-37 sec., water loss 20-4cc, weight 8.5-9.0 ppg.
12. Testing, Logging and Coring Programs:
- a. Formation testing may be done at any depth where samples, drilling rate or log information indicate a possible show of oil or gas.
 - b. Open hole logs will be run prior to running production casing at total depth.
 - c. Coring is not planned.
13. Abnormal Pressure or Temperature and Hydrogen Sulfide Gas: We do not anticipate abnormal pressure, temperature or hydrogen sulfide gas; however, BOP's as described in Item 10 above will be installed.
14. Anticipated Starting Date: Drilling operations should start November 1, 1980.
15. Other Facets of the Proposed Operation: None

Yours very truly,

R.C. Anderson
R. C. ANDERSON *R.P.V.*

HVH/jr

Gulf Oil Exploration and Production Company

R. G. Anderson
PRODUCTION MANAGER, HOBBS AREA

October 2, 1980

P. O. Box 670
Hobbs, NM 88240

Re: Surface Development Plan
San Juan "S" Fed Com #1
San Juan County, New Mexico

U. S. Geological Survey
P. O. Box 959
Farmington, New Mexico 87401

Gentlemen:

The surface use and operations plan for the proposed San Juan "S" Federal Com #1 is as follows:

1. Existing Roads:

- A. Exhibit "A" is a portion of a general highway map showing the location of the proposed well as staked. Go south out of Bloomfield, New Mexico, approximately 11 miles on State Highway No. 44, turn southwest and go approximately 9.5 miles, turn south and go 3 miles. The proposed location is approximately 1800' west of the road.
- B. Exhibit "B" is a plat showing all existing roads within a one-mile radius of the wellsite, as well as the planned access roads.

2. Planned Access Roads:

- A. Length and Width: The required new road will be 1800' long and 12' wide, constructed of graded surface material compacted and watered to a depth of 6". The new road will leave existing road and extend to the southeast corner of the drilling pad. This new road is labeled and color-coded red on Exhibits "A" and "B".
- B. Turnouts: None required
- C. Culverts: None required
- D. Cuts and Fills: No significant cuts or fills will be required in the road.
- E. Gates and Cattleguards: None required

- 3. Location of Existing Wells: There are a number of existing wells around the proposed location as shown on Exhibit "A".



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4. Tank Batteries, Production Facilities and Lease Pipelines: There are no tank batteries, production facilities and lease pipelines on this lease operated or owned by Gulf Oil Corporation. If production is encountered, the tank battery and other required producing equipment will be located on the pad. All producing lines will be constructed on the pad on top of the ground. Refer to Exhibit "D".
5. Water Supply: Drilling water will be hauled by trucks over existing roads.
6. Source of Construction Materials: The proposed roads and drilling pad will be constructed by leveling and compacting existing surface materials (mainly sand and clay). No outside materials will be hauled in for construction of roads or drilling pad.
7. Methods of Handling Waste Disposal:
 - A. Drill cuttings will be disposed of in the drilling pits.
 - B. Drilling fluids will be allowed to evaporate in drilling pits until pits are dry.
 - C. Water produced during tests will be disposed of in drilling pits. Oil produced during tests will be stored in test tanks until sold.
 - D. Current laws and regulations pertaining to disposal of human waste will be complied with.
 - E. Trash, waste paper, sacks, garbage and junk will be burned or buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Location of trash pit is shown on Exhibit "C".
 - F. All trash and debris will be buried or removed from wellsite within 30 days after finishing drilling and/or completion operations.
8. Ancillary Facilities: None required
9. Wellsite Layout:
 - A. Exhibit "C" shows the relative location and dimensions of the well pad, mud pits, reserve pits, trash pits, and location of major rig components.
 - B. Construction of drilling pad will require a cut of two feet on the north side, with the cut material being moved to the south side to be used as fill.
 - C. The reserve pit will be on the north side of pad.
 - D. The wellsite has been staked.

10. Plans for Restoration of Surface:

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and location cleaned of all trash and junk to leave wellsite in as aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. After abandonment, any special rehabilitation and/or revegetation requirements (reseed with seed mixture No. 2) will be complied with and accomplished as expeditiously as possible. All pits should be filled and leveled within 90 days after abandonment.

11. Other Information:

- A. Topography: Location is in a gently sloping area.
- B. Soil: Soil is sandy loam.
- C. Flora and Fauna: The vegetative cover generally consists of sagebrush, blue gramma and galleta.
- D. Ponds and Streams: There are no streams or ponds in the immediate area.
- E. Residences and Other Structures: The nearest occupied structure is 2 miles north of proposed location.
- F. Land Use: Present land use is grazing.
- G. Surface Ownership: Wellsite is on Federal surface.

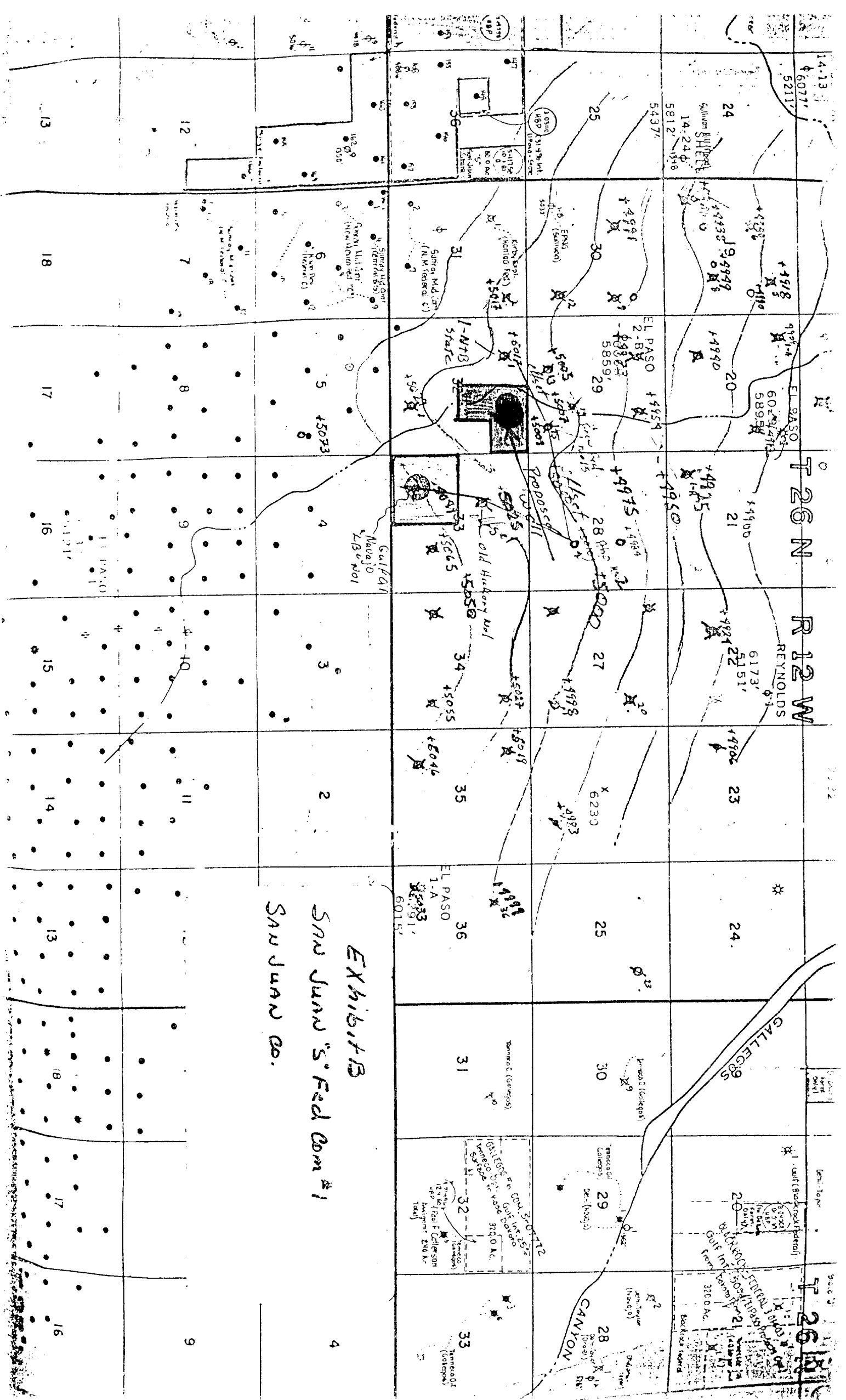
12. Operator's Representative: Gulf Oil Exploration and Production Company
A Division of Gulf Oil Corporation
P. O. Box 670, Hobbs, New Mexico 88240
Telephone: (505) 393-4121
Area Production Manager: R. C. Anderson

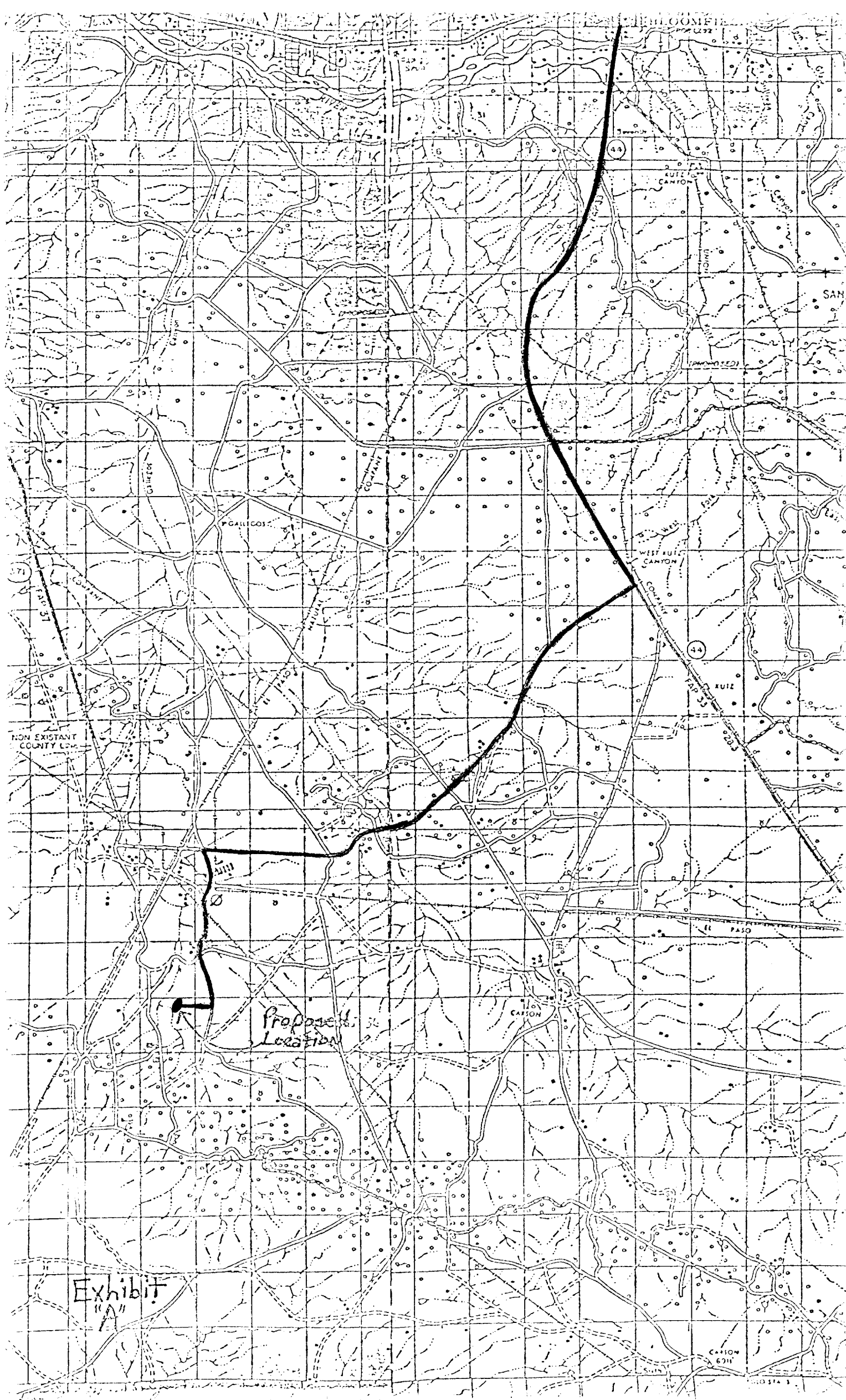
13. Certification:

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 Gulf Oil Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

R.C. Anderson R.C.V.
R. C. ANDERSON
Area Production Manager

HVH/jr





SAN JUAN "S" Fed Com⁵
#1

SAN JUAN County N.M.
Sec 32 - T26N R12W

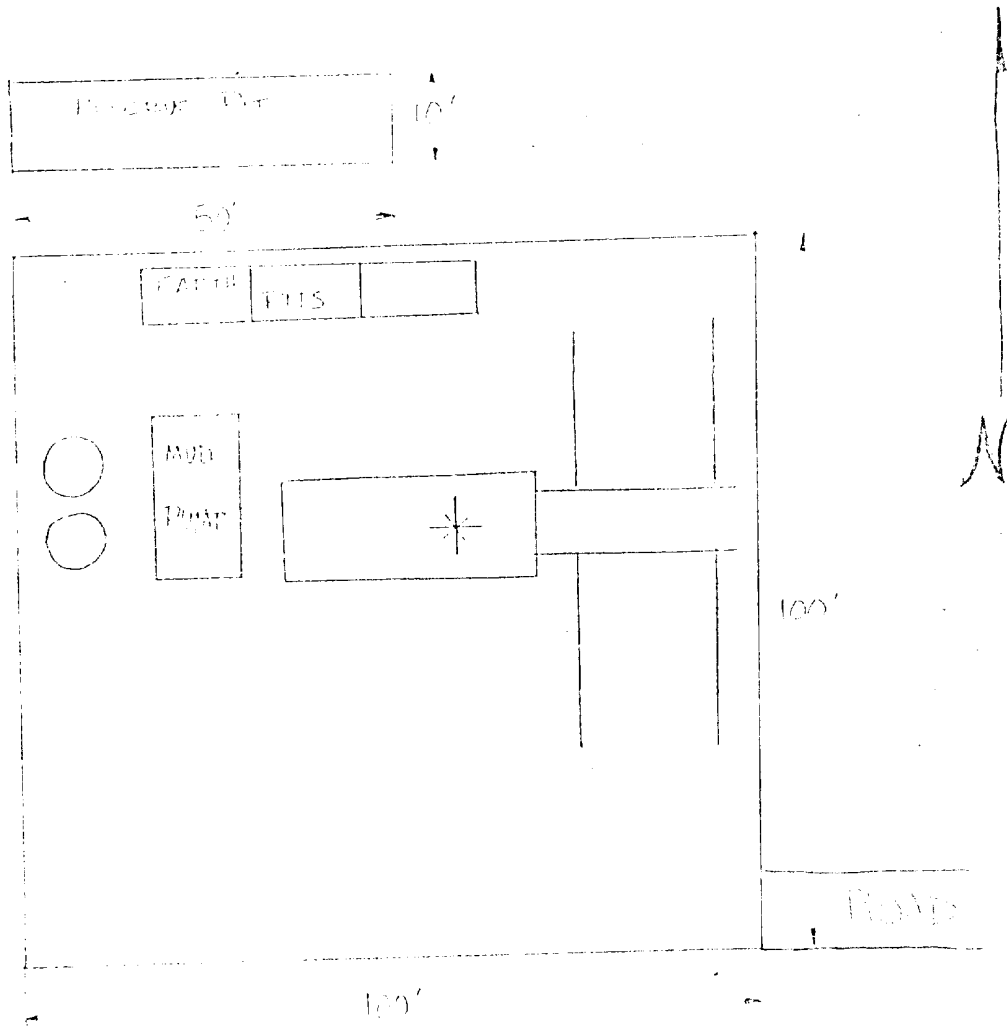


EXHIBIT D

SAN JUAN "S" Fed Com
#1

SAN JUAN County N.M.
Sec 32 - T26N R12W

