

56-040-23281

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 NM-03561
1b. TYPE OF WELL GAS SINGLE ZONE	6. IF INDIAN, ALL. OR TRIBE NAME
2. OPERATOR SOUTHLAND ROYALTY CO.	7. UNIT AGREEMENT NAME
3. ADDRESS & PHONE NO. OF OPERATOR P O BOX 4289 FARMINGTON, NM 87499	8. FARM OR LEASE NAME GRENIER B COM
4. LOCATION OF WELL 1250'S 980'W	9. WELL NO. 292
14. DISTANCE IN MILES FROM NEAREST TOWN 5 MILE FROM BLOOMFIELD	10. FIELD, POOL, OR WILDCAT BASIN FRUITLAND COAL
15. DISTANCE FROM PROPOSED LOCATION 980' TO NEAREST PROPERTY OR LEASE LINE.	11. SEC. T. R. M OR BLK. M SEC. 6 T29N R10W NMPM
16. ACRES IN LEASE 17. ACRES ASSIGNED TO WELL 915.29 281.04	12. COUNTY 13. STATE SAN JUAN NM
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DR. 400' COMPL., OR APPLIED FOR ON THIS LEASE.	19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 2222' ROTARY
21. ELEVATIONS (DF, FT, GR, ETC.) 5841'GL	22. APPROX. DATE WORK WILL START

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

23. PROPOSED CASING AND CEMENTING PROGRAM

*SEE OPERATIONS PLAN

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

24. AUTHORIZED BY: [Signature]
REGULATORY AFFAIRS

4-7-89
DATE

APPROVED
AS AMENDED

NOTE: THIS FORMAT IS ISSUED IN LIEU OF US BLM FORM 3160-3.

APR 12 1989

Linda Rundell
FOR AREA MANAGER

NMOCC

OPERATIONS PLAN

DATE: MAR 14, 1989

Well Name: 292 GRENIER B COM
 Sec. 6 T29N R10W
 BASIN FRUITLAND COAL

1250'S 980'W
 SAN JUAN NEW MEXICO
 Elevation 5841'GL

Formation tops: Surface- NACIMIENTO
 Ojo Alamo- 921
 Kirtland- 1055
 Fruitland- 1893
 Fruitland Coal Top- 2038
 Fruitland Coal Base- 2218
 Intermediate TD- 2018
 Total Depth- 2222
 Pictured Cliffs- 2225

Logging Program: Mud logs from intermediate to total depth.

Mud Program: Low solid non-dispersed mud from surface to total depth.

Casing Program:	Hole Size	Depth Interval	Csg. Size	Weight	Grade
	12 1/4"	0 - 200	9 5/8"	32.3#	H-40
	8 3/4"	0 - 2018	7"	20.0#	K-55
	6 1/4"	1968 - 2222	5 1/2"	15.5#	K-55
Tubing Program:		0 - 2222	2 7/8"	6.5#	J-55

Float Equipment: 9 5/8" surface casing - saw tooth guide shoe.

7" intermediate casing - guide shoe and self-fill insert float valve. Three centralizers run every other joint above shoe. Run insert float one joint above the guide shoe.

5 1/2" production liner - float shoe on bottom and a pre-drilled liner run to the 7" casing with a minimum 50' overlap. Liner hanger is a double slip grip type.

Wellhead Equipment: 9 5/8" x 7" x 2 7/8" x 11" 3000 psi xmas tree assembly.

Cementing:

9 5/8" surface casing - cement with 106 sacks of class "B" cement with 1/4# flocele/sack and 3% calcium chloride (125 cu ft. of slurry, 100% excess to circulate to surface). WOC 12 hours. Test casing to 600 psi for 30 minutes.

7" intermediate casing - lead with 110 sacks of 65/35 class "B" poz with 6% gel, 2% calcium chloride and 1/2 cu.ft. Perlite/sack (10.3 gallons of water/sack) tail with 100 sacks of class "B" with 2% calcium chloride. 330 cu ft. of slurry, 100% excess to cover the Ojo Alamo. Run temperature survey at 8 hours. WOC 12 hours. Test casing to 1500 psi for 30 minutes.

5 1/2" liner - do not cement.

The Fruitland coal formation will be completed.

A 3000 psi WP and 6000 psi test double gate preventer equipped with blind and pipe rams will be used for blow out prevention on this well. This gas is dedicated.

The S/2 of Section 6 is dedicated to this well.

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

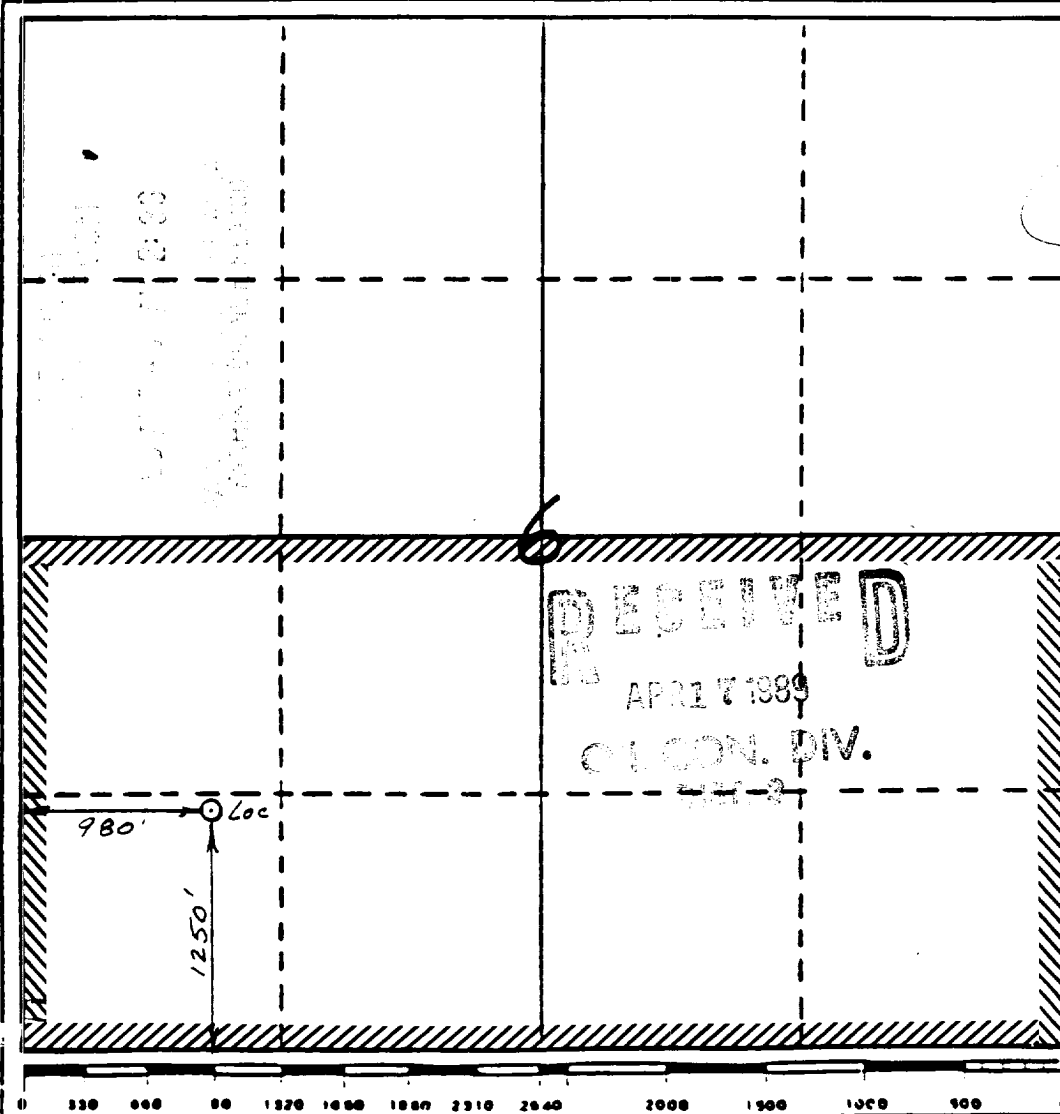
Operator Southland Royalty Company			Lease Grenier B COM (NM-03561)		Well No. 292
Unit Letter M	Section 6	Township 29 North	Range 10 West	County San Juan	
Actual Footage Location of Wells 1250' feet from the South line and 980' feet from the West line					
Ground Level Elev. 5841'	Producing Formation Fruitland Coal		Pool Basin		Dedicated Acreage: 281.04

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 work 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 Communitization agreement being prepared.

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side 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 retained herein is true and complete to best of my knowledge and belief.

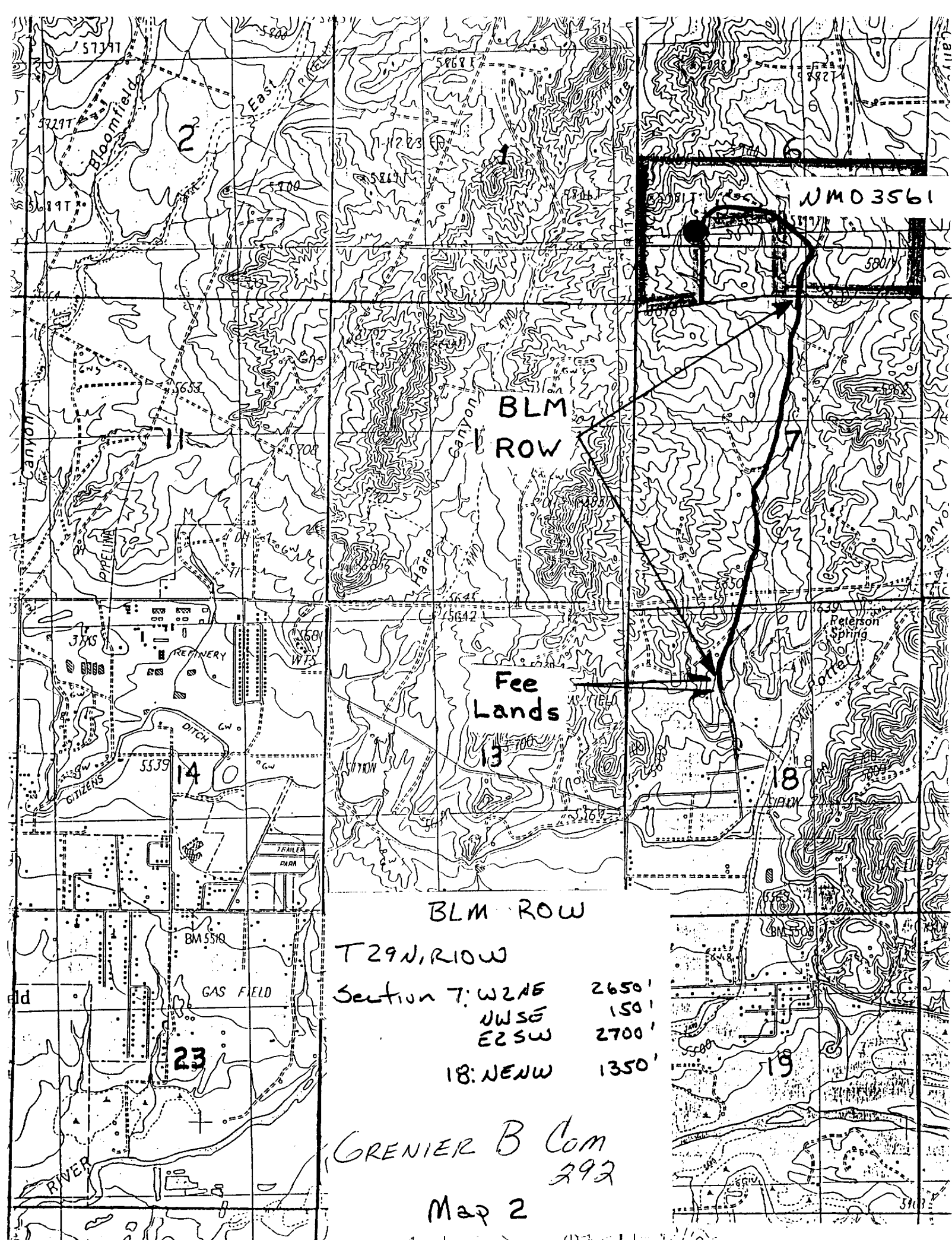
Name Walter B. Edwards
Position Regulatory Affairs
Company Southland Royalty Co.
Date 4-7-89

I hereby certify that the location shown on this plat was plotted from notes of actual surveys made by me under supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed 11/26/88
Registered Professional Engineer and/or Land Surveyor

Neale C. Edward

Certificate No. 6857



T29N, R10W

Section 7: W2NE	2650'
NWSE	150'
E2SW	2700'
18: NENW	1350'

GRENIER B Com
292

Map 2