

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

RECEIVED
BLM

99 JUN 29 AM 8:05
070 FARMINGTON, NM

1a. Type of Work DRILL		5. Lease Number SF-065557	
1b. Type of Well GAS		6. If Indian, Name of Tribe or Allottee	
2. Operator Producing Royalties (Inc.) OIL CON. DIV.		7. Unit Agreement Name API # 30-045-29945	
3. Address & Phone No. of Operator %A. R. Kendrick Box 516, Aztec, NM 87410 (505) 334-2555		8. Farm or Lease Name Payne	
4. Location of Well 1790' FNL 790' FEL		9. Well Number 4	
14. Distance in Miles from Nearest Town 7 miles southwest of Aztec		12. County San Juan	
15. Distance from Proposed Location To Nearest Property Line or Lease Line. 790'		13. State New Mexico	
16. Acres in Lease 779.300 Acres		17. Acres Assigned to Well E - 317.36	
18. Distance From Proposed Location To Nearest Well Dr, Compl., Or Applied For On Lease. 258'		19. Proposed Depth 2050'	
20. Rotary or Cable Tools Rotary		21. Elevations (DF, RT, GR, Etc.) 5778 GR	
22. Approximate Date Work Will Start. Summer, 1999		23. Proposed Casing and Cementing Program: See Exhibit "C", Ten Point Compliance Plan. Exhibits attached as follows: "A" Location and Elevation Plat "B" Vicinity Map - Access Roads "C" Ten-Point Compliance Program "D" Multi-Point Requirements for APD "E" Blowout Preventer Schematic "F" Location Profile "G" Drill Rig Layout "H" Completion Rig Layout "I" Production Facility Schematic	
24. Signed <u><i>AR Kendrick</i></u> Title _____ Agent _____ Date <u>June 28, 1999</u>			

Permit No. _____ /S/ _____ Approval Date **AUG 16 1999**
Acting
Approved By s/s Enol Becher Title Team Lead, Petroleum Management Date **AUG 16 1999**

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

see surface casing
DRILL

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

99 JUN 29 AM 8:05

WELL LOCATION AND ACREAGE DEDICATION PLAN

* APT Number 30-045-29945		* Pool Code 71629	* Pool Name Basin Fruitland Coal (Gas)
* Property Code 009419	* Property Name Payne		* Well Number 4
* OGRID No. 018134	* Operator Name Producing Royalties, Inc.		* Elevation 5778' grd.

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	11	29 N	12 W	7	1790	North	790	East	San Juan

11 Bottom Hole Location If Different From Surface

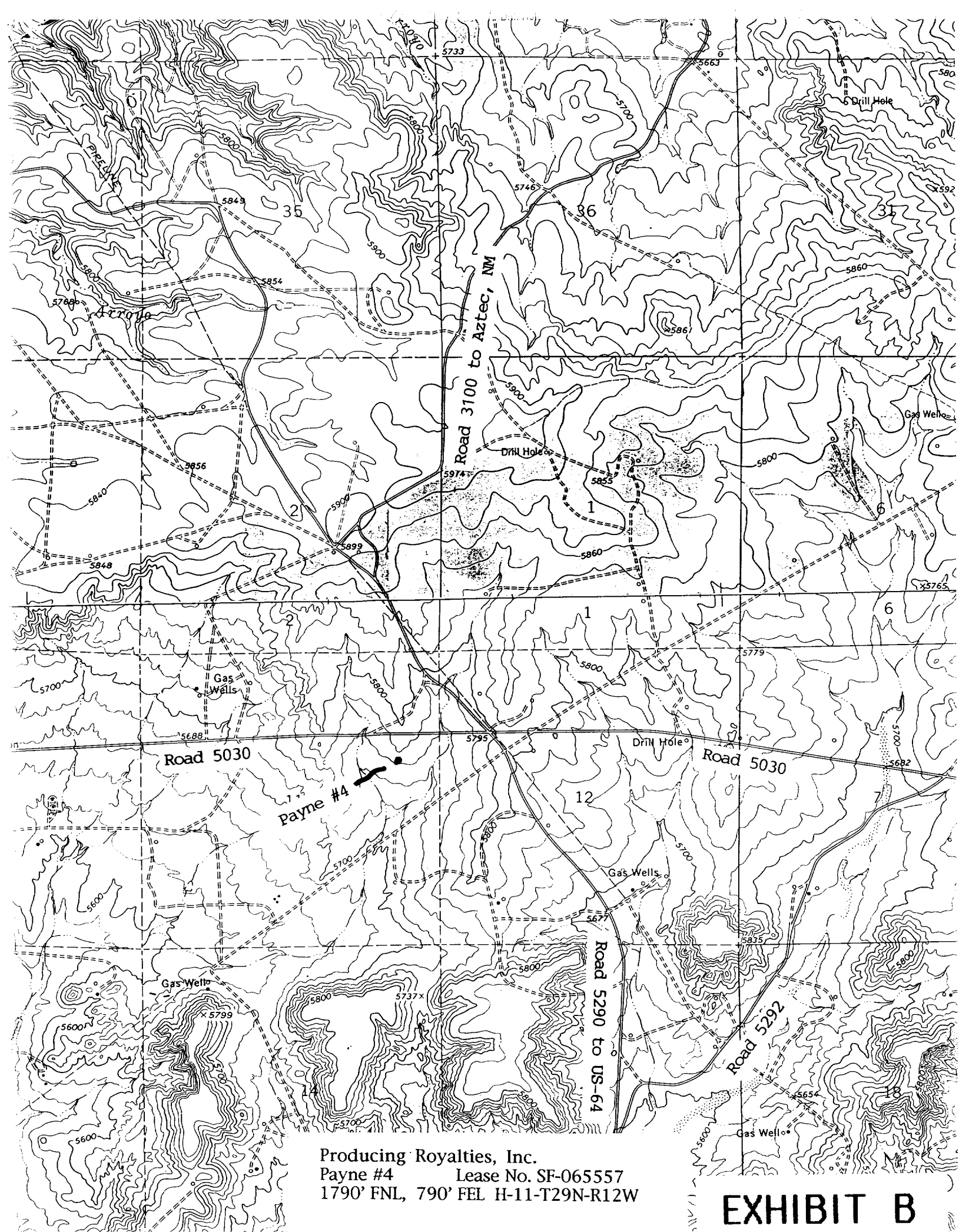
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
317.36	N	N	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 <div>RECEIVED AUG 18 1999 OIL CON. DIV. DIST. 3</div>	2 38.72	1790' 790'	1 39.13	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <u>A. R. Kendrick</u> Printed Name Agent Title June 1, 1999 Date
	6 39.00		7 39.41	
	Lease SF-065557			
	9 40.25		8 40.01	18 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 of Survey Signature and Seal of Professional Surveyor 8844 REGISTERED LAND SURVEYOR 8844 Certificate Number
	10 40.54		11 40.30	

EXHIBIT A



Producing Royalties, Inc.
Payne #4 Lease No. SF-065557
1790' FNL, 790' FEL H-11-T29N-R12W

EXHIBIT B

TEN POINT COMPLIANCE PROGRAM

Producing Royalties, Inc.

Payne #4

1790' FNL 790' FEL, H-11-T29N-R12W, San Juan County, NM

Basin Fruitland Coal

Lease No. SF-065557

1. THE GEOLOGICAL SURFACE FORMATION IS: Nacimiento.
2. THE ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Ojo Alamo	566'
Fruitland	1363'
Fruitland Coal	1838'
Pictured Cliffs	1873'
Total Depth	2050'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

<u>SUBSTANCE</u>	<u>FORMATION</u>	<u>ANTICIPATED DEPTH</u>
Gas	Fruitland Coal	1838'
Gas	Pictured Cliffs	1873'

4. THE PROPOSED CASING PROGRAM WILL BE AS FOLLOWS:

<u>DEPTH</u>	<u>HOLE SIZE</u>	<u>O.D.</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>TYPE</u>	<u>NEW/USED</u>
0-100' 120'	8-3/4"	7 "	17	K-55	ST&C	New
0-TD	6-1/4"	4-1/2"	9.5	K-55	ST&C	New

PROPOSED CEMENT PROGRAM: To effectively isolate and seal off all water, oil, gas and coal-bearing strata encountered by the utilization of spacers, centralizers and swirling centralizers at the base of the Ojo Alamo formation as specified by NTL-FRA 90-1 III.B and API standards; and by using cement volumes as follows:

Surface: 75 Sx neat cement - sufficient to circulate to surface.

Production: 220 Sx (259 cu ft) lite cement followed by 50 Sx (59 cu ft) neat cement - sufficient to circulate to surface.