

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

Heat Controller, Inc.

3. ADDRESS OF OPERATOR

P.O. Box 94, Farmington, NM 87499

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

At surface

1795' FSL & 570' FWL

At proposed prod. zone

same as above

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

3 miles east of Dulce, New Mexico

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

570' from lease

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

570' from DU

16. NO. OF ACRES IN LEASE

1400

17. NO. OF ACRES ASSIGNED
TO THIS WELL.

40

18. DISTANCE FROM PROPOSED LOCATION*

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

NA

19. PROPOSED DEPTH

3500'

20. ROTARY OR CABLE TOOLS

Rotary

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

7045' GR

22. APPROX. DATE WORK WILL START*

May 1, 1987

23.

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.4
and appeal pursuant to 43 CFR 3165.5

CEMENTING PROGRAM

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

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
13 3/4"	9 5/8"	32.3	200'
8 3/4"	7"	23.0	1325'
6 1/4"	4 1/2"	10.5	1200' - 3500'

QUANTITY OF CEMENT
200 sxs. (236 cu. ft.)
125 sxs. (274 cu. ft.)
200 sxs. (314 cu. ft.)

We intend to drill 13 3/4" hole with mud to 200' and set 9 5/8" 32.3# H-40 ST&C csg. cementing to surface with 200 sx (236 cu. ft.) Class "B" with 2% Calcium Chloride and 1/4 #/sx floccle. Wait on cement 12 hrs. prior to drilling out.

Nipple up and test BOP. Drill 8 3/4" hole with mud to 1325'. Set 7" 23#, K-55, ST&C csg. to 1325', cementing to surface with 125 sx 65/35 Pozmix with 12% gel and 12 1/2 #/sx gilsonite tailed in with 50 sx Class "B" neat cement, 2% calcium chloride (274 cu. ft. total)

Drill 6 1/4" hole with air out of intermediate to 3025' into Dakota formation. Mud up with low fluid loss mud and drill from 3025' to 3500' into the Morrison formation. Log well and run 4 1/2", 10.5#, ST&C csg. liner from 3500' to 1200' and cement to intermediate csg. with 200 sx (314 cu. ft.) 50/50 Pozmix 4% gel, 6 1/4 #/sx gilsonite and 10#/sx salt.

Following perforating and treatment of the Dakota formation, standard production equipment will be set.

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

24.

SIGNED

James W. Ellinger

TITLE

DATE

3-5-87

(This space for Federal or State office use)

PERMIT NO.

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY

TITLE

DATE

NMOCC

*See Instructions On Reverse Side

EXHIBIT I
NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

Operator HEAT CONTROLLER, INC.			Lease AMARGO FEDERAL 28		Well No. 1-28
Unit Letter L	Section 28	Township 32 N	Range 1 W	County Rio Arriba	
Actual Footage Location of Well: 1795 feet from the South line and 570 feet from the West line					
Ground Level Elev. 7043	Producing Formation Dakota		Pool Wildcat		Dedicated Acreage: 40 Acres

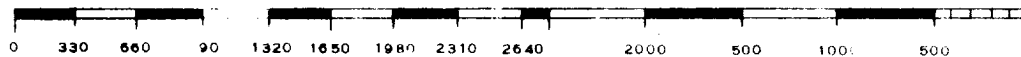
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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 Commission.

<div align="center"> RECEIVED MAR 06 1987 BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA </div>		<div align="center"> Sec. 28 </div>	
		<div align="center"> Fd. 570' 1795' </div>	



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name: Harold W. Ellidge

Position: Agent

Company: Heat Controller, Inc.

Date: March 5, 1987

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 Surveyed: 2-13-87
 Surveyor: William E. Mahoney Jr.

Registered Professional Engineer and/or Land Surveyor
 #8466

William E. Mahoney Jr.
 Certificate No. 8466 LAND SURVEYOR