

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY30-085-24150
5. LEASE DESIGNATION AND SERIAL NO.NM-23247
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

State Line

9. WELL NO.

#2

10. FIELD AND POOL, OR WILDCAT
Basin DakotaBlanco Mesa Verde ~~ext~~
11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Section 14, T32N, R13W

12. COUNTY OR PARISH 13. STATE

San Juan New Mexico

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

Southland Royalty Company

3. ADDRESS OF OPERATOR

P. O. Drawer 570, Farmington, NM 87401

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

1560' FNL & 1680' FEL

At proposed prod. zone

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

5 miles North of La Plata, New Mexico

15. DISTANCE FROM PROPOSED*

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

960'

16. NO. OF ACRES IN LEASE

600

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

None

19. PROPOSED DEPTH

5075'

20. ROTARY OR CABLE TOOLS

Rotary

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

6186' GR

22. APPROX. DATE WORK WILL START*

December 31, 1979

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 12 1/4" | 9 5/8" | 36# | 300' | 160 Sacks |
| 8 3/4" | 7" | 20# | 2980' | 260 Sacks |
| 6 1/4" | 4 1/2" | 10.5# | 2830'-5075' | 265 Sacks |

Surface formation is Kirtland Shale.

Top of Pictured Cliffs sand is at 246'.

Top of Mesa Verde sand is at 1770'.

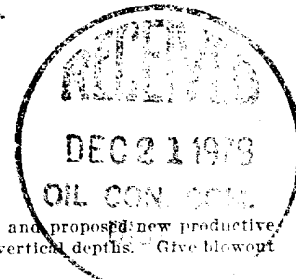
An air system will be used to drill from 300' to Total Depth.

It is anticipated that GR-Density, GR-Induction and SNP logs will be run at Total Depth.

No abnormal pressures or poisonous gases are anticipated in this well.

It is expected that this well will be drilled before March 31, 1980. This depends on time required for approval, rig availability and the weather.

Gas is not dedicated.



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

TITLE

District Engineer

DATE

12-4-79

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

100
1000

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

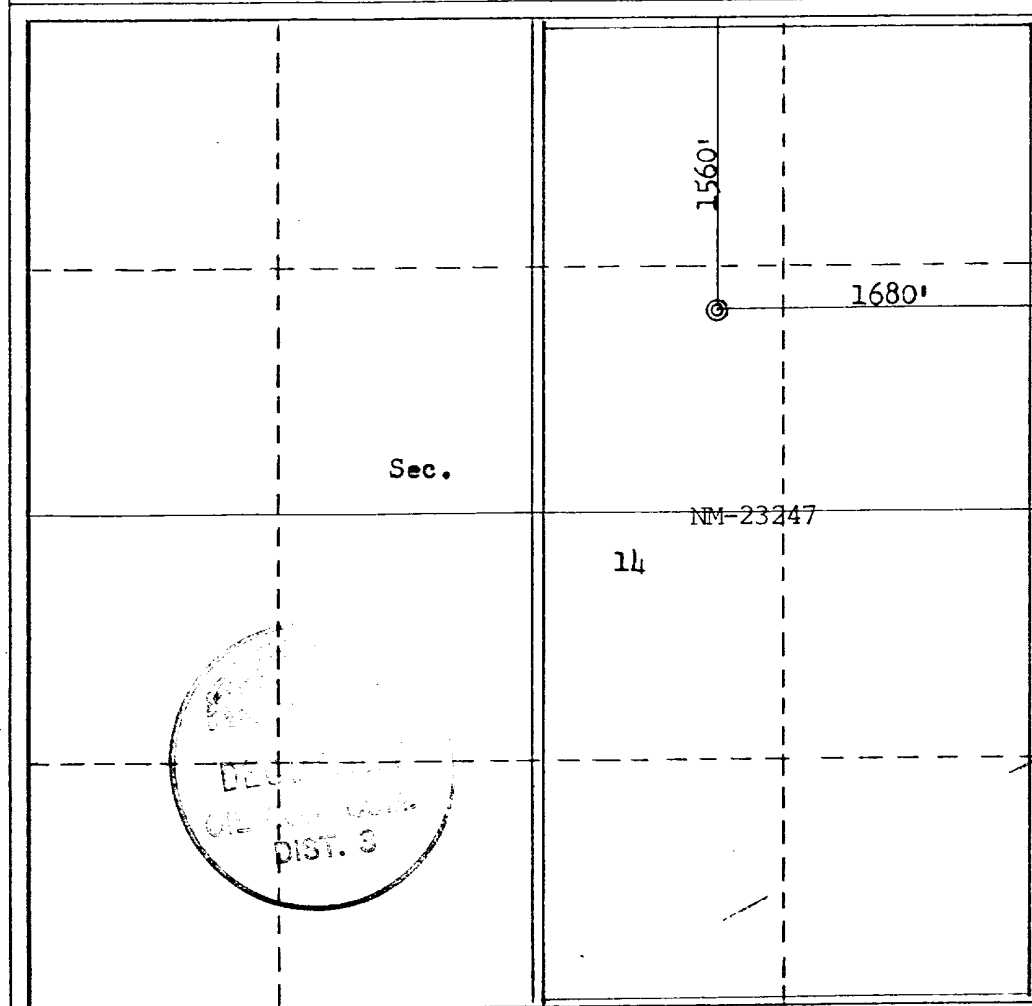
| | | | | | |
|---|---|--|--|---------------------------|----------------------|
| Operator SOUTHLAND ROYALTY COMPANY | | | Lease STATELINE | | Well No. 2 |
| Unit Letter G | Section 14 | Township 32N | Range 13W | County San Juan | |
| Actual Footage Location of Well: | | | | | |
| 1560 feet from the North line and | | 1680 feet from the East line | | | |
| Ground Level Elev. 6186 | Producing Formation Dakota - Mesa Verde | Pool Basin - Blanco ext | Dedicated Acreage: 320 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.



CERTIFICATION

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

Name *CC Parsons*
Position
District Engineer
Company
Southland Royalty Company
Date
December 3, 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, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
November 19, 1979
Registered Professional Engineer and/or Land Surveyor
Fred B. Kerr Jr.
Certificate No. **3950**
MEXICO

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

DRILLING SCHEDULE - STATE LINE #2

Location: 1560' FNL & 1680' FEL, Section 14, T32N, R13W, San Juan County, New Mexico

Field: Basin Dakota/Blanco Mesa Verde

Elevation: 6186' GR

Geology:

| | | | | |
|-----------------|-----------------|-------|-------------|-------|
| Formation Tops: | Pictured Cliffs | 246' | Gallup | 3857' |
| | Cliff House | 1770' | Greenhorn | 4702' |
| | Point Lookout | 2598' | Graneros | 4762' |
| | Intermediate TD | 2980' | Dakota | 4823' |
| | | | Total Depth | 5075' |

Logging Program: IES, SNP & GR-Density at 300'.
GR-Density, GR-Induction and SNP at Intermediate TD of 2980'.

Coring Program: GR-Density, GR-Induction and SNP at Total Depth.

Natural Gauges: Gauge at last connection above Cliff House, Point Lookout and
Total Depth.

Mud Logger: Monitor well from spud to Total Depth.

Drilling:

Contractor:

Tool Pusher:

SRC Ans. Service: 325-1841

SRC Representative:

Dispatch Number: 325-7391

Mud Program: Fresh water thru surface hole.
Air from surface to Intermediate TD.
Air from Intermediate TD to Total Depth.

Materials:

| Casing Program: | Hole Size | Depth | Casing Size | Wt. & Grade |
|-----------------|-----------|-------------|-------------|-------------|
| | 12 1/4" | 300' | 9 5/8" | 36# K-55 |
| | *8 3/4" | 2980' | 7" | 20# K-55 |
| | 6 1/4" | 2830'-5075' | 4 1/2" | 10.5# K-55 |

*Optional: Subject to change after intermediate logs.

Float Equipment:

9-5/8" Surface Casing: Pathfinder type "A" guide shoe.

7" Intermediate Casing: Pathfinder type "A" guide shoe. Pathfinder self-fill
insert float valve. Five Pathfinder rigid stabilizers.
Run float 2 joints above shoe. Run centralizers every
other joint above shoe.

4-1/2" Liner: Pathfinder type "AP" guide shoe. Pathfinder type "A" flapper
float collar.

Wellhead Equipment: 9 5/8" x 10", 2000# casing head
10", 2000# x 6", 2000# tubing head

Cementing Program

9-5/8" surface casing: 160 sacks (190 cu. ft.) of Class "B" with 1/4# gel flake per sack and 3% CaCl_2 . WOC 12 hours. Test to 600# prior to drilling out. (Volume is 100% excess.)

7" Intermediate casing: 260 sacks (364 cu. ft.) of Class "B" Poz with 6% gel, 1/4# cello flake. Mix cement with 7.2 gallons of water per sack to weigh 12.85 ppg. (100% excess to cover top of Cliff House.)

Precede cement with 20 barrels of gel water.

4-1/2" Liner: 265 sacks (392 cu. ft.) of 50/50 Poz with 6% gel, 1/4# cello flake and .6% Halad 9. Mix cement with 7.2 gallons of water per sack to weigh 12.85 ppg. (70% excess to circulate liner.)

Precede cement with 20 barrels of gel water.

L. O. Van Ryan

Date

BJM/ke



Southland Royalty Company

December 4, 1979

United States Geological Survey
Mr. James Sims
P. O. Box 959
Farmington, NM 87401

RE: Blowout Preventer Plan

Dear Sir:

All drilling and completion rigs will be equipped with 6" or larger double hydraulic blowout preventers and a hydraulic closing unit with steel lines.

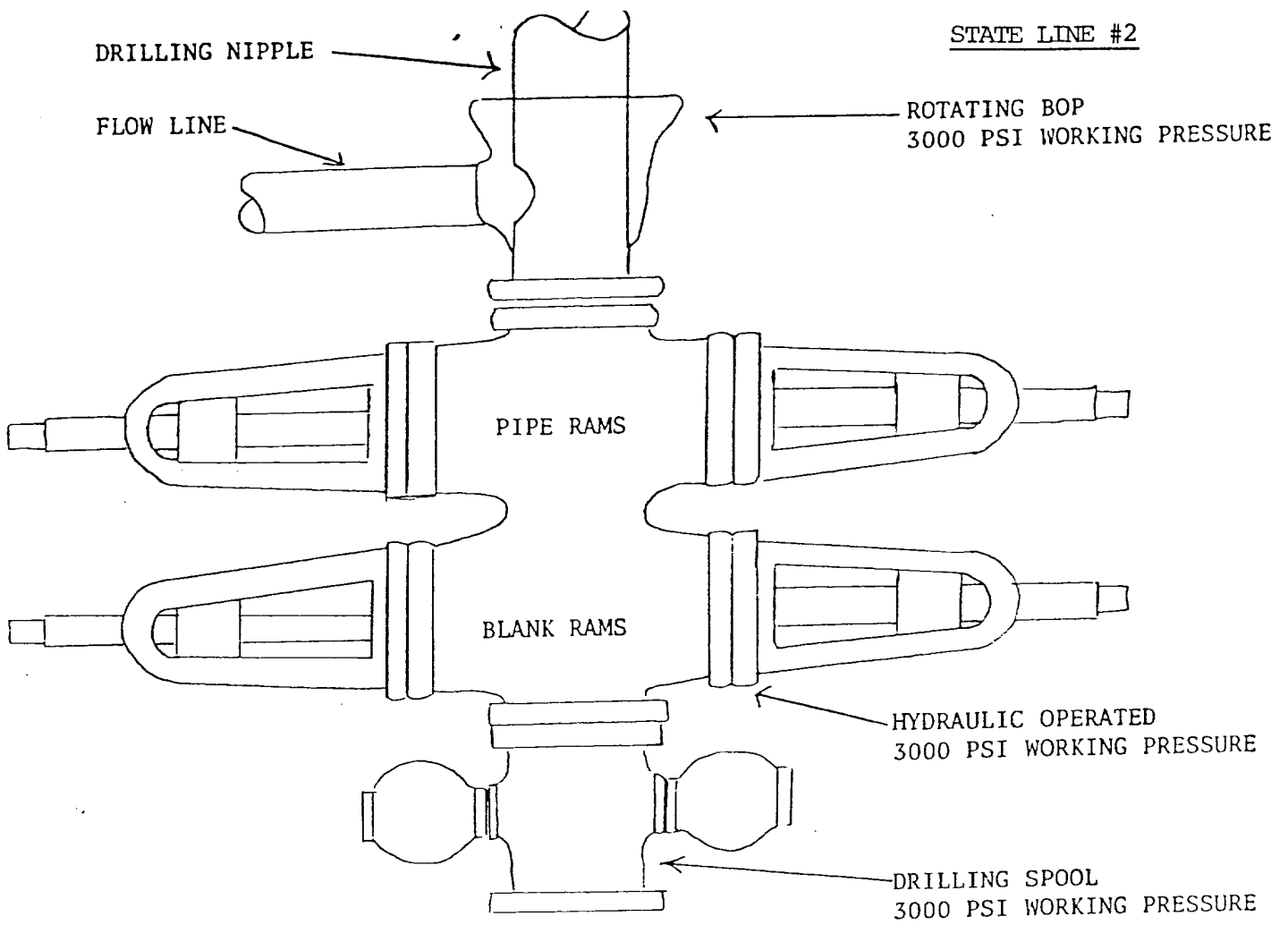
The preventer is 3000# working pressure and 6000# test pressure.

All crews will be thoroughly trained in the operation of this preventer. The preventer will be tested frequently enough to insure proper operation.

Yours truly,

CC Parsons
Curtis C. Parsons
District Engineer

CCP/ke



PREVENTERS AND SPOOLS ARE TO HAVE
THROUGH BORE OF 6" - 3000 PSI OR LARGER



Southland Royalty Company

December 4, 1979

United States Geological Survey
Mr. James Sims
P. O. Box 959
Farmington, NM 87401

Dear Sir:

Enclosed please find a map showing existing roads and planned access roads to Southland Royalty Company's State Line #2 well.

The locations of tank batteries and flow lines will be on location with well. A burn pit will be provided for disposal of trash. Cuttings, drilling fluid and produced fluids will be put into the reserve pit and properly disposed of depending on amount and type of fluids.

There will be no camps or airstrips.

Also, enclosed is a location layout showing approximate location of rig, pits and pipe racks.

Water supply will be La Plata River.

The location will be restored according to Bureau of Land Management standards. This work will begin when all related construction is finished.

Mr. Ross Lankford will be Southland Royalty Company's field representative supervising these operations.

Yours truly,

Curtis C. Parsons
District Engineer

CCP/ke



Southland Royalty Company

United States Geological Survey
Mr. James Sims
P. O. Box 595
Farmington, NM 87401

Dear Sir:

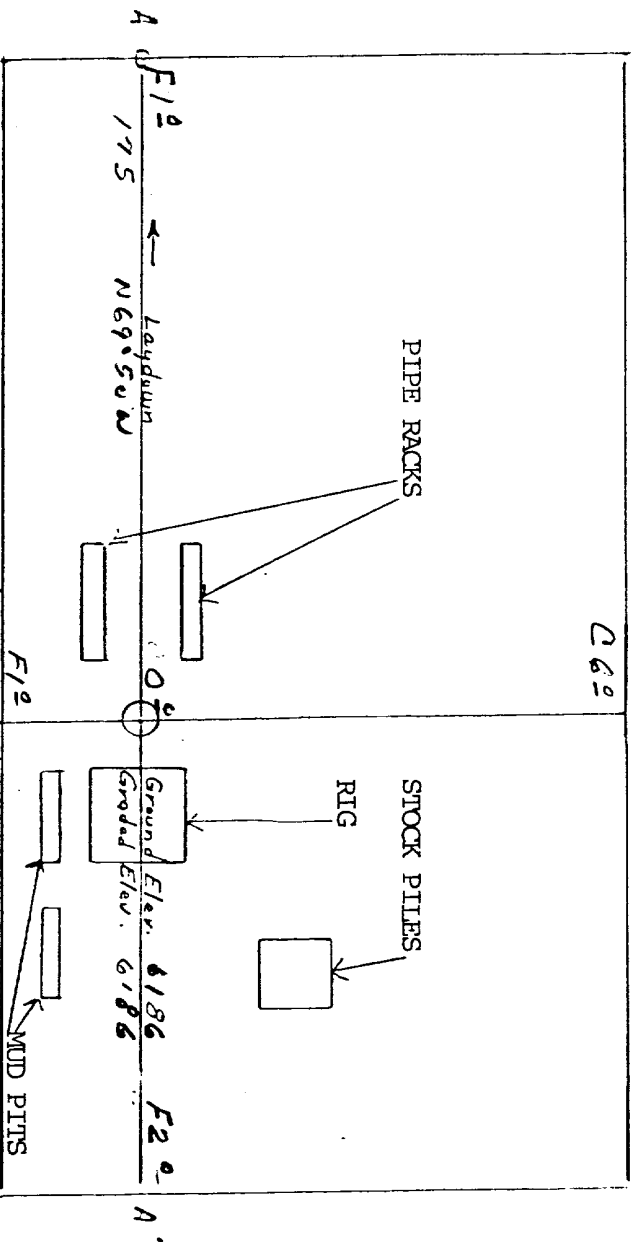
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Southland Royalty Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date: December 4, 1979

L. O. Van Ryan
District Production Manager

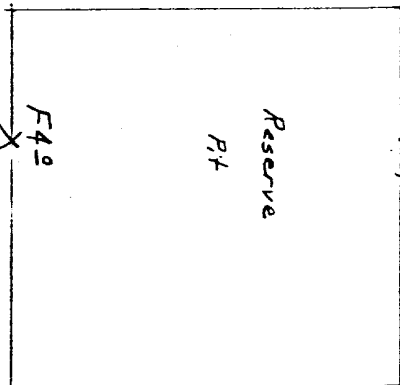
LOVR/ke

Location Profile for
 SOUTHLAND ROYALTY COMPANY #2 STATELINE
 1560' FNL 1680' FEL Sec. 14-T32N-R13W SAN JUAN COUNTY, NEW MEXICO



| Vert. 1"=40' | A-A' | Horiz. 1"=100' |
|--------------|------|----------------|
| 6190 | | |
| 6180 | | |
| 6170 | | |

| Vert. 1"=40' | B-B' | Horiz. 1"=100' |
|--------------|------|----------------|
| 6190 | | |
| 6180 | | |
| 6170 | | |



| Vert. 1"=40' | C-C' | Horiz. 1"=100' |
|--------------|------|----------------|
| | | |
| | | |
| | | |
| | | |

| Vert. 1"=40' | D-D' | Horiz. 1"=100' |
|--------------|------|----------------|
| | | |
| | | |
| | | |
| | | |

