

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-045-25033
5. LEASE DESIGNATION AND SERIAL NO.

SF-078118
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Vasaly
9. WELL NO.

2-E
10. FIELD AND POOL, OR WILDCAT

Basin Dakota
11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA

Section 31, T32N, R11W
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, New Mexico 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements:*)
At surface 950' FNL & 980' FWL
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
20 miles North of Farmington, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 950'
16. NO. OF ACRES IN LEASE 983.65

18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 100'
19. PROPOSED DEPTH 7695'

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6474' GL

17. NO. OF ACRES ASSIGNED TO THIS WELL 320 W/306.40

20. ROTARY OR CABLE TOOLS Rotary

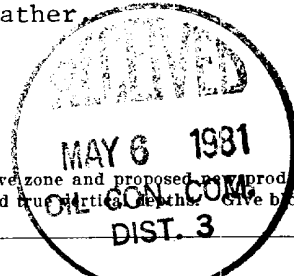
22. APPROX. DATE WORK WILL START* May 24, 1981

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"	32.30#	200'	110 sxs - Circ to surface
8-3/4"	7"	20#	3330'	280 sxs - Cover Ojo Alamo
6-1/4"	4-1/2"	10.5# & 11.6#	7695'	550 sxs - Circ. liner

Surface formation is San Jose.
Top of Ojo Alamo sand is at 1545'.
Top of Pictured Cliffs sand is at 3078'.
Fresh water mud will be used to drill from surface to intermediate total depth and air system will be used from intermediate total depth to total depth.
It is anticipated that an IEL from intermediate total depth to surface casing, GR-Induction from total depth to intermediate casing & GR-Density fr. TD to 4400' & 3380'-1600'.
No abnormal pressures or poisonous gases are anticipated in this well.
It is expected that this well will be drilled before August 1, 1981. This depends on time required for approvals, rig availability and the weather.
Gas is dedicated.

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



SIGNED P. E. Fielder TITLE District Engineer DATE April 15, 1981

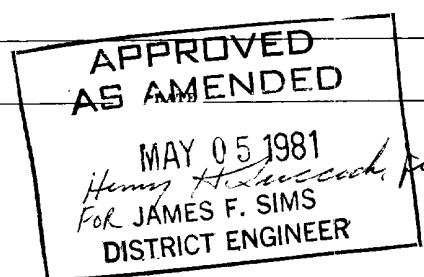
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

Www
3/160
sh I



NMOCC

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-78

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

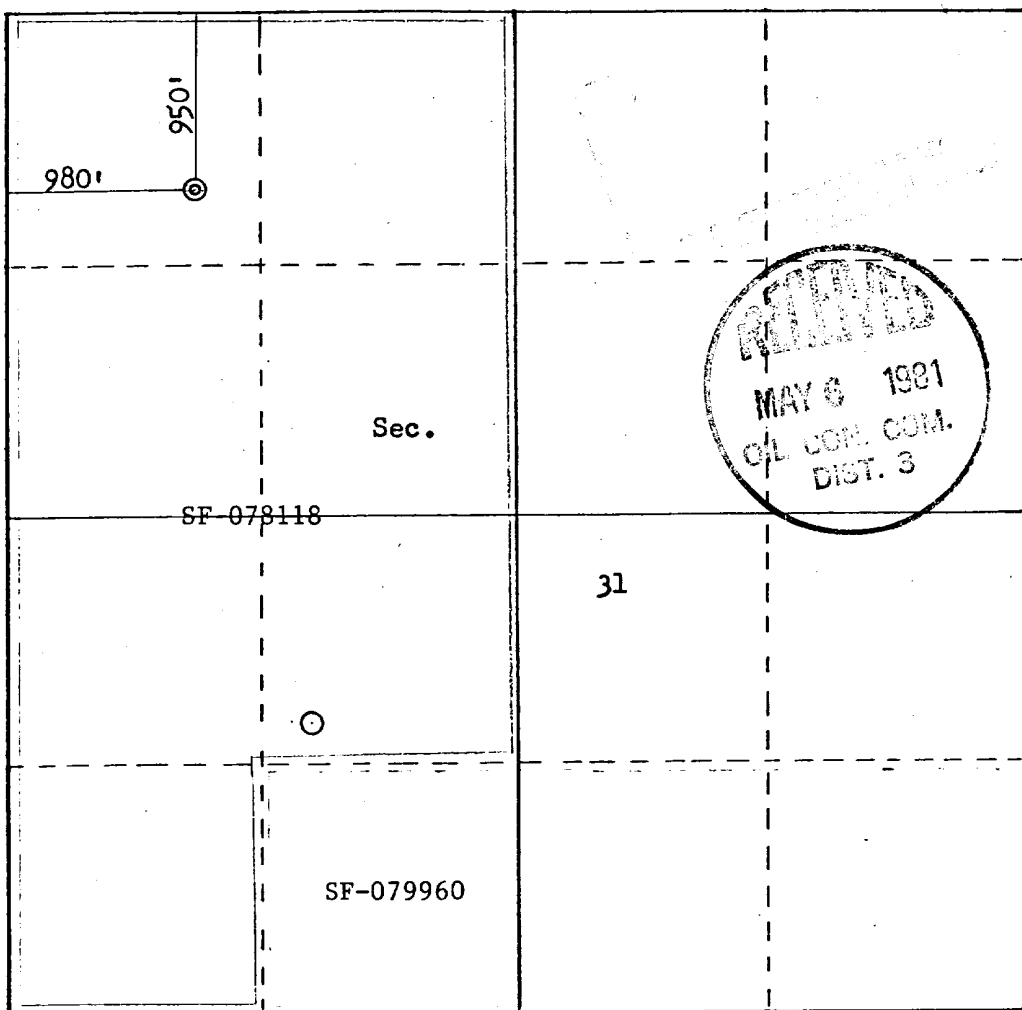
Operator SOUTHLAND ROYALTY COMPANY			Lease VASALY		Well No. 2E
Unit Letter D	Section 31	Township 32N	Range 11W	County San Juan	
Actual Footage Location of Well: 950 feet from the North line and 980 feet from the West line					
Ground Level Elev: 6474	Producing Formation Dakota		Pool Basin Dakota	Dedicated Acreage 306.40 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 Communitization

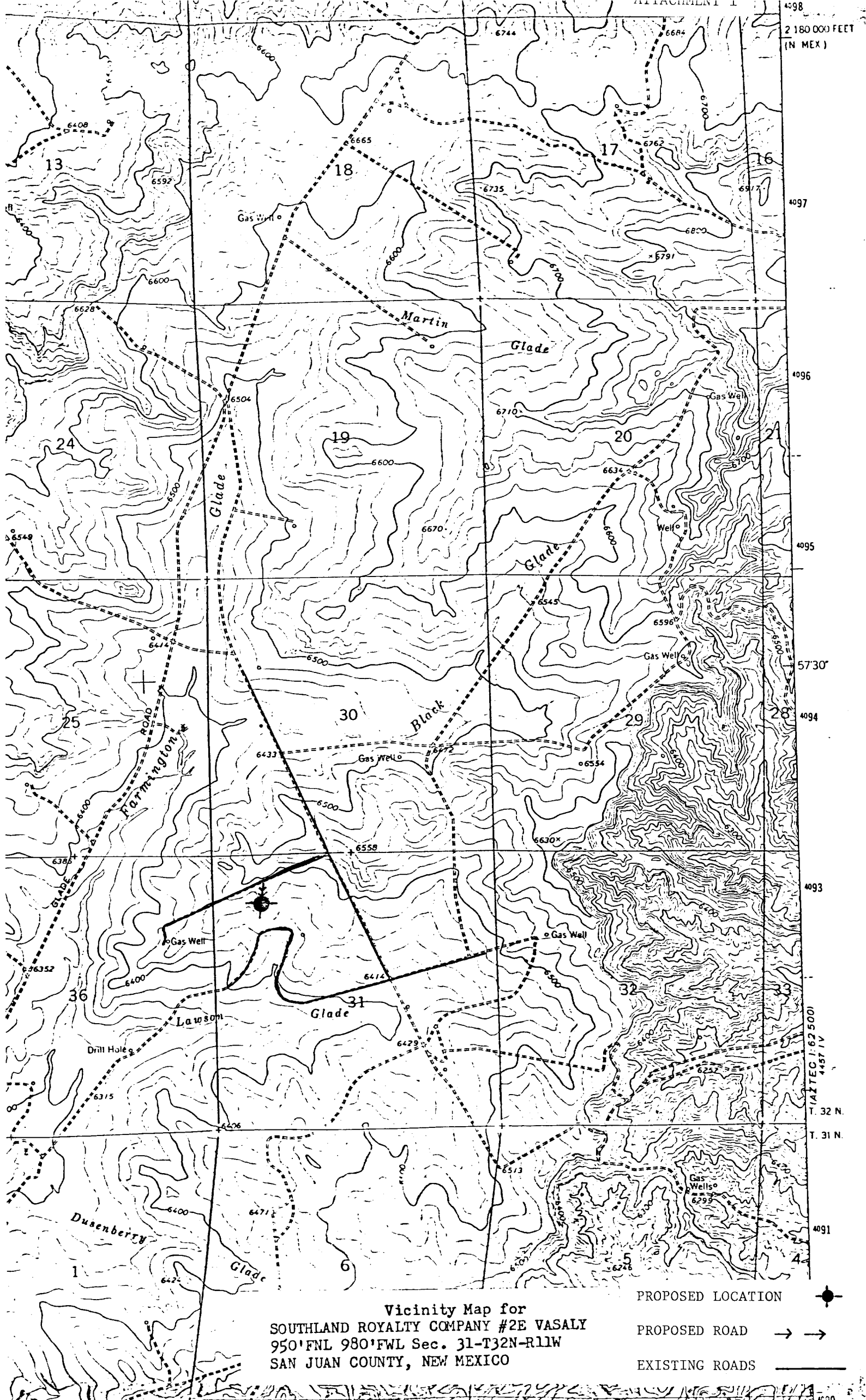
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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.






Scale: 1"=1000'

CERTIFICATION
<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>
<i>R. E. Fielder</i>
Name Robert E. Fielder
Position District Engineer
Company Southland Royalty Company
Date April 23, 1981
<i>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.</i>
Date Surveyed March 11, 1981
Registered Professional Engineer and Land Surveyor 2
<i>Fred B. Kerr, Jr.</i>
Certification No. 3950



Vicinity Map for
 SOUTHLAND ROYALTY COMPANY #2E VASALY
 950'FNL 980'FWL Sec. 31-T32N-R11W
 SAN JUAN COUNTY, NEW MEXICO

PROPOSED LOCATION 
 PROPOSED ROAD 
 EXISTING ROADS 

T. 32 N.
 T. 31 N.