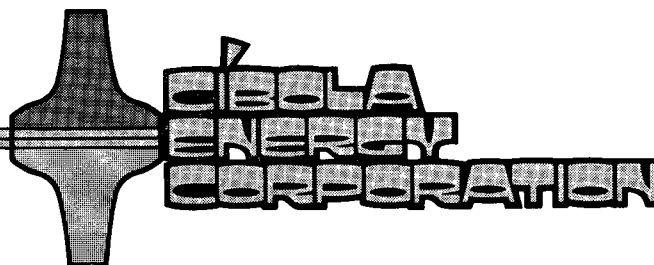


OIL CONSERVATION DIVISION
Post Office Box 1668 / Albuquerque, New Mexico 87103 / (505) 843-6762

RECEIVED
'90 JAN 17 AM 8 50



Reference _____

January 15, 1990

Mr. Michael Stogner
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Reference: Virden #1
T-14S, R-11E, NMPM, Otero County
Section 20: NW/4
100'FNL & 990'FWL

Dear Mr. Stogner:

Pursuant to Mr. Harvey E. Yates, Jr. recent conversation with you regarding the subject well, we enclose an application to drill. The application requests a location 100'FNL & 990'FWL for a 160 acre gas spacing unit.

The reason for the 100'FNL location (unorthodox) is that topography further south is too rough; orthodox locations within our target area are either in canyons or on steep slopes. Included with this letter is a partial copy of the SABINATA FLAT, N. MEX. quadrangle map by the U.S.G.S.; Section 20 is highlighted, and the proposed location is marked with a red dot.

Cibola Energy Corporation owns all of the acreage surrounding the proposed location. I have attached a partial copy of the current BLM Oil & Gas plat for T-14S, R-11E; fee leases we hold are shown in yellow, and BLM leases we hold are shown in blue, as far as Sections 17, 18, 19, and 20 are concerned.

We understand from your conversation with Mr. Yates that with the above information you can approve the unorthodox location.

Please contact me if you need more information. We would appreciate your acting on this as soon as possible.

Yours truly,

Tom Kimball
Landman

Enclosures: One(1) copy C-101
One(1) copy C-102
One copy SABINATA FLAT
One copy BLM O/G plat

XC: Mr. Mike Williams at District II office with following
Five(5) copies C-101; Five(5) copies C-102; One(1) copy SABINATA FLAT;
One(1) copy BLM O/G plat

Submit to Appropriate
District Office
State Lease -- 6 copies
Fee Lease -- 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

7. Lease Name or Unit Agreement Name

Virden

2. Name of Operator

Cibola Energy Corporation

8. Well No.

1

3. Address of Operator

P.O. Box 1668 Albuquerque, NM 87103

9. Pool name or Wildcat

Wilcat

4. Well Location

Unit Letter : 100 Feet From The North Line and 990 Feet From The West Line

Section 20 Township 14S Range 11E NMPM Otero County

10. Proposed Depth

4800

11. Formation

Ellenberger

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

5779.2

14. Kind & Status Plug Bond

15. Drilling Contractor

Rainbow Drilling

16. Approx. Date Work will start

2/1/90

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4	8 5/8	24	900	380	Surface
7 7/8	5 1/2	15.5	4560	300	3500
4 1/2					

The plan is to drill a 12 1/4 inch hole to 900 feet and set 8 5/8" casing. The pipe will then be cemented to surface with 380 sacks of class C cement and pressure tested to 750# for 30 minutes. The hole will then be drilled with mud and a 7 7/8" bit to 4560' and then 5 1/2 inch casing will be set. The casing will be cemented with 300 sx of class C cement. The rest of the well will be drilled out with air and a 4 1/2" bit to TD. Depending on the outcome of the logs, the well will be plugged or will be completed.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE

Terrell A. Dobkins

TITLE

Engineer

DATE 1/09/90

TYPE OR PRINT NAME

Terrell A. Dobkins

TELEPHONE NO. 622-0553

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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 Cibola Energy Corporation			Lease Virden		Well No. #1
Unit Letter D	Section 20	Township 14S	Range 11E	County Otero	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 100 feet from the North line and 990 feet from the West line </div>					
Ground Level Elev. 5779.2	Producing Formation Ellenberger	Pool Wildcat		Dedicated Acreage: 160 Acres	

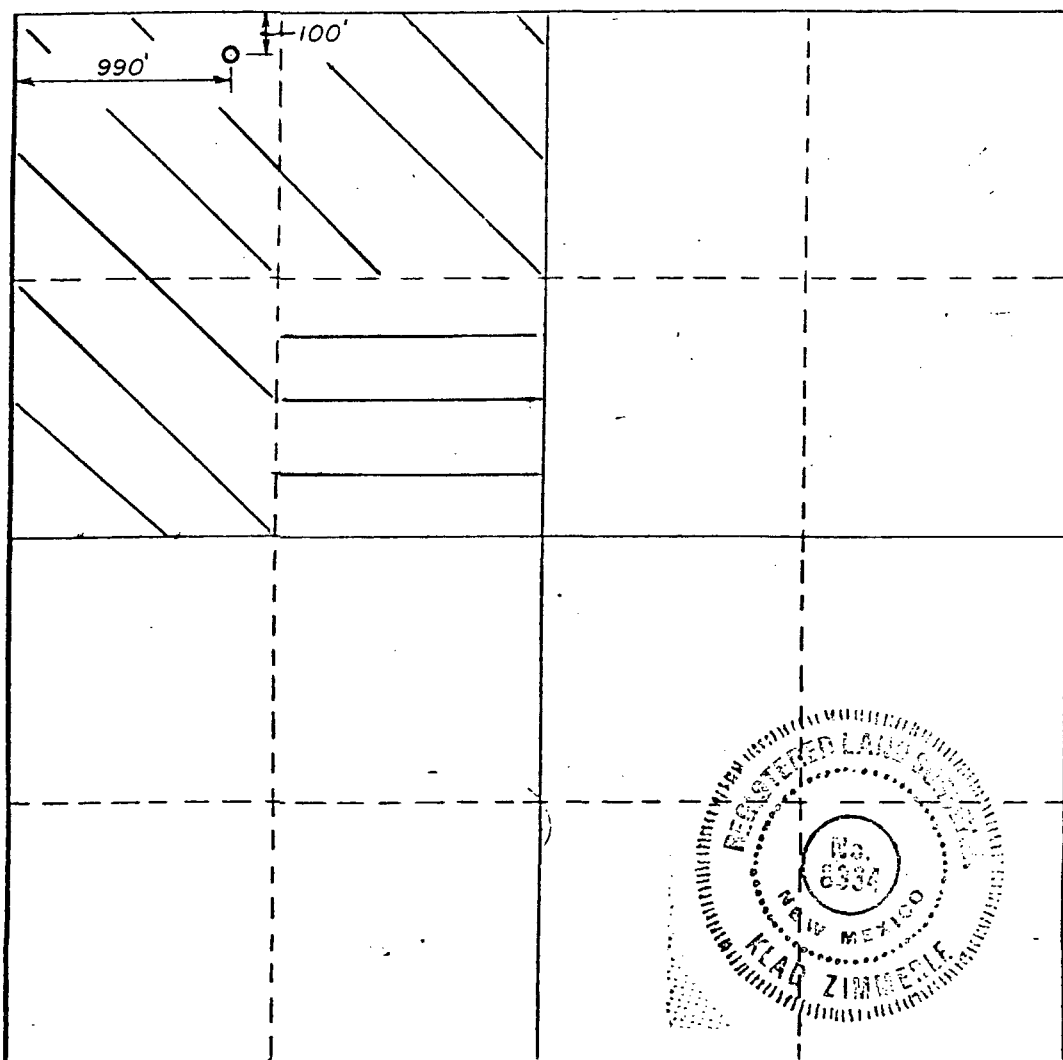
- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

$\backslash \backslash \backslash$ Fee; W.I.= Cibola Energy etal 100%; Royalty = 12.5%; ORRI = 0%
 \equiv BLM; W.I.= Cibola Energy etal 100%; Royalty = 12.5%; ORRI = 5.0%
- 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.



CERTIFICATION

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

Terrell A. Dobkins
Name **Terrell A. Dobkins**

Position **Engineer**
Cibola Energy Corporation

Company
1-15-90

Date

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
1/2/90

Registered Professional Engineer and/or Land Surveyor

K. A. Zimmel
Certificate No. **8334**

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

