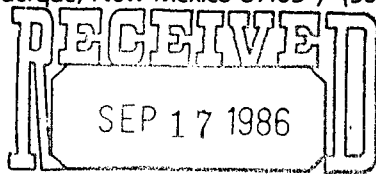


Release
Immediately

No offset

34 DRP

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



OIL CONSERVATION DIVISION
SANTA FE

NMOCD
P. O. Box 2088
Santa Fe, New Mexico 87501
Attn: David Katanach

September 16, 1986

Reference _____

Dear Mr. Katanach:

Otero County

NSR-2292

RULE-104FE

Wildcat Devonian
40 Acre dtd. SE 1/4 SE 1/4
Section 7

Cibola Energy Corporation proposes to drill the Ysletano Canyon Federal #1 located 1063 FSL & 823 FEL of Section 7-14S-11E.

We would like to drill this well 1063 FSL instead of the usual 990 FSL because of an arroyo which runs through the 990 FSL location.

Enclosed is an application to drill and a dedication plat as well as a lease map showing the ownerships of the surrounding acreage. If you have any questions, please call.

Sincerely,

Karen Tvede

Karen Tvede

Enclosures

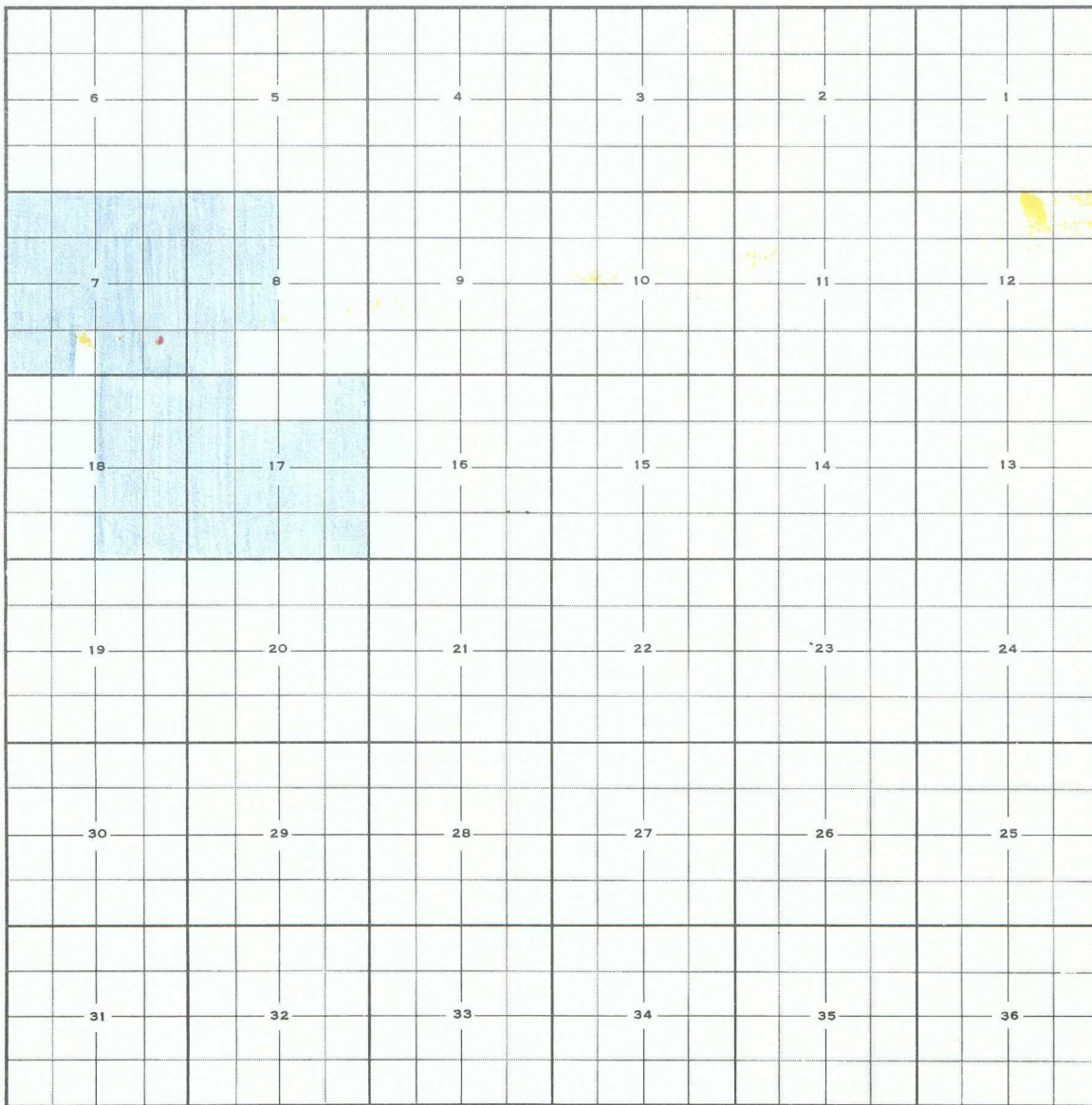
cc: BLM (Roswell)

TOWNSHIP PLAT
Scale: 1 inch = 1 mile
 Printed in U.S.A.

TOWNSHIP 14S RANGE 11E COUNTY Otero STATE New Mexico

REMARKS:

COMPANY



Cibola Energy leases 100% of the minerals.

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

Cibola Energy Corporation

3. ADDRESS OF OPERATOR

P. O. Box 1668, Albuquerque, New Mexico 87103

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

At surface

1063 FSL & 823 FEL

At proposed prod. zone

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

approximately 6 miles from Tularosa

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

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

18. DISTANCE FROM PROPOSED LOCATION*

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

16. NO. OF ACRES IN LEASE

973.42

19. PROPOSED DEPTH

3800'

17. NO. OF ACRES ASSIGNED

TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

5611.8

22. APPROX. DATE WORK WILL START*

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
16 1/2"	13 3/8"	54.5#	300'	150 sx Class C cement
12"	8 5/8"	24#	1500'	700 sx Class C cement
7 7/8"	4 1/2"	11.6#	3800'	to be determined after logs

Gas - not dedicated

BOP - See Exhibit A

Mud program - Starch gel - See Exhibit D

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

Karen Tvede

TITLE

Geologist

DATE

9/8/86

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

RECEIVED

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

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

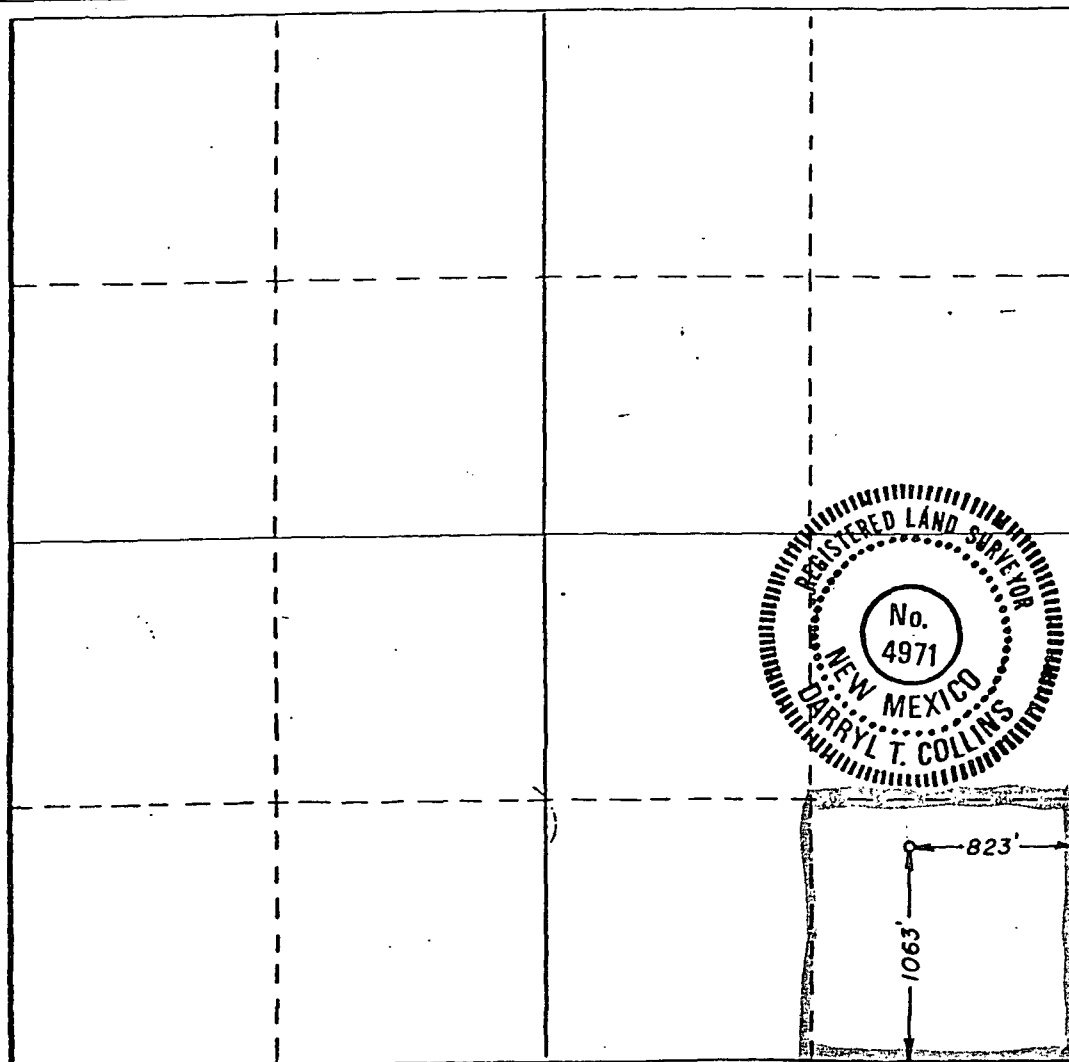
Operator Cibola Energy Corporation			Lease Ysletano Canyon Federal			Well No. 1		
Unit Letter P	Section 7	Township 14S	Range 11E	County CIBOLA ENERGY CO.				
Actual Footage Location of Well: 1063 feet from the South line and 823 feet from the East line								
Ground Level Elev. 5611.8	Producing Formation Devonian		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.) All leases held by operator and participating parties.

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.

Karen Tvede
Name

Karen Tvede
Position

Geologist

Company
Cibola Energy Corporation

Date
6-9-86

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
5/26/86

Registered Professional Engineer and/or Land Surveyor

Darryl T. Collins
Certificate No.
4971

APPLICATION FOR DRILLING

Cibola Energy Corporation
Ysletano Canyon Fed #1, Sec. 7-14S-11E
1063 FSL & 823 FEL
Otero County, New Mexico

In conjunction with form 9-331C, Application for Permit to Drill Subject Well, Cibola Energy Corporation submits the following ten items of pertinent information in accordance with U.S. Minerals Management Service requirements.

1. The geologic surface is Quaternary fill.
2. Actual tops of Geologic markers:

	<u>Depth</u>
Alluvium	surface
Abo/Wolfcamp	1350'
Virgil/Cisco	1700'
Missouri/Canyon	2100'
Des Moines/Strawn	2500'
Atoka ?	3100'
Osage	3200'
Fusselman	3600'

3. The estimated depth at which water, oil or gas are expected:

Oil is expected in the Fusselman at 3600'.
Water is expected at 280'.

4. Proposed casing program -
300' 13 3/8"
1500' 8 5/8"
3500' 4 1/2"
5. Pressure control equipment: See form 9-331C.
6. Mud program - Starch gel. See Exhibit D.
7. Auxiliary Equipment - None
8. Testing, and logging program - CN-DL, Induction Log, Comp Sonic, Gamma Ray
9. No abnormal pressures or temperatures are expected.
10. Anticipated starting date is October 15, 1986.
11. BOP Diagram - See Exhibit A.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

CIBOLA ENERGY CORPORATION
YSLETANO CANYON FEDERAL #1
1063 FSL & 823 FEL, SEC. 7-14S-11E

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS

- A. Exhibit "B" is a section of a map showing the location of proposed well. From Tularosa go NE 4 miles on highway 70. Turn right at the cattle guard and go 1 1/2 miles to location.
- B. Exhibit "B" is a plat showing existing roads and stock tanks within 1/2 mile of proposed location.
- C. No repairs to existing road are necessary.

2. PLANNED ACCESS ROAD

- A. Length and Width: A road approximately 20' long and 13' wide is all that is necessary.
- B. Surfacing Material: None will be required.
- C. Maximum Grade: 1 percent.
- D. Turnouts: None required
- E. Culverts: None
- F. Drainage Design: None
- G. Cuts & Fills: None
- H. Gates and Cattle Guards: There are no new gates or cattle guards required.

3. LOCATION OF EXISTING WELLS

There are no existing wells within 1/2 mile of the proposed site.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. There are no existing facilities. The proposed facilities are shown on Exhibit C.

5. LOCATION AND TYPE WATER SUPPLY

The water needed will be piped from the water source shown on Exhibit B or hauled over the road shown. The source shown on Exhibit B will be purchased from the rancher. It is currently piped from the spring also shown on Exhibit B.

6. LOCATION OF CONSTRUCTION MATERIALS

None will be necessary.

7. METHODS OF HANDLING WATER DISPOSAL

A. Drill cuttings will be disposed of in dirt pits.

B. Water produced while drilling will be disposed of in dirt pits.

C. Current laws and regulations pertaining to the disposal of human waste will be complied with.

D. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.

E. All trash and debris will be buried or hauled off the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES

None Required

9. WELLSITE LAYOUT

- A. Exhibit "C" shows relative locations and dimensions of the well pad.
- B. Leveling of the wellsite will be required.

10. PLANS FOR RESTORATION

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be removed and the location cleaned of all trash and junk.

11. OTHER INFORMATION

- A. Topography: See Exhibit B.
- B. Soil: See Archaeological Report.
- C. Flora and Fauna: See Archaeological Report.
- D. Ponds & Streams: There are no ponds or streams within 1 mile of proposed location.
- E. Residences and Other Structures: There is one occupied dwelling within a mile of proposed well site, See Exhibit B.
- F. Archaeological, Historical and Other Cultural Sites:
Archaeological report is enclosed.
- G. Land Use: Grazing & Hunting.
- H. Surface Ownership: private.

12. OPERATOR'S REPRESENTATIVE

Representative responsible for assuring compliance with the approved surface use plan is:

Karen Tvede
P. O. Box 1668
Albuquerque, New Mexico 87103

Office Phone: (505) 843-6762
(505) 242-2050

Home Phone: (505) 836-6317

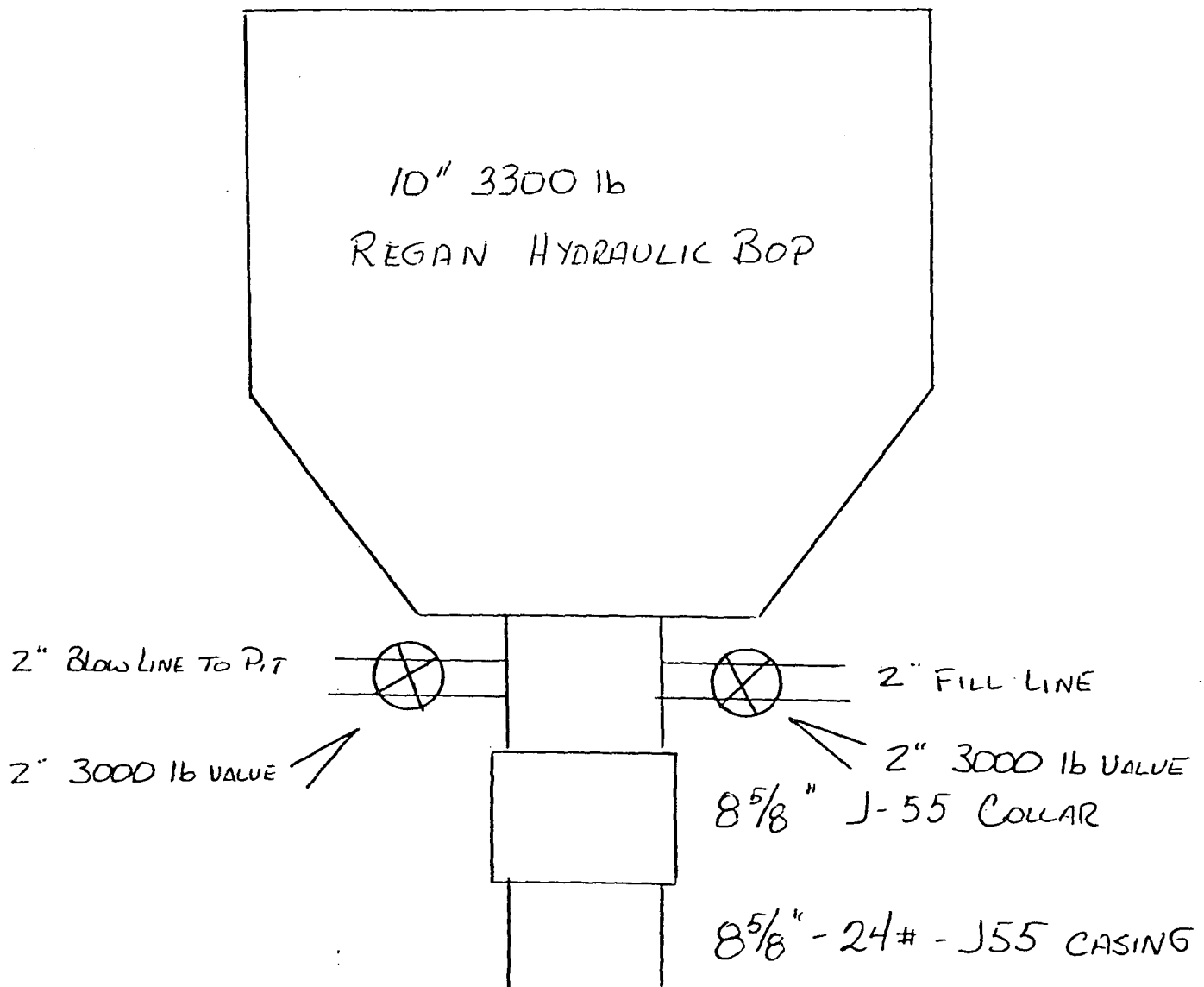
13. CERTIFICATION

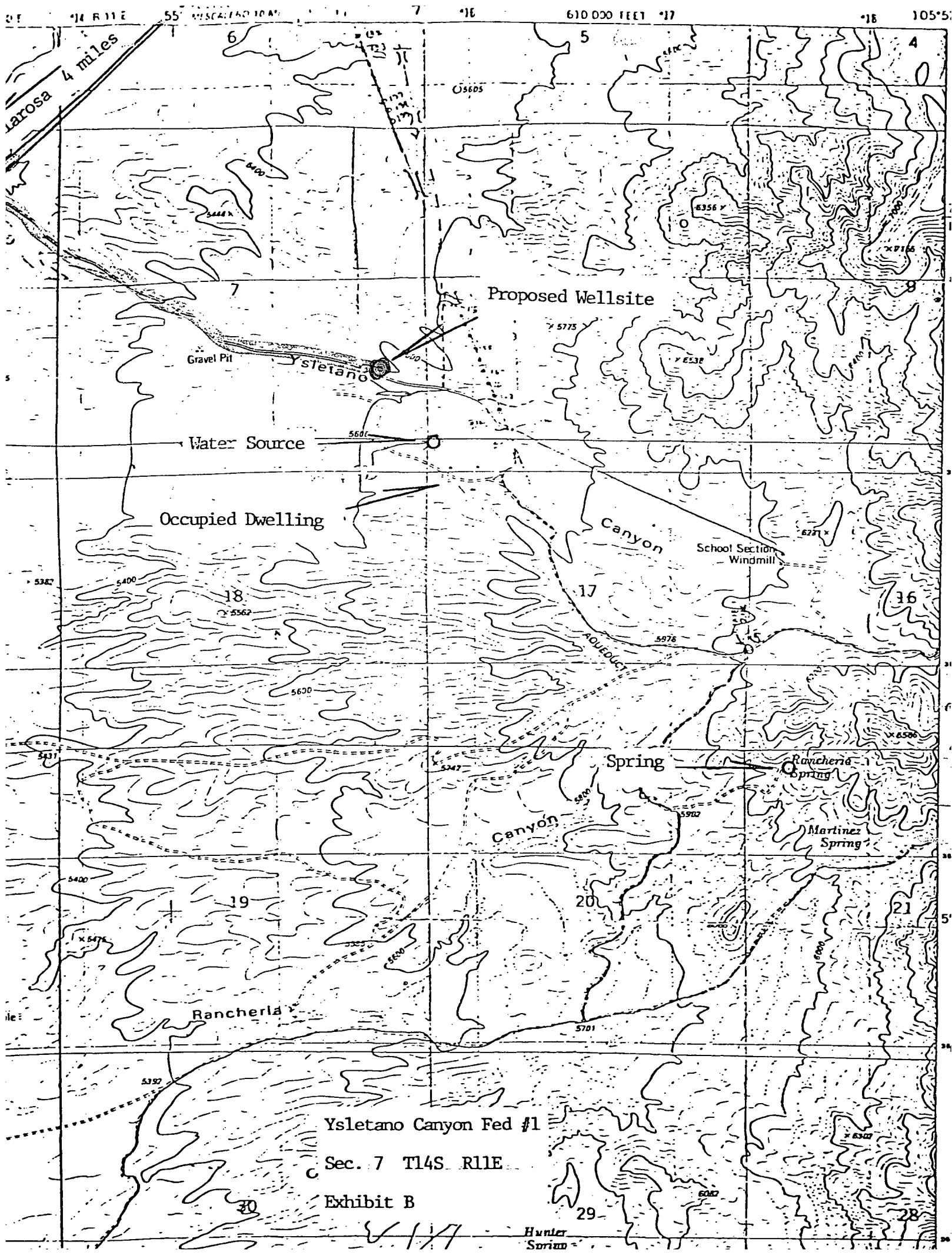
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Cibola Energy Corporation and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of No. 18 U.S.C. #1001 for filing of a false statement.

Karen Tvede
Karen Tvede

September 8, 1986
Date

YSLETANO CANYON
EXHIBIT A - BOP DIAGRAM





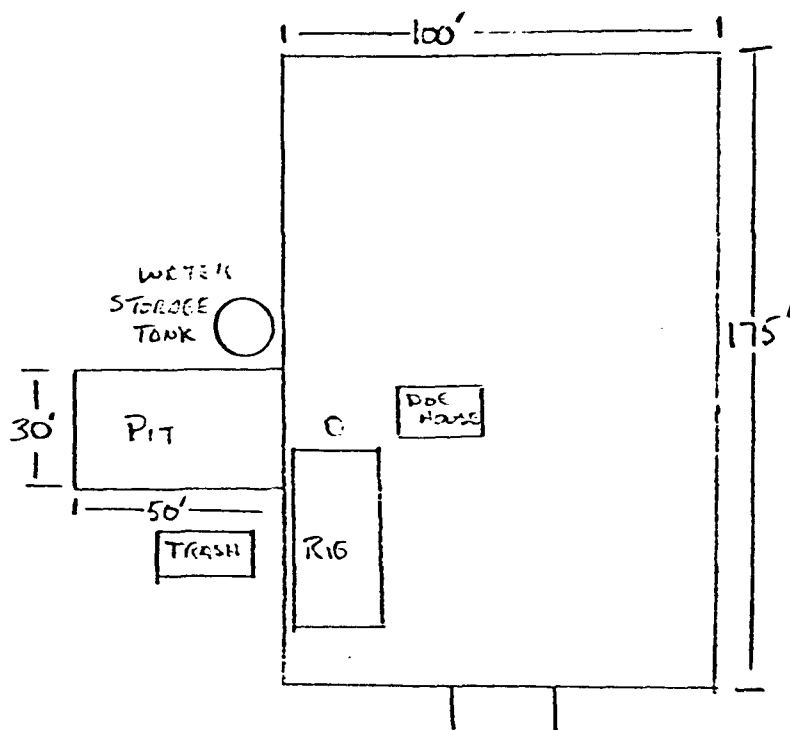


EXHIBIT C
YSLETANO CANYON FED #1
WELL PAD LAY OUT