API # 30-006-20011

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TR. CATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: M70-721-89-0001

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Zuni Tribe

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Zuni

9. WELL NO.: #1-34

10. FIELD AND POOL, OR WILDCAT: Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec.34,T8N,R20W

12. COUNTY OR PARISH: Cibola | 13. STATE: N.M.

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [ ] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: Burr Oil and Gas, Inc.

3. ADDRESS OF OPERATOR: 2901 E. 20th Street, Farmington, New Mexico 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: Sec. 34, T8N, R20W, Cibola Co., N.M.
At proposed prod. zone - Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 18 miles southwest of Zuni, New Mexico

| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) | 16. NO. OF ACRES IN LEASE | 17. NO. OF ACRES ASSIGNED TO THIS WELL |
|---|---|---|
| | 2770.82 | No field spacing rules |
| **18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.** | **19. PROPOSED DEPTH** | **20. ROTARY OR CABLE TOOLS** |
| | 1000' | Rotary |

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6625

22. APPROX. DATE WORK WILL START*: June 21, 1990

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|---|---|---|---|---|
| 11" | 9-5/8" | 36.0# J-55 | 20' | 5 sacks (6 ft$^3$) |
| 8-3/4" | 7" | 20.0# K-55 | 330' | 50 sacks (64 ft$^3$) |
| 6¼" | 4½" | 10.5# K-55 | 1000' | Volume to be determined by logging |

All prospective producing intervals in the Yeso Formation will be tested and stimulated if necessary.

EXHIBITS:

A. Location and Elevation Plat
B. Ten Point Compliance Program
C. Blowout Preventor Diagram
D. Multi-point Requirements of APD
E. Access to Location
F. Drill Rig Layout
G. Completion Program Layout
H. Location Profile

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 Joel B. Burr, Jr. TITLE President DATE May 21, 1990

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE Area Manager DATE 6/21/90

CONDITIONS OF APPROVAL, IF ANY:

SAM

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

EXHIBIT "A"

RECEIVED MAY 21 1990

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

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

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1

# OIL CONSERVATION DIVISION

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

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| Operator | | | Lease | | Well No. |
|---|---|---|---|---|---|
| BURR OIL & GAS, INC. | | | M 70-721-89-0001 | | 1-34 |
| Unit Letter | Section | Township | Range | | County |
| H | 34 | 8 N | 20 W | NMPM | Cibola |
| Actual Footage Location of Well: 1945 feet from the North line and 825 feet from the East line | | | | | |
| Ground level Elev. | Producing Formation | | Pool | | Dedicated Acreage: |
| 6625 | | | | | 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).

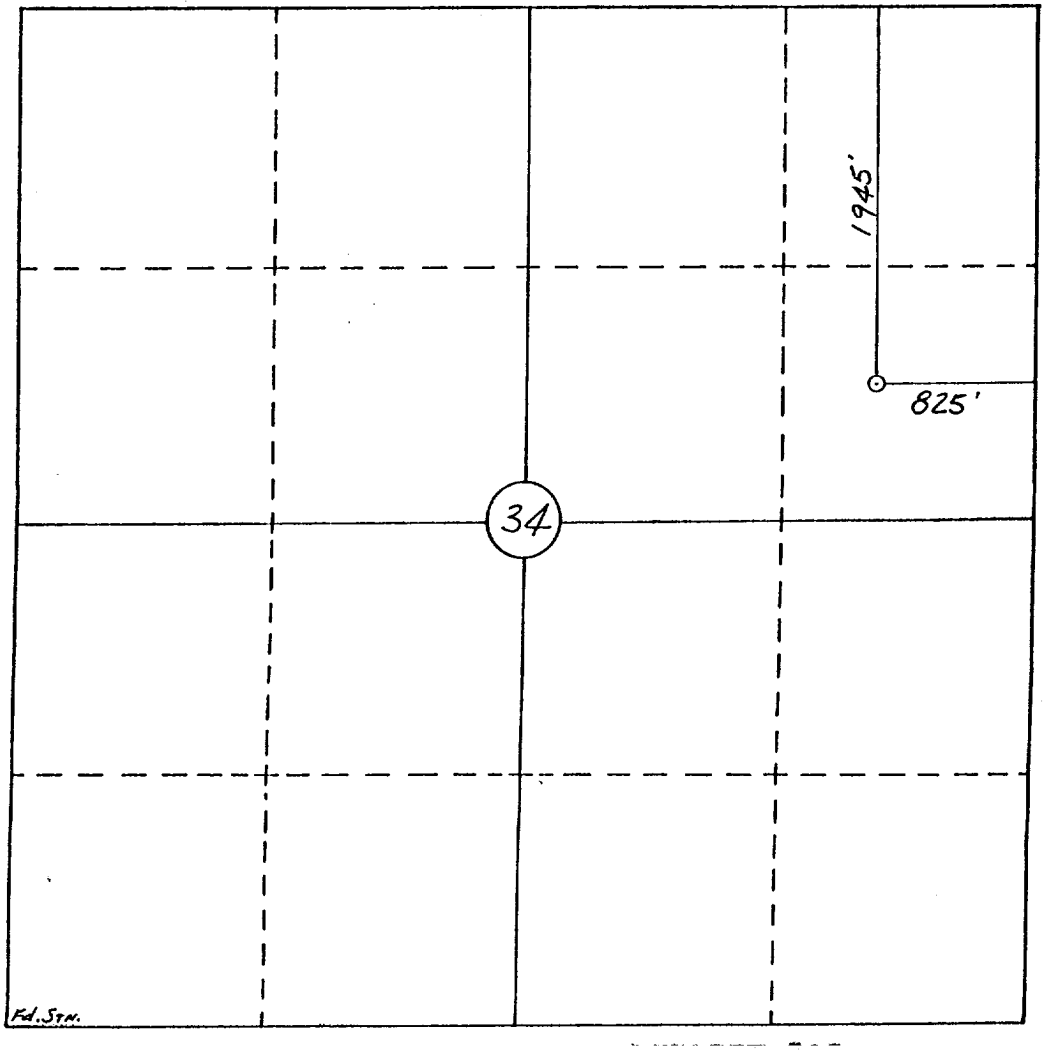
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ 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 interest, has been approved by the Division.

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




### OPERATOR CERTIFICATION

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

Signature

Printed Name

Position

Company

Date

### SURVEYOR CERTIFICATION

*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 supervison, and that the same is true and correct to the best of my knowledge and belief.*

5-18-90

Date Surveyed

William E. Mahnke II

Signature & Seal of Professional Surveyor

WILLIAM E. MAHNKE II
NEW MEXICO
#8466
REGISTERED PROFESSIONAL LAND SURVEYOR

Certificate No. 8466

Ed. Stn.

# EXHIBIT "B"

## TEN-POINT COMPLIANCE PROGRAM

## OF NTL-6 APPROVAL OF OPERATIONS

Attached to Form 9-331C

Burr Oil and Gas, Inc.
Zuni Tribal #1-34
1945' FNL and 825' FEL
Sec. 34 - T8N - R20W
Cibola County, New Mexico

1. The Geologic Surface Formation - Quaternary Alluvium

2. Estimated Tops of Important Geologic Markers

| | |
|---|---|
| San Andres | 20 |
| Glorieta | 140 |
| Yeso (Los Vallos) | 330 |
| Yeso (Meseta Blanca) | 760 |
| TD | 1000 |

3. Estimated Depths of Anticipated Water, Oil, Gas or Minerals

| | |
|---|---|
| Yeso | Oil |

4. The Proposed Casing Program

| Hole Size | Interval | Section Length | Size (OD) | Weight, Grade and Joint | New or Used |
|---|---|---|---|---|---|
| 11" | 0' - 20' | 20' | 9-5/8" | 36.0# J-55 | New |
| 8-3/4" | 20'-330' | 310' | 7" | 20.0# K-55 | " |
| 6¼" | 330'-1000' | 670' | 4½" | 10.5# K-55 | " |

Cement Program

Surface - 330' 7" 20lb.K-55 csg. cmtd. w/ 64 $ft^3$ Class B w/ 3% $CaCl_2$ and ¼ lb. Flocele per sk.

Production - 1000' 4½"10.5lb.K-55 csg. cmtd. w/ 217 $ft^3$ 50-50 pozmix w/ 2% gel, 4lb. Gilsonite and 2lb. salt per sk.*

* Exact cement volume to be determined by logging.

5. The Operator's Minimum Specifications for Pressure Control

EXHIBIT "C" is a schematic diagram of the blowout preventer equipment. The BOP's will be hydraulically tested to the full working pressure after nippling up and after any use under pressure. Pipe rams will be operationally checked each 24-hour period, as will blind rams each time pipe is pulled out of the hole. Such checks of BOP will be noted on daily drilling reports.

Accessories to BOP will include floor safety valve and choke manifold with pressure rating equivalent to the BOP stack.

6. The Type and Characteristics of the Proposed Circulating Muds

The surface hole will be drilled with air, and the Yeso section will be drilled with saltwater containing sufficient polymer to obtain good samples. Mud and weight additives will be on location to be added if pressure requires.

7. The Auxiliary Equipment to be used

(a) A float will be used at the bit

(b) The mud system will be monitored visually

(c) A stabbing valve will be on the floor to be stabbed into the drill pipe when the kelly is not in the string.

8. The Testing, Logging and Coring Program to be Followed

(a) DST - Conventional tests of any"live" oil shows in the Yeso

(b) Logging - CNL-FDC and IES with GR

(c) Coring - None

9. Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 430 psi.

No hydrogen sulfide or other hazardous fluids or gases have been found, reported or known to exist at these depths in the area.

10. Anticipated Starting Date and Duration of the Operations

The anticipated starting date is set for June 21, 1990 or as soon as possible after examination and approval of drilling requirements. Operations should be completed within 10 days.

BURR OIL AND GAS, IN
ZUNI #1-34
1945 ' FNL, 825' FEL
Sec. 34 - T8 N - R 20W
Cibola County, New Mexico

EXHIBIT

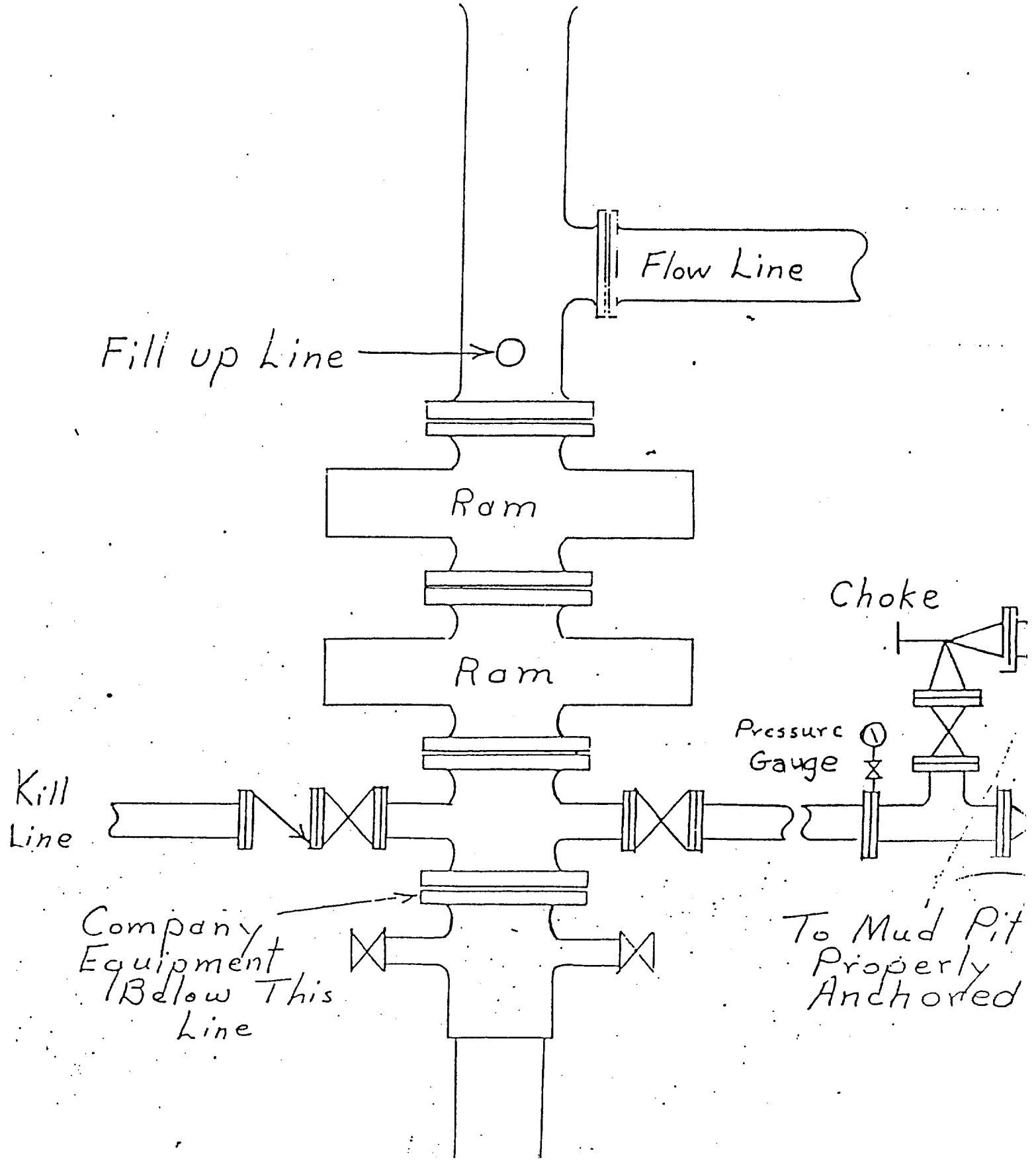


EXHIBIT "D"

MULTI-POINT REQUIREMENTS TO ACCOMPANY A.P.D.

Attached to Form 9-331C

Burr Oil and Gas, Inc.
Zuni Tribal #1-34
1945' FNL and 825' FEL
Sec. 34, T8N, R20W
Cibola County, New Mexico

1. Existing Roads

A. The proposed well site and elevation plat is shown as EXHIBIT "A".

B. Directions: Turn left (south) off of State Highway 53 approximately 1/8 mile west of the fourway stop in Zuni. Go south 0.2 mile across the Zuni River to Zuni Hwy. 2. Turn right (west) onto Zuni Hwy. 2 and proceed 13.2 miles west and south to Ojo Caliente. Go through Ojo Caliente to Zuni Hwy. 22. Continue 3.7 miles south to Zuni Hwy. 33. Turn left (east) onto Zuni Hwy. 33 and go approximately ¼ mile to a Y. Take the branch to the left (northeast) and proceed approximately 3/4 mile to the location.

C. All roads to location are indicated on Exhibits "E1" & "E2"

Existing roads will be improved, or maintained in the same or better condition

D. Exploratory wells, existing roads:

E. Development wells, existing roads:

F. Improvement and maintenance: As needed

2. Planned Access Roads

The proposed access road, as shown on Exhibit "E2", will be constructed as a one track road with a 15' - 20' driving surface width. Road bed will be constructed of surrounding material. Grade will be consistent with local terrain. All of the proposed access road and location is on Zuni Tribal land and Lease No. M 70-721-89-0001.

3. Location of Existing Wells

For all existing wells within one mile of the subject well, see Exhibit "E2". To our knowledge there is only one well in that area, a 600 foot Gallup water well that is located in the NE/4NE/4SE/4 of Sec.33 which is southwest of the Atarque Fault and geologically separated from the proposed well.

4. Location of Existing and/or Proposed Facilities

A. Within a one mile radius of location, there are no production

production facilities, tank batteries, hydrocarbon gathering lines, injection lines or disposal lines.

B. If production is obtained, new facilities will be as follows:

(1) All production facilities will be located on the pad

(2) All well flow lines will be buried and will be on the well site and battery site.

(3) Drillpad will be 135 feet long and 75 feet wide.

(4) No construction materials for battery site and pad will be necessary.

(5) Any necessary pits will be fenced and flagged to protect livestock and wildlife.

(6) Rehabilitation whether well is productive or dry, will be made on all unused acres in accordance with BLM stipulations.

5. Location and Type of Water Source

A. The source of water will be the Zuni Tribe's Ojo Caliente Reservoir.

B. Water will be transported by truck over existing roads.

C. No water well is to be drilled on this lease.

6. Construction Materials

A. No construction materials are needed for drilling and access roads into the drilling location unless production is obtained. The surface soil materials will be sufficient or will be provided by the dirt contractor as needed.

B. No construction materials will be taken off Federal or Indian lands.

C. All surface soil materials for construction of access roads are sufficient.

D. All major access roads presently exist as shown on EXHIBITS "E1" and "E2".

7. Handling of Waste Materials and Disposal

A. Drill cuttings will be buried in the mud and reserve pits and covered.

B. Drilling fluids will be handled in the mud pit.

C. Any fluids produced during test or while making a DST will be collected in a test tank. If a test tank is not available during drilling, fluids will be handled in the reserve pit. Any spills of oil, gas, saltwater or other noxious fluid will be cleaned up and removed.

D. Chemical facilities will be provided for human waste.

E. Garbage and non-flammable waste and salts and other chemicals produced during drilling or testing will be handled in trash pit. Flammable waste will be disposed of in burn pit. Drill fluids, water drilling mud and tailings will be kept in reserve pit, as shown on EXHIBIT "G". Reserve pit will be fenced on three sides and the fourth side fenced upon removal of the rig.

F. After the rig moves out, all materials will be cleaned up and no adverse materials will be left on location. Any dangerous open pit will be fenced during drilling and kept closed until such time as the pit is leveled.

8. Ancillary Facilities

No air strip, camp or other facilities will be built during drilling of this well.

9. Well Site Layout

A. EXHIBIT "G" is the Drill Pad Layout

Topsoil, if removal is required, will be stockpiled per specifications determined at time of pre-drill inspection.

B. EXHIBIT "G" is a plan diagram of the proposed rig and equipment, reserve pit, burn pit, trash pit and pipe racks. No permanent living facilities are planned. There will be a trailer on site.

C. The reserve pits will not be lined. Steel mud tanks may be used during drilling operations.

10. Plans for Restoration

A. Backfilling, leveling and contouring are planned as soon as all pits have dried. Waste disposal and spoils materials will be buried or hauled away immediately after drilling is completed. If production is obtained, the unused area will be restired as soon as possible.

B. The soil banked material, if removal required, will be spread over the area. Revegetation will be accomplished by planting mixed grasses as per formula provided by BLM.

C. Three sides of the reserve pit will be fenced during drilling operations. Prior to rig release, the reserve pit will be fenced on the fourth side to prevent livestock or wildlife from becoming entrapped; and the fencing will be maintained until leveling and cleanup is accomplished.

D. The rehabilitation operations will begin as soon as possible after the drilling rig is removed. Removal of oil or other adverse substances will begin immediately or area will be flagged and fenced. Other cleanup will be done as needed. Planting and revetation is considered best from July 15 to September 15, unless requested otherwise.

11. Other Information

A. Soil - Silt and Sand

Vegetation - Sparce Juniper and Pinon

B. The primary surface use is for grazing, and the surface is owned by the Zuni Tribe.

C. The closest live water is Rainbow Spring, which is about 3 miles northwest of the location.

There are no known occupied dwellings close to the location

There are no known archaeological, historical or cultural heritages that will be disturbed by this drilling.

D. Drilling is planned for on or about June 21, 1990, or as soon as the application for a permit to drill is approved. Operations should be completed within 10 days.

12. Lessee's or Operator's Representatives

John B. Somers II
3860 Carlock Drive
Boulder, CO 80303
Ph. No. 303-494-4529

Joel B. Burr, Jr.
2901 E. 20th Street
Farmington, NM 87401
Office: 505-325-1701
Home : " 325-7864

13. Certification

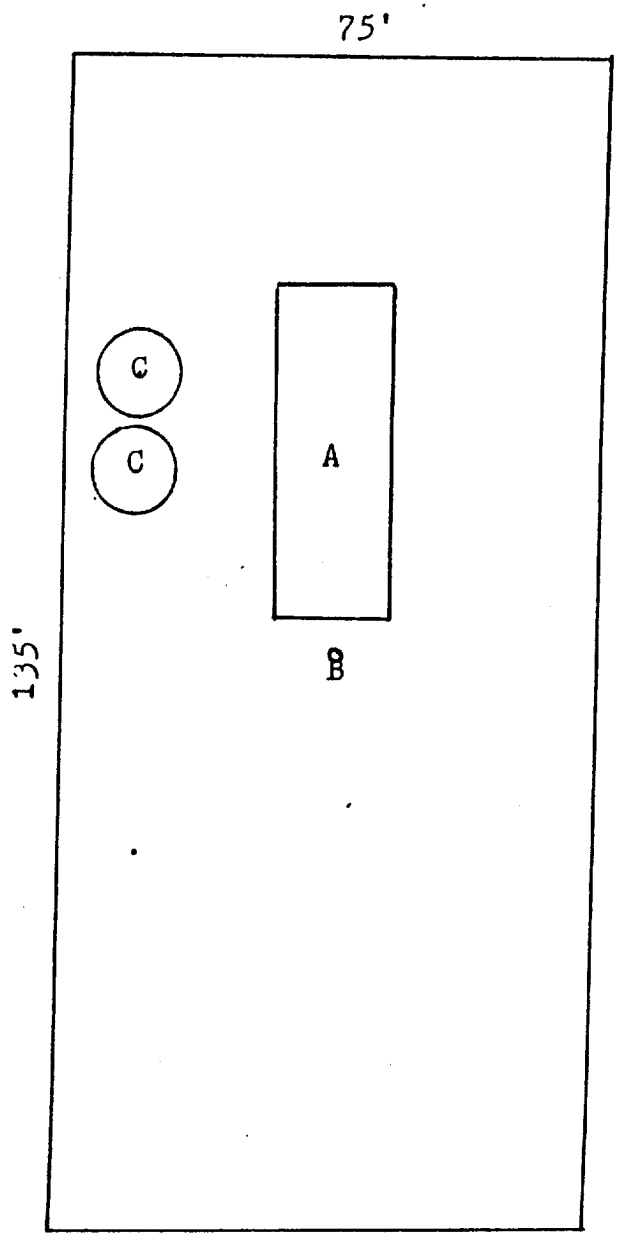
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated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

May 18, 1990
Date

John B. Somers II
Joel B Burr, Jr

EXHIBIT "F"

COMPLETION RIG LAYOUT



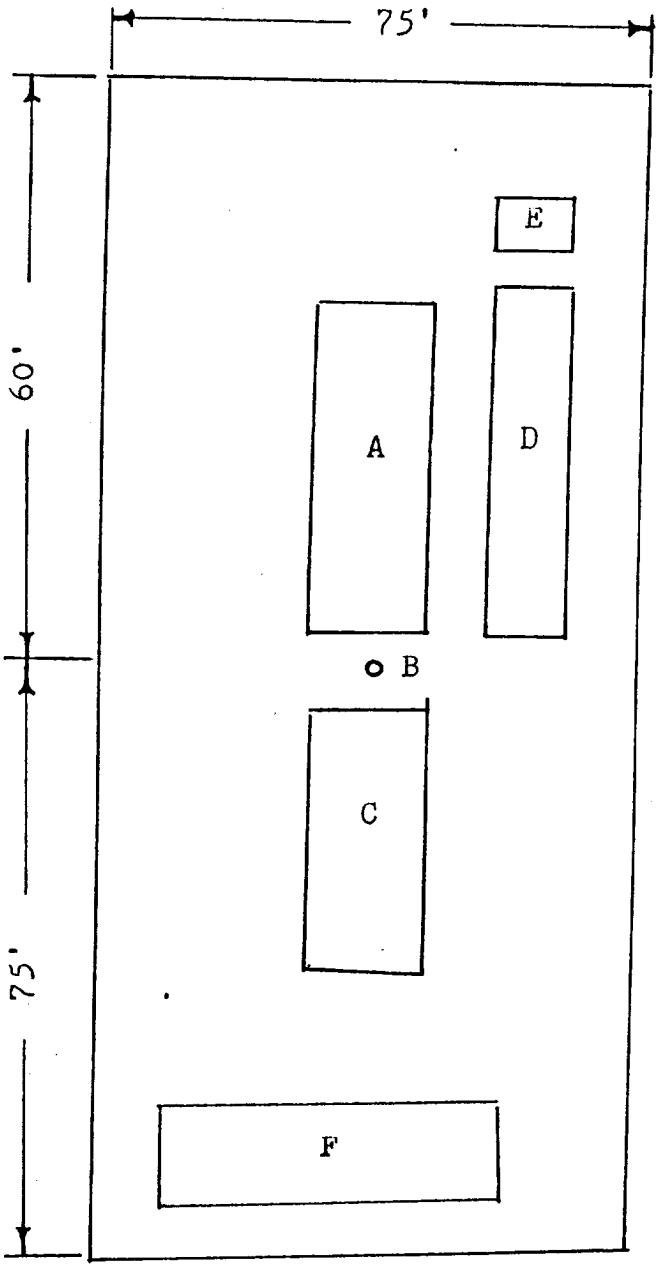

A - Completion Rig

B - Cased Hole

C - Test Tanks

EXHIBIT "G"

DRILL RIG LAYOUT

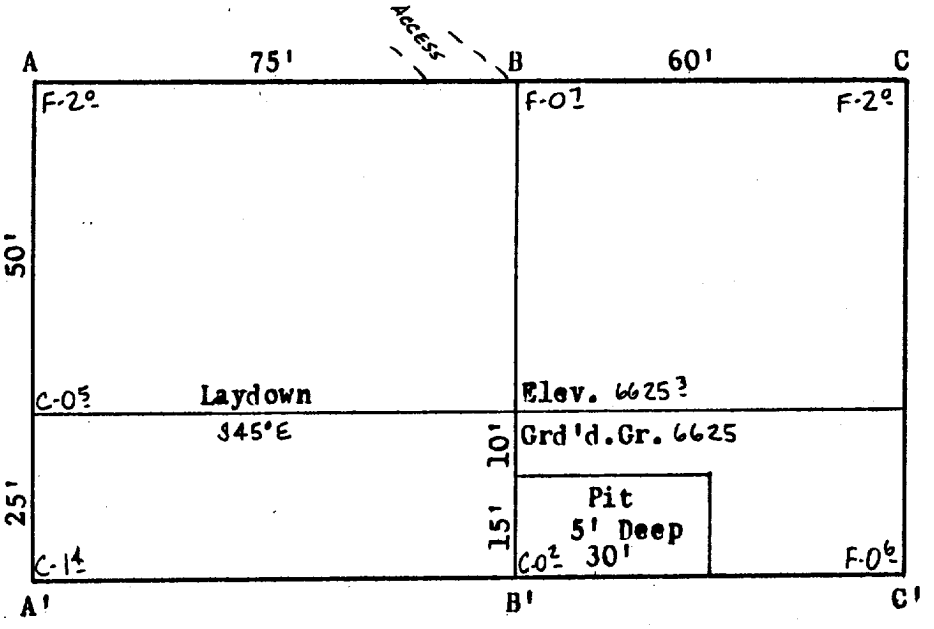



A - Rig
B - Drill Hole
C - Pipe Rack
D - Reserve Pit
E - Burn Pit
F - Mud Logging Trailer

EXHIBIT "H"

BURR OIL & GAS, INC.

1945'FNL & 825'FEL
Sec.34, T8N, R20W
Cibola Co., N.M.




Scale: 1"=30'

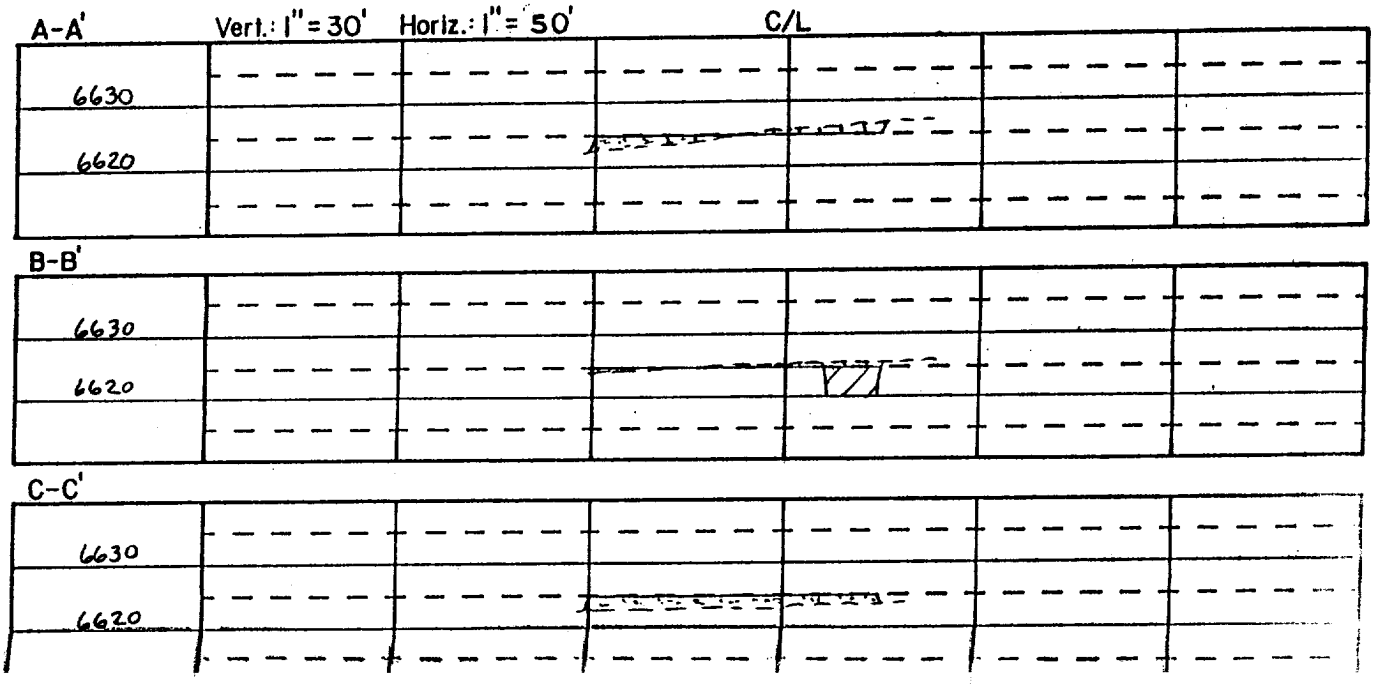


EXHIBIT "E1"

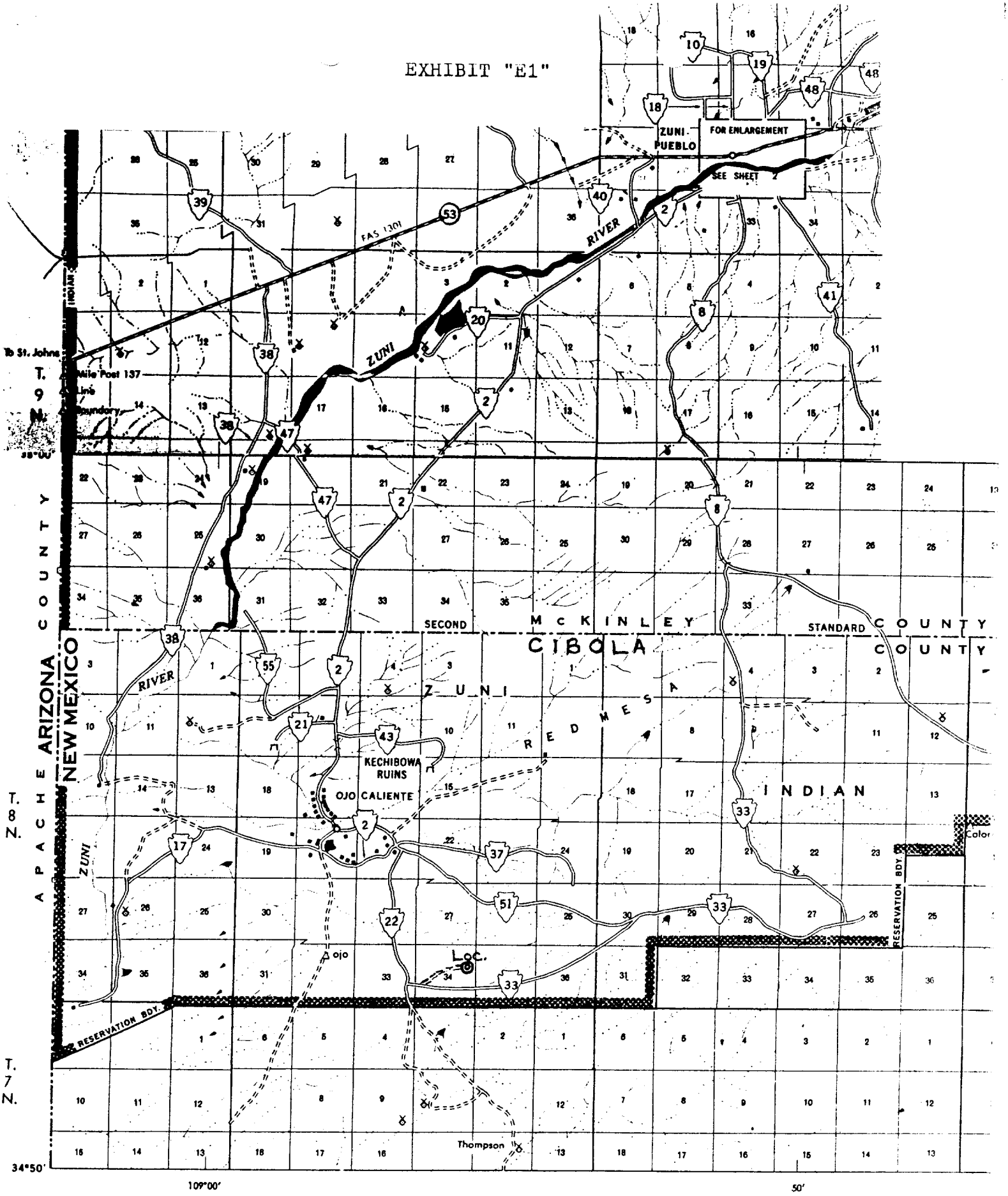
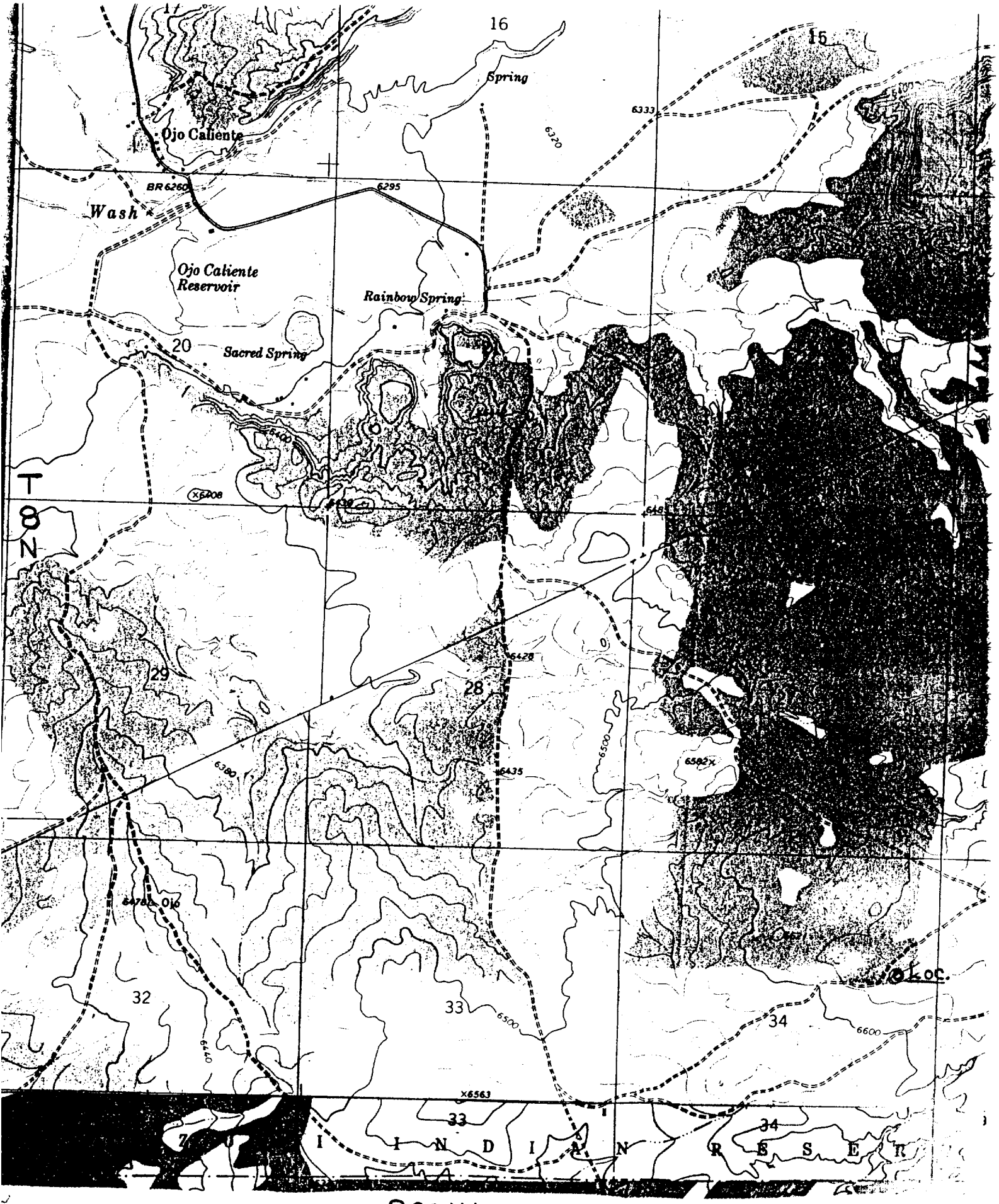

ZUNI PUEBLO
FOR ENLARGEMENT
SEE SHEET 2
ZUNI RIVER
FAS 1301
To St. Johns
Mile Post 137
State Line
Boundary
ARIZONA
NEW MEXICO
APACHE COUNTY
McKINLEY COUNTY
CIBOLA COUNTY
STANDARD
SECOND
ZUNI
REDMESA
INDIAN
RESERVATION BDY.
KECHIBOWA RUINS
OJO CALIENTE
ojo
Loc.
Thompson
T. 9 N.
T. 8 N.
T. 7 N.
34°50'
109°00'
50'
R. 21 W.
R. 20 W.
R. 19 W.
SCALE OF MILES

EXHIBIT "E2"


16
15
Spring
6333
6320
Ojo Caliente
BR6260
6295
Wash
Ojo Caliente
Reservoir
Rainbow Spring
20
Sacred Spring
6400
T
8
N
X6208
6428
29
28
6380
6435
6500
6592X
6478
Oil
32
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6500
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6440
X6563
Loc.
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34
7
I N D I A N R E S E R
R20W