

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address. PACIFIC WESTERN LAND COMPANY c/o Phelps Dodge Corporation 2600 N. Central, Suite 110 Phoenix AZ 85004		Field Rep.: Don Riggs 520-587-0966	² OGRID Number 193309 ³ API Number 30-00720258
⁴ Property Code 27531	⁵ Property Name RAIL CANYON		⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	36	T29N	R20E	A	1235.7	NORTH	1073.3	EAST	COLFAX

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
⁹ Proposed Pool 1 WILDCAT					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 6739.6
¹⁶ Multiple N	¹⁷ Proposed Depth 295	¹⁸ Formation VERMEJO	¹⁹ Contractor STEWART BROS.	²⁰ Spud Date 3/5/2001

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	20	1000	60 SXS.	CIRC.
12 1/4"	8 5/8"	20	240	120 SXS.	CIRC.
7 7/8"	Open Hole	----	295		

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Pacific Western proposes to set 13 5/8 and 8 5/8 casing at 100 and 240 feet. The well will be completed openhole in the Dawson Seam coal mine anticipated at 285 to 295 feet.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Cynthia M. Chandley</i>		OIL CONSERVATION DIVISION	
Printed name: Cynthia M. Chandley		Approved by: <i>[Signature]</i>	
Title: Vice President		Title: DISTRICT SUPERVISOR	
Date: February 25, 2001		Approval Date: 3/5/01	Expiration Date: 3/5/02
Phone: 602-234-4896		Conditions of Approval: Attached <input type="checkbox"/>	

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1994

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name RAIL CANYON			⁶ Well Number Rail Canyon #1
⁷ OGRID No.		⁸ Operator Name PACIFIC WESTERN LAND COMPANY			⁹ Elevation 6739.6'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
A	36	T 29 N	R 20 E	A	1235.7	North	1073.3	East	Colfax

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
									Colfax

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					1235.7 1073.3	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <i>Cynthia M. Chandley</i> CYNTHIA M. CHANDLEY Printed Name VICE PRESIDENT Title 2/25/01 Date
						¹⁸ 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 supervision and that the same is true and correct to the best of my belief. February 8, 2001 Date of Survey Signature and Seal of Professional Surveyor: <i>Joe Shultz</i> Certificate Number 5103

306 Airport Road
Post Office Box 2067
Milan, New Mexico 87021
Phone 505-287-2986
Fax 505-287-7660

Stewart Brothers
DRILLING CO.

FAX

From: **David H. Stewart** david@stewartbrothers.com

Date: **February 23, 2001**

To: **John Worrall**

Fax: **(505) 622-6671**

Firm: **Scott Exploration**

Pages: **1** Including cover page

John,

Equipment:

Drilling Rig: Failing CF 2500 equipped as follows:

- 54 foot 90,000 lb mast. (Our mast will handle Range 2 casing up to 46 feet in length)
- 18" Rotary Table
- Double drum draw-works with makeup and breakout catheads
- Two Gardner Denver 5" X 10" mud pumps mounted on the rig carrier
- 5 hydraulic leveling jacks
- Substructure (60" Drive on sub -two float loads)

Drilling Tools:

- 3 1/2 inch drill pipe with 3 1/2 inch IF box to pin connections
- 6 1/4 inch drill collars total 200 feet with 4 1/2 inch X-Hole connections
- 8" drill collars for drilling and setting surface casing or drilling into abandon mines.
- Slips, elevators, and tongs for our drilling tools.
- Rotating Head and blooie-line.
- Double gate blowout preventer and hydraulic closing unit.

Pipe Trucks (for transportation of our drill-pipe and drill-collars)

Water Truck (we can supply more than one if needed) tandem-axle self-loading

Air Compressor (900/350) we supply the fuel

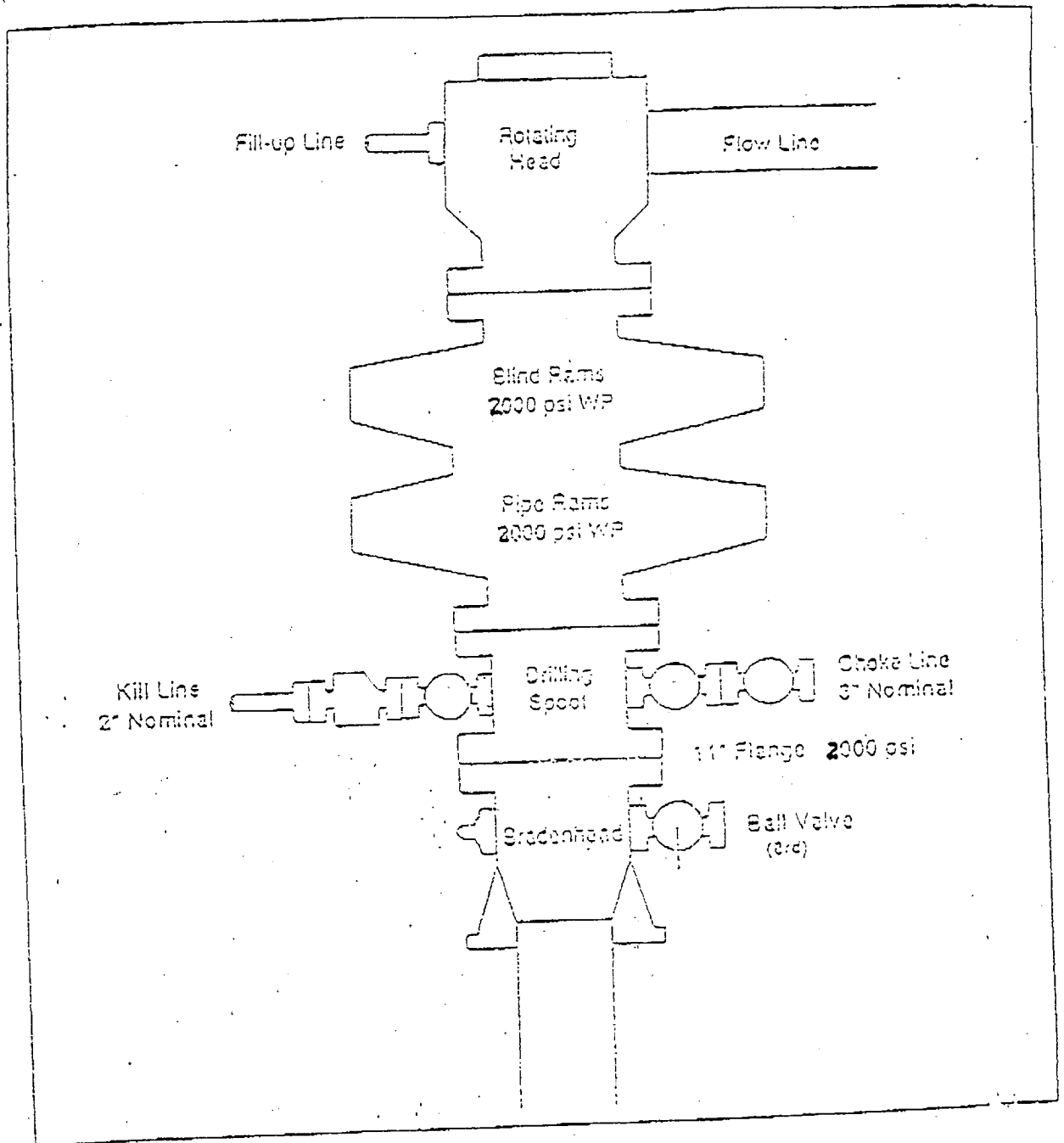
Booster Compressor (our booster will boost the air pressure from the primary to 600 psi).

Doghouse (crew and tool quarters) Aluminum van mounted on single axle truck

Crew and supply transportation via crew pickups

Toolpusher pickup (equipped with welder and cutting torch)

BOP STACK ARRANGEMENT



All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 600 psi. The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.