

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK

DRILL ☒

DEEPEN ☒

PLUG BACK ☐

2. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

SINGLE ZONE ☐

MULTIPLE ZONE ☒

3. NAME OF OPERATOR

MESA GRANDE RESOURCES, INC.

4. ADDRESS OF OPERATOR

1200 Philtower Building, Tulsa, OK. 74103

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

At surface: 1040' N 850' FWL and 1040' FNL

At proposed prod. zone

same as surface

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

6 miles North of Lindrith, New Mexico

7. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

850'

8. NO. OF ACRES IN LEASE

320

9. NO. OF ACRES ASSIGNED
TO THIS WELL

240 W 325-06

10. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

NA

11. PROPOSED DEPTH

8135'

12. ROTARY OR CABLE TOOLS

Rotary

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

7335' GR

14. APPROX. DATE WORK WILL START*

January 1, 1986

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

PROPOSED CASING AND CEMENTING PROGRAM

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | |
|--------------|----------------|-----------------|---------------|----------------------|
| 12 1/4" | 9 5/8" | 36# | 500' | 280 ft ³ |
| | 5 1/2" | 17# | TD | 2420 ft ³ |

PROPOSED PROGRAM

- Proposed well will be drilled through the Dakota Formation and will evaluate the hydrocarbon potential of the Dakota, Graneros, Greenhorn, and Mancos zones. Completion program will be determined at total depth after log analysis.
- A BOP will be installed after surface casing is set and cemented. Prior to drilling out from under surface, BOP will be tested to 500 # S.P. All subsequent work will be conducted through BOP.
- Drilling mud will be low solid non-dispersed; 35-45 visc., 8.5-9.2 lbs.
- If well is found to be non-productive, all water zones and zones with hydrocarbon shows will be bridged and cemented prior to plugging the well.
- CEMENTING: 1st - T.D. to 6600' ± 135 ft³ 65/35 Poz w/ 6% Gel, 1/2# D-29 cello flake and 10% salt. Tail in w/ 350 ft³ RFC. TOC 6500' ±; 2nd - 6450' to 3800' ± DV tool @ 6450' w/ 280 ft³ 65/35 Poz w/ 6% Gel, 1/2# D-29 cello flake and 10% salt. Tail in w/ 950 ft³ RFC. TOC 3800' ±; 3rd - 3600' to 2000' ± DV tool @ 3600' w/ 580 ft³ 65/35 Poz w/ 6% Gel, 1/2# D-29 cello flake, 10% salt. Tail in w/ 465 ft³ RFC.
- West Half of Section 1, T24N-R2W, is dedicated to this well

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.

SIGNED Christopher L. Phillips
Christopher L. Phillips
(This space for Federal or State office use)

TITLE Manager of Field Operations DATE 12/12/85

RECEIVED

JAN 16 1986

OIL CON. DIV.
DIST. 3

DATE 1/3/86
J. Stan McKee

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

Held C-104 for acreage
Consolidation

BIMOC

*See Instructions On Reverse Side

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 MESA GRANDE RESOURCES, INCORPORATED | | | Lease FEDERAL-INVADER | | Well No. 1 |
| Unit Letter D | Section 1 | Township 2LN | Range 2W | County Rio Arriba | |
| Actual Footage Location of Well: | | | | | |
| 1040 feet from the North line and | | 850 feet from the West line | | | |
| Current Legal Elev. 7335 | Producing Formation Gallup/Dakota | Foot Gavilan Mancos; Gavilan Grnhn/Grnrs/Dakota | | Dedicated Acreage: 320 325 06... | |

- 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).
- 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 pending 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.

| | | | |
|--|--|---|--|
| | | <p>RECEIVED</p> <p>DEC 19 1985</p> <p>BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA</p> | |
| <p>Sec. Mesa Grande, Ltd. 95% Arriba Company, Ltd 5%</p> | | | |
| <p>Federal Minerals NM - 43740</p> | | <p>1</p> | |
| <p>Kenai Oil and Gas 50% Jerome P. McHugh 37 1/2% Dugan Production 12 1/2%</p> <p>FEE MINERALS</p> | | | |

| | |
|--|---|
| <p>CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Gregory R. Phillips</i></p> | |
| Name | Gregory R. Phillips |
| Position | Vice President |
| Company | Mesa Grande Resources |
| Date | December 13, 1985 |
| <p>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.</p> | |
| Date Surveyed | November 1985 |
| Registered Professional Engineer and Land Surveyor | <p><i>Fred B. Kern</i></p> <p>No. 12350</p> |
| Certificate No. | |