

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

<p>1a. TYPE OF WORK PLUG BACK</p> <p>1b. TYPE OF WELL GAS</p>	<p>5. LEASE NUMBER SF-077874</p> <p>6. IF INDIAN, ALL. OR TRIBE NAME</p>
<p>2. OPERATOR SOUTHLAND ROYALTY COMPANY</p>	<p>7. UNIT AGREEMENT NAME</p>
<p>3. ADDRESS & PHONE NO. OF OPERATOR P.O. BOX 4289 FARMINGTON, NM 87499 (505) 326-9700</p>	<p>8. FARM OR LEASE NAME HANKS</p> <p>9. WELL NO. #5</p>
<p>4. LOCATION OF WELL 1450' FSL, 790' FWL</p>	<p>10. FIELD, POOL, OR WILDCAT BASIN FRUITLAND COAL</p> <p>11. SEC. T. R. M OR BLK. SEC. 07, T26N, R09W T27N</p>
<p>14. DISTANCE IN MILES FROM NEAREST TOWN</p>	<p>12. COUNTY SAN JUAN</p> <p>13. STATE NM</p>
<p>15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE.</p>	<p>16. ACRES IN LEASE</p> <p>17. ACRES ASSIGNED TO WELL 321.58</p>
<p>18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DR. COMPL., OR APPLIED FOR ON THIS LEASE.</p>	<p>19. PROPOSED DEPTH</p> <p>20. ROTARY OR CABLE TOOLS</p>
<p>21. ELEVATIONS (DF, FT, GR, ETC.) 6186 DF</p>	<p>22. APPROX. DATE WORK WILL START</p>
<p>23. PROPOSED CASING AND CEMENTING PROGRAM</p>	

*SEE OPERATIONS PLAN

24. AUTHORIZED BY: *David B. Sheffield* (SHL) **RECEIVED** 9-20-90
REGULATORY AFFAIRS OCT 5 1990 DATE

OIL CON. DIV.
DIST. 3

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

NOTE: THIS FORMAT IS ISSUED IN LIEU OF US BLM FORM 3160-3.
(NO ADDITIONAL DIRT WORK WILL BE REQUIRED)

Sheffield

APPROVED
OCT 02 1990
FOR AREA MANAGER

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

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

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

DISTRICT II
P.O. Drawer 00, Artesa, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Southland Royalty Company		Lease Hañks (SF-077874)	Well No. 5
Unit Lease L	Section 7	Township 27 North	Range 9 West
Actual Footage Location of Well: 1450 feet from the South line and 790 feet from the West line		County San Juan	
Ground level Elev. 6176'	Producing Formation Fruitland Coal	Basin Basin	Dedicated Acreage 321.58 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or Indian 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 commutation, unitization, force-pooling, etc.?
 Yes No - If answer is "yes" type of consolidation: _____

If answer is "no" list the owners and trust descriptions which have acreage been consolidated. (Use reverse side of this form if necessary): _____

No allowable well be assigned to the well until all interests have been consolidated (by commutation, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

Not re-surveyed prepared from a plat by Charles J. Finklea dated 1-4-52.

RECEIVED
OCT 5 1990
OIL CON. DIV.
DIST. 3

OPERATOR CERTIFICATION

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

Signature: *Peggy Bradfield*

Printed Name: **Peggy Bradfield**

Position: **Regulatory Affairs**

Company: **Southland Royalty Co**

Date: **9-20-91**

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes on actual surveys made by me or under my supervision and that the same instruments correct to the best of my knowledge and belief.

Date Surveyed: **9-19-90**

Signature: *Neale C. Edwards*

Professional Seal: **6857**

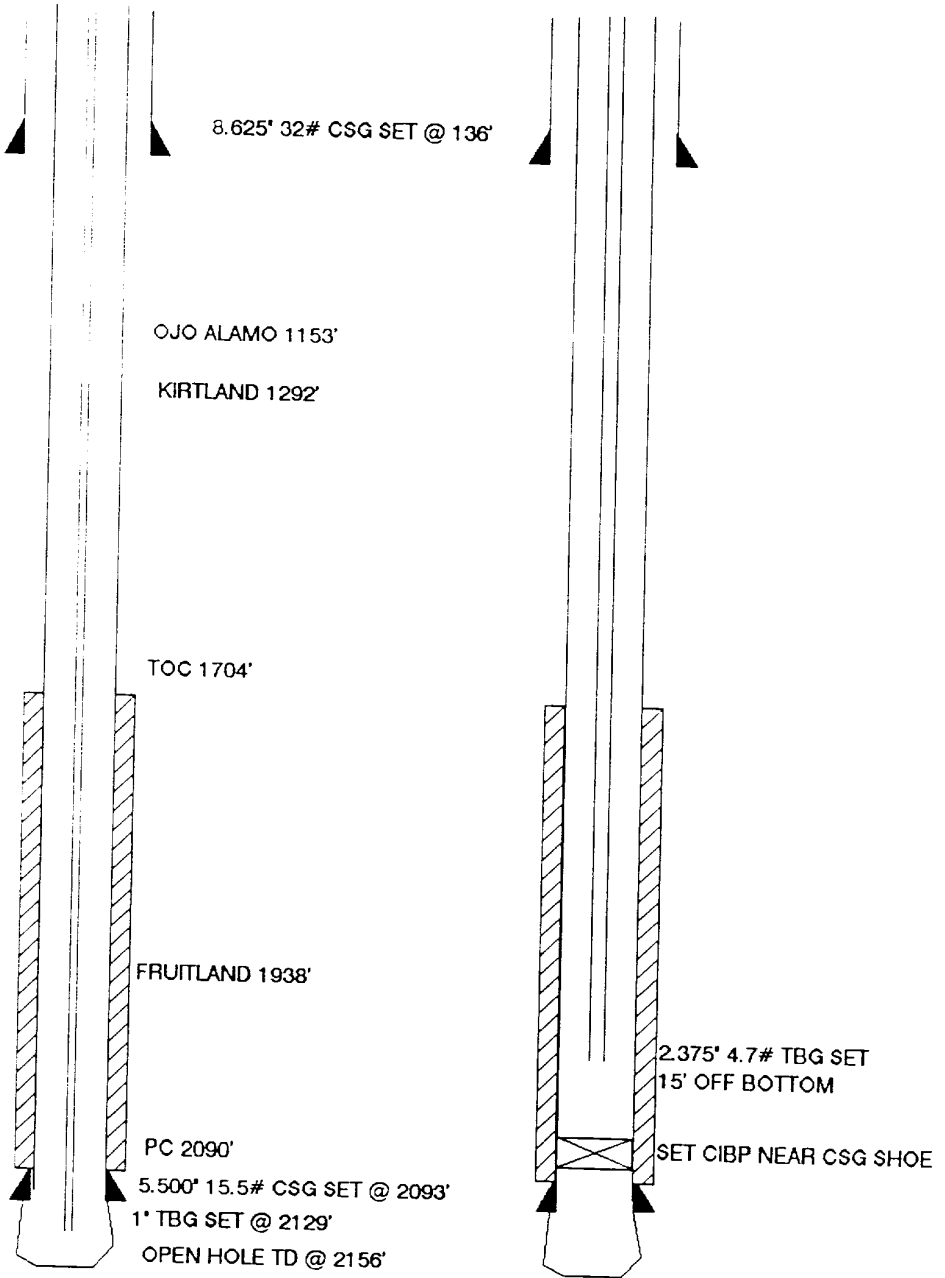
Confession: **NEALE C. EDWARDS**

790'
1450'

HANKS #5 WELLBORE DIAGRAMS

BEFORE R/C

AFTER R/C



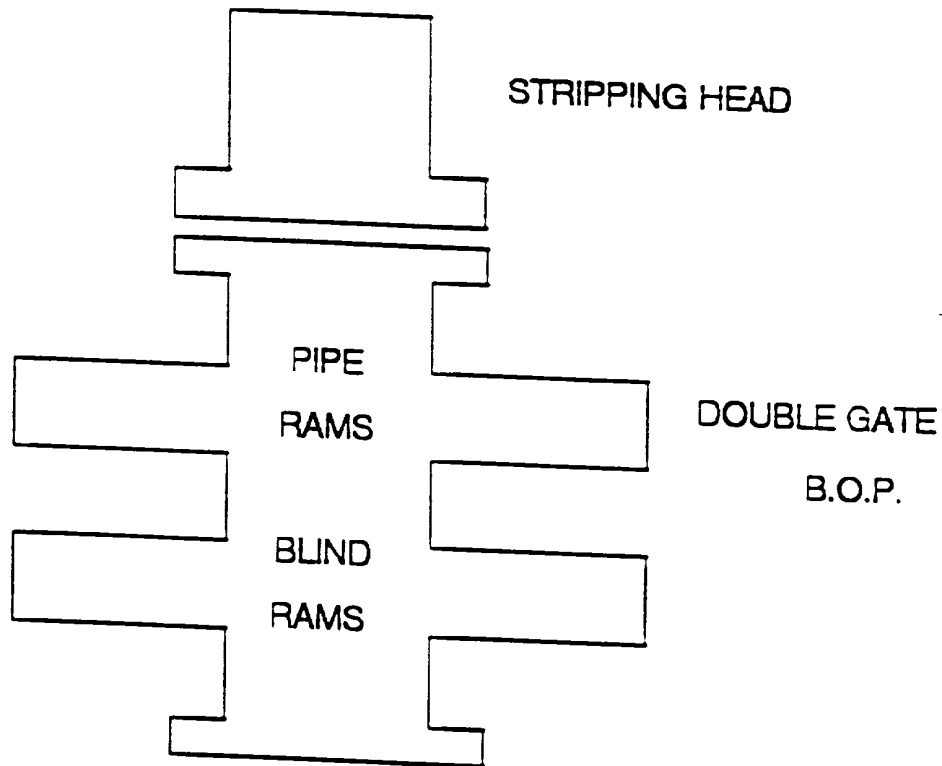
RECOMPLETION PROCEDURE
Hanks #5

1. Prepare location for workover. Install or replace anchors as necessary.
2. MOL with workover rig, hold safety meeting, install safety signs and proper fire equipment at strategic points. Comply with all BLM, NMOCD, and MOI regulations.
3. Rig up blow lines, record tubing and casing pressures and blow well down. NU 6" 3000 psi BOP and test. Load hole with water.
4. TOOH with 1" tubing.
5. PU 5 1/2" casing scraper and TIH with 2 3/8" 4.7# J-55 EUE tubing. CO to 2090'.
6. TOOH. RU wireline unit and set a 5 1/2" CIBP at 2090'. Pressure test casing to 2500 psi for 15 minutes. Run logs.
7. Perforate coal. Perforations to be picked from log.
8. TIH with 2 3/8" tubing and swab wellbore dry. Check well for gas flow. Evaluate well overnight. Check well for buildup pressure and gas flow. Evaluate for fracture stimulation. A fracture stimulation procedure will be provided if required. TIH with 2-3/8" tubing and clean out to CIBP.
9. When well is clean, land 2-3/8" tubing with a common pump seating nipple one joint off bottom. Land tubing. Swab well in. Record final 30, 45 and 60 minute gauges on morning report. ND BOP. NU tree. RD and release rig.
10. Shut well in for pressure build up. Obtain gas and water sample for analysis.

Approve: _____
R. F. Headrick

SHL:RCT

WORKOVER / RECOMPLETION B.O.P. SCHEMATIC



MINIMUM: 6" 2000 PSI DOUBLE GATE B.O.P.
MAXIMUM ANTICIPATED SHUT-IN WELLHEAD
PRESSURE IS LESS THAN 2000 PSI