

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
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 DD, Artesia, NM 88210

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

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.  
E1201

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL  
WELL ☐

GAS  
WELL ☒

OTHER

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

7. Lease Name or Unit Agreement Name

Farming A

8. Well No.

2

9. Pool name or Wildcat

Basin Fruitland Coal

2. Name of Operator

Texaco

3. Address of Operator

3300 North Butler Farmington, NM 87401

4. Well Location

Unit Letter H : 2165 Feet From The North Line and 790 Feet From The East Line

Section 16

Township 27North

Range 9 West

NMPM

San Juan

County

10. Proposed Depth  
2181'

11. Formation

Fruitland Coal

12. Rotary or C.T.  
Rotary

13. Elevations (Show whether DF, RT, GR, etc.)  
6154' GL

14. Kind & Status Plug. Bond  
State wide

15. Drilling Contractor  
N/A

16. Approx. Date Work will start  
07/01/90

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	300'	300(348 cuft.)	Surface
7 7/8"	5 1/2"	15.5#	2181	530(860 cuft.)	Surface

Proposed to spud in the San jose Formation. Will drill a 12 1/4" surface hole to a TD of 300'. Run and cement surface casing with cement returns to surface. WOC 12 hours. Pressure test to 1500 psi/30 mins. Drill a 7 7/8" hole to TD using fresh water mud. No abnormal pressures or poisonous gases are anticipated. Logs will be run at TD. Run and cement production casing with cement returns to surface. The drilling rig will be released and a completion unit moved in. Cased hole cement bond and correlation logs will be run. The Fruitland coals will be perforated and stimulated using either a fresh water base gel or foam system.

APPROVAL EXPIRES 12-26-90  
UNLESS DRILLING IS COMMENCED.  
SPUD NOTICE MUST BE SUBMITTED  
WITHIN 10 DAYS.

RECEIVED

JUN 25 1990

OIL CON. DIV.  
DIST. 3

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE

Alan A. Kleier

TITLE

Area Manager

DATE

6-22-90

TYPE OR PRINT NAME

Alan A. Kleier

TELEPHONE NO. 505-325-4397

(This space for State Use)

APPROVED BY

[Signature]

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. 3

DATE

JUN 26 1990

CONDITIONS OF APPROVAL, IF ANY:

NMOCCG-Aztec(6), JAS, AAK

# OIL CONSERVATION DIVISION

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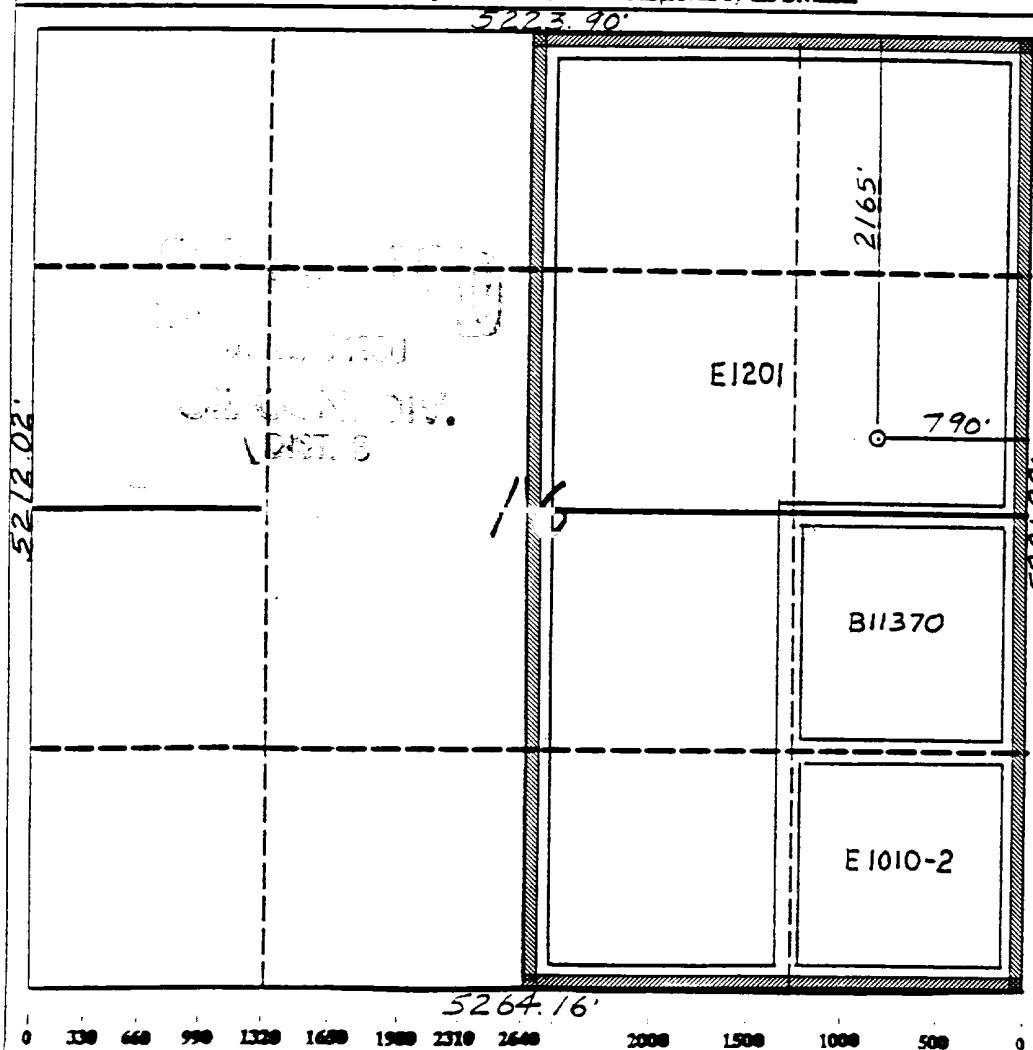
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>TEXACO</b>		Lease <b>Farming A</b>		Well No. <b>2</b>	
Unit Letter <b>E</b>	Section <b>16</b>	Township <b>27 North</b>	Range <b>9 West</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>2165</b> feet from the <b>North</b> line and <b>790</b> feet from the <b>East</b> line					
Ground level Elev. <b>5154'</b>	Producing Formation <b>Fruitland Coal</b>		Foot <b>Basin Fruitland Coal</b>	Dedicated Acreage: <b>320</b> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hectare 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
☒ Yes ☐ No If answer is "yes" type of consolidation 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, force-pooling, or otherwise) or until a non-standard unit, encompassing such interest, has been approved by the Division.



### OPERATOR CERTIFICATION

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

Signature  
*Alan A. Kleier*  
Printed Name  
**Alan A. Kleier**  
Position  
**Area Manager**  
Company  
**Texaco**  
Date  
**6-22-90**

### 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 knowledge and belief. 5-19-90

Date Surveyed  
*5-19-90*  
Signature  
*[Signature]*  
Professional Surveyor  
**NEW MEXICO**  
**REGISTERED LAND SURVEYOR**  
**6857**  
**6857**  
Certificate No. **Neale** **Edwards**

Texaco Inc.  
Farming A No. 2  
2165' FNL - 790' FEL  
Section 16, T27N, R9W NMPM  
San Juan Co., New Mexico

Field: Basin Fruitland Coal

Elevation: 6154'GL

Geology:

Formation Tops: San Jose - Surface  
Ojo Alamo - 1231'  
Kirtland - 1331'  
Fruitland - 1821'  
Fruitland Coal - 2016'  
Pictured Cliffs - 2131'  
Total Depth - 2181'

Logging Program: A GR-DIL-ML will be run from TD to surface casing shoe. A GR-CAL-LDT will be run from TD to 700'. 10' cutting samples will be collected from 300' above top of Fruitland to total depth.

Drilling:

Contractor:

Toolpusher:

Operator's Representative:

Mud Program: 0 - 300' : Spud mud of lime and gel.  
300' - 1721' : Polymer and water with 5 sack gel sweeps every 500' or less if hole conditions dictate.  
1721' - 2181' : Fresh water, low solids mud. Mud wt. - 8.7 to 9.8 ppg, as necessary to control well. 35-40 sec./qt. viscosity. 6-8 cc water loss.

Start mud up 100' above Fruitland

Materials:

Casing Program:

<u>Hole Size</u>	<u>Depth Set</u>	<u>Casing Size</u>	<u>Wt. &amp; Grade</u>
12 1/4"	300'	8 5/8"	24# , K-55
7 7/8"	2181'	5 1/2"	15.5# , K-55

## Materials: Cont'd

### Float Equipment:

- 8 5/8" surface casing - Cement Nose Guide Shoe. Threadlock guide shoe and bottom 5 collars.
- 5 1/2" production casing- Cement Nose Guide Shoe. Self fill insert float valve run one joint above shoe.  
Ten(10) bow spring centralizers. Five run every other joint above shoe and five run across the Ojo Alamo. Threadlock shoe and float valve.  
Bottom 385" of 5 1/2" casing will be sandblasted.

### Wellhead Equipment:

- 8 5/8"X 10" 2000 casing head with 5 1/2" automatic slips.
- 10" 2000 X 6" 3000 tubing head with a 2 7/8" EUE Tubing hanger.

### Cement Program:

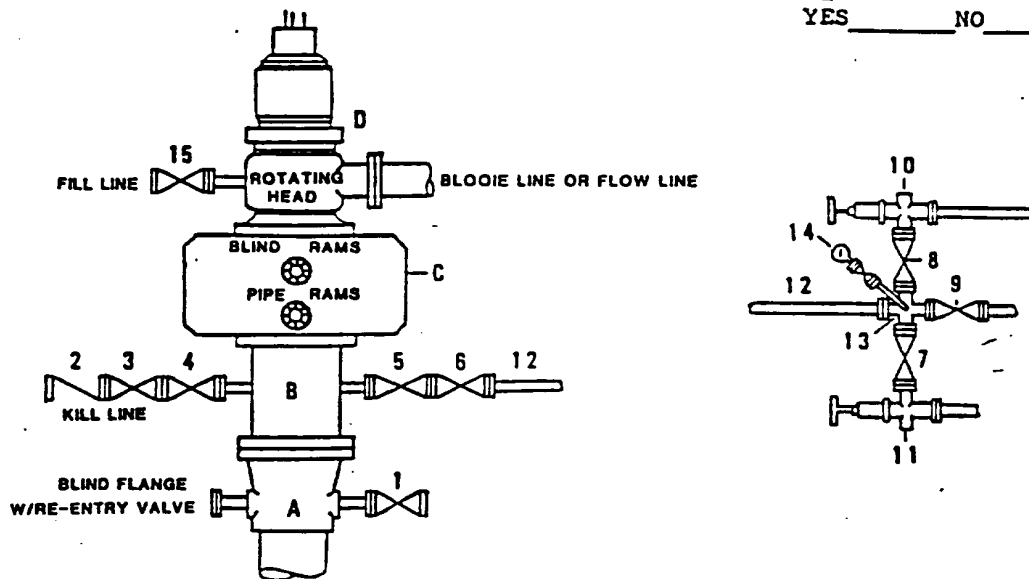
- 8 5/8" surface casing- 300 sacks(348 cuft) of Class G w/ 2% CaCl . 300 % excess to circulate to surface. WOC 12 hours. Pressure test to 1500 psi for 30 minutes prior to drilling surface shoe.
- 5 1/2" production casing -350 sacks(651 cuft) of 65/35 Class G Poz with 6% gel, 5% salt, and 1/4# flocele per sack, followed by 180 sacks(209 cuft) Class G. 225% excess to circulate to surface. Adjust cement volume to caliper volume plus 43% excess after logs are run. WOC for 12 hours. Run temperature survey after 8 hours if cement does not circulate. Pressure test to 3000 psi/ 30 minutes prior to completion.

### Miscellaneous:

- Operate pipe rams daily and record in tour reports.
- Operate Blind rams on each trip and record in tour reports.
- 5 1/2" casing rams are to be installed prior to running the production casing.

**DRILLING CONTROL  
CONDITION II-B 3000 WP  
FOR AIR DRILLING OR  
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED**

H<sub>2</sub>S TRIM REQUIRED  
YES \_\_\_\_\_ NO \_\_\_\_\_



DRILLING CONTROL

MATERIAL LIST - CONDITION II - B

- A Texaco Wellhead
- B 3000# W.P. drilling spool with a 2" minimum flanged outlet for kill line and 3" minimum flanged outlet for choke line.
- C 3000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 3000# W.P. control lines (where sub-structure height is adequate, 2 - 3000# W.P. single ram type preventers may be utilized).
- D Rotating Head with fill up outlet and extended Blooe Line.
- 1,3,4, 7,8, 2" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
- 2 2" minimum 3000# W.P. back pressure valve.
- 5,6,9 3" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
- 12 3" minimum schedule 80, Grade "B", seamless line pipe.
- 13 2" minimum x 3" minimum 3000# W.P. flanged cross.
- 10,11 2" minimum 3000# W.P. adjustable choke bodies.
- 14 Cameron Mud Gauge or equivalent ( location optional in choke line).
- 15 2" minimum 3000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve.



TEXACO, INC.  
MIDLAND DIVISION  
MIDLAND, TEXAS



SCALE	DATE	EST NO	ORD. NO.
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT I

EXHIBIT 11  
DRILLING CONTROL

CONDITION II - 3,000 PSI W. P.

Test Pressure

The ram type preventers, valves, lines, choke manifold, kelly cock valves, inside BOP's and safety valves will be tested to a minimum of 1,000 psi. When casing is set below 1,000 feet the above BOP equipment will be tested to a pressure equal to the lesser of either (a) 1 psi per foot of casing or (b) the minimum internal yield of the casing to which the BOP's are attached. The maximum test pressure allowed will be the rated working pressure of the ram type preventers.

Test Procedure

1. Open valves 3, 4, 5, 6, 7 and 8. Close valve 9 and chokes 10 and 11. Run test plug (see note below) on drill pipe and set in braden head. Close pipe rams in BOP C. Pressure test through drill pipe. Observe valves 2, 9 and chokes 10 and 11 for leaks for 10 minutes.
2. Without relieving test pressure, close valves 3, 7 and 8. Remove check valve 2 and open chokes 10 and 11. Observe valves 3, 7 and 8 for leaks for 1 minutes.
3. Without relieving test pressure, close valves 4 and 6. Open valves 3, 7 and 8. Observe valves 4 and 6 for leaks for 10 minutes.
4. Without relieving pressure close valve 5, open valve 6 and observe valve 5 for leaks for 10 minutes.
5. Relieve test pressure. Pull drill pipe and close blind rams in BOP C. Open valve 5. Pressure test through choke line for 10 minutes.
6. Pressure test lower kelly cock from lower end for 10 minutes.
7. Close upper kelly cock and open lower kelly cock. Pressure test upper kelly cock and kelly joint for 10 minutes.
8. Pressure test extra kelly cocks and safety valves on floor.

NOTE: The initial BOP pressure test on nipple up can be done against the surface casing cement plug before drilling out. Braden head valves will be tested only on the initial BOP pressure test. All subsequent pressure tests will utilize a test plug in the braden head.

Test Frequency

1. When installed
2. Anytime a pressure seal is broken
3. At least every 29 days

Other: Blind and pipe rams shall be activated each trip but not more than once/day.

1. Use of double blowout preventers is optional to using two single flanged BOPs provided either upper or lower sets of rams may be changed without opening doors on the other compartment. Flanged side outlets of blowout preventers may be utilized in lieu of drilling spools.
2. All BOP units will be hydraulically operated. Ram type preventers, manual and hydraulic valves must be equipped with stem extensions, universal joints (if needed) and operating wheels. Steel piping to be utilized in hydraulic lines.
3. The contractor will furnish all valves and piping as indicated on the attached sketch for the BOP stack, manifolding and blow off lines except for valves on the casinghead. Valves employed must be acceptable to Texaco as to make and type. Valve and pipe sizes shown must be indicated size or larger.
4. The choke manifold and lines to pits must be supported and anchored adequately. Sufficient working room must be provided for operating the adjustable chokes and valves.
5. The choke manifold must be connected to valves on the BOP stack by conventional flanged piping.
6. Extra sets of rams must be available on location for each size of drill pipe used in the hole.
7. Minimum operating equipment for the preventers is:
  - (a) an accumulator or accumulators equipped to obtain a fluid charge of sufficient usable volume to close, open, then close all hydraulically operated components of BOP system with a minimum of 200 psi above precharge pressure without assistance from a charging system.
  - (b) a primary accumulator-charging system which shall be automatic.
  - (c) a backup to the primary accumulator-charging system which shall be automatically supplied by a power source independent of the power source to the primary accumulator-charging system.
  - (d) an air operated pump for either the primary or secondary charging system. The minimum acceptable requirements for the air operated system is at least one air compressor driven independently of the rig compound. Should both the primary and secondary charging systems be air systems, at least one air compressor must be driven independently of the rig compound with an air storage tank that is separated from both the rig air compressors and rig air storage tank by check valves.

Accumulator should be located a minimum of 150' from wellbore, or as dictated by location size.

A nitrogen system consisting of separate pressurized bottled nitrogen gas is acceptable as a backup to the primary charging system provided it meets requirements in 7-a.

8. \*A kelly cock with the pressure rating specified for other BOP equipment on the well must be included in the drill string below the kelly.
9. New ring gaskets will be furnished throughout on the first installation and for any subsequent separations.

\*Item 8 applies to Exhibits "E", "F", "G", and "H" only, unless otherwise specified in the Drilling Bid Contract.

Other:

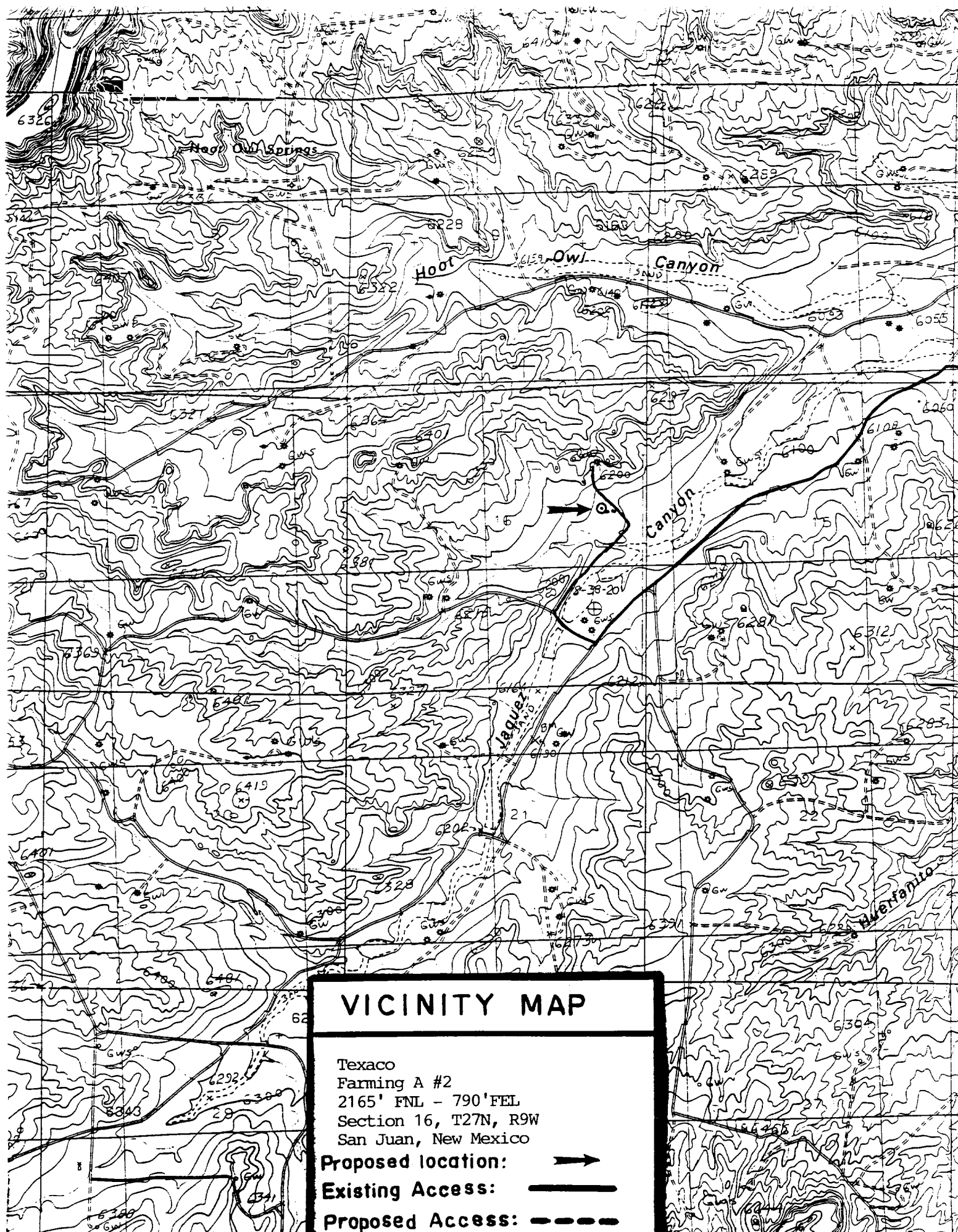
1. Upper & lower kelly cocks with valve handle available
2. Safety valve & subs to fit all drill string connections in use.



TEXACO, INC.  
MIDLAND DIVISION  
MIDLAND, TEXAS



EXHIBIT III





TEXACO

Farming A #2  
2165' FNL, 790' FEL,  
Sec. 10, T27N, R9W, NMPM.,  
San Juan Co., N.M.



NEW ACCESS  
150'  
FB

