

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Coronado Exploration Corp. ✓

RECEIVED

3. ADDRESS OF OPERATOR

1005 Marquette NW, Albuquerque, NM 87102

NOV 14 1980

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

At surface

1980 FNL & 600 FWL Sec. 31-T8S-R28E

O. C. D.

ARTESIA, OFFICE

At proposed prod. zone

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

23 miles east-northeast of Roswell

15. DISTANCE FROM PROPOSED*

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

600 ft.

16. NO. OF ACRES IN LEASE

1074.24

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

N/A

19. PROPOSED DEPTH

2450'

20. ROTARY OR CABLE TOOLS

Cable Tool

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

3940.6 Gr.

22. APPROX. DATE WORK WILL START*

October 31, 1980

23. PROPOSED CASING AND CEMENTING PROGRAM*

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	13 3/8"	48#	30'	3 yds.
10"	8 5/8"	23#	300'	150 bx
8"	4 1/2"	9.5#		200 bx

Mud Program - None required
POP Program - None required
Gas not dedicated

RECEIVED

OCT 22 1980

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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. CORONADO EXPLORATION CORP.

SIGNED

TITLE Production Secretary

DATE October 10, 1980

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

(Signature) GEORGE H. STEWART

ACTING DISTRICT ENGINEER

OCT 23 1980

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

N. MEXICO OIL CONSERVATION COMMISS.
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

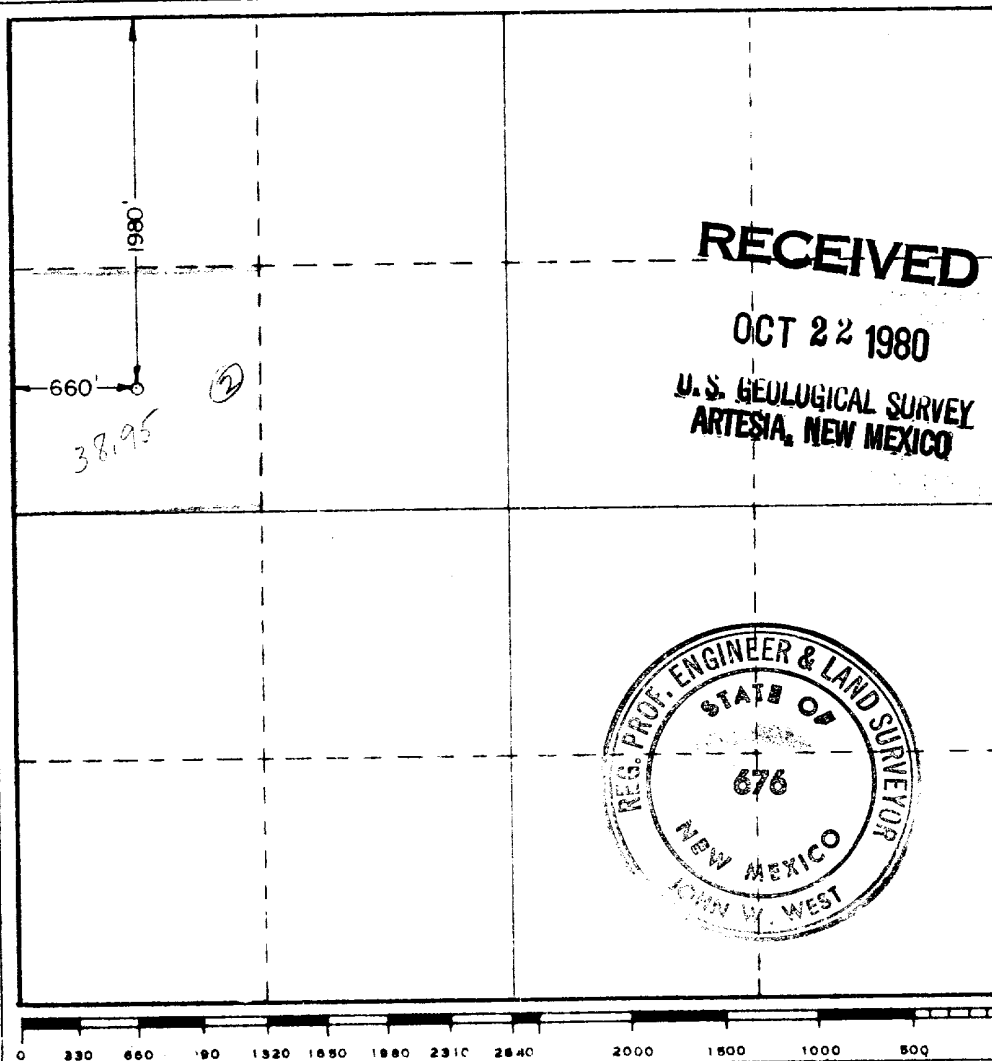
Operator Coronado Exploration Corp.		Lease Duncan Federal		Well No. 1
Unit Letter E	Section 31	Township 8 South	Range 28 East	County Chaves
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the West line				
Ground Level Elev. 3940.6	Producing Formation San Andres	Pool Wildcat	Dedicated Acreage: 38.95 40.39.0 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 interests 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.) All leases held by operator and participating parties

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.



CERTIFICATION

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

Gail Gunnels

Name
Gail Gunnels

Position
Production Secretary

Company
Coronado Exploration Corp.

Date
October 17, 1980

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.

Surveyed
10-9-80

Registered Professional Engineer
and/or Land Surveyor

John W. West

Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6868
Ronald J. Eidson 3239



United States Department of the Interior

GEOLOGICAL SURVEY

SPECIAL APPROVAL STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN:

Operator	Coronado EXPLOR. Co	WELL DESIGNATION	DUNEAN No 1
S-1-R	31-BJ-28E	COUNTY	CHAVES
LEASE NO.	NM 12557		

THE SPECIAL STIPULATIONS CHECK MARKED BELOW ARE APPLICABLE TO THE ABOVE DESCRIBED WELL AND APPROVAL OF THIS APPLICATION TO DRILL IS CONDITIONED UPON COMPLIANCE WITH SUCH STIPULATIONS. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE SPECIAL STIPULATIONS PURSUANT TO TITLE 30 CFR 290.



- A. 8 5/8" surface casing should be set in the Rustler Anhydrite formation and cement circulated to the surface. If surface casing is set at a lesser depth, the _____ casing must be cemented from the casing shoe to the surface or cemented to the surface through a stage tool set at least 50 feet below the top of the Rustler after cementing around the shoe with sufficient cement to fill to the base of the salt section.



- B. Before drilling below the _____ casing, the blowout preventer assembly will consist of a minimum of one annular type and two ram type preventers.



- C. Casing protectors will be run on drill pipe while drilling through the _____ casing. Protectors will be of sufficient number and of sufficient outside diameter to protect the casing.



- D. Minimum required fill of cement behind the 13 3/8" casing is to circulate to surface.



- E. After setting the _____ casing string and before drilling into the _____ formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures by an independent service company. Any equipment failing to test satisfactorily shall be repaired or replaced. This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report.



- F. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before drilling into the _____ formation and used until production casing is run and cemented. Monitoring equipment shall consist of the following:

- (1) A recording pit level indicator to determine pit volume gains and losses.
- (2) A mud volume measuring device for accurately determining mud volume necessary to fill the hole on trips.
- (3) A flow sensor on the flow-line to warn of any abnormal mud returns from the well.



- G. All pits containing toxic liquids will be fenced and covered with a fine mesh netting, if necessary for the protection of livestock or wildlife.



- H. Above ground permanent structures and equipment shall be painted in accordance with the Painting Guidelines. The paint color is to simulate:



Sandstone Brown, Fed. Std. 595-20318 or 30318

OR



Sagebrush Gray, Fed. Std. 535-26357 or 36357



- ☐ I. A kelly cock will be installed and maintained in operable condition.
- ☒ J. The ARTESIA Sub-District Office is to be notified in sufficient time for a representative to witness:
- (a) Spudding ✓
- (b) Cementing casing
- _____ inch
- _____ inch
- _____ inch
- (c) ~~ROP tests~~
- ☐ K. A Communitization Agreement covering the acreage dedicated to the well must be filed for approval with the U. S. Geological Survey, P. O. Box 26124, Albuquerque, New Mexico 87125. The effective date of the agreement must be prior to any sales.
- ☐ L. A Gamma Ray-Compensated Neutron log is required from the base of the salt section to the surface with cable speed not to exceed 30 feet per minute.
- ☒ M. At least one working day prior to constructing the well pad, access roads and/or related facilities, the operator or dirt contractor shall notify the authorized officer (Bureau of Land Management, Baswell area). He shall also notify the Authorized Officer within two working days after completion of earth-moving activities.
- ☒ N. All access roads constructed in conjunction with the drilling permit (APD) will be limited to a 12 foot wide driving surface, excluding turn-arounds. Surface disturbance associated with construction and/or use of the road will be limited to 20 feet in width. If well is a producer, all roads will be adequately drained to control runoff and soil erosion. Drainage facilities may include ditches, water bars, culverts and/or any other measures deemed necessary by the authorized officer of the BLM. The following is a general guide for the spacing of water bars:
- % Slope
- | | |
|--------------|---------|
| less than 2% | 200 ft. |
| 2% to 4% | 100 ft. |
| 4% to 5% | 75 ft. |
| more than 5% | 50 ft. |
- ☒ O. Other special stipulations

Any permanent pit containing waste oil must be fenced and covered with mesh wire.

APPLICATION FOR DRILLING
CORONADO EXPLORATION CORP.
DUNCAN FEDERAL #1 SEC. 31-8S-28E
CHAVES COUNTY, NEW MEXICO

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Coronado Exploration Corporation submits the following ten items of pertinent information in accordance with U.S.G.S. requirements.

1. The geologic surface is quarternary aluvian fill
2. Estimated tops of geologic markers are as follows:

Yates	495'
Queen	1140'
Grayburg	1238'
San Andres	1675'

3. The estimated dips at which water oil or gas formations are expected to be encountered:

Water	approx 180'
Oil or Gas -Yates	495'
Queen	1140'
San Andres	2275' (Slaughter)

4. Proposed casing program - See 9-331C and Exhibit "D"
5. Pressure control equipment - None required
6. Mud Program - None
7. Auxiliary equipment - None
8. Testing, logging and coring program -
Logging: CNL, Density, DLL, SWN, Gamma Ray, Acoustilog.
9. No abnormal pressure or temperature is expected
10. Anticipated starting date is October 31, 1980.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

CORONADC EXPLORATION CORPORATION

WELL NO. 1 DUNCAN FEDERAL

1980 ENL & 660 FWL Sec. 31-T8S-R28E

CHAVES CO., NM LEASE NM 12257

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS

- A. Exhibit "A" is a section of a map showing the location of proposed well as staked. From Roswell, go towards Tatum, approximately 23 miles and turn north through a cattle guard. Go north approximately 9 miles to a windmill. Turn east and drive approximately 4 miles to a dirt tank and cross the El Paso Natural Gas Pipeline going north. Go north approximately 2 miles then turn right at a point approximately 1 mile from proposed location.
- B. Exhibit "B" is a plat showing the location of existing roads within a one-mile radius of proposed location and proposed access road.
- C. Minor repairs to existing roads is necessary to some spots and a ramp approximately 3 feet high will need to be made where we propose to cross the pipeline.

2. PLANNED ACCESS ROAD

- A. Length and Width: The new road will be 10' wide and approximately 1.25 miles long as shown in Exhibit "B".
- B. Surface Material: None required
- C. Maximum Grade: One Percent
- D. Turnouts: None required
- E. Drainage Design: None
- F. Culverts: None required
- G. Cuts and Fills: None
- H. Gates and Cattle Guards: There are numerous gates and cattle guards on the way to the location but none will have to be made by us.

RECEIVED

OCT 22 1980

**U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO**

3. LOCATION OF EXISTING WELLS

- A. No other wells are in this area

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. The lease is undeveloped and there are no existing facilities on the lease.
- B. If the well is productive, the tank battery and flow line will be located on the well pad and no additional surface disturbance will be necessary.

5. LOCATION AND TYPE OF WATER SUPPLY

- A. Water necessary for drilling will be purchased and hauled to the site over existing and proposed roads shown on Exhibit "A".

6. SOURCE OF CONSTRUCTION MATERIALS

N/A

7. METHODS OF HANDLING WATER DISPOSAL

- A. Drill cuttings will be disposed of in the drilling pits
- B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
- C. Water produced in the drilling pits will be disposed of in the drilling pits.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, waste paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Location of the trash pit is shown on Exhibit "C".
- F. All trash and debris will be buried or removed from the well site within 30 days after finished drilling and/or completion operations.

8. ANCILLARY FACILITIES

- A. None required

9. WELLSITE LAYOUT

- A. Exhibit "C" shows relative location and dimensions of the well pad.
- B. Only minor levelling of the well site will be required.

C. The pad and pit area has been flagged.

10. PLANS FOR RESTORATION OF THE SURFACE

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in an as aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. After abandonment, all equipment, trash and junk will be removed and location cleaned.

11. OTHER INFORMATION

- A. Topography: The land surface is level
- B. Soil: Soil in this case is sand.
- C. Flora and Fauna: Vegetative cover has been previously removed. Wildlife in the general area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.
- D. Ponds and Streams: There are no fresh water rivers, streams, lakes or ponds in the area.
- E. Residences and Other Structures: There are no occupied dwellings or windmills within a mile of the proposed well site.
- F. Archaeological, Historical and Other Cultural Sites: Archaeological data will be sent to you by Eastern New Mexico University.
- H. Surface Ownership: United States Government

12. OPERATOR'S REPRESENTATIVE

Representative responsible for assuring compliance with the approved Surface Use Plan is:

Phelps White
1007 Marquette NW
Albuquerque, NM 87102
Office Phone: (505) 252-2050
Mobil Phone: (505) 623-0989 Unit #4135

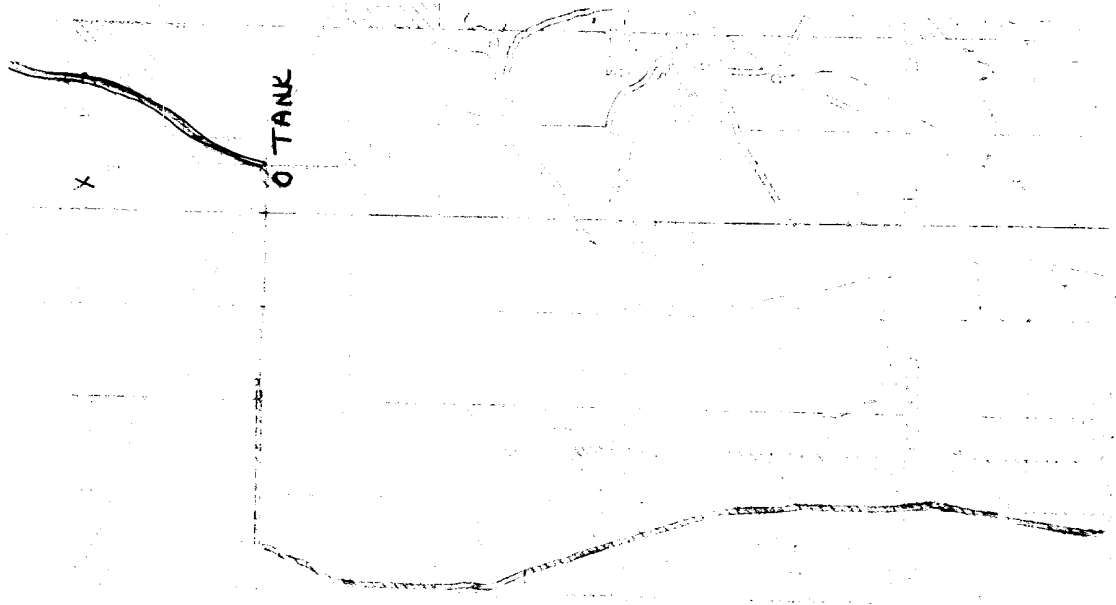


Exhibit "A"
Duncan Fed. #,

D. DRILLING, CASING and CEMENTING PROGRAM

1. Drill a 15" hole with a Rathole Rig to 30'.
2. Cement 28' of 13 3/8" of 48# casing with 15 sx Redi-Mix cement.
3. Rig up cable tool and drill a 10" hole to 300'
4. Cement 300' of 8 5/8" 23# casing with 150 sx Dowell Class "H" cement and 3% CaCl. Cement will follow 10 bbls of mud with 8 sacks of Quickseal to stop any loss circulation. WOC 18 hrs..
5. Bail hole dry and wait 1 hr. If no water enters the casing proceed to drill 8" hole to TD (2450).
6. If hole looks like a producer, we will run 4 1/2" 9.5# casing to determined point and cement with Dowell Class "C" cement with Self-Stress additives and 2% CaCl. Using guide shoe, float and centralizers where necessary.
7. Perforators, acid job, and additional stimulation to be determined after completion.