

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐

b. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER ☐

2. NAME OF OPERATOR
COASTAL MANAGEMENT CORPORATION ✓ 12795 DIST

3. ADDRESS AND TELEPHONE NO.
P.O. BOX 2726 - MIDLAND, TX 79702 (915) 688-0700

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
950' FSL & 1980' FEL
At proposed prod. zone
950' FSL & 1980' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
5 MILES EAST & 1 MILE SOUTH OF LOCO HILLS, NEW MEXICO

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
950'

16. NO. OF ACRES IN LEASE
640

17. NO. OF ACRES ASSIGNED TO THIS WELL
320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
240'

19. PROPOSED DEPTH
11,800'

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3738' GL

22. APPROX. DATE WORK WILL START*
OCTOBER 1, 1994

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	J55, 13-3/8	48 or 54.5	550'	270 SX C LITE + 350 C @ 14.8 ppg
11"	J55, 8-5/8	32#	500'	915 SX POZ C @ 12.7 ppg + 300 SX NEAT
7-7/8"	S-95, 5.5	17#	500'	540 SX 50/50 POZ H
7-7/8"	N-80, 5.5	17#	9500'	2ND STAGE
7-7/8"	S-95, 5.5	17#	TD	520 SX 36/65 POZ H + 200 SX H NEAT
				TOC APPROX. 3900'

THE OPERATOR PROPOSES TO DRILL TO A DEPTH SUFFICIENT TO TEST THE MORROW FORMATION FOR GAS. IF PRODUCTIVE, THE 5-1/2" CASING WILL BE CEMENTED AT TD. IF NON-PRODUCTIVE, THE WELL WILL BE PLUGGED AND ABANDONED IN A MANNER CONSISTENT WITH FEDERAL REGULATIONS. SPECIFIC PROGRAMS AS PER ONSHORE OIL & GAS ORDER #1 ARE OUTLINED IN THE FOLLOWING ATTACHMENTS:

- DRILLING PROGRAM
SURFACE USE & OPERATING PLAN
EXHIBIT A, B, & 1B - BLOWOUT PREVENTER EQUIPMENT
EXHIBIT C - DRILLING FLUIDS PROGRAM
EXHIBIT D - HYDROGEN SULFIDE DRILLING OPERATIONS PLAN
EXHIBIT E - PLANNED ACCESS ROAD
EXHIBIT F - LOCATION & ELEVATION PLAT
- EXHIBIT G - ONE MILE RADIUS
EXHIBIT H - STATUS OF WELLS WITHIN ONE MILE RADIUS
EXHIBIT I - RIG PAD & PIT LINING
EXHIBIT J - DRILLING RIG LAYOUT

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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. SIGNED Larry R. Snyder TITLE LAND SUPERVISOR DATE 9-1-94

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Scott Powers TITLE AREA MANAGER DATE 10/3/94

*See Instructions On Reverse Side

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill or deepen an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the operator elects to initiate drilling operation on an oil and gas lease.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0136), Washington, D.C. 20503.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the operator elects to initiate drilling operations on an oil and gas lease.