

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
March 4, 2004

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address Benson-Montin-Greer Drilling Corp. 4900 College Blvd. Farmington, NM 87401		<sup>2</sup> OGRID Number 2096	
<sup>3</sup> Property Code 34113		<sup>3</sup> API Number 30 - 039-27810	
<sup>3</sup> Property Name Page		<sup>6</sup> Well No. <del>14113</del>	

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	19	25N	2W		1980	South	665	East	Rio Arriba

**<sup>8</sup> Proposed Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>9</sup> Proposed Pool 1 Basin Fruitland coal	<sup>10</sup> Proposed Pool 2 Gravitan P.C.
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**Drilling Pit Location and Other Information**

UL or lot no. I	Section 19	Township 25N	Range 2W	Lot Idn	Feet from the 1980	North/South line South	Feet from the 665	East/West line East	County Rio Arriba
Depth to ground water 200' - 500'				Distance from nearest fresh water well approx. 2000'			Distance from nearest surface water > 3 miles		
<sup>11</sup> Work Type Code N		<sup>12</sup> Well Type Code G		<sup>13</sup> Cable/Rotary R		<sup>14</sup> Lease Type Code P		<sup>15</sup> Ground Level Elevation 7143'	
<sup>16</sup> Multiple N		<sup>17</sup> Proposed Depth 3655'		<sup>18</sup> Formation Fruitland Coal/Pictured Cliffs		<sup>19</sup> Contractor RP Well Services		<sup>20</sup> Spud Date As Soon As Permitted	

**<sup>21</sup> Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	23# LS	610'	420	Surface
7-7/8"	5-1/2"	17# J-55 LTC	3600'	100	Surface

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

**SEE ATTACHMENTS**

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		<b>OIL CONSERVATION DIVISION</b>	
Signature: <i>Mike Diamond</i>		Approved by: <i>[Signature]</i>	
Printed name: Mike Diamond		Title: DEPUTY OIL & GAS INSPECTOR, DIST. 03	
Title: Vice President		Approval Date: JUN 25 2004 Expiration Date: JUN 25 2005	
E-mail Address:			
Date: 6/4/04	Phone: 505-325-8874	Conditions of Approval: Supply pit into N sp	
		Attached <input type="checkbox"/> HOLD C104 FOR N sp	

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer DD, Artesia, NM 88211-0719

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

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994

Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <b>30-039-2781071629/17360</b>		*Pool Code <b>BASIN</b>	*Pool Name <b>FRUITLAND COAL / GAVILAN PC</b>
*Property Code <b>34113</b>	*Property Name <b>PAGE</b>		*Well Number <b>1</b> ( <del>118</del> )
*UGRID No. <b>2096</b>	*Operator Name <b>BENSON-MONTIN-GREER DRILLING CORPORATION</b>		*Elevation <b>7143'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	19	25N	2W		1980	SOUTH	665	EAST	RIO ARriba

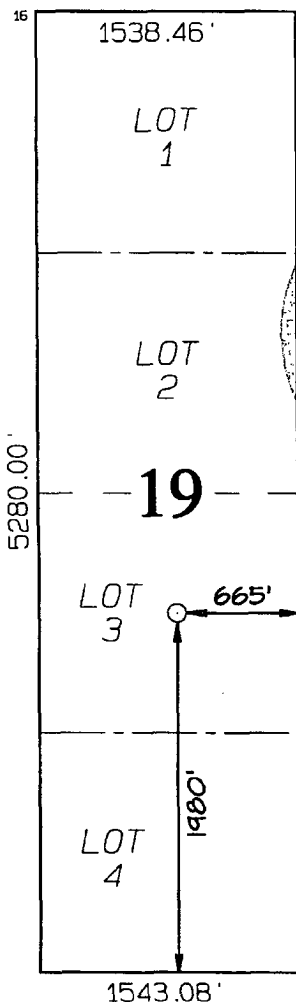
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres **186.76**  
**SPECIAL PRODUCTION UNIT**

<sup>13</sup> Joint or Infill <sup>14</sup> Consolidation Code <sup>15</sup> Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



<sup>17</sup> OPERATOR CERTIFICATION

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

Signature

**MIKE DIAMOND**

Printed Name

**VICE PRESIDENT**

Title

Date

<sup>18</sup> 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 belief.

Date of Survey: MAY 11, 2004

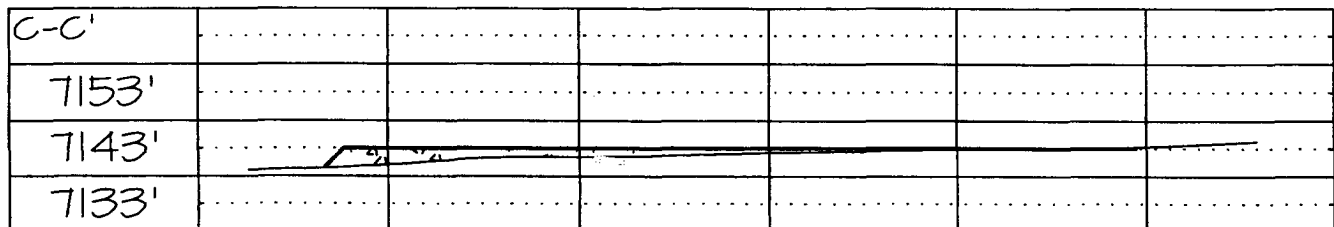
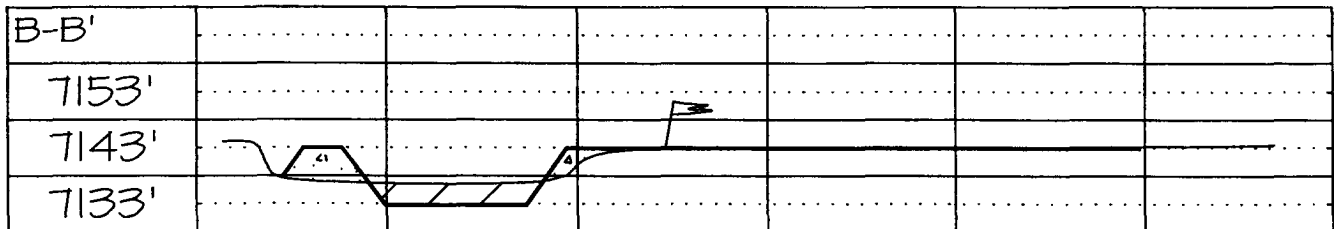
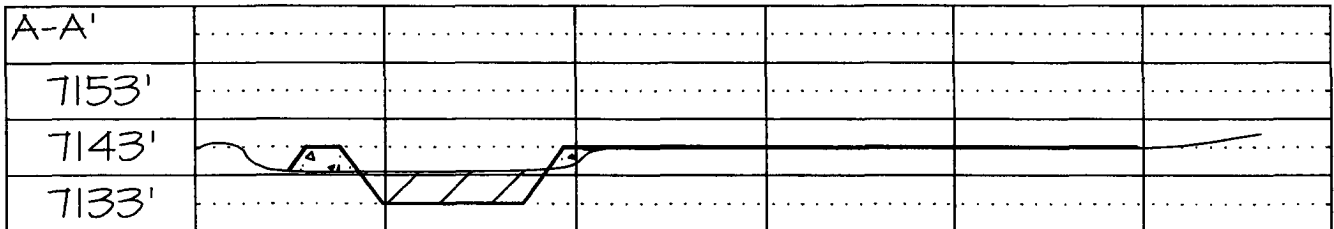
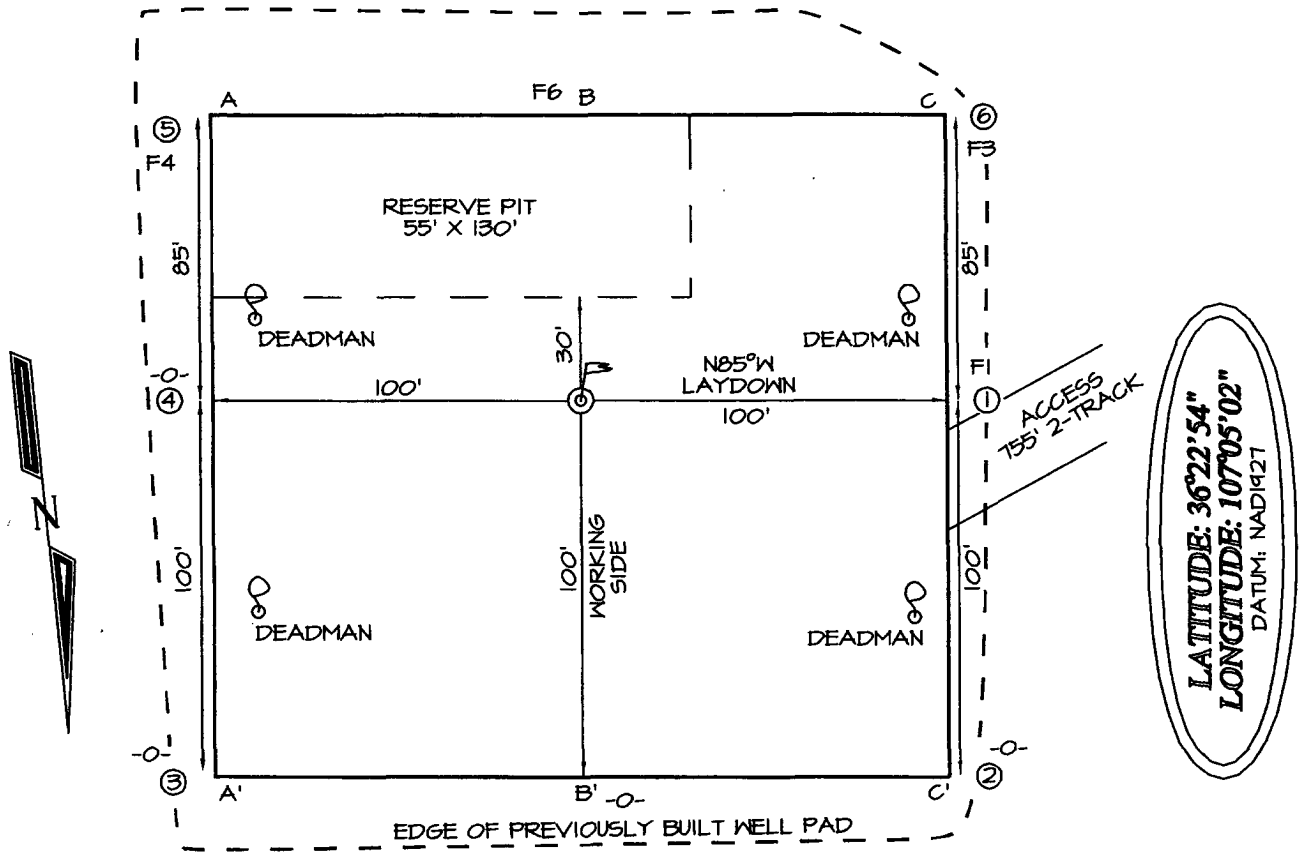
Signature and Seal of Professional Surveyor



**JASON C. EDWARDS**

Certificate Number 15269

**BENSON-MONTIN-GREER DRILLING CORPORATION: PAGE #1**  
**1980' FSL & 665' FEL, SECTION 19, T25N, R2W, NMPM**  
**RIO ARriba COUNTY, NEW MEXICO**  
**GROUND ELEVATION: 7143'**



Benson-Montin-Greer Drilling Corporation  
4900 College Blvd.  
Farmington, NM 87402  
(505) 325-8874

Page #1 ~~4~~  
Lot 3 Sec 19-T25N-R2W  
1980' FSL & 665' FEL  
Rio Arriba County, New Mexico

**EIGHT POINT DRILLING PROGRAM**

1. Estimated Formation Tops:

Ojo Alamo	3228'
Kirtland	3354'
Fruitland Coal	3367'
Pictured Cliffs	3511'
Total Depth	3655'

2. Estimated Depth of Anticipated Minerals:

Fruitland (Gas)	3367'
Pictured Cliffs (Gas)	3511'

3. Minimum Specifications for Pressure Control Equipment:

BOP equipment and accessories will meet or exceed BLM requirements outlined in 43 CFR Part 3160.

A 2000 psig working pressure double ram hydraulic BOP with a Hydrill will be used (see attached diagram). The BOP and all related equipment will be hydraulically tested prior to drilling. Operation of both rams will be checked on each trip. The BOP equipment will include a Kelly valve, floor safety valve, and choke manifold, all rated to 1500 psig.

4. Casing and Cementing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>Csg Size</u>	<u>Wt, Grd, Jt</u>
12-1/4"	0-610'	8-5/8"	23#/foot, LS
7-7/8"	610' - 3600'	5-1/2"	17#/foot J-55, LT&C

Surface Casing will be cemented to surface with 420 sacks (100% excess) class B regular w/2% CaCl and 1/4# flocele/sack. A guide shoe, insert float valve top and bottom joint

**Eight Point Drilling Program – Page #1 ~~1-10~~**

**Page 2**

and five (5) centralizers will be used. WOC time is 12 hours. Pressure test surface casing to 1500 psig prior to drilling guide shoe.

Production Casing: 100 sacks Class B regular cement with fluid loss additive plus flocele and gilsonite followed by 312 sacks of Lite cement. Cement volume includes excess to circulate cement to surface. Cementing equipment will include a guide shoe, insert float valve, 10 centralizers, and reciprocating well scratchers throughout the Fruitland/Ojo Alamo zones. A packoff-DV tool will be used 500' above Total Depth.

**5. Mud Program:**

A fresh water polymer mud system will be used from the surface to TD. Adequate filter cake and minimum mud weight will be maintained to prevent excessive fluid loss. Mud weight will be 9.0 (ppg) or less, Ph of 9.0-9.5, and viscosity of 28-35 (sec/qt) across all intervals.

**6. Testing, Coring and Logging Program:**

SP/GR-DIL, CDL/CNL.

**7. Anticipated Abnormal Pressures and Temperatures:**

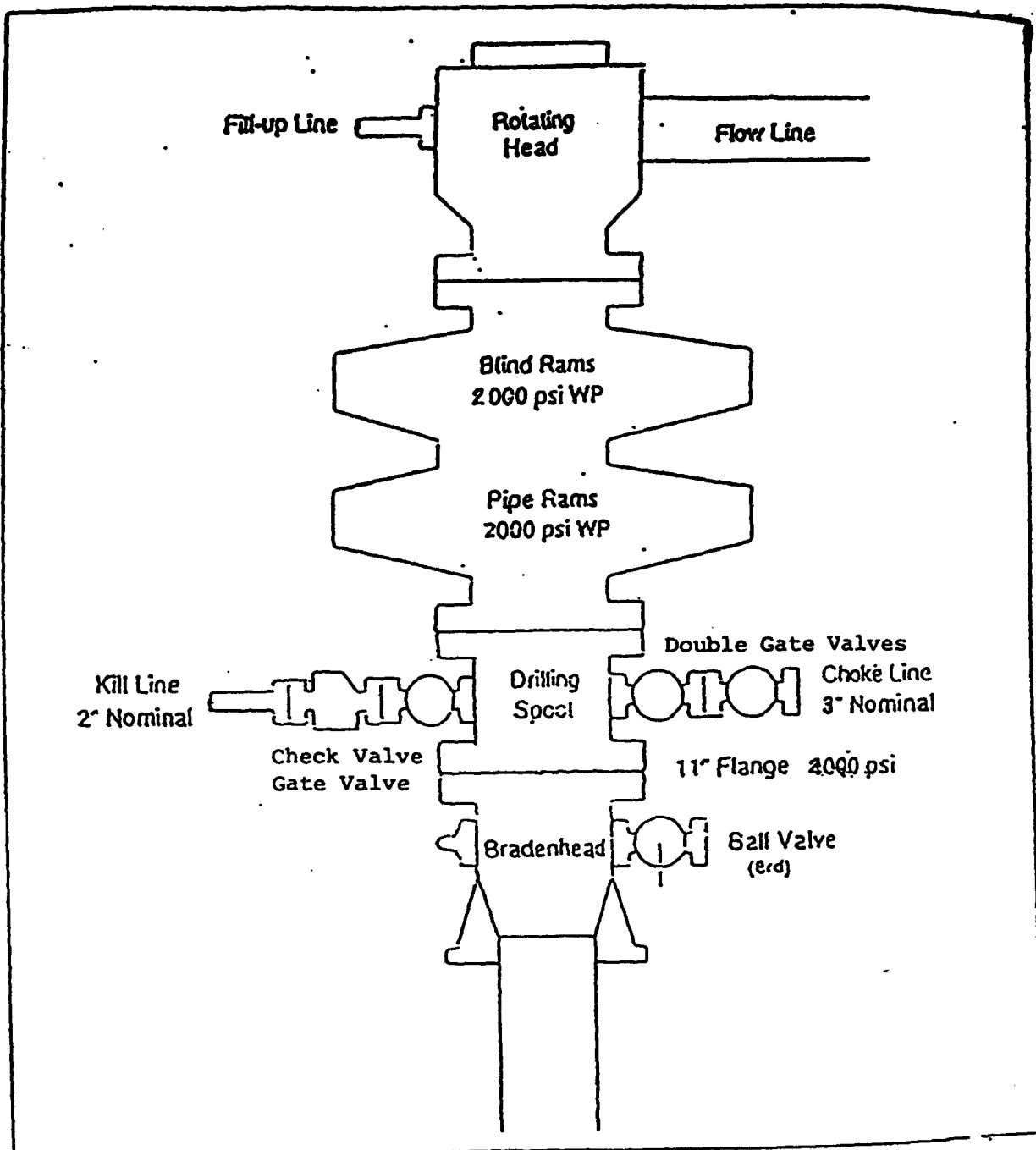
No abnormal pressures or temperatures are expected in this well. Maximum anticipated Fruitland reservoir pressure is 1200 - 1300 psig with a normal temperature gradient. Maximum anticipated Pictured Cliffs reservoir pressure is 1400 - 1500 psig with a normal temperature gradient.

**8. Operations:**

Anticipated spud date is as soon as permits are received and work can be scheduled. Estimated drilling time is 7 days. Completion operations are expected to take 7 – 10 days and will commence as soon after completion of drilling operations and scheduling allow.

# EXHIBIT 1

## BOP STACK ARRANGEMENT



All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1500 psi. The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock with handle, floor safety valve with change overs for each tool joint in the string, and choke manifold all rated to 2000 psi.

EXHIBIT 2

*Choke Manifold & Accumulator Schematic*

