

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
May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE

Operator Name and Address Manana Gas, Inc. c/o Walsh Engineering 7415 E. Main St., Farmington, NM 87402		GRID Number 13934
Property Code 34648	Property Name Bonnie	Well No. 1
Proposed Pool 1 Basin Fruitland Coal		Proposed Pool 2

7 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	7	30N	11W		1884'	South	761'	East	San Juan

8 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

Additional Well Information

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 5610'
Multiple Y	Proposed Depth 2175'	Formation Pictured Cliffs	Contractor	Spud Date
Depth to Groundwater 6'		Distance from nearest fresh water well 500'		Distance from nearest surface water 50'
Pit: Liner: Synthetic <input type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 1250 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
8-3/4	7"	20.0#	120'	30 sx (36 cu.ft.)	Surface
6-1/4"	4-1/2"	10.5#	2175'	215 sx & 100 sx	Surface

22 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.

Manana Gas, Inc. proposes to drill a vertical well at the above listed location and test the Fruitland Coal Formation. A 8-3/4" surface hole will be drilled to approx. 120' with spud mud. 7", 20# casing will be set and cemented to surface with 30 sx (36 cu.ft.) of CI "B" with 3% CaCl₂ and 1/4#/sk CF. A double ram, 2000 psi rated BOP will be installed and pressure tested to 600 psi. A 6-1/4" hole will be drilled using a fresh water - polymer mud system to approx. 2175'. 4-1/2", 10.5# casing will be set and cemented to surface with 215 sx (443 cu.ft.) of CI "B" cement with 2% SMS, 1/4 #/sk. celloflake and 5 #/sk gilsonite followed by 100 sx (118 cu.ft.) of CI "B" with 2% CaCl₂, 1/4 #/sk celloflake and 5 #/sk gilsonite. Open hole DIL and FDC/CNL/GR/SP logs will be run. Surveys will be run every 500'. The E/2 of Section 7 (320 acres) is dedicated to the Fruitland formation. Formation tops: Ojo Alamo - 533', Kirtland - 613', FT -1666', PC - 1988'.

23 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 ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Paul C. Thompson, P.E.

Title: Agent

E-mail Address: paul@walsheng.net

Date: 2/8/05

Phone: (505) 327-4892

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Conditions of Approval Attached ☐

DEPUTY OIL & GAS INSPECTOR, DIST. #8

FEB 22 2005

Expiration Date:

FEB 22 2006

No below grade tanks or pits to be used with this well

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32907	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 34648	⁵ Property Name BONNIE	⁶ Well Number 1
⁷ OGRID No. 13931	⁸ Operator Name MANANA GAS, INC.	⁹ Elevation 5609.90

¹⁰ Surface Location

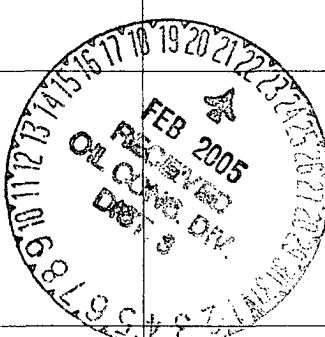
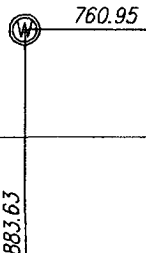
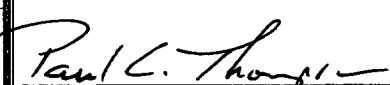
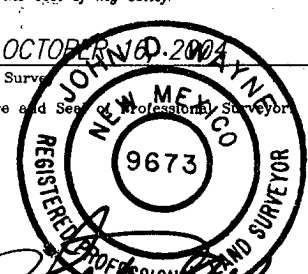
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	7	30N	11W		1883.63	SOUTH	760.95	EAST	SAN JUAN

¹¹ 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

¹² Dedicated Acres 320 E/2	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No.
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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

<div>16</div> <div>SECTION 7</div> <div></div> <div></div>	<div>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Paul C. Thompson Printed Name AGENT Title 2/17/05 Date</div> <div>18 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. OCTOBER 2004 Date of Survey  Signature and Seal Certificate Number N.M. PLS #9673</div>