

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL		5. Lease Number NM-03554 NMSF 079184	
1b. Type of Well GAS		6. If Indian, Name of Allottee or Tribe	
2. Operator CAULKINS OIL COMPANY		7. API Number 30-839-29413	
3. Address & Phone No. of Operator c/o ROBERT VERQUER 1409 W. Aztec Blvd. # 7 Aztec, N. M. 87410 (505) 334-4323		8. Farm or Lease Name BREECH "C"	
4. Location of Well 660 FSL & 2300' FWL		9. Well Number 392	
		10. Filed, Pool, or Wildcat Basin Dakota	
		11. Section, Township, & Range, Meridian, or Block N 13-26N-6W	
14. Distance in Miles from Nearest Town 37 miles southeast of Blanco, NM Post Office.		12. County Rio Arriba <input checked="" type="checkbox"/>	13. State New Mexico
15. Distance from Proposed Location To Nearest Property Line or Lease Line 660'	16. Acres in Lease 1920 Acres	17. Acres Assigned to Well SOUTH - 320 Acres	
18. Distance From Proposed Location To Nearest Well Drill, Compl., Or Applied For on Lease 1050'	19. Proposed Depth 7650'	20. Rotary or Cable Tools ROTARY	
21. Elevations (DR, RT, GR, Etc.) 6686 GR		22. Approximate Date Work Will Start March 5, 2005	
23. Proposed Casing and Cementing Program			

EXHIBITS attached as follows

"A" C-103 & Location and Elevation Plat
"B" Ten-Point Compliance Program
"C" Blowout Preventer Schematic
"D" Multi-Point Requirements for APD
"E" Vicinity Map - Access Roads

"F" Drill Rig Layout
"G" Production Facility Schematic
"H" Acreage dedication plat
"I" Archaeological Report

24. Signed Robert L. Verquer Title Superintendent Date 1-19-05
Robert L. Verquer

Permit No. _____ Approval Date _____
Approved By [Signature] Title AFM Date 4-4-05

NOTE: THIS FORMAT IS ISSUED IN LIEU OF U.S. BLM FORM 3160-3

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

NMOC

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

04-360
Form C-102
Revised June 10, 2003

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-29413		Pool Code 71599		Pool Name Basin Dakota	
Property Code 2457		Property Name BREECH "C"		Well Number 392	
OGRID No. 3824		Operator Name CAULKINS OIL COMPANY		Elevation 6686	

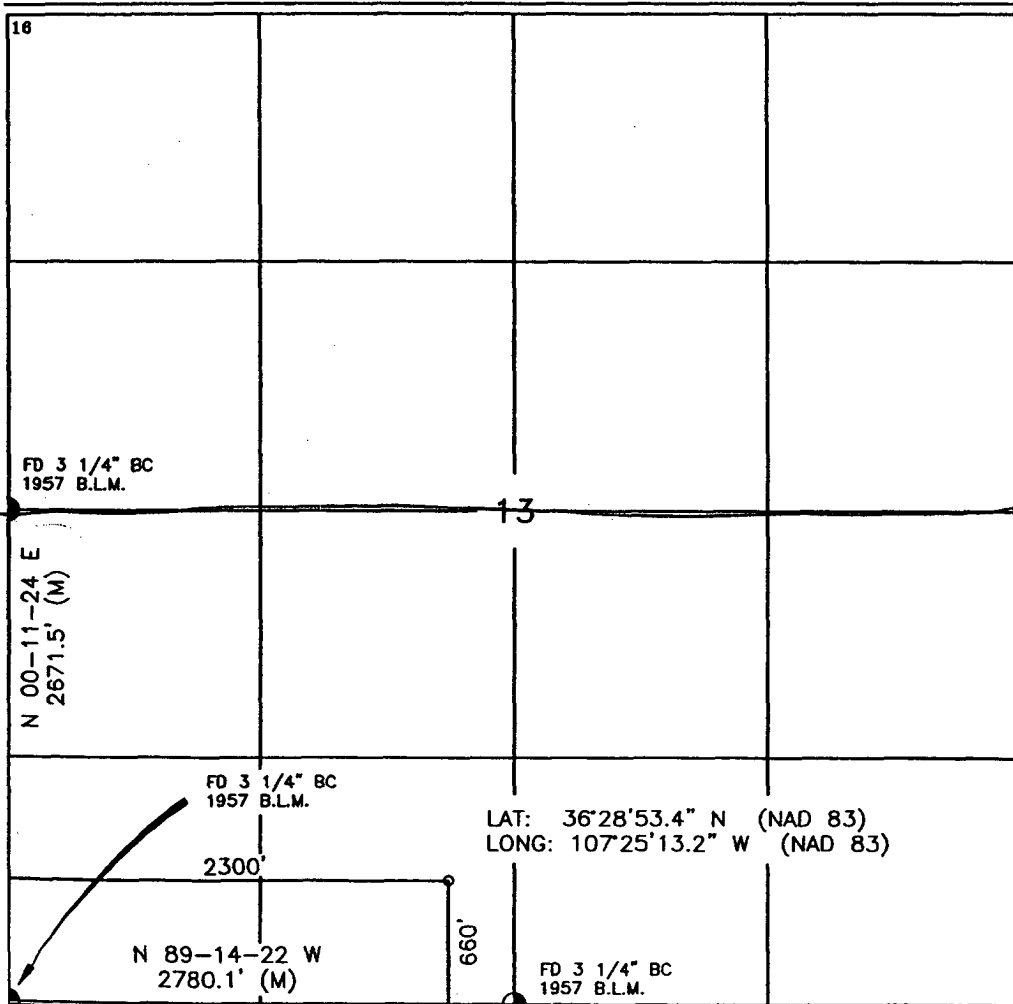
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	13	26-N	6-W		660	SOUTH	2300	WEST	RIO ARriba

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
Dedicated Acres			Joint or Infill		Consolidation Code		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



¹⁷ OPERATOR CERTIFICATION

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

Robert L. Verquer
Signature

Robert L. Verquer
Printed Name

Superintendent
Title

January 19, 2005
Date

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.

NOVEMBER 16, 2004
Date of Survey
Signature and Seal of Registered Professional Surveyor

14831
Certificate Number

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

EXHIBIT "A"

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR: USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO.
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Caulkins Oil Company		6. State Oil & Gas Lease No.
3. Address of Operator 1409 W. Aztec Blvd., Suite B7, Aztec New Mexico 87410		7. Lease Name or Unit Agreement Name Breech "C"
4. Well Location Unit Letter <u>NG</u> : <u>660'</u> feet from the <u>South</u> line and <u>2300'</u> feet from the <u>West</u> line Section <u>13</u> Township <u>26N</u> Range <u>6W</u> NMPM County <u>Rio Arriba</u>		8. Well Number 392
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6686 GR		9. OGRID Number 003824
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type <u>Drilling</u> Depth to Groundwater <u>60'</u> Distance from nearest fresh water well <u>1 1/2 mile</u> Distance from nearest surface water <u>1 1/4 mile</u>		
Pit Liner Thickness: <u>mil</u> Below-Grade Tank: Volume: <u>bbls</u> ; Construction Material:		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <u>Drilling Pit</u> <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Construct new below grade drilling pit along with location.

Cut and fill diagram attached.

No liner will be required for this pit due to distance from water sources.

Construction is scheduled to begin: March 2005

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed and closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Robert L. Verquer TITLE Superintendent DATE 1-19-05
Type or print name Robert L. Verquer E-mail address: Telephone No. 505-334-4323
For State Use Only

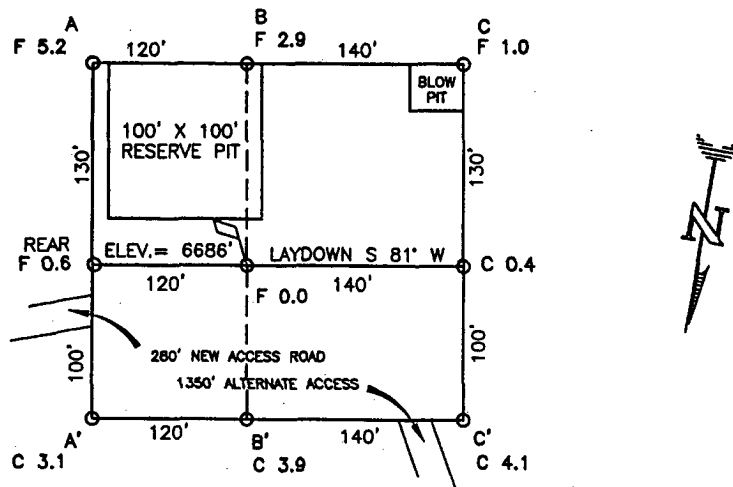
APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 58 DATE APR - 4 2005
Conditions of Approval (if any):

LEASE: BREECH "C" NO. 392

FOOTAGE: 660' FSL 2300' FWL

SEC.: 13 TWN: 26-N RNG: 6-W NMPM

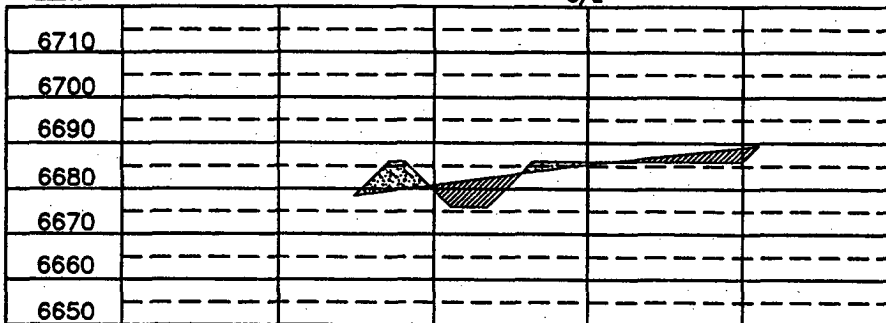
ELEVATION: 6686'



230' x 260' (330' x 360') = 2.73 ACRES

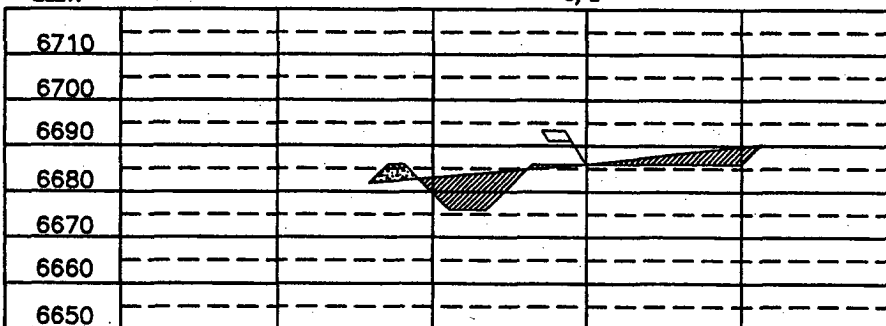
ELEV. A-A'

C/L



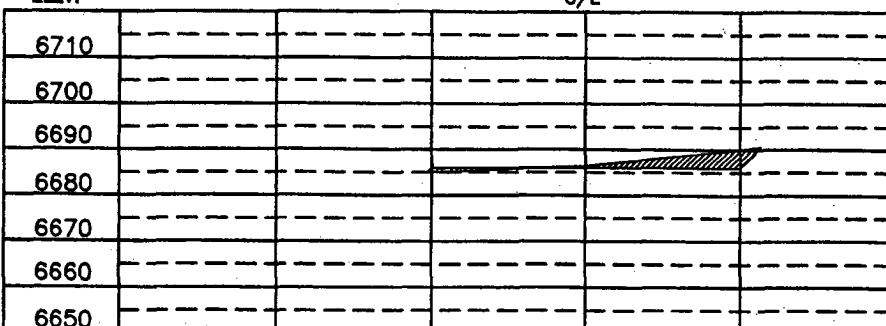
ELEV. B-B'

C/L



ELEV. C-C'

C/L



NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

REVISION	DATE	REVISION BY

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15088 - Farmington, NJ 07401
 Phone (908) 326-1772 - Fax (908) 326-6019
 NEW MEXICO L.S. No. 14831

Drawn by: G.V.
 North: CC036
 Date: 11/30/04

EXHIBIT "B"

TEN POINT COMPLIANCE PROGRAM

Caulkins Oil Company
 Breech "C" 392
 660' FSL & 2300' FWL, Sec. 13, 26N, 6W
 Rio Arriba County, New Mexico
 Lease No. NM - 03554

1. The Geological Surface Formation is : San Jose.
2. The Estimated Tops of Important Geological Markers:

Ojo Alamo	2299
Fruitland	2865
Picture Cliffs	3117
Chacra	4011
Point Lookout	5265
Greenhorn	7267
Dakota	7453
TD	7650

3. Estimated Depths and pressures of Anticipated Water, Oil, Gas or Minerals:

Substance	Formation	Depth	Pressure
Water	Alamo	2384	0
Gas	Fruitland	3113	200
Gas	Pictured Cliffs	3198	450
Gas	Chara	4062	500
Gas	Mesa Verde	5668	1000
Gas	Dakota	7607	1500

4. The proposed casing program will be as follows:

Depth	Hole Size	O.D.	Weight	Grade	Type	New/Used
0-350	12-1/4	9-5/8	36#	J55	LT&C	NEW
0-1000	7-7/8	5-1/2	17#	K55	LT&C	NEW
1000-6650	7-7/8	5-1/2	15.50#	K55	LT&C	NEW
6650-7650	7-7/8	5-1/2	17#	K55	LT&C	NEW

The proposed cement program will be as follows:

Surface: 163 sacks class H with 1% CaCl
 and 1/4# per sack cellophane flake.

VOLUME CALCULATIONS

YIELD 1.14 350 ft x 0.3132 cu-ft/ft with 70% excess = 186 cu-ft

PRODUCTION:

Cement will be run in three stages with
 stage tools set at approximately 3650' and 5650'.

1st stage Cement through shoe at approx. 7650' with 233 sacks
 class B 35/65 poz + 6% gel (bentonite) + 1/4# /sk
 cellophane flake followed by 100 sacks class H
 + 1% CaCl + 1/4# /sk cellophane flake.

VOLUME CALCULATIONS

YIELD 1.79 1341 ft x 0.1732 cu-ft/ft with 80% excess = 418 cu-ft

YIELD 1.14 659 ft x 0.1732 cu-ft/ft with 0% excess = 114 cu-ft

2nd stage Cement through shoe at approx. 5650' with 233 sacks
 class B 35/65 poz + 6% gel (bentonite) + 1/4# /sk
 cellophane flake followed by 100 sacks class H
 + 1% CaCl + 1/4# /sk cellophane flake.

VOLUME CALCULATIONS

YIELD 1.79 1341 ft x 0.1732 cu-ft/ft with 80% excess = 418 cu-ft

YIELD 1.14 659 ft x 0.1732 cu-ft/ft with 0% excess = 114 cu-ft

EXHIBIT "B"

TEN POINT COMPLIANCE PROGRAM

Caulkins Oil Company
Breech "C" 392
660' FSL & 2300' FWL, Sec. 13, 26N, 6W
Rio Arriba County, New Mexico
Lease No. NM - 03554

3rd stage Cement through tool at approx. 3650' with 521 sacks class B 35/65 poz + 6% gel (bentonite) + 1/4# /sk cellophane flake followed by 100 sacks class H + 1% CaCl + 1/4# /sk cellophane flake.

VOLUME CALCULATIONS

YIELD 1.79 2991 ft x 0.1732 cu-ft/ft with 80% excess = 932 cu-ft

YIELD 1.14 659 ft x 0.1732 cu-ft/ft with 0% excess = 114 cu-ft

5. Operator's Minimum Specifications for Pressure Control:

EXHIBIT "C" is a schematic of a 2M blowout preventer system. The BOP's will be hydraulically tested prior to drilling out from under surface and operational checks will be made daily thereafter and recorded in the drilling tour report.

Accessories to BOP will include the following:

- A. 2" minimum kill line and valve.
- B. Choke line and valve
- C. 2 Chokes
- D. Upper kelly cock valve with handle.
- E. Safety valve and subs to fit all drill strings.
- F. Pressure gauge on choke manifold.
- G. 2" minimum choke line.
- H. Fill-up line above uppermost preventer.

6. The type and Characteristics of the Proposed Circulating Mud's:

Mud system will be gel-chemical with adequate stocks of absorbent agents on location to handle possible spills of fuel and oil in the surface. Heavier mud's will be on location to be added if pressure requires.

Interval	Mud Wt	Vis	Fluid Loss	Ph	Additives
0- 350	9.0	50	---	9	Lime
350-TD	9.0	34-40	8cc	9	Chemicals

7. Auxiliary equipment to be used is as follows:

- a. Float valve above bit.
- b. Monitoring of mud system will be visual.
- c. A sub with a full opening valve will be on the floor when the kelly is not in use.

8. Testing, logging and coring will be as follows:

- a. Cores - none will be taken.
- b. Drill stem tests - none anticipated.
- c. Logging - Cased hole Gas Spectrum Log bottom of surface pipe to TD.

9. Anticipated Abnormal Pressures and Temperatures:

No abnormal pressure, temperatures or hydrogen sulfide gases are anticipated during the course of drilling to TD. The maximum bottom hole pressure to be expected is 1500 psi.

10. Anticipated Starting Date and Duration of the Operations:

The anticipated starting date is set for March 5, 2005, or as soon as possible after examination and approval of drilling requirements. Operations should be completed within 25 days.

EXHIBIT "C"

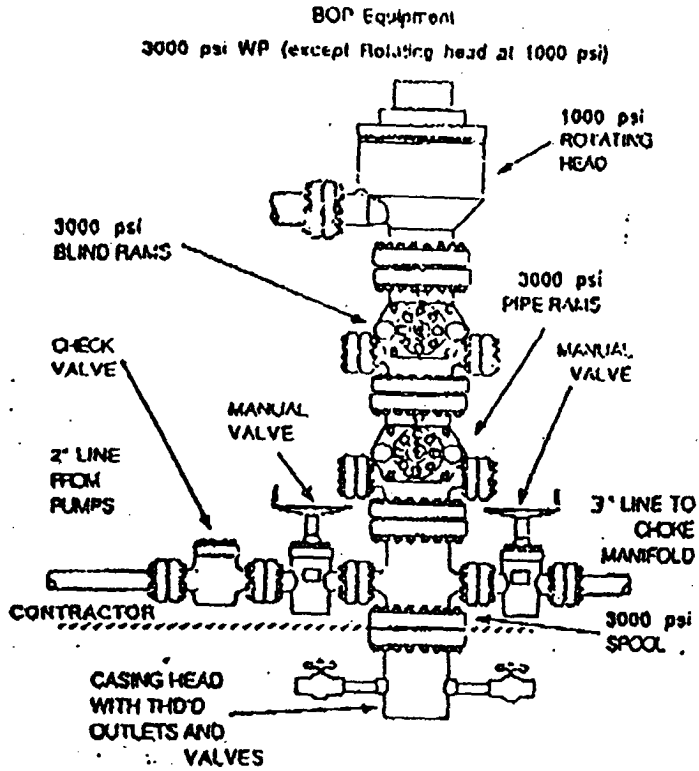


EXHIBIT "B" CHOKE MANIFOLD

