

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

Caulkins Oil Company

3. ADDRESS OF OPERATOR

P.O. Box 340 Bloomfield, New Mexico 87403

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

At surface

1190' F/S and 1190' F/W

At proposed prod. zone

Same

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

35 Miles Southwest of Blanco, New Mexico

15. DISTANCE FROM PROPOSED*

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

1190'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

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

1000'

19. PROPOSED DEPTH

3100'

20. ROTARY OR CABLE TOOLS

Rotary

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

DRILLING OPERATIONS AUTHORIZED ARE

6590 GR

23. SUBMIT TO COME WITH ATTACHED PROPOSED CASING AND CEMENTING PROGRAM

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

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 12 1/4" | 8 5/8" | 24# | 200' | 230 Cu.Ft. |
| 7 7/8" | 4 1/2" | 10.5# | 3100' | 750 Cu.Ft. |

This proposed well to replace old Pictured Cliffs well with mechanical problems.
Old well location 1800' F/S and 1720' F/W Section 24, 26N 6W.

Request for abandonment of old well will be made under separate cover.

It is proposed to drill new hole surface to 3100' using 9.0 Gel based mud.
Float will be run in drill pipe at bit. ES Gamma and Porosity logs will be
run in open hole.

A Shaffer 10" Model LWP, 6000# test BOP will be in use at all times while drilling
below surface casing and until production casing is cemented. BOP will be
tested at least one time during each 24 hour period and results recorded on
daily drilling report.

(OVER)

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.

SIGNED

Charles E. Vugner

TITLE

Superintendent

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

3-20-89
**APPROVED
AS AMENDED**

MAY 03 1989

for AREA MANAGER

NMOCC

*See Instructions On Reverse Side

New 8 5/8" 24# 8rd thd casing will be set at approx 200' and cemented with 175 Cu.Ft. Neat Cement. Cement will be circulated to surface.

New 4 1/2" 10.5# J-55 Sals casing will be run surface to TD then cemented with sufficient cement to circulate to surface. Approx 550 Cu.Ft. 50-50 Poz, 6% Gel followed by 200 Cu.Ft. Neat Cement.

Pictured Cliffs Zone will be perforated and sand water fractured to stimulate production.

Estimated Formation Tops and Bottoms:

| | |
|-----------------|----------------|
| Alamo | 2460' to 2560' |
| Fruitland | 2890' to 2960' |
| Pictured Cliffs | 3060' to 3100' |

WELL LOCATION AND ACREAGE DEDICATION PLAT

Superior C-128
Effective 1-4-88

All distances must be from the outer boundaries of the Section.

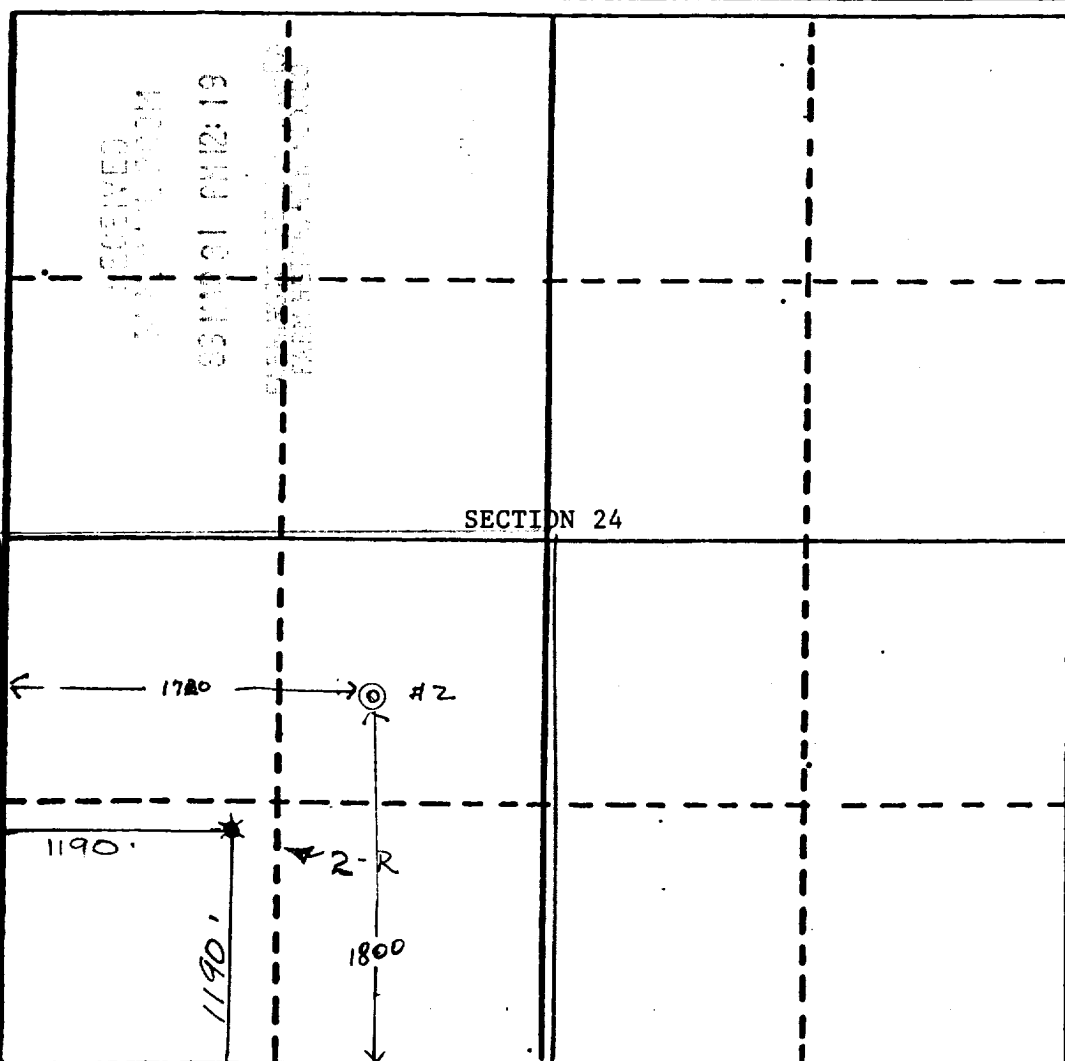
| | | | | | |
|---|---|------------------------------|---------------------------------------|-----------------------------|------------------------|
| Operator CAULKINS OIL COMPANY | | | Lease SANCHEZ | | Well No. 2-R |
| Unit Letter M | Section 24 | Township 26 NORTH | Range 6 WEST | County RIO ARRIBA | |
| Actual Footage Location of Well | | | | | |
| 1190 feet from the SOUTH line and | | 1190 feet from the WEST line | | Name | |
| Ground Level Elev. 6590 | Producing Formation Pictured Cliffs | Pool South Blanco | Dedicated Acreage 160 Acres | | |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.) _____

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.

Charles E. Verquer

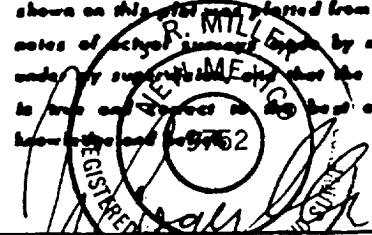
Name
Charles E. Verquer

Position
Superintendent

Company
Caulkins Oil Company

Date
3-22-89

I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.



Date of Survey
DECEMBER 14, 1988

Registered Professional Engineer and/or Land Surveyor

J. ROGER MILLER

Certificate No.

9752

DRILLING PLAN and SURFACE USE PROGRAM

Well NO. Sanchez 2-R
1190' F/S and 1190' F/W
Section 24, 26 North 6 West
Rio Arriba County, New Mexico

DRILLING PLAN

(1) Estimated Formation Tops:

| | |
|-----------------|-------|
| Alamo | 2460' |
| Pictured Cliffs | 3060' |

(2) Alamo Water Sands:

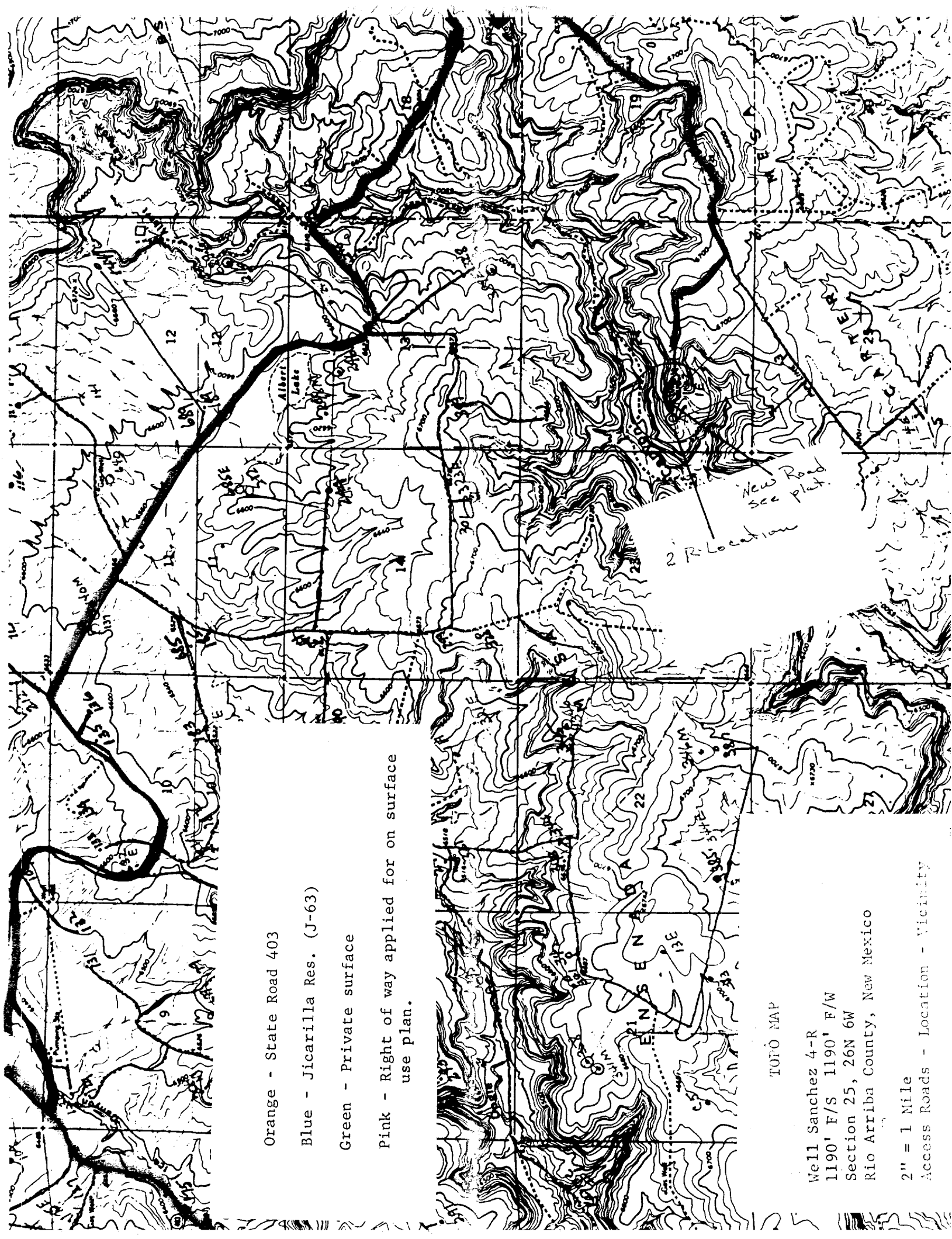
| | |
|-------------|-------|
| Est. Top | 2460' |
| Est. Bottom | 2560' |

- (3) A Schaeffer 10' Model LWP 6000# test BOP will be in use at all times while drilling below surface casing. BOP will be tested at least once every 24 hour period and so noted on daily report.
- (4) Casing will be new 4 1/2" 10.5# J-55 Smls.
- (5) 9.0# Gel based mud will be maintained to keep hole conditioned for drilling operations.
- (6) Induction Electric and Porosity Logs will be run in open hole if possible.
- (7) No abnormal pressure, temperature or H₂S expected.

SURFACE USE PROGRAM:

- (1) To reach proposed location start from Farmington, New Mexico and take Highway 64 to Blanco, New Mexico, turn right up Largo Canyon to Largo Canyon School, cross bridge go up Ice Canyon on State road approx 3 miles to Caulkins Camp, pass camp by to cattle guard, cross cattle guard, take road straight ahead up the hill, take first road left, straight ahead which follows along ridge to another cattle guard, do not cross, take right road easterly, to next cattle guard, cross cattle guard, straight ahead and down hill to Jicarilla Reservation line, J-63 Road, follow J-63 for approx 3 miles, when J-63 turns 90° left with road straight ahead you take road straight, follow along base of Mesa for approx 1 mile to Reservation fence, cross cattle guard, take first road right follow this road to end and you have arrived at location.

All existing roads used to access the proposed location shall be maintained in the same or better condition than presently found.



Orange - State Road 403

Blue - Jicarilla Res. (J-63)

Green - Private surface

Pink - Right of way applied for on surface use plan.

TOPO MAP

Well Sanchez 4-R

1190' F/S 1190' F/W

Section 25, 26N 6W

Rio Arriba County, New Mexico

2" = 1 Mile

Access Roads - Location - Vicinity