

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

2. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

3. NAME OF OPERATOR John H. Hill, Individually and Gordon L. Llewellyn,
as Trustee for Johannah Hope Hill and John Henry Hill, Jr.

4. ADDRESS OF OPERATOR Suite 140 Campbell Centre, 8350 North Central
Expressway, Dallas, Texas 75206

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*)
At surface
D 800' FNL & 950' FWL (NW NW)
At proposed prod. zone
Pictured Cliffs

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
26.2 miles Southeast of Blanco, New Mexico

7. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drilg. well line, if any)
800'

8. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR ABANDONED, ON THIS LEASE, FT.
3000'

9. ELEVATIONS (Show whether DE, RT, GR, etc.)
6974' CR

30-045-23921
5. LEASE DESIGNATION AND SERIAL NO.
SF-078430 (NM 864)

6. IF INDIAN, A, B, C, OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Newsom "A"

9. WELL NO.
#8

10. FIELD AND POOL OR WILDCAT
Dallard P.C. ext

11. SEC. T. R. M. OR B.L.
AND SURVEY OR AREA
NW/4 Section 10,
T-26-N, R-8-W, NMPM

12. COUNTY OR PARISH
San Juan

13. STATE
New Mexico

14. NO. OF ACRES IN LEASE
2480

15. NO. OF ACRES ASSIGNED
TO THIS WELL
160

16. PROPOSED DEPTH
3000'

17. ROTARY OR CABLE TOOL
Rotary

18. APPROX. DATE WORK WILL START*
December 1, 1979

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9 7/8"	7 5/8" new	20# F-25 ST&C	200'	100sx or suff. to circl. to surf
6 3/4"	2 7/8" new	6.5# J-55 ST&C	3,000'	200sx or suff. to cover Ojo Ala

1. Drill 9 7/8" hole and set 7 5/8" surface casing to 200' with good returns.
2. Log B.O.P. checks in daily drill reports and drill 6 3/4" hole to 3,000'.
3. Run tests if warranted and run 2 7/8" casing if productive.
4. Run logs, as needed, and perforate and stimulate as needed.

EXHIBITS ATTACHED:

- "A" Location & Elevation Plat
"B" The Ten-Point Compliance Program
"C" The Blowout Preventer Diagram
"D" The Multi-Point Requirements for A.P.D.
"E" & "E₁" Access Road Maps to Location
"F" Radius Map of Field
"G" & "G₁" Drill Pad Layout, Cut-Fill Cross-Section & Production Facilities
"H" Drill Rig Layout

gas is dedicated

19. 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.

SIGNED: John H. Hill
JOHN H. HILL
(This space for Federal or State office use)

SIGNED: GORDON L. LLEWELLYN, as Trustee for
Johannah Hope Hill and John Henry Hill, Jr.

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

NMOCC

*See Instructions On Reverse Side



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-112
Supersedes C-120
Effective 1-1-65

EXHIBIT "A"

All distances must be from the outer boundaries of the Section

Location & Elevation Plat.

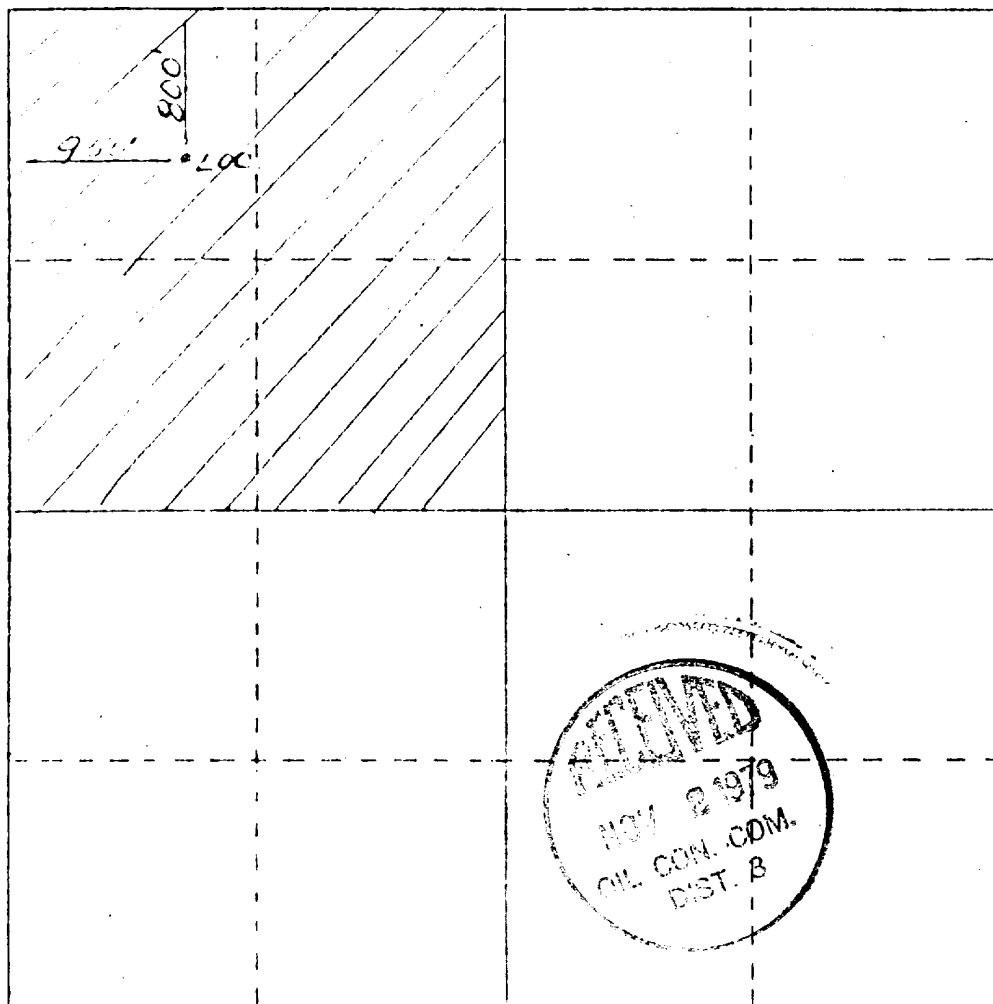
Owner John H. Hill & Gordon Llewellyn			Lease (SF-078430) Newsom A			Well No. Newsom "A" #8		
Section D	Town 10	Range 26N	County San Juan					
Actual Elevation of Well: 800			Foot from the North			Foot from the West		
Ground Level Elev. 6974	Producing Formation Pictured Cliffs		Pool Ballard Pictured Cliffs ext			Dedicated Acreage: 160		

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.

George Lapaseotes
Name **George Lapaseotes**
Position **V. Pres. Powers Elevation**
Agent Consultant for
Company **John H. Hill & Gordon Llewellyn**
Date **October 23, 1979**

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 knowledge and belief.

W. C. Edwards
Date Surveyed
Registered Professional Engineer
and/or Land Surveyor

6857

Continue to _____

0 300 600 900 1200 1500 1800 2100 2400 2700 3000 3300 3600 3900 4200 4500 4800 5100 5400 5700 6000



POWERS ELEVATION

OIL WELL ELEVATIONS AND LOCATIONS
CHERRY CREEK PLAZA, SUITE 1201
600 SOUTH CHERRY STREET
DENVER, COLORADO 80222
PHONE NO. 303/321-2217

October 25, 1979

U.S. Geological Survey
Office of the District Engineer
P.O. Box 959
Farmington, New Mexico 87401

RE: Filing NTL-6 and A.P.D. Form 9-331C
John H. Hill & Gordon L. Llewellyn
Newsom "A" #8
NW NW Sec. 10 T26N R8W
San Juan County, New Mexico

Gentlemen:

Enclosed are five copies of the NTL-6 program and A.P.D. Form 9-331C for the above captioned well location.

The archaeological report is not included with the NTL-6 report but will be forwarded to your office, and to the B.L.M. office, from our Archaeological Division in Eagle, Colorado.

Designation of Operator has been forwarded under separate cover by the operator.

We shall appreciate your earliest attention to this matter.

Very truly yours,

POWERS ELEVATION

Connie L. Frailey

CLF:vg
Enclosures

cc: Gordon L. Llewellyn, Dallas, Texas
Leon Wiederkehr, Austin, Texas
Neale Edwards, Powers Elevation, Durango, Colorado
Dirt Contractor

Powers Elevation
Suite 1201 Cherry Creek Plaza
600 So. Cherry Street
Denver, Colorado 80222

RE:

Gentlemen:

This is to confirm our understanding with you that Powers Elevation is authorized to act as our agent in the following capacities:

- A. In surveying, staking, and preparing and filing necessary applications, permits and compliance programs, including complete NTL-6 reports.
- B. In accepting on our behalf any changes to location, proposed facilities and/or surface use plan and compliance program requested at on-site inspections, when we are unable to have a Company representative present. Such changes will then be binding upon us or designated Operator.
- C. In performing the following rehabilitation work:

Powers' responsibilities do not include supervision of drilling, completion or rehabilitation operations, except as specifically noted in "C" above.

John H. Hill, Individually and Gordon L. Llewellyn
as Trustee for Johannah Hope Hill and John Henry
Hill, Jr.

Company _____

by: _____

Title Partner

Date October 12, 1979

EXHIBIT "B"

TEN-POINT COMPLIANCE PROGRAM
OF NTL-6 APPROVAL OF OPERATIONS

Attached to Form 9-331C
John H. Hill & Gordon L. Llewellyn
Newson "A" #8
NW NW Sec. 10 T26N R8W
800' FNL & 950' FWL
San Juan County, New Mexico

1. The Geologic Surface Formation

The surface formation is the Wasatch.

2. Estimated Tops of Important Geologic Markers

Base of Ojo Alamo/Top of Kirtland Shale	2,616'
Fruitland	2,726'
Pictured Cliffs	2,841'
Total Depth	3,000'

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

Base of Ojo Alamo	2,616'	Water
Pictured Cliffs	2,841'	Gas

4. The Proposed Casing Program

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>SECTION LENGTH</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE & JOINT</u>	<u>NEW OR USED</u>
9 7/8"	0-200'	200'	7 5/8"	20# F-25 ST&C	New
6 3/4"	0-3,000'	3,000'	2 7/8"	6.5# J-55 ST&C	New

Cement Program

- (a) Surface Casing: Cement with 100 sacks or sufficient to circulate to surface.
- (b) Production Casing: Cement with 200 sacks or sufficient to cover Ojo Alamo.

5. The Operator's Minimum Specifications for Pressure Control

EXHIBIT "C" is a schematic diagram of the blowout preventer equipment. The BOP's will be hydraulically tested to the full working pressure after nipping up and after any use under pressure. Pipe rams will be operationally checked each 24-hour period, as will blind rams each time pipe is pulled out of the hole. Such checks of BOP will be noted on daily drilling reports.

Accessories to BOP will include a floor safety valve, drill string BOP and choke manifold with pressure rating equivalent to the BOP stack.

6. The Type and Characteristics of the Proposed Circulating Muds

Mud system will be gel-chemical with adequate stocks of sorptive agents on site to handle possible spills of fuel and oil on the surface. Heavier muds will be on location to be added if pressure requires.

<u>INTERVAL</u>	<u>TYPE</u>	<u>WEIGHT #/gal.</u>	<u>VISCOSITY-sec./qt.</u>	<u>FLUID LOSS cc</u>
0-200'	Natural Mud	-----	-----	-----
200'-3,000'	Fresh Water gel	8.4-9.5	35-45	less than 10 cc

7. The Auxiliary Equipment to be Used

- (a) No kelly cock will be used.
- (b) A float will be used at the bit.
- (c) Neither a mud logging unit nor a gas detecting device will be monitoring the system.
- (d) A stabbing valve will be on the floor to be stabbed into the drill pipe when kelly is not in the string.

8. The Testing, Logging and Coring Programs to be Followed

- (a) No DST's are anticipated.
- (b) The logging program will consist of an IES and a GR Density over selected intervals. Other logs will be determined at well site to best evaluate any shows.
- (c) No coring is anticipated.
- (d) Stimulation procedures will be determined after evaluation of logs. If treatment is indicated, appropriate Sundry Notice will be submitted.

9. Any Anticipated Abnormal Pressures or Temperatures

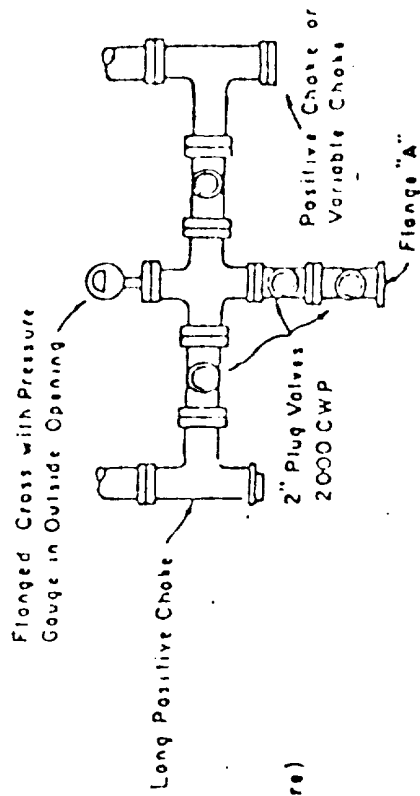
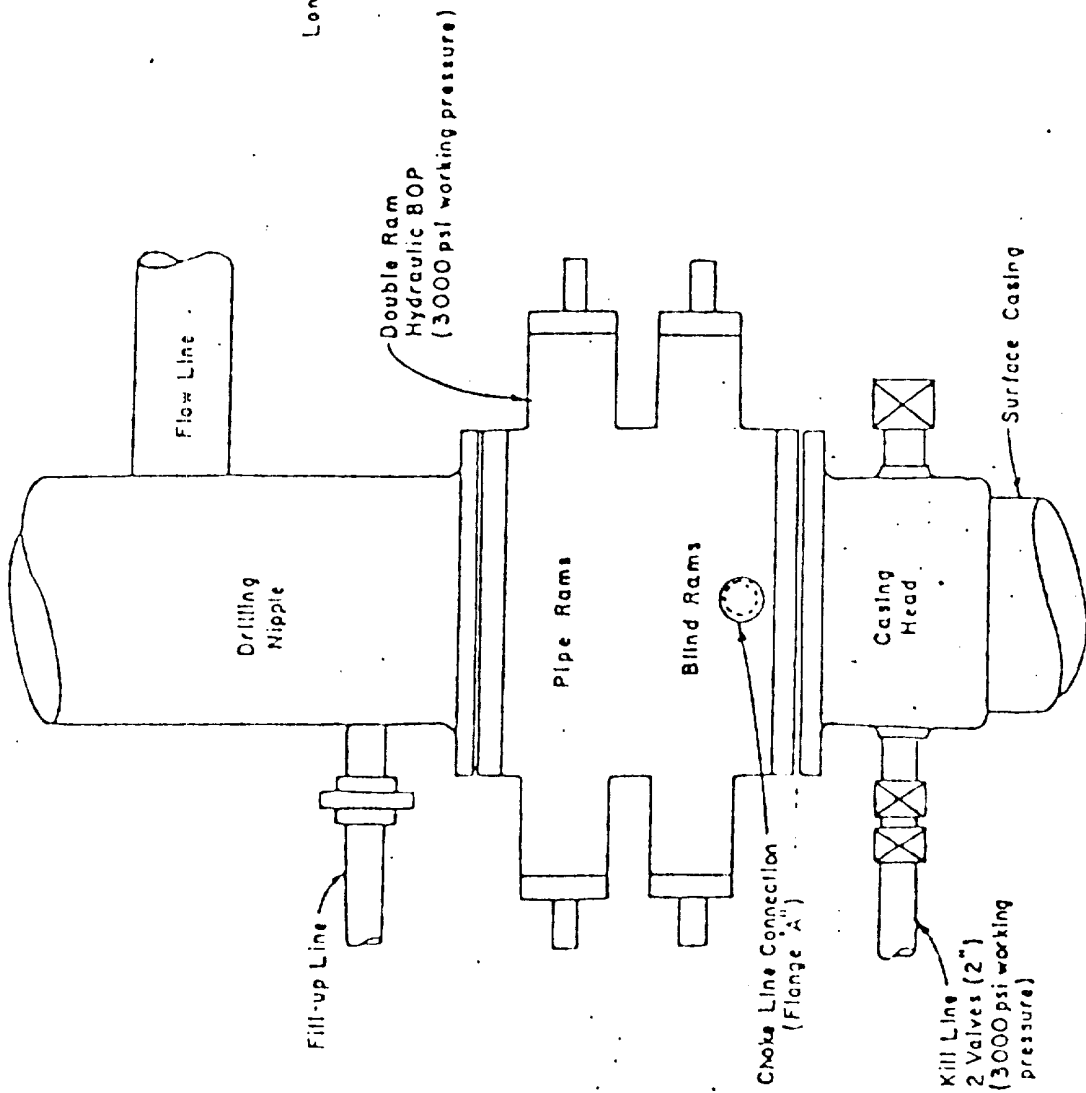
No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well.

No hydrogen sulfide or other hazardous fluids or gases have been found, reported or known to exist at these depths in the area.

10. Anticipated Starting Date and Duration of the Operations

The anticipated starting date is set for December 1, 1979, or as soon as possible after examination and approval of drilling requirements. Operations should be completed within 30 days after spudding the well and drilling to casing point.

Blowout Preventer
Diagram



PLAN VIEW-CHOKE MANIFOLD

EXHIBIT "D"

MULTI-POINT REQUIREMENTS TO ACCOMPANY A.P.D.

Attached to Form 9-331C
John H. Hill & Gordon L. Llewellyn
Newsom "A" #8
NW NW Sec. 10 T26N R8W
800' FNL & 950' FWL
San Juan County, New Mexico

1. Existing Roads

- A. The proposed well site and elevation plat is shown as EXHIBIT "A".
- B. The distance from Blanco, New Mexico is 26.2 miles. Proceed East on State Highway #17 for 1.3 miles, thence South (right) on Cutter Dam Road (CR A-80). Continue for 12.3 miles on graded road, thence Southwest (right) on oil field road (graded) a distance of 12.6 miles to location, as shown on EXHIBITS "E" & "E₁".
- C. All roads to location are color-coded on EXHIBITS "E" & "E₁". No new access road will be required, as shown on EXHIBITS "E" & "E₁".
- D. This is an exploratory well. All existing roads within a three-mile radius are shown on EXHIBIT "E₁".
- E. N/A
- F. The existing roads need no improvement. Maintenance will be performed as required.

2. Planned Access Roads

Maps showing all necessary access roads are shown as EXHIBITS "E" & "E₁".

- (1) N/A
- (2) N/A
- (3) N/A
- (4) N/A
- (5) N/A
- (6) N/A
- (7) N/A

- (8) No new access road will be required, as shown on EXHIBITS "E" & "E₁".

3. Location of Existing Wells

For all existing wells within a two mile radius of exploratory well, see EXHIBIT "F".

- (1) There are no water wells within a two-mile radius of this location.
- (2) There is one abandoned well in this two-mile radius.
- (3) There are no temporarily abandoned wells.
- (4) There are no disposal wells.
- (5) There are no wells presently being drilled.
- (6) There are 34 producing wells within this two-mile radius.
- (7) There are no shut-in wells.
- (8) There are no injection wells.
- () There are no monitoring or observation wells for other uses.

4. Location of Existing and/or Proposed Facilities

- A. Within a one-mile radius of location the following existing facilities are owned or controlled by lessee/operator:
 - (1) Tank Batteries: None
 - (2) Production Facilities: None
 - (3) Oil Gathering Lines: None
 - (4) Gas Gathering Lines: None
 - (5) Injection Lines: None
 - (6) Disposal Lines: None
- B. If the well is productive, new facilities will be as follows:
 - (1) Production facilities will be located on solid ground of cut area of drill pad, as shown on EXHIBIT "G".
 - (2) All well flow lines will be buried and will be on the well site and battery site.

- (3) Facilities will be 290 feet long and 100 feet wide.
- (4) All construction materials for battery site and pad will be obtained from site. No additional material from outside sources is anticipated.
- (5) Any necessary pits will be fenced and flagged to protect livestock and wildlife.

C. Rehabilitation, whether well is productive or dry, will be made on all unused areas in accordance with B.L.M. stipulations.

5. Location and Type of Water Supply

- A. The source of water will be the San Juan River, located approximately 25 miles Northwest of location, as shown on EXHIBIT "E".
- B. Water will be transported by truck over existing roadways.
- C. No water well is to be drilled on this lease.

6. Construction Materials

- A. No construction materials are needed for drilling or constructing access roads into the drilling location unless well is productive. The surface soil materials will be sufficient or will be purchased from Dirt Contractor as needed.
- B. No construction materials will be taken off Federal land.
- C. All surface soil materials for construction of access roads are sufficient.
- D. All major access roads presently exist as shown on EXHIBIT "E".

7. Handling of Waste Materials and Disposal

- (1) Drill cuttings will be buried in the reserve pit.
- (2) Drilling fluids will be handled in the reserve pit.
- (3) Any fluids produced during drilling test or while making production test will be collected in a test tank. If a test tank is not available during drilling, fluids will be handled in reserve pit. Any spills of oil, gas, salt water or other noxious fluids will be cleaned up and removed.
- (4) Chemical facilities will be provided for human waste.
- (5) Garbage, waste, salts and other chemicals produced during drilling or testing will be handled in trash/burn pit. Drill fluids, water, drilling mud and tailings will be kept in reserve pit, as shown on EXHIBIT "H". The trash/burn pit will be totally enclosed with small mesh wire to prevent wind scattering trash before being burned or buried. Reserve pit will be fenced on three sides and the fourth side fenced upon removal of the rig.

- (6) After the rig moves out, all materials will be cleaned up and no adverse materials will be left on location. Any dangerous open pit will be fenced during drilling and kept closed until the pit has dried and is filled.

8. Ancillary Facilities

No air strip, camp or other facilities will be built during drilling of this well.

9. Well Site Layout

- (1) EXHIBIT "G" is the Drill Pad Layout as staked, with elevations, by Powers Elevation of Durango, Colorado. Cuts and fills have been drafted to visualize the planned cut across the location spot and the deepest part of the pad. Topsoil will be stockpiled per BLM specifications determined at time of pre-drill inspection.
- (2) EXHIBIT "H" is a plan diagram of the proposed rig and equipment, reserve pit, trash/burn pit, pipe racks and mud tanks. No permanent living facilities are planned. There will be a trailer on site.
- (3) EXHIBIT "G" is a diagram showing the proposed production facilities layout.
- (4) The reserve pits will not be lined. Steel mud tanks may be used during drilling operations.

10. Plans for Restoration

- (1) Backfilling, leveling and contouring are planned as soon as all pits have dried. Waste disposal and spoils materials will be buried or hauled away immediately after drilling is completed. If production is obtained, the unused area will be restored as soon as possible.
- (2) The soil banked material will be spread over the area. Revegetation will be accomplished by planting mixed grasses as per formula provided by the BLM. Revegetation is recommended for road area, as well as around drill pad.
- (3) Three sides of the reserve pit will be fenced during drilling operations. Prior to rig release, the reserve pit will be fenced on the fourth side to prevent livestock or wildlife from becoming entrapped; and the fencing will be maintained until leveling and cleanup are accomplished.
- (4) If any oil is on the pits and is not immediately removed after operations cease, the pit containing the oil or other adverse substances will be flagged overhead or covered with wire mesh.

- (5) The rehabilitation operations will begin immediately after the drilling rig is removed. Removal of oil or other adverse substances will begin immediately or area will be flagged and fenced. Other cleanup will be done as needed. Planting and revegetation is considered best in Fall, 1980, unless requested otherwise.

11. Other Information

- (1) The soil is sandy. No distinguishing geological features are present. The area is covered with cactus, sagebrush, pinon pine, cedar, sandsage, and native grass. There are livestock, lizards, rabbits and deer in the area. The topography is slightly sloping to the West, on top of Blanco Mesa, which is surrounded by very rough breaks.

- (2) The primary surface use is for grazing. The surface is owned by the U.S. Government.

- (3) The closest live water is San Juan River, approximately 25 miles Northwest of location, as shown on EXHIBIT "E".

The closest occupied dwelling is located along Blanco Canyon Wash, approximately 3 miles West of the proposed site, as shown on EXHIBIT "E₁".

There are no known archaeological, historical, or cultural heritages that will be disturbed by this drilling.

- (4) There are no reported restrictions or reservations noted on the oil and gas lease.
- (5) Drilling is planned for on or about December 1, 1979. It is anticipated that the casing point will be reached within 30 days after commencement of drilling.

12. Lessee's or Operator's Representative

George Lapaseotes
Agent Consultant for
John H. Hill & Gordon Llewellyn
600 South Cherry Street
Suite 1201
Denver, Colorado 80222
Phone (303) 321-2217

John H. Hill & Gordon Llewellyn
8350 North Central Expressway
Suite 140 Campbell Centre
Dallas, Texas 75206
Phone (214) 692-7021

13. Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by John H. Hill & Gordon Llewellyn and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

Date

10-26-79

George Lapaseotes
George Lapaseotes
Agent Consultant for
John H. Hill & Gordon Llewellyn

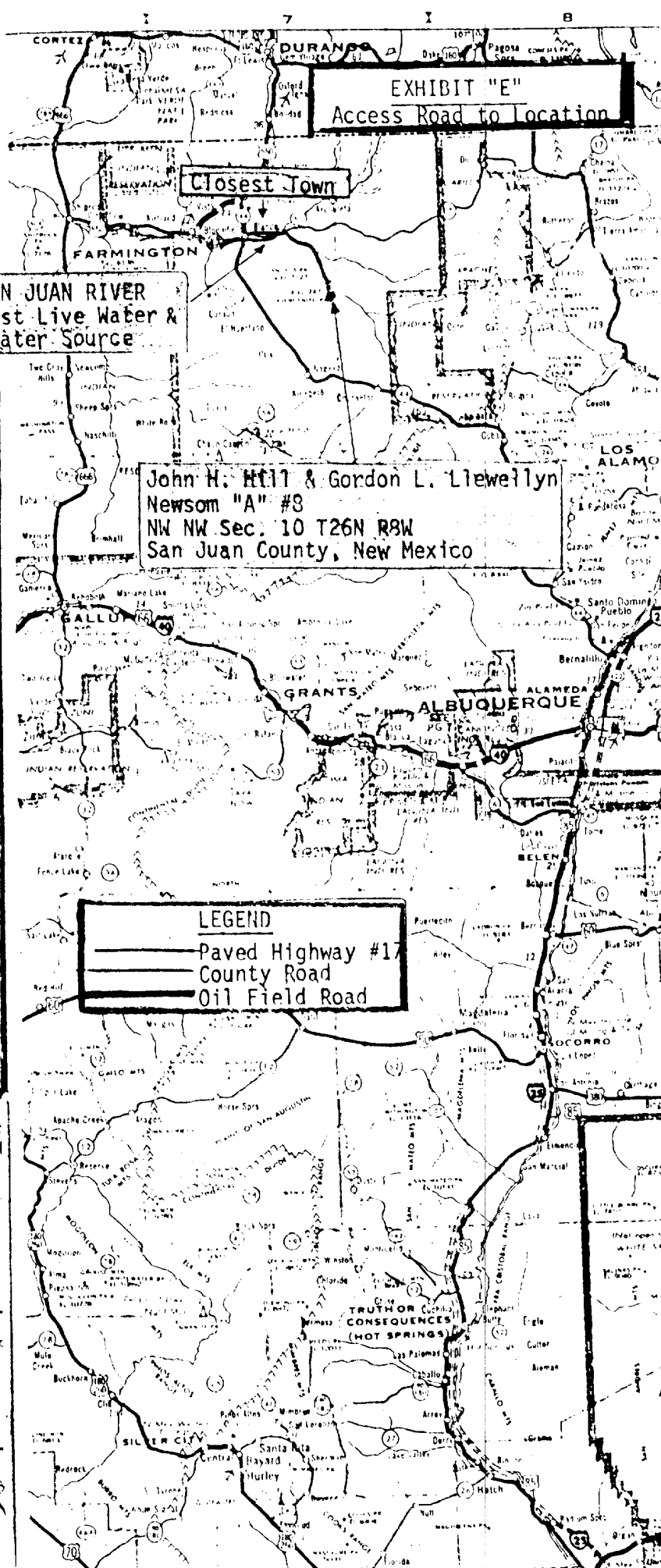
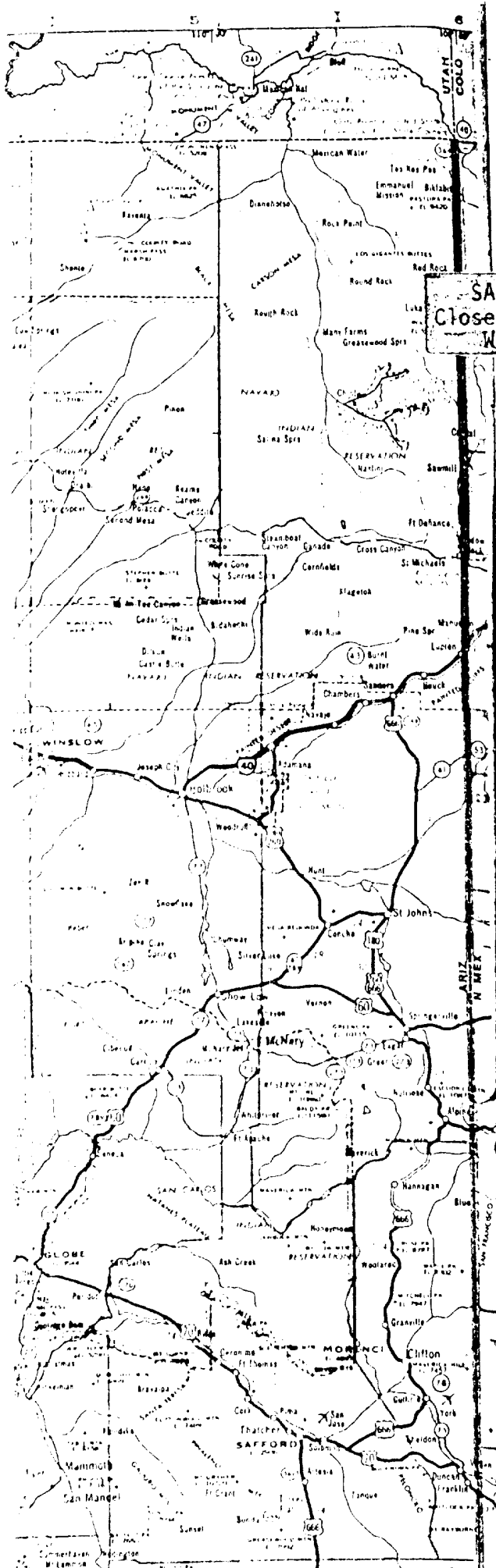


EXHIBIT "E"
Access Road to Location

Closest Town

SAN JUAN RIVER
Closest Live Water &
Water Source

John H. Hill & Gordon L. Llewellyn
Newsom "A" #8
NW NW Sec. 10 T26N R8W
San Juan County, New Mexico

LEGEND
— Paved Highway #1
— County Road
— Oil Field Road

TO BLANCO

CR A-80

El Frio Road

Closest Dwelling

San Juan
Rio Arriba

300m N

EXHIBIT "F"
Radius Map of Field

John H. Hill & Gordon L. Elewellyn
Nelson "A" #8
R3W Sec. 10 T26N R3W
San Juan County, New Mexico

TWO-MILE RADIUS

SO. V. G. CORP.

6140' DF
2076'

T.
26

6461' DF
2395'

R 3 W

LEGEND

- | | |
|-----------------------|----------------------------|
| ○ LOCATION | ★ OIL & GAS WELL |
| ◇ DRY HOLE | ✱ ABANDONED OIL & GAS WELL |
| ● OIL WELL | ⊙ GAS WELL |
| ◆ ABANDONED OIL WELL | ⊙ ABANDONED GAS WELL |
| △ TRIANGULATION POINT | □ WATER WELL |



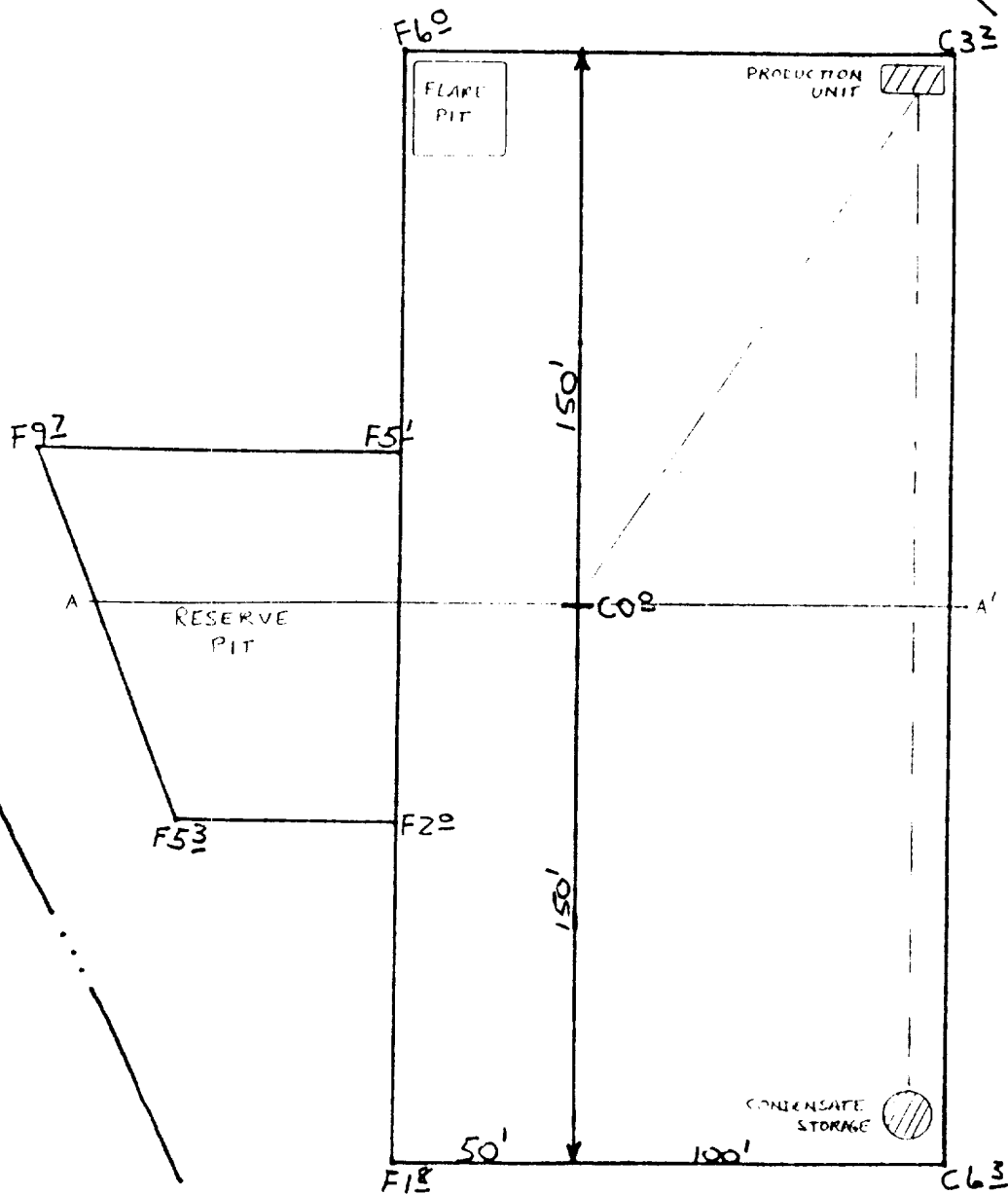
POWERS ELEVATION COMPANY, INC.

John H. Hill & Gordon L Llewellyn
Newsom "A" #8
800' FNL & 950' FWL
Sec. 10 T26N-R8W
San Juan County, New Mexico

EXHIBIT "G"
Drill Pad Layout &
Production Facilities



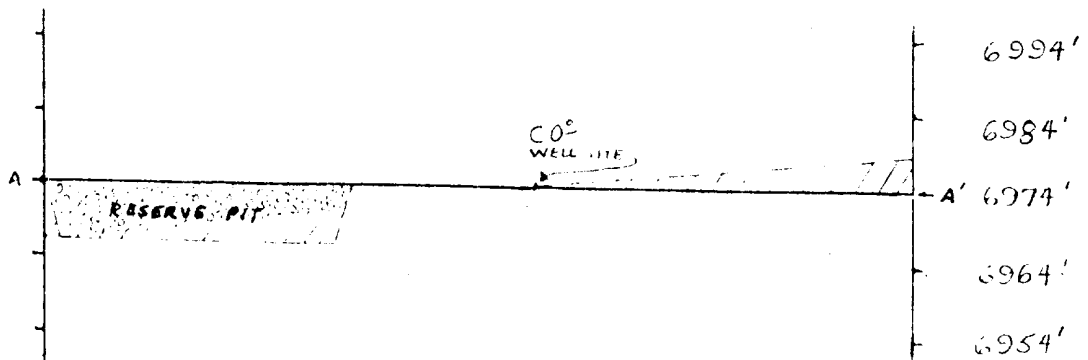
SCALE 1" = 100'



+ R.P. 200' S
C18

John H. Hill & Gordon L. Llewellyn
Newsom "A" #8
NW NW Sec. 10 T26N R8W
800' FNL & 950' FWL
San Juan County, New Mexico

EXHIBIT "G₁"
Drill Pad Cut-Fill
Cross-Section



1cm. = 10'



1" = 50'

SCALE

LEGEND :

original surface	-----
cut	/////
fill	0.0.0
pad surface	-----

EXHIBIT "H"
Drill Rig Layout

John H. Hill & Gordon L. Llewellyn
Newsom "A" #8
800' FNL & 950' FWL
Sec. 10 T26N R8W
San Juan County, New Mexico

