

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.

SF-077382

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Kutz Government

9. WELL NO.

7

10. FIELD AND POOL, OR WILDCAT

Basin-Fruitland Coal

11. SEC. T. R. M. OR BLK.
AND SURVEY OR AREA

Sec. 3, T27N, R10W, N

12. COUNTY OR PARISH

San Juan

13. STATE

N.M.

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320.96

16. NO. OF ACRES IN LEASE

320

19. PROPOSED DEPTH
PBSD 2027'

20. ROTARY OR CABLE TOOLS

22. APPROX. DATE WORK WILL START*

ASAP

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

Breck Operating Corp.

3a. Area Code & Phone No.

817-559-3355

3. ADDRESS OF OPERATOR

P.O. Box 911, Breckenridge, Texas 76024

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

At surface

Unit Letter N, 790' FSL & 1650' FWL

At proposed prod. zone

Same

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

9 Miles SE from Bloomfield, N. Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any) 790'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

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

6131' DF

23.

PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
Cable tool	10-3/4"	40	Unknown	8R	95	100
8-3/4"	7"	28	Unknown	8R	2032	100

See attached for workover procedure.

NOTE: All activity associated with this workover (including construction of any pits) will be kept within the boundaries of the original well site.

RECEIVED

SEP 04 1990

OIL CON. DIV.

DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, drill 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

Daniel D. Wilson

TITLE

PRODUCTION MANAGER

DATE

8/21/90

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

APPROVED
AS AMENDED

AUG 29 1990

FOR AREA MANAGER

*See Instructions On Reverse Side

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill, deepen, or plug back an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

Breck Operating Corp.
Kutz Government #7
Basin-Fruitland Coal
Sec. 3, T27N, R10W, NMPM

EXHIBIT A

PROPOSED WORKOVER SUMMARY

1. MIRU. Kill well. ND wellhead. NU BOP.
2. POOH w/ 1.315" tubing.
3. RIH w/ gauge ring.
4. Run Compensated Neutron/Gamma Ray/Collar Locator log. *and CBL*
5. RIH & set CIBP at $\pm$ 2027'.
6. Pressure test casing to 500 psig.
7. RIH w/ 2-3/8" workstring. Spot 675 gal 7-1/2% HCl acid from 1600' to 2027'.
8. POOH w/ tubing. RIH w/ casing gun. Perforate w/ 2 spf the zones selected after running logs.
9. RIH w/ packer on 2-3/8" tubing. Circulate hole clean w/ 2% KCl. Set packer above top perfs.
10. Acidize w/ 15% HCl. Use 50 gal/ foot of perforation.
11. POOH w/ packer. ND BOP. NU wellhead.
12. RIH w/ 1.900" tubing to $\pm$ 2015'.
13. Unload hole by jetting w/ N₂.
14. Test well to evaluate deliverability.
15. Need for additional stimulation will be reviewed after testing.

EXHIBIT B

RECEIVED

JUL 20 1953

U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

BRECK OPERATING CORP.

~~Kutz Canon Oil & Gas Co.~~

Company ~~Cheyenne Oil Ventures, Inc.~~

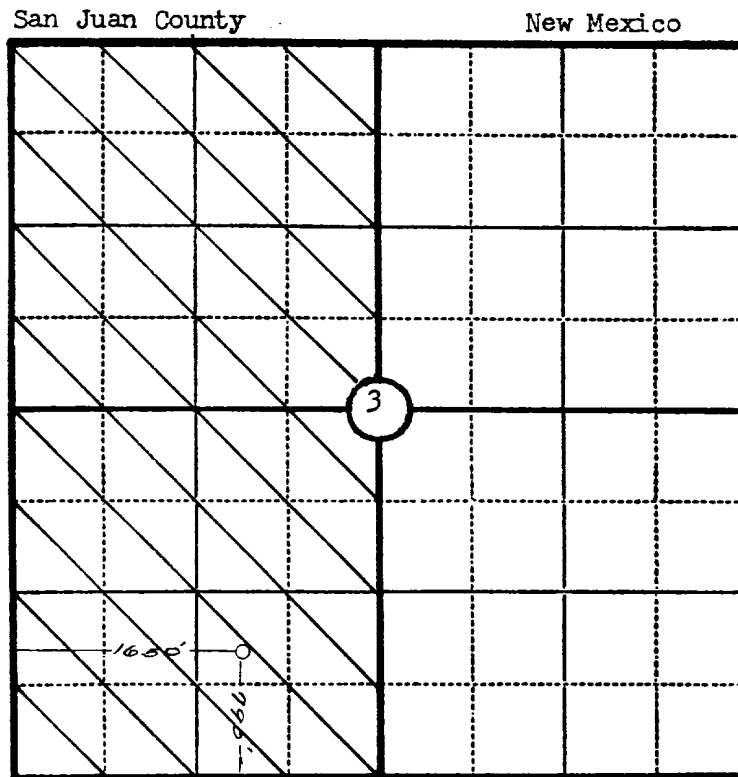
Lease Kutz Govt. Well No. 7

Sec. 3, T. 27 N., R. 10 W., N.M.P.M.

Location 790' from the South line and 1650' from the West line.



SF-077382



Scale—4 inches equal 1 mile.

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Ernest V. Echohawk

Seal:

Registered Professional
~~Engineer and~~ Land Surveyor.

Ernest V. Echohawk
N. Mex. Reg. No. 1545

Surveyed July 6, 1953

BRECK OPERATING CORP.

EXHIBIT C

P.O. BOX 911

BRECKENRIDGE, TEXAS 76024-0911

DATE 8/16/90 WELL NO. 7 LEASE KUTZ GOVERNMENT FIELD FULCHER-KUTZ (P.C.)

CURRENT WELLBORE CONFIGURATION

10 $\frac{3}{4}$ ", 40#, 8R C36 SET @ 95' w/100 SX CMT.

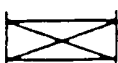
← 1.315" O.D., 1.68# TBG SET @ 2016'

ESTIMATED TOP OF CEMENT 1360'

7", 28#, 8R C36 SET @ 2032' w/100 SX CMT.

CURRENT PRODUCING FORMATION: PICTURED CLIFFS 2032'-2122' (O.H.)

T.D. 2122'



BRIDGE PLUG



PACKER



CENTRALIZER



SCRATCHER



BASKET



PERFORATION

BRECK OPERATING CORP.

EXHIBIT D

P. O. BOX 911

BRECKENRIDGE, TEXAS 76024-0911

DATE 8/16/90 WELL NO. 7 LEASE KUTZ GOVERNMENT FIELD BASIN-FRUITLAND COALPROPOSED WELLBORE CONFIGURATION10 3/4", 40#, 8R C₃₆ SET @ 95' w/ 100 SK CMT

1.900" O.D., 2.9#, J-55 TBG SET @ ± 2015'

ESTIMATED TOP OF CEMENT 1360'

ESTIMATED FRUITLAND COAL PRODUCING INTERVALS

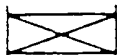
(WILL BE SELECTIVELY PERFORATED 2 SFT)

1615'-25'; 1795'; 1870'-1900'; 1910'-50'; 1970'-92'; 2010'-27'

CIBP SET @ 2027'

7", 28#, 8R C₃₆ SET @ 2032' w/ 100 SK CMT

T.D. 2122'



BRIDGE PLUG



PACKER



CENTRALIZER



SCRATCHER



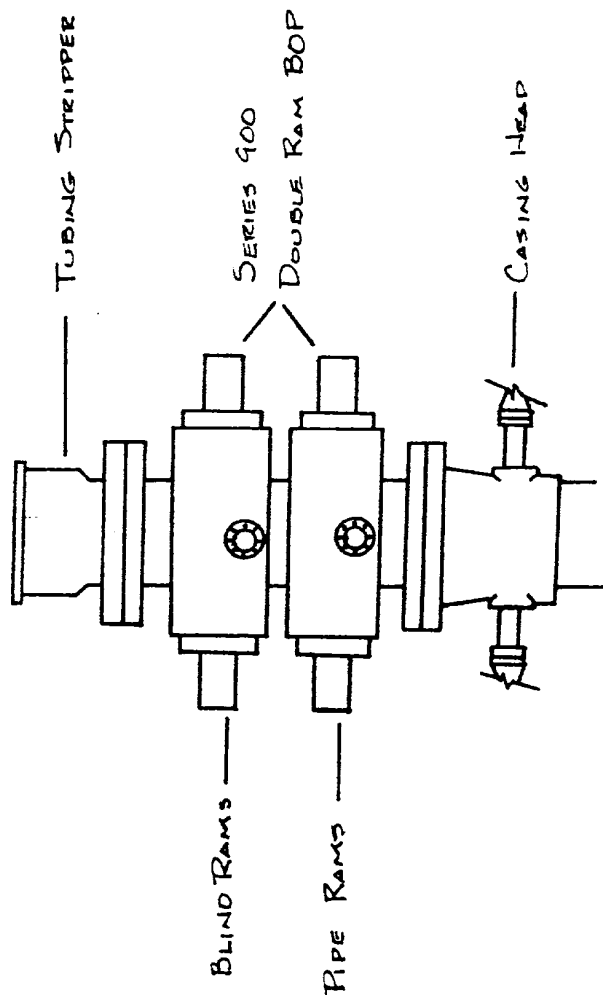
BASKET



PERFORATION

BLOWOUT PREVENTER ASSEMBLY

BRECK OPERATING CORP.
KUTZ GOVERNMENT #7
790' FSL + 1650' FWL
Dec. 3, T27N, R10W, NMPM



3000 PSI
WORKING PRESSURE
(SERIES 900 FLANGES)

EXHIBIT E