

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-045-21587

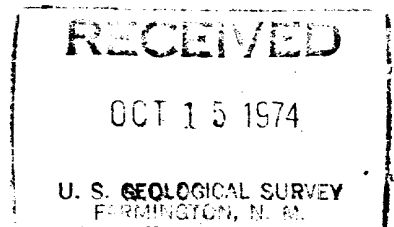
APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐ PLUG BACK ☐			5. LEASE DESIGNATION AND SERIAL NO. NM 14930
b. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER ☐			6. IF INDIAN, ALLOTTEE OR TRIBE NAME U. S.
2. NAME OF OPERATOR W. M. GALLAWAY			7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR 101-2 Petroleum Plaza Bldg., Farmington, N.M. 87401			8. FARM OR LEASE NAME Mechel
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 945' FSL and 900' FEL At proposed prod. zone			9. WELL NO. 7
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Thirteen miles south of Farmington, N.M.			10. FIELD AND POOL, OR WILDCAT Basin Dakota
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)	900'	16. NO. OF ACRES IN LEASE 640	17. NO. OF ACRES ASSIGNED TO THIS WELL 320
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	None	19. PROPOSED DEPTH 5950'	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5946' GR			22. APPROX. DATE WORK WILL START* Nov. 1, 1974

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
10 3/4"	8 5/8"	28 #	200'	100 sacks
7 7/8"	4 1/2"	10.5#	5940'	400 sacks

Plan to mud drill 140' into the Dakota Formation and set
production casing in Dakota Formation, perforate top sands of Dakota,
stimulate well by fracing, run tubing and test well.



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. W. M. Gallaway SIGNED Operator TITLE 10-14-74 DATE

(This space for Federal or State office use)

PERMIT NO. 44 APPROVAL DATEAPPROVED BY 44 TITLE DATE

CONDITIONS OF APPROVAL, IF ANY:

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.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 1-1-1
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the location

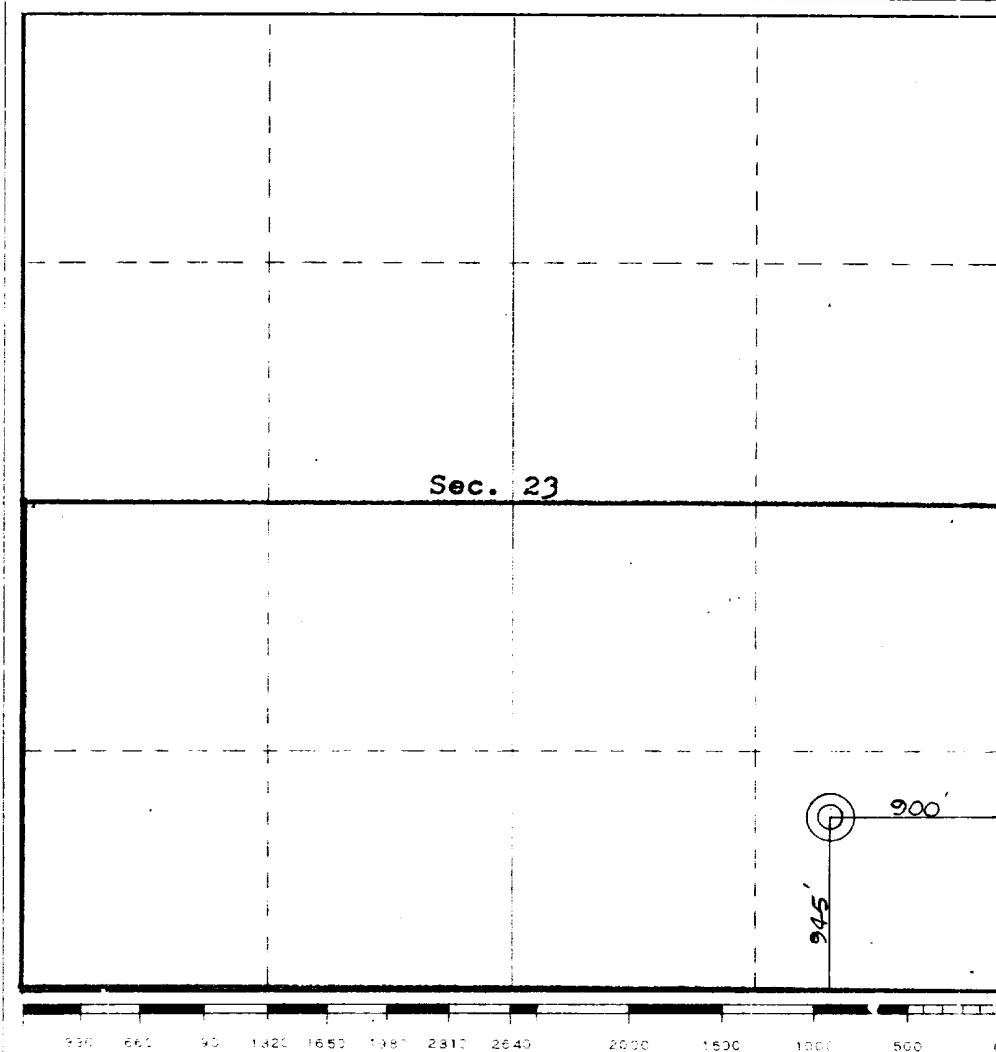
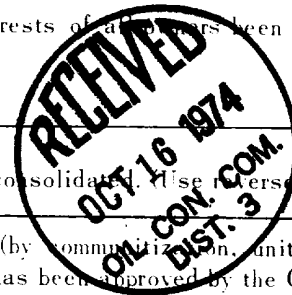
W. M. GALLAWAY			MECHEL		7
Section	Range	Township	County		
P ,	23	27 NORTH	13 WEST	SAN JUAN	
Section		Range	Township		
945		SOUTH	900	EAST	
Section	Range	Township	County		
5946	Dakota	Basin Dakota	320		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.

W. M. Gallaway

W. M. Gallaway

Operator

W. M. Gallaway

Oct. 14, 1974

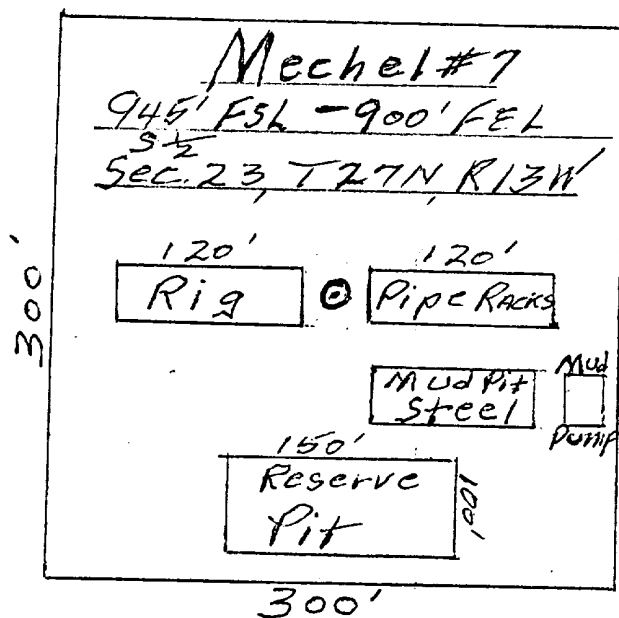
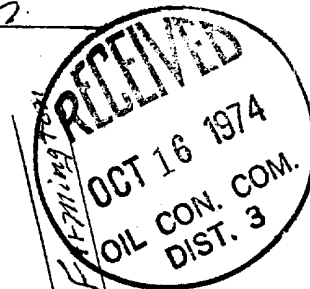
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

11 September, 1974

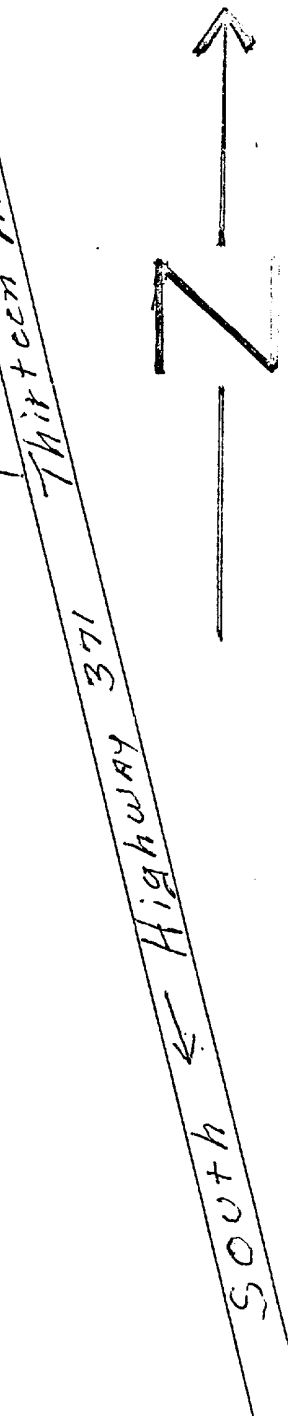
JAMES P. LEESE



No Scale Development Plan Mechel #7



Existing Road
2600'



This location is 13 miles south of Farmington, N.M.
on Highway 371 and one-half mile west.

Waste disposal will be handled by reserve pit.

Water supply - off of storage with rig.

Plan to restore surface by leveling and filling
after well is drilled.

No tank batteries, camps or airstrips.