

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 ☐

3. NAME OF OPERATOR

Southland Royalty Company

4. ADDRESS OF OPERATOR

PO Box 4289, Farmington, NM 87499

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

At surface
1055'N, 475'E

At proposed prod. zone

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

12 miles from Bloomfield, NM

7. DISTANCE FROM PROPOSED*

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

475'

8. DISTANCE FROM PROPOSED LOCATION*

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

450'

9. NO. OF ACRES IN LEASE

2337.48

10. PROPOSED DEPTH

1996'

11. NO. OF ACRES ASSIGNED

TO THIS WELL
301.72

12. ROTARY OR CABLE TOOLS

Rotary

13. ELEVATIONS (Show whether OF RT. CR. etc.)

5810' GL

This section is subject to technical and
procedural review, pursuant to 43 CFR 3165.3

14.

and appeal pursuant to 43 CFR 3165.4.

PROPOSED CASING AND CEMENTING PROGRAM

15. APPROX. DATE WORK WILL START*

DRILLING OPERATIONS WILL BE COMPLETED BY

SUBJECT TO THE FOLLOWING CONDITIONS ATTACHED

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	32.3#	200'	125 cf. circulated
8 3/4"	7"	20.0#	1872'	293 cf circ. surface
6 1/4"	5 1/2" liner	15.5#	1996'	do not cement

The Fruitland coal formation will be completed.

A 3000 psi WP and 6000 psi test double gate preventer equipped with
blind and pipe rams will be used for blow out prevention on this well.

This gas is dedicated.

The N/2 of Section 19 is dedicated to this well.

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APR 07 1989

CON. DIV.

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.

16.

SIGNED

[Signature]

TITLE

Regulatory Affairs

DATE

01-10-89

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

N/L-2642

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

OPERATIONS PLAN

Well Name : Reid #704

Date: 14-Dec-88

I. Location: 1055'N, 475'E, Sec. 19, T-28-N, R-9-W, San Juan Co., NM
Field: Basin Fruitland Coal Elevation ft GL: 5810

II. Geology:

A. Formation Tops:	Surface- San Jose	Fruitland Top-	1874
	Ojo Alamo-	Fruitland Base-	1993
	Kirtland-	Intermediate TD-	1872
	Fruitland Sand-	Total Depth-	1996

B. Logging Program: Mud logs from intermediate to total depth.

III. Drilling:

A: Mud Program: Mud from surface to Total Depth.

IV. Materials:

A. Casing Program:	Hole Size	Depth	Csg. Size	Weight	Grade
	12 1/4"	200	9 5/8"	32.3#	H-40
	8 3/4"	1872	7"	20.0#	K-55
	6 1/4"	1996	5 1/2"	15.5#	K-55

B. Float Equipment: 9 5/8" surface casing - Saw Tooth guide shoe.

7" intermediate casing - guide shoe and self-fill insert float valve. Three centralizers run every other joint above shoe. Run float one joints above the guide shoe.

5 1/2" production liner - float shoe on bottom and a pre-drilled liner run to the 7" casing with a minimum 50' overlap. Liner hanger is a double slip grip type.

C. Tubing: 1996 of 2 7/8", 6.5#, J-55 8rd EUE tubing with a seating nipple one joint off bottom and expendable check valve on bottom.

D. Wellhead Equipment: 9 5/8" x 11" 3000 psi xmas tree assembly.

V. Cementing:

9 5/8" surface casing-use 106 sks. of Class B cement with 1/4# flocele/sk. and 3% calcium chloride(125 cu.ft. of slurry, 100% excess to circulate to surface). WOC 12 hours. Test casing to 600 psi for 30 minutes.

7" intermediate casing-use 91 sks. of 65/35 Class "B" Poz with 6% gel, 2% calcium chloride and 1/2 cu.ft. Perlite/sk. (10.3 gallons of water/sk.) followed by 100 sks. of Class B with 2% calcium chloride (293 cu.ft. of slurry, 100% excess to cover the Ojo Alamo. Run temperature survey at 8 hours. WOC 12 hours. Test casing to 1500 psi for 30 minutes.

5 1/2" liner - Do not cement.

Compiled by: pab

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

Operator Southland Royalty Company		Lease Reid (NM-01772A)		Well No. 704
Unit Letter A	Section 19	Township 28 North	Range 9 West	County San Juan
Actual Footage Location of Wells 1055 feet from the North line and 475 feet from the East line				
Ground Level Elev. 5810'	Producing Formation Fruitland Coal	Pool Basin	Dedicated Acreage: 301.72 ACT	

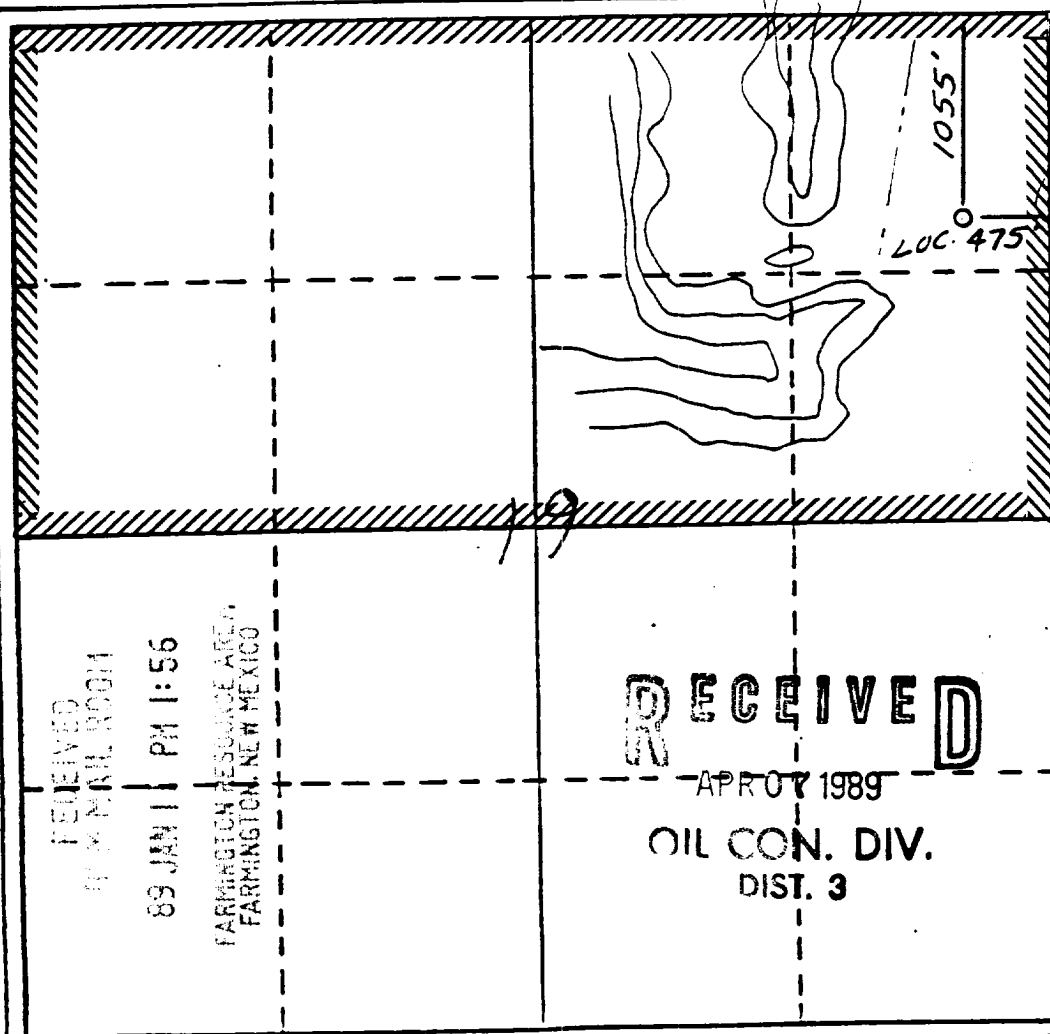
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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 Division.

* Note: Non-standard due to terrain and pipelines.



CERTIFICATION

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

Walter C. Edwards
Name

Regulatory Affairs

Position

Southland Royalty Co.

Company

1-11-89

Date

I hereby certify that the location shown on this plat was plotted from the notes of lecture 6857 made by me under supervision, and that the same is true and correct to the best of my knowledge and belief.

Walter C. Edwards
Date Surveyed

11/27/88

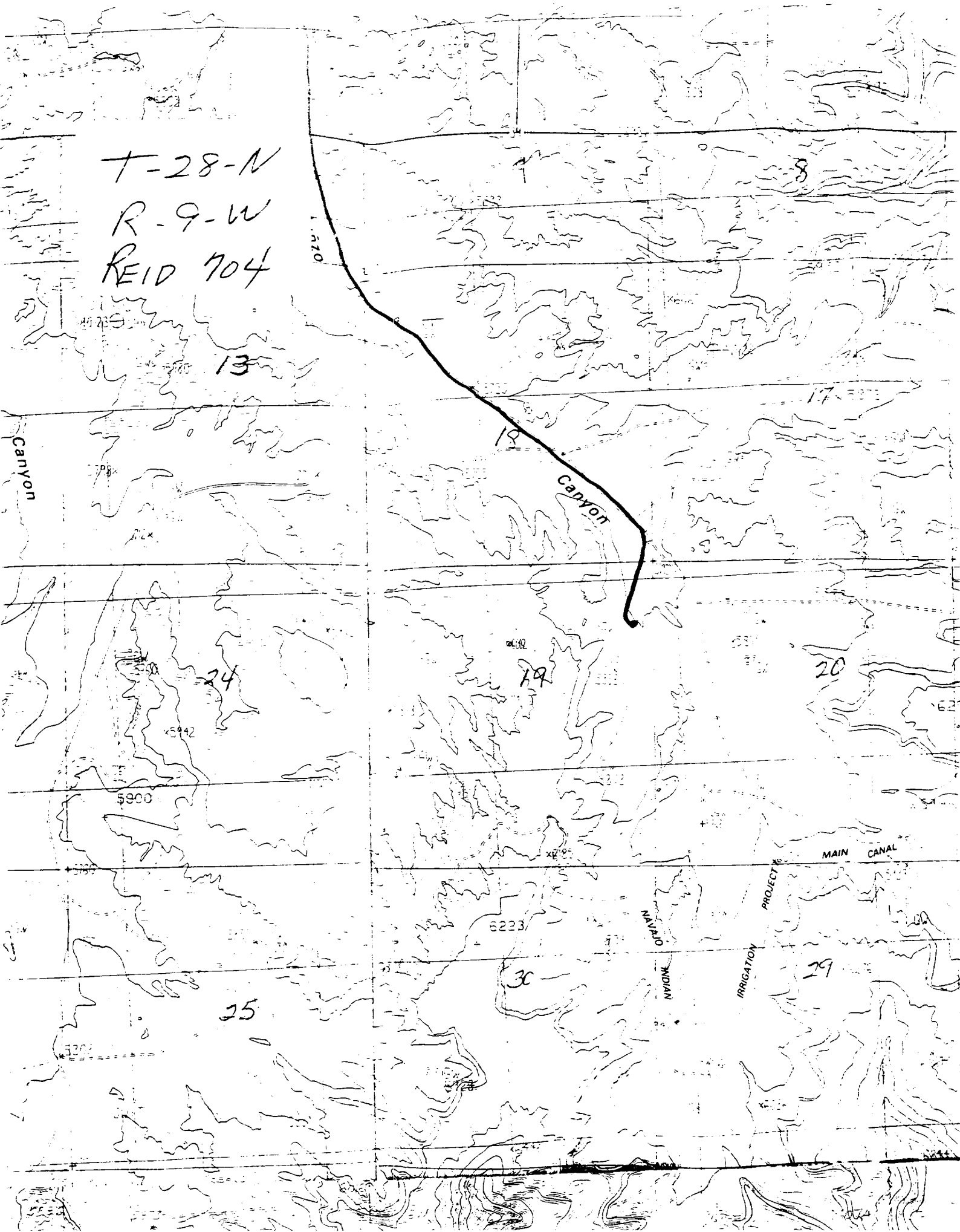
Registered Professional Engineer and/or Land Surveyor

Neale C. Edwards

Certificate No.

6857

T-28-N
R-9-W
REID 704



BLM
LP

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

March 27, 1989

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Meridian Oil, Inc.
P.O. Box 4289
Farmington, NM 87499-4289

Attention: Peggy Bradfield


Administrative Order NSL-2642

Dear Ms. Bradfield:

Reference is made to your application of February 27, 1989 on behalf of Southland Royalty Company for a non-standard coal gas well location for your Reid Well No. 704 to be located 1055 feet from the North line and 475 feet from the East line (Unit A) of Section 19, Township 28 North, Range 9 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. Lots 1 and 2, the E/2 NW/4, and the NE/4 of said Section 19 shall be dedicated to the well forming a standard 301.72-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,

for 
William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
New Mexico Oil & Gas Engineering Committee - Hobbs
US Bureau of Land Management - Farmington

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OIL CON
DIV

F
 NSL-2642
 30-045-27273
 4-7-89
 F. Loc. 1055/N; 475/E
 Elev. 5810 GL Spd. Cu. ft. ID Cu. ft. PB
 Casing S. @ W' Sx. Int. @ W' Sx. Pr. @ W' Sx. T. @
 Csg. Perf. Prod. Slim.

I.P. _____ MCF/D After _____ Hrs.		SICP _____ PSI After _____ Days GOR _____		1st Del. _____ Oil _____											
TOPS		NITD	X	Well Log		TEST DATA									
Ojo Alamo		C-103		Plat X		Schd.	PC	Q	PW	PD	D	Ref. No.			
Kirtland		C-104		Electric Log											
Fruitland				C-122											
Pictured Cliffs		Ditr		Dfo											
Chacra		Datr		Dac											
Cliff House															
Menefee															
Point Lookout															
Mancos															
Gallup															
Greenhorn															
Dakota															
Entrada															
NSL-2642															
N/301.72															
Acres															

SF-077651 (WC) et al.
3162.3-1(F) (019)

MAR. 19 1990

Meridian Oil Incorporated
Southland Royalty Company
P. O. Box 4289
Farmington, NM 87499

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OIL CON. DIV.
DIST. 3

Gentlemen:

Enclosed are your Applications for Permit to Drill (APDs) for the following wells.

1. ✓ No. 102 Richardson, 865' FSL & 1815' FWL, sec. 10, T. 31 N., R. 12 W., San Juan County, New Mexico, lease SF-077651.
2. ✓ No. 290 Reid A Com, 845' FNL & 895' FEL, sec. 13, T. 29 N., R. 10 W., San Juan County, New Mexico, lease NM-01772-A.
3. No. 705 Reid, 1450' FSL & 175' FWL, sec. 19, T. 28 N., R. 9 W., San Juan County, New Mexico, lease NM-01772-A.
4. ✓ No. 704 Reid, 1055' FNL & 475' FEL, sec. 19, T. 28 N., R. 9 W., San Juan County, New Mexico, lease NM-01772-A.
5. No. 703 Reid, 1450' FSL & 1450' FWL, sec. 17, T. 28 N., R. 9 W., San Juan County, New Mexico, lease NM-01772-A.
6. No. 702 Reid, 925' FNL & 1850' FEL, sec. 18, T. 28 N., R. 9 W., San Juan County, New Mexico, lease NM-01772-A.
7. No. 701 Reid, 945' FSL & 790' FWL, sec. 18, T. 28 N., R. 9 W., San Juan County, New Mexico, lease NM-01772-A.
8. No. 700 Reid, 1400' FSL & 790' FWL, sec. 7, T. 28 N., R. 9 W., San Juan County, New Mexico, lease NM-01772-A.
9. ✓ No. 206 Pierce Com, 880' FSL & 790' FWL, sec. 30, T. 31 N., R. 10 W., San Juan County, New Mexico, lease SF-078134.
10. ✓ No. 205 Pierce Com, 910' FNL & 1450' FEL, sec. 30, T. 31 N., R. 10 W., San Juan County, New Mexico, lease SF-078134.
11. ✓ No. 293 Nve Com, 1285' FSL & 1040' FWL, sec. 9, T. 29 N., R. 10 W., San Juan County, New Mexico, lease SF-078197.

ABANDONED LOCATIONS

12. ✓ No. 291 Nye, 1470' FSL & 1570' FWL, sec. 8, T. 29 N., R. 10 W., San Juan County, New Mexico, lease SF-078197.

13. ✓ No. 100 Newberry, 1390' FSL & 1850' FWL, sec. 17, T. 31 N., R. 12 W., San Juan County, New Mexico, lease NM-021124.

14. ✓ No. 291 Neudecker Com, 1850' FSL & 1450' FWL, sec. 13, T. 29 N., R. 10 W., San Juan County, New Mexico, lease SF-080655.

15. ✓ No. 507 Murphy E Com, 1190' FNL & 920' FEL, sec. 34, T. 30 N., R. 11 W., San Juan County, New Mexico, lease SF-043260-B.

The subject APDs are rescinded and returned pursuant to your written instructions dated November 29, 1989.

You are required to request surface rehabilitation instructions from this office if construction activities occurred on the referenced drill site. If this office does not receive comment within 30 days, we will presume that no construction occurred and proceed accordingly. Later discovery that construction activities have in fact occurred, may result in an assessment of liquidated damages.

Sincerely,

Ken Townsend

John L. Keller
FCR Chief, Branch of Minerals

15 Enclosures

cc:
NHOCB, Aztec