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LAND OFFICE	
OPERATOR	1

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

b. Type of Well DRILL ☒ DEEPEN ☐ PLUG BACK ☐
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. Name of Operator

Caribou Four Corners, Inc.

3. Address of Operator

Transwestern Bldg., Rm 219, 404 N. 31st. St. Billings, Montana 59101

4. Location of Well

UNIT LETTER B LOCATED 260 FEET FROM THE North LINE

AND 2100 FEET FROM THE East LINE OF SEC. 13 TWP. 29N RGT. 15W

5A. Indicate Type of Lease

STATE ☐ FEE ☒

5. State Oil & Gas Lease No.

7. Unit Agreement Name

8. Farm or Lease Name
Kirtland

9. Well No. #2

10. Field and Pool, or Wildcat

NW Cha-Cha EXT

12. County

San Juan

19. Proposed Depth

4700

19A. Formation

Sanostee

20. Rotary or C.T.

Rotary 350-4700

21. Elevations (Show whether D.P., K.I., etc.)

5145 GL

21A. Kind & Status Plug Bond

State wide

21B. Drilling Contractor

Rotary Maness Odeco

22. Approx. Date Work will start

August 10, 1979

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4	8-5/8	24#	300'	110	circ
7-7/8	4-1/2	9.5#	4700'	900	circ

The long string is to be run in two stages.

4700 - 3500 and 3200 - surface a total of approximately

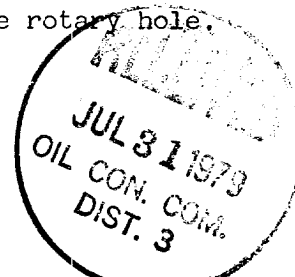
900 sacks cement will be used.

An 8" 900 series double B.O.P. with rotating head will be used on the rotary hole.

The B.O.P. will be tested to 1500#.

APPROVED FOR
FOR 90 DAYS
DECEMBER 1979

EXPIRES 10-29-79



1. ABOVE SPACE DESCRIBE PROPOSED PROGRAM. IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

signed Donna G. Forest Title Geologist Date July 27, 1979

(This space for State Use)

APPROVED BY Frank S. Chavez TITLE DEPUTY COMMISSIONER DATE JUL 31 1979

CONDITIONS OF APPROVAL, IF ANY:

None

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

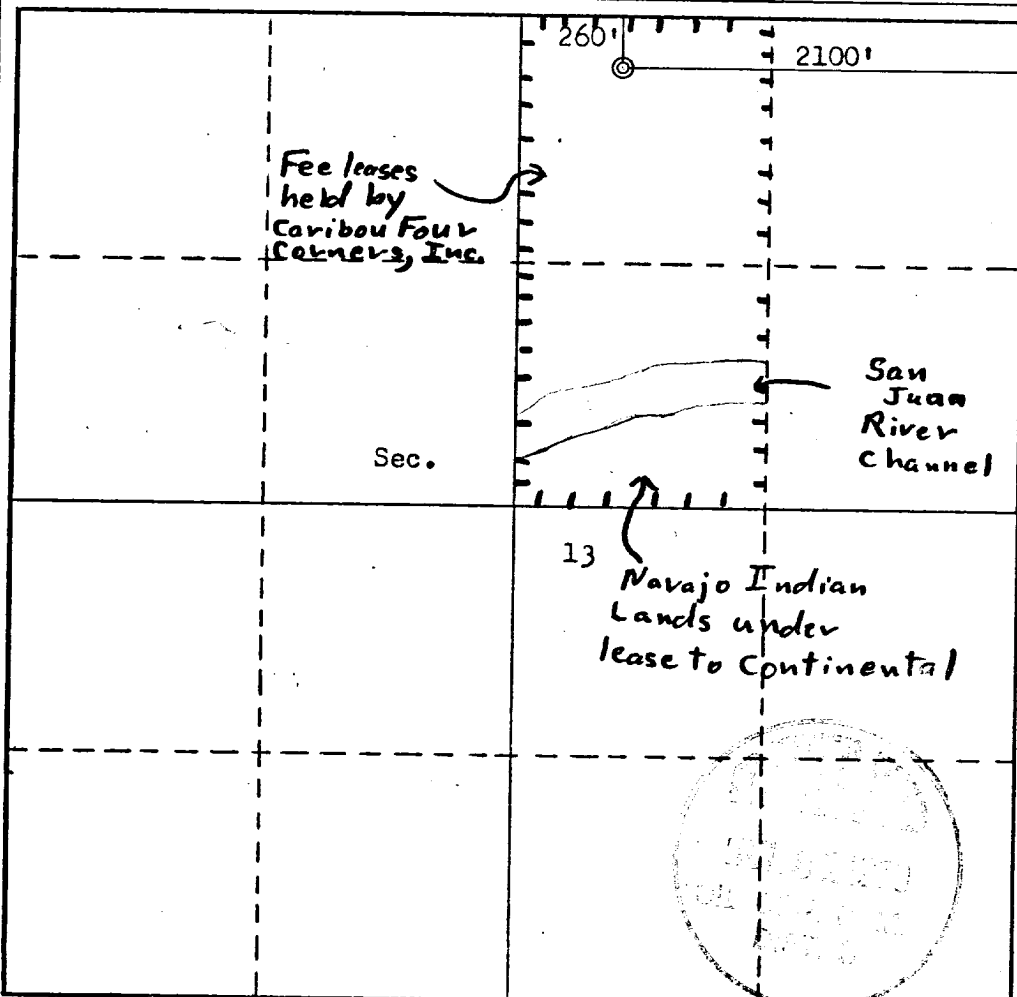
Operator CARIBOU FOUR CORNERS, INCORPORATED			Lease KIRTLAND		Well No. 2
Unit Letter B	Section 13	Township 29N	Range 15W	County San Juan	
Actual Footage Location of Well: 260 feet from the North line and 2100 feet from the East line					
Ground Level Elev. 5145	Producing Formation Gallup		Pool NW Cha-Cha		Dedicated Acreage: 80 Acres

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.) _____ (Over)

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.

Name Denny G. Fourn
Position Geologist
Company Caribou Four Corners, Inc.
Date July 27, 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.

Date Surveyed May 23, 1979
Registered Professional Engineer and/or Land Surveyor
Fred B. Kerr, Jr.
Certificate No. 3950

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

2. Caribou Four Corners, Inc. owns the leases on all dedicated lands north of the mid-channel of the San Juan River. The 26.43 acres of Navajo Indian lands located South of the mid-channel is under lease to Continental Oil Company.
3. Continental Oil Company has made a farm-out to Caribou Four Corners, Inc. A communitization agreement will be filed with the proper federal authorities.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6925
Order No. R-6422

APPLICATION OF CARIBOU FOUR
CORNERS, INC. FOR TWO EXCEPTIONS
TO RULE 306, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:



This cause came on for hearing at 9 a.m. on June 25, 1980, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 5th day of August, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Caribou Four Corners, Inc., is the owner and operator of two wells, being the Kirtland Wells Nos. 1 and 2, located in Units A and B, respectively, of Section 13, Township 29 North, Range 15 West, NMPM, San Juan County, New Mexico.
- (3) That said wells are too far removed from a regular gas gathering system and produce too little gas to justify laying a line to said system at this time.
- (4) That said wells are relatively close to a local gas distribution system which could handle a portion of the gas produced, but only after costly treatment and on a severely seasonally restricted basis only.
- (5) That pending further development by the drilling of additional wells and the making of more gas available to justify

laying a line to the nearest gas gathering system, the applicant proposes to install gas treating facilities at Wells Nos. 1 and 2 to remove all condensate and to also strip the gas of most of the natural gas liquids contained therein.

(6) That the aforesaid Kirtland Well No. 1 produces approximately 50 MCF per day of casinghead gas and from this, applicant expects to extract some 1.5 barrels of condensate and approximately 150 gallons of propane, and to consume approximately 35 MCF as fuel and shrinkage.

(7) That the aforesaid Kirtland Well No. 2 produces approximately 60 MCF per day of casinghead gas and from this, applicant expects to extract a slightly greater amount of condensate and propane and to consume a similar amount of gas as the No. 1 well.

(8) That the applicant would reinject the remaining residue gas into the wells except periodically when pressure problems would prevent doing so, and requests authority to flare the remaining gas when such pressure problems prevent reinjection into the wells.

(9) That the recovery of the additional volumes of liquids from the casinghead gas and the prospect of recycling the residue gas most of the time make the proposed system worthy of favorable consideration as in the interest of conservation and the prevention of waste.

(10) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caribou Four Corners, Inc., is hereby authorized to install a liquid recovery system at each of its Kirtland Wells Nos. 1 and 2, located in Units A and B, respectively, of Section 13, Township 29 North, Range 15 West, NMPM, San Juan County, New Mexico, and to flare the residue gas from such liquid recovery facilities when pressure problems prevent reinjecting said gas back into the wells.

(2) That this authority shall become effective upon completion of installation of the liquid recovery systems as outlined at the hearing of this case.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-3-

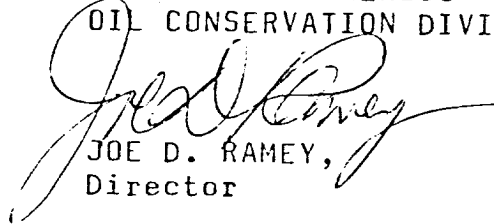
Case No. 6925

Order No. R-6422

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read "Joe D. Ramey", is written over the typed name and title.

JOE D. RAMEY,
Director

S E A L

dr/