

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT *90-039-24973*

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL		5. Lease Number SF-078891	
1b. Type of Well GAS		6. If Indian, Name of Tribe or Allottee	
2. Operator <i>Parker & Parsley Petr. Co.</i> Evergreen Operating Corporation		7. Unit Agreement Name ROSA UNIT	
3. Address & Phone No. of Operator SA. R. KENDRICK BOX 516, AZTEC, NM 87410 (505) 334-2555		8. Farm or Lease Name ROSA UNIT	
4. Location of Well (Unit K) 2125' FSL 1340' FWL		9. Well Number 284	
14. Distance in Miles from Nearest Town 14 MILES WEST OF DULCE, NM		10. Field, Pool, or Wildcat BASIN-FRUITLAND COAL GAS POOL	
		11. Section, Township, & Range, Meridian, or Block K 3-31N-4W	
		12. County RIO ARriba	13. State NEW MEXICO
15. Distance from Proposed Location To Nearest Property Line or Lease Line. 1340'	16. Acres in Lease 1965.72 Acres	17. Acres Assigned to Well W-326.60 Acres	
18. Distance From Proposed Location To Nearest Well Dr., Compl., Or Applied For On Lease. 3479'	19. Proposed Depth 4350'	20. Rotary or Cable Tools ROTARY DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"	
21. Elevations (DF, RT, GR, Etc.) 7135' GR 7220'		22. Approximate Date Work Will Start. As soon as Possible	
23. Proposed Casing and Cementing Program		This application is subject to technical and procedural review pursuant to 43 CFR 3165.1 and appeal pursuant to 43 CFR 3165.2	

Exhibits attached as follows:

"A" Location and Elevation Plat
"B" Ten-Point Compliance Program
"C" Blowout Preventer Schematic
"D" Multi-Point Requirements for APD
"E" Vicinity Map - Access Roads

"F" Drill Rig Layout
"G" Completion Rig Layout
"H" Location Profile
"I" Production Facility Schematic

RECEIVED
SEP 27 1990
OIL CON. DIV.
DIST. 3

24. Signed *SA R. Kendrick* Title Agent Date April 6, 1990

Permit No. **RECEIVED** **OCT 24 1990** Approval Date AS APPLIED

Approved By **OIL CON. DIV. 1** Title AREA MANAGER Date SEP 25 1990

NOTE: THIS FORMAT IS ISSUED IN LIEU OF U.S. BLM FORM 3160-3.

Hold C-104 FOR

NMOCD

100-443887-100

034307
JAN 1967
GPO : 1967 : 0-240-000
\$1.40

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

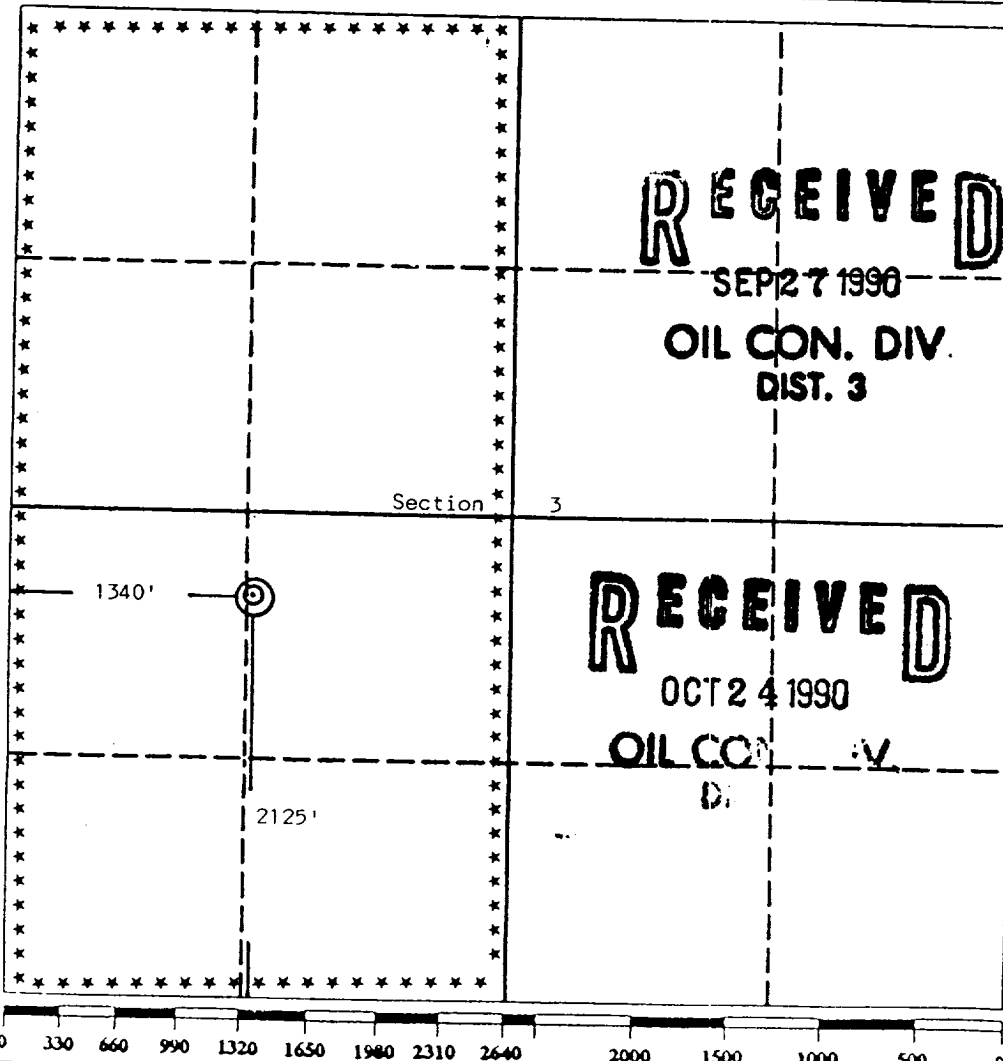
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Evergreen Resources, Inc.			Lease: Rosa Unit		Well No. 284
Unit Letter K	Section 3	Township 31 North	Range 4 West	County Rio Arriba	
Actual Footage Location of Well: 2125 feet from the South line and 1340 feet from the West line					
Ground level Elev. 7220	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal Gas Pool		Dedicated Acreage: 326.60 Acres

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



OPERATOR CERTIFICATION

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

Signature: *A. R. Kendrick*
Printed Name: A. R. Kendrick
Position: Agent
Company: Evergreen Operating Corp.
Date: April 9, 1990

SURVEYOR CERTIFICATION

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: April 5, 1990
Signature & Seal of Professional Surveyor: *Edgar L. Risenhoover*
Certificate No. 5979
Edgar L. Risenhoover

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TEN-POINT COMPLIANCE PROGRAM

1

Evergreen Operating Corporation
Rosa Unit #284
2125' FSL 1340' FWL Sec. 3-31N-4W
Rio Arriba County, NM Elev: 7135' GR
Lease No. **SF-078891**

1. THE GEOLOGICAL SURFACE FORMATION IS: Nacimiento.
2. THE ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

Ojo Alamo	3430'
Kirtland	3555'
Fruitland	3895'
Fruitland Coal	4005'
Pictured Cliffs	4095'
Total Depth	4350'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

<u>SUBSTANCE</u>	<u>FORMATION</u>	<u>ANTICIPATED DEPTH</u>
GAS	Fruitland Coal	4005'

4. THE PROPOSED CASING PROGRAM WILL BE AS FOLLOWS:

<u>DEPTH</u>	<u>HOLE SIZE</u>	<u>O.D.</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>TYPE</u>	<u>NEW/USED</u>
0-350'	12-1/4"	9-5/8"	36	K-55	ST&C	NEW
0-TD	7-7/8"	5-1/2"	15.5	K-55	ST&C	NEW

THE PROPOSED CEMENT PROGRAM WILL BE AS FOLLOWS:

Surface: 190 Sx Class B w/1/4# Flocele/Sx plus 2% CaCl.

Production: 485 Sx Class B w/2% Calcium Chloride and 0.5 cubic feet per sack perlite followed by 220 Sx Class B 50/50 poz w/2% gel, 0.4% NaCl and 1/4 pound/sack Flocele, possibly in two stages with the stage collar 200 to 300 feet above the coal.

Note: Sufficient cement volume to cover casing bottom to top to be determined after logging.

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Exhibit C is a schematic of the blowout preventer used by a local contractor for other wells in the area. The BOPs are to be test-operated before drilling out from under the surface casing, and operation checks will be made daily thereafter and recorded in the Daily Drilling Report. Accessories to BOP will include floor safety valve and choke manifold with pressure rating equivalent to the BOP stack.

EXHIBIT B

Evergreen Operating Corporation
Rosa Unit #284
2125' FSL 1340' FWL Sec. 3-31N-4W
Rio Arriba County, NM Elev: 7135' GR
Lease No. SF-078891

6. THE TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATING MUDS:

SURFACE CASING: Spun flocculating bentonite with lime.
PRODUCTION CASING: Low solids non-disbursing system.

<u>INTERVAL</u>	<u>MUD WEIGHT</u>	<u>VISCOSITY</u>	<u>FLUID LOSS</u>	<u>pH</u>	<u>ADDITIVES</u>
0-350'	9.0	45	- - -	9	Gel, Lime
350-TD	8.6 to 9.2	30-50	<15 cc	9	Chemicals as needed

7. AUXILIARY EQUIPMENT TO BE USED IS AS FOLLOWS:

- Float valve above bit.
- Monitoring of mud system will be visual.
- A safety valve and subs to fit all drill strings will be used.

8. TESTING, LOGGING, AND CORING WILL BE AS FOLLOWS:

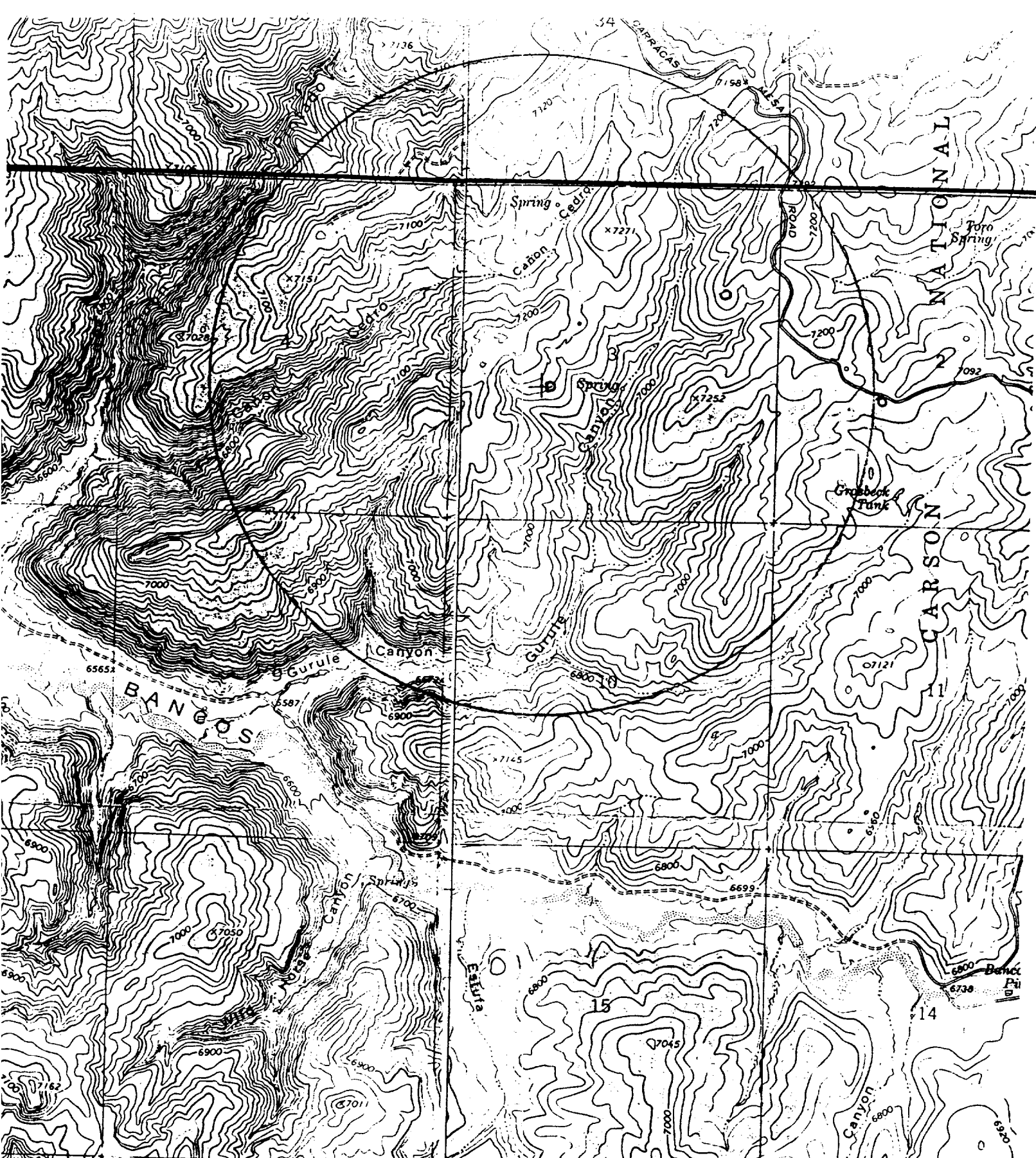
- Cores: none.
- Drill stem tests: none anticipated.
- Logging: IEC from 0' to TD. Micro Log and CNL/FDC over potential pay zones.
A mud logging unit will be utilized.

9. ANTICIPATED ABNORMAL PRESSURES AND TEMPERATURES:

No abnormal pressures, temperatures or Hydrogen Sulfide gases are anticipated during the drilling of this well. The maximum bottom hole pressure is expected to be less than 1500 psi.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

The anticipated starting date is set for as soon as possible after the approval of the Application for Permit to Drill is approved. The operations should be completed within 15 days after spud date.



Evergreen Operating Corporation
Rosa Unit #284
2125' FSL 1340' FWL Sec. 3-T 31 N-R 4 W
Rio Arriba County, NM Elev: 7135' GR
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EXHIBIT E