Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-045-22420

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: SF 078387-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER · SINGLE ZONE [X] MULTIPLE ZONE [ ]

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Kernaghan

2. NAME OF OPERATOR: El Paso Natural Gas Company

9. WELL NO.: 2A

3. ADDRESS OF OPERATOR: PO Box 990, Farmington, NM 87401

10. FIELD AND POOL, OR WILDCAT: Blanco Mesa Verde

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1770'S,1825'E
At proposed prod. zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec.28,T-31-N, R-8-W NMPM

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

12. COUNTY OR PARISH: San Juan | 13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL: 320.00

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH: 5785'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6275'GL

22. APPROX. DATE WORK WILL START*

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
13 3/4"	9 5/8"	32.3#	200'	224cu.ft.to circulate
8 3/4"	7"	20.0#	3425'	343cu.ft.to cover Ojo Alamo
6 1/4"	4 1/2"	10.5#	3275-5785'	438cu.ft. to fill to 3275'

Selectively perforate and sandwater fracture the Mesa Verde formation.

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 E/2 of Section 28 is dedicated to this well.

MAR 25 1977
MAR 28 1977
OIL CON. COM.
DIST. 3

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.

SIGNED D. G. Gross TITLE Drilling Clerk DATE March 25,1977

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

Operator	Lease	Well No.
EL PASO NATURAL GAS COMPANY	KERNAGHAN (SF-078387-A)	2A

Unit Letter	Section	Township	Range	County
J	28	31-N	8-W	SAN JUAN

Actual Footage Location of Well: 1770 feet from the SOUTH line and 1825 feet from the EAST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
6275	MESA VERDE	BLANCO MESA VERDE	320.00 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

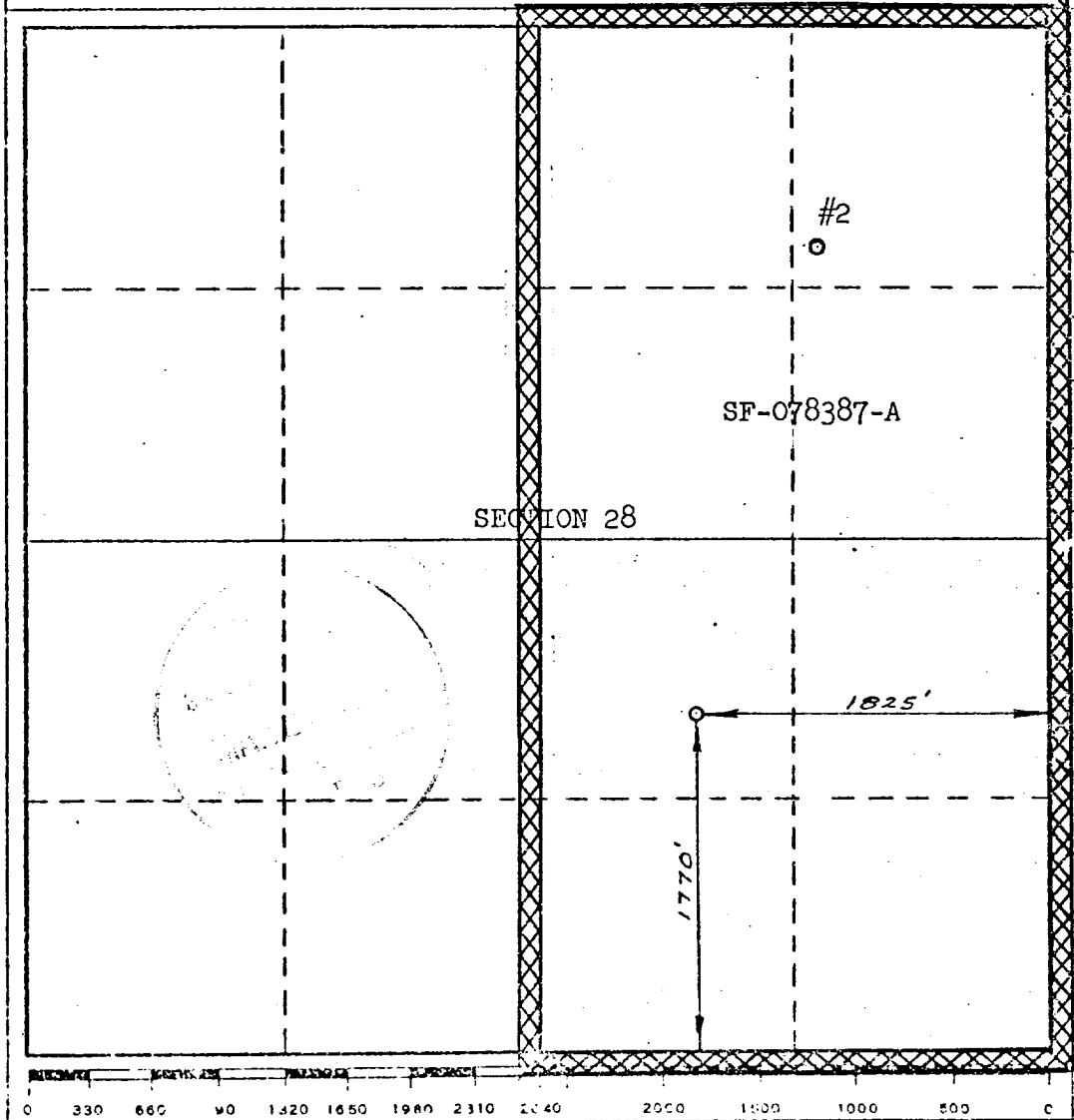
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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.) _____

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.

Original Signed
D. G. Bolton

Name: Drilling Clerk

Position: El Paso Natural Gas Co.

Company: March 24, 1977

Date

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: MARCH 14, 1977

Registered Professional Engineer and/or Land Surveyor

Certificate No. 1760

El Paso NATURAL GAS COMPANY

P. O. BOX 990
FARMINGTON, NEW MEXICO 87401
PHONE: 505-325-2841

Multi-Point Surface Use Plan
Kernaghan #2A

1. Existing Road - Please refer to Map No. 1 which shows the existing roads. New roads which will be required have been marked on this map. All existing and new roads will be properly maintained during the duration of this project.

2. Planned Access Roads - Please refer to Map No. 1. The grade of the access roads will be consistent with that of the local terrain. The road surface will not exceed thirty feet (30') in width. Upon completion of the project, the access road will be adequately drained to control soil erosion. Drainage facilities may include ditches, water bars, culverts or any other measure deemed necessary by trained Company personnel to insure proper drainage. Gates and/or cattleguards will be installed if necessary.

3. Location of Existing Wells - Please refer to Map No. 2

4. Location of Tank Batteries, Production Facilities, and Production Gathering and Service Lines - Please refer to Maps No. 1 and No. 2. Map No. 2 shows the existing gas gathering lines. Map No. 1 shows the existing roads and new proposed access roads. All known production facilities are shown on these two maps.

5. Location and Type of Water Supply - Water for the proposed project will be obtained from Pump Mesa Water Well

6. Source of Construction Materials - No additional materials will be required to build either the access road or the proposed location.

7. Methods of Handling Waste Materials - All garbage and trash materials will be put into a burn pit shown on the attached Location Plat No. 1. When clean-up operations are begun on the proposed project, the burn pit with its refuse will be buried to a depth of at least three feet (3'). A latrine, the location of which is also shown on Plat No. 1 will be provided for human waste. If large amounts of liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying any of these materials into the watershed. No earthen pit will be located on natural drainages; all earthen pits will be so constructed as to prevent leakage from occurring.

8. Ancillary Facilities - No camps or airstrips will be associated with this project.

9. Wellsite Layout - Please refer to the attached Plat No. 1.

10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed Mixture #1 will be used. The reseeding operation will be performed during the time period set forth by the regulatory body. The location production equipment will be painted green (Federal Standard #595-34127)

11. Other Information - The terrain is rolling hills and sandstone ledges with some cedar and pinon. Deer and cattle graze the proposed project site.

12. Operator's Representative - W. D. Dawson, Post Office Box 990, Farmington, New Mexico 87401

13. Certification - I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by El Paso Natural Gas Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

March 24, 1977

D. R. Read
Division Drilling Engineer

DRR:pb

March 25, 1977

Operations Plan
Kernaghan #2A

I. Location: 1770'S, 1825'E, Section 28, T-31-N, R-8-W, San Juan County, NM

Field: Blanco Mesa Verde Elevation: 6285'DF

II. Geology:

A. Formation Tops:

Surface	San Jose	Lewis	3225'
Ojo Alamo	1900'	Mesa Verde	5003'
Kirtland	2030'	Menefee	5057'
Fruitland	2775'	Point Lookout	5385'
Pic.Cliffs	3130'	Total Depth	5785'

B. Logging Program: GR-Ind. and GR-Density at Total Depth.

C. Coring Program: none

D. Natural Gauges: 5003', 5385' and at Total Depth.
Also gauge any noticeable increase in gas. Record all gauges in daily drilling report and on morning report.

III. Drilling:

A. Mud Program: mud from surface to 3425'. Gas from intermediate casing to Total Depth.

IV. Materials:

A. Casing Program:

Hole Size	Depth	Casing Size	Wt.&Grade
13 3/4"	200'	9 5/8"	32.3# H-40
8 3/4"	3425'	7"	20.0# K-55
6 1/4"	3275-5785'	4 1/2"	10.5# K-55

B. Float Equipment: 9 5/8" surface casing - Larkin guide shoe (fig. 102)

7" intermediate casing - Dowell guide shoe (fig. 50101) and Dowell self-fill insert float valve (fig. 53003), 5 B&W stabilizers (Prod. No. 637085) every other joint above shoe. Run float two joints above shoe.

4 1/2" liner - T.I.W. liner hanger with neoprene packoff. Larkin geyser shoe (fig. 222) and Larkin flapper type float collar (fig. 404 M&F).

C. Tubing: 5785' of 2 3/8", 4.7#, J-55 8rd EUE tubing with a common pump seating nipple above perforated pup joint with bull plugged full joint for mud anchor on bottom.

D. Wellhead Equipment: 10" 900 x 9 5/8" casing head. 10" 900 x 6" 900 xmas tree.

Operations Plan - Kernaghan #2A

V. Cementing:

9 5/8" surface casing - use 190 sks. of Class "B" cement with 1/4# gel-flake per sack and 3% calcium chloride (224 cu.ft. of slurry, 100% excess to circulate to surface). WOC 12 hours. Test casing to 600#/30 minutes.

7" intermediate casing - use 86 sks. of 65/35 Class "B" Poz with 12% gel (15.52 gallons of water per sack) followed by 100 sks. of Class "B" with 2% calcium chloride (343 cu.ft. of slurry, 50% excess to cover Ojo Alamo). Run temperature survey at 8 hours. WOC 12 hours. Test casing to 1200#/30 minutes.

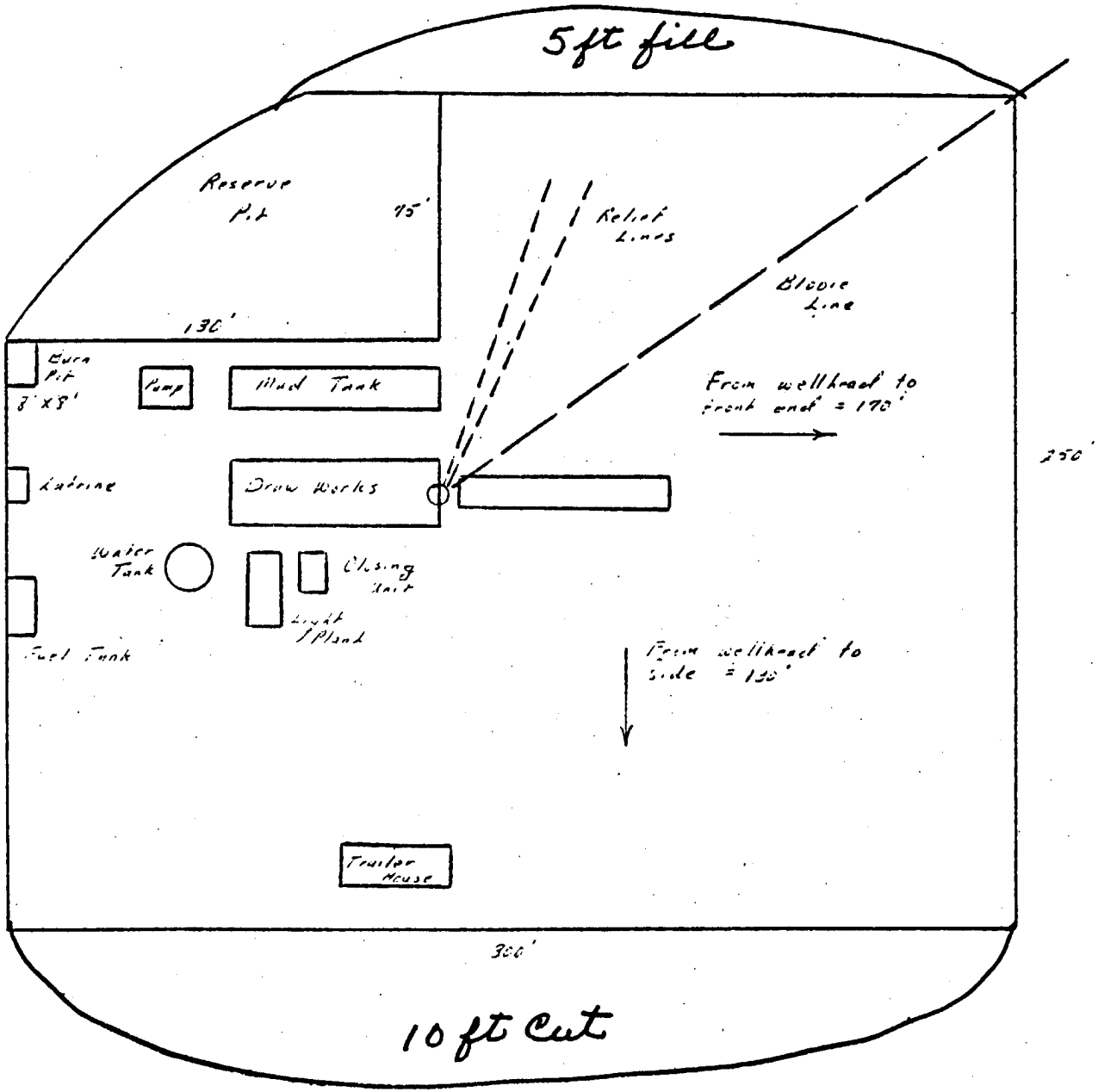
4 1/2" liner - precede cement with 20 barrels of gel water (2 sks. gel) Cement with 243 sks. of Class "B" cement with 4% gel, 1/4 cu.ft. of fine gilsonite per sack and 0.6% Halad-9 (438 cu.ft. of slurry, 70% excess to circulate liner).

DRR:pb

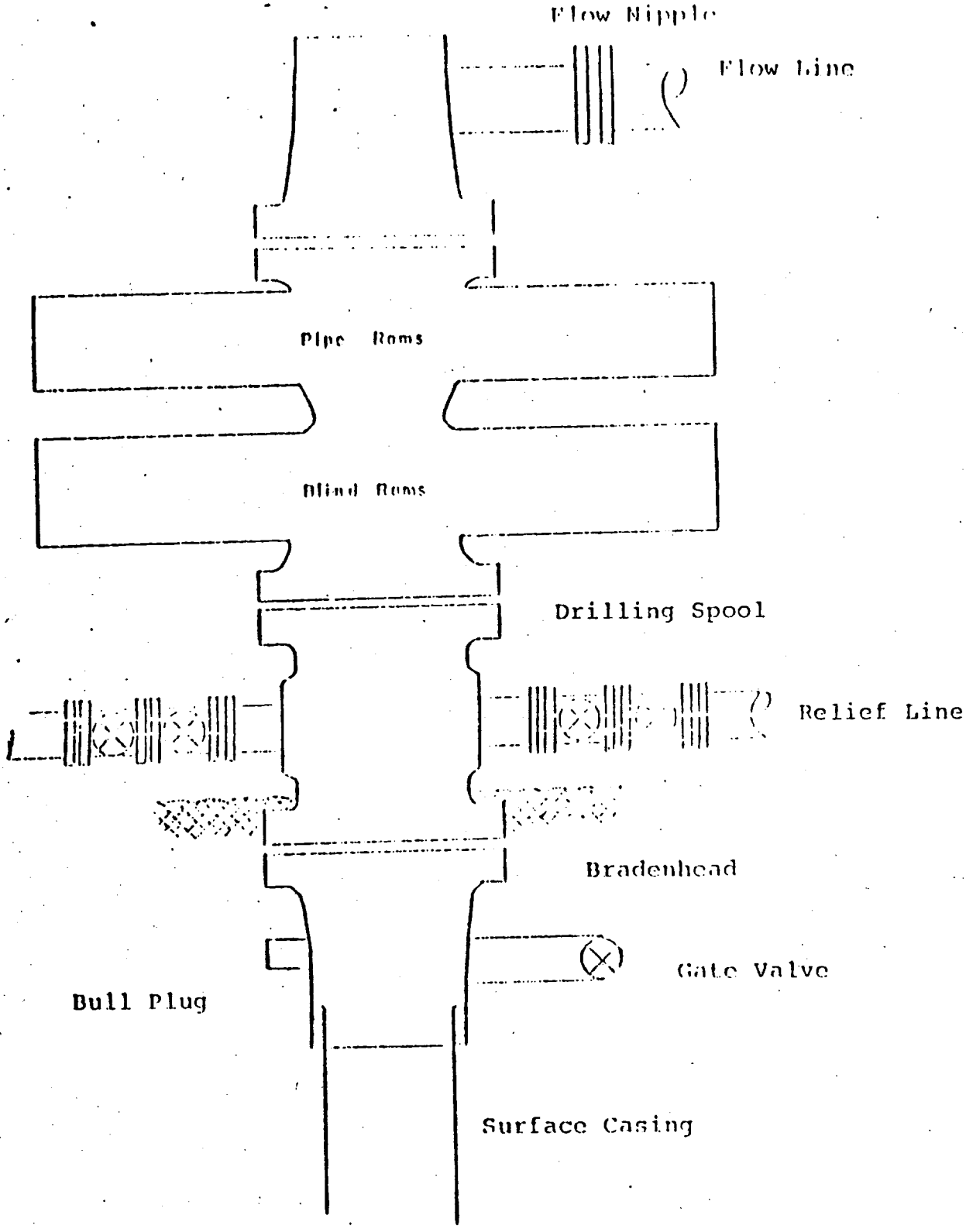
NORTH

El Paso Natural Gas Company

Typical Location Plat for Mesa Verde and Dakota Wells

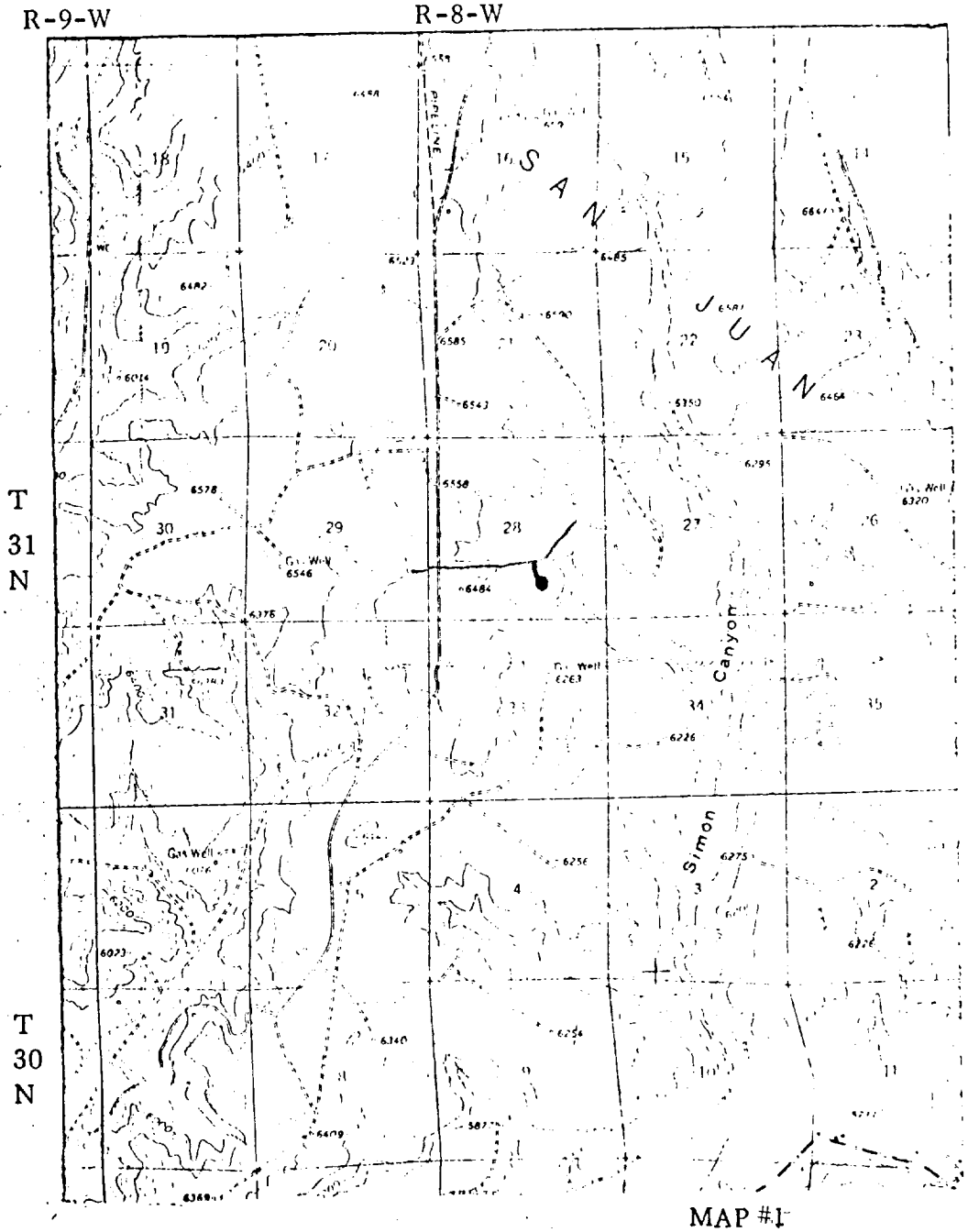


Typical B.O.P. Installation
for Mesa Verde Well



Series 900 Double Gate BOP, rated
at 3000 psi Working Pressure
When gas drilling operations begin a Shaffer type 50
or equivalent rotating head is installed on top of the
flow nipple and the flow line is converted into a blowie line

EL PASO NATURAL GAS COMPANY
KERNAGHAN #2A
SE 28-31-8



MAP #1

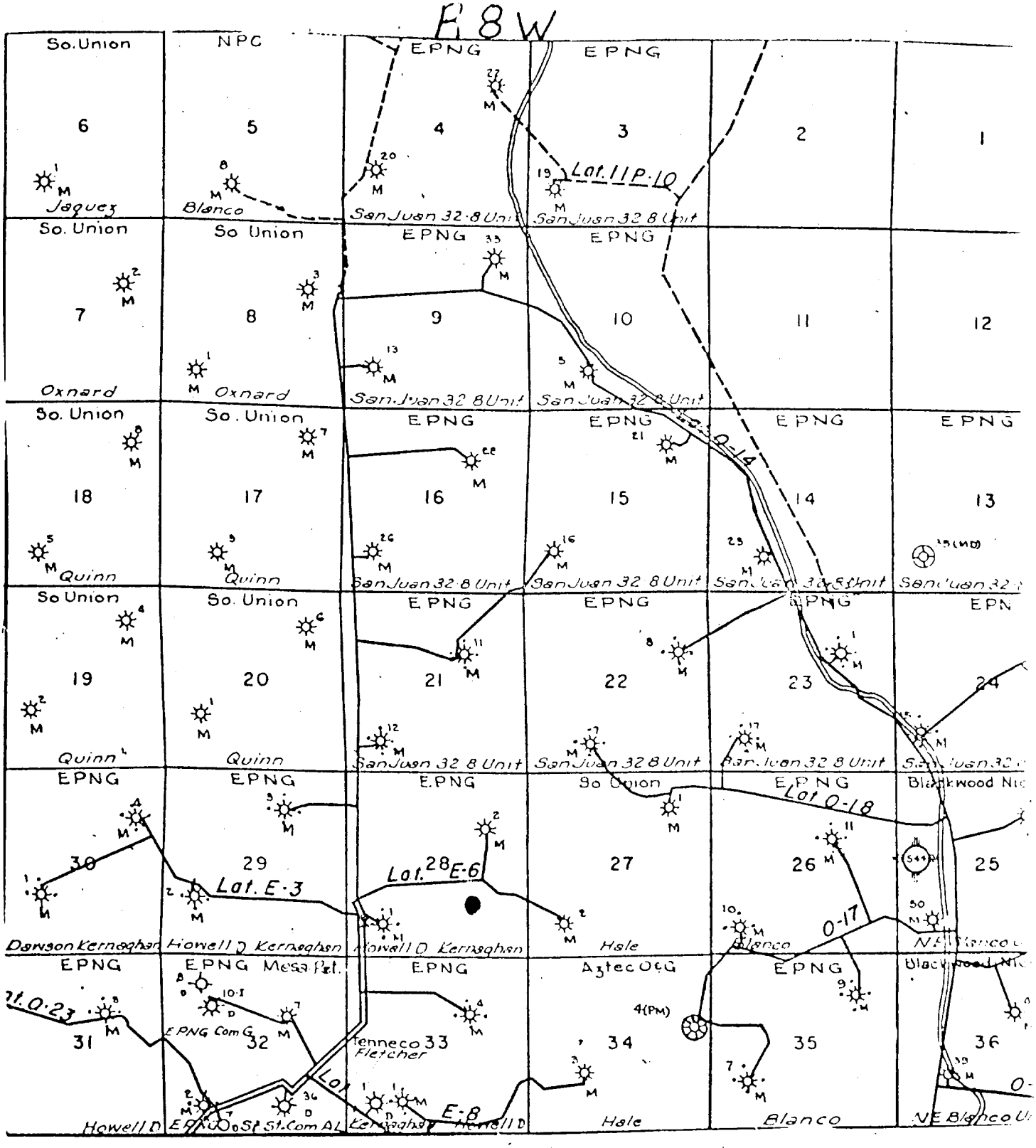
LEGEND OF RIGHT-OF-WAYS

EXISTING ROADS
EXISTING PIPELINES
EXISTING ROAD & PIPELINE
PROPOSED ROADS
PROPOSED PIPELINES
PROPOSED ROAD & PIPELINE

EL PASO NATURAL GAS COMPANY

KERNAGHAN #2A

SE 28-31-8



MAP #2

Proposed Location