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NEW MEXICO OIL CONSERVATION COMMISSION

30-046-22787
Form C-101
Revised 1-1-65

12-25-77

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
Palmer Oil & Gas Company

3. Address of Operator
P. O. Box 2564, Billings, Montana 59103

4. Location of Well
 UNIT LETTER _____ LOCATED **700** FEET FROM THE **South** LINE
 AND **1850** FEET FROM THE **West** LINE OF SEC. **3** TWP. **31N** RGE. **7W** NMPM

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.

7. Unit Agreement Name

8. Farm or Lease Name
Yager

9. Well No.
#1B

10. Field and Pool, or Wildcat
Blanco-Mesaverde

12. County
San Juan

19. Proposed Depth
6,000'

19A. Formation
Mesaverde

20. Rotary or C.T.
Rotary

21. Elevations (Show whether DF, RT, etc.)

21A. Kind & Status Plug. Bond
Blanket

21B. Drilling Contractor

22. Approx. Date Work will start
October 5, 1977

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
13-3/4"	9-5/8"	32#	200'	200	Surface
8-3/4"	7"	20#	3800'	200	2800'
6-1/4"	4-1/2"	10.5#	6000'	225	3600'

- Palmer will drill a 6,000' Mesaverde test in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 3, Township 31 North, Range 7 West. (Mesaverde twin to Yager No. 3 which was originally the Yager #1A)
- Well will be drilled by rotary tools. Set 200' of 9-5/8" casing and cement to surface; drill 8-3/4" hole to approximately 3800' and set 7" casing. Drill 6-1/4" hole with gas to T.D. and set 4-1/2" liner.
- IES and Porosity Logs will be run at T.D. All potential zones will be analyzed from surface to total depth.
- After perforating, the productive zones will be fractured, if necessary.
- The gas is not dedicated.
- A Shaffer 8" - 3000 psi BOP with blind and pipe rams to be used.
- See Commission Order No. R-5364 for approval of unorthodox location.
- Spacing unit comprises the W $\frac{1}{2}$ SE $\frac{1}{4}$ and E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 3, and the NW $\frac{1}{4}$ of Section 10.
- Palmer Oil & Gas Company is in process of communitizing to conform with above spacing unit.
- Survey plat will be forwarded.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Grace E. Brown Title Secretary-Treasurer Date September 23, 1977

APPROVED BY AK Bendrick TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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.

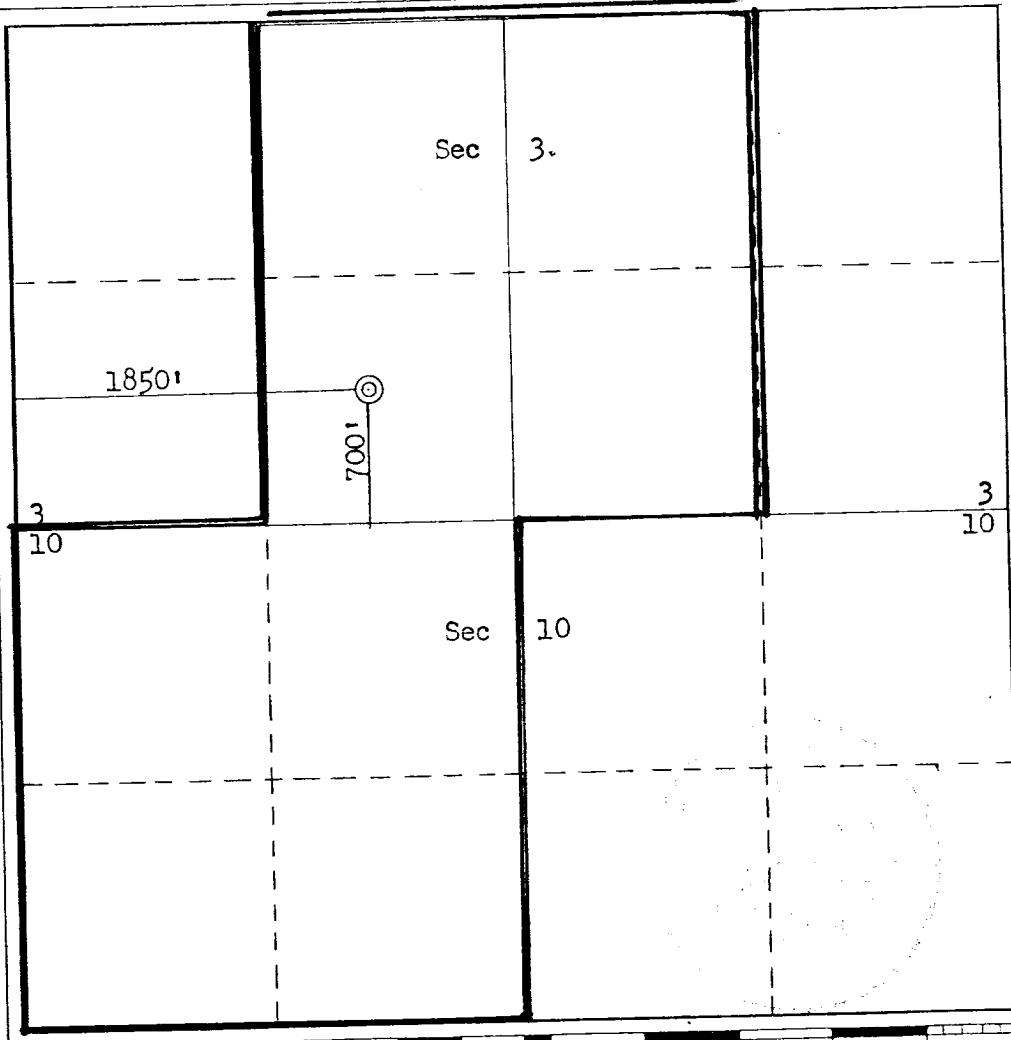
Operator Palmer Oil & Gas Company			Lease Yager		Well No. 1-B
Unit Letter N	Section 3	Township 31N	Range 7W	County San Juan	
Actual Footage Location of Well: 700 feet from the South line and 1850 feet from the West line					
Ground Level Elev. 6586	Producing Formation Mesa Verde		Pool Blanco	Dedicated Acreage: 3.20 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.

Name: *J. F. Elledge*
Position: *Agent*
Company: _____

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: **September 23, 1977**
Registered Professional Engineer and/or Land Surveyor
Fred B. Kerr
Certificate No. **3950**

