

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

(Other instructions on

RECEIVED

AUG 25 1980

5. LEASE DESIGNATION AND SERIAL NO.

SF-078146

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Hillstrom

9. WELL NO.

#3

10. FIELD AND POOL, OR WILDCAT

Blanco Pictured Cliffs

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Section 35, T32N, R12W

12. COUNTY OR PARISH

San Juan

13. STATE

NM

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Southland Royalty Company

3. ADDRESS OF OPERATOR

P. O. Drawer 570, Farmington, NM 87401

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

930' FNL & 990' FWL

At proposed prod. zone

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

Approximately 8 miles NW of Aztec, NM

15. DISTANCE FROM PROPOSED*

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

930'

16. NO. OF ACRES IN LEASE

2240.00

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

400'

19. PROPOSED DEPTH

3000'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6333' GR

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

September 30, 1980

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|---------------------------|
| 12 1/4" | 8 5/8" | 24# | 140' | 100 sx - Circ. to surface |
| 6 3/4" | 2 7/8" | 6.5# | 3000' | 290 sx - cover Ojo Alamo |

This action is subject to administrative appeal pursuant to 50 CFR 201

Surface formation is Nacimiento.

Top of Ojo Alamo sand is at 1640'.

Top of Pictured Cliffs sand is at 2776'.

Fresh water mud will be used to drill from surface to total depth.

It is anticipated that an IES and a GR-Density log will be run at total depth.

No abnormal pressures or poisonous gases are anticipated in this well.

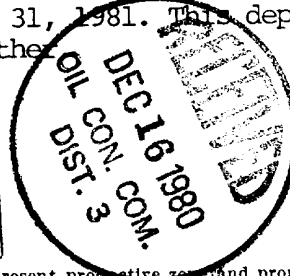
It is expected that this well will be drilled before March 31, 1981. This depends on time required for approvals, rig availability and the weather.

Gas is dedicated.

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OCT 14 1980

U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

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 B. E. Faldut TITLE District Engineer DATE 8-15-80

(This space for Federal or State Use)

AS AMENDED

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF

JAMES F. SIMS
DISTRICT ENGINEER

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

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

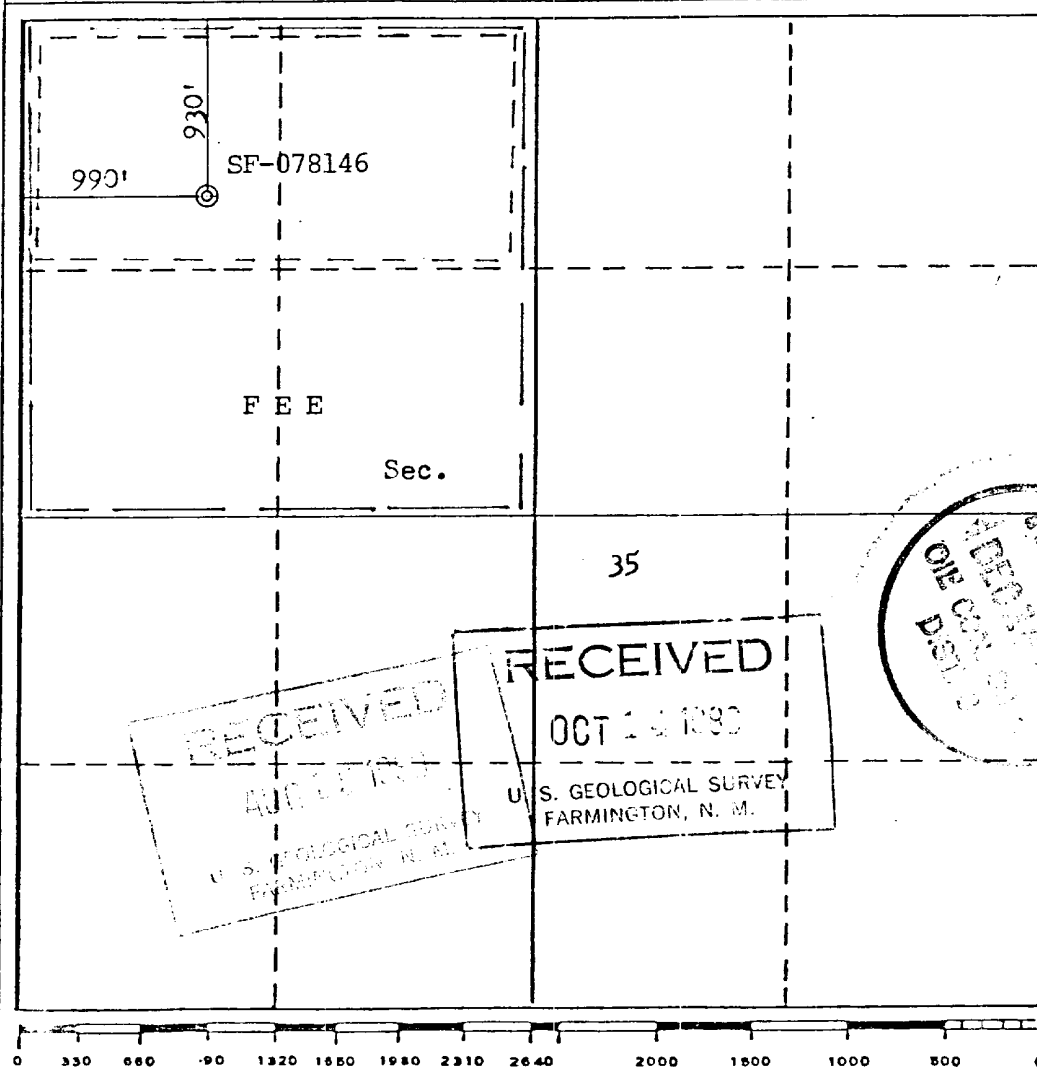
| | | | | | |
|--|---|------------------------|---------------------------|---------------------------|--|
| Operator SOUTHLAND ROYALTY COMPANY | | | Lease HILLSTROM | | Well No. 3 |
| Unit Letter D | Section 35 | Township 32N | Range 12W | County San Juan | |
| Actual Footage Location of Well: 930 feet from the North line and 990 feet from the West line | | | | | |
| Ground Level Elev. 6333 | Producing Formation Pictured Cliffs | | Pool Blanco | | Dedicated Acreage: 160 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.

R. E. Fielder

Name

Robert E. Fielder

Position

District Engineer

Company

Southland Royalty Company

Date

August 15, 1980

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 30, 1980

Registered Professional Engineer
and/or Land Surveyor*Fred B. Kerr Jr.*
Fred B. Kerr Jr.

Certificate No.

3950

DRILLING SCHEDULE - HILLSTROM #3

Location: 930' FNL & 990' FWL, Section 35, T32N, R12W
San Juan County, NM

Field: Blanco Pictured Cliffs

Elevation: 6333' GR
6345' KB

Geology:

| | | |
|-----------------|-----------------|-------|
| Formation Tops: | Ojo Alamo | 1640' |
| | Fruitland | 2343' |
| | Pictured Cliffs | 2776' |
| | Total Depth | 3000' |

Logging Program: IES and GR-Density at Total Depth.

Coring Program : None

Natural Gauges : None

Drilling

Contractor:

SRC Representative:

Tool Pusher:
SRC Answering Service: 325-184
Dispatch Number: 325-7391

Mud Program: Fresh water mud from surface to Total Depth.

Materials

| Casing Program: | Hole Size | Depth | Casing Size | Wt. & Grade |
|-----------------|-----------|-------|-------------|-------------|
| | 12 1/4" | 140' | 8 5/8" | 24# K-55 |
| | 6 3/4" | 3000' | 2 7/8" | 6.5# K-55 |

Float Equipment

8-5/8" Surface Casing: Pathfinder cement guide shoe (#1003-1-010).

2-7/8" Production Casing: Sawtooth collar guide shoe. Howco 2 7/8" latch down baffle (PR 60). Two 3 1/16" rubber balls and one 2 7/8" Omega latching plug (PR 59). Use 3 1/4" plug container head. Six B & W stabilizers on bottom 6 joints.

Wellhead Equipment: 8 5/8" X 2 7/8", EUE, screwed head.

Page #2

Cementing

8-5/8" Surface Casing: 118 cu. ft. (100 sx) Class "B" with 1/4# gel
flake per sack and 3% CaCl_2 . (100% excess.)

2-7/8" Production Casing: 414 cu. ft. (240 sx) of 50/50 Class "B" Poz
with 6% gel mixed with 7.2 gals water per sack
to weigh 12.85 ppg. Tail in with (50 sx) Class
"B" with 2% CaCl_2 . If lost circulation occurs,
add 1/4 cu. ft. of fine gilsonite per sack.
(50% excess to cover Ojo Alamo). Displace cement
with 50 gallons of 7 1/2% acetic acid. Run
temperature survey after 12 hours.

L. O. Van Ryan
District Production Manager

REF _____
Date _____



Southland Royalty Company

October 2, 1980

United States Geological Survey
Mr. James F. Sims
District Oil and Gas Supervisor
P. O. Box 959
Farmington, NM 87401

Dear Mr. Sims:

Enclosed please find a map showing existing roads and planned access roads to Southland Royalty Company's Hillstrom #3 well.

The locations of tank batteries and flow lines will be on location with well. A burn pit will be provided for disposal of trash. Cuttings, drilling fluid, and produced fluids will be put into the reserve pit and properly disposed of depending on amount and type of fluids.

There will be no camps or airstrips.

Also, enclosed is a location layout showing approximate location of rig, pits and pipe racks.

Water supply for this well will be Farmer's Ditch.

The terrain is rolling hills with sagebrush. The location will be restored according to the Bureau of Land Management standards. This work will begin when all related construction is finished.

Mr. Ross Lankford will be Southland Royalty Company's field representative supervising these operations. Either he or myself may be reached anytime at 325-7391.

Sincerely,

SOUTHLAND ROYALTY COMPANY

Robert E. Fielder
District Engineer

REF/ke



Southland Royalty Company

August 15, 1980

United States Geological Survey
Mr. James F. Sims
District Oil and Gas Supervisor
P. O. Box 959
Farmington, NM 87401

RE: Blowout Preventer Plan

Dear Mr. Sims:

All drilling and completion rigs will be equipped with 6" or larger double hydraulic blowout preventers and a hydraulic closing unit with steel lines.

The preventer is 3000# working pressure and 6000# test pressure.

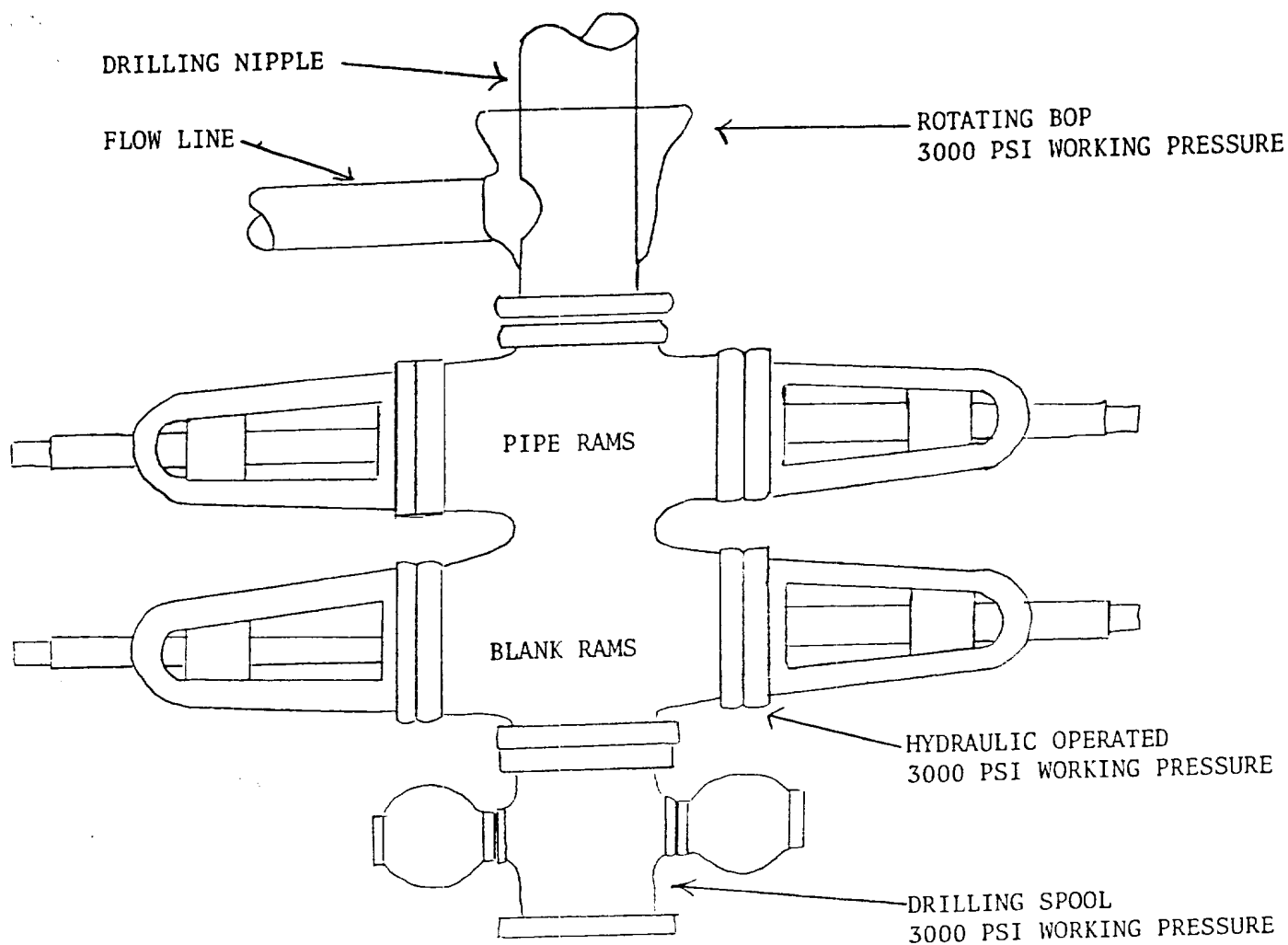
All crews will be thoroughly trained in the operation of this preventer. The preventer will be tested frequently enough to ensure proper operation.

Sincerely,

SOUTHLAND ROYALTY COMPANY

Robert E. Fielder
District Engineer

REF/ke



PREVENTERS AND SPOOLS ARE TO HAVE
THROUGH BORE OF 6" - 3000 PSI OR LARGER

Southland Royalty Company
Hillstrom #3
930' FNL & 990' FWL
Section 35, T32N, R12W
San Juan County, NM



Southland Royalty Company

August 15, 1980

United States Geological Survey
Mr. James Sims
P. O. Box 595
Farmington, NM 87401

Dear Sir:

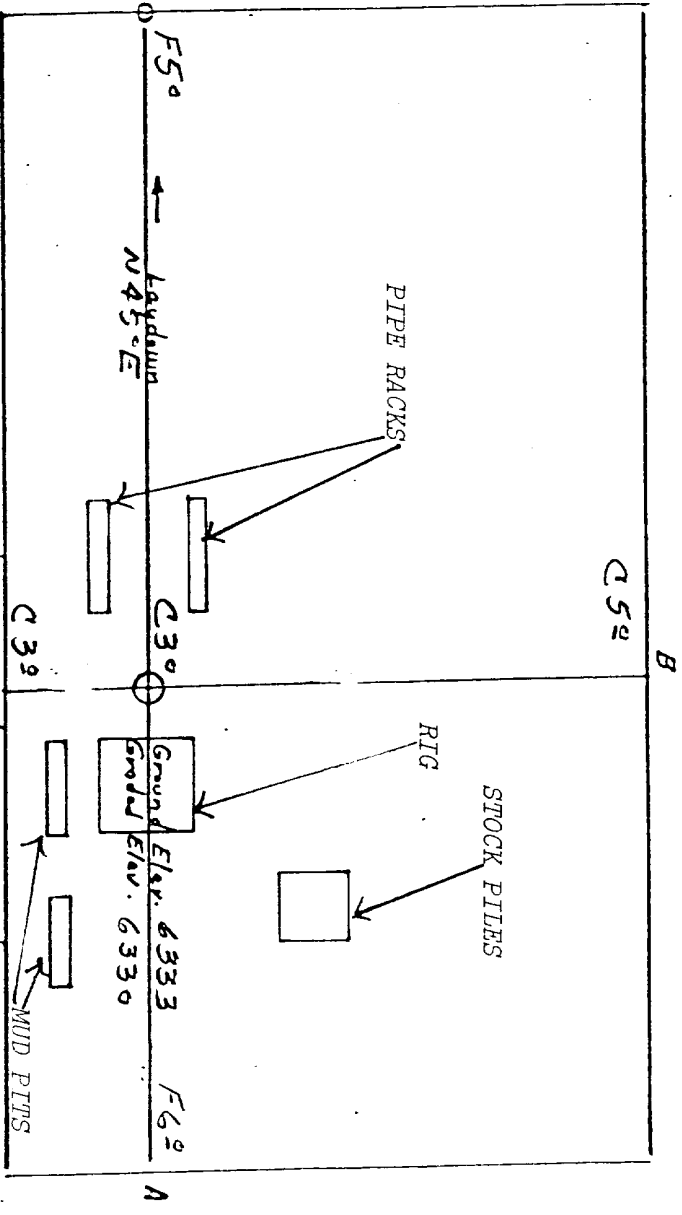
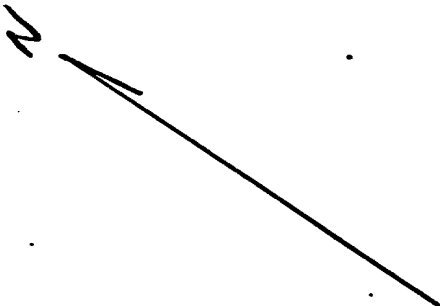
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated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

Date:

L. O. Van Ryan
District Production Manager

LOVR/ke

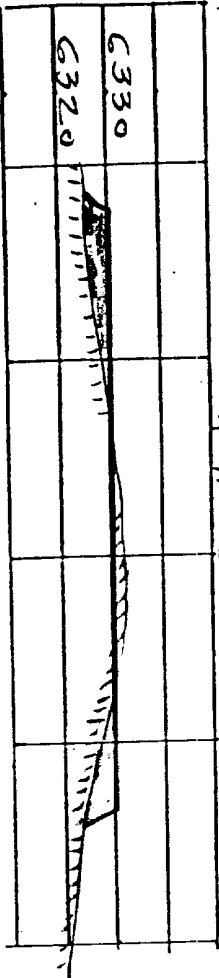
SOUTHLAND ROYALTY CO. #3 HILLSTROM
930' FNL 990' FWL Sec. 35-T32N-R12W
SAN JUAN COUNTY, NEW MEXICO



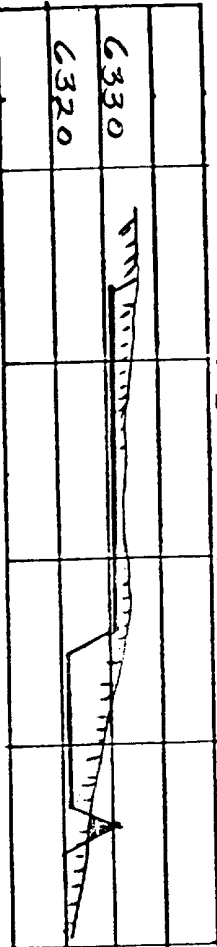
Vert. 1"=40'

A-A' &

Horiz: 1"=100'



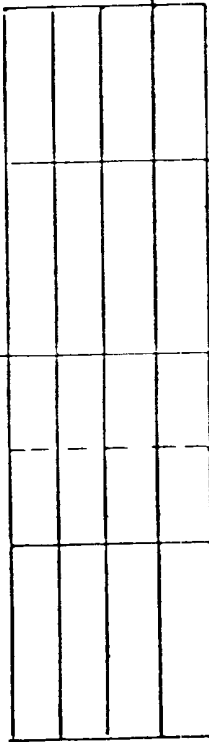
B-B' &



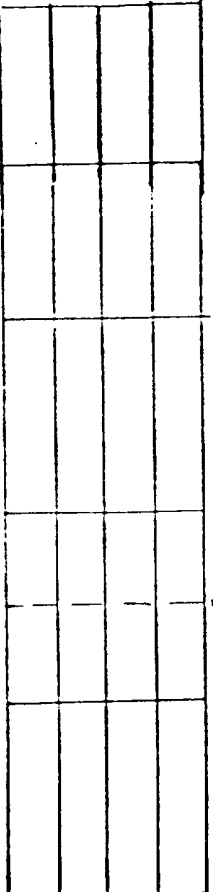
Vert: 1"=40'

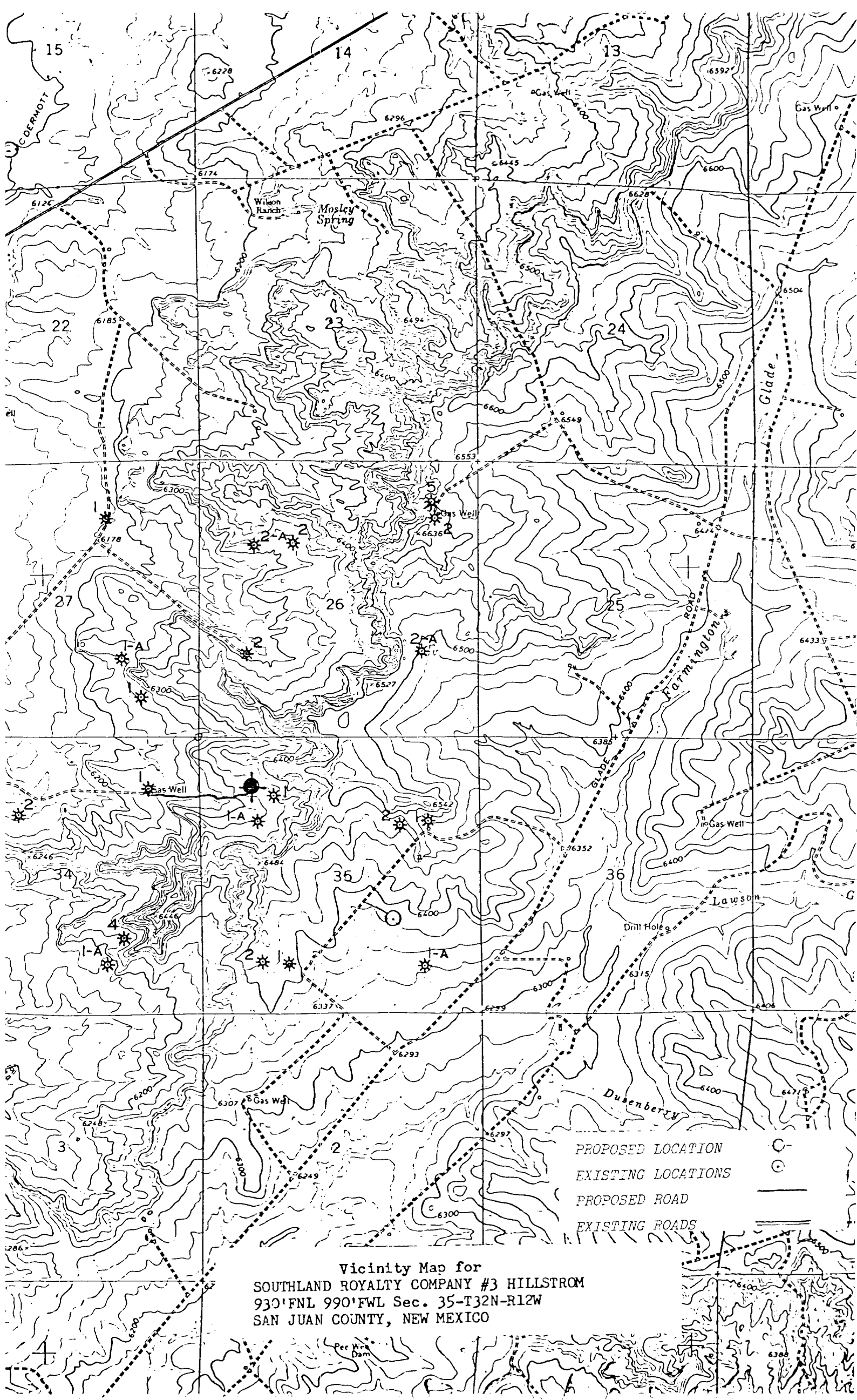
C-C' &

Horiz: 1"=100'



D-D' &





Vicinity Map for
SOUTHLAND ROYALTY COMPANY #3 HILLSTROM
930'FNL 990'FWL Sec. 35-T32N-R12W
SAN JUAN COUNTY, NEW MEXICO