RECEIVED
JUN 22 1989
BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

RECEIVED
JUL 06 1989
OIL CON. DIV.

1a. TYPE OF WORK
DRILL
1b. TYPE OF WELL
GAS

5. LEASE NUMBER
SF-078312
6. IF INDIAN,ALL. OR TRIBE NAME

2. OPERATOR
SOUTHLAND ROYALTY CO.

7. UNIT AGREEMENT NAME

3. ADDRESS & PHONE NO. OF OPERATOR
P O BOX 4289
FARMINGTON, NM 87499

8. FARM OR LEASE NAME
HUBBARD COM
9. WELL NO.
103

4. LOCATION OF WELL
1930'N 1490'W

10. FIELD,POOL,OR WILDCAT
BASIN FRUITLAND COAL
11. SEC. T. R. M OR BLK.
SEC. 22 T32N R12W NMPM

14. DISTANCE IN MILES FROM NEAREST TOWN
17 MILES FROM AZTEC

12. COUNTY
SAN JUAN
13. STATE
NM

15. DISTANCE FROM PROPOSED LOCATION 1490' TO NEAREST PROPERTY OR LEASE LINE.

16. ACRES IN LEASE

17. ACRES ASSIGNED TO WELL
320.00

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DR. 500' COMPL., OR APPLIED FOR ON THIS LEASE.

19. PROPOSED DEPTH
2560'

20. ROTARY OR CABLE TOOLS
ROTARY

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

21. ELEVATIONS (DF, FT, GR, ETC.)
6175'GL

22. APPROX. DATE WORK WILL START

23. PROPOSED CASING AND CEMENTING PROGRAM

*SEE OPERATIONS PLAN

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

24. AUTHORIZED BY: Peggy Bradfield
REGULATORY AFFAIRS

6-22-89
DATE

PERMIT NO. _____ APPROVAL DATE APPROVED AS AMENDED

APPROVED BY _____ TITLE _____ DATE JUN 30 1989

/s/ Duane W. Spencer
AREA MANAGER

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

NMOCD

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised 1-1-89

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
Southland Royalty Company	(SF-078312) Hubbard Com	103

Unit Letter	Section	Township	Range	County
G	22	32 North	12 West NMPM	San Juan

Actual Footage Location of Well:
1930 feet from the North line and 1490 feet from the East line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
6175	Fruitland Coal	Basin	320 Acres

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

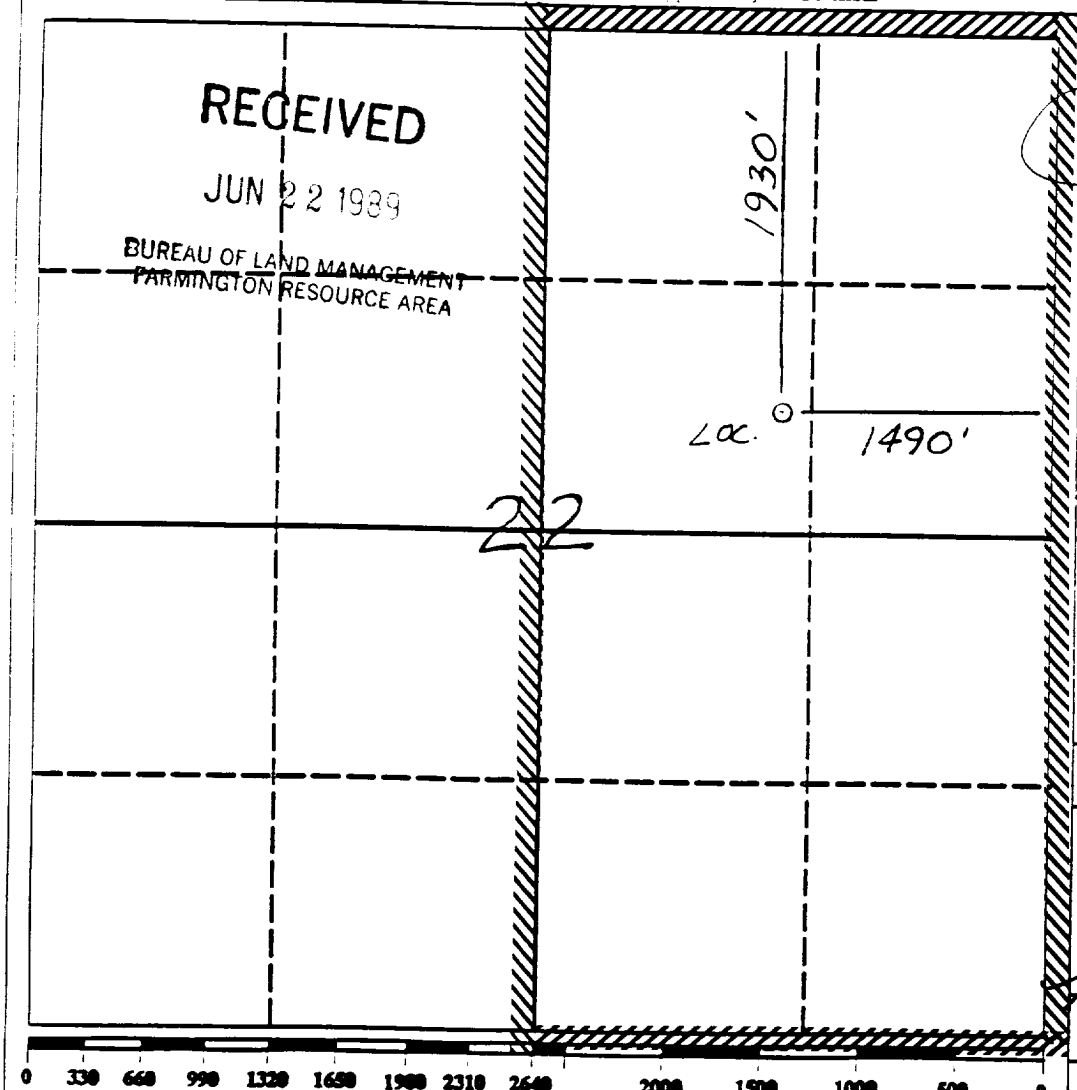
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

[X] Yes [ ] No If answer is "yes" type of consolidation communitization

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 informati contained herein is true and complete to t best of my knowledge and belief.

Signature: Peggy Bradfield

Printed Name: Regulatory Affairs

Position: Southland Royalty

Company: 6-22-89

Date:

SURVEYOR CERTIFICATION

I hereby certify that the well location show on this plat was plotted from field notes c actual surveys made by me or under m supervison, and that the same is true an correct to the best of my knowledge an belief.

5-5-89

Date Surveyed

Neale C. Edwards

Signature & Seal of Professional Surveyor

NEALE C. EDWARDS
NEW MEXICO
6857
REGISTERED LAND SURVEYOR

Certificate No. 6857

 OPERATIONS PLAN DATE: JUN 21,1989

Well Name: 103 HUBBARD COM 1930'N 1490'W
Sec. 22 T32N R12W SAN JUAN NEW MEXICO
BASIN FRUITLAND COAL Elevation 6175'GL

Formation tops: Surface- NACIMIENTO
Ojo Alamo- 1785
Kirtland- 1865
Fruitland- 2125
Fruitland Coal Top- 2425
Fruitland Coal Base- 2548
Intermediate TD- 2395
Total Depth- 2560
Pictured Cliffs- 2570

Logging Program: Mud logs from intermediate to total depth.

Mud Program:	Interval	Type	Weight	Visc.	Fl. Loss
	0 - 200	Spud	8.4 - 8.9	40-50	no control
	200 - 2395	Non-dispersed	8.4 - 9.1	30-60	no control
	2395 - 2560	Formation Water	8.4		no control

Casing Program:	Hole Size	Depth Interval	Csg. Size	Weight	Grade
	12 1/4"	0 - 200	9 5/8"	32.3#	H-40
	8 3/4"	0 - 2395	7"	20.0#	K-55
	6 1/4"	2345 - 2560	5 1/2"	15.5#	K-55
Tubing Program:		0 - 2560	2 7/8"	6.5#	J-55

Float Equipment: 9 5/8" surface casing - saw tooth guide shoe.

7" intermediate casing - guide shoe and self-fill insert float valve. Three centralizers run every other joint above shoe. Run insert float one joint above the guide shoe.

5 1/2" production casing - float shoe on bottom and a pre-drilled liner run to the 7" casing with a minimum 50' overlap. Liner hanger is a double slip grip type.

Wellhead Equipment: 9 5/8" x 7" x 2 7/8" x 11" 3000 psi xmas tree assembly.

Cementing:
9 5/8" surface casing - cement with 106 sacks of class "B" cement with 1/4# flocele/sack and 3% calcium chloride (125 cu ft. of slurry, 100% excess to circulate to surface). WOC 12 hours. Test casing to 600 psi for 30 minutes.

7" intermediate casing - lead with 34 sacks of 65/35 class "B" poz with 6% gel, 2% calcium chloride and 1/2 cu ft. Perlite/sack (10.3 gallons of water/sack) tail with 100 sacks of class "B" with 2% calcium chloride. 183 cu ft. of slurry, 100% excess to cover the Ojo Alamo. Run temperature survey at 8 hours. WOC 12 hours. Test casing to 1500 psi for 30 minutes.

5 1/2" liner - do not cement.

BOP and Tests:

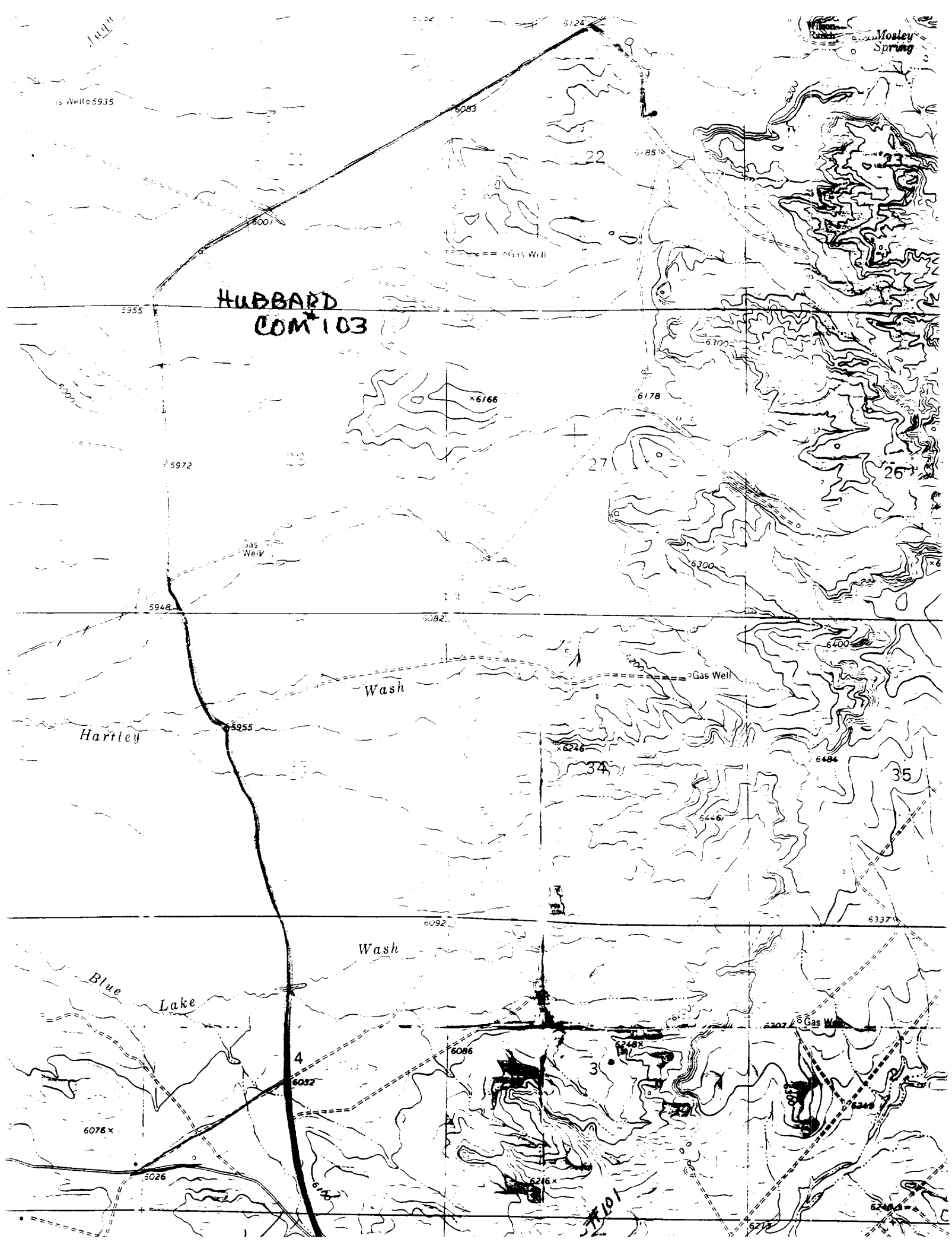
Surface to intermediate TD - 11" 3000 psi double gate BOP stack (Reference Figure #1). Prior to drilling out surface casing, test rams to 600 psi for 30 minutes.

Intermediate TD to TD - 7 1/16" 3000 psi double gate BOP stack (Reference Figure #2). Prior to drilling out intermediate casing, test rams to 2500 psi for 30 minutes.

Pipe rams will be actuated at least once each day and blind rams actuated once each trip to test proper functioning.

Addition Information:

The Fruitland coal formation will be completed.
This gas is dedicated.
The E/2 of Section 22 is dedicated to this well.


HUBBARD
COM 103
Mosley
Spring
Gas Well
Wash
Hartley
Blue
Lake
Wash
Gas Well
Gas Well
22
23
27
26
34
35
4
3
6124
6083
6001
5955
6166
6178
5972
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