

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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

LEONARD MINERALS COMPANY

3. ADDRESS OF OPERATOR

3202 Candelaria NE, Albuquerque, New Mexico 87107

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

At surface 2395' FNL and 1784' FEL of Section 35

At proposed prod. zone

same as at surface

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

13 miles by air and 20 miles by road southeast of Taos

15. DISTANCE FROM PROPOSED* 1784' FEL of lease
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT. and 245' FEL
(Also to nearest drlg. unit line, if any) of SW $\frac{1}{4}$ NW $\frac{1}{4}$ 18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

None

16. NO. OF ACRES IN LEASE

9,788.64

19. PROPOSED DEPTH

6,000'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

est. 9,380' GR

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

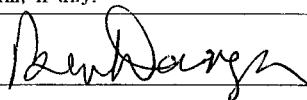
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 $\frac{1}{2}$ "	13 3/8"	48 [#]	80'	60 sax
11"	8 5/8"	24 [#]	500'	120 sax circulated
7 7/8"	5 $\frac{1}{2}$ "	15.5 [#]	*	200 sax

We propose to drill to test the Sandia Formation. * If commercial production is indicated we propose to set 5 $\frac{1}{2}$ " casing through the potentially productive interval, cement, perforate and stimulate the formation as necessary. OCD Form C-102, Exhibit A (Pertinent Information), Exhibit B (Blowout Preventor Diagram), Exhibit C (Multi-Point Surface Use and Operation Plan), Exhibit D (Proposed Rig and Mud Pit Layout), Exhibit E (Road Access) and Exhibit F (Topographic Map) are attached hereto.

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



TITLE

Regional Manager

DATE

May 30, 1986

(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

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-1Q2
Revised 10-1-78

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

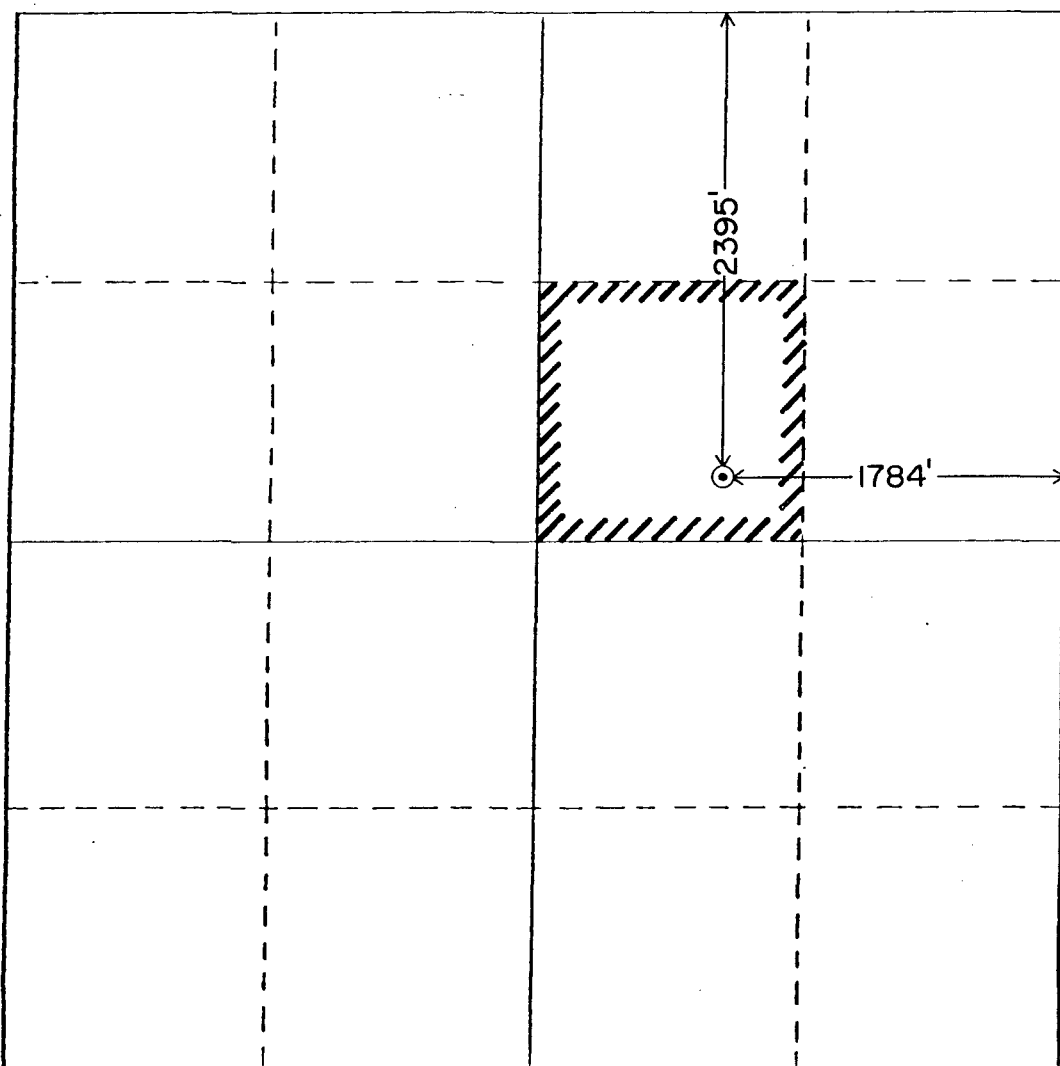
Operator LEONARD MINERALS COMPANY			Lease TAOS TROUGH UNIT		Well No. 1
Unit Letter G	Section 35	Township 24 North	Range 14 East	County Taos	
Actual Footage Location of Well: 2395 feet from the North line and 1784 feet from the East line of Section 35					
Ground Level Elev. 9380 est	Producing Formation Sandia		Pool Wildcat		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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). No
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 NA

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) NA

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 Division.



CERTIFICATION

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

Ben Donegan

Name
Ben Donegan

Position
Regional Manager

Company
LEONARD MINERALS COMPANY

Date
May 30, 1986

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.

Herbert G. Koogler
Date Surveyed
October 28, 1985

Registered Professional Engineer
and/or Land Surveyor

Herbert G. Koogler

Certificate No. 1940

Exhibit A

Pertinent Information

Leonard Minerals Company
No. 1 Taos Trough Unit
2395' FNL, 1784' FEL
35, T. 24 N., R. 14 E., N.M.P.M.
Taos County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Leonard Minerals Company submits the following ten items of pertinent information in accordance with BLM requirements.

1. The Alamitos Formation of Desmoinesian (Medial Pennsylvanian) age is at the surface.
2. The estimated tops of anticipated geologic formations are as follows:

Flechado	1,000'
Sandia	3,000'
Mississippian	5,900'
Precambrian	6,000' T.D.
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered.

Water: 50'

Oil or Gas: 3,000' - 6,000'
4. Proposed Casing Program: See Form 9-331C
5. Pressure Control Equipment. BOP's will be installed after setting the 8 5/8" casing and tested daily. (See attached Exhibit B Blowout Preventor Diagram).
6. Mud Program. FW gel w/LCM to 500', FW gel, low solids mud w/controlled water loss from 500' to T.D.
7. Auxilliary Equipment: Kelly Cock and full opening safety valve with drill pipe connections.
8. Testing, Logging and Coring Program:

Samples: 10' samples caught out from under surface casing to TD.

DST's: As warranted.

Coring: None anticipated

Logging: FDC-CNL density, dual induction, sonic log and mud log.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date. As soon as possible.

Exhibit B

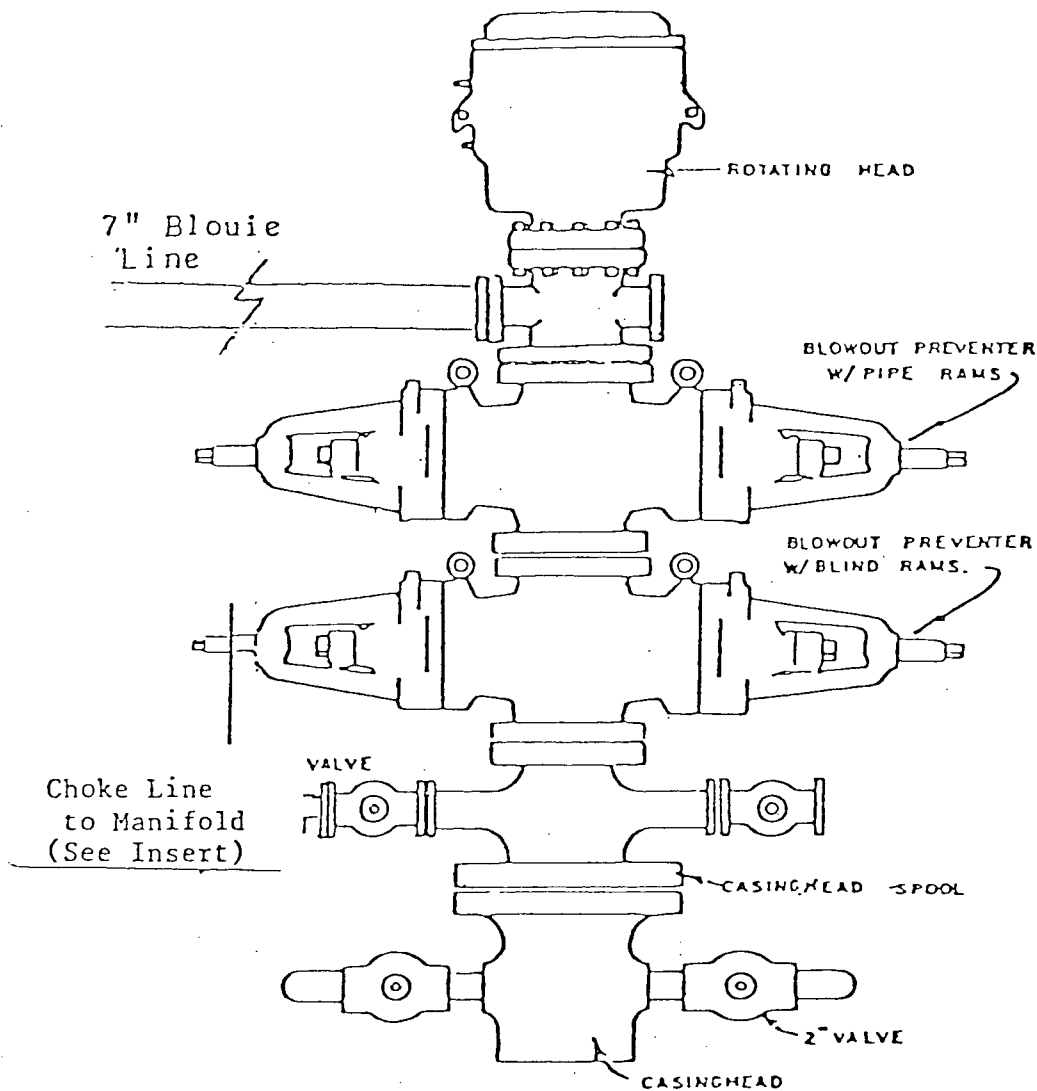
Blowout Preventor Diagram

Leonard Minerals Company

No. 1 Taos Trough Unit

35, 24 N., 14 E.

Taos County, New Mexico



BLOWOUT PREVENTER HOOKUP

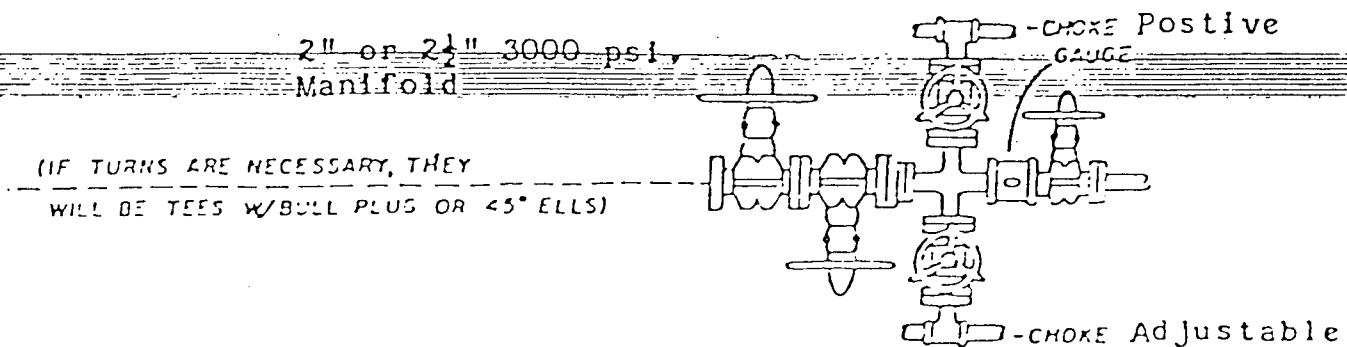


Exhibit C

Multi-Point Surface Use and Operation Plan

Leonard Minerals Company
No. 1 Taos Trough Unit
2395' FNL and 1784' FEL
Section 35, T. 24 N., R. 14 E., N.M.P.M.
Taos County, New Mexico
(Wildcat Well)

This plan is submitted with Form 9-331C, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS.

Exhibit E is a map showing the roads in the vicinity of the proposed location. This wellsite is located approximately 13 miles southeast of Taos, New Mexico. The access route to the location is indicated on the map.

DIRECTIONS TO THE LOCATION FROM TAOS.

1. Proceed 3.5 miles southwest on State Highway 68 to intersection with State Highway 3 in Ranchos de Taos,
2. Then turn south onto State Highway 3 for 6.8 miles to intersection with Forest Route 438 at Fort Burgwin,
3. Then turn east onto Forest Route 438 for 10.0 miles to intersection with Forest Service road to Bernardin Lake and point where proposed access road access road starts from south side of Forest Route 438 and continues south-east, east and northeast approximately 500 feet to the proposed well location and pad. Forest Route 438 will be bladed and widened where needed. The bypasses for the two small bridges between Fort Burgwin and the proposed location will be improved for the truck traffic to and from the location.

2. PLANNED ACCESS ROAD.

- A. There will be approximately 500' of new access road.
- B. The new road will be 12 feet in width (driving surface).
- C. The new road will be bladed with drainage on one side.
- D. The route of the road is visible.

3. LOCATION OF EXISTING WELL.

- A. There is no drilling activity within a one-mile radius of the wellsite.

Exhibit C

Leonard Minerals Company
No. 1 Taos Trough Unit
Page 2

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY.

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from the adjacent Rito de la Olla.

6. SOURCE OF CONSTRUCTION MATERIALS

- A. No construction materials will be needed. Location and road will be watered and bladed as needed.

7. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with. Portable chemical toilets will be used.
- F. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.
- G. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES.

- A. None required.

9. WELLSITE LAYOUT.

- A. Exhibit D shows the relative location and dimensions of the well pad, the reserve pits, etc.

Exhibit C

Leonard Minerals Company
No. 1 Taos Trough Unit
Page 3

- B. The location surface slopes slightly to the southwest.
- C. The proposed drill site has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE.

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and then be leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the BLM will be complied with and accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: The wellsite is on a meadow in the valley of the Rito de la Olla. Cut into the hillside north of the wellsite and fill south towards the Rito de la Olla will be required. Although the immediate area of the wellsite is relatively flat, the slopes of the adjacent mountains exceed 1,000 feet per mile.
- B. Flora and Fauna: The vegetation on the wellsite consists of native grasses and miscellaneous mountainous growth. The wildlife in this area is typical of the wildlife in other areas of the southern Sangre de Cristo Mountains. The area is used for timber harvesting, cattle and sheep grazing and recreation.
- C. Waterways: The Rito de la Olla flows from northeast to southwest immediately adjacent to the proposed location and continues west and northwest to the Rio Grande.
- D. There are no inhabited dwellings in the vicinity of the proposed wellsite.
- E. Surface Ownership: The wellsite is on Federal surface and minerals in the Taos District of the Carson National Forest.

12. OPERATOR'S REPRESENTATIVE.

- A. The field representative responsible for assuring compliance with the approved surface use plan is:

Ben Donegan
Leonard Minerals Company
3202 Candelaria NE
Albuquerque, New Mexico 87107
(505) 884-2780

Exhibit C

Leonard Minerals Company
No. 1 Taos Trough Unit
Page 4

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 LEONARD MINERALS COMPANY and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

5-30-86

Date

Ben Donegan

Ben Donegan, Regional Manager

Exhibit D

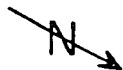
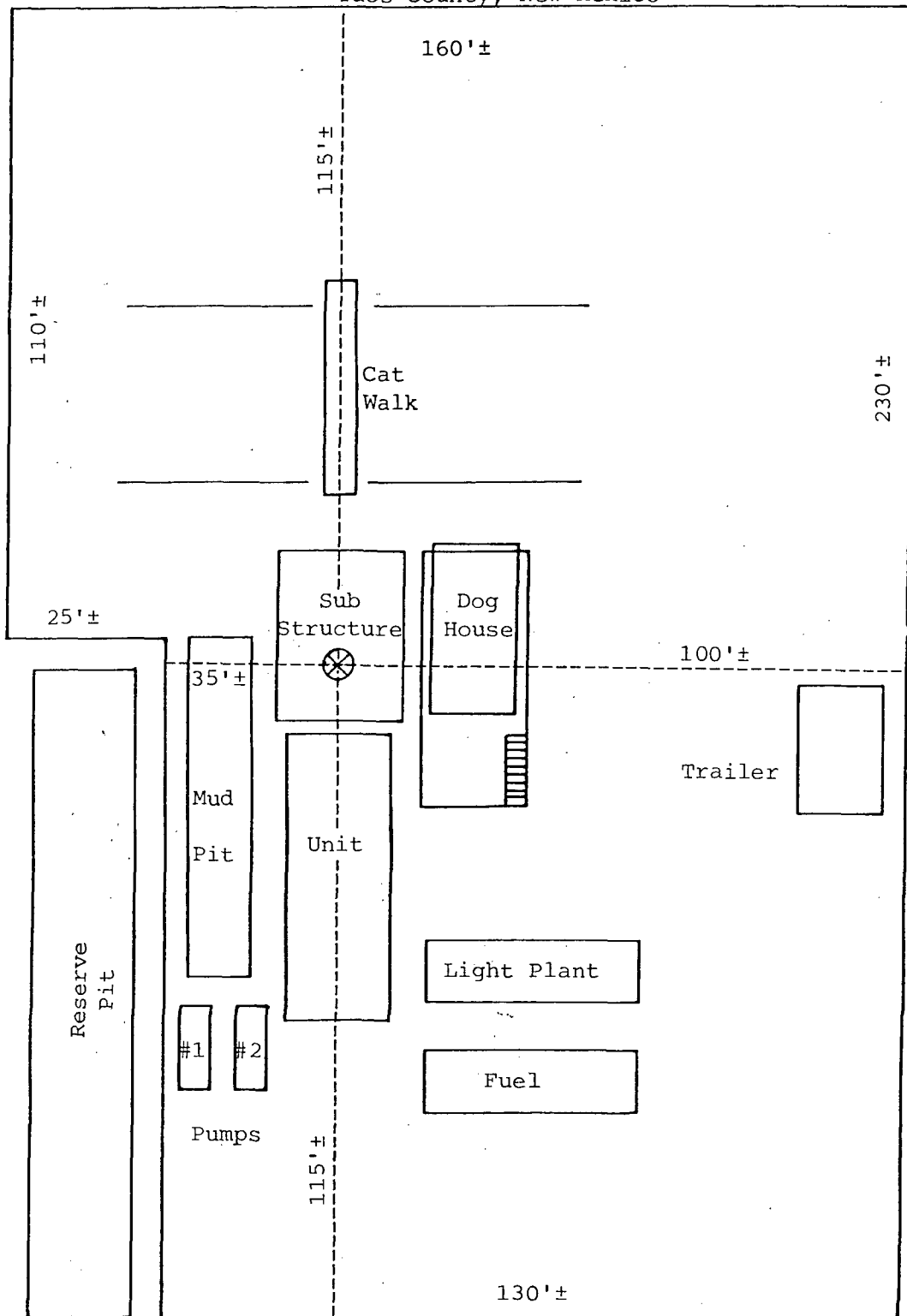
Proposed Rig and Mud Pit Layout

Leonard Minerals Company

No. 1 Taos Trough Unit

35, 24 N., 14 E.

Taos County, New Mexico



SCALE 1 INCH = 30 FEET



Exhibit E

Access Roads

Leonard Minerals Company

No. 1 Taos Trough Unit

35 - 24 N - 14 E

Taos County, New Mexico

= Proposed access roads from Taos to proposed location

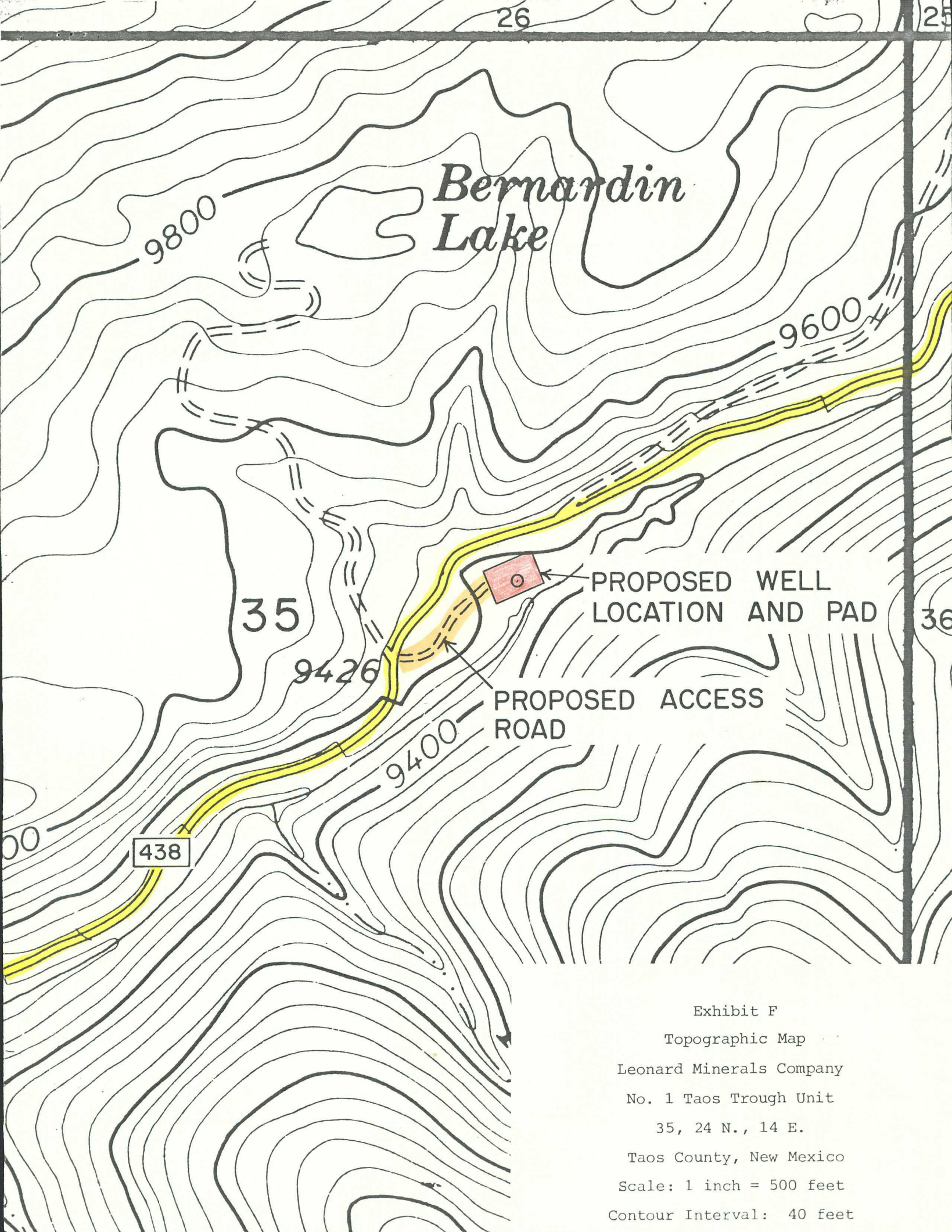


Exhibit F
Topographic Map
Leonard Minerals Company
No. 1 Taos Trough Unit
35, 24 N., 14 E.
Taos County, New Mexico
Scale: 1 inch = 500 feet
Contour Interval: 40 feet