



SUSPENSE 1/23/02	ENGINEER ms	LOGGED IN KW	TYPE NSL	APP NO. 200334401
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NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

ABOVE THIS LINE FOR DIVISION USE ONLY

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
NSL NSP SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
WFX PMX SWD IPI EOR PPR

[D] Other: Specify

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] Working, Royalty or Overriding Royalty Interest Owners

[B] Offset Operators, Leaseholders or Surface Owner

[C] Application is One Which Requires Published Legal Notice

[D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

BRIAN WOOD
(505) 466-8120
FAX 466-9682

CONSULTANT

12-29-01

e-mail Address

brian@permitswest.com

REQUEST FOR ADMINISTRATIVE APPROVAL FOR A NON-STANDARD LOCATION
FOR MYCO INDUSTRIES, INC.
LY FEDERAL #4 GAS WELL
2490' FSL & 1780' FWL SEC. 34, T. 25 N., R. 13 W., SAN JUAN COUNTY, NM

I. The well is on Navajo Tribal surface and a BLM oil and gas lease. The proposed location is non-standard (NSL) for the Pictured Cliffs. A Pictured Cliffs gas well must be at least 660' from all quarter section lines. This well is 150' from the north quarter section line. The NSL is due to the Navajo Agricultural Products Industry's (NAPI) plans for center pivot irrigation field 11-35 (Exhibit A) which will fill all of the standard Pictured Cliffs drilling window. NAPI tries to minimize interference with their surface use by concentrating other land uses. Thus, MYCO will reenter a plugged and abandoned coal gas well (30-045-29113). The APD (Exhibit B) is attached.

II. A C-102 (Exhibit C) showing the well location and proration unit (dashed lines marking the southwest quarter of Sec. 34 = 160.00 acres) for the Pictured Cliffs is attached. MYCO's leasehold (= solid lines) is shown on the attached composite copy (Exhibit D) of the Alamo Mesa West and Moncisco Wash topo maps. The well is 1,452' from the closest non-MYCO operated lease. A standard location would move the well closer to the boundary of the 1,680 acre lease.

III. According to NM Oil Conservation Records reviewed in their Santa Fe office on September 27, 2001 and on line on December 29, 2001; there is no production from the Pictured Cliffs within a minimum 5,280' radius. A composite copy (Exhibit D) of the Alamo Mesa West and Moncisco Wash 7.5' USGS maps is attached showing the proposed well site. There is one lease within a minimum 1,452' radius. MYCO is the operator of its BLM lease. Registered letters were sent on December 29, 2001 to the offset interest owners. (MYCO's one lease holds all potential adjacent Pictured Cliffs drilling windows except for S2SE4 Sec. 34 and north half of Sec. 3. All of these mineral rights are held by BLM and have been unleased since at least 1996 according to BLM records reviewed on line on November 16, 2001.) A copy of the receipts and letters is attached.

IV. A composite copy of the Alamo Mesa West and Moncisco Wash USGS map is attached. The proposed well site is marked. Proration unit is SW4 Sec. 34 = 160.00 acres for the Pictured Cliffs.

V. Topography is not an issue.

VI. Archaeology is not an issue.

VII. Surface conditions are an issue. The southwest quarter of Section 34 will be developed as center pivot irrigation field 11-35 (Exhibit A) by NAPI.

VIII. Directional drilling is not economically practical for this well.

IX. I hereby certify notice has been sent to the following lessees, lessors, operators of spacing units, or owners of undrilled leases which adjoin the applicant's spacing unit on one or more of the two sides or the single closest corner to the proposed well and that the information is current and correct:

BIA
BLM
Navajo Nation
Sharbro Oil Ltd. Co.

Brian Wood Consultant 12-29-01
Signature, Title, & Date

STATE OF NEW MEXICO)
) SS:
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 29th day of December, 2001 by Brian Wood. Witness my hand and official seal.

Kathryn K. Wood
Notary Public
My Commission Expires: 09/07/03
Business Address: 37 VERANO LOOP, SANTA FE, NM 87508



cc: Aztec OCD, May

Y. FEDERAL #1
EC. 54, T25N, R18W
0' FNL, 2490' FSZ



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒OTHER ☐SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

MYCO Industries, Inc.

(505) 748-1471

3. ADDRESS AND TELEPHONE NO.

105 South 4th St., Artesia, NM 88210

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

At surface

2490' FSL & 1780' FWL

At proposed prod. zone

Same

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

26 air miles S of Farmington

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drilg. unit line, if any)

1,452'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

N/A

16. NO. OF ACRES IN LEASE

1,680

19. PROPOSED DEPTH

1,200'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

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

6,252' ungraded

22. APPROX. DATE WORK WILL START*

On Approval

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7"	23	135'	100 sacks. & to surface
6-1/4"	J-55 4-1/2"	11.6	1,200'	200 sacks & to surface

Well was drilled in 1994 as the LY Federal #1 and as a Fruitland coal gas well.
It was plugged and reclaimed in 1996.

Well is staked as a NSL to avoid proposed center pivot field 11-35 (see map
at end of APD).

cc: BIA, BLM, May, NAPI, OCD (via BLM), Tribe

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill
deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24

Consultant (505) 466-8120

10-7-01

SIGNED

TITLE

DATE

(This space for Federal or State office use)

PROJECT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations.
CONDITIONS OF APPROVAL, IF ANY

EXHIBIT B

State of New Mexico
Energy, Minerals & Mining Resources Department

Form C - 102

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

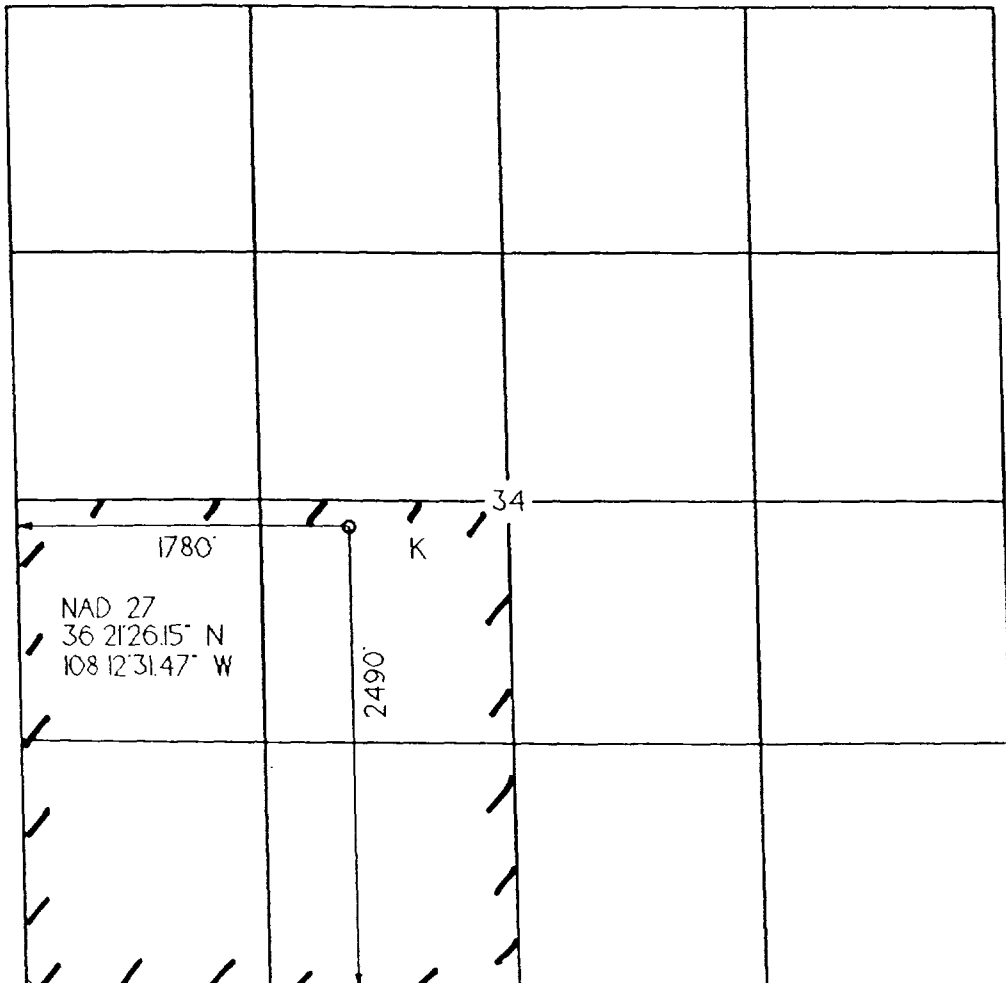
WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number 30-045-29113	Pool Code .	Pool Name WILDCAT PICTURED CLIFFS
Property Code .	Property Name LY FEDERAL	Well Number 4
OGRID No. 15445	Operator Name MYCO Industries, Inc.	Elevation 6252

Surface Location									
UL or Lot K	Sec. 34	Twp. 25 N.	Rge. 13 W.	Lot Idh.	Feet from > 2490'	North/South SOUTH	Feet from > 1780'	East/West WEST	County SAN JUAN

Bottom Hole Location If Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Idh.	Feet from >	North/South	Feet from >	East/West	County
Dedication	Joint ?	Consolidation	Order No.						

NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>Brian Wood</i>
Printed Name	BRIAN WOOD
Title	CONSULTANT
Date	OCTOBER 7, 2001
SURVEYOR CERTIFICATION	
I hereby certify that the well location 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 belief.	
Date of Survey	
Signature and Seal of Professional Surveyor	<i>[Signature]</i>

MYCO Industries, Inc.
LY Federal #4
2490' FSL & 1780' FWL
Sec. 34, T. 25 N., R. 13 W.
San Juan County, New Mexico

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Drilling Program

1. FORMATION TOPS

The estimated tops of important geologic markers are:

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Subsea Elevation</u>
Kirtland Sh	000'	5'	+6,252'
Fruitland Coal	873'	878'	+5,379'
Pictured Cliffs Ss	921'	926'	+5,331'
Total Depth (TD)*	1,200'	1,205'	+5,052'

* all elevations reflect the ungraded ground level of 6,252'

2. NOTABLE ZONES

Oil & Gas Zones

Fruitland

Pictured Cliffs

Water Zones

Kirtland

Fruitland

Coal Zones

Fruitland

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

3. PRESSURE CONTROL

BOP systems will follow Onshore Order #2 and API RP 53. The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A typical model is on PAGE 3.

Maximum expected pressure is 200 psi. BOP controls will be installed before

MYCO Industries, Inc.
LY Federal #4
2490' FSL & 1780' FWL
Sec. 34, T. 25 N., R. 13 W.
San Juan County, New Mexico

PAGE 2

drilling the surface casing plugs and remain in use until the well is completed or abandoned. Once out from under the 7" surface casing, a minimum 2,000 psi BOP and choke manifold system will be used.

All BOP mechanical and pressure tests will be recorded on the driller's log. BOPs will be inspected and operated at least daily to assure good mechanical working order. Inspections will be recorded on the daily drilling report. Pressure tests will be conducted before drilling out the existing cement plugs.

4. CASING & CEMENT

The existing casing program is:

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Type</u>	<u>Age*</u>	<u>GL Setting Depth</u>
8-3/4"	7"	23			New	135'
6-1/4"	4-1/2"	11.6	J-55	ST&C	New	1,200'

*when installed in 1994

Surface casing was cemented with 100 sacks Class B + 1/4 pound per sack cello flake + 2% CaCl₂. Twenty sacks were circulated to surface.

Production casing was cemented with 200 sacks + 1/4 pound per sack cello flake. Twelve sacks were circulated to surface. Plugged back total depth is 1,156'. Casing is equipped with a guide shoe, float collar, and centralizers on joints 1, 3, 5, 7, and 9.

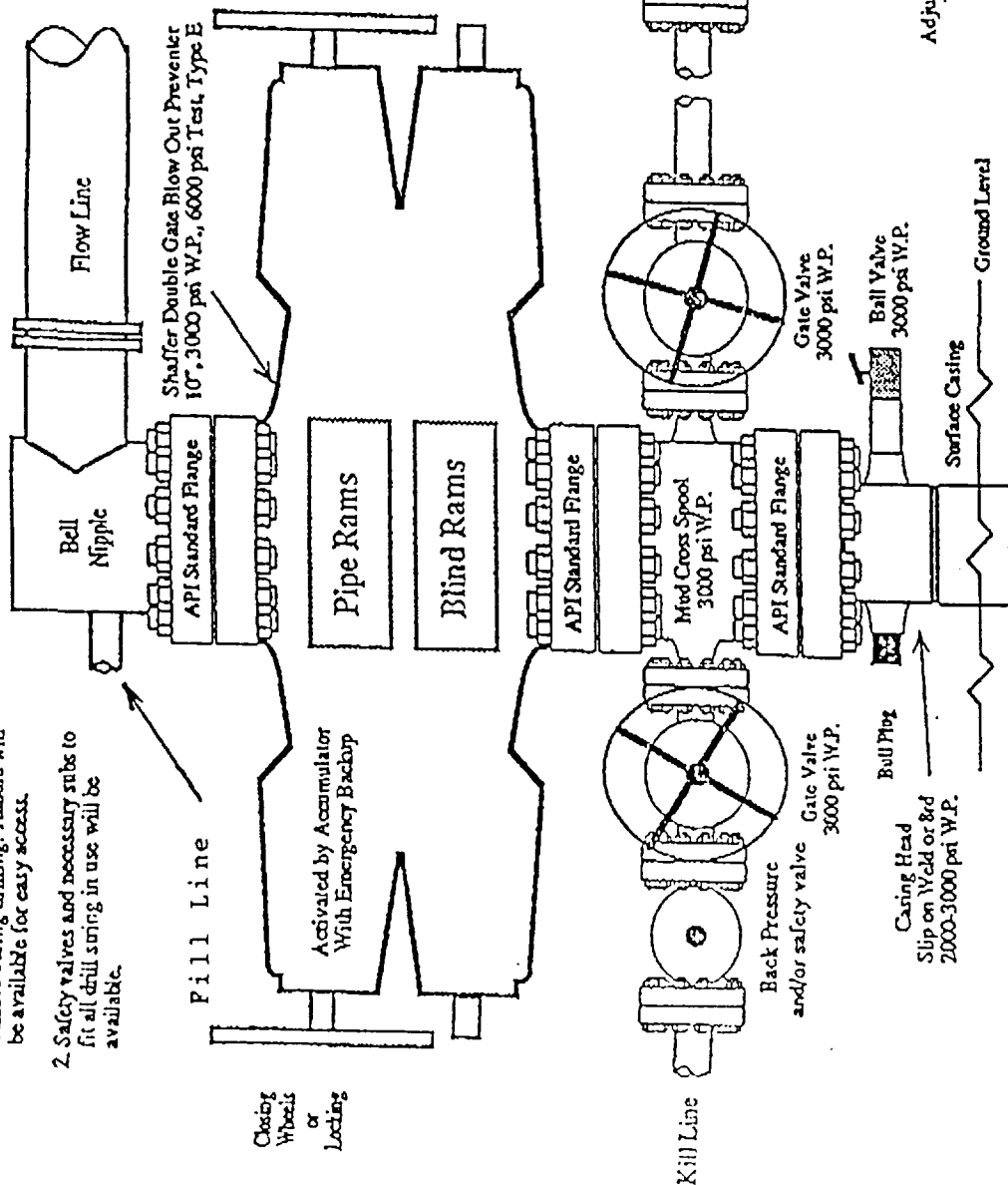
5. MUD PROGRAM

Will drill out plugs with air or fresh water mud.

Pressure Control Equipment

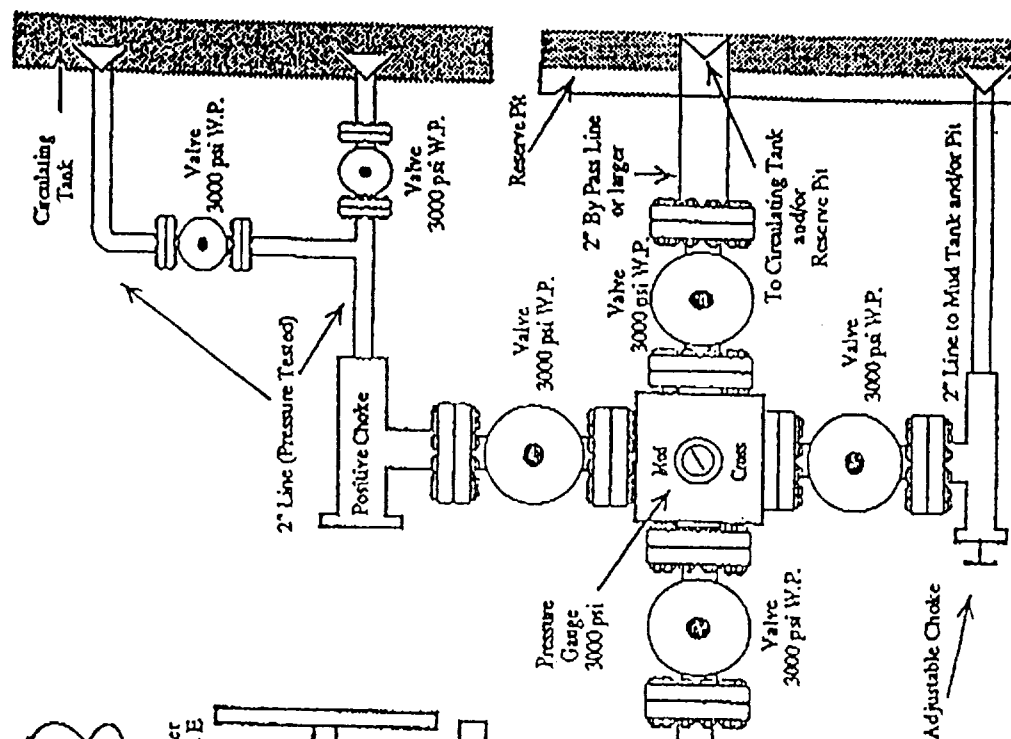
Note: 1. An upper Xcelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary stubs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

Minimum 2" Choke Line
Minimum 2" Kill Line
At Least One 2" Minimum Kill Line Valve



MYCO Industries, Inc.
LY Federal #4
2490' FSL & 1780' FWL
Sec. 34, T. 25 N., R. 13 W.
San Juan County, New Mexico

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6. CORING, TESTING, & LOGGING

No cores or logs are planned. Will perforate and test Pictured Cliffs zone. Acoustic, CBL, MSG, Microlog, and Spectral Density Dual Spaced Neutron logs were previously run.

7. DOWNHOLE CONDITIONS

No abnormal temperatures, abnormal pressure (≈ 200 psi maximum expected), or hydrogen sulfide are expected.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take one day to drill and five days to complete the well.

Well was previously drilled and completed in 1994 as the LY Federal #1, a Fruitland coal gas well. It was plugged and reclaimed in 1996.

MYCO Industries, Inc.
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2490' FSL & 1780' FWL
Sec. 34, T. 25 N., R. 13 W.
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Surface Use Plan

1. DIRECTIONS & EXISTING ROADS (See Pages 9 & 10)

From the San Juan River Bridge in Farmington, go S 29 miles on NM 371
Then turn right and go E 1.1 miles on County Road 7250
Then turn left and go NE 2.3 miles on a pipeline patrol road to a gate
Then turn right before the gate and go SE 3,000' along the fence to the pad

Existing roads need no upgrading. Roads will be maintained to a standard at least equal to their present condition.

2. ROAD TO BE BUILT

No new road or upgrading is needed.

3. EXISTING WELLS

There are no water, gas, oil, or injection wells within a mile.

4. PROPOSED PRODUCTION FACILITIES

A dehydrator, meter run, tank, separator or heater-treater may be installed. All will be painted a flat Carlsbad Canyon tan color. A Sundry Notice will be submitted for approval before pipeline installation (plans are still pending).

MYCO Industries, Inc.
LY Federal #4
2490' FSL & 1780' FWL
Sec. 34, T. 25 N., R. 13 W.
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5. WATER SUPPLY

Water will be trucked from a private water source at the Hilltop Store along NM 44/US 550 .

6. CONSTRUCTION MATERIALS & METHODS

The top 6" of topsoil will be stripped and stockpiled south of the pad. A diversion ditch will be cut along the north side of the pad. A minimum 12 mil liner will be installed in the reserve pit.

7. WASTE DISPOSAL

The reserve pit will be fenced sheep tight on 3 sides with woven wire fence topped with barbed wire. The fourth side will be fenced once the rig moves off. The fence will be kept in good repair while the pit dries. Once dry, contents of the reserve pit will be buried in place. No oil will be discharged into the pit. All oil will go into tanks.

All trash will be placed in a portable trash cage. It will be hauled to an approved landfill. There will be no burial or burning.

Human waste will be disposed of in chemical toilets or minimum 10' deep rat holes under trailers. Rat holes will be immediately filled when the trailers are removed.

8. ANCILLARY FACILITIES

There will be no air strips or camps. Camper trailers may be on location for the company man, tool pusher, and mud loggers.

MYCO Industries, Inc.
LY Federal #4
2490' FSL & 1780' FWL
Sec. 34, T. 25 N., R. 13 W.
San Juan County, New Mexico

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9. WELL SITE LAYOUT

See PAGES 11 and 12 for depictions of the well pad, cross section, cut and fill diagram, reserve pit, trash cage, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION

Reclamation starts once the reserve pit is dry. It usually takes a year for a reserve pit to fully evaporate, at which point it will be backfilled. The pad and backfilled pit will be recontoured to a natural appearance, stockpiled topsoil spread evenly over disturbed areas, and disturbed areas ripped or harrowed. BLM seed mix #1 will be drilled at a depth and time to be determined by BLM.

If broadcast, the rate will be increased as determined by BLM. A harrow or cable will be dragged over the area to assure seed cover. After seeding is done, the stockpiled brush will be scattered evenly over disturbed areas. The new road will be reclaimed in the same manner as the well site.

If the well is a producer, then the reserve pit and any other areas not needed for workovers will be reclaimed as previously described.

11. SURFACE OWNER

All construction is on Navajo Tribal Trust land within the Navajo Indian Irrigation Project.

12. OTHER INFORMATION

The nearest hospital is an ≈40 minute drive away in southwest Farmington.

MYCO Industries, Inc.
LY Federal #4
2490' FSL & 1780' FWL
Sec. 34, T. 25 N., R. 13 W.
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13. REPRESENTATION

Anyone having questions concerning the APD should call:

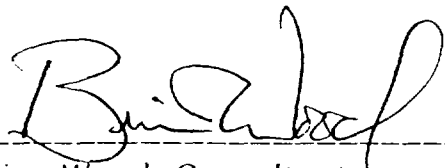
Brian Wood, Consultant
Permits West, Inc.
37 Verano Loop
Santa Fe, NM 87508
(505) 466-8120 FAX: (505) 466-9682

The field representative while drilling will be either:

Al Springer or Tim Bussell
(505) 748-1471

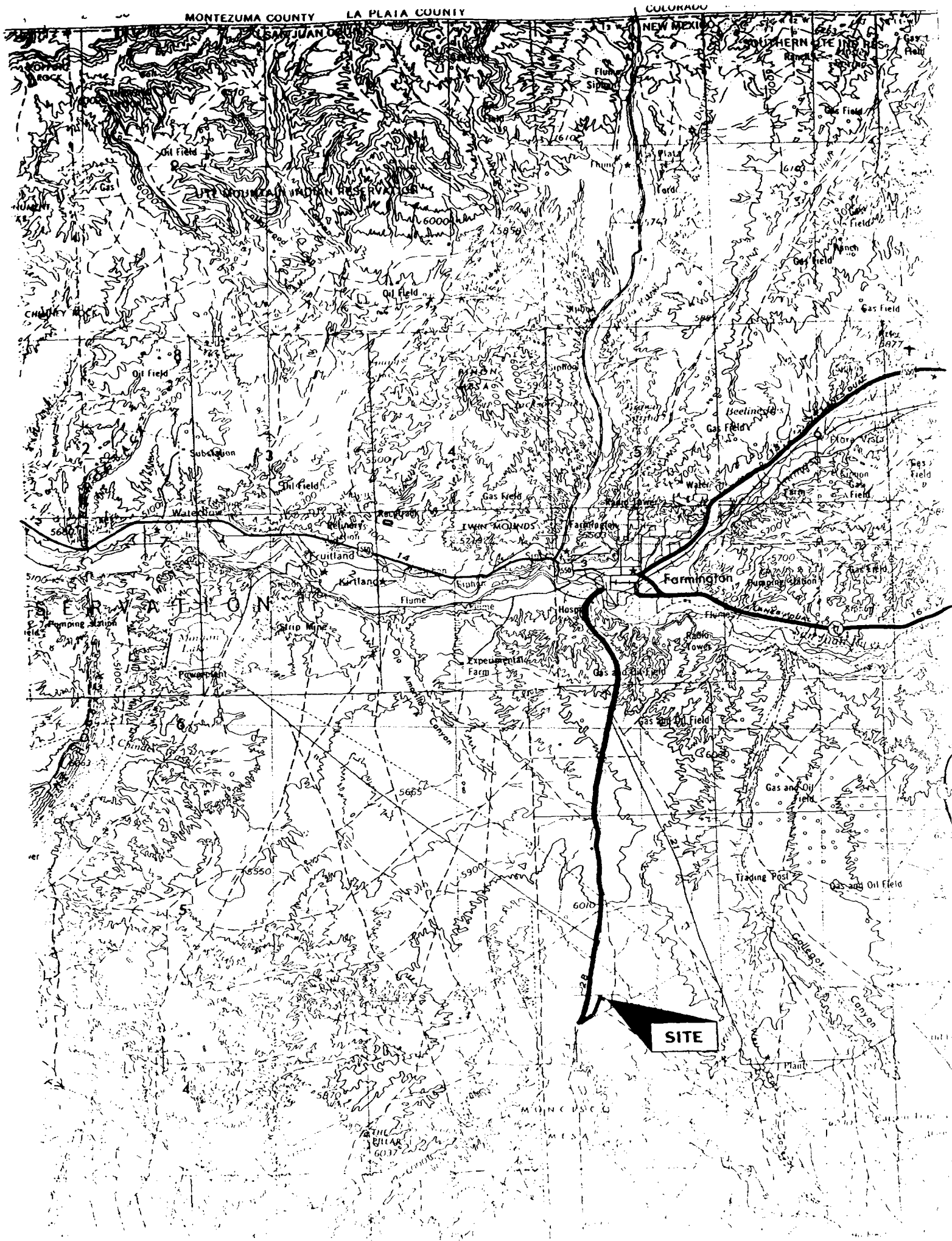
MYCO Industries, Inc. has the necessary consents from the proper lease owners to conduct lease operations in conjunction with this well. Bond coverage pursuant to 43 CFR 3104 for lease activities and operations is being provided by MYCO Industries, Inc.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by MYCO Industries, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



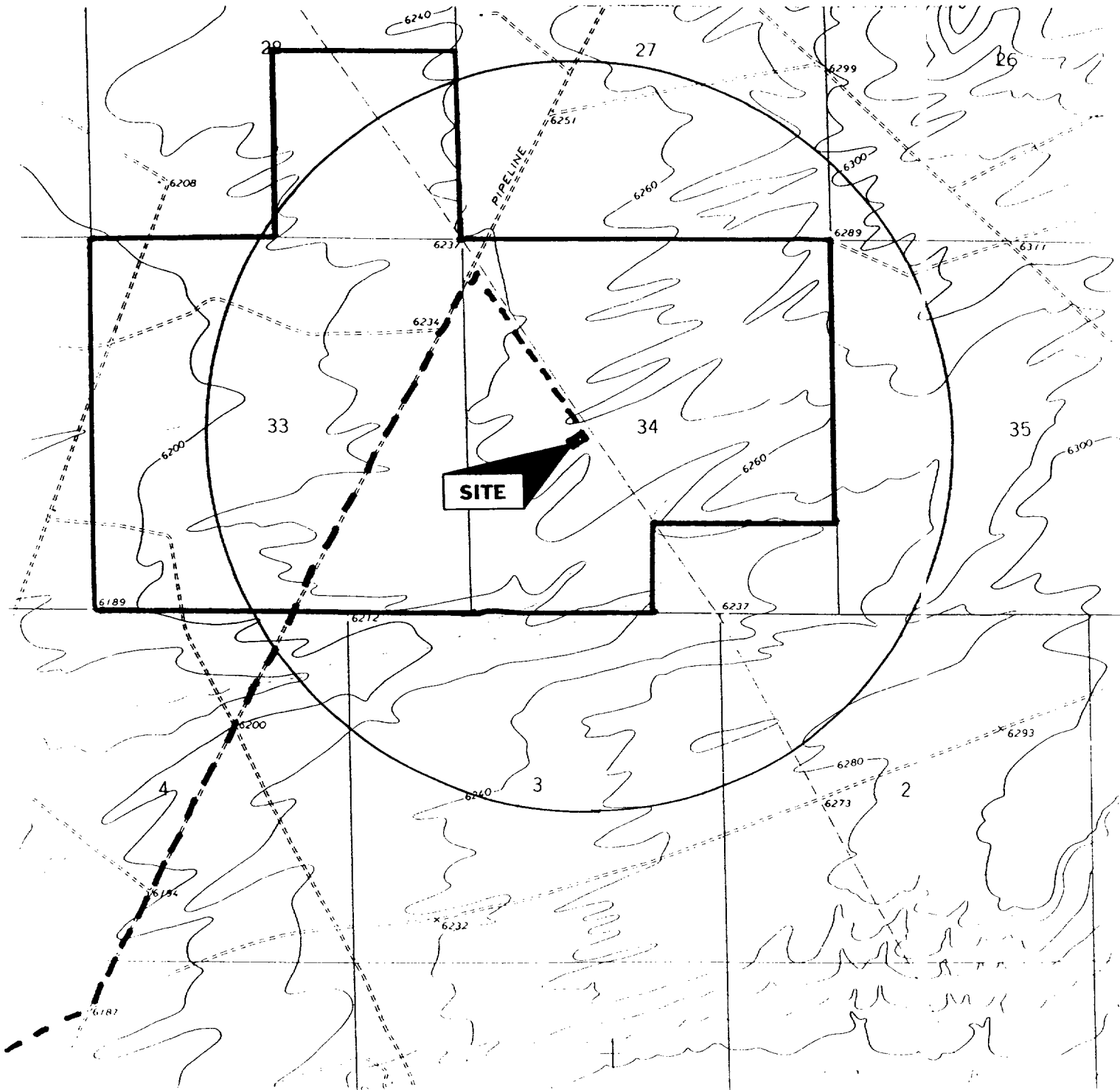
Brian Wood, Consultant




October 7, 2001
Date



MYCO Industries, Inc.
LY Federal #4
2490' FSL & 1780' FWL
Sec. 34, T. 25 N., R. 13 W.
San Juan County, New Mexico

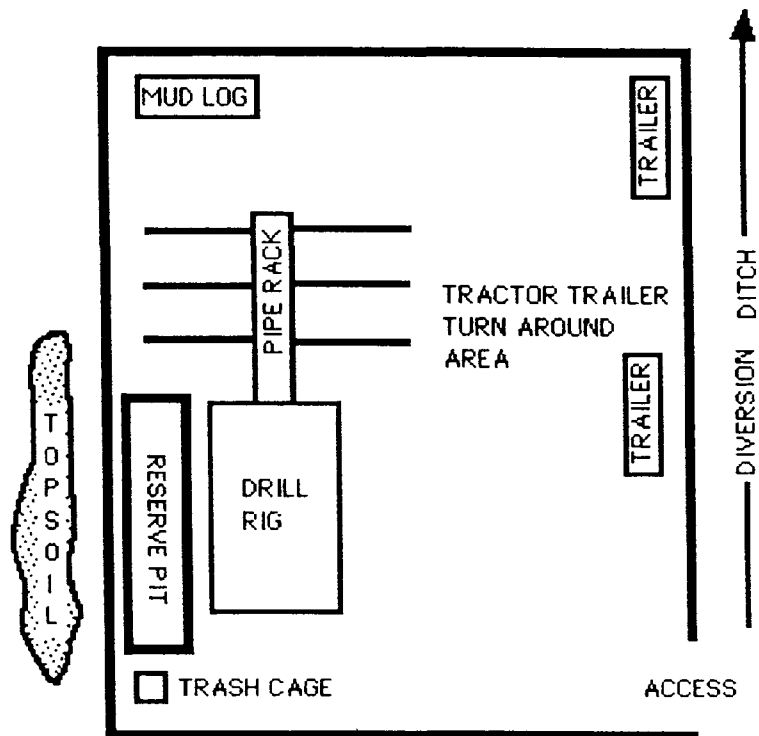
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PROPOSED WELL: 
EXISTING ROAD: 
LEASE: 

MYCO Industries, Inc.
LY Federal #4
2490' FSL & 1780' FWL
Sec. 34, T. 25 N., R. 13 W.
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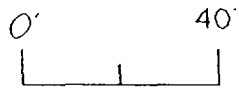
1" \approx 40'



NORTH



LY Federal # 4
well pad and section



Scale 1" = 40'

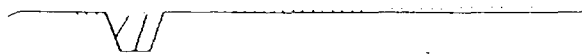
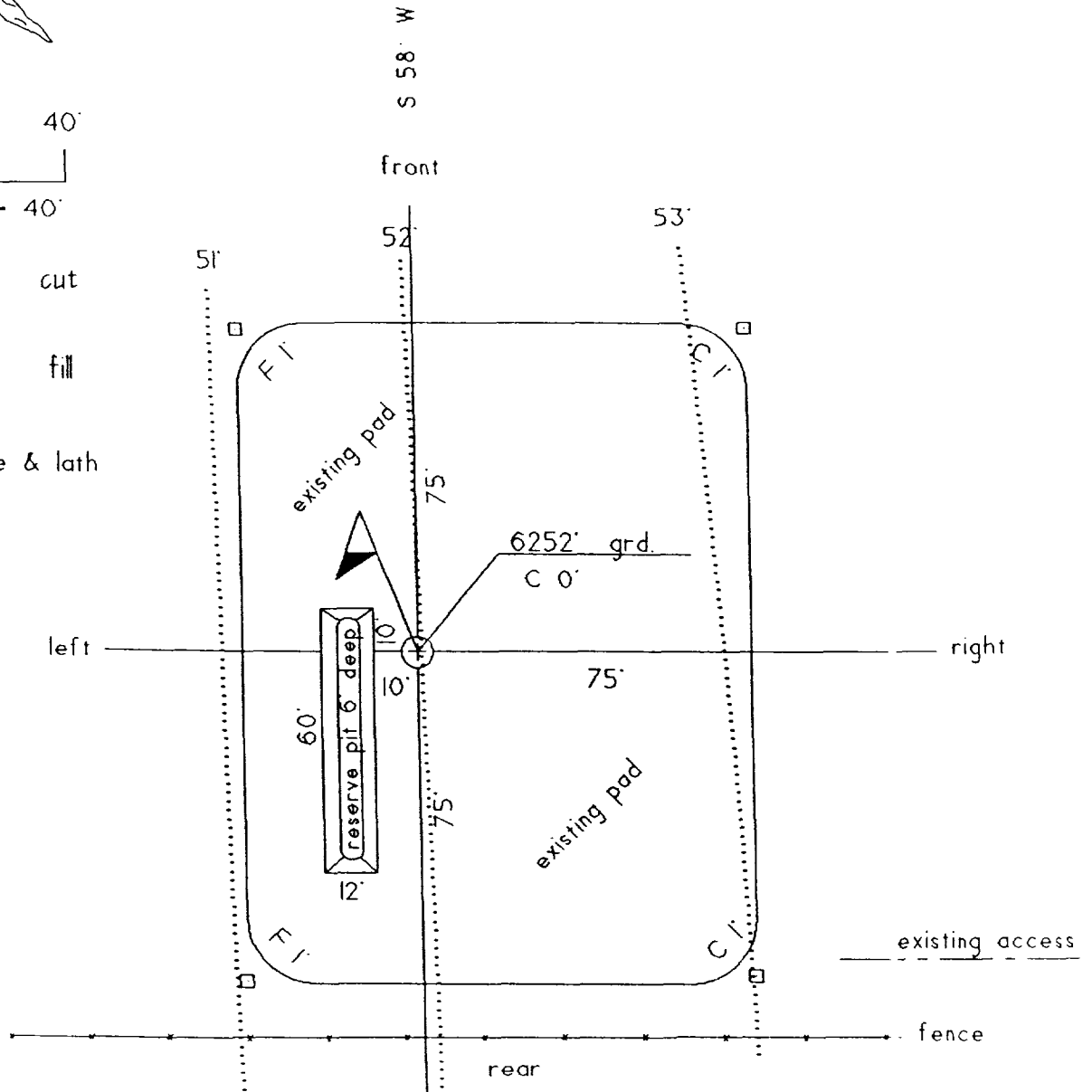


cut

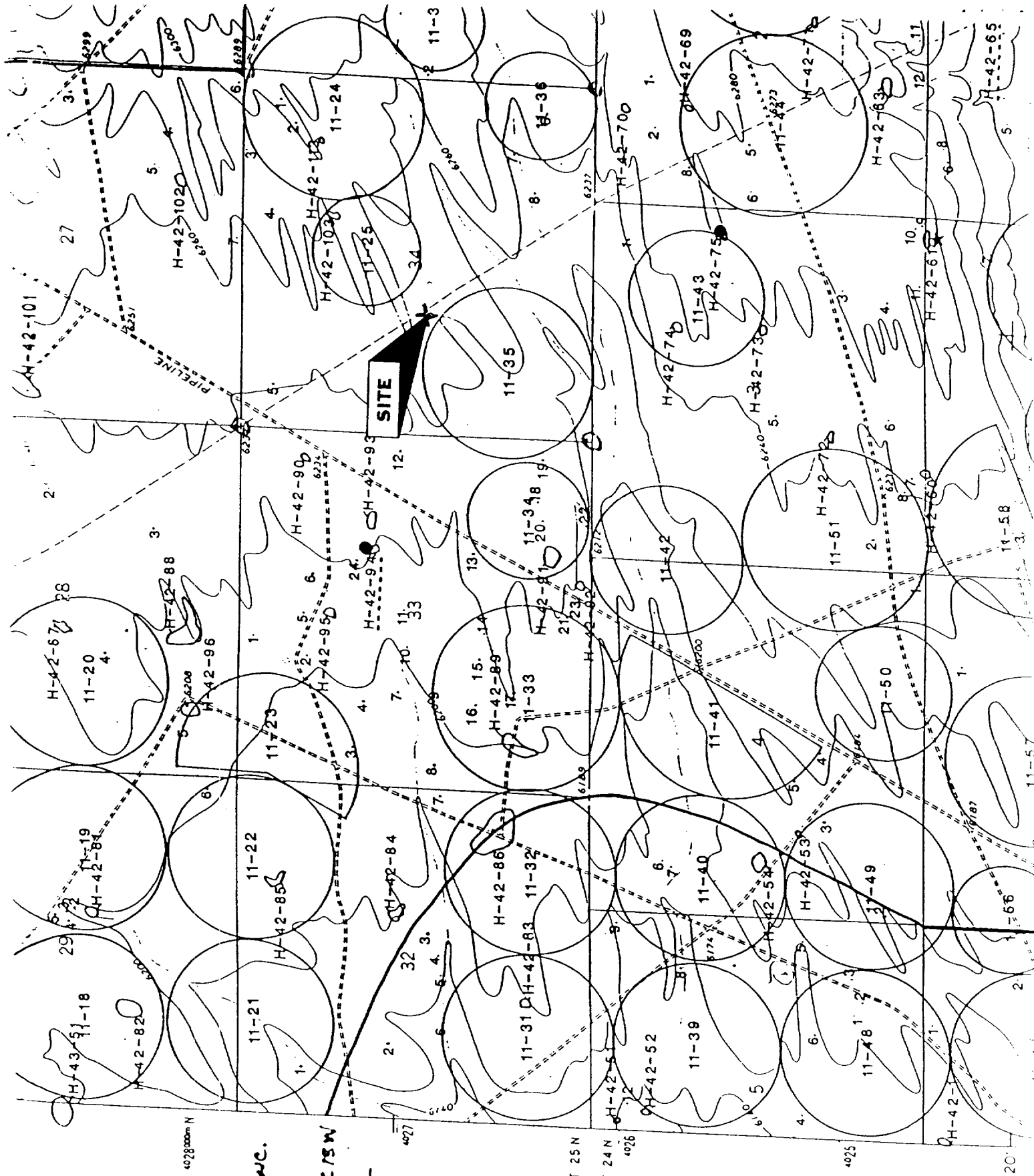


fill

□ set stake & lath



section



1400 INDUSTRIES INC.
 Y. FEDERAL #1
 EC. 56, T25N, R18W
 0' FNL, 2490' FSL

State of New Mexico
Energy, Minerals & Mining Resources Department

Form C - 102

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

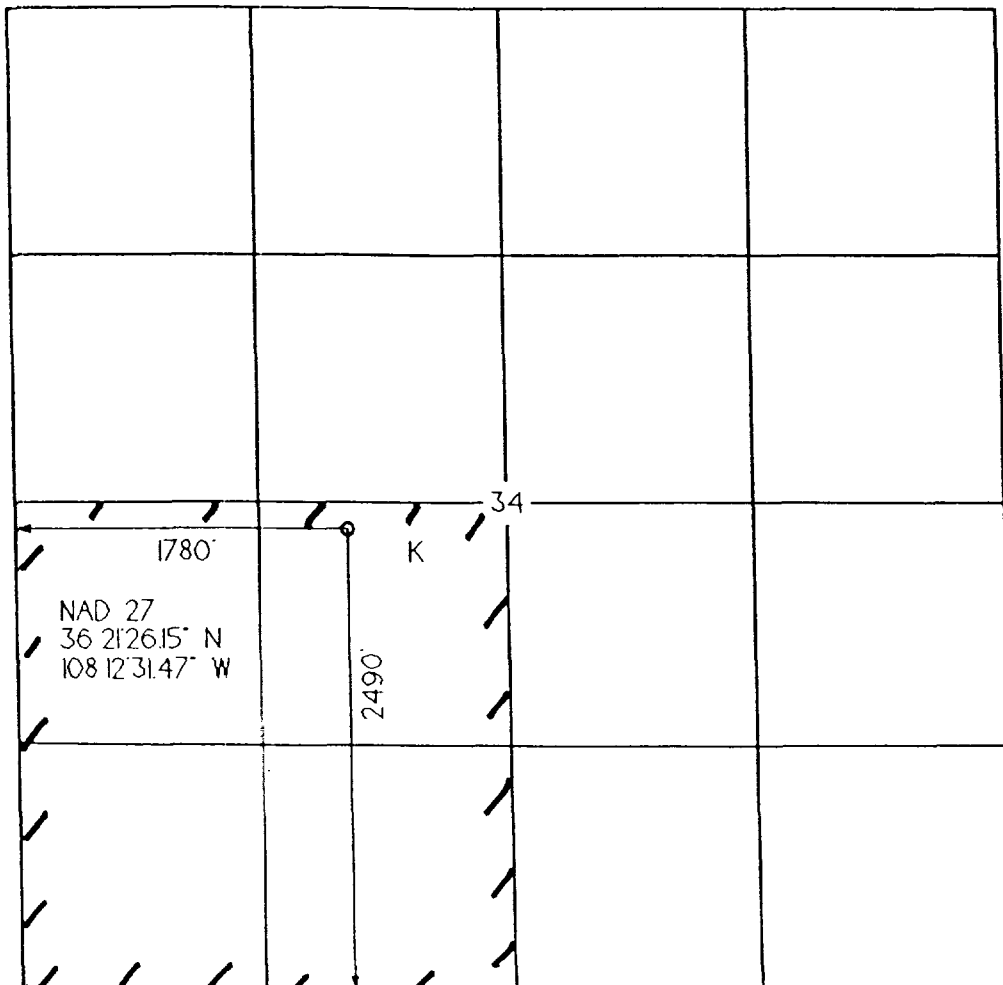
WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number 30-045-29113	Pool Code .	Pool Name WILDCAT PICTURED CLIFFS
Property Code .	Property Name LY FEDERAL	Well Number 4
OGPD No. 15445	Operator Name MYCO Industries, Inc.	Elevation 6252'

Surface Location									
UL or Lot K	Sec. 34	Twp. 25 N.	Rge. 13 W.	Lot Id.	Feet from > 2490'	North/South SOUTH	Feet from > 1780'	East/West WEST	County SAN JUAN

Bottom Hole Location If Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Id.	Feet from >	North/South	Feet from >	East/West	County
Dedication	Joint ?	Consolidation	Order No.						

NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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

Signature *Brian Wood*

Printed Name **BRIAN WOOD**

Title **CONSULTANT**

Date **OCTOBER 7, 2001**

SURVEYOR CERTIFICATION

I hereby certify that the well location 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 belief.

Date of Survey

Signature and Seal of Professional Surveyor
[Signature]
6844
REGISTERED LAND SURVEYOR

EXHIBIT C

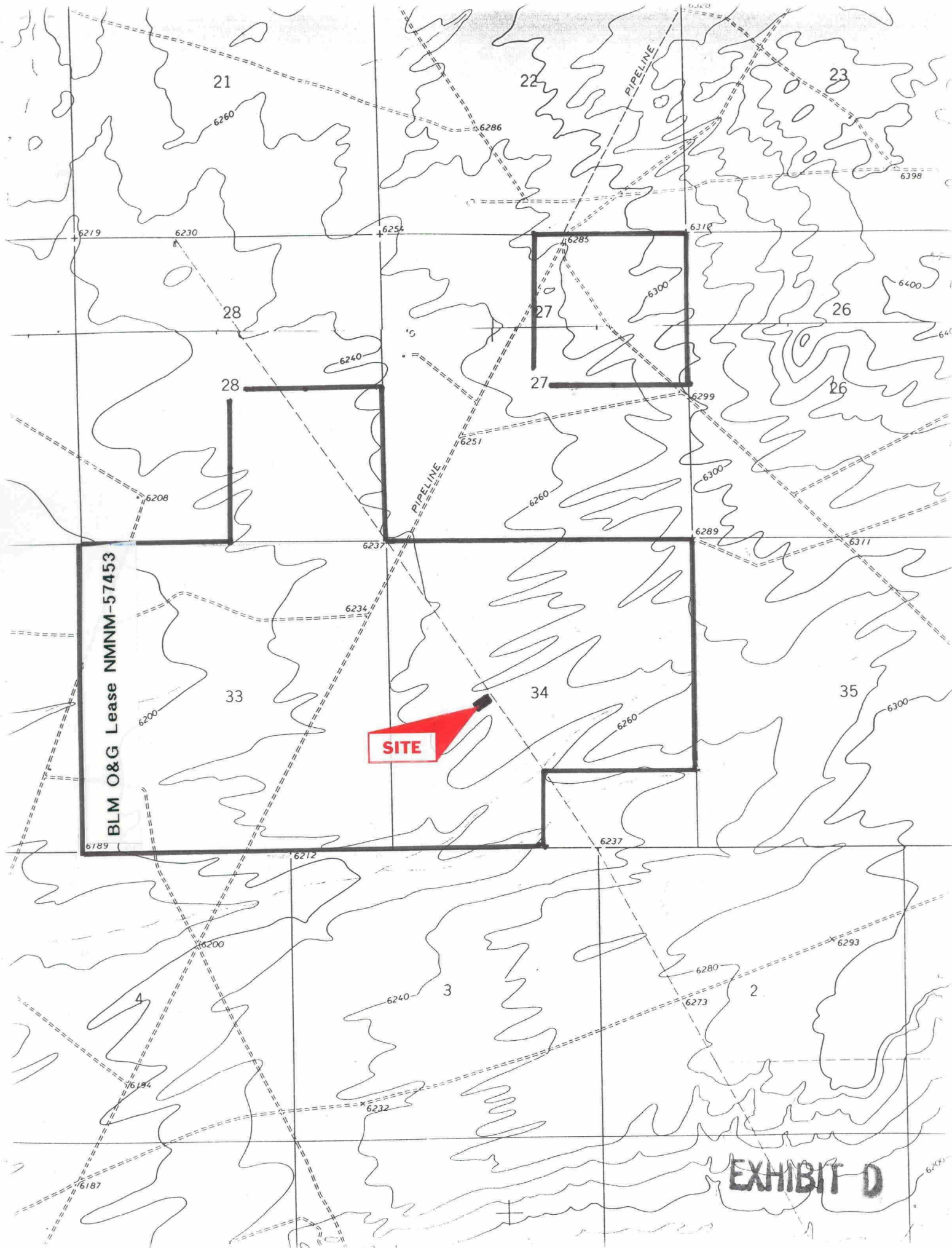


EXHIBIT D

PERMITS WEST INC.
PROVIDING PERMITS for LAND USERS
17 Verano Loop, Santa Fe, New Mexico 87505 (505) 466-8120

Dec. 29, 2001

BIA Real Estate Services Dept.
P. O. 3538
Shiprock, NM 87420

Dear Linda,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location for a well. This letter is a notice only. No action is needed unless you have questions or objections.

MYCO Industries, Inc. is applying to drill its LY Federal #4 gas well. A Pictured Cliffs gas well must be at least 660' from a quarter section line. This well is 150' from a quarter section line due to a planned irrigated farm field. Thus, it is a non-standard location. The proposed well is 1,452' from the closest lease line, 150' from the closest acreage dedication line, and a mile plus from the closest Pictured Cliffs producer. See attached map for more details.

Well Name: LY Federal #4

Total Depth: 1,200'

Proposed Producing Zone: Pictured Cliffs sandstone

Acreage Dedication: southwest quarter of Section 34 = 160.00 acres

Location: 2490' FSL & 1780' FWL Sec. 34, T. 25 N., R. 13 W.,

San Juan County, NM on BLM lease NMNM-57453

Approximate Location: ≈26 air miles south of Farmington, NM

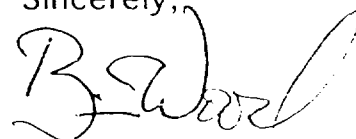
Applicant Name: MYCO Industries, Inc. (505) 748-1471

Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a non-standard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 2040 S. Pacheco, Santa Fe, NM (505) 827-7131.

questions.

Sincerely,



Brian Wood

U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

Postage

\$

Certified Fee

\$

Rate of Receipt Fee
(Endorsement Required)

\$

Restricted Delivery Fee
(Endorsement Required)

\$

Total Postage & Fees

\$

Postmark
Here

BIA

PO Box 3538

Shiprock NM 87420

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Merano Loop, Santa Fe, New Mexico 87505 (505) 466-8120

December 29, 2001

BLM
1235 LaPlata Highway
Farmington, NM 87401

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location for a well. This letter is a notice only. No action is needed unless you have questions or objections.

MYCO Industries, Inc. is applying to drill its LY Federal #4 gas well. A Pictured Cliffs gas well must be at least 660' from a quarter section line. This well is 150' from a quarter section line due to a planned irrigated farm field. Thus, it is a non-standard location. The proposed well is 1,452' from the closest lease line, 150' from the closest acreage dedication line, and a mile plus from the closest Pictured Cliffs producer. See attached map for more details.

Well Name: LY Federal #4

Total Depth: 1,200'

Proposed Producing Zone: Pictured Cliffs sandstone

Acreage Dedication: southwest quarter of Section 34 = 160.00 acres

Location: 2490' FSL & 1780' FWL Sec. 34, T. 25 N., R. 13 W.,
San Juan County, NM on BLM lease NMNM-57453

Approximate Location: ≈26 air miles south of Farmington, NM

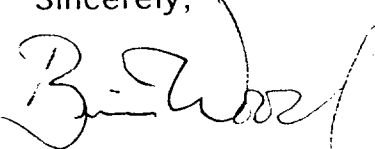
Applicant Name: MYCO Industries, Inc. (505) 748-1471

Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a non-standard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 2040 S. Pacheco, Santa Fe, NM 87504. Their phone number is (505) 827-7131.

questions.

Sincerely,


Brian Wood

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$	Postmark Here
Postage Fee		
Return Receipt Fee (if endorsement requested)		
Restricted Delivery Fee (if endorsement requested)		
Total Postage & Fees	\$	

BLM

1235 LaPlata

Farmington, NM 87401

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87505 (505) 466-8120

Dec. 29, 2001

Navajo Nation Minerals Dept.
P. O. 1910
Window Rock, Az. 86515

Dear Akhtar,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location for a well. This letter is a notice only. No action is needed unless you have questions or objections.

MYCO Industries, Inc. is applying to drill its LY Federal #4 gas well. A Pictured Cliffs gas well must be at least 660' from a quarter section line. This well is 150' from a quarter section line due to a planned irrigated farm field. Thus, it is a non-standard location. The proposed well is 1,452' from the closest lease line, 150' from the closest acreage dedication line, and a mile plus from the closest Pictured Cliffs producer. See attached map for more details.

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San Juan County, NM on BLM lease NMNM-57453

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questions.

Sincerely,



Brian Wood

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$
Postnet Fee	
Return Receipt Fee (endorsement and postage)	
Registered Delivery Fee (endorsement and postage)	
Total Postage & Fees	\$

Navajo Minerals Dept
PO Box 1910
Window Rock Az 86515

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
17 Verano Loop, Santa Fe, New Mexico 87505 (505) 466-8120

Dec. 29, 2001

Sharbro Oil Ltd. Co.
P. O. 840
Artesia, NM 88210

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location for a well. This letter is a notice only. No action is needed unless you have questions or objections.

MYCO Industries, Inc. is applying to drill its LY Federal #4 gas well. A Pictured Cliffs gas well must be at least 660' from a quarter section line. This well is 150' from a quarter section line due to a planned irrigated farm field. Thus, it is a non-standard location. The proposed well is 1,452' from the closest lease line, 150' from the closest acreage dedication line, and a mile plus from the closest Pictured Cliffs producer. See attached map for more details.

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Acreage Dedication: southwest quarter of Section 34 = 160.00 acres
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San Juan County, NM on BLM lease NMNM-57453
Approximate Location: ≈26 air miles south of Farmington, NM
Applicant Name: MYCO Industries, Inc. (505) 748-1471
Applicant's Address: 105 South 4th St., Artesia, NM 88210

Submittal Information: Application for a non-standard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 2040 S. Pacheco, Santa Fe, NM 87504. Their phone number is (505) 827-7131.

questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark
Here

Sent To	Sharbro
Street, Apt. No., or PO Box No.	PO Box 840
City, State, ZIP+4	Artesia NM 88210

7000 1670 0012 5356 8483

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/04/02 08:25:
OGOMES -TP
PAGE NO:

Sec : 34 Twp : 25N Rng : 13W Section Type : NORMAL

D 40.00	C 40.00	B 40.00	A 40.00
Federal owned	Federal owned	Federal owned	Federal owned
E 40.00	F 40.00	G 40.00	H 40.00
Federal owned	Federal owned	Federal owned	Federal owned

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF03 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/04/02 08:26:
OGOMES -TP
PAGE NO:

Sec : 34 Twp : 25N Rng : 13W Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Federal owned	Federal owned	Federal owned	Federal owned
	A		
M 40.00	N 40.00	O 40.00	P 40.00
Federal owned	Federal owned	Federal owned	Federal owned

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD : ONGARD 01/04/02 08:26:
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TP

API Well No : 30 45 29113 Eff Date : 10-14-1996 WC Status : P
Pool Idn : 71629 BASIN FRUITLAND COAL (GAS)
OGRID Idn : 15445 MYCO INDUSTRIES INC
Prop Idn : 14943 LY FEDERAL

Well No : 001
GL Elevation: 6252

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/
	---	---	-----	-----	-----	-----	-----
B.H. Locn : K	34	25N	13W	FTG 2490 F S	FTG 1780 F W	P	
Lot Identifier:							
Dedicated Acre:							
Lease Type : N							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 01/04/02 08:26:
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TP

OGRID Idn : 15445 API Well No: 30 45 29113 APD Status(A/C/P): A
Opr Name, Addr: MYCO INDUSTRIES INC Aprvl/Cncl Date : 04-28-19
PO BOX 840
ARTESIA,NM 88211

Prop Idn: 14943 LY FEDERAL Well No: 1

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	---	---	-----	-----
Surface Locn :	K	34	25N	13W			FTG 2490 F S	FTG 1780 F W
OCD U/L :	K		API County :	45				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) :
Lease typ(F/S/P/N/J/U/I): N Ground Level Elevation : 6252

State Lease No: Multiple Comp (S/M/C) : S
Prpsd Depth : 1200 Prpsd Frmtn : BASIN FRT COAL (10-14-96)

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

MYCO INDUSTRIES, INC

3. Address and Telephone No.

P O BOX 840, ARTESIA, NM 88210

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2490' FSL & 1780' FWL Sec. 34-T25N-R13W

5. Lease Designation and Serial No.

NM-57453

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

LY FEDERAL #1

9. API Well No.

30-045-29113

10. Field and Pool, or Exploratory Area

BASIN-FRUITLAND COAL

11. County or Parish, State

SAN JUAN, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐
- Notice of Intent
-
- ☒
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- ☐
- Abandonment
-
- ☐
- Recompletion
-
- ☐
- Plugging Back
-
- ☐
- Casing Repair
-
- ☐
- Altering Casing
-
- ☒
- Other PLUG & ABANDON

- ☐
- Change of Plans
-
- ☐
- New Construction
-
- ☐
- Non-Routine Fracturing
-
- ☐
- Water Shut-Off
-
- ☐
- Conversion to Injection
-
- ☐
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

10/10/96 Notify BLM 24-hr notice P/A.

10/11/96 Rig up pulling unit. Remove Highland pump rotating assembly from wellhead. Pull out of hole with polish rod, spacer, 36 sucker rods and rotating stator for pump. Nipple up BOP on casing. Pull out of hole with 28-jts 2-3/8" tubing Tally=923.82" and pump barrel assembly. Make up Watson Packer CIBP on end of tubing and go in hole. Set CIBP at 825'. (50' within top perforation by BLM). Shear off CIBP, tag CIBP and rig up Cementers, Inc. Pressure test CIBP and csg to 500# with no leakoff. Close BOP and establish circulation with 11 bbls. Mix and pump 75 sxs Class "G" Neat cement (Yld--1.17 ft 3 @ 15.8#/gal). Circulated cement from 825' to surface. Pull out of hole laying down tubing. Nipple down BOP. Cut off wellhead. Top casing off with cement. Install dry hole marker. Empty tank of water. Rig down and release pulling unit. Cut off anchors. Fill in cellar. Release all rental equipment. Pulled out 36-bbls water from stock tank and hauled to disposal.

10/14/96 Prepare to rip & seed location per BLM requirements. Rehab work to be finished by Calder Service, Farmington, NM. Calder will notify BLM for final inspection.

CERTIFIED RETURN: P 387 147 985

14. I hereby certify that the foregoing is true and correct

Signed Selda Mares Title ENGINEERING TECHNICIAN Date 10/17/96

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

APPROVED

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

for DISTRICT MANAGER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT--" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well Oil Gas <input type="checkbox"/> Well <input checked="" type="checkbox"/> Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-57453
2. Name of Operator MYCO Industries, Inc	6. If Indian, Allottee or Tribe Name MAY 8 52
3. Address and Telephone No. P O Box 840, Artesia, NM 88211-0840 (505) 748-1471	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2490 FSL & 1780 FWL, Sec. 34-T25N-R13W	8. Well Name and No. LY Federal #1
	9. API Well No. 30-045-29113
	10. Field and Pool, or Exploratory Area Basin-Fruitland Coal
	11. County or Parish, State San Juan, NM

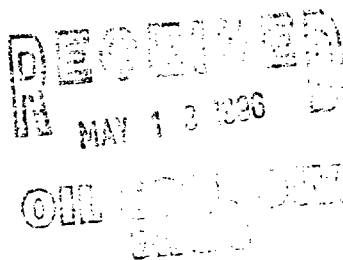
12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other Plug & Abandon	<input type="checkbox"/> Dispose Water

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Set CIBP on tubing at 850' (Perfs 875-890')
Circulate 4-1/2" casing w/cement, set dry hole maker
Remove equipment & restore location per BLM specification

Plan to commence operation approximately 2nd week in June.

Notify BLM 24-hrs in advance of P/A operations



Certified Return: P 387 148 294

14. I hereby certify that the foregoing is true and correct

Signed Linda Moreno

Title Engineering Technician

Date 5/3/96

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any: _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

NMCCD

11 1996
Sharon Spence

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-104
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address MYCO INDUSTRIES, INC. P O BOX 840 ARTESIA, NM 88211-0840		OGRID Number 15445
		Reason for Filing Code NW
API Number 30 - 045-29113	Pool Name BASIN-FRUITLAND COAL	Pool Code 71629
Property Code 14943	Property Name LY FEDERAL	Well Number 1

II. Surface Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
K	34	25N	13W		2490	SOUTH	1780	WEST	SAN JUAN

Bottom Hole Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	34	25N	13W		2490	SOUTH	1780	WEST	SAN JUAN
Use Code FEDERAL	Producing Method Code FLOWING	Gas Connection Date	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date				

III. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
	GIANT EXPLORATION & PROD P O BOX 2810 FARMINGTON, NM 87499	2814833	G	

RECEIVED
AUG 16 1995

IV. Produced Water

POD 2814834	POD ULSTR Location and Description OIL CON. DIV. DIST. 3
----------------	--

V. Well Completion Data

Spud Date	Ready Date	TD	PBTD	Perforations	DIIC, DC, MC
6/14/94	6/17/94	1200'	1156'	875-890'	
Hole Size	Casing & Tubing Size	Depth Set	Sacks Cement		
8-3/4"	7"	135'	60 SXS		
6-1/4"	11.6"	1200'	200 SXS		

VI. Well Test Data

Date New Oil	Gas Delivery Date	Test Date	Test Length	Tbg. Pressure	Csg. Pressure
		N/A	N/A	210 PSI	210 PSI
Choke Size	Oil	Water	Gas	AOF	Test Method
					N/A

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Hilda Moreno</i>		OIL CONSERVATION DIVISION Approved by: <i>Ernie Busch</i> Title: DEPUTY OIL & GAS INSPECTOR, DIST. #3 Approval Date: AUG 16 1995	
Printed name: HILDA MORENO			
Title: ENGINEERING TECHNICIAN			
Date: 8/14/95	Phone: (505) 748-4258		

If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date

New Mexico Oil Conservation Division
C-104 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED
"AMENDED REPORT" AT THE TOP OF THIS DOCUMENT

Report all gas volumes at 15.025 PSIA at 60°.
Report all oil volumes to the nearest whole barrel.

A request for allowable for a newly drilled or deepened well must be accompanied by a tabulation of the deviation tests conducted in accordance with Rule 111.

All sections of this form must be filled out for allowable requests on new and recompleted wells.

Fill out only sections I, II, III, IV, and the operator certifications for changes of operator, property name, well number, transporter, or other such changes.

A separate C-104 must be filed for each pool in a multiple completion.

Improperly filled out or incomplete forms may be returned to operators unapproved.

1. Operator's name and address
2. Operator's OGRID number. If you do not have one it will be assigned and filed in by the District office.
3. Reason for filing code from the following table:
NW New Well
RC Recompletion
CH Change of Operator (include the effective date.)
AO Add oil/condensate transporter
CO Change oil/condensate transporter
AG Add gas transporter
CG Change gas transporter
RT Request for test allowable (include volume requested)
If for any other reason write that reason in this box.
4. The API number of this well.
5. The name of the pool for this completion
6. The pool code for this pool
7. The property code for this completion
8. The property name (well name) for this completion
9. The well number for this completion
10. The surface location of this completion NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD unit letter.
11. The bottom hole location of this completion
12. Lease code from the following table:
F Federal
S State
P Fee
J Jicarilla
N Navajo
U Ute Mountain Ute
I Other Indian Tribe
13. The producing method code from the following table:
F Flowing
P Pumping or other artificial lift
14. MO/DA/YR that this completion was first connected to a gas transporter
15. The permit number from the District approved C-129 for this completion
16. MO/DA/YR of the C-129 approval for this completion
17. MO/DA/YR of the expiration of C-129 approval for this completion
18. The gas or oil transporter's OGRID number
19. Name and address of the transporter of the product
20. The number assigned to the POD from which this product will be transported by this transporter. If this is a new well or recompletion and this POD has no number the district office will assign a number and write it here.
21. Product code from the following table:
O Oil
G Gas
22. The ULSTR location of this POD if it is different from the well completion location and a short description of the POD (Example: "Battery A", "Jones CPD", etc.)
23. The POD number of the storage from which water is moved from this property. If this is a new well or recompletion and this POD has no number the district office will assign a number and write it here.
24. The ULSTR location of this POD if it is different from the well completion location and a short description of the POD (Example: "Battery A Water Tank", "Jones CPD Water Tank", etc.)
25. MO/DA/YR drilling commenced
26. MO/DA/YR this completion was ready to produce
27. Total vertical depth of the well
28. Plugback vertical depth
29. Top and bottom perforation in this completion or casing shoe and TD if openhole
30. Write in 'DHC' if this completion is downhole commingled with another completion, 'DC' if this completion is one of two non-commingled completions in this well bore, or 'MC' if there are more than three non-commingled completions in this well bore.

31. Inside diameter of the well bore
 32. Outside diameter of the casing and tubing
 33. Depth of casing and tubing. If a casing liner show top and bottom.
 34. Number of sacks of cement used per casing string
- If the following test data is for an oil well it must be from a test conducted only after the total volume of load oil is recovered.
35. MO/DA/YR that new oil was first produced
 36. MO/DA/YR that gas was first produced into a pipeline
 37. MO/DA/YR that the following test was completed
 38. Length in hours of the test
 39. Flowing tubing pressure - oil wells
Shut-in tubing pressure - gas wells
 40. Flowing casing pressure - oil wells
Shut-in casing pressure - gas wells
 41. Diameter of the choke used in the test
 42. Barrels of oil produced during the test
 43. Barrels of water produced during the test
 44. MCF of gas produced during the test
 45. Gas well calculated absolute open flow in MCF/D
 46. The method used to test the well:
F Flowing
P Pumping
S Swabbing
If other method please write it in.
 47. The signature, printed name, and title of the person authorized to make this report, the date this report was signed, and the telephone number to call for questions about this report
 48. The previous operator's name, the signature, printed name, and title of the previous operator's representative authorized to verify that the previous operator no longer operates this completion, and the date this report was signed by that person

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ Other ☐
b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP EN ☐ PLUG BACK ☐ DIFF. CENVR ☐ Other ☐

2. NAME OF OPERATOR
MYCO INDUSTRIES, INC. 15445

3. ADDRESS OF OPERATOR
P O BOX 840, ARTESIA, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 2490 FSL & 1780 FWL, Sec. 34-T25N-R13W
At top prod. interval reported below
At total depth

14. PERMIT NO. 30-045-29113
DATE ISSUED

5. LEASE DESIGNATION AND SERIAL NO.

NM-57453

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

LY FEDERAL

9. WELL NO.

#1

10. FIELD AND POOL, OR WILDCAT

BASIN-FRUITLAND COAL

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

Sec. 34-T25N-R13W

12. COUNTY OR PARISH
SAN JUAN

13. STATE
NM

15. DATE SPUDDED 6/14/94
16. DATE T.D. REACHED 6/17/94
17. DATE COMPL. (Ready to prod.) 3/18/95
18. ELEVATIONS (OF. RKB, RT, GR, ETC.)* 6252' GL
19. ELEV. CASINOHEAD

20. TOTAL DEPTH, MD & TVD 1200'
21. PLUG. BACK T.D., MD & TVD 1156'
22. IF MULTIPLE COMPL., HOW MANY*
23. INTERVALS DRILLED BY
ROTARY TOOLS
CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
875'-890'
25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN
SPECTRAL DENSITY FUAL SPACED NEUTRON LOG & MICROLOG
27. WAS WELL CORED
NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
7"	23#	135'	8-3/4"	60 SX	
4.5"	11.6#	1200'	6-1/4"	200 SX	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	1200'	825'

31. PERFORATION RECORD (Interval, size and number)

875'-890' 2 shots/foot

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
875'-890'	750 gals 7.5% FE acid
875'-890'	Fraced 27,000 gals 70 quality foam w/5000# 100 mesh sand
	50,000# 20/40 sand

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
N/A		N/A				STWOPLC	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
N/A					No Flow	No Flow	
FLOW. TUBING PRESS.	CASINO PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
To Be Sold
TEST WITNESSED BY

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

SIGNED Selda Morera TITLE Engineering Technician DATE 4/26/95

*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
FRUITLAND COAL PICTURED CLIFFS	873' 921'					

Submit 3 copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

WELL API NO.

30-045-29113

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

LY FEDERAL

8. Well No.

1

9. Pool name or Wildcat

BASIN-FRUITLAND COAL

1. Type of Well:

OIL

Well ☐

GAS

Well ☒

OTHER

2. Name of Operator

MYCO INDUSTRIES, INC.

3. Address of Operator

P O BOX 840, ARTESIA, NM 88211-0840

4. Well Location

Unit Letter K; 2490 Feet From The ESL Line and 1780 Feet From The FWL Line

Section 34 Township 25N Range 13W NMPM SAN JUAN County

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

☐

PULL OR ALTER CASING ☐

OTHER: ☐

☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT

CASING TEST AND CEMENT JOB ☐

OTHER: SPECTRAL DENSITY DUAL SPACED NEUTRON LOG
& MICROLOG

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

ENCLOSED SPECTRAL DENSITY DUAL SPACED NEUTRON LOG & MICROLOG

RECEIVED
SEP - 9 1994

OIL CON. DIV.
DIST. 3

CERTIFIED RETURN: Z 064 712 828

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

SIGNATURE Linda Moreno

TITLE ENGINEERING TECHNICIAN

DATE 9/8/94

TYPE OR PRINT NAME

TELEPHONE NO.

(This space for State Use)

APPROVED BY

TITLE SUPERVISOR DISTRICT # 3

DATE

SEP - 9 1994

CONDITIONS OF APPROVAL, IF ANY:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

CONSERVATION DIVISION
RECEIVED
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT--" for such proposals

31 JUN 24 PM 2:45
RECEIVED
6. If Indian, Allottee or Tribe Name
7. If Indian, Allottee or Tribe Designation

SUBMIT IN TRIPLICATE

1. Type of Well
Oil Gas
☐ Well ☒ Well ☐ Other
2. Name of Operator
MYCO INDUSTRIES, INC.
3. Address and Telephone No.
P O BOX 840, ARTESIA, NM 88210
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2490' FSL & 1780' FWL
S34-T25N-R31W
8. Well Name and No.
LY FEDERAL #1
9. API Well No.
30-045-29113
10. Field and Pool, or Exploratory Area
BASIN-FRUITLAND COAL
11. County or Parish, State
SAN JUAN CO., NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other RAN CASING
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well completion or Recompletion Report and Log Form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

SPUDDED 6/14/94
RAN 4-JTS 23# J55 CASING TO 135', CEMENT WITH 60-SXS CLASS B 1/4# CELLO FLAKE
2% CaCl CIRCULATE 20-SXS TO PIT, PLUG DOWN @ 2 PM 6/14/94.

NOTIFY MARKO KOCHMANWITL OF THE BLM ON 6/17/94 AT 8:25 AM.
RAN 28-JTS 4-1/2" 10.5# J-55 ST&C CASING TO 1200', CEMENT 4-1/2" CASING WITH
200-SXS CLASS B 1/4# FLOCELE 2% CaCl PLUG DOWN @ 1:45 PM 6/17/94. CIRCULATE
12-SXS TO THE PIT. PBTD=1156'. RAN GUIDE SHOE 1-JT 4-1/2" CASING 43.50' FLOAT
COLLAR 27-JTS 4-1/2" CASING. CENTRALIZERS ON JTS# 1,3,5,7,9. RELEASE RIG @ 2PM, 6/17/94.

PREP TO COMPLETE WELL. WELL CASED HOLE LOGS TO FOLLOW.

RECEIVED
JUN 30 1994
OIL CON. DIV.
DIST. 3

CERTIFIED RETURN P 083 922 910

14. I hereby certify that the foregoing is true and correct
Signed Hilda Moreno Title ENGINEERING TECHNICIAN Date 6/23/94

(This space for Federal or State office use)
Approved by _____ Title _____ Date _____
Conditions of approval, if any: _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

MAOCD

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RECEIVED
OIL CON. DIV.
MAY 8 50

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-57453
2. Name of Operator MYCO INDUSTRIES, INC.	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P O BOX 840, ARTESIA, NM 88210 (505) 748-1471	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2490' FSL & 1780' FWL S34-T25N-R13W, NMPM	8. Well Name and No. LY FEDERAL #1
	9. API Well No.
	10. Field and Pool, or Exploratory Area BASIN-FRUITLAND COAL
	11. County or Parish, State SAN JUAN CO., NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

PROPOSE TO AMEND APPROVED APD DATED 4/25/94 AS FOLLOWS:

- (a) 8-3/4" HOLE WITH 7" NEW 23# CSG TO 130'
(b) 6-1/4" HOLE WITH 4-1/2" NEW 10.5# CSG TO TD (1200')

NOTE: HAVE CONTRACT WITH WAYNE SMITH DRILLING CO., CROWNPOINT, NM
TO SPUD WELL COMMENCING 6/14/94 AND DRILL OVER LEASE EXPLORATION
DATE OF 6/15/94.

RECEIVED
MAY 24 1994
OIL CON. DIV.
DIST. 3

RECEIVED
MAY 19 1994
RUM

CERTIFIED RETURN: P 083 922 907

14. I hereby certify that the foregoing is true and correct

Signed A. M. Mumby, PELS Title OPERATIONS MANAGER Date 5/16/94

(This space for Federal or State office use)

Approved by _____ Title _____
Conditions of approval, if any:

APPROVED
AS AMENDED

MAY 19 1994

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT MANAGER

Attachment

Sundry Notice / MYCO Industries, Incorporated / Revise APD / May 16, 1994

Mr. Nelson Muncy, of MYCO Industries agreed (in a phone conversation of May 19, 1994) to use the same cement slurries as specified in the original APD and to circulate the cement to surface on both strings.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

(Other instructions on reverse side)

Budget Bureau No. 1004-0136
Expires August 31, 1985

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

MYCO Industries, Inc. (505) 748-1471

3. ADDRESS OF OPERATOR

P.O. Box 840, Artesia, NM 88211

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

At surface 2490' FSL & 1780' FWL

At proposed prod. zone

Same

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

26 air miles S of Farmington, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) **1452'**

16. NO. OF ACRES IN LEASE

1,680

17. NO. OF ACRES ASSIGNED TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A

19. PROPOSED DEPTH

1,200'

20. ROTARY OR CABLE TOOLS

Rotary

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

6,252' ungraded ground

22. APPROX. DATE WORK WILL START*

Mar. 30, 1994

23.

DRILLING OPERATIONS AUTHORIZED ARE **APPROVED** **CASING AND CEMENTING PROGRAM** **and appeal pursuant to 43 CFR 3165.3**

SUBJECT TO COMPLIANCE WITH ATTACHED

SIZE OF WELL

WEIGHT PER FOOT

SETTING DEPTH

QUANTITY OF CEMENT

12-1/4"

8-5/8"

24# (K-55)

130'

~110 cu ft and to surface

7-7/8"

4-1/2"

10.5# (K-55)

1,200'

~355 cu ft and to surface

RECEIVED
APR 28 1994

OIL CON. DIV.
DIST. 3

070 FARMINGTON, NM

94 FEB 28 PM 2:21

RECEIVED
BLM

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

Consultant

DATE

2-23-94

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

**APPROVED
AS AMENDED**

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

APR 25 1994

DISTRICT MANAGER

*See Instructions On Reverse Side

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

RECEIVED
BLM

94 FEB 28 PM 12:12

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

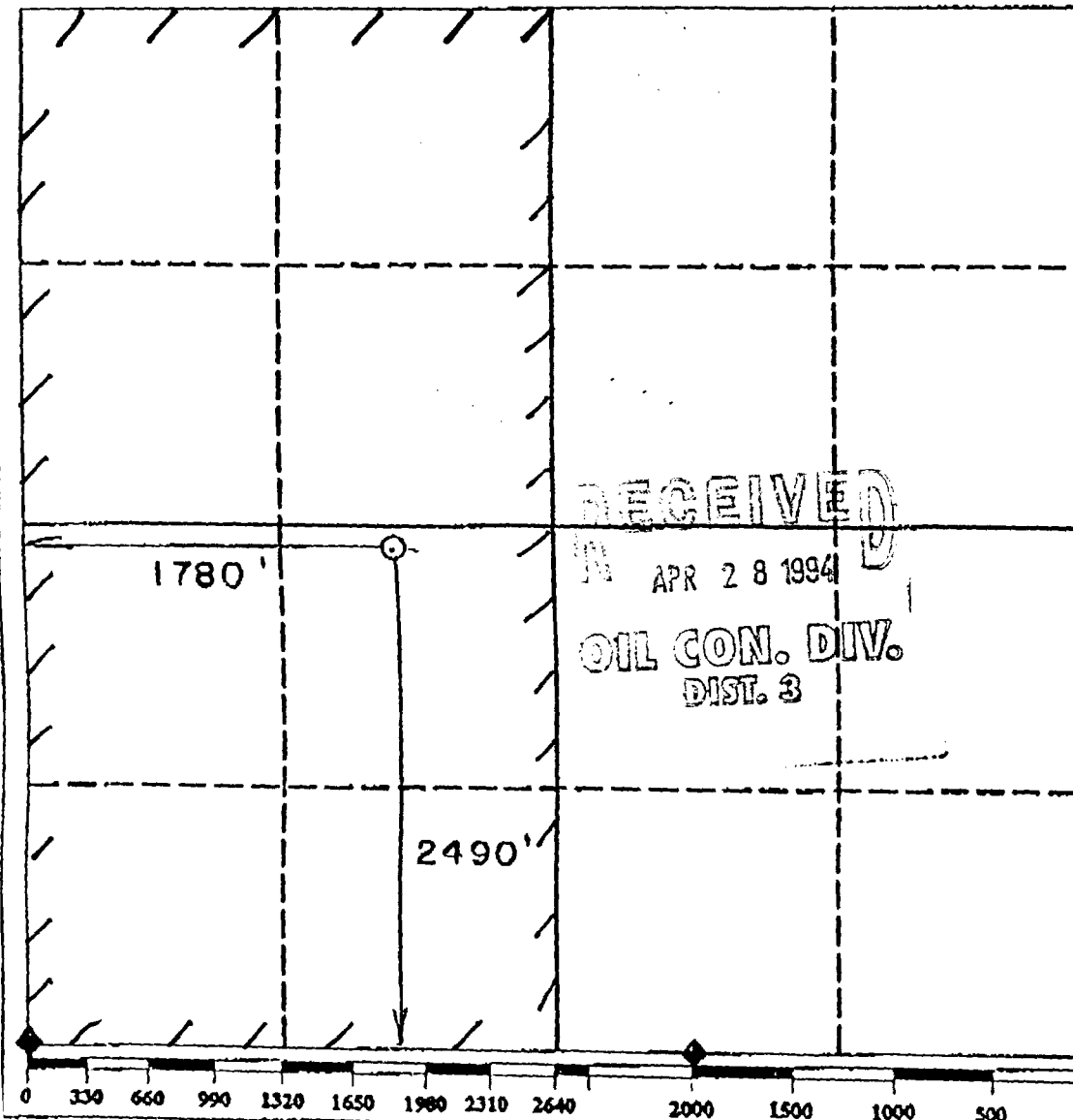
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section.

Operator MYCO INDUSTRIES, INC.			Lease LY FEDERAL		
Unit Letter K	Section 34	Township 25 N.	Range 13 W.	County SAN JUAN	
Actual Footage Location of Well: 2490 feet from the SOUTH line and 1780 feet from the WEST line					
Ground level Elev. 6252'	Producing Formation Fruitland		Pool Basin-Fruitland Coal Gas		Dedicated Acreage: 320 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.?
☐ 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature Brian Wood

Printed Name **Brian Wood**

Position **Consultant**

Company **Myco Industries, Inc.**

Date **February 23, 1994**

SURVEYOR CERTIFICATION

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 Feb 23 1994

Signature G. Hudleston
Professional Surveyor

6844
REGISTERED LAND SURVEYOR

Certificate No. **6844**

p KRVO-200334401

***New Mexico Oil Conservation Division---Engineering Bureau
Administrative Application Process Documentation***

Date Application Received: 1-3-2002

Date of Preliminary Review: 1-4-2002
(Note: Must be within 10-days of received date)

Results: ✓ Application Complete Application Incomplete

Date Incomplete Letter Sent: NA

Deadline to Submit Requested Information:

Phone Call Date:
(Note: Only applies if requested data is not submitted within the 7-day deadline)

Phone Log Completed? Yes No

Date Application Processed: 1-24-022

Date Application Returned:
(Note: Only as a last resort & only after repeated attempts by the Division to obtain the necessary information to process the application)