

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM - 12557	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Cibola Energy Corporation		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. PO Box 1668 Albuquerque NM 87103 505-843-6762		8. FARM OR LEASE NAME, WELL NO. Duncan Federal #5	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 660' FNL & 1650' FWL NE1/4NW1/4 Unit C		9. AM WELL NO. 30-005-62901	
At proposed prod. zone same.		10. FIELD AND POOL, OR WILDCAT Chaves; Undes. Grp. 1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 24 miles NE of Roswell, NM		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 18-T9S-R28E	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330 ft	16. NO. OF ACRES IN LEASE 1074.24	17. NO. OF ACRES ASSIGNED TO THIS WELL 40.00	
18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1190 ft	19. PROPOSED DEPTH 2750 ft	20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3883.7 GL		22. APPROX. DATE WORK WILL START* June 19, 1995	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	23#	400 ft	Circulate
7 7/8	4 1/2	10.5#	2750 ft	250 sx

We propose to drill this well to 2750 feet to test the Slaughter and the San Angelo zones of the the San Andres formation. If the well is productive we will complete it by running and cementing 4 1/2" 10.5# casing. If it is not productive, we will plug it following required plugging procedures

RECEIVED

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT IN ADVANCE.

JUN 13 1995
OIL CON. DIV.
DIST. 2

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 or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Cibola Energy Corp
SIGNED [Signature] TITLE President DATE 5/18/95
(This space for Federal or State office use)

PERMIT 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 thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY T.R. Kuang TITLE Area Manager DATE 6/8/95
*See Instructions On Reverse Side

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

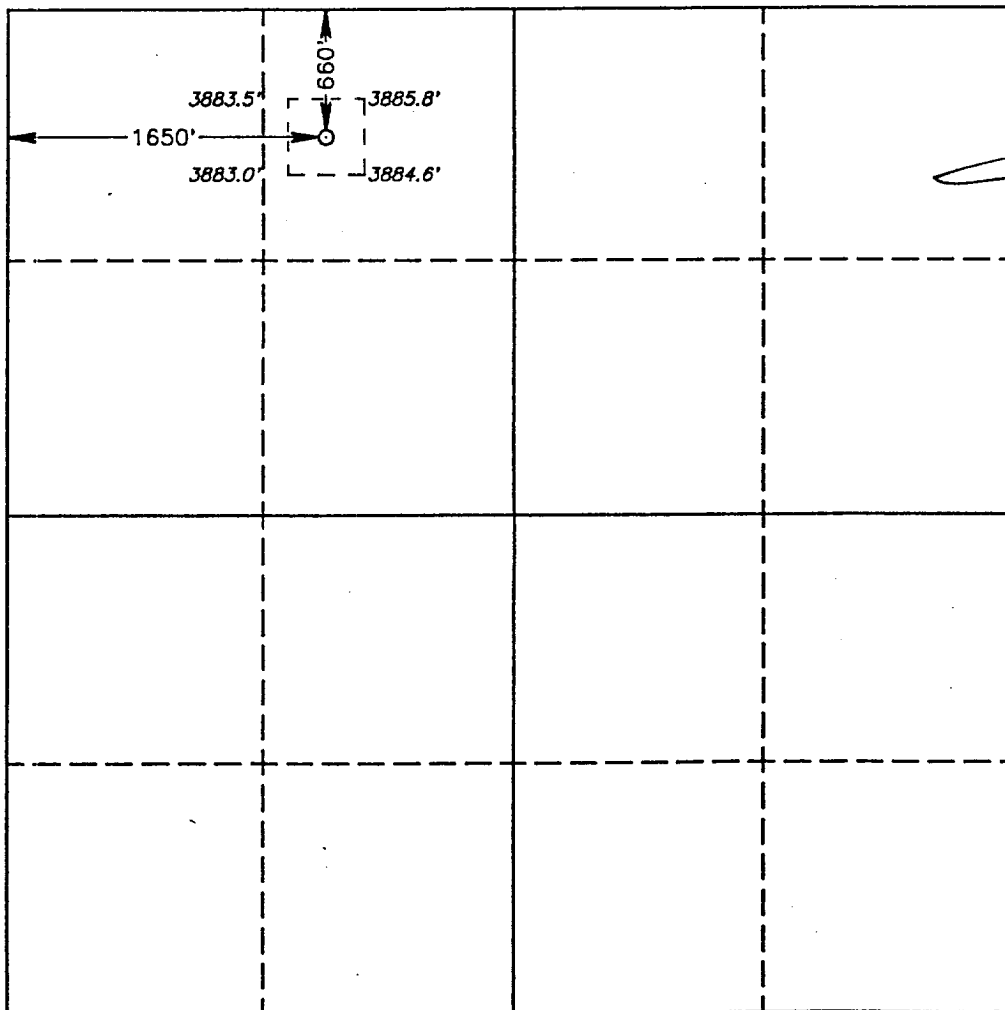
All Distances must be from the outer boundaries of the section

Operator CIBOLA ENERGY CORP.			Lease DUNCAN FEDERAL		Well No. 5
Unit Letter C	Section 18	Township 9 SOUTH	Range 28 EAST	County CHAVES	
Actual Footage Location of Well: 660 feet from the NORTH line and 1650 feet from the WEST line					
Ground Level Elev. 3883.7'	Producing Formation San Andres	Pool Chaves, Unders Dip-1	Dedicated Acreage: 40 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.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____

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

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Printed Name
Harvey E. Yates, Jr.

Position
President

Company
Cibola Energy Corp.

Date
4-30-92

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
MARCH 9, 1992

Signature & Seal of
Professional Surveyor
Certificate No. 876
JOHN W. WEST
3239
RONALD J. EIDSON
7877
RONALD J. GARY, L. JONES

92110250

References

Cibola Energy Corporation

Duncan Federal #5 Sec. 18 - 9S - 28E

660'FNL & 1650'FWL

Chaves County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill Subject Well, Cibola Energy Corporation submits the following ten items of pertinent information in accordance with U.S. Minerals Management Service requirements.

1. The geologic surface is Quaternary fill.
2. Actual tops of Geologic markers:

	<u>Depth</u>
Yates	519
San Andres	1646
Slaughter	2210
San Angelo	2670
3. The estimated depth at which water, oil or gas are expected:

Water	340'
Oil & Gas - Slaughter	2300'
O& G - San Angelo	2670'
4. Proposed casing program - See form 3160-3.
5. Pressure control equipment: Cameron 9" 2000 psi B.O.P. together with rotating head
6. We will be drilling with Air Rotary. No mud will be used.
7. Auxiliary Equipment - None.
8. Testing, and logging program - GR, CNL Densilog, Induction. No DST's will be run.
9. No abnormal pressures or temperatures are expected.
10. Anticipated starting date is June 19, 1995.

May 19 9 26 AM '85

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

CIBOLA ENERGY CORPORATION
DUNCAN FEDERAL #5
660 FNL & 1650 FWL, SEC. 18 - 9S - 28E

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

1. EXISTING ROADS

- A. Exhibit "A" is a section of a map showing the location of proposed well. From Roswell, go northeast on US 70 approximately 21 miles. Go south through a cattle guard near the microwave tower. Follow the road in a southward direction approximately 5 miles then travel east along the El Paso Natural Gas Pipeline through 2 cattle guards approximately 5 miles. Turn right and travel approximately 1.0 mile. Turn left and travel approximately .5 mile; turn right and travel 990' (about .2 miles) to location.
- B. Exhibit "A" also shows existing roads and stock tanks within 1/2 mile of the proposed location.
- C. Minor repairs will be made to the existing roads as necessary to provide rig access. This will include blading and caliche as necessary.

2. PLANNED ACCESS ROAD

- A. Length and Width: We will build approximately 990 feet of road shown as "proposed road" on Exhibit "A". The surface will be approximately 12 feet wide.
- B. Surfacing Material: Caliche will be obtained and hauled from a caliche pit in the SE/4 SE/4 of Section 8-9S-28E, (only as and where necessary) or caliche will be obtained, if permissible from the location of the Cibola Energy, Aciete Negra #4 of Section 12-9S-27E Unit P, which has just been plugged and is located nearby.
- C. Maximum Grade: 1 per cent.

- MAY 18 8 25 AM '05
- E. Culverts: None.
 - F. Drainage design: None.
 - G. Cuts & Fills: None.
 - H. Gates and Cattle Guards: There are three existing cattle guards on the way to the proposed location.
 - I. Right of Way: The only off-lease portion of the new proposed road lies on a State lease, and is currently assigned the following ROW #NMNM-87903.

3. LOCATION OF EXISTING WELLS

There are four existing wells within 1/2 mile of the proposed site; the Duncan Federal #2 and the Emmons State #1 are operated by Jalapeno Corporation; the Duncan Federal #4-Y is operated by Cibola Energy. In addition, the Louise Yates #1 has been drilled by Jalapeno Corporation and casing has been run.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. This lease has two other wells on it: the Duncan Federal #2, approximately 2000 feet N by NE, which is producing, and the Duncan Federal #4 about 2000 ft SW which is waiting on conversion to disposal well.
- B. If the well is a producer, the tank battery and flow line will be located on the well pad and no additional surface damage will be necessary.

5. LOCATION AND TYPE WATER SUPPLY

Water will be hauled to location over road shown from a private commercial source.

6. LOCATION OF CONSTRUCTION MATERIALS

Caliche will be obtained at pit in SE/4 SE/4 of Sec. 8-9S-28E.

7. METHODS OF HANDLING WATER DISPOSAL

- A. Drill cuttings will be disposed of in the dirt pits.

May 13 8:16 AM '95

- B. No water is expected since we are drilling with air; any produced while drilling will be disposed of in the dirt pits.
- C. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- D. Trash, waste paper, garbage and junk will be buried in a separate trash and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.
- E. All trash and debris will be buried or hauled off the well site within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES

None required.

9. WELLSITE LAYOUT

- A. Exhibit "B" shows relative locations and dimensions of the well pad.
- B. Only minor leveling of the well site will be required.

10. PLANS FOR RESTORATION

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be removed and the location cleaned of all trash and junk. Surface reclamation will be done in accordance with BLM recommendations.

11. OTHER INFORMATION

- A. Topography: The land surface is level except for numerous sand dunes.
- B. Soil: Soil in this case is a sandy, calcareous lime.
- C. Flora and Fauna: Vegetative cover consists of mesquite and oak brush. Wildlife in the general area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.
- D. Ponds & Streams: White tank watering reservoir, see Exhibit A.
- E. Residences and other Structures: There are no occupied dwellings within a mile of the proposed site.

MAY 19 8 20 AM '95

F. Archaeological, Historical and Other Cultural Sites: This is the third drilling application submitted for this location. The original application was approved 7/17/92 by David Stout (and expired 3/1/94. A second application was returned to us unprocessed under cover letter from Earle H. Smith, dated 10/11/94). There should be a copy of the archaeological report on file at the Bureau of Land Management.

G. Land Use: Grazing and hunting in season.

H. Surface Ownership: BLM

12. OPERATOR'S REPRESENTATIVE

Representative responsible for assuring compliance with the approved surface use plan is:

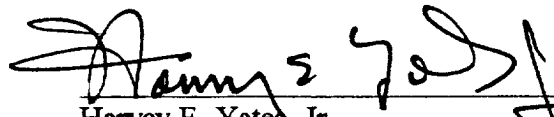
Harvey E. Yates Jr.
PO Box 1668
Albuquerque, NM 87103

Office Phone: (505) 843-6762 Albuquerque
(505) 242-2050 Albuquerque

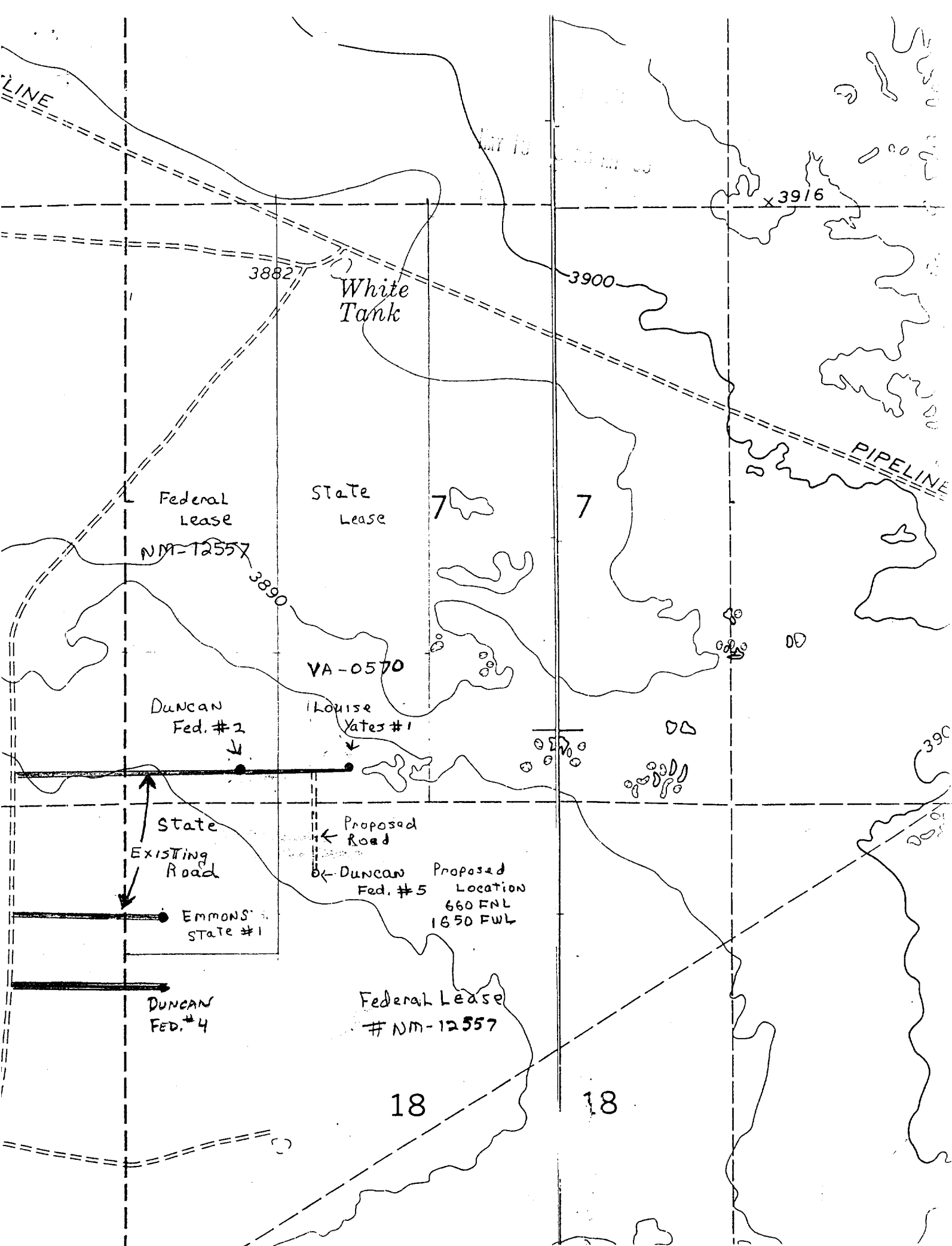
Home Phone: (505) 243-2052 Albuquerque

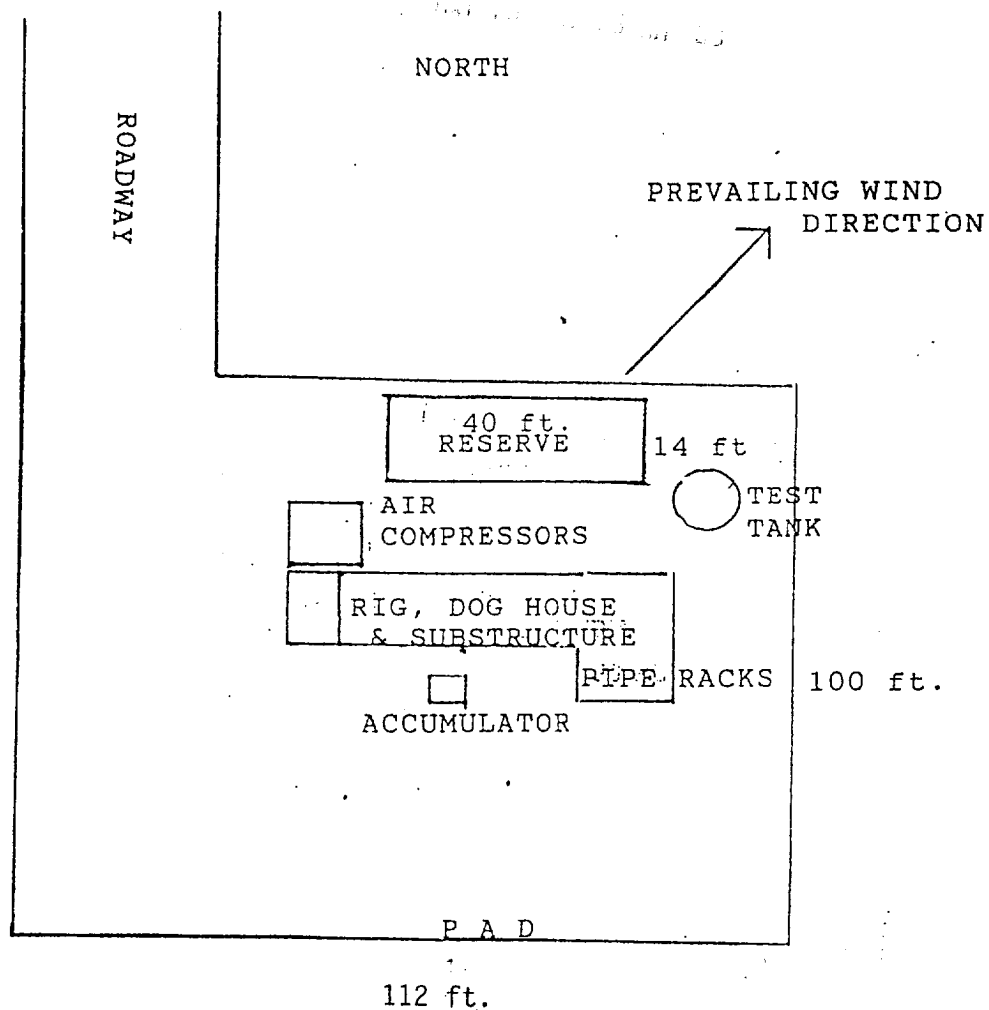
13. CERTIFICATION

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 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 Cibola Energy Corporation and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of No. 18 U.S.C. #1001 for filing of a false statement.


Harvey E. Yates, Jr.
President Cibola Energy Corp

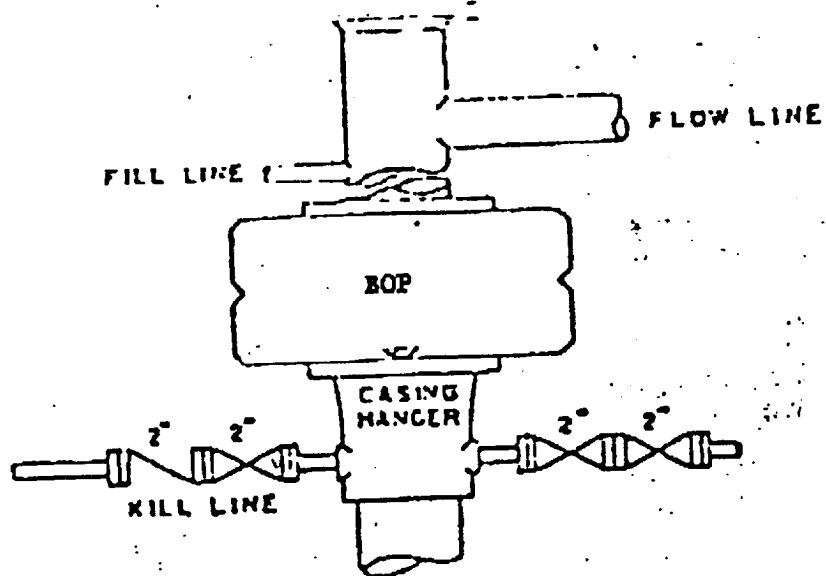
5/18/95
Date





DUNCAN FEDERAL #5

660' FNL & 1650' FWL
 Section 18, T-9S, R-28E, NMPM
 Chaves County, New Mexico
 NM-12557



DUNCAN FEDERAL #5

660' FNL & 1650' FWL
 Section 18, T-9S, R-28E, NMPM
 Chaves County, New Mexico
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