

OIL CONSERVATION DIVISION

P. O. BOX 2088

Form C-102
Revised 10-1-78STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

SANTA FE, NEW MEXICO 87501

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

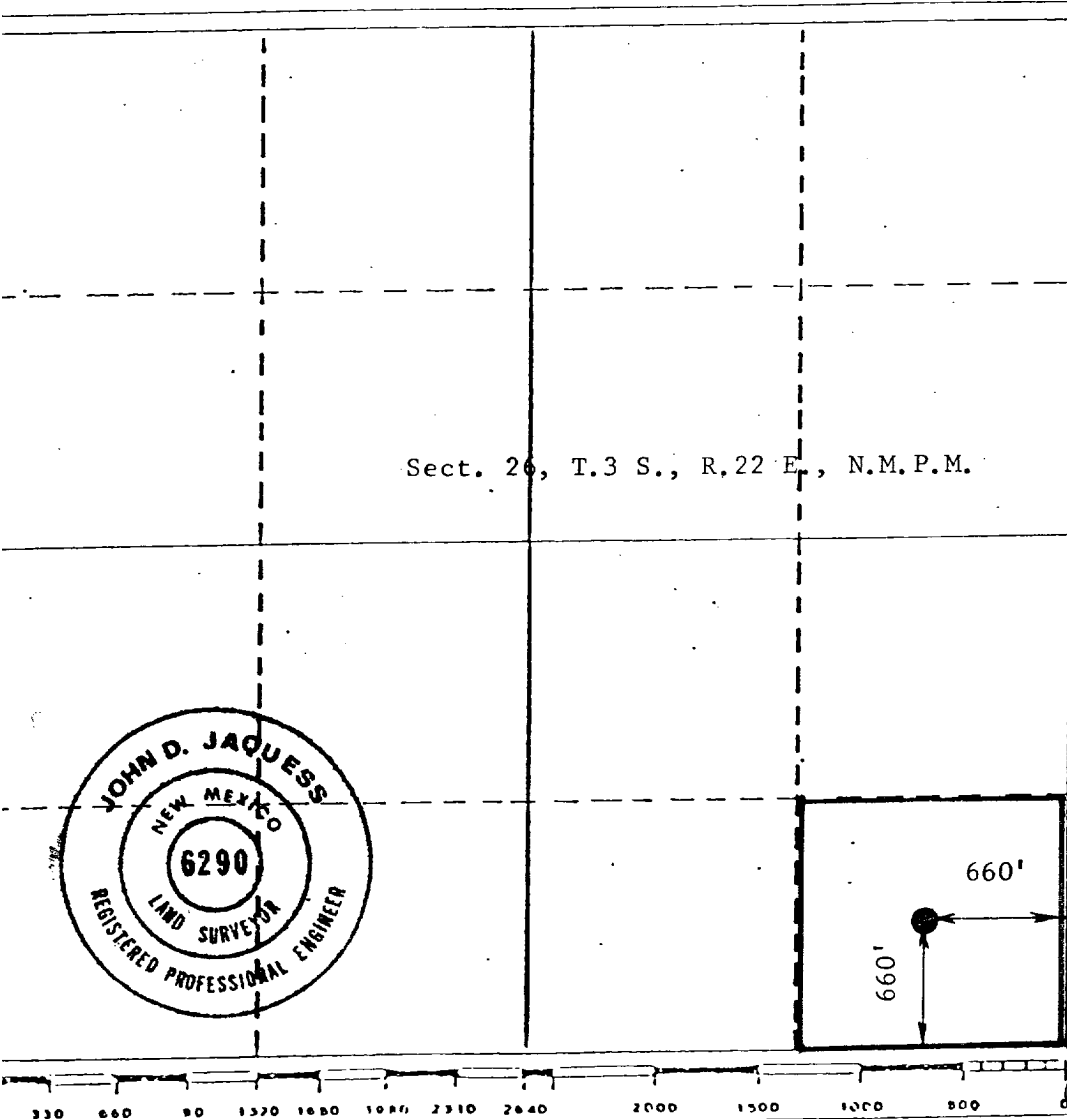
Operator Coleman Oil and Gas, Inc.		Lease L.H. Pipkin		Well No. 1	
Init Letter P	Section 26	Township 3 South	Range 22 East	County DeBaca	
Actual Footage Location of Well: 660 feet from the East line and 660 feet from the South line					
Ground Level Elev. 4287	Producing Formation Wildcat		Pool Undesignated	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).
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.)

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.

Name

JERRY W. LONG

Position

Agent for:

Company

COLEMAN OIL & GAS, INC.

Date

March 16, 1981

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

February 27, 1981

Registered Professional Engineer
and/or Land Surveyor

John D. Jaquess, P.E. & L.S.

Certificate No.

6290

SUPPLEMENT TO APPLICATION TO DRILL

For

COLEMAN OIL & GAS, INC.
No. 1 L.H. Pipkin
SESE Sec. 26, T3S, R22E
De Baca County, N.M.

1. SURFACE FORMATION: Permian Group
2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Artesia Group	Surface
San andres	275'
Glorieta	950'
Abo	3100'
Pennsylvanian	4410'
Granite	5300'
3. PRIMARY OBJECTIVE: Oil and/or from Pennsylvanian or intermediate formations. No fresh water expected below 275'.
4. CASING AND CEMENTING PROGRAM:

Conductor: 13 3/8", 48#, H40 casing will be set at about 300' and 14.8 ppg cement circulated to the surface to protect the fresh water zones.

Intermediate: Intermediate casing will not be run unless dictated by hole conditions. If necessary, about 1500' of 8 5/8", 24#, K55 casing will be run and cemented to a point at least 50' above the 13 3/8" casing shoe.

Production: If commercial quantities of oil or gas are encountered, a string of 4 1/2", 10.5#, K55 production casing will be run through the production zone and cemented with sufficient cement to isolate any water, oil or gas zones.
5. PRESSURE CONTROL EQUIPMENT: The blowout preventer stack will consist of a dual ram-type preventer with 3000 psi. working pressure. The BOP will be installed on the 8 5/8" casing before drilling cement out of the shoe of that string of casing. If 8 5/8" casing is not run, the BOP will be installed on the 13 3/8" casing. BOP and casing will be tested to 600 psi. for 30 minutes. The BOP stack will include choke, kill and fill lines. A kelly cock will be installed and maintained in operable condition. A full-opening safety valve to fit the drill string in use will be kept on the rig floor at all times.

6. CIRCULATING MEDIUM:

- 0-1500': Use fresh water spud mud with fresh water gel and soda ash or lime. Treat with lost circulation material as hole conditions dictate.
- 1500'-2500': Drill out 8 5/8" casing (if set) with fresh water. Add caustic soda to obtain a pH of 9.0-9.5 and chemicals for corrosion control. Add lost circulation material as necessary.
- 2500-TD: Maintain mud weight less than 10 ppg with addition of fresh water while keeping chloride-ion concentration of 40,000-50,000 ppm and KCL 3.0%. When top of Abo is reached, mud up with starch and soda ash to control water loss to 20-25 cc. Mud weight of at least 9.0 ppg will be maintained to offset the maximum anticipated bottom hole pressure of 1500 psi. This mud program may be altered to conform to hole conditions.

7. TESTING, LOGGING AND CORING PROGRAM: No coring or drill-stem tests are planned for this well. Logging program will consist of a gamma ray log from TD to surface, compensated neutron-density-caliper log and dual laterolog run from about 1500' to TD.
8. BOTTOM HOLE PRESSURE: Maximum bottom hole pressure anticipated is 1500 psi. Bottom hole temperature should not exceed 120° F. No sour gas is expected.
9. ANTICIPATED STARTING DATE: It is anticipated that drilling operations will start about April 15, 1981. It will take about 30 days to drill and complete.

PERTINATE INFORMATION

FOR

COLEMAN OIL & GAS, INC.
No. 1 L.H. PIPKIN
SESE Sec. 26, T3S, R22E
De Baca County, N.M.

LOCATED: 43 miles North of Roswell, N.M.

FEDERAL LEASE NUMBER: NM 20864

LEASE ISSUED: October 1, 1974 for primary
term of 10 years.

RECORD LESSEE: Lucille H. Pipkin

OPERATORS AUTHORITY: Designation of Operator from
Lessee.

BOND COVERAGE: Lessee's \$10,000 bond.

ACRES IN LEASE: 2320

SURFACE OWNERSHIP: Fee - Jeff W. Daniels Ranch

POOL RULES: Wildcat

EXHIBITS:

- A. Area map
- B. Topo map showing access route.
- C. Sketch of well pad and equipment.
- D. BOP diagram
- E. Fee restoration agreement.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

COLEMAN OIL & GAS, INC.
NO.1 L.H. PIPKIN
660'FSL, 660'FSL, SEC.26, T3S, R22E
DE BACA COUNTY, NEW MEXICO

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 portion of a road map showing the location of the proposed well as staked. The well is approximately 43 miles north of Roswell.
- B. Directions: Travel 34 miles north from Roswell on Hwy. 285. Turn right on Hwy. 20 and go 7 miles. Turn left through cattle guard and go 2 miles west to location.

2. PLANNED ACCESS ROAD:

- A. Length and Width: Access to the location will require 620' of new road from existing ranch road. The access road will be 12' wide with 2' shoulders. All of the access road is on fee surface. Some of the existing ranch road may require blading.
- B. Surfacing Material: The portion of the access road that has not been surfaced will be surfaced with caliche.
- C. Maximum Grade: Approximately one percent.
- D. Turnouts: Turnouts will not be necessary.
- E. Culverts: No culverts will be necessary.

- F. Cuts and Fills: Approximately two feet of cut will be necessary to level the 150'x200' well pad.
- G. Gates and Cattleguards: Two cattleguards will be installed. One will be installed at the Hwy. 20 turn-off and one at the gate west of the abandoned ranch house.
3. LOCATION OF EXISTING WELLS:
- A. The nearest well is a dry hole located about 6 miles northwest of the proposed location.
4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:
- A. There are no present facilities.
- B. If the well is commercial, necessary production and storage equipment will be installed on the drill pad.
5. LOCATION AND TYPE OF WATER SUPPLY:
- A. Water will be purchased from a commercial source and trucked to the drilling well over existing and proposed roads.
6. SOURCE OF CONSTRUCTION MATERIALS:
- A. Caliche to surface the road and pad will be obtained from a pit located in the SESW Sec.30, which is owned by the rancher.
7. A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, waste paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of soil. All waste material will be contained to prevent scattering by the wind.
- F. All trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

A. None required.

9. WELL SITE LAYOUT:

A. The drill site has been surveyed and staked.

B. The dimensions and relative location of the drill pad, mud pits and trash pits with respect to the well bore are shown on Exhibit C.

C. The well site is fairly level but will require about two feet of cut on the south side and about two feet of fill on the north side.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the site in as aesthetically pleasing condition as possible.

B. Any unguarded pits containing fluids will be fenced until they are filled.

C. After abandonment, all equipment, trash and junk will be removed and the location cleaned and levelled. Any rehabilitation requirements of the fee owner will be complied with and accomplished as expeditiously as possible. A copy of the fee surface agreement is attached.

11. OTHER INFORMATION:

A. Topography: The general surface is rolling ranchland. The drill site and access road are essentially flat. Regional slope is to the southeast toward the Pecos River which is about 20 miles to the east.

B. Soil: Sandy loam with spots of caliche.

C. Flora and Fauna: The vicinity surrounding the drill site is semi-arid desert rangeland. Vegetation consists of desert shrubs and native grasses. No wildlife was observed but this habitat generally supports rabbits, coyotes, rodents, dove, and quail.

D. Ponds and Streams: None

E. Residences and Other Structures: The nearest occupied dwelling is two miles northeast.

F. Archaeological, Historical and Other Cultural Sites:
None were observed in the area. An archaeological review and resulting recommendation will be furnished to the Bureau of Land Management.

G. Sensitive Areas: The location is not within a designated water basin or other sensitive area.

H. Land Use: Grazing

I. Surface Ownership: Fee surface - Jeff Daniels Ranch

12. OPERATOR'S REPRESENTATIVE:

Representative responsible for assuring compliance with the approved Surface Use Plan:

Agency Coordination:

JERRY W. LONG
2709 Resolana Dr.
Roswell, N.M. 88201
Ph. 622-1299

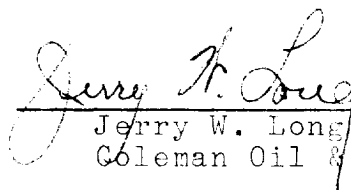
Drilling Operations:

C.C. KENNEDY
6109 Del Campo Place NE
Albuquerque, N.M. 87109
Ph. 883-9624

13. CERTIFICATION:

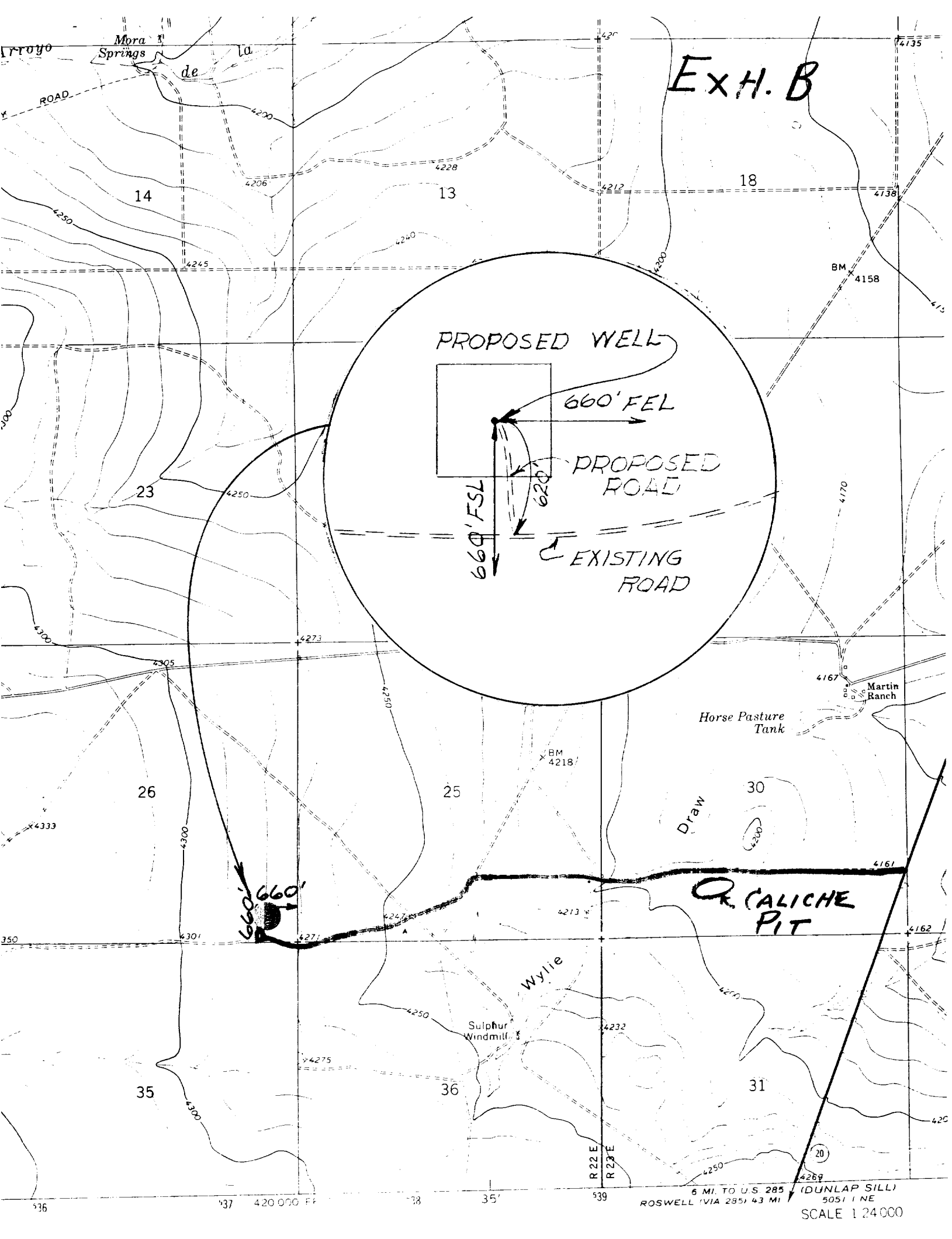
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; and, that the work associated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

March 16, 1981
Date:


Jerry W. Long, Agent for
Coleman Oil & Gas, Inc.

EXH. A

Map showing the area around Roswell, New Mexico, including Bitter Lake National Wildlife Refuge, and surrounding towns and ranches. The map is overlaid with a grid labeled A through V horizontally and 17 through 27 vertically. Key locations include Roswell, Bitter Lake National Wildlife Refuge, and several smaller towns and ranches. A large black circle is drawn on the map, centered near the intersection of grid lines D and E, and 21 and 22.



Ex H. B

PROPOSED WELL

660' FEL

PROPOSED ROAD

EXISTING ROAD

660' FSL

Horse Pasture Tank

CALICHE PIT

Wylie

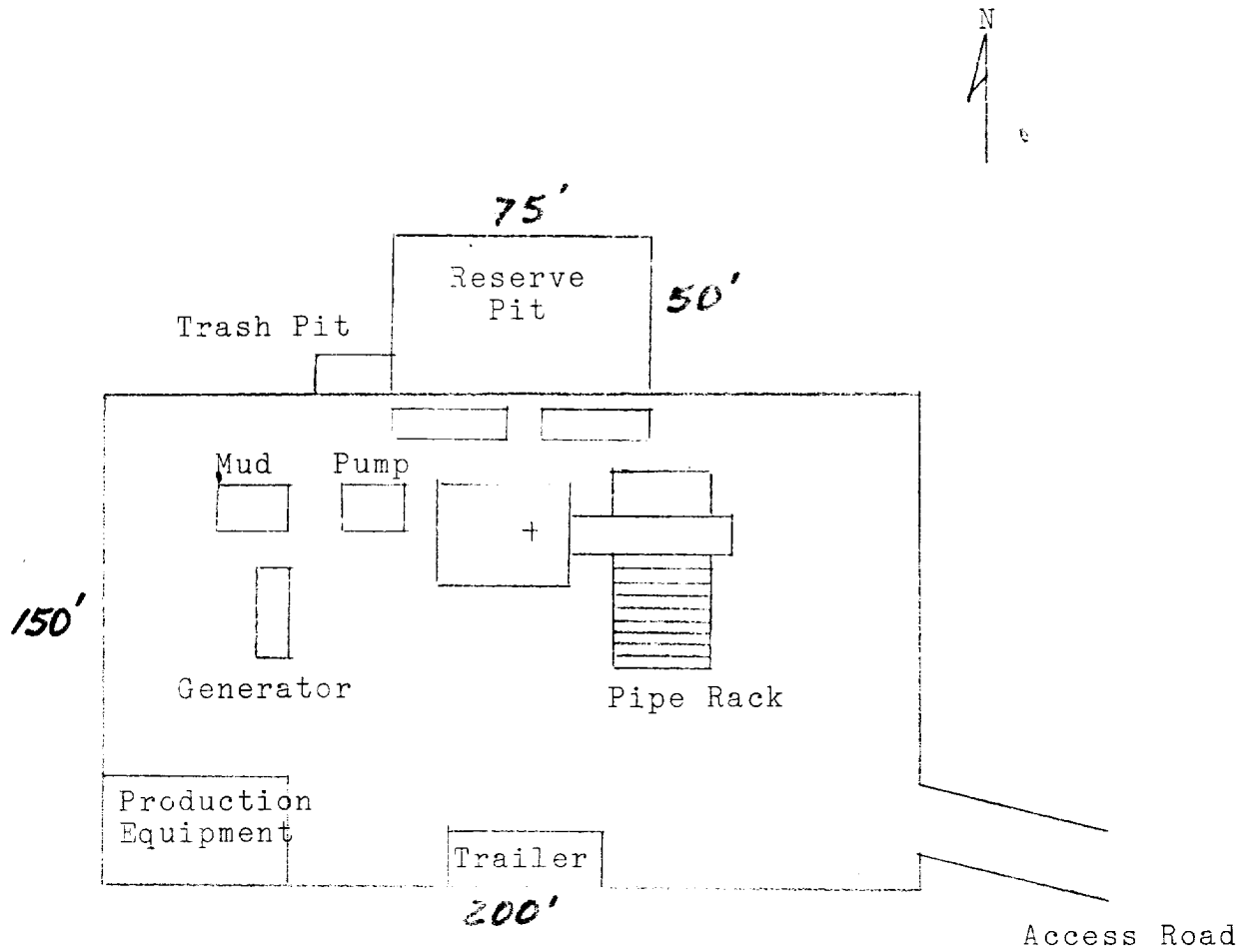
Sulphur Windmill

Martin Ranch

6 MI. TO U.S. 285 (DUNLAP SILL)
ROS WELL (VIA 285) 43 MI 5051 NE

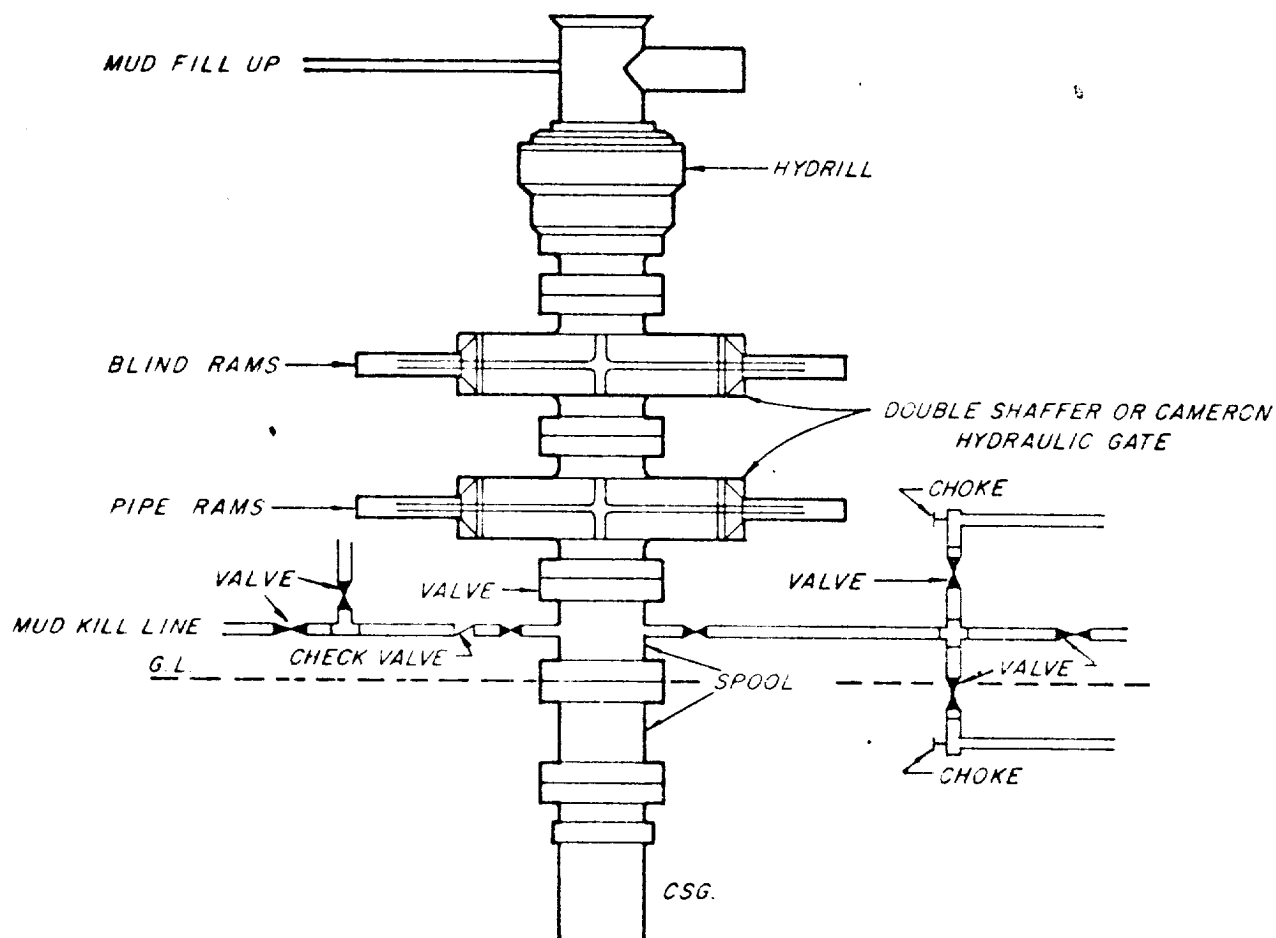
SCALE 1:24000

EXH. C



Drill Pad Layout

ExH. D



API SERIES 900
3000# WP

NOTE:

Manual and Hydraulic controls with closing unit no less than 75' from well head.
Remote controls on rig floor.

REHABILITATION PLAN

CXM. E

Lease No.: NM 20864 ; Well Name and No.: #1 L. A. Pipkin
Location: 660' fsl, 660' fel, Sec. 26, T.3-S N., R. 22-E W.

Coleman Oil & Gas, Inc. ~~XXXX COMPANY~~ intends to drill a well on surface owned by Jeff W. Daniels. The lessee/operator agrees to complete the following rehabilitation work if the well is a producer:

☒ Yes ☐ No Maintain access road and provide adequate drainage to road.

☒ Yes ☐ No Reshape and reseed any area not needed for maintenance of the pump and support facilities.

Other requirements: _____

The following work will be completed when the well is abandoned:

☒ Yes ☐ No Pit will be fenced until dry, then filled to conform to surrounding topography.

☒ Yes ☐ No Water bars will be constructed as deemed necessary.

☐ Yes ☒ No Site will require reshaping to conform to surrounding topography.

☒ Yes ☐ No Entire disturbed area will be reseeded. If yes, the following seed mixture will be used: as per BLM specifications.

☒ Yes ☐ No Access road will be closed, rehabilitated and reseeded using the same seed mixture as above.

** ☐ Yes ☐ No Access road will remain for surface owner's use.
** If requested by surface owner.

☒ Yes ☐ No Water bars will be constructed on the access road as deemed necessary.

Other requirements: The undersigned hereby confirms that there is an agreement covering damages for the drill site and access road located on fee owned surface.

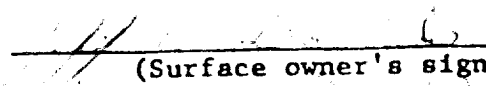
Surface Owner:

Name: Jeff W. Daniels
Address: Dunlap Route, Box 1120
City: Roswell, New Mexico 88201
State: _____
Telephone: none
Date: March 5, 1981

Operator/Lessee

Name: Coleman Oil & Gas, Inc.
Address: Drawer 3337
City: Farmington, New Mexico 87401
State: _____
Telephone: (505) 325-6892
Date: March 5, 1981

I CERTIFY rehabilitation has been discussed with me, the surface owner:


(Surface owner's signature)
Jeff

This plan covers rehabilitation requirements only and does not affect any other agreements between the lessee/operator and surface owner.

WY-069-3109-3(4/77)

— ORIGINAL — USGS - ARD