

30-005-62839 file
 Form approved.
 Budget Bureau No. 1004-0176
 Expires August 31, 1985

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

MAR 5 - 1991

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

ARTESIA, OFFICE

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
 HANSON OPERATING COMPANY, INC. Ph. 505-622-7330

3. ADDRESS OF OPERATOR
 P.O. Box 1515
 Roswell, New Mexico 88202-1515

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface 1980' FSL 1980' FEL, Sec. 19-8S-28E
 At proposed prod. zone Same (UNIT J) (NWSE)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 7 Miles southwest of Elkins, New Mexico

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1980'
 16. NO. OF ACRES IN LEASE 637.01
 17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. NA
 19. PROPOSED DEPTH 2450'
 20. ROTARY OR CABLE TOOLS Rotary and Cable Tool

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4021' GL
 22. APPROX. DATE WORK WILL START* As Soon As Possible

5. LEASE DESIGNATION AND SERIAL NO.
 NM-55911

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 --

7. UNIT AGREEMENT NAME
 --

8. FARM OR LEASE NAME
 McBride Federal

9. WELL NO.
 1

10. FIELD AND POOL, OR WILDCAT
 Wildcat San Andres

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 19-8S-28E

12. COUNTY OR PARISH Chaves
 13. STATE N.M.

PROPOSED CASING AND CEMENTING PROGRAM

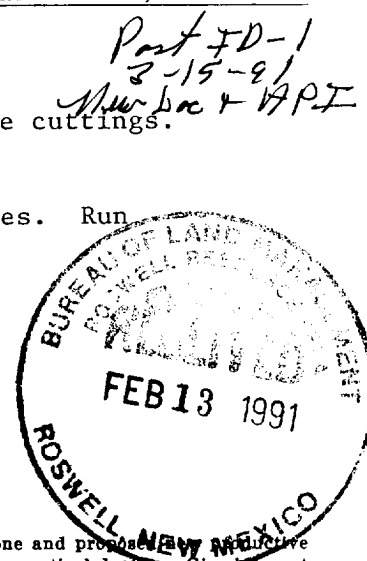
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	500'	350 sx (Circulated)
7-7/8"	5-1/2"	15.5#	2450'	400 sx (Circulated)

Propose to drill to 2250'± with rotary, using air-mist to circulate cuttings.
 Drill 2250'-TD with cable tools to test San Andres formation.

Set production casing 2450'±. Selectively perforate favorable zones. Run 2-3/8" tubing and treat formation. Produce to test tank.

See attached "Supplemental Drilling Data" and "Surface Use Plan".

The grazing lessee has been advised of this proposed operation.



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed 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.

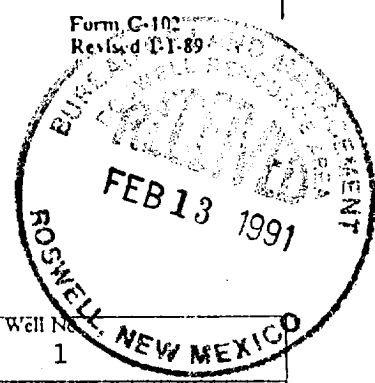
24. SIGNED Jerry W. Long TITLE Permit Agent DATE February 13, 1991
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY Saundra L. Porenta TITLE Area Manager DATE FEB 26 1991
 CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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

State of New Mexico
 Energy Minerals and Natural Resources Department



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

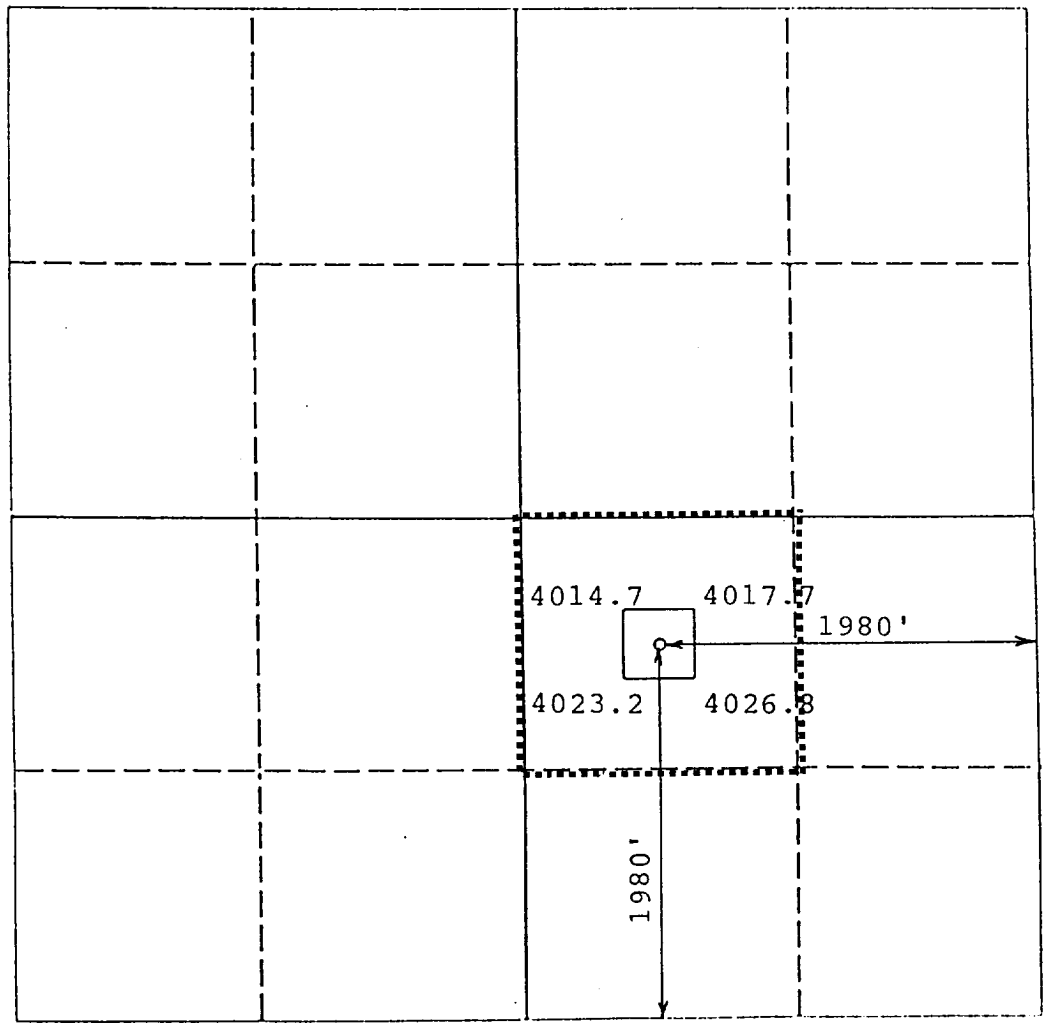
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Hanson Operating Company, INC.		Lease McBride Federal		Well No. 1
Unit Letter J	Section 19	Township 8 South	Range 28 East	County Chaves
Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the East line				
Ground level Elev. 4021	Producing Formation San Andres	Pool Wildcat	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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).
SINGLE LEASE
- 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.

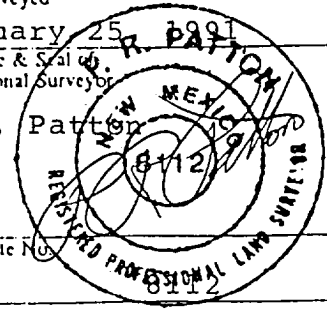


OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Jerry W. Long*
 Printed Name: **JERRY W. LONG**
 Position: **Permit Agent**
 Company: **HANSON OPERATING COMPANY, INC.**
 Date: **February 13, 1991**

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: **January 25, 1991**
 Signature & Seal of Professional Surveyor: *P.R. Patton*
P.R. Patton
 Certificate No. **8112**



PERTINENT INFORMATION

For

HANSON OPERATING COMPANY, INC.
No.1 McBride Federal
NWSE Sec.19-8S-28E
Chaves County, N.M.



LOCATED: 7 air miles southwest
of Elkins, New Mexico

FEDERAL LEASE NUMBER: NM-55911

LEASE ISSUED: November 1, 1984

ACRES IN LEASE: 637.01 Ac.

RECORD LESSEE: Brande^{new} Resources, Inc. - 50%
McBride Oil & Gas Corp. - 50%

BOND COVERAGE: \$150,000 Nation-wide Bond

AUTHORITY TO OPERATE: Agreement with Lessees

SURFACE OWNERSHIP: Public

GRAZING PERMITTEE: White Lake Ranch
1604 NBC Building
San Antonio, Texas 78205
Local Representative - A.L. Daugherty
Ph.505-623-2657

POOL RULES: General Statewide

EXHIBITS: A. Well and Contour Map
B. Road and Lease Map
C. Rig Layout
D. BOP Diagram
E. Statement Accepting Responsibility
F. Landowner Agreement

SUPPLEMENTAL DRILLING DATA

HANSON OPERATING COMPANY, INC.
No.1 McBride Federal
NWSE Sec.19-8S-28E
Chaves County, N.M.

NM-55911



The following items supplement Form 3160-3 in accordance with instructions contained in Onshore Oil and Gas Order No.1:

1. SURFACE FORMATION: Upper Permian

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Yates	604'	Queen	1194'
Seven Rivers	1000'	San Andres	1672'

3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

0 - 200': Surface water

2250' - TD: Oil, gas or water

4. PROPOSED CASING PROGRAM:

8-5/8" Casing - 500' of 24#, K-55, ST&C
Cemented with 350 sx Premium "C",
circulated to surface. Test to 600 Psi.

5-1/2" Casing - 2450' of 15.5#, K-55, ST&C
Cemented with 400 sx Premium Halliburton
Lite, circulated to surface.
Test to 1000 Psi.

5. PRESSURE CONTROL EQUIPMENT: This well will be drilled with air-mist using a rotating drilling head. A blooie line will divert foam and cuttings to the reserve pit. A 10" Series 900 Cameron SS blow-out preventer with 2M rating will be installed after the 8-5/8" casing has been cemented.

6. CIRCULATING MEDIUM: This well will be air-mist drilled, using foam to circulate the cuttings.

7. AUXILIARY EQUIPMENT: None

8. TESTING, LOGGING AND CORING PROGRAM:

Samples: 10' intervals from 500' to TD.

DST and Cores: None

Logging: Gamma ray - Neutron log will be run

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:

None anticipated.

10. ANTICIPATED STARTING DATE: Drilling will commence as soon as approval is obtained. Drilling and completion operations should require less than 30 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

HANSON OPERATING COMPANY, INC.
No.1 McBride Federal
NWSE Sec.19-8S-28E
Chaves County, N.M.

NM-55911

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 7 air miles southwest of Elkins, New Mexico.
- B. Directions: From Roswell, N.M., go 32 miles northeast on Hwy 70 to the Railroad Mountain Road. Go east 2 miles on County Road 38. Go southwest 1.25 miles on White Lake Ranch Road. Go west 1.2 miles, southwest 1 mile, and south 1.75 miles. Turn east 0.5 mile to proposed well.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The new road will be 1.25 miles long and 14' wide, with 6' shoulders to provide drainage.
- B. Surfacing Material: Where necessary, caliche will be used to surface the road and well pad.
- C. Maximum Grade: Less than 3%
- D. Turnouts: Traffic turnouts will be constructed at 2000' intervals.
- E. Drainage Design: The road will be constructed with about 4" of crown and necessary water turnouts to provide drainage.
- F. Culverts: None necessary

G. Cuts and Fills: The pad will require leveling of sand dunes, about 4' of cut on the southeast corner and 4' of fill on the northwest corner.

H. Gates, Cattleguards: None

3. LOCATION OF EXISTING WELLS:

A. The nearest well is a dry hole in the NWNW Sec.19-8S-28E.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. If the well is commercial, production and storage facilities will be constructed on the well pad.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. This well will be air drilled. Any necessary water will be trucked from a commercial source.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche will be purchased from a private pit on the White Lake Ranch. The pit is located in the SESW Sec.33-7S-28E.

7. METHODS OF HANDLING WASTE DISPOSAL:

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 test will be disposed of in the drilling pits.

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. The trash pit will be located adjacent to the mud pit.

F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:
 - A. None necessary
9. WELL SITE LAYOUT:
 - A. The well-site and 400' X 400' area have been surveyed and flagged.
 - B. Dimensions and relative location of the drill pad, pit and equipment are shown on EXHIBIT C.
 - C. Top soil for rehabilitation of the location will be stock-piled at the edge of the pad.
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 wellsite in an aesthetically pleasing condition as possible.
 - B. Any unguarded pits containing fluids will be fenced until they are filled.
 - C. The unused disturbed area will be rehabilitated to Federal Agency requirements and will be accomplished as expeditiously as possible.
11. OTHER INFORMATION:
 - A. Topography: The regional area slopes west toward the Pecos River, which is about 14 miles west of the drillsite. The drillsite is in a dune area sloping northwest with about 3% grade.
 - B. Soil: The soil is sandy with caliche and chert inclusions.
 - C. Flora and Fauna: The flora includes mesquite, yucca, shinnery and various range grasses. Fauna would include small birds, reptiles and rodents.
 - D. Ponds or Streams: None
 - E. Residences and Other Structures: None

- F. Archaeological, Historical and Other Cultural Sites: Archaeology Survey Consultants, of Roswell, N.M., have made a survey of the wellsite and access road. They have recommended that construction work be approved.
- G. Land Use: The surface is semi-arid rangeland, used primarily for grazing.
- H. Surface Ownership: The first 5 miles of access road are on Private Surface. The owner is White Lake Ranch, 1604 NBC Building, San Antonio, Texas 78205. Local Representative is A.L. Daugherty of Roswell, N.M., Ph.623-2657. The last mile of road is on Public Surface. The portion of the access road which crosses the N/2NW of Sec.19 is off-lease Public Surface. An off-lease Right-of-Way is requested for this portion of the road.

2. OPERATOR'S REPRESENTATIVE:

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

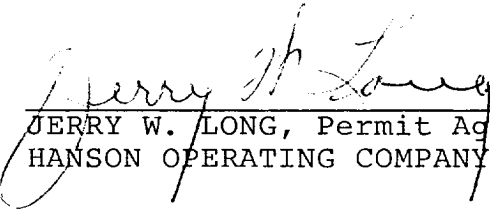
Mr. David Sweeney
P.O. Box 1515
Roswell, New Mexico 88202-1515
Phone 505-622-7330

13. CERTIFICATION:

I hereby certify that I, or person under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; that the work associated with the operations proposed herein will be performed by HANSON OPERATING COMPANY, INC. and its sub-contractors in conformity with this plan and the terms and condition 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.

February 13, 1991

Date:



JERRY W. LONG, Permit Agent for:
HANSON OPERATING COMPANY, INC.

JOHNSON OPERATING COMPANY, INC.
No. 1 McBride Federal
NWSE Sec. 19-8S-28E
Chaves County, N.M.
NM-55911

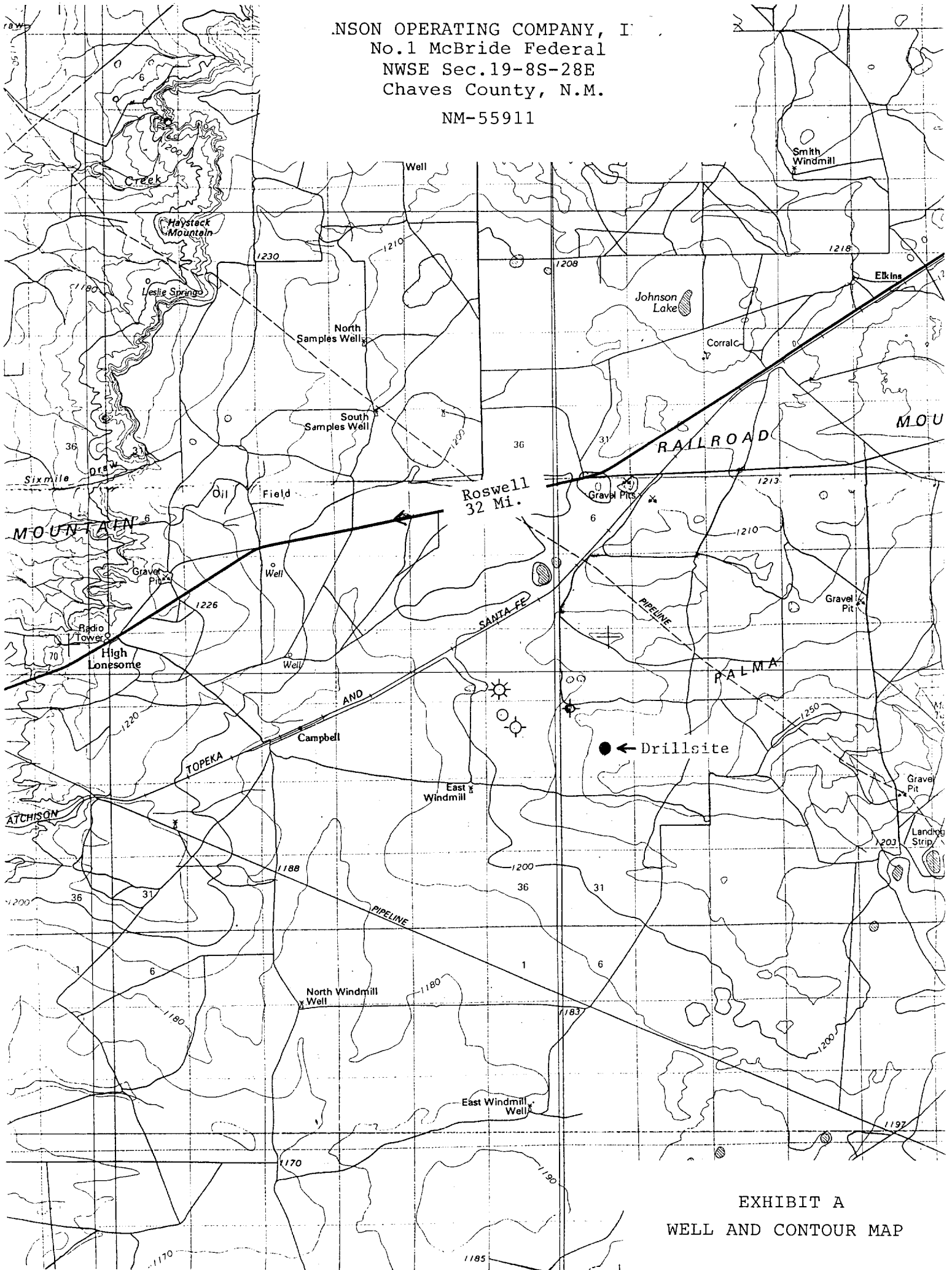


EXHIBIT A
WELL AND CONTOUR MAP

HANSON OPERATING COMPANY, INC.
No.1 McBride Federal
NWSE Sec.19-8S-28E
Chaves County, N.M.
NM-55911

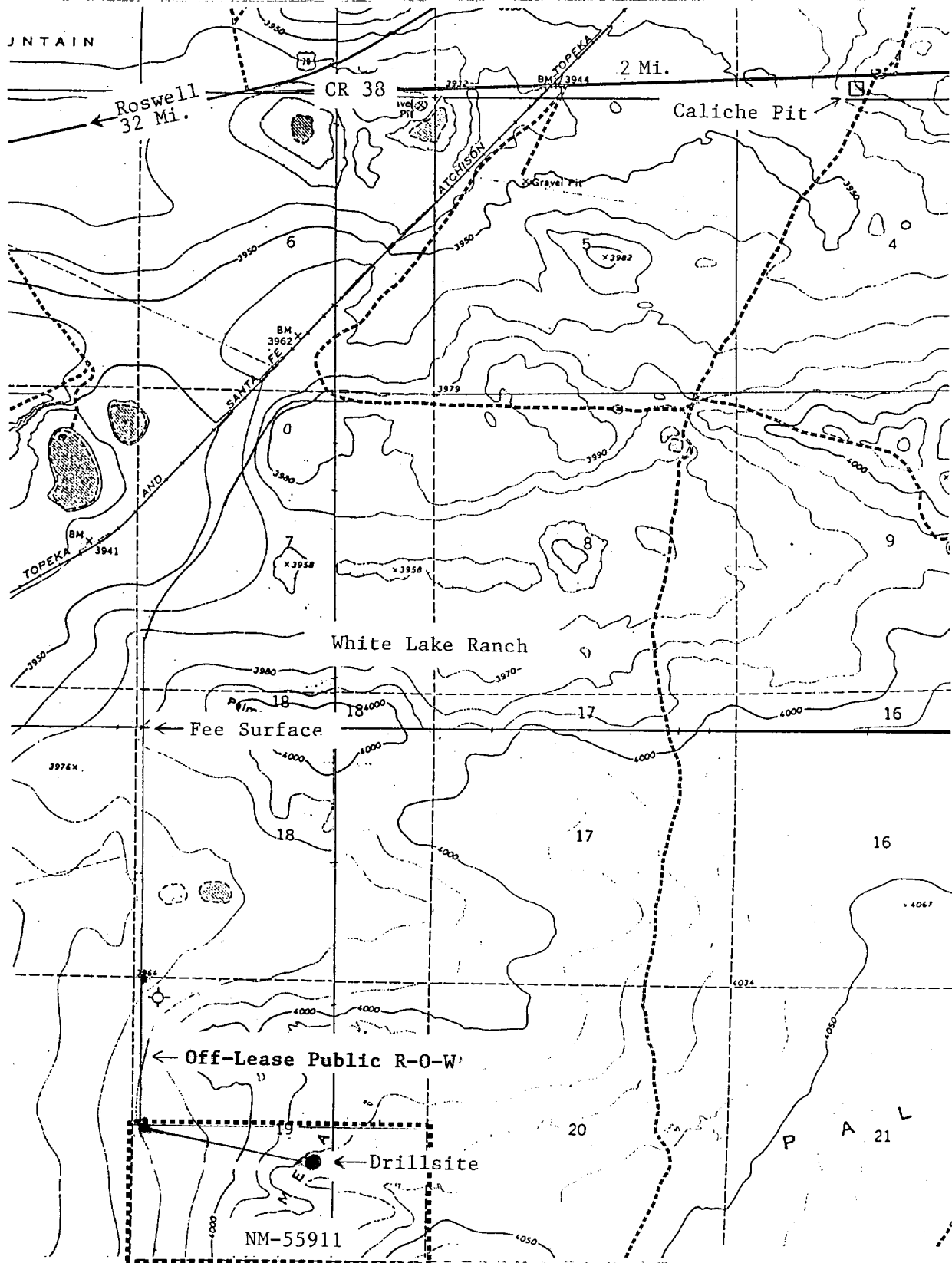
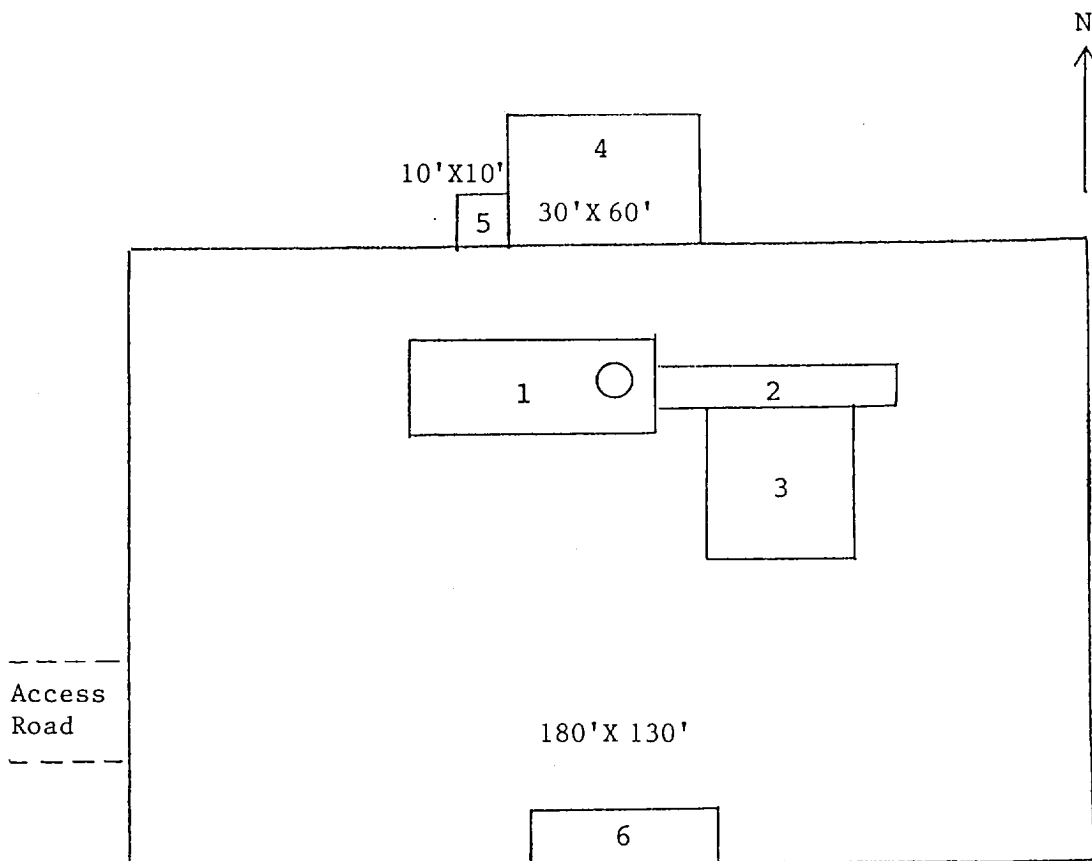


EXHIBIT B
ROAD AND LEASE MAP

HANSON OPERATING COMPANY, INC.
No.1 McBride Federal
NWSE Sec.19-8S-28E
Chaves County, N.M.
NM-55911

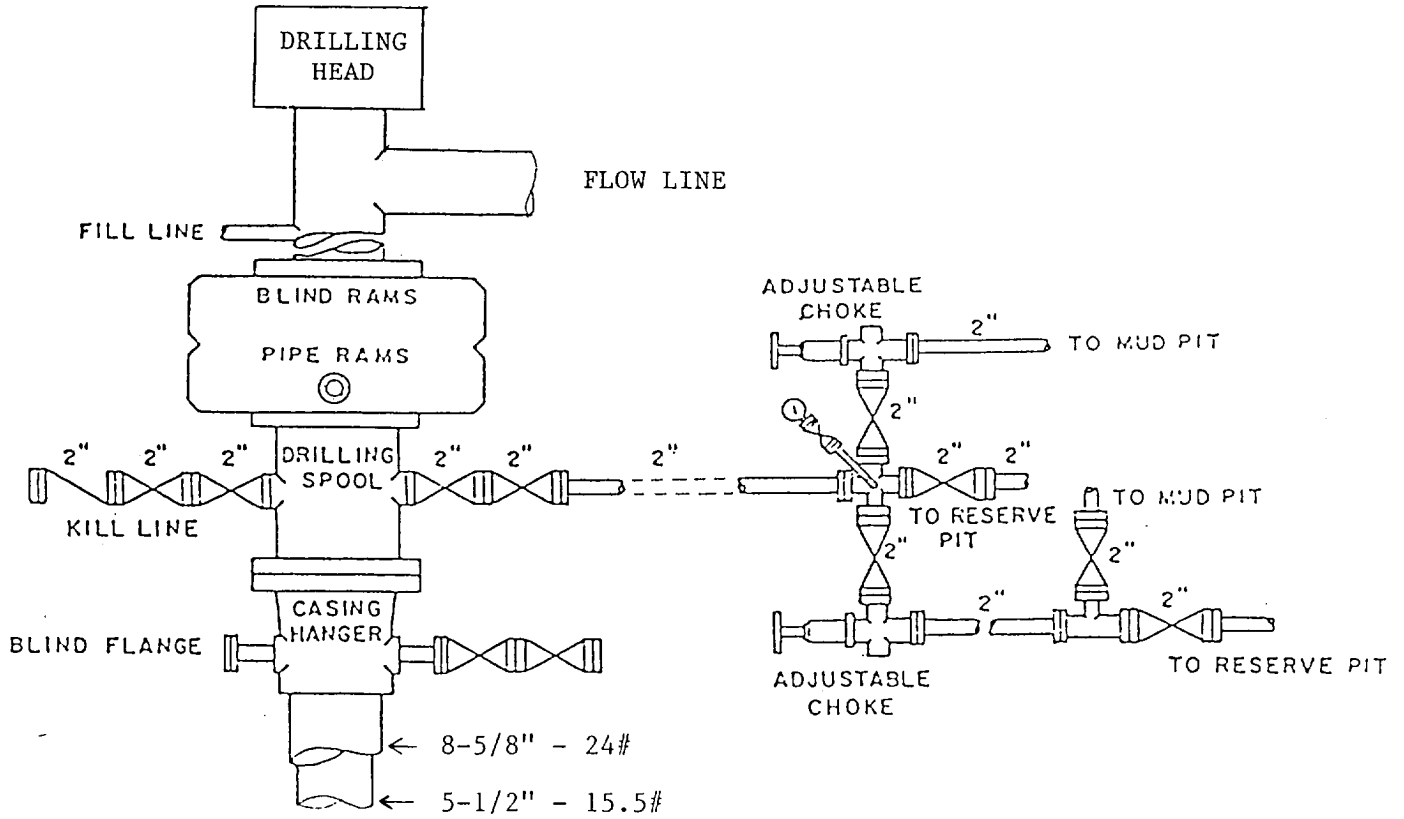


RIG LAYOUT

- | | |
|--------------|------------------|
| 1. Drill Rig | 4. Reserve Pit |
| 2. Catwalk | 5. Trash Pit |
| 3. Pipe Rack | 6. Trailer House |

HANSON OPERATING COMPANY, INC.
No.1 McBride Federal
NWSE Sec.19-8S-28E
Chaves County, N.M.

NM-55911



BOP DIAGRAM

2000# Working Pressure
Rams Operated Daily

STATEMENT ACCEPTING RESPONSIBILITY

HANSON OPERATING COMPANY, INC., operator of the No.1 McBride Federal well, located in the NWSE Sec.19, T.8S, R.28E., Chaves County, New Mexico, has an operating agreement from the record lessees for operations on lease NM-55911.

This is to certify that the undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: NM-55911

Legal Description of Land:

T.8S, R.28E., Sec.19: Lots 3,4, E/2SW, SE
Sec.20: SE
Sec.29: NW

Bond Coverage: \$150,000 Nationwide No. NM0023

Date: January 31, 1991

Ray Melles
Authorized Signature

Manager
Title

LAND OWNER AGREEMENT - (FEE ACCESS ROAD)

Lease No. NM-55911 Well Name and No. 1 McBride Federal
Subdivision: NWSE Section: 19 T. 8S R. 28E
HANSON OPERATING COMPANY, INC. intends to drill a well on surface owned by
the U.S. Government. The lessee/operator agrees to
complete the following reclamation work in the event the well is completed as
a producing well.

- Yes No Maintain the access road and provide adequate drainage from the road.
- Yes No Reshape and seed any areas not intended for operation of the production facilities.

Other requirements: _____

The following work will be completed when the well is abandoned or if the well is a dry hole.

WELL LOCATION - (PUBLIC SURFACE)

- Yes No Pit will be fenced until dry, then backfilled and recontoured to resemble the surrounding topography.
- Yes No Water bars will be constructed as deemed necessary.
- Yes No Site will require recontouring to conform to the surrounding topography.
- Yes No Entire disturbed area will be seeded with the following seed mixture: Rehabilitate to BLM stipulations

ACCESS ROAD

- Yes No Access road will be closed, recontoured and seeded using the seed mixture above.
- Yes No Water bars will be constructed on the access road as deemed necessary.

Other requirements: Leave road for ranch use.

SURFACE OWNER
Name: White Lake Ranch
Address: 4040 Broadway, Ste. 510
City: San Antonio, TX 78209
State: Texas 78209
Phone No.: _____
Date: _____

OPERATOR/LESSEE
Name: HANSON OPERATING COMPANY, INC.
Address: P.O. Box 1515
City: Roswell, N.M. 88202-1515
State: New Mexico 88202-1515
Phone No.: 505-622-7330
Date: _____

I CERTIFY that reclamation of that portion of my lands to be disturbed as a result of this proposed drilling operation has been discussed with me and agreed upon as indicated above.

2-6-91
Date

White Lake Ranch
A.L. Daugherty
(Surface Land Owner's Signature)
A.L. Daugherty - Local Representative

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

February 5, 1991
Date

David Sweeney
(Lessee/Operator's Signature)