



United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Box 26124
Albuquerque, New Mexico 87125

SEP 26 1978

C. E. LaRue & B. N. Muncy, Jr.
Post Office Box 196
Artesia, New Mexico 88210

C. E. LaRue & B. N. Muncy, Jr. Duval Federal "A" No. 1 1980 FNL 660 FEL Sec. 27, T18S, R30E Eddy County Lease No. LC-058186
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Gentlemen:

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well in the Secretary's Oil - Potash Area to a depth of 3,500 feet to test the Grayburg formation is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL LEASES, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the SURFACE USE PLAN and his approval including the GENERAL REQUIREMENTS.
3. Submit a Daily Report of Operations from spud date until the Well Completion Report (form 9-330) is filed. The progress report should be not less than 8" x 5" in size and each page should identify the well.
4. All above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate sandstone brown (Federal Standard color #595A, color 20318 or 30318).
5. Cement behind the 8-5/8" casing must be circulated.

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6. Notify the District Engineer, Geological Survey, Post Office Drawer U, Artesia, New Mexico, 88210, in sufficient time for a representative to witness the 8-5/8" cementing operations. The office phone number is Area Code 505-746-9838.

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

Area Oil and Gas Supervisor

Enclosure

cc:
Regional Manager, Denver
Mining Branch (2)
BLM, Roswell (w/cy Notice)
✓NMOCC, Artesia (2) (w/2 cys Notice)
Artesia (w/cy Notice)
Roswell (w/cy Notice)
Area (potash)
Area (Chrono.)

N MEXICO OIL CONSERVATION COMMISS'
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-128
 Effective 1-1-65

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

Operator C.E. LaRue & B.N. Muncy		Lease A		Well No. 1
Unit Letter H	Section 27	Township 18 South	Range 30 East	County Eddy

Actual Footage Location of Well:
1980 feet from the **North** line and **660** feet from the **East** line

Ground Level Elev. 3407.2	Producing Formation Grayburg	Pool North Benson (Q, GR)	Dedicated Acreage: 40 Acres
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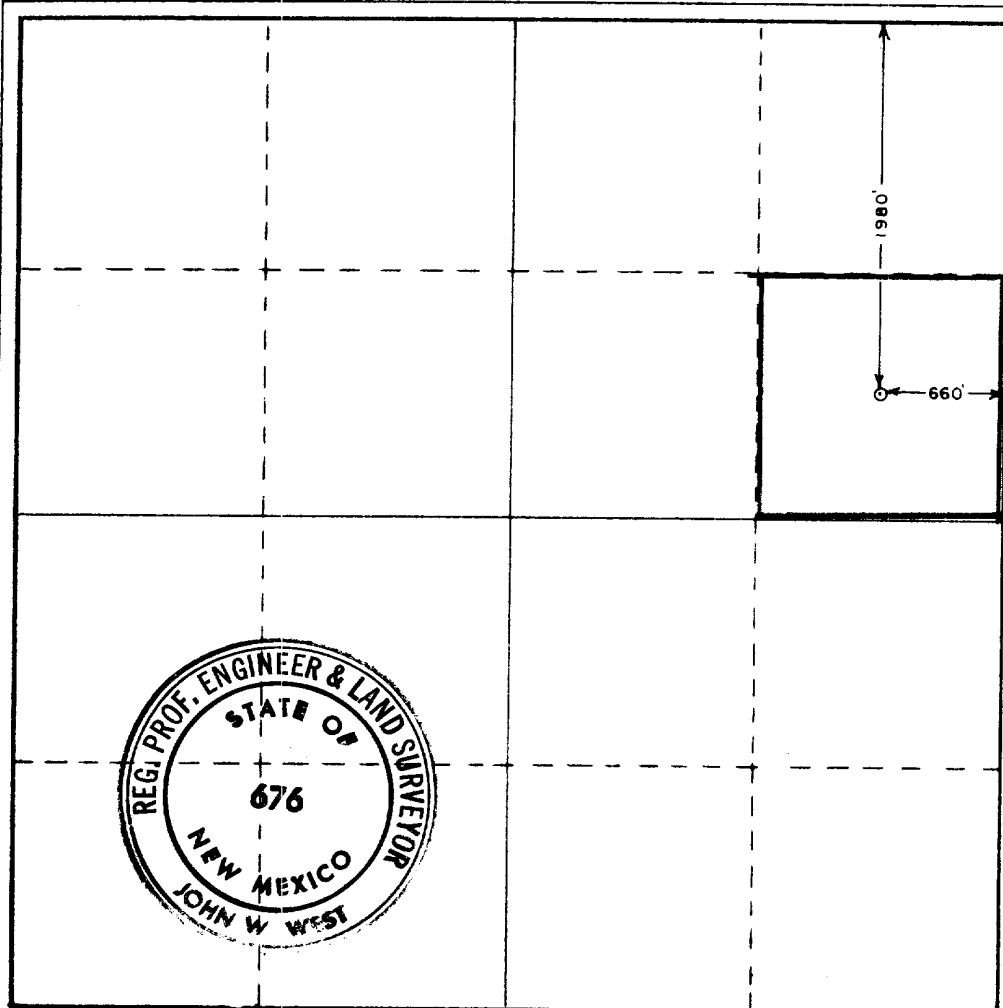
- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated 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 _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated (on the 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 Commission.

RECEIVED
JUN 28 1978
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 ARTESIA, NEW MEXICO



CERTIFICATION

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

Name *[Signature]*
 Position **Operator**
 Company **C. E. LaRue & B. N. Muncy, Jr.**
 Date _____

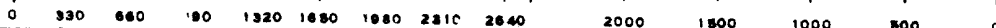
June 20, 1978

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
June 16, 1978
 Registered Professional Engineer
 and/or Land Surveyor

[Signature]

Certificate No. **John W. West 676**
Ronald J. Eidson 3239



C. E. LaRue and B. N. Muncy, Jr.
Duval Federal A No. 1
1980' FNL and 660' FEL, Section 27, T18S, R30E
Eddy County, New Mexico
Lease No. LC 058186
Development Well

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JUN 28 1978

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

1. Existing Roads - Maps showing drillsite and all existing roads are shown on Exhibit A & B from existing road 660' of new road is planned north to location.
2. Planned Access Roads - Exhibit A shows new road to be constructed in red line. Road will be built to a maximum width of 12 feet and surfaced with caliche, with no turn-outs planned. Drainage will not be a factor as surface is sandy with no water drainage. Road design will be for drilling equipment and water haulage for drilling purposes, and for oil trucking. No culverts or special drainage features are believed necessary. Center line of new road has been staked with flagging visible from one stake to the other.
3. Existing Wells are shown on Exhibit B.
4. Tank battery will be placed on edge of drilling pad and flow lines will cross only caliche pad. All pads and access roads will be used for production and maintenance. If well is non-productive the drilling pad, and such access road as not needed to reach other location will be ripped and restored in accordance with current rules.
5. There are no rivers, creeks, lakes, ponds or water wells in the entire lease area. All water for drilling purposes will be trucked to location over present and to be constructed access roads shown on Exhibit A from the nearest water supply at Loco Hills, New Mexico.
6. Caliche pits will be the only source of material used in road and pad construction, location is shown on Exhibit A, in SW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 26. All material will be hauled over present roads and road to be constructed as shown on Exhibit A.
7. All cutting and drilling fluid will be left in pits and covered after they have dried, which should be in 4 to 6 weeks. All garbage and trash will be kept in containers, placed in trash pit as shown on Exhibit C and covered when well is completed. No well in area has produced water or oil during drilling.
8. No camps or airstrips will be constructed.
9. See Exhibit C. There will be no lining used in mud pits. All equipment and transportation will use only access roads and drilling pad. Mud will be stacked on drilling pad adjacent to mud pump. Only minor leveling and caliche cover will be needed on drilling pad. No significant cuts or fills will be required other than construction of mud pits and reserve pit. The pad and pit area have been staked.
10. At completion of drilling and completion operations all equipment not necessary for well production will be removed, pits will be filled when dried, and trash pit will be covered when completion equipment is moved off. All access roads not needed for other producing wells or lease will be ripped and restored in accordance with current rules as will the pad if well is non-production.
11. Area in general is rolling, with sand dunes creating the principal changes in elevation. Mesquite and scrub oak are primary brush growth, with extremely scanty native grasses and fairly heavy weeds. All surface area is Federal land, as are all roads present and to be constructed. Topsoil is extremely sandy, underlaid with caliche. Land is used for grazing purposes and is classed very low in number of livestock it will maintain because, the extremely sparse vegetation, and the fact there is no natural water above ground in the area for streams or ponds and closest water well to this location is 8 miles east. Nothing has been observed in the area that would give indication of archaeological historical or cultural sites. There are no steep hillsides or gullies in the area where road and drilling pad are to be constructed and no drainage or erosion problems should be encountered. Road and pit construction will require little change other than blading and spreading caliche. Wildlife in the area is typical semi-arid natives, numbers of all are considerable less than average across most of this country. The only structure in the area is a Potash Mine 4 miles southwest.
12. Operators representative is B. N. Muncy, Jr. P. O. Box 196, Artesia, New Mexico 88210. Telephone Number (505) 746-6651

C. E. LaRue and B. N. Muncy, Jr.

Duval Federal A No. 1

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13. I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I'm 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 assisted with the operations proposed herein will be performed by LaRue and Muncy and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.



June 27, 1978
Date

B. N. Muncy, Jr.
Operator

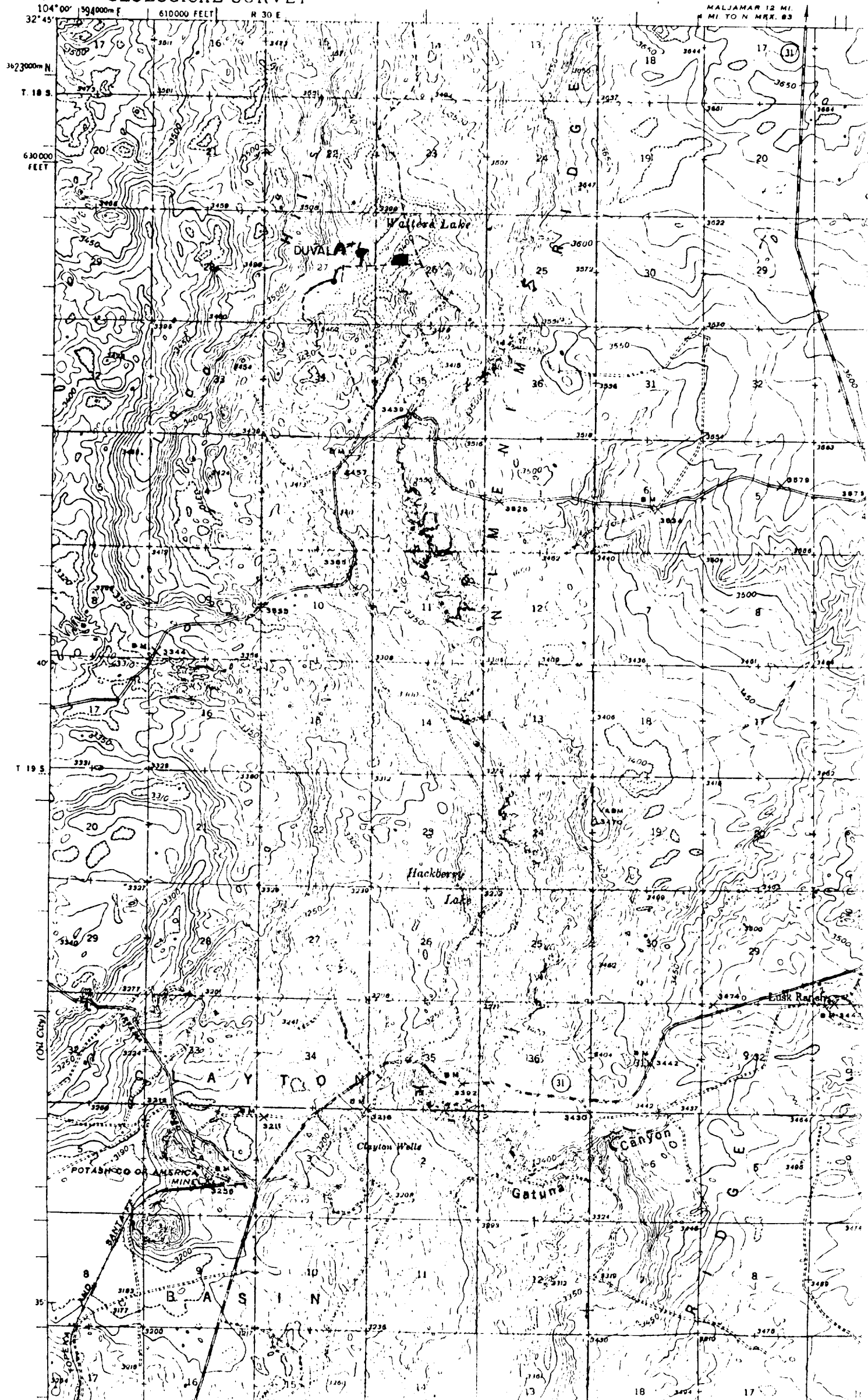
EXHIBIT A A
DUVAL FEDERAL #1

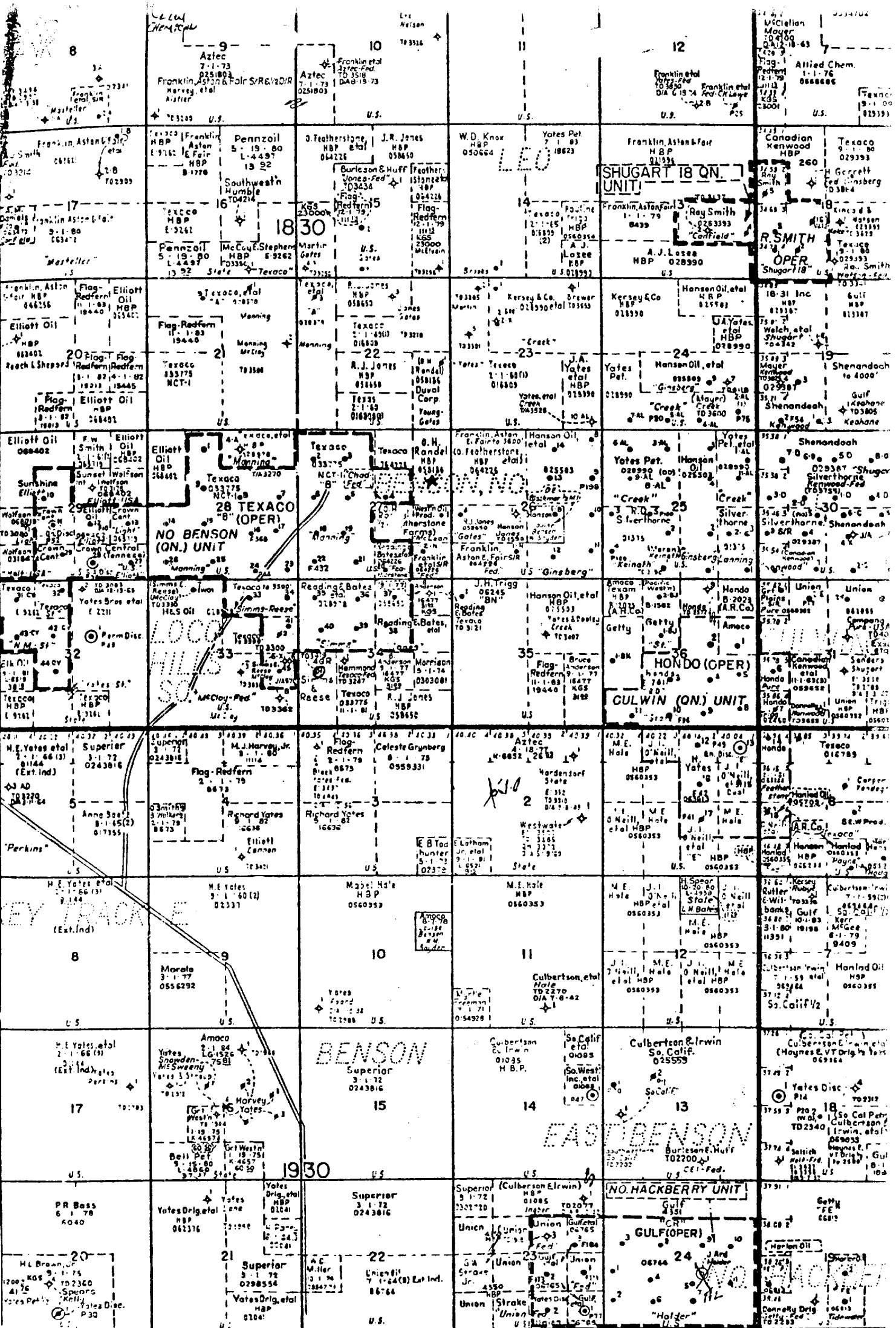
C. E. LARUE AND B. N. MUNCY, JR.

LOCATION
CALICHE PIT

EXISTING ROADS 
ROAD TO BUILD  660

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

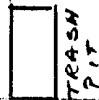
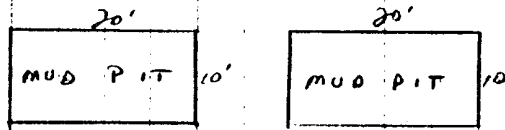
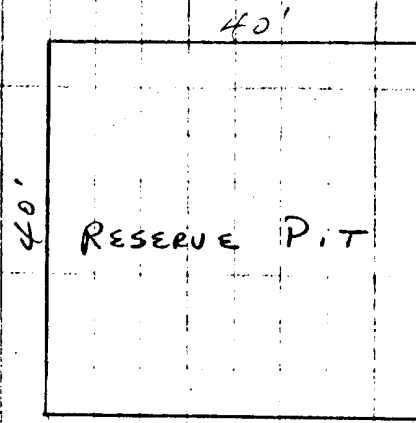




C.E. LaRue and B.N. Muncy, Jr.
 DUVAL FEDERAL #1
 EXHIBIT B

PROPOSED LOCATION
 ★

N - SCALE 1" = 20'



DRILLING PAD - LEVELLED AND CALICHO

100'

PITS WILL BE DUG TO COVER GARBAGE AND TRASH, WHICH WILL BE KEPT IN CONTAINERS UNTIL WELL IS COMPLETED.

C.E. LaRue and B.N. Muncy, Jr.

EXHIBIT C

DUVAL FEDERAL A - No. 1

C. E. LaRue and B. N. Muncy, Jr.

LOCATIONS

ROAD CONSTRUCTION

Artesia - 106

T. 18 S.

T. 19 S.

