

February 20, 1974

plugged cable tool hole. An alternate location was then staked 810' FEL and 1980' FNL of Section 29-21S-27E. Your approval of this alternate location is requested.

The No. 1 Simpson A is located 1/4 mile north and 1/2 mile west of Cities Service Oil Company's Cawley A No. 1 recently completed Morrow Sand producer in the La Huerta Morrow Pool. Projected TD is 11,800'. The primary objective is the Morrow Sand. Secondary objectives are Wolfcamp, Canyon and Strawn.

Mr. W. W. Simpson, Jr., P. O. Box 791, Carlsbad, New Mexico 88220, telephone no. 505/885-4548 owns the land in fee involving our access road and location. Mr. Simpson has been notified of our intent to drill.

The nearest inhabited dwelling is the trailer house of Jess W. Lamon approximately one-half mile southeast of the Simpson A No. 1.

The reserve pit will be lined when it is built. Upon completion of the well, the pits will be backfilled and levelled and debris removed.

If the well is completed as a producer, production equipment will be set no closer than 150' from the well with tanks set to collect both oil and water which will be trucked to sale or disposal. The gas purchaser will install necessary gas measuring equipment and pipeline.

If it is a dry hole, the well will be plugged according to New Mexico Oil Conservation Commission requirements.

The proposed casing program consists of:

13-3/8" set at 400' with cement circulated to surface.

9-5/8" set at 3100' with cement circulated to surface.

5-1/2" set at 11,800' with sufficient cement to fill annulus from TD to 9000'.

In addition to the blow out preventer equipment shown on the attached plat, the following equipment will be in use before drilling out from under the 9-5/8" intermediate casing:

1. Swaco adjustable choke.
2. Pit volume totalizer.
3. Flow line sensor.
4. Degasser.