

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐ PLUG BACK ☐			5. LEASE DESIGNATION AND SERIAL NO. NM 26371		
b. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER ☐			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR Cities Service Oil and Gas Corporation			7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR P.O. Box 1919 - Midland, Texas 79702			8. FARM OR LEASE NAME Federal AF		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*) 842' FSL & 2066' FEL At proposed prod. zone Same as above			9. WELL NO. 1		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 11 miles Northwest from White City, New Mexico			10. FIELD AND POOL, OR WILDCAT Undesignated Pennsylvanian Formation		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 842'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 26-T23S-R23E		
16. NO. OF ACRES IN LEASE 320			12. COUNTY OR PARISH Eddy		
17. NO. OF ACRES ASSIGNED TO THIS WELL 320			13. STATE New Mexico		
18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A			19. PROPOSED DEPTH 9000'		
20. ROTARY OR CABLE TOOLS Rotary			21. APPROX. DATE WORK WILL START* After permit approval		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4317' GR					

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	350'	500 sacks (Circulated)
12-1/4"	8-5/8"	24#	2500'	1150 sacks (Circulated)
7-7/8"	5-1/2"	17#	9000'	1300 sacks (Est. TOC @ 2000')

It is proposed to drill this well to a T.D. of 9000' and test the Pennsylvanian Formation. The blowout prevention program is as follows:

1. One set of blind rams
2. One set of drill pipe rams
3. One Hydril

The acreage dedicated to this well has not been assigned to any gas purchaser.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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. SIGNED Elmer W. Startz TITLE Reg. Opr. Mgr. - Prod. DATE 7-09-85
(This space for Federal or State office use)

PERMIT NO. NM OIL COM. 88210 APPROVAL DATE 7-15-85
APPROVED BY Orig: Sgd: Charles S. DeWitt TITLE Area Manager

Subject to Unorthodox
Like Approval location *See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS A
SPECIAL STIPULATIONS

ATTACHED

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill, deepen, or plug back an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

NEW MEXICO OIL CONSERVATION COMMISSION
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 CITIES SERVICE OIL & GAS CORP.			Lease FEDERAL A F		Well No. 1
Unit Letter 0	Section 26	Township 23 S	Range 23 E	County EDDY	
Actual Footage Location of Well: 842 feet from the SOUTH line and 2066 feet from the EAST line					
Ground Level Elev. 4317.0'	Producing Formation Pennsylvanian	Pool Undesignated Pennsylvanian		Dedicated Acreage: 320 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?

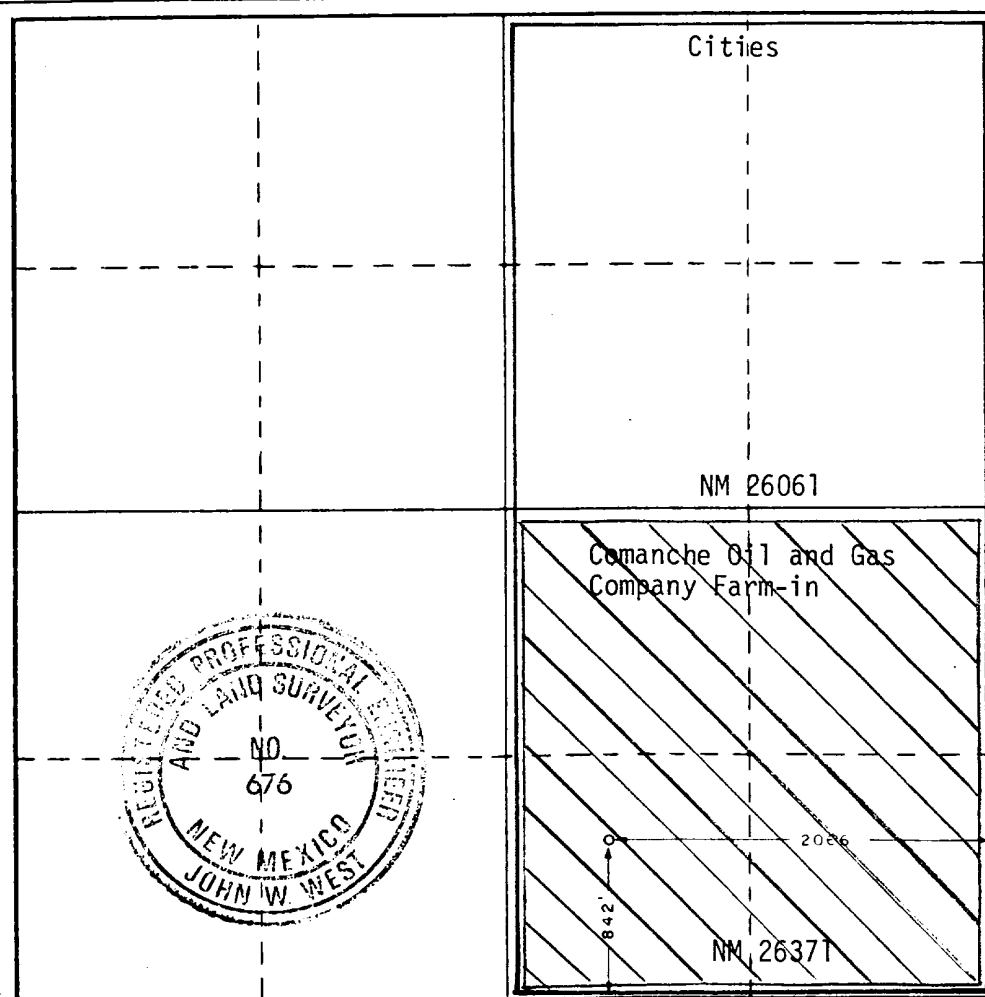
☒ Yes ☐ No

If answer is "yes," type of consolidation

Communitization

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 Commission.



CERTIFICATION

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

Name

Elmer W. Startz

Position

Reg. Opr. Mgr. - Prod.

Company

Cities Service O&G Corp.

Date

July 9, 1985

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

07/03/85

Registered Professional Engineer and/or Land Surveyor

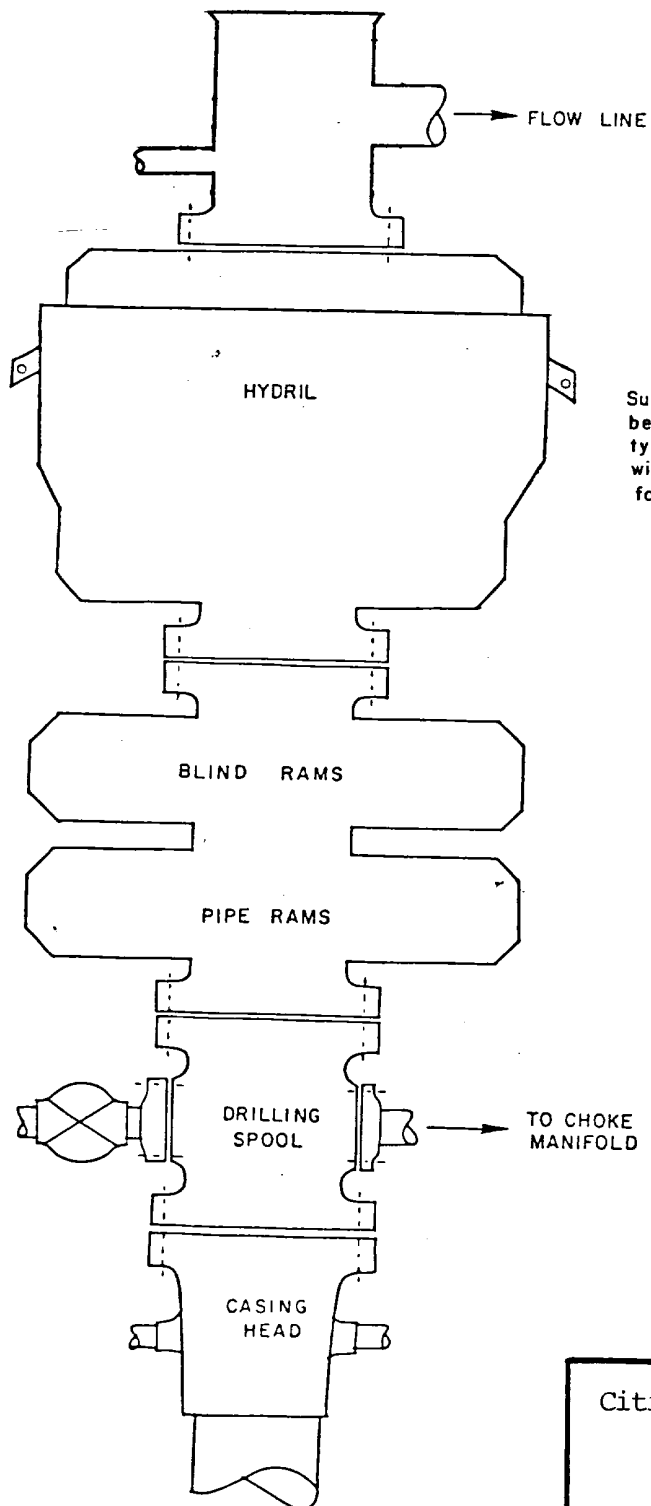
John W. West

Certificate No. JOHN W. WEST, 676

RONALD J. EIDSON, 3239



BLOWOUT PREVENTER DIAGRAM



CLOSING METHOD

Sufficient accumulator volume shall be available to operate both the bag type preventer and pipe ram preventer with a snap-action through the following steps: close-open-close.

Federal-AF No. 1

Cities Service Oil & Gas Corporation
842' FSL & 2066' FEL
Section 26-T23S-R23E
Eddy County, New Mexico

Federal Lease No. NM-26371

☒ 5000# W.P. 2" CAM. TYPE F GATE VALVE OR EQUIVALENT

☐ BUTTERFLY VALVE

Federal-AF No. 1

Cities Service Oil & Gas Corp.
842' FSL & 2066' FEL
Section 26-T23S-R23E
Eddy County, New Mexico
Federal Lease No. NM-26371

6. Proposed total depth is 9000 feet.

7. Estimated tops of important geologic markers:

Base Artesia Series	1790'
Bone Spring	4090'
Dean	6965'
Wolfcamp	7240'
Cisco Limestone	8155'
Canyon	8465'
Strawn	8915'
Total Depth	9000'

8. Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

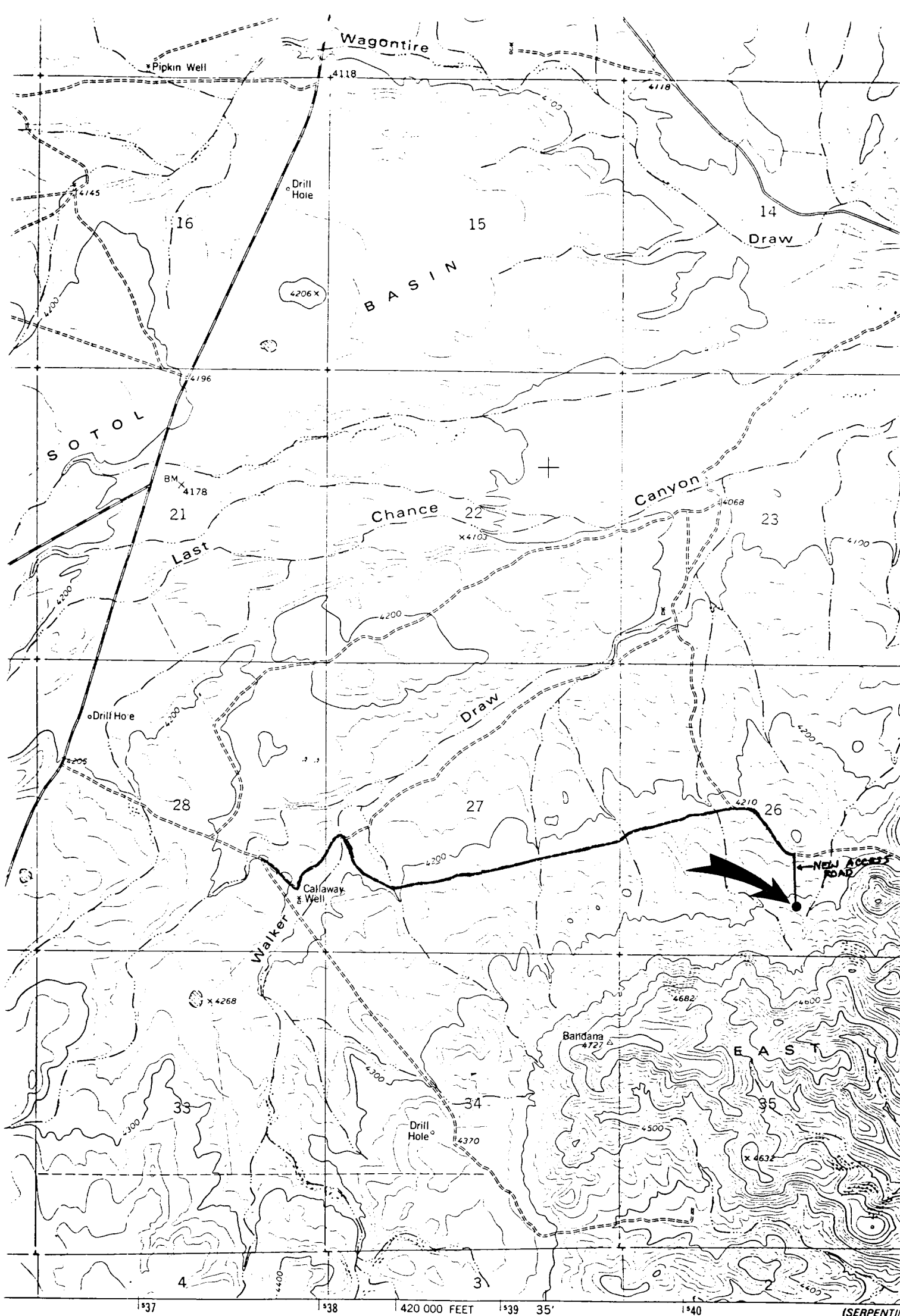
Primary Objective:	Cisco	8155'
	Canyon	8465'
Secondary Objective:	Strawn	8915'

9. The proposed casing program is as follows:

Surface:	13-3/8" OD 48# H40 ST&C new casing
Intermediate:	8-5/8" OD 24# K55 ST&C new casing
Production:	5-1/2" OD 17# N80 LT&C new casing

10. Casing setting depth and cementing program:

- A. 13-3/8" OD surface casing set at 350' in 17-1/2" hole. Circulate cement with 300 sacks TLW with 0.25# Flocele and 2% CaCl_2 followed by 200 sacks Class C plus 2% CaCl_2 . If cement does not circulate, determine the top of cement by temperature survey then finish cementing to the surface through 1" in the annulus using Class C with 2% CaCl_2 .
- B. 8-5/8" OD intermediate casing set at 2500' in 12-1/4" hole. Circulate cement with 850 sacks TLW, ~~15# salt~~, 0.25# Flocele and 5# Gilsonite per sack followed by 300 sacks Class C with 2% CaCl_2 . If cement does not circulate, determine the top of cement by temperature survey then finish cementing to the surface through 1" tubing in the annulus, using Class C with 2% CaCl_2 .



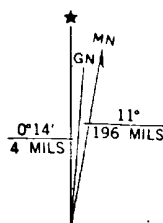
Published by the Geological Survey

1A

Methods from aerial
checked 1974. Map edited 1978

1 ticks: New Mexico
transverse Mercator)
se Mercator grid ticks,
North American datum

selected fence lines



UTM GRID AND 1978 MAGNETIC NORTH
DECLINATION AT CENTER OF SHEET

SCALE 1
0

EXHIBIT C
Federal-AF No. 1
Cities Service Oil & Gas Corporation
842" FSL & 2066' FEL
Section 26-T23S-R23E
Eddy County, New Mexico
Federal Lease No. NM-26371

FOR SALE BY U.S. GEOLOGICAL SURVEY, DENVER

LOCATION PLAT

Rig up with V-Door to east
and reserve pit to north.

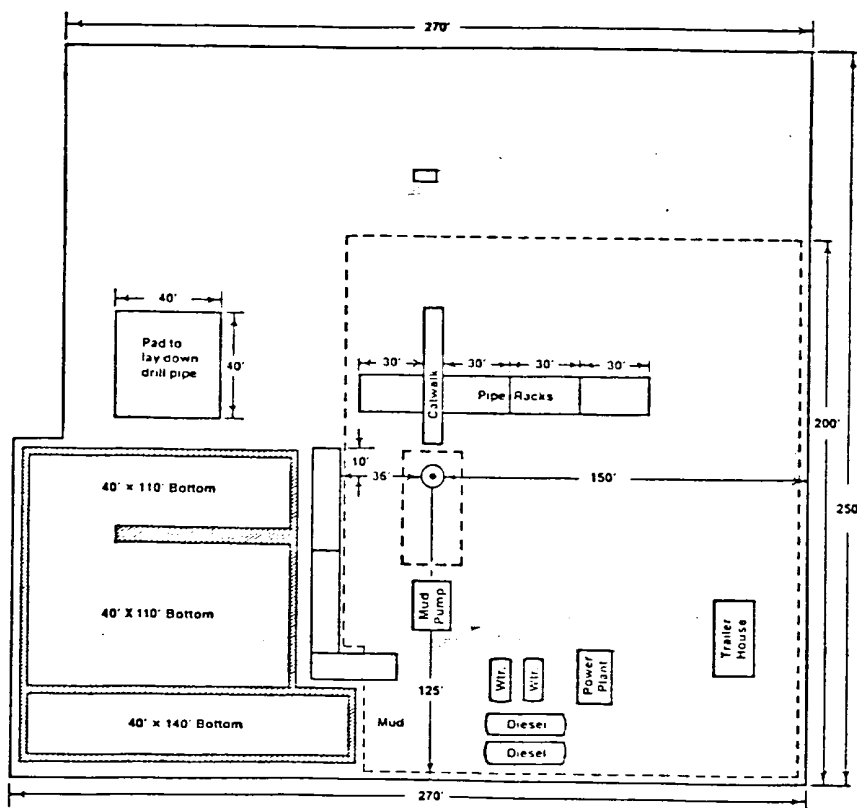


EXHIBIT E
Federal-AF No. 1
Cities Service Oil & Gas Corporation
842' FSL & 2066' FEL
Section 26-T23S-R23E
Eddy County, New Mexico
Federal Lease No. NM-26371