

Confidential

SUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)Form approved.  
Budget Bureau No. 42-R1425.DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

## 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

Gulf Oil Corporation

## 3. ADDRESS OF OPERATOR

P. O. Box 670, Hobbs, NM 88240

## 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

1524' FNL &amp; 1874' FEL

At proposed prod. zone Same

## 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

2 miles SE of Counselor, New Mexico

## 10. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any) 1524' FLL

6804' FUL

## 18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

## 21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6959' GL

## 23.

## 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#	400'	300 sx-circ
12 1/4"	9-5/8"	40#	6,700'	1000 sx-tie back to surf csg
8 1/2"	5 1/2"	17#	12,500'	to be determined by electric log evaluation

Mud Program:

0' - 400'

400' - 6,700'

6,700' - TD

FW Spud Mud 8.6-8.8 ppg, 36 vis

LSND or Air Foam 8.6-8.9 ppg, 34-38 vis, 20 wl

KCL Poly or Air Foam 8.7-9.0 ppg, 32-34 vis, 10-20 wl,  
5% KCL

See Attached BOP Drawing #4-R

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SEP 21 1983

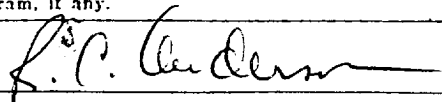
OIL CON. DIV.

DIST. 3

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



TITLE Area Production Manager

DATE

8-1-83

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

APPROVED

AS AMENDED

AUG 26 1983

Robert Moore  
AREA MANAGER  
FARMINGTON RESOURCE AREA

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

Operator GULF OIL CORPORATION			Lease GALLO CANYON FEDERAL STATE DEEP		Well No. UNIT WELL
Unit Letter G	Section 26	Township 23 NORTH	Range 6 WEST	County SANDOVAL	
Actual Footage Location of Well: 1524 feet from the NORTH line and 1874 feet from the EAST line					
Ground Level Elev. 6959	Producing Formation Wildcat		Pool Wildcat	Dedicated Acreage: 40	

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 work 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 \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side 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.

RECEIVED

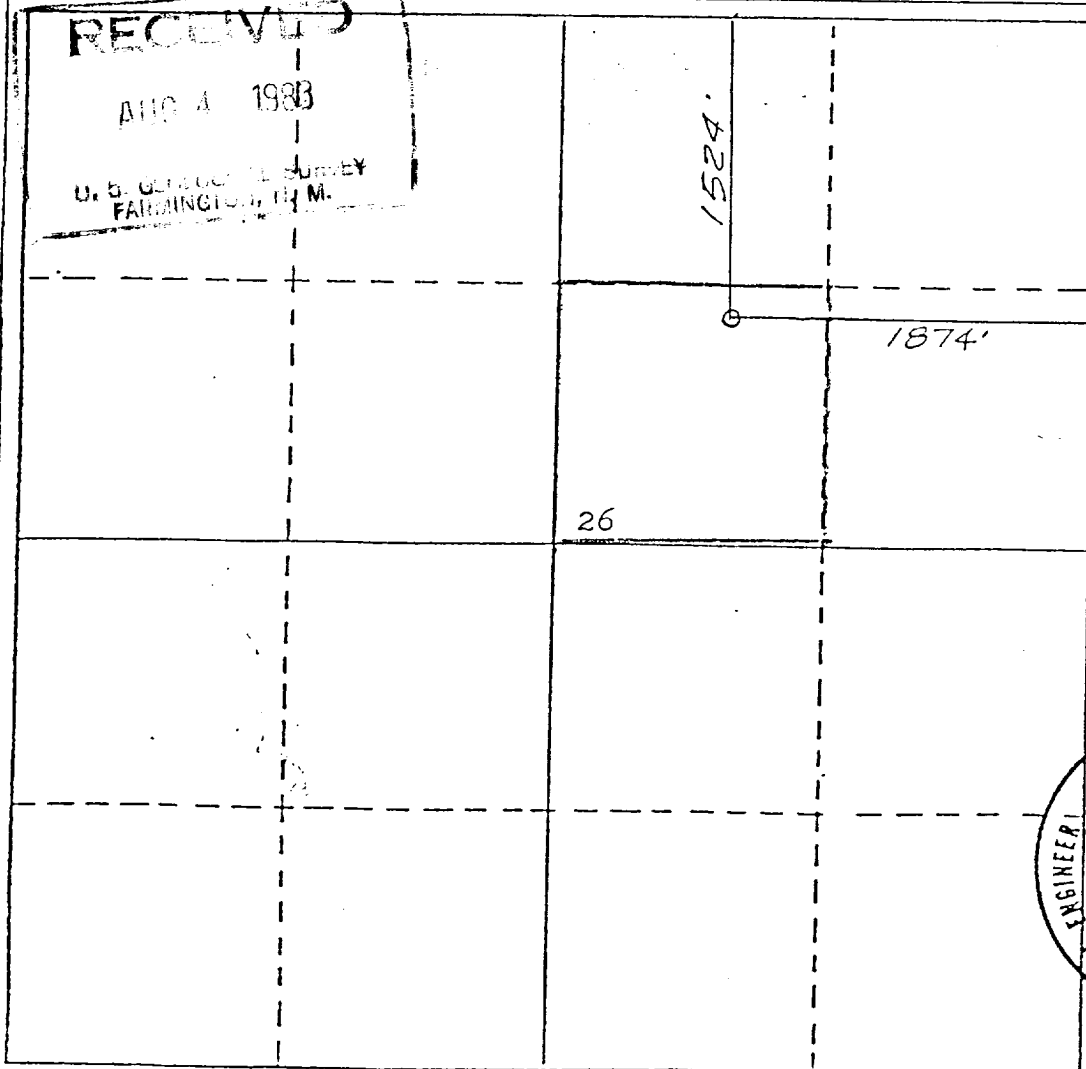
SEP 21 1983

OIL CON. DIV.

DIST. 3

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AUG 4 1983

U. S. GEOLOGICAL SURVEY  
FARMINGTON, N. M.

## CERTIFICATION

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

L. C. Anderson

Name

R. C. ANDERSON

Position

AREA PRODUCTION MGR

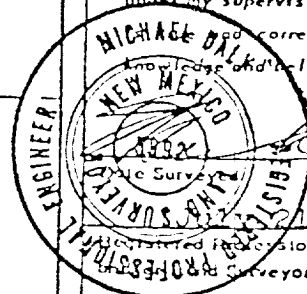
Company

GULF OIL CORP.

Date

7-29-83

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 are correct to the best of my knowledge and belief.



Michael Daly

Certificate No.

5902

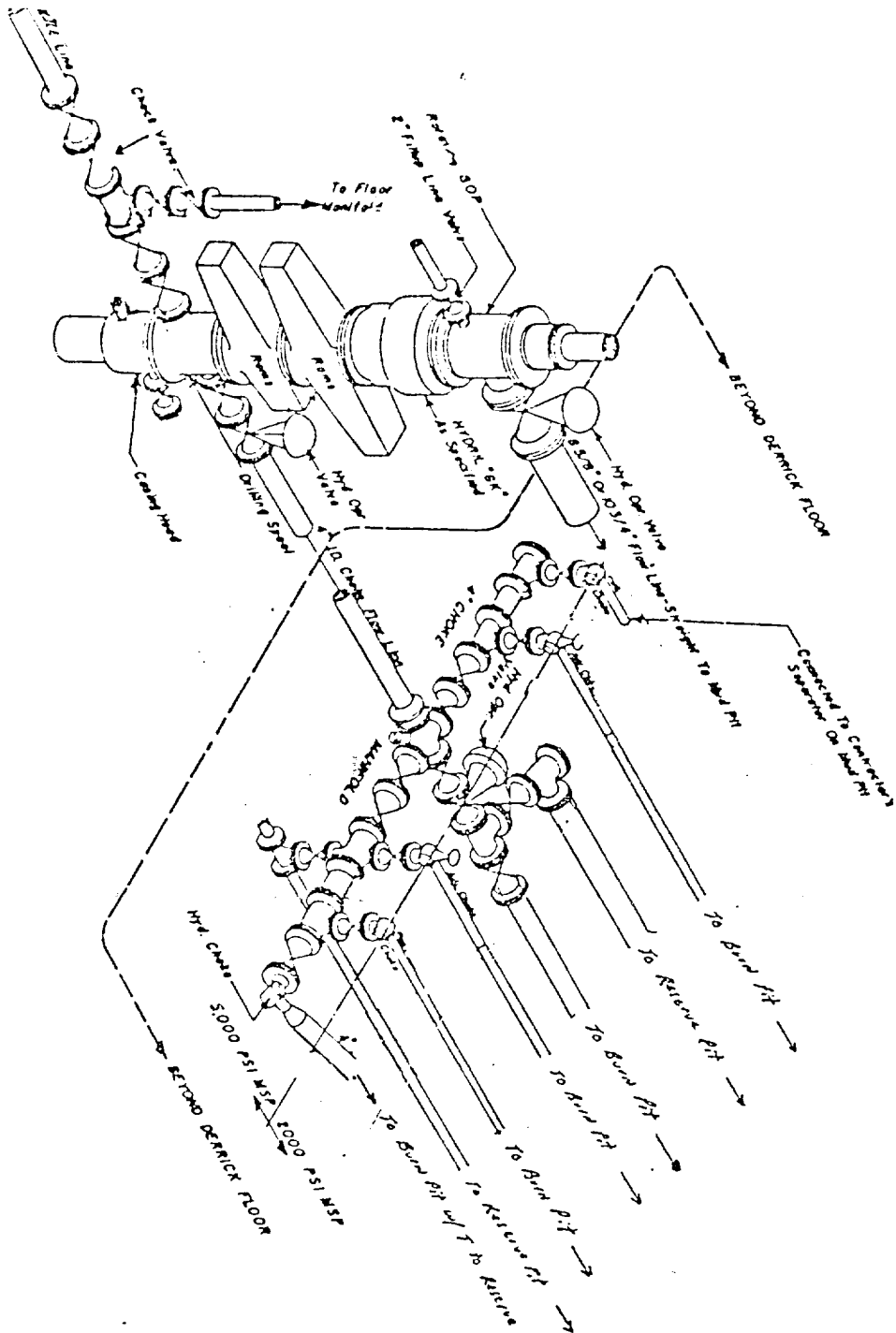


The blowout preventer assembly shall consist of one single type blind room preventer and one single type pipe ram preventer, both hydraulically operated, a 4½ inch "GX" preventer, a rotating blowout preventer, valves, check preventer, and connections, as illustrated. If a tapered drill string is used, a ram preventer must be provided for each size of drill pipe. Casing and tubing must fit the preventers and be to be available as needed. If correct in size, the flanged outlet of the ram preventer may be used for connecting to the 4-inch I.D. choke flow line and 4-inch I.D. relief line, except when air or gas drilling. All preventer connections are to be open-face flanged.

The closing manifold and remote actuating manifold shall have a separate control for each pressure-operated device. Controls are to be labeled, with control handles indicating open and closed positions. A pressure-reducer and regulator must be provided for operating the hydrofill preventers. When requested, a second pressure-reducer shall be available to limit operating fluid pressures to ram preventers. Gulf Leighton No.-28 hydraulic oil, or equivalent or better, is to be used on the fluid to operate the hydraulic equipment.

The choke manifold, choke flow line, relief line, and choke lines are to be supported by metal stands and adequately anchored. The choke flow line, relief line, and choke lines shall be constructed as straight as possible and without sharp bends. Easy and safe access is to be maintained to the choke manifold. If deemed necessary, walkways and stairways shall be erected in and around the choke manifold. All valves are to be selected for operation in the presence of oil, gas, and drilling fluid. The choke flow line valves and relief line valves connected to the drilling unit and all ram type preventers must be equipped with stem extensions, universal joints if needed, and hand wheels which are to extend beyond the edge of the derrick substructure. All other valves are to be equipped with handles.

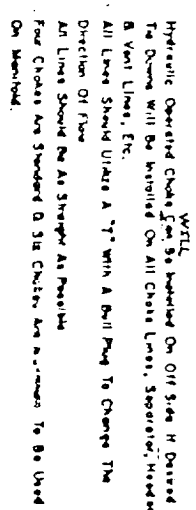
\* To include derrick floor mounted controls.



# 5,000 PSI WORKING PRESSURE BLOWOUT PREVENTER & CHOKE MANIFOLD HOOK-UP

## NOTES

WELL  
Hydraulic Operated Choke Line Be Installed On Oil Side If Desired  
The Down will Be Installed On All Choke Lines, Separator, Header  
& Vent Lines, Etc.  
All Lines Should Utilize A 7" With A Bull Plug To Change The  
Direction Of Flow  
All Lines Should Be As Strong As Possible  
Four Chokes Are Standard 8 1/2 In Chokes Are Recommended To Be Used  
On Manifold.



5,000 PSI WORKING  
PRESSURE BLOWOUT PREVENTER  
& CHOKE MANIFOLD HOOK-UP

# Gulf Oil Exploration and Production Company

R. C. Anderson  
PRODUCTION MANAGER  
OIL FIELD AREA

August 1, 1983

P. O. Box 670  
Hobbs, NM 88240

Bureau of Land Management  
Drawer 600  
Farmington, New Mexico 87401

Gentlemen:

The following is Gulf Oil Corporation's plan for surface restoration associated with the drilling of our Gallo Canyon Federal State Deep Unit Well #1 to be located 1524' FNL & 1874' FEL, Section 26, Township 23 North, Range 6 West, Sandoval County, New Mexico.

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. The location and all pits will be fenced with a 3-strand barbed wire fence during all operations.

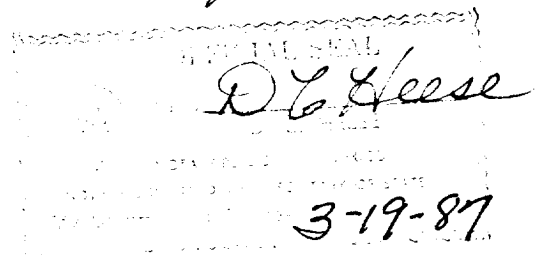
After abandonment of the well, surface restoration will be in accordance with the Surface Management Agency. The exposed portions of the pit liner will be removed and the remaining portions interred with the drill cuttings. Rehabilitation should be accomplished within 90 days after abandonment, weather permitting.

Yours very truly,

*R. C. Anderson*  
R. C. Anderson

GAB/jr

Subscribed and sworn to before me this 3rd day of August, 1983.



A DIVISION OF GULF OIL

# Gulf Oil Exploration and Production Company

R. C. Anderson  
PRODUCTION MANAGER  
HOBBES AREA

August 1, 1983

P. O. Box 670  
Hobbs, NM 88240

Re: Application for Permit to Drill  
Proposed Gallo Canyon Federal State  
Deep Unit Well #1  
Sandoval County, New Mexico

Bureau of Land Management  
Drawer 600  
Farmington, New Mexico 87401

Gentlemen:

We are submitting the information requested in (NTL-6) which should accompany application for permit to drill the subject well.

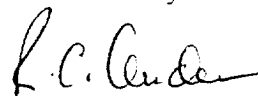
1. Location: 1524' FNL & 1874' FEL, Section 26-T23N-R6W, Sandoval County, New Mexico
2. Elevation of Unprepared Ground: 6959'
3. Geological Name of Surface Formation: Sandy Loam
4. Type of Drilling Tools: Rotary
5. Proposed Drilling Depth: 12,500'
6. Estimated Tops of Geological Markers: Pictured Cliffs 2044'; Mancos Shale 4526'; Gallup 5126'; Dakota 6044'; Morrison 6260'; Entrada 7360'; Permian 8540'; Madera-Ark Lm 10,375'; Mississippian 12,200'
7. Estimated Depths at which Anticipated CO<sub>2</sub> Bearing Formations Are Expected: Pictured Cliffs 2044'; Gallup 5126'; Dakota 6044'; Mississippian 12,200'
8. Casing Program and Setting Depth:

	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Depth Set</u>
Conductor	20"	94#	H-40	40'
Surface	13-3/8"	48#	H-40	400'
Intermediate	9-5/8"	40#	N-80	6,700'
Production	5 1/2"	17#	K-55, N-80	12,500'



9. Casing Setting Depth and Cementing Program:
- A. Conductor set and redimixed down backside to bottom of cellar.
  - B. Surface casing set at 400' and cemented by pump and plug with 350 sacks Class "B" w/2%  $\text{CaCl}_2$ . Cement will be brought back to surface.
  - C. Intermediate casing will be set at approximately 6,700' and cemented by pump and plug method with 1000 sacks Class "B" Gulfmix and Class "B" neat.
  - D. Production casing will be set to productive horizon, if encountered, and cemented with Class "H".
10. Pressure Control Equipment: The minimum requirement for control equipment can be seen on attached Drawing #4-R of Gulf's blowout preventer hook-up for 5000 psi working pressure.
11. Circulating Media:
- |              |   |   |   |
|--------------|---|---|---|
| 0' - 400'    | : | : | FW Spud Mud 8.6-8.8ppg, 36vis, NC WL              |
| 400' - 6700' | : | : | LSND 8.6-8.9ppg, 20wl, 9ph, or Air Foam           |
| 6700' - TD   | : | : | KCL Poly 8.5-9.0ppg, 10-20wl, 5% KCL, or Air Foam |
12. Testing, Logging and Coring Programs:
- A. Formation testing may be done at any depth where samples, drilling rate or other information indicates a possible show.
  - B. Open hole logs will be run prior to running casing.
  - C. Coring is not anticipated.
13. Abnormal Pressure or Temperature and Hydrogen Sulfide Gas: None expected, but monitoring equipment will be installed at intermediate casing depth.
14. Anticipated Starting Date: August 15, 1983
15. Other Facets of the Proposed Operation: None

Yours very truly,



R. C. Anderson

GAB/jr



# Gulf Oil Exploration and Production Company

R. C. Anderson  
PRODUCTION MANAGER  
HOBBS AREA

August 1, 1983

P. O. Box 670  
Hobbs, NM 88240

Re: Surface Development Plan  
Proposed Gallo Canyon Federal State  
Deep Unit Well #1  
Sandoval County, New Mexico

Bureau of Land Management  
Drawer 600  
Farmington, New Mexico 87401

Gentlemen:

The surface use and operations plan for the proposed Gallo Canyon Federal State Deep Unit #1 is as follows:

1. Existing Roads:

- A. Exhibit "A" is a portion of a Sandoval County general highway map showing the location and planned access road as staked. Take NM 44 1½ miles southeast from Counselor and turn from roadway south 1200' to location.
- B. Exhibit "B" is a plat showing all existing roads within a 1-mile radius of the location.

2. Planned Access Roads:

- A. Length and Width: Required road will be approximately 1200' long and 12' wide. It will be compacted and watered.
- B. Turnouts: None required
- C. Culverts: One required at edge of highway as per state requirements.
- D. Cuts and Fills: None required
- E. Gates and Cattleguards: A cattleguard will be installed just off of the highway through barbed wire fence.

3. Location of Existing Wells: The nearest producing well is approximately 1760' west. It is the Dietrich Exploration Well #22 Federal 26. It has been produced in the Gallup. This well is shown on Exhibit "B".

4. Tank Batteries, Production Facilities and Lease Pipelines: Should production be encountered, the tank battery and other required production equipment will be located on the well pad. All production lines will be constructed on well pad and above ground. Refer to Exhibit "D".



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5. Water Supply: Water for drilling will be purchased from a supplier and transported by truck to the wellsite over the existing and proposed roads shown in Exhibits "A" and "B".
6. Source of Construction Materials: None required
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 pits are dry.
  - C. Water produced during tests will be disposed of in drilling pits.
  - D. Current laws and regulations pertaining to disposal of human waste will be complied with.
  - E. Trash, waste paper, sacks, garbage and junk will be burned or buried in a separate trash pit and covered with a minimum of 24" of dirt. All waste material will be contained to prevent scattering by the wind. Location of trash pit is shown in Exhibit "C".
  - F. All trash and debris will be buried or removed from wellsite within 30 days after finishing drilling and/or completion operations.
8. Ancillary Facilities: None required
9. Wellsite Layout:
  - A. Exhibit "C" shows relative location and dimensions of well pad, mud pits, reserve pit, trash pit and location of major rig components.
  - B. No cuts or fills necessary
  - C. Reserve pit will be plastic-lined.
  - D. The wellsite and work area have been staked.
10. Plans for Restoration of 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 location cleaned of all trash and junk to leave wellsite in as aesthetically pleasing condition as possible.
  - B. Any ungraded pits containing fluids will be fenced until they are filled.
  - C. After abandonment of the well, surface restoration will be in accordance with the Surface Management Agency. The exposed portions of the pit liner will be removed and the remaining portions interred with the drill cuttings. Rehabilitation should be accomplished within 90 days after abandonment, weather permitting.

11. Other Information:

- A. Topography: Wellsite is located on broken to gently rolling terrain approximately 1.4 miles southeast of Counselor, New Mexico.
- B. Soil: Soil is primarily sandy and very sandy loam.
- C. Flora & Fauna: The area is used for grazing and wood cutting. It varies between 0-60% ground cover. Juniper, Pinon and Gambel Oak are present to the south and Sagebrush dominates our impacted area with small amounts of Galleta, Grama Grass, Mountain Mahogany, Prickly Pear and also Yucca.
- D. Ponds and Streams: None
- E. Residences and Other Structures: Settlement of Counselor, NM is 1.4 miles NW.
- F. Land Use: Land is used for grazing and wood cutting.
- G. Surface Ownership: Wellsite is Federal under BLM surface management.

12. Operator's Representative:

Gulf Oil Exploration and Production Company  
A Division of Gulf Oil Corporation  
P. O. Box 670, Hobbs, New Mexico 88240  
Telephone: (505) 393-4121  
Area Production Manager: R. C. Anderson

13. Certification:

I hereby certify that I, or persons 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; and that the work associated with the operations proposed herein will be performed by Gulf Oil Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

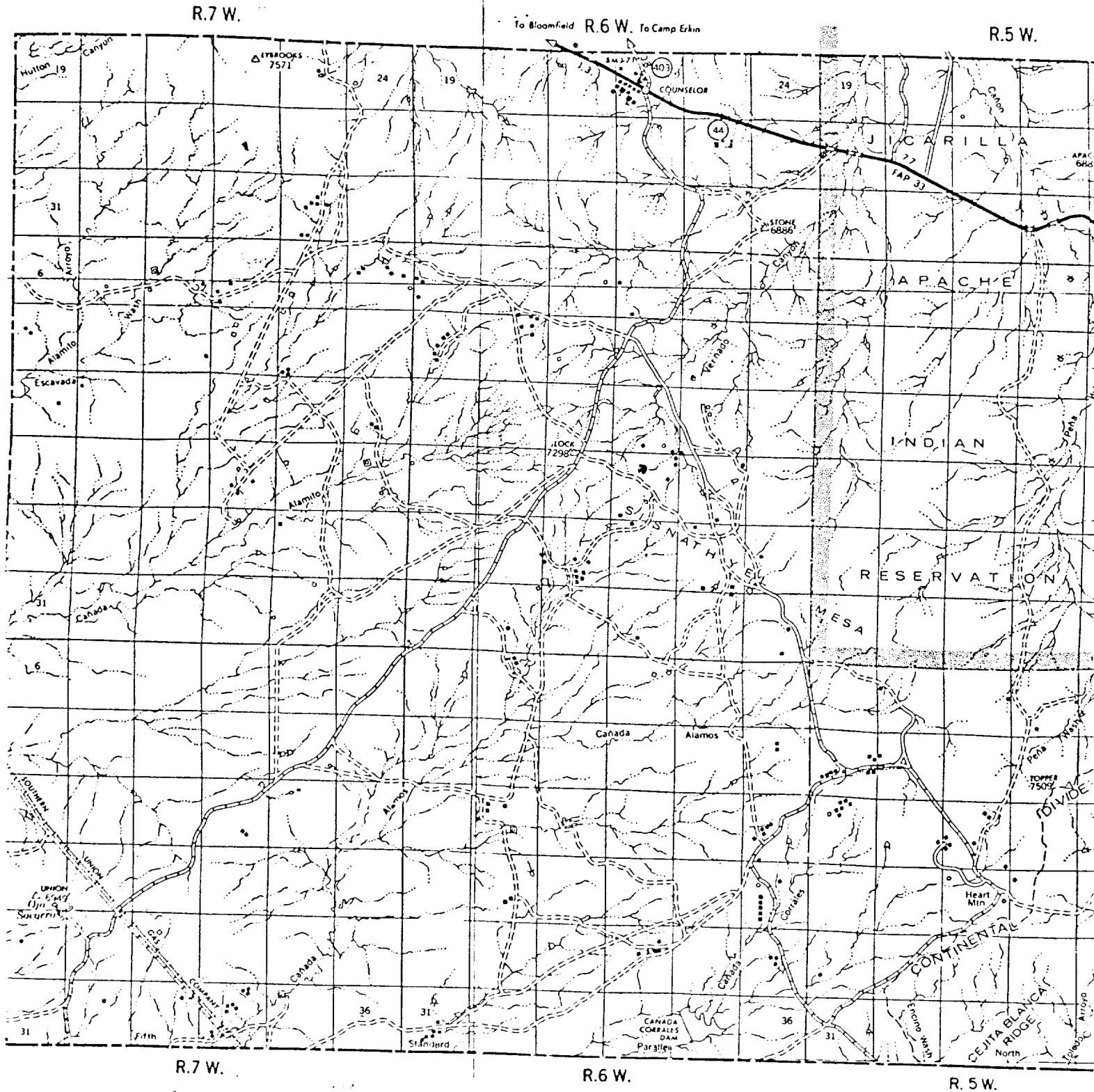


R. C. Anderson  
Area Production Manager

Date: August 1, 1983

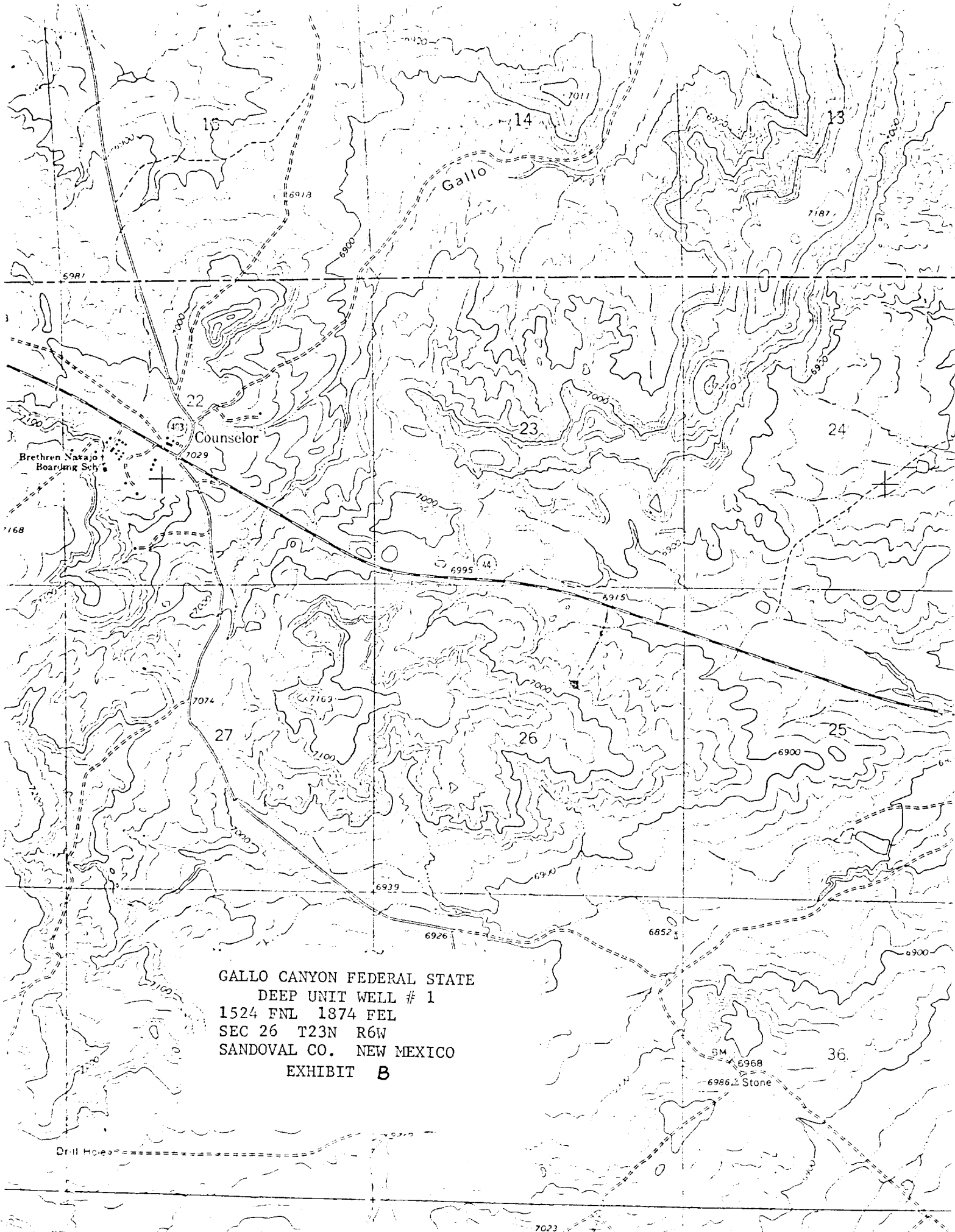
GAB/jr

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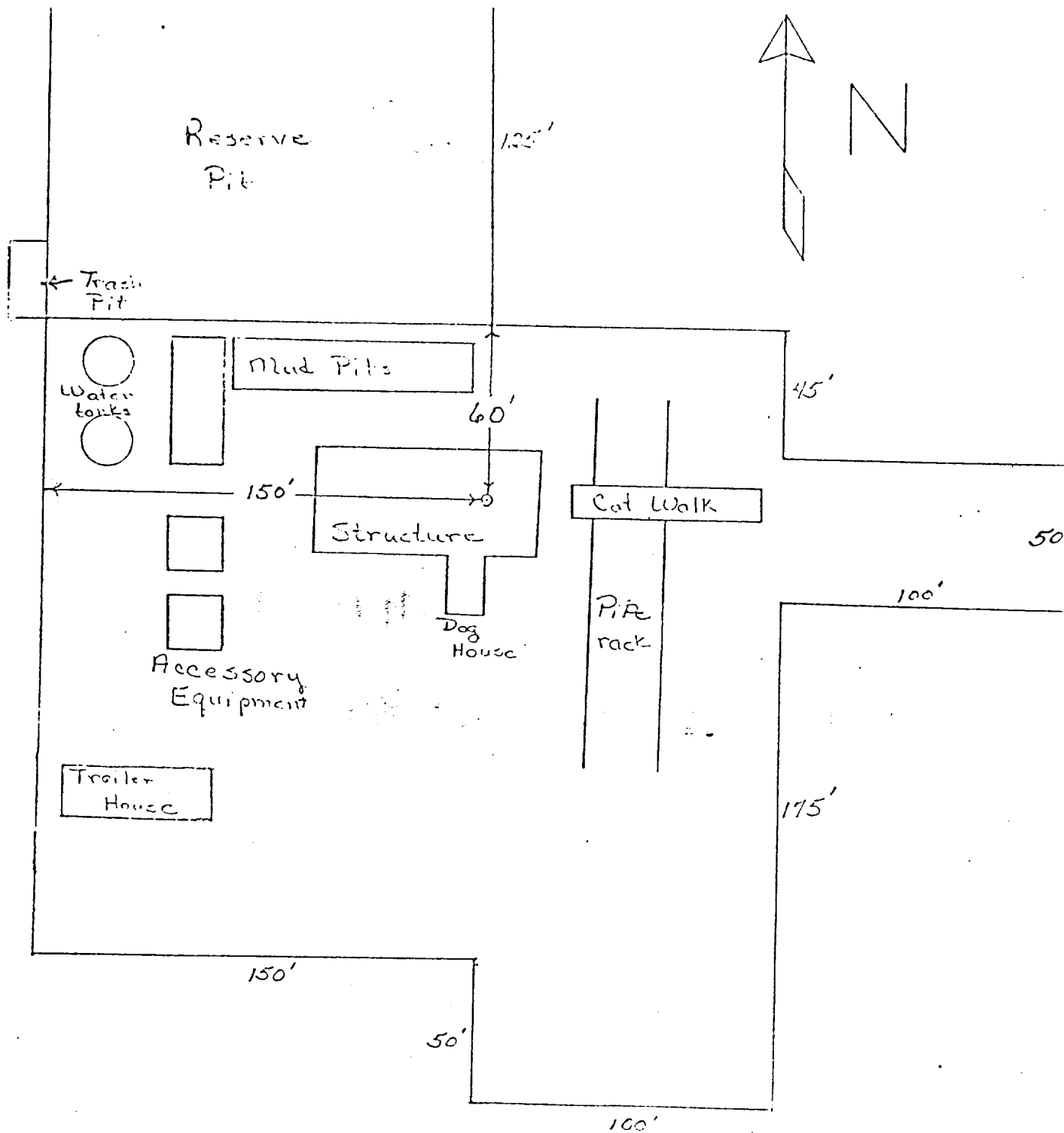


GALLO CANYON FEDERAL STATE  
 DEEP UNIT WELL # 1  
 1524 FNL 1874 FEL  
 SEC 26 T23N R6W  
 SANDOVAL CO. NEW MEXICO  
 EXHIBIT A

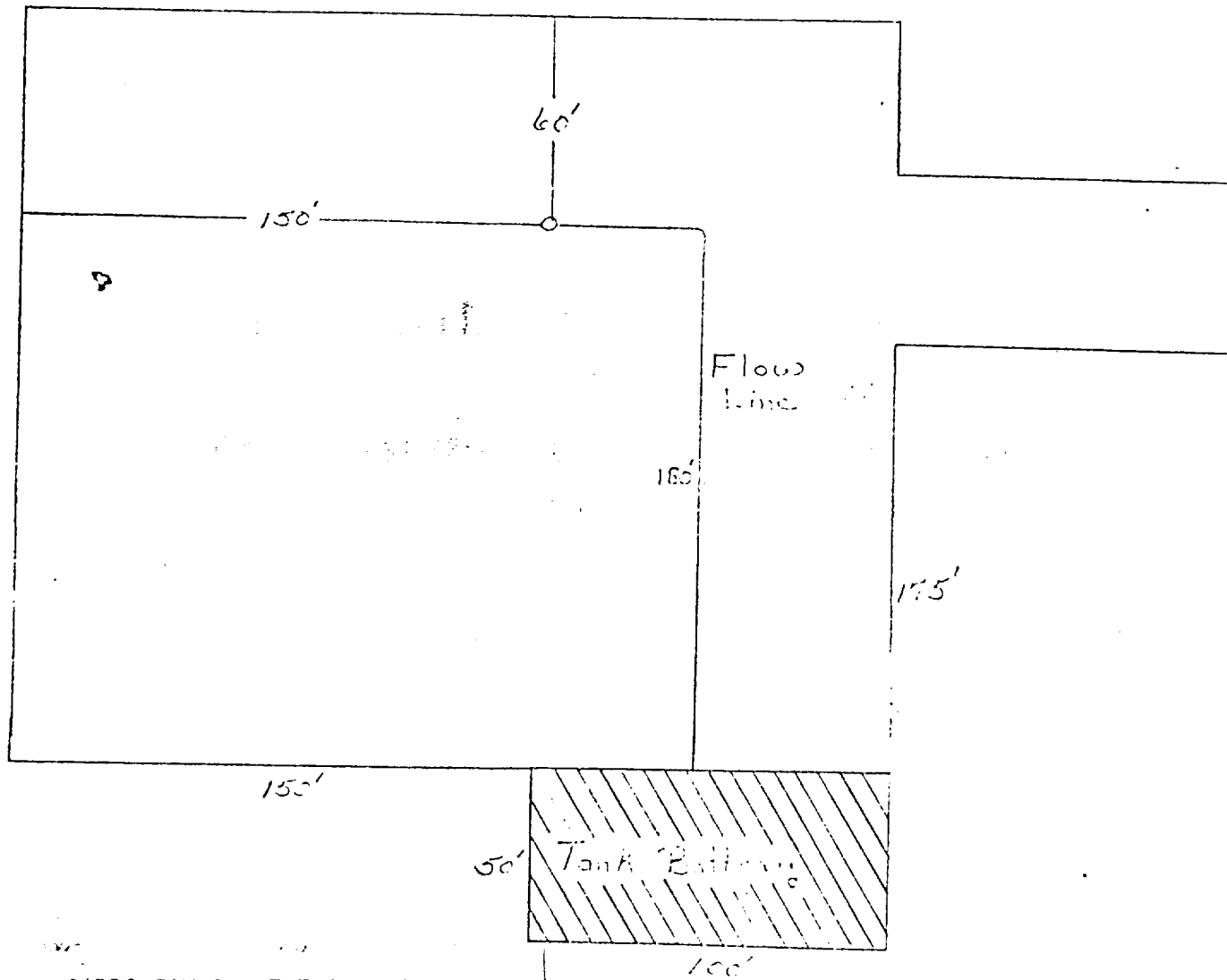
Y C O U N T Y



GALLO CANYON FEDERAL STATE  
DEEP UNIT WELL # 1  
1524 FNL 1874 FEL  
SEC 26 T23N R6W  
SANDOVAL CO. NEW MEXICO  
EXHIBIT B



GALLO CANYON FEDERAL STATE  
 DEEP UNIT WELL # 1  
 1524 FNL 1874 FEL  
 SEC 26 T23N R6W  
 SANDOVAL CO. NEW MEXICO  
 EXHIBIT C



GALLO CANYON FEDERAL STATE  
 DEEP UNIT WELL # 1  
 1524 FNL 1874 FEL  
 SEC 26 T23N R6W  
 SANDOVAL CO. NEW MEXICO  
 EXHIBIT D

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE  
(Other instructions on reverse side)

Form approved  
Budget Bureau No. 42-1111

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals.)

1. ☒ OIL WELL ☒ GAS WELL ☐ OTHER

2. NAME OF OPERATOR  
Gulf Oil Corporation

3. ADDRESS OF OPERATOR  
P. O. Box 670, Hobbs, NM 88240

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)  
At surface  
1524' FNL + 1874' FEL

14. PERMIT NO.

15. ELEVATIONS (Show whether OF, AT, OR, ETC.)  
6959' GL

5. LEASE DESIGNATION AND SERIAL NO.  
NM 38584

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT ADDRESS  
Sello Canyon Fed  
State Dept. Unit

8. FARM OR LEASE NAME

9. WELL NO.  
1

10. FIELD AND FOOT, OR WILDCAT  
Wildcat Miss

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec 26-T23N-R6W

12. COUNTY OR PARISH  
Sandoval NM

13. STATE

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OCT 21 1983

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	MULTIPLE COMPLETION	<input type="checkbox"/>
ABANDON OR ACIDIZE	<input type="checkbox"/>	ABANDON*	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
(Other)	<input type="checkbox"/>	WATER SHUT-OFF	<input type="checkbox"/>
		FRACTURE TREATMENT	<input type="checkbox"/>
		SHOOTING OR ACIDIZING	<input type="checkbox"/>
		(Other) <u>Casing</u>	<input type="checkbox"/>
		REPAIRING WELL	<input type="checkbox"/>
		ALTERING CASING	<input type="checkbox"/>
		ABANDONMENT*	<input checked="" type="checkbox"/>

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting and proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Nicox spudded 17 1/2" hole @ 7:00 A.M., 9-18-83. TD 505' @ 11:30 P.M., 9-18-83. RU + ran 13 jts 13 3/8" 48# H-40 ST+C, set @ 505'. Cont w/ 600 cu ft B\* w/ CaCl<sub>2</sub>. Circ 70 cu to surf. Plug dn @ 11:30 A.M., 9-19-83.

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OIL CON. DIV.  
DIST. 8

18. I hereby certify that the foregoing is true and correct

SIGNED Bob Matthews

TITLE AREA DRUG SUPT

DATE 10-19-83

(This space for Federal or State office use)

ACCEPTED FOR RECORD

APPROVED BY  
CONDITIONS OF APPROVAL, IF ANY:

TITLE

OCT 20 1983

NMOCC

\*See Instructions on Reverse Side

FARMINGTON RESOURCE AREA  
Smm