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SUBMIT IN TI CATE

Form approved.
Budget Bureau No. 42-R1

(Other instructions on reverse side)

Budget Bureau No. 42-R1425.

30 -0/5-22664

5. LEASE DESIGNATION AND SERIAL NO.

UNITED STATES DEPARTMENT OF THE INTERIOR

5. LEASE DESIGNATION AND SERIAL NO

	LC 08936-D028 186					
APPLICATION	N FOR PERMIT	TO DRUE OF	FREN FOR PLUG B	ACK_	6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
a. TYPE OF WORK DRI b. TYPE OF WELL	ILL X	DEEPEN [] JUN	PLUE FAC	REI	. ETI DGREEMENT NAME	
WELL W	YELL OTHER		ZONE ZONE	_ 1 L L	8. FARM OR LEASE NAME 978 Federal N	
NAME OF OPERATOR		U.S. GEULL	UGICAL SURVEY AU	uwu	9. WELL NO.	
Anadarko Fro	duction Company	ARTESIA.	NEW MEXICO	3. C. C	_	
	Tana tid 11a - Si			I	PACKIELD AND POOL, OR WILDCAT	
LOCATION OF WELL (R	, Loco Hills, N	in accordance with a	any State requirements.*)		X Grayburg-Jackson	
At surface				-	11. SEC., T., R., M., OR BLK.	
			33, T-175, R-30E punty, New Mexico	1	AND SURVEY OR AREA	
At proposed prod. zon	Same	coay C	santh was verice		33 - 17 - 30	
4. DISTANCE IN MILES	AND DIRECTION FROM NEA	REST TOWN OR POST O	FFICE*		12. COUNTY OR PARISH 13. STATE	
	Approximately	14 miles Sou	uth of Loco Hills	Townsit	e Eddy New Mexic	
5. DISTANCE FROM PROPO LOCATION TO NEARES! PROPERTY OR LEASE I (Also to nearest drig	OSED* T Line, pt.	660'	6. NO. OF ACRES IN LEASE -160 735, 32	17. NO. OF	ACRES ASSIGNED IS WELL	
8. DISTANCE FROM PROP TO NEAREST WELL, D OR APPLIED FOR, ON TH	RILLING, COMPLETED,	2513°	9. PROPOSED DEPTH 3400	20. ROTAR	Y OR CABLE TOOLS ROTATY	
21. ELEVATIONS (Show wh	ether DF, RT, GR, etc.)				22. APPROX. DATE WORK WILL START*	
			3616.6 GL		Oct Nov. 1978	
3.	;	PROPOSED CASING	AND CEMENTING PROGRA	M		
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	WEIGHT PER FOOT SETTING DEPTH		QUANTITY OF CEMENT	
11 "	7-5/8"	26.40#	350*	150) ax.	
64"	4-1/2"	10.50è	34001	250	ax.	
	I	1	I	Į.		
1. Rig up r	otary tools.					
2. Drill to on 7-5/8	approximately casing. Inst	350'; set & all & test S	circulate or read erfice 900 Double	Rem Hyd	ement to surrace Fraulic Blowout Preventor	
3. Drill to	T. D., approxi	mately 3400	; set & cement 44"	casing	on T. D.	
4. Kun case	d hole logs.					

- 5. Perforate, acidise and fracture treat.
- Run 2-3/8" tubing, rods & bottom hole pump; install pumping equipment & place well on production.

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.

81GNED	Original Signed by Jersy E. Buckles	TITLE	Area Supervisor	DATE	June 2, 1978
(This space	for Federal or State office use)				
PERMIT NO.			APPROVAL DATE		
	OF APPROVAL IF ANY	TITLE		DATE	



NMOCC COPY United States Department of the Interior

GEOLOGICAL SURVEY
P. 0. Drawer U
Artesia, New Mexico 88210

August 21, 1978

Anadarko Production Company P. O. Box 67 Loco Hills, New Mexico 88255 ANADARKO PRODUCTION COMPANY
Federal N No. 2
660 FNL 1980 FWL Sec. 33, T17S, R30E
Eddy County Lease No. LC-028936D

Above Data Required on Well Sign

Gentlemen:

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 3,400 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. Notify Survey if water flow is encountered while drilling.

Sincerely yours,

(Orig. Sgd.) ALBERT R. STALL

Albert R. Stall
Acting District Engineer

WELL LUCATION AND ACREAGE DEDICATION (LAT

		Ail distan		om the outer bound	iries of the S	ection.	· · · · · · · ·	W-11 N-
erator Amadamir	o Production	Cos		Lease Federa	1 "N"			Well No.
it Letter	Section	Township		Range	Cou	inty		
C	33	17		30		EDDY		
tual Footage Lo	cation of Well:	~						
660	feet from the	orth	line and	1980	feet from	n the We	st	line
ound Level Elev				Pool				Dedicated Acreage:
3616.6	Fren -	Queen - Gr	ayburg	Grayburg	- Jack	.son		40 Acres
1. Outline th	he acreage dedic					-	ership th	ereof (both as to working
3. If more th	ind royalty).	different own	nership is d	edicated to the		e the in	S.SEOMO	GICAL SUBVEYER consoli-
				consolidation	See b			
Yes	X No If	answer is y	es, type of	consolidation				
this form No allowa	if necessary.) ble will be assig	gned to the w	ell until all	interests have	been cons	olidated	(by comm	nunitization, unitization, approved by the Commis-
, , , , , , , , , , , , , , , , , , , 				1				CERTIFICATION
		ĕ		i				
	ļ	VO		4			=	ertify that the information con-
198	ao'	o 1		i			\sim	in is true and complete to the
~				 			Sest of my	knowledge and belief. Ludld
						· - <i> </i> //	Jerr	y E. Buckles
	(Position Area	Supervisor
	1			1			Company	*
	i I						Anad	arko Production
				 			Apri	1 28, 1978
				NE NE	None and the second		shown on t notes of a under my s is true ar	certify that the well location his plat was plotted from field ctual surveys made by me or upervision, and that the same d correct to the best of my and belief.
	1 1 1 1			HERSC JON 3644	ES .	F	Apri Registered F and/or Land	1 25, 1978 rofessional Engineer
	i 1			THE STATE OF THE S			X-//	MACHION CANCE
				- THE STATE OF THE			Settlicate N	SCHOLING THE

DATA SHEET

This data sheet is purided in reference to the attack a "Application for Permit to Drill" Anadarko's:

Federal N - Well No. 2

- 1. Location: 660' TNL & 19-0' FML Sec. 33, T-17S, R-30E, Eddy County, New Mexico
- 2. Elevation: 3616.0 G. L.
- 3. Geological Name of Surface Formation: Triassic Doakum (Santa Rosa)
- 4. Type of Drilling Tools to be Utilized: Rotary Tools
- 5. Proposed Drilling Depth: 3400°
- 6. Tops of Important Geological Markers:

T. Salt	590	7-Rivers	1820
B. Salt	1140	Queen	2365
Tansill	1215	Grayburg	2750
Yates	13 35	San Andres	3185

7. Estimated Depth of Anticipated Water, Oil or Gas:

011 - 1930 - 1940, 2840 - 3185

8. Casing Program:

7-5/8" - 26.40#, N-80, Cond B. 4-1/2" - 10.5#, K-55, New

9. Setting Depth of Casing:

7-5/8" - 350' - 150 sx Class H w/2% CaCL 4-1/2" - 3400'- 250 sx Class H w/.2 of 1% CFR-2, 5# Salt, 10# sand per sack

10. Specifications for Pressure Control Equipment (See Attached Schematic):

WEK Drilling Rig #3 is equipped with Shaffer Type E 10" Series 900 BOP with 4" Blind Rams, kill line and choke manifold. Koomey Hydraulic Controls and Accumulator with remote controls. When nippling up, test BOP and Choke to 1500 psi. Operate BOP equipment once a day, or as directed by Company Representative.

11. Mud Program:

Drill with Fresh Water Native Mud to within 200° of T. D. Jell will be added at this point to increase viscosity and clean hole prior to running casing.

- 12. Testing: Logging & Coring Program:
 - a. Testing: No drill stem tests will be made.
 - b. Coring: No coring planned.
 - c. Logging: Run Gemma Ray/Compensated Neutron Log after 41 pipe is set.
- None are expected. Above described BOP should take care of any blowout problems.

 Humerous wells have been drilled in this area without problems.
 - Anticipated Starting Date & Duration:

Plan to begin drilling operations approximately Oct. or Nov. 1978 (possibly earlier if Permits are approved promptly).

Approximately 10 days required to drill well and 2 weeks for completion.

There is a chance that W E K Rig #2 will drill this well; it is equipped with pandless Pressure Control Equipment. The rig layout might be slightly different.

Panhandle Eastern Company

F. O. Box 67 • Leco Hills. New Mex. ... 88255 • (505) 677 2411

June 2, 1978

United States Geological Survey P. O. Drawer U Artesia, New Mexico 88210

Gentlemen:

Following is the "Surface Use and Operation Plan" for the drilling of Anadarko Production Company's Federal N Well No. 2 located 660° FNL & 1980° FWL Section 33, T-17S, R-30E, Eddy County, New Mexico

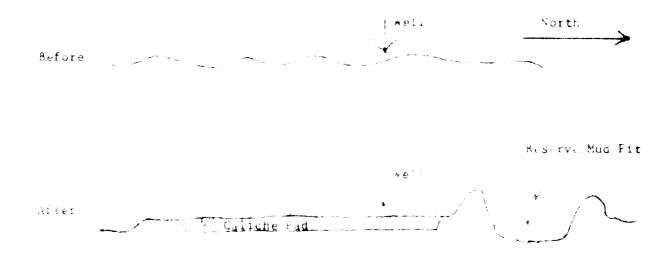
- 1. Existing Roads A small scale map is attached (Exhibit #1); it shows the location of this well in relation to Loco Hills, New Mexico, Townsite.

 A larger scale map (Exhibit #2) shows County Road #139 in blue. The existing caliche roads are shown in orange.
- 2. Planned Access Roads The black dashed lines on (Exhibit #2) are proposed roads which will be needed to drill Federal S Well No. 7 & Federal S Well No. 8. Separate "Surface Use and Operation Plans" are being filed in regard to these wells. Federal N Well No. 2 will require a 2000' extension of the road used to drill Fed. S Well No. 7. This extension is shown in purple. There will be no fence to cut or cattleguard to set.
- 3. Location of Existing Wells All existing wells on lease are indicated on enclosed map. There are no exploratory wells being drilled within a two mile radius.
- 4. Location of Tank Batteries, Production Facilities and Lines Tank battery is indicated on Exhibit #3. The drilling pad will be converted into the production pad where all production facilities, tank battery and lines will be located.
- 5. Location and Type of Water Supply Fresh water to be used at drilling site will be furnished by two sources: (1) A fresh water tap will be installed near the center of Sec. 29 (1 mile West of drill site) and a temporary plastic water line will be used and (2) The remainder will be supplied by I & W Trucking Company of Loco Hills and will be hauled from Double Eagle Water Company taps in the Loco Hills Area.
- 6. Source of Construction Material Primary source of caliche will be the reserve pit area of the new drilling location. Alternate source will be an existint caliche pit located approximately one mile North of the drilling location and shown on Exhibit #2 in green. Location of this pit is SE/4 of SW/4 Sec. 21, T-17S, R-30E.
- 7. Methods for Handling Waste Disposal Enclosed drill site plat (Exhibit #4) indicates location of drilling pits, reserve pit and a rubbish pit. After sufficient time has passed to allow drilling fluids to dry, all pits will be closed and leveled. The rubbish pit adjacent to drilling site will be deep enough to contain all rubbish when covered and leveled.

8. Ancillary Facilities - There are no camps or airstrips planned.

9. Well Site Lawout - Well site (Exhibit #4) has been staked and is indicated by red area on enclosed maps (Exhibits #1 & #2). Drilling site is a sandy area covered by sparse native vegetation. Prilling pad will be 6" of caliche measuring 130' East, 22c West, 30' North & 110' South. Drilling pad will blend with terrain since the topography is relatively flat.

Cross Sect on - Before & After - is shown below:



15. lans for Restocation of Surface - Cor ercial Web-

Reshaped congraphy - Rubbish will be buried upon completed of drilling operations. All retire trash will be removed by the individual goverating same.

Galiene had Combine drilling the will remain intact until well is abandoned.

Road - loss malache road will remain intact as long as there are prospective wells to be inclied on this and other Anadarko Leases in immediate vicinity.

imetable - is well should rod on for several reats.

Plans for Respondion & Surface - Longed and Aban one each

sarface will be restored in accombance with our regulations in the tost to our abandonse of

... It is Induction with expression and expression of the surrence of the stable stable .

boil (haracter. like a libbs wife of land)

Flora - sparse plass and words.

Fauna - Marbers, rats, mice, sinds and increas.

Other Surface libe Activities - lassed grazing land.

Surface Ownership - Foueral land.

Mater Wells - Note.

Lakes, streams and ronds - None is fee who has bor 4 cills.

Swellings - Note.

Liber Facili i - Note.

Archaeological systemics.

Istoria - Note.

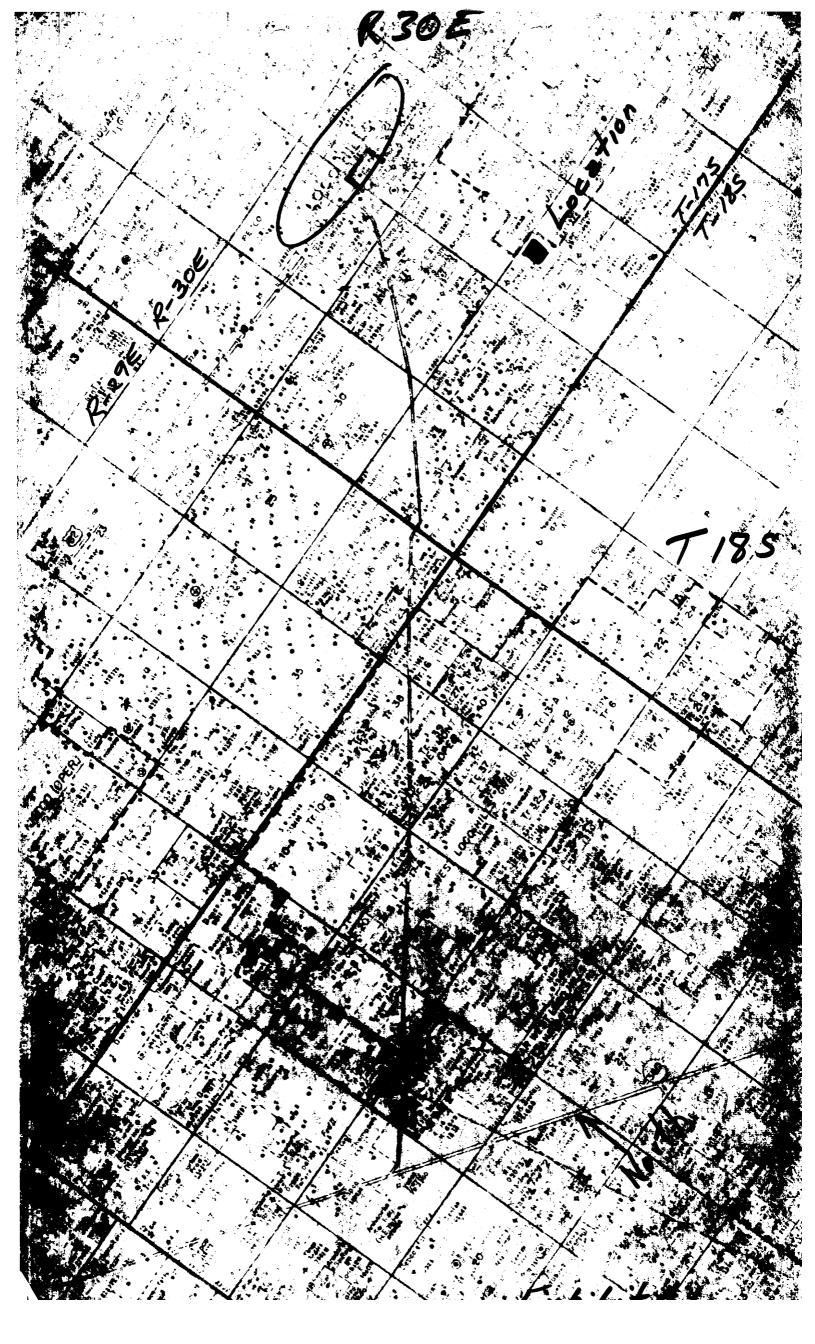
- Page 3 "Surface Use" nd Operation Plan" Federal N. "ell No. 2
- 12. Operator's Representative Ozie W. Farris, Field Foreman for Anadarko Production Company.

- Office Phone - 677-2411

- Home Phone 677-3230
- 13. Certification I hereby certify that I, or persons under my direct supervision, have inspected the proposed drilling site 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 Sweatt Construction Company or Jabo Rowland Construction Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

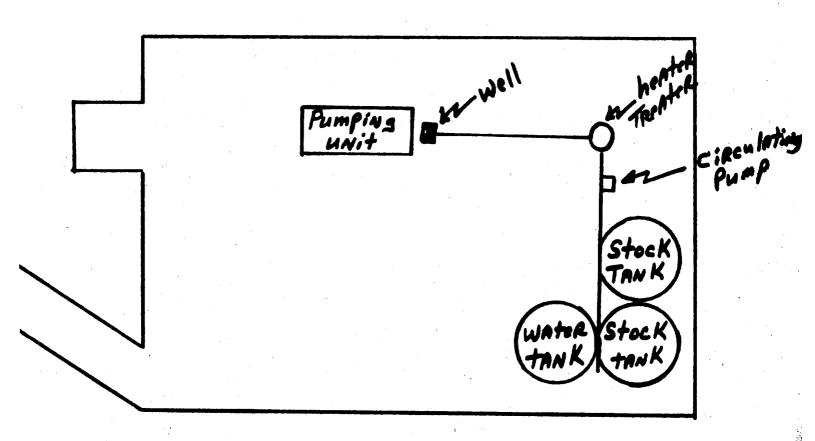
June 3, 1978

Jerry B. Buckles Area Supervisor



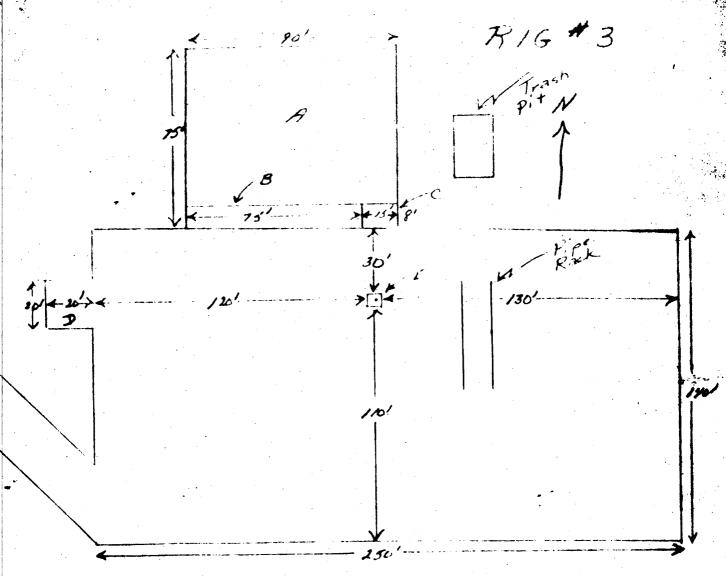
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Asian - Sair	Anagarke Anagarko	General American	f. PR
7-red. EX	35 5	Gen. Amer.	6
Anadarko		Maddren A Seeson A American Gen American	2
Federal "T" Gulf	Federal "5" Mada	General American Location Beeson "B"	
Project Project Taylor	Federal "N" Cuccia	General American Beeson "F" Anadarko	
	CALICHE LA	Exhibit #2	

FedeRAL N#2



PROPOSED HANK BAHERY

Exhibit #3



A- RESERVE PIT

D - STINGER

B- MUD PIT

E. GELLAR X'X5'X5'

C- SHAIF FIT

This rig equiped with Shaffer Type E 10" Series 900 BOP with 4" Blind Rams, kill line and choke manifold. Koomey Hydraulic Controls and Accumulater with remote controls.

ANADARKO PRODUCTION COMPANY Federal N Well No 2

Exhibit