

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-23739

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

COQUINA OIL CORPORATION

(Ph. 915-682-6271)

3. ADDRESS OF OPERATOR

P. O. Drawer 2960, Midland, Texas 79702

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

At surface

660' FSL & 1980' FEL of Sec. 20

At proposed prod. zone

Same

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

27 air miles east-southeast of Carlsbad, N. M.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

660'

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

18. DISTANCE FROM PROPOSED LOCATION*

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

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16. NO. OF ACRES IN LEASE

640

19. PROPOSED DEPTH

15,000' Morrow

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

Rotary

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

3338' G.L.

22. APPROX. DATE WORK WILL START*

3-15-81

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26 "	20"	94#	600'	Circ. cement to surface
17 1/2"	13 3/8"	54.5, 61, 68#	4150'	Circ. cement to surface
12 1/4"	9 5/8"	43.5, 47#	12400'	Circ. cement to surface
8 1/2"	7 5/8"	39#	12000-14300'	Circ. cement behind liner
6 1/2"	5"	18#	13900-15000'	Circ. cement behind liner

Well will be drilled to the base of the Morrow formation and all potential zones will be evaluated. If commercial production is indicated, well will be selectively perforated and stimulated. Gas is not dedicated. Attachments are:

1. Well Location and Acreage Dedication Plat
2. Ten-Point Supplemental Drilling Data
3. Surface Use Plan

WELL IS IN THE OIL-POTASH AREA AND WILL BE DRILLED IN CONFORMANCE WITH NMOC ORDER R-111-A.

WELL WILL BE DRILLED IN CONFORMANCE WITH LETTER AGREEMENT EXECUTED ON 5-9-80 BY DAY MINES, INC. AND ON 5-5-80 BY COQUINA OIL CORPORATION.

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

James A. Knaut

TITLE Agent

DATE 2-19-81

(This space for Federal or State office use)

PERMIT NO.

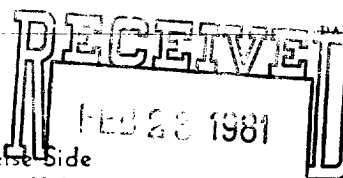
APPROVAL DATE

3-10-81

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:



*See Instructions On Reverse Side

U. S. GEOLOGICAL SURVEY
KOSWELL, NEW MEXICO

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-192
Supersedes O-128
Effective 1-1-85

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

Operator Coquina Oil Corporation			Lease Pure Gold "B" Federal		Well No. 1
Unit Letter 0	Section 20	Township 23S	Range 31E	County Eddy	
Actual Surface Location of Well: 660' 1980' feet from the South line and 1980' feet from the East line					
Ground Level Elev. 3338	Producing Formation Morrow		Pool Undes. (W. Sand Dunes Morrow)		Dedicated Acreage: 320 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
 $S\frac{1}{2}$ Sec. 20-23S-31E is dedicated to well.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
Federal Lease NM-38463 is only lease involved.
- 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 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.

		<p align="center">CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p align="right"><i>A. L. Crain</i></p>	
		<p>Name A. L. Crain</p> <p>Position Drilling Manager</p> <p>Company Coquina Oil Corporation</p> <p>Date 5/28/80</p>	
<p align="center">RECEIVED FEB 23 1981 U. S. GEOLOGICAL SURVEY ROSWELL, NEW MEXICO</p>		<p>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.</p> <p>Date Surveyed May 20, 1980</p> <p>Registered Professional Engineer and/or Land Surveyor <i>Mule E. Brown</i></p> <p>Certificate No. 2189</p>	



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
South Central Region
P. O. Box 26124
Albuquerque, New Mexico 87125

RECEIVED

MAR 10 1981

Coquina Oil Corporation
Post Office Drawer 2960
Midland, Texas 79702

APR 07 1981

O. C. D.
ARTESIA, OFFICE)

Gentlemen:

Your Application for Permit to Drill well No. 1-Pure Gold "B" Federal in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 20, T. 23S., R. 31E., Eddy County, New Mexico, lease NM-38463, to a depth of 15,000 feet to test the Morrow formation in the oil-potash area, is hereby approved as amended by stipulations attached to the application.

One copy of the application is returned herewith. Please notify the District Supervisor, Geological Survey, Roswell, New Mexico, in sufficient time for a representative to witness all cementing operations.

Sincerely yours,

(CHIEF, SCR.) GENE F. DANIEL

Gene F. Daniel
Deputy Conservation Manager
Oil and Gas

Enclosure

cc:
NMOCD, Artesia (2)
Conservation Manager, SCR
DCM-Mining (2)
BLM, Carlsbad
Roswell District Office (2)
Artesia Subdistrict
File
ARC
Roswell Chrono
GHStewart:slh 3-5-81

MAR 1 9 1981

RECEIVED

MAR 10 1981

O. C. D.

ALBANY OFFICE

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SUPPLEMENTAL DRILLING DATA

COQUINA OIL CORPORATION
WELL #1 PURE GOLD "B" FEDERAL
660' FSL & 1980' FFL SEC. 20-23S-31E
EDDY COUNTY, NEW MEXICO

1. SURFACE FORMATION: Sandy soils of Quaternary Age.

2. ESTIMATED GEOLOGIC TOPS:

Lamar	4100'	Wolfcamp	11320'
Delaware	4200'	Atoka	13300'
Cherry Can.	6600'	Morrow	13900'
Bone Spring	8000'	Barnett	14900'

3. POSSIBLE WATER AND HYDROCARBON BEARING ZONES:

Water: Above 300'
Oil: Cherry Canyon
Gas: Wolfcamp, Atoka, Morrow

4. PROPOSED CASING PROGRAM:

<u>Size</u>	<u>Interval</u>	<u>Weight</u>	<u>Grade</u>	<u>Joint</u>	<u>Condition</u>
20"	0- 600'	94#	H-40	STC	New
13 3/8"	0- 1700'	54.5#	K-55	STC	New
	1700- 3260'	61#	S-80	STC	New
	3260- 4150'	68#	S-80	STC	New
9 5/8"	0- 9600'	43.5#	S-95	LTC	New
	9600-12400'	47#	S-95	LTC	New
7 5/8"	12000-143000'	39#	S-95	SFJP	New
5"	13900-15000'	18#	N-80	FL4S	New

5. PRESSURE CONTROL EQUIPMENT: Blowout preventer stack will consist of an annular-type preventer and two ram-type preventers with 5000 psi working pressure. A sketch of BOP is attached.

6. PROPOSED MUD PROGRAM:

- 0- 600' Spud mud w/paper added to control seepage. Add LCM as necessary if loss of circulation becomes a problem.
- 600- 4150' Drill w/brine water.
- 4150-12400' Drill w/fresh water, mudding up as hole conditions dictate.
- 12400-14300' Drill w/brine increasing weight as hole conditions dictate.
- 14300-15000' Drill w/brine water.

7. AUXILIARY EQUIPMENT:

- A. Kelly cock in kelly.
- B. Full-opening valve on rig floor in open position at all times ready to be stabbed into drillpipe if necessary.
- C. Rotating drilling head.

8. TESTING, LOGGING AND CORING PROGRAMS:

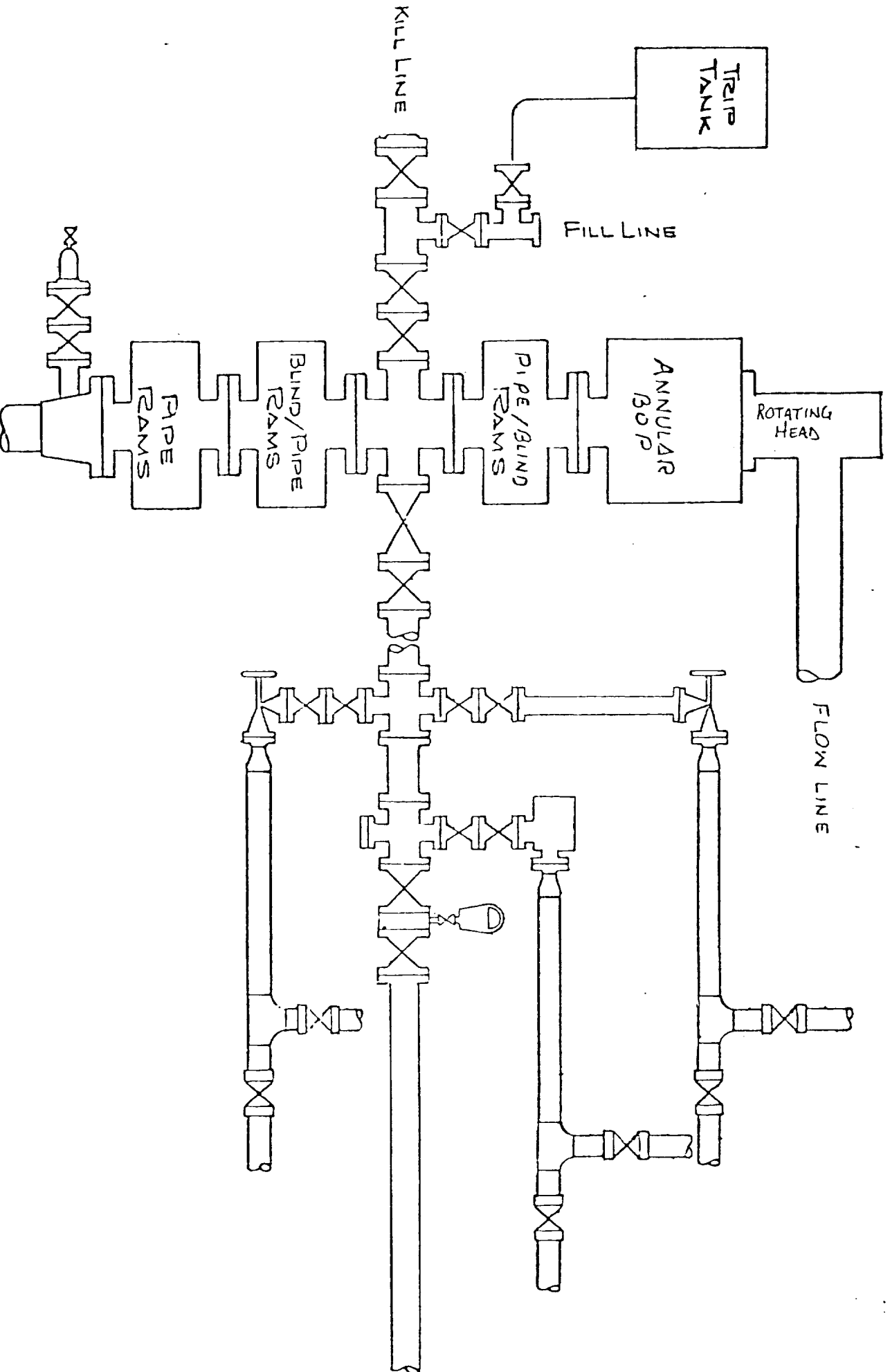
- A. Possible DST's in Wolfcamp, Atoka, and Morrow.
- B. Potash zone will be cored by Day Mines, Inc.
- C. CNL-FDC w/GR and caliper; DIL w/Rxo, 4150' to TD.

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE GAS: Sufficient material will be kept on location to increase mud weight to handle anticipated pressures. The Wolfcamp and/or Atoka could be abnormally pressured.

10. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:

- A. Road and pad construction: March 1, 1981
- B. Spud well: March 15, 1981
- C. Duration of drilling and completion operations should be about 120-150 days.

BLOWOUT PREVENTER SPECIFICATION



SURFACE USE PLAN
FOR
DRILLING, COMPLETING AND PRODUCING



U. S. GEOLOGICAL SURVEY
ROSWell, NEW MEXICO

COQUINA OIL CORPORATION -
WELL #1 PURE GOLD "B" FEDERAL
660' FSL & 1980' FEL SEC. 20-23S-31E
EDDY COUNTY, NEW MEXICO

LOCATED: 27 air miles east-southeast of Carlsbad, N. M.
31 air miles west-northwest of Jal, N. M.

FEDERAL LEASE NUMBER: NM-38463

LEASE ISSUED: 1-1-80 for a primary term of 5 years.

RECORD LESSEE: Coquina Oil Corporation

BOND COVERAGE: Coquina's \$150,000 Nation-Wide Bond

ACRES IN LEASE: 640.00

SURFACE OWNERSHIP: Federal

GRAZING PERMITTEE: J. C. Mills
P. O. Drawer "G", Abernathy, Texas 79311

WELL SPACING: 320-acre. Undesignated West Sand Dunes Morrow

EXHIBITS: A. Portion of Eddy County Road Map
B. Portion of USGS Lease Map #22
C. Portion of Nash Draw Topo Sheet
D. Sketch of Well Pad

ROAD LOG TO PROPOSED DRILLSITE

STARTING POINT is east-southeast of Carlsbad, N. M. on State Highway #128 at Mile Post 13.66 which is 13.66 miles east of the intersection of SH-128 and SH-31. This point is 5.16 highway miles northwest of the Lea-Eddy County line.

- 0.00 Turn south through cattleguard and follow oilfield road in a southerly direction for a distance of 0.30 miles.
- 0.30 Turn right (west) and follow potash lease road in a westerly direction for a distance of 0.28 miles to the southwest corner of potash core hole pad.
- 0.58 New road will start at this point. Continue in west-southwesterly direction for a distance of 0.08 miles to the southeast corner of proposed drillsite..
- 0.66 PROPOSED DRILLSITE (Well No. 1 Pure Gold "B" Federal).

THIRTEEN POINT PROGRAM

1. EXISTING ROADS:

- A. Existing roads, which lead to the proposed drillsite, are shown on Exhibits "A" & "B".

2. PROPOSED NEW ACCESS ROAD:

- A. Dimensions: Proposed new road is shown on Exhibit "B" and will be 12' wide (w/20' R-O-W) and 410' in length. It will originate at the southwest corner of the potash core hole pad and terminate at the southeast corner of the proposed new well pad. The center of the proposed new road has been staked and flagged.
- B. Surfacing Material: The new road will be surfaced with caliche.
- C. Maximum Grade: Less than one percent.
- D. Turnouts: None planned.

- E. Drainage Design: New road will be crowned with drainage to the side.
 - F. Culverts: None required.
 - G. Gates, Cattleguards: None required.
3. LOCATION OF EXISTING WELLS:
- A. Existing wells in the vicinity of the proposed drillsite are shown on Exhibit "B".
4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:
- A. There are no production facilities on the leasehold.
 - B. If the well is productive, production and storage facilities will be located on the well pad.
5. LOCATION AND TYPE OF WATER SUPPLY:
- A. It is not planned to drill a water supply well. Water for leasehold operations will be purchased from a commercial water hauler.
6. SOURCE OF CONSTRUCTION MATERIALS:
- A. Material for construction of the road and well pad will be obtained from existing Federal pits located in the SE-SE 35-23S-31E or the NE-NE 4-24S-31E. No surface materials will be disturbed except for those necessary for the actual grading and leveling the drillsite and access road.
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 the pits are dry.
 - C. Water produced during tests will be disposed of in the drilling pits.
 - D. Oil produced during tests will be produced into temporary test tanks.

- E. Trash, waste paper, garbage, and junk will be buried in a trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Location of the trash pit is shown on Exhibit "D".
- F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing each drilling and/or completion operation.

8. ANCILLARY FACILITIES:

- A. None anticipated.

9. WELLSITE LAYOUT:

- A. The wellsite has been surveyed, staked and flagged.
- B. The dimensions and relative location of the drill pad, mud pit, and trash pit with respect to the well bore are shown on Exhibit "D".
- C. The wellsite is nearly level and will hardly require any cut or fill. Small sand hills will need leveling.
- D. The well pad will be surfaced with caliche.

10. PLANS FOR RESTORATION OF THE 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 the location cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. After abandonment, all equipment, trash and junk will be removed and the location cleaned. Any special rehabilitation and/or special revegetation requirements of the surface management agency will be complied with and accomplished as expeditiously as possible.

11. OTHER INFORMATION:

- A. Topography: The terrain is relatively level with regional slope to the west toward Nash Draw.
- B. Soil: Sandy loam.
- C. Flora and Fauna: The vicinity surrounding the drillsite is semi-arid desert rangeland. Vegetation is sparse and consists of native grasses interspersed with mesquite, sage, shinners and other desert plants. No wildlife was observed, but fauna native to this habitat consists mostly of lizards, rabbits, rodents, coyotes, skunks, quail, dove and other small birds.
- D. Ponds and Streams: None.
- E. Residences and Other Structures: Nearest occupied dwelling is 3 miles to the north. Nearest water well is 3/4 mile to the southwest.
- F. Archaeological, Historical and Other Cultural Sites: None were observed in the area. An archaeological reconnaissance of the well pad and road area was made by New Mexico Archaeological Services, Inc.
- G. Land Use: Grazing and occasional hunting.

12. OPERATOR'S REPRESENTATIVE:

Representatives responsible for assuring compliance with the approved Surface Use Plan:

Mr. Leroy Collins
Field Foreman
905 West Avenue F
Lovington, N. M. 88260
(505) 396-2613, Office
(505) 396-5251, Home

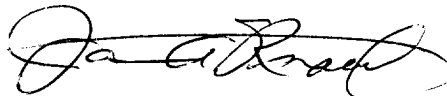
Mrs. A. L. Crain
Drilling Manager
P. O. Drawer 2960
Midland, Texas 79702
(915) 682-6271, Office
(915) 694-6192, Home

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 COQUINA OIL CORPORATION and its sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

2-19-81

Date



James A. Knauf, Agent
COQUINA OIL CORPORATION

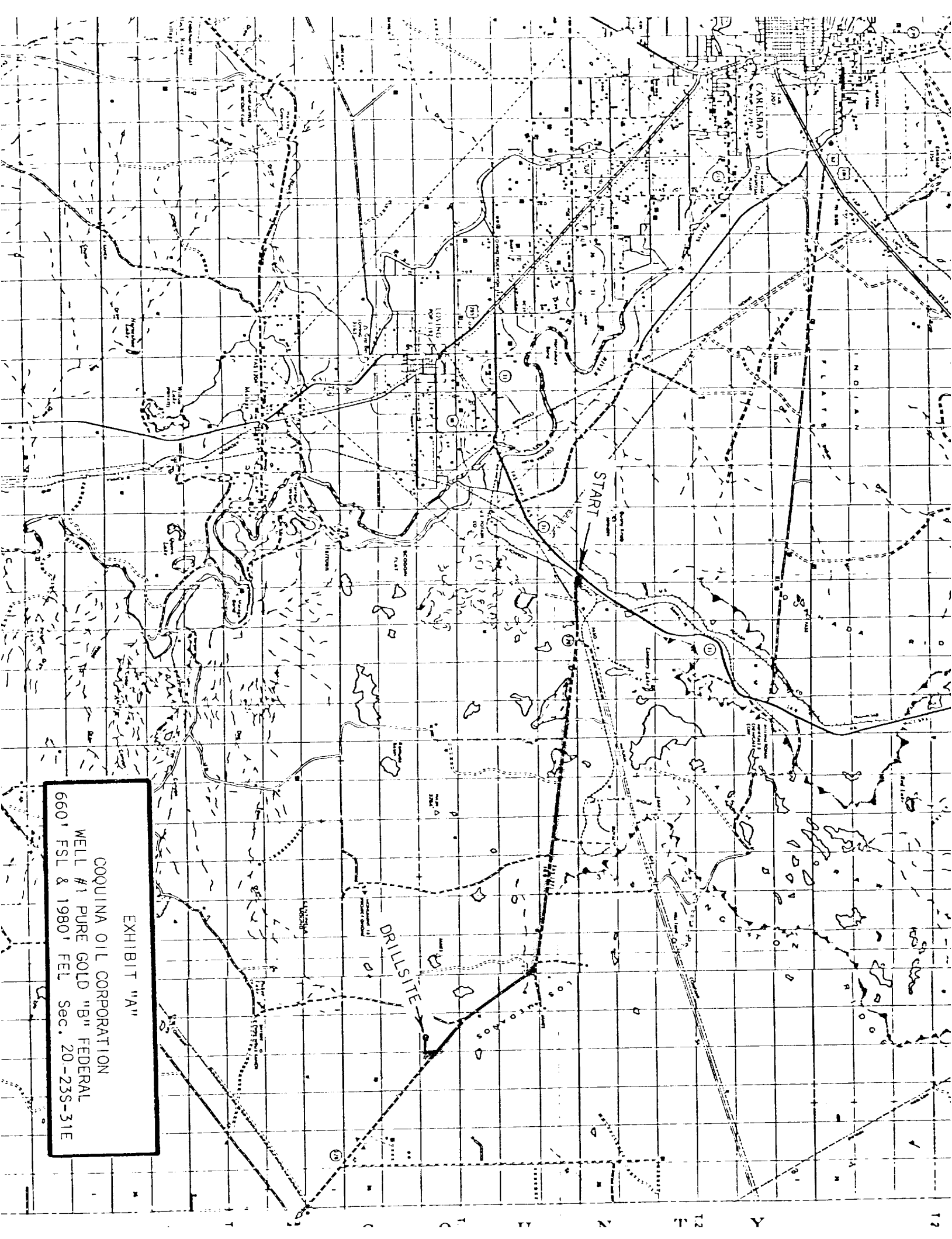
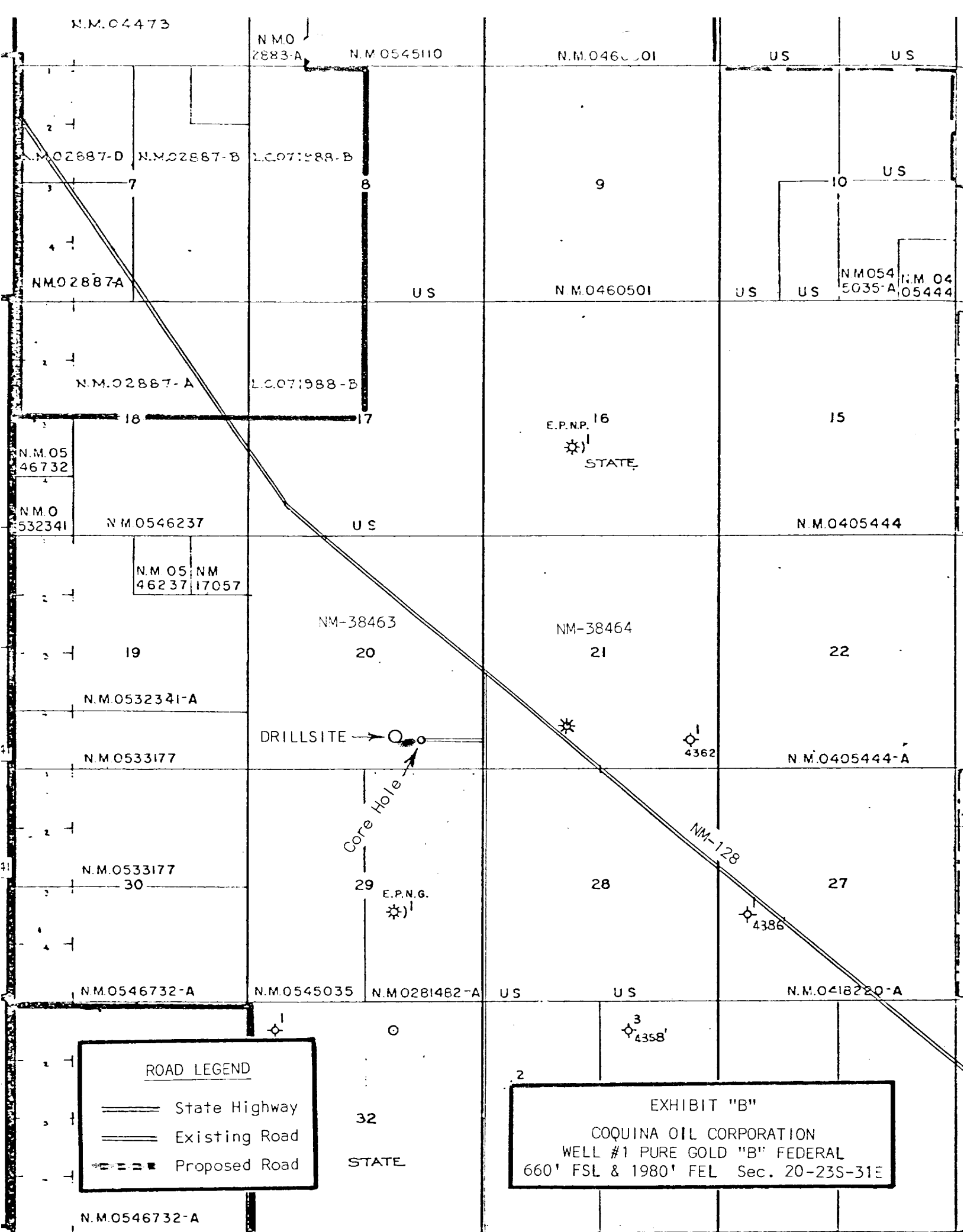


EXHIBIT "A"

COQUINA OIL CORPORATION
WELL #1 PURE GOLD "B" FEDERAL
660' FSL & 1980' FEL Sec. 20-23S-31E



N.M.04473

N.M.0
2883-A

N.M.0545110

N.M.0460001

US

US

N.M.02887-D

N.M.02887-B

L.C.071988-B

7

8

9

10

US

N.M.02887-A

US

N.M.0460501

US

US

N.M.054
5035-A

N.M.04
05444

N.M.02887-A

L.C.071988-B

18

17

N.M.05
46732

E.P.N.P. 16



STATE

15

N.M.0
532341

N.M.0546237

US

N.M.0405444

N.M.05
46237

N.M.
17057

NM-38463

NM-38464

19

20

21

22

N.M.0532341-A

DRILLSITE



N.M.0533177

Core Hole

E.P.N.G.



4362

N.M.0405444-A

N.M.0533177

30

29

28

27

NM-128



4386

N.M.0546732-A

N.M.0545035

N.M.0281462-A

US

US

N.M.0418220-A

ROAD LEGEND

- State Highway
- Existing Road
- Proposed Road

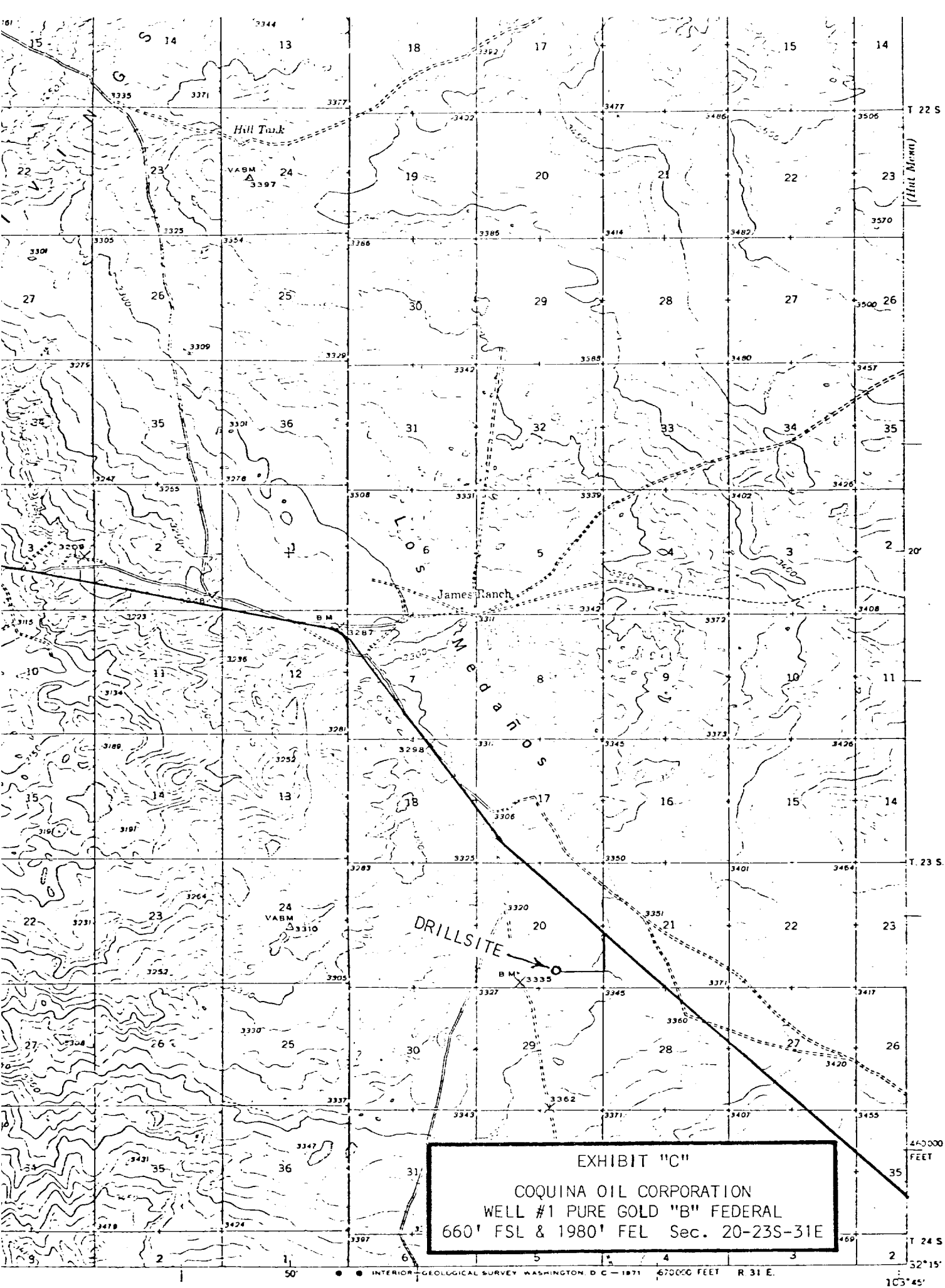
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STATE

EXHIBIT "B"

COQUINA OIL CORPORATION
WELL #1 PURE GOLD "B" FEDERAL
660' FSL & 1980' FEL Sec. 20-23S-31E

N.M.0546732-A



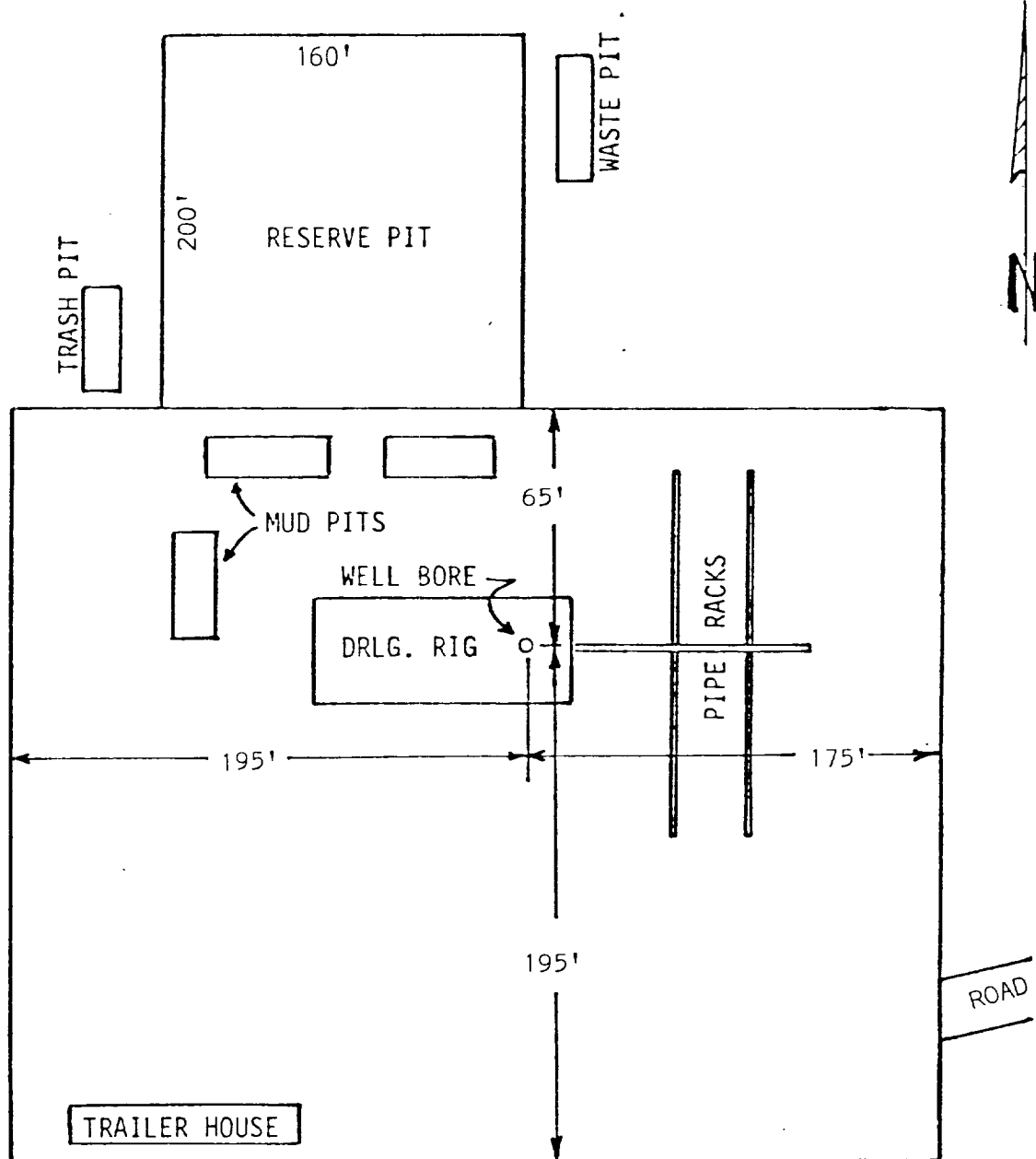


EXHIBIT "D"

COQUINA OIL CORPORATION
 WELL #1 PURE GOLD "B" FEDERAL
 660' FSL & 1980' FEL Sec. 20 -23S-31E