

UNITED STATES
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 ☐

b. TYPE OF WELL

OIL WELL ☐ GAS WELL ☒ SINGLE ZONE ☒ RECEIVED ZONE ☐

2. NAME OF OPERATOR

COLLINS & WARE, INC.

OCT 18 1991

3. ADDRESS OF OPERATOR

600 W. ILLINOIS, SUITE 701, MIDLAND, TEXAS 79701

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

At surface

534' FNL AND 1414' FWL OF SECTION 7

At proposed prod. zone

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

3 MILES EAST-NORTHEAST OF MALAGA, NEW MEXICO

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

98'

16. NO. OF ACRES IN LEASE

80

17. NO. OF ACRES ASSIGNED
TO THIS WELL

319.36

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

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19. PROPOSED DEPTH

12,300'

20. ROTARY OR CABLE TOOLS

ROTARY

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

2976.7' GR

22. APPROX. DATE WORK WILL START*

UPON APPROVAL

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#	650'	SUFFICIENT TO CIRCULATE
12-1/4"	9-5/8"	36#	2650'	SUFFICIENT TO CIRCULATE
8-1/2"	7"	26#	10,600'	800 SACKS (tie back)
6-1/8"	4-1/2" LINER	11.6#	10,300'-12,300'	250 SACKS

AFTER SETTING PRODUCTION CASING, PAY ZONE WILL BE PERFORATED
AND STIMULATED AS NECESSARY.

SEE ATTACHED FOR: SUPPLEMENTAL DRILLING DATA
BOP SKETCH
SURFACE USE AND OPERATIONS PLAN

APPLICATION HAS BEEN MADE TO NMCD FOR APPROVAL OF THIS
UNORTHODOX WELL LOCATION.

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

Arthur R. Brown

TITLE

Agent

DATE

August 28, 1991

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

10-16-91

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

*See Instructions On Reverse Side

ATTACHED

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.

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

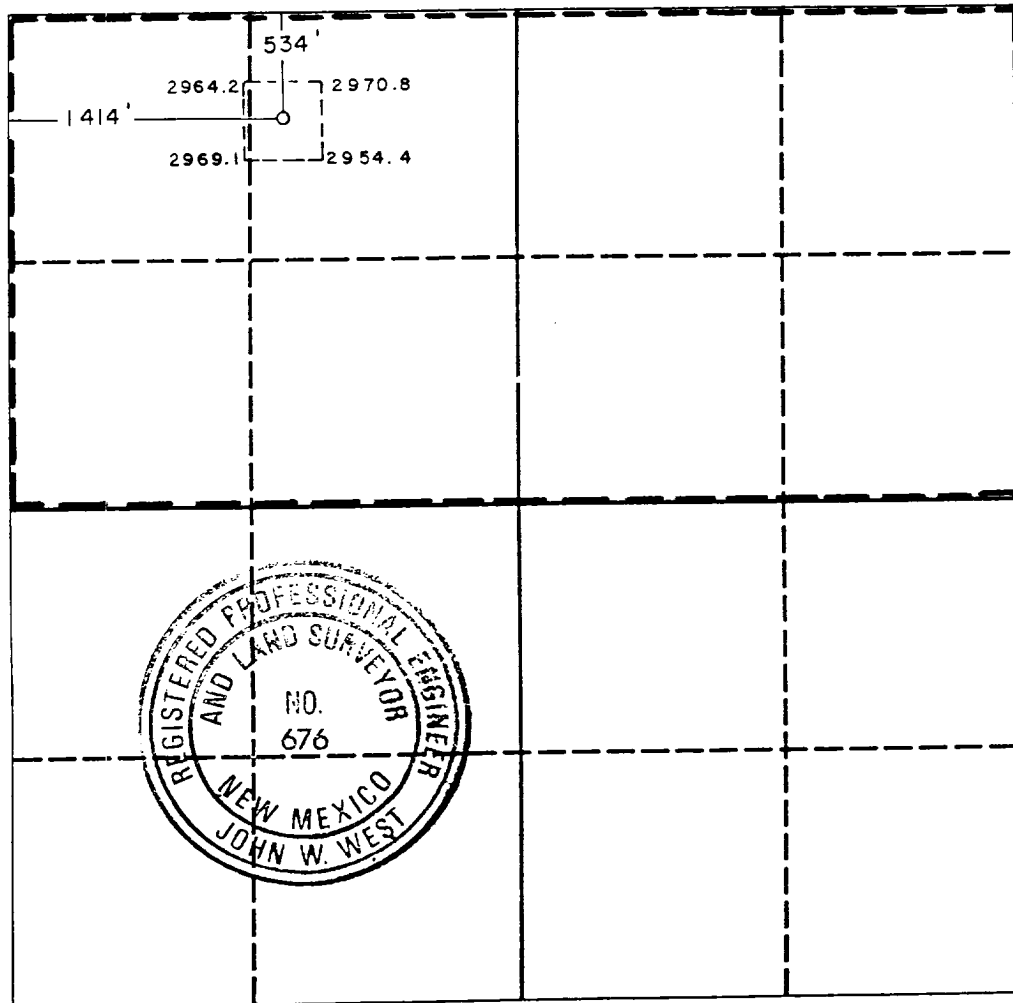
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator COLLINS & WARE INC.			Lease PECOS VALLEY "7"		Well No. 1
Unit Letter C	Section 7	Township 24 SOUTH	Range 29 EAST	County EDDY	
Actual Footage Location of Well: 534 feet from the NORTH line and 1414 feet from the WEST line					
Ground level Elev. 2976.7		Producing Formation ATOKA		Pool UNDES. RUSTLER BLUFF ATOKA	
				Dedicated Acreage: 319.36 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☒ No If answer is "yes" type of consolidation TO BE COMMUNITIZED
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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Arthur R. Brown
Printed Name
Arthur R. Brown
Position
Agent
Company
COLLINS & WARE, INC.
Date
August 28, 1991

SURVEYOR CERTIFICATION

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
8-7-91
Signature & Seal of
Professional Surveyor
John W. West
Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

SUPPLEMENTAL DRILLING DATA

COLLINS & WARE, INC.

PECOS VALLEY 7 WELL NO.1

1. SURFACE FORMATION: Quaternary.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Base Salt	2550'	Strawn	11,700'
Delaware	2800'	Atoka	11,950'
Bone Springs	6500'	Lower Atoka	11,950'
Wolfcamp	9400'		

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Atoka	Gas
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4. PROPOSED CASING AND CEMENTING PROGRAM:

13-3/8" 48# H-40 STC casing to be set at 650 feet in 17-1/2" hole.
Casing to be cemented with 550 sacks of Class "C" with 2% CaCl.
Cement to circulate.

9-5/8" 36# K-55 STC casing to be set at 2650 feet in 12-1/4" hole.
Casing to be cemented with 600 sacks of Light cement
tailed in with 200 sacks of Class "C". Cement to circulate.

7" 26# K-55 STC and S-95 LTC casing to be set at 10,600 feet in 8-1/2" hole.
Casing to be cemented with 600 sacks of Light cement
tailed in with 200 sacks of Class "H". Cement to tie back.

4-1/2" 11.6# S-95 LTC liner to be set in interval 10,300 feet to 12,300' in 6-1/8" hole. Liner to be cemented with 250 sacks.
Cement to circulate liner.

5. PRESSURE CONTROL EQUIPMENT:

Sketches of planned BOP stacks are attached.

6. CIRCULATING MEDIUM:

Surface to 650 feet: Fresh water spud mud. Viscosity 30 to 36 as required for hole cleaning.

650 feet to 2650 feet: Brine conditioned as necessary for control of viscosity. Weight 9.5 to 10. pH 9 to 10. Viscosity 32 to 38.

2650 feet to 10,600 feet: Fresh water-cut brine. Weight 8.8 to 10. Viscosity 28 to 32. pH 9 to 10.

10,600 feet to T.D.: Water base drilling fluid conditioned as necessary for control of viscosity, pH, and water-loss. Weight 9.4 to 10. Viscosity 38 to 45. pH 9 to 10. Filtrate 6 to 15.

The circulation system is to be a closed system with no reserve pit. A plastic lined pit, approximately 30'x 40', is planned for disposal of drill cuttings. The cuttings pit is to be deep enough to allow covering the cuttings with a plastic cover and 18" of dirt.

7. AUXILIARY EQUIPMENT:

Geolograph from surface to total depth.

Mud logging trailer in use below 4500 feet.

8. TESTING, LOGGING, AND CORING PROGRAMS:

Drill stem tests will be made when well data indicates a test is warranted.

It is planned that electric logs will include GR-CNL-Density logs and GR-DLL logs.

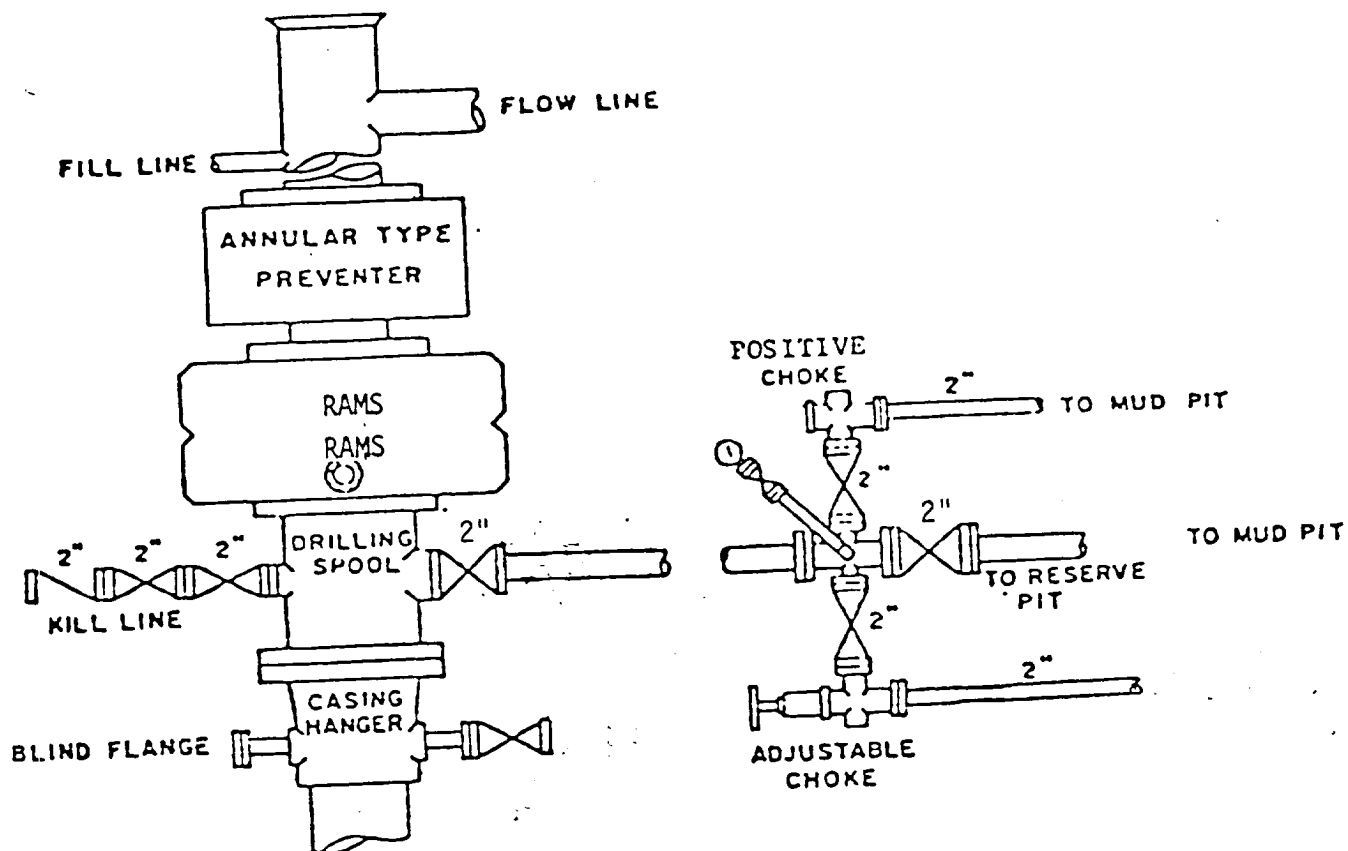
No coring is planned.

9. ABNORMAL PRESSURES AND TEMPERATURES:

None anticipated.

10. ANTICIPATED STARTING DATE:

It is planned that operations will commence upon approval of this application, with drilling and completion operations lasting about 65 days.



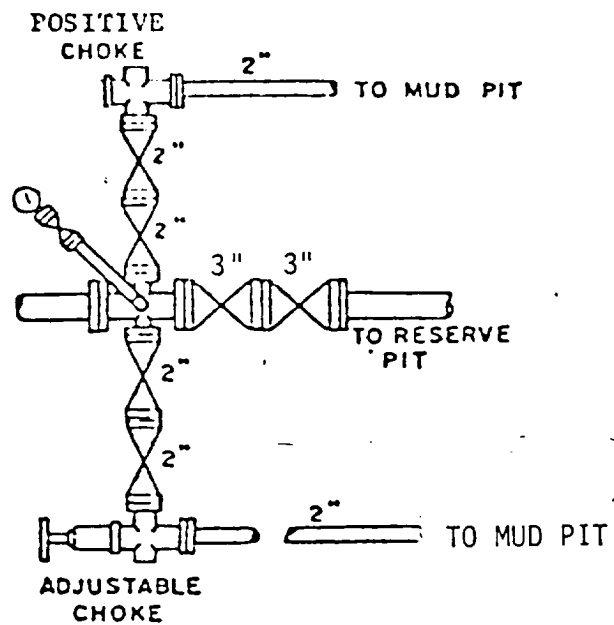
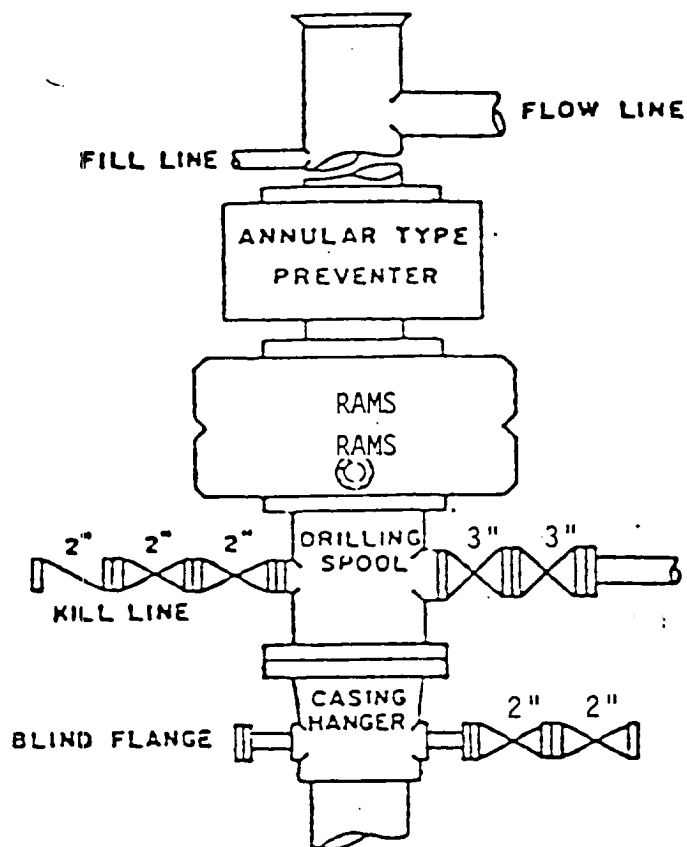
BOP STACK

3000 PSI WORKING PRESSURE

DEPTH INTERVAL

WHILE DRILLING 12-1/4" HOLE

BOP ARRANGEMENT



BOP STACK

5000 PSI WORKING PRESSURE

IN USE WHILE DRILLING BELOW 9-5/8" CASING SEAT

BOP ARRANGEMENT

SURFACE USE AND OPERATIONS PLAN

FOR

COLLINS & WARE, INC.
PECOS VALLEY 7 WELL NO.1
534'FNL & 1414'FWL SEC.7, T.24 S., R.29 E.
EDDY COUNTY, NEW MEXICO

LOCATED: 3 miles east-northeast of Malaga, New Mexico.

FEDERAL LEASE NUMBER: NM-77018.

LEASE DATE: September 1, 1988.

ACRES IN LEASE: 80.

LESSEE: Santa Fe Energy.

SURFACE OWNERSHIP: City of Carlsbad.

POOL: Wildcat.

POOL RULES: Statewide Rules. 320 acre spacing for deep gas.

EXHIBITS: A. Road Map
B. Plat Showing Existing Wells
C. Drilling Rig Layout
D. Topo Plat

1. EXISTING ROADS:

A. Exhibit "A" is a portion of a road map showing the location of the proposed well as staked. Point "A" on the plat is on US 285 on the north side of Malaga, New Mexico, where a paved road (Eddy County 720) goes east-west. To go to the proposed well site from this point, exit US 285 to the east and go east 0.8 mile and then north 1 mile to where the paved road turns east. Also see Exhibit "D". Turn east and go easterly 2.1 miles, crossing the Pecos River at 0.6 mile, to arrive at the junction of Eddy County roads 745 and 788. Turn onto Eddy 788 and go southeast 0.1 mile to where a caliche road goes to the right (south). Turn onto the caliche road and go 0.7 mile to arrive at the proposed well site.

2. PLANNED ACCESS ROAD:

A. Existing road will be used for access, as indicated on Exhibit "D". No new road will be needed.

3. LOCATION OF EXISTING WELLS:

A. Existing wells in the area are shown on Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. Necessary production facilities for this proposed well will be located on the well pad.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. It is not planned that a water well will be drilled. Water necessary for drilling operations will be purchased and trucked to the well site, or will be moved to the well site by temporary pipeline laid on the ground alongside existing roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Sufficient material for construction work should be available on-site. However, if additional material should be needed, it will be taken from an existing caliche pit on privately owned land in the SE $\frac{1}{4}$ of Section 1, T.24 S., R.28 E., Eddy County, New Mexico.

7. METHODS OF HANDLING WASTE MATERIAL:

A. Drill cuttings will be disposed of in a plastic lined cuttings disposal pit.

B. Drilling fluids will be hauled away to an approved disposal site.

C. Water produced during tests will be stored in tanks and hauled to an approved disposal site.

D. Oil produced during tests will be stored in test tanks until sold.

E. Trash, waste paper, garbage, and junk will be contained to prevent scattering by the wind and will be removed and deposited in an approved sanitary land fill.

8. ANCILLARY FACILITIES:

A. None necessary.

9. WELL SITE LAYOUT:

A. Exhibit "C" shows the well pad dimensions and the relative location of major drilling rig components.

B. The purpose of the cuttings pit shown on the plat is described in Section 6 of the SUPPLEMENTAL DRILLING DATA.

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 and the well site will be cleaned.

When the well is plugged and abandoned, all equipment and other material will be removed and the well location will be cleaned. Surface rehabilitation will be the same that the Bureau of Land Management would require for Federal land of similar use and quality.

11. OTHER INFORMATION:

A. Topography: The land surface in the area is gently undulating. Land slope in the immediate area of the well site is to the north, west, and south toward Harroun Lake. Regionally, drainage is to the west and south to the Pecos River.

B. Soil: Top Soil in the area of the well site is a gravelly loam.

C. Flora and Fauna: The vegetative cover is moderate and includes mesquite, cat claw, javelina bush, yucca, weeds, and range grasses. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.

D. Ponds and Streams: Harroun Lake is in the immediate area of the proposed well site. The lake is normally dry but may contain water after rains. The Pecos River at its nearest point is about 0.8 mile southwest.

E. Residences and Other Structures: The nearest occupied dwelling is about a mile distant.

F. Archaeological, Historical, and Cultural Sites: None observed in the area. However, an archaeological reconnaissance is to be made and a report furnished.

G. Land Use: Oil and gas production, grazing, and wildlife habitat.

H. Surface Ownership: City of Carlsbad.

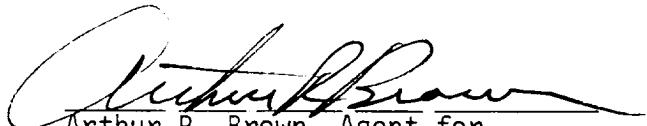
12. OPERATOR'S REPRESENTATIVE:

Jim O'Briant
O'Briant Engineering
P. O. Box 10487
Midland, Texas 79702
Phone: 915-683-5511

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently 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 Collins & Ware, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

September 9, 1991
Date:


Arthur R. Brown, Agent for
COLLINS & WARE, INC.

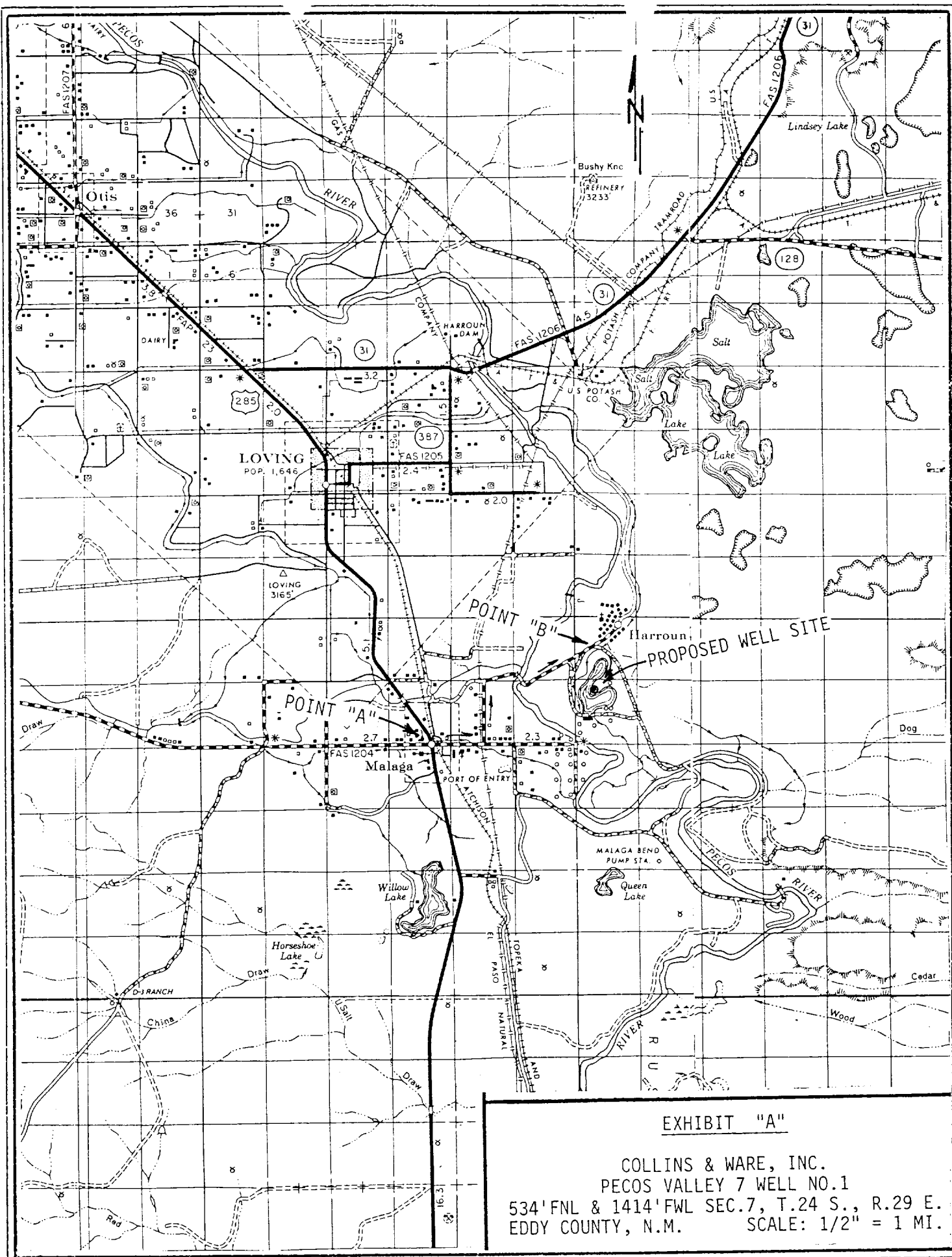
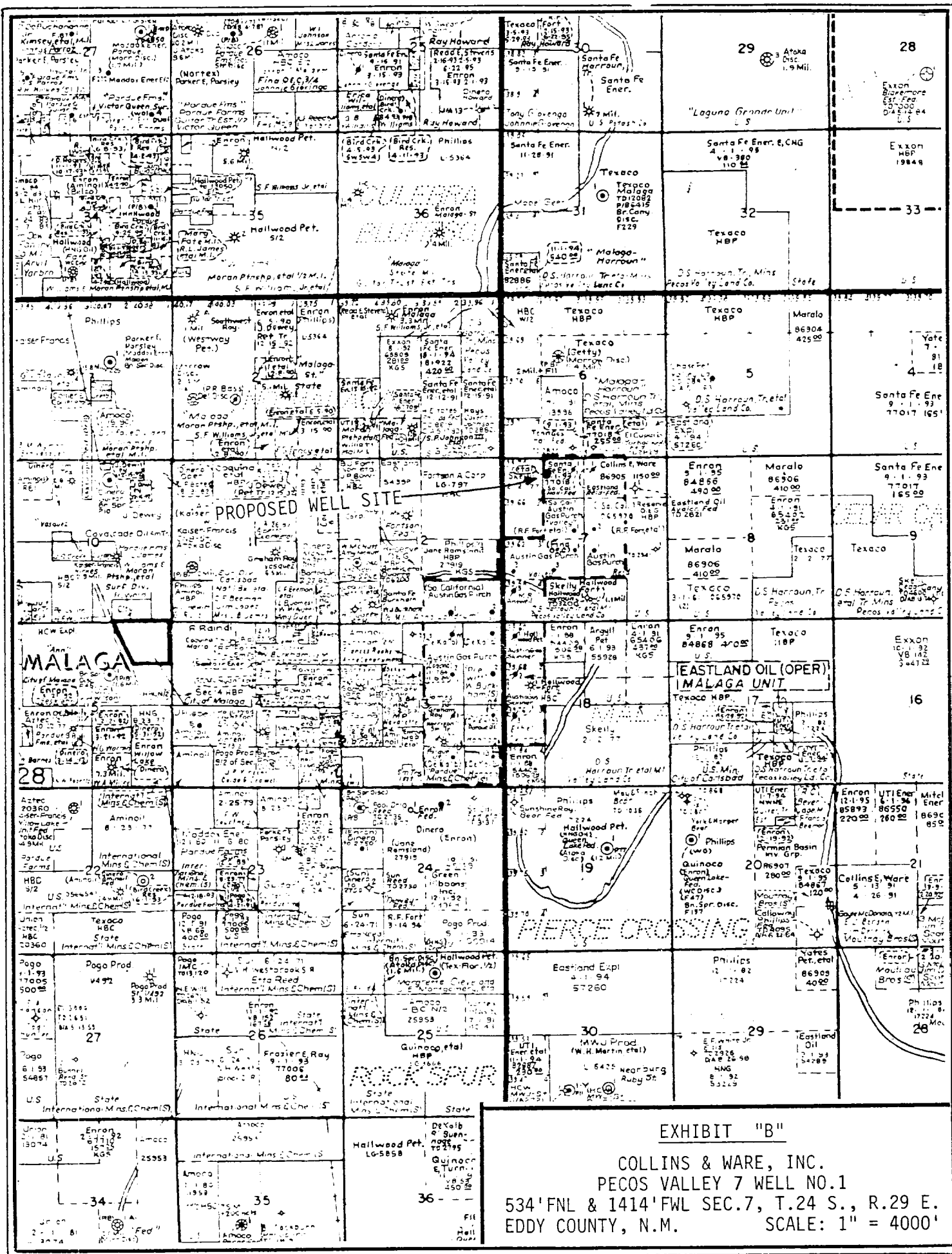


EXHIBIT "A"

COLLINS & WARE, INC.
PECOS VALLEY 7 WELL NO.1
534' FNL & 1414' FWL SEC.7, T.24 S., R.29 E.
EDDY COUNTY, N.M. SCALE: 1/2" = 1 MI.



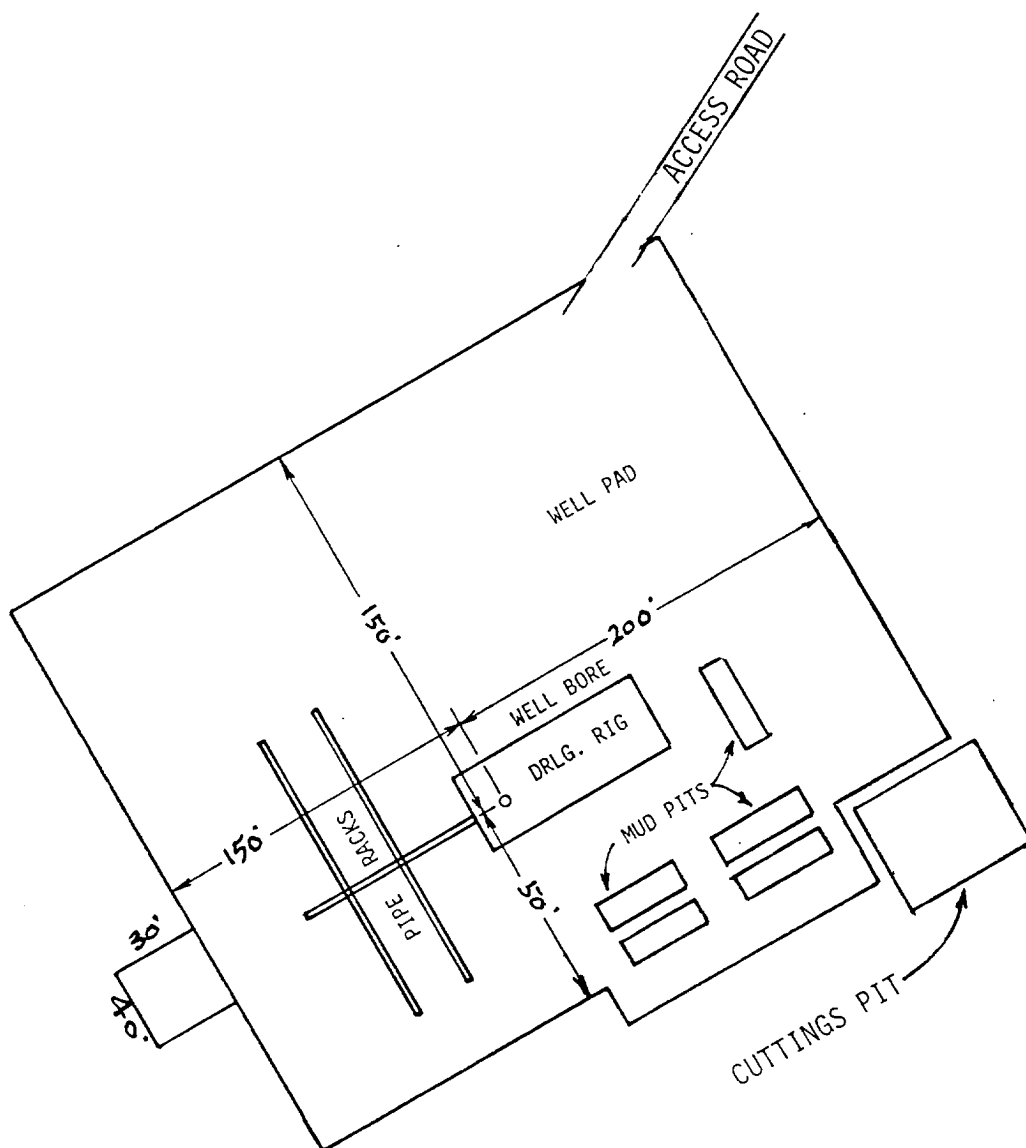


EXHIBIT "C"

COLLINS & WARE, INC.
PECOS VALLEY 7 WELL NO.1
DRILLING RIG LAYOUT
SCALE: None

