

UNITED STATES
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

Penroc Oil Corporation

3. ADDRESS OF OPERATOR

P. O. Drawer 831, Midland, Texas 79701

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

At surface

1980' FSL, 660' FEL

At proposed prod. zone

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

Nineteen miles southeast of Malaga, New Mexico

15. DISTANCE FROM PROPOSED*

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

660'

16. NO. OF ACRES IN LEASE

360

17. NO. OF ACRES ASSIGNED

TO THIS WELL 160

18. DISTANCE FROM PROPOSED LOCATION*

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

None

19. PROPOSED DEPTH

7400'

20. ROTARY OR CABLE TOOLS

Rotary

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

2971.7' GR

22. APPROX. DATE WORK WILL START*

December 15, 1976

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	47# N-80	1600'	Circulate
7 7/8"	4 1/2"	10.50# J-55	7400'	1250 sxs.

All casing new.

- (3) Geologic name of surface formation - Quaternary
Gas rights not dedicated.

Blowout Preventer:

Shaffer LWS hydraulic double 10" x 900 series, Hydril 10" x 900 series, choke manifold 4" x 900 series flanged connections.
Payne 4 valve accumulator closing unit.

Note: See attachment for additional information.

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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 President DATE 11/16/76

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____
CONDITION OF APPROVAL, IF ANY:

TITLE _____

DATE _____

ACTING DISTRICT ENGINEER

*See Instructions On Reverse Side

N MEXICO OIL CONSERVATION COMMISS
WELL LOCATION AND ACREAGE DEDICATION PLAT

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Form O-12
Supersedes O-12H
Effective 1-1-65

All distances must be from the outer boundaries of the Section

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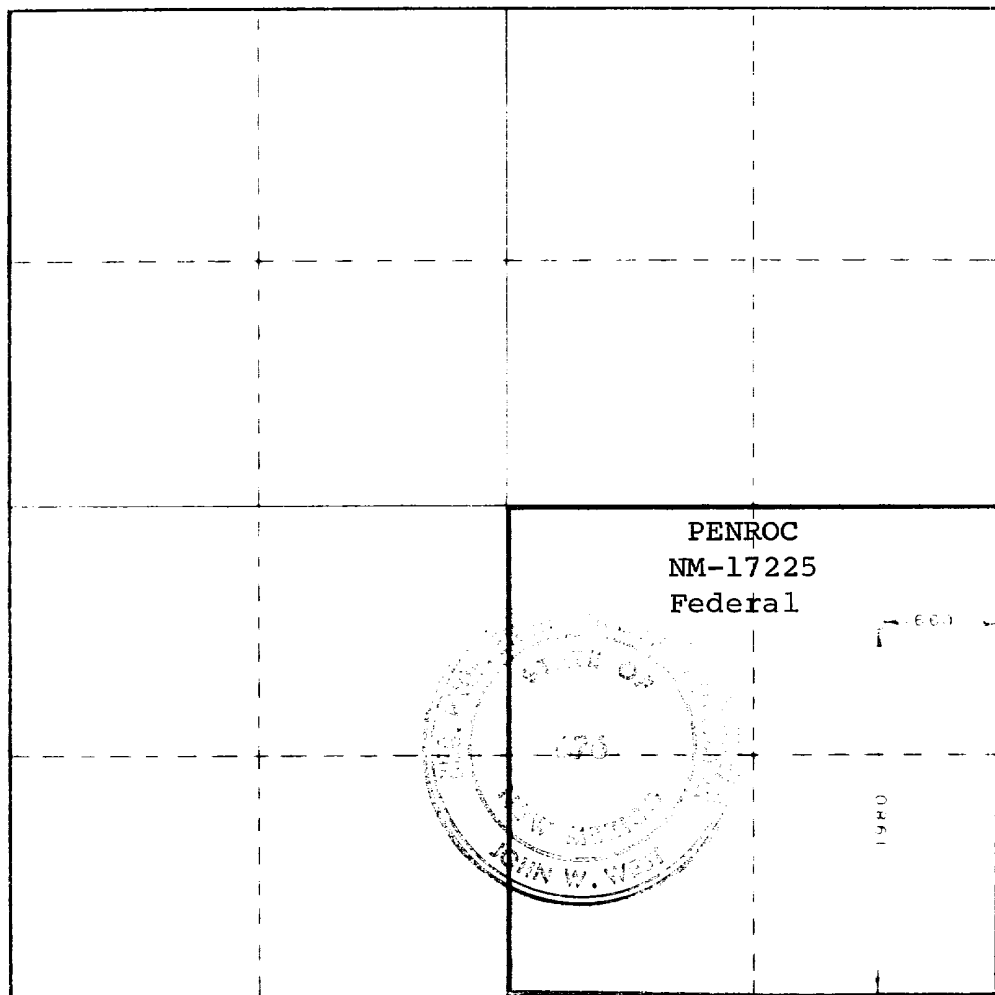
PENROC OIL CORPORATION		Lease		Ross Draw unit	
Section	28	Township	26 South	Range	30 East
County	I	U.S. GEOLOGICAL SURVEY ARTESIA, NEW MEXICO Eddy			
Actual acreage location of well:					
1980	feet from the	south	line and	660	feet from the east line
Ground level elev.	2971.7	Producing formation	Delaware Sand	Pool	Wildcat
				Dedicated Acreage	160

- 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 _____

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.

Signature

Name
President

Company
Penroc Oil Corporation

Date
November 16, 1976

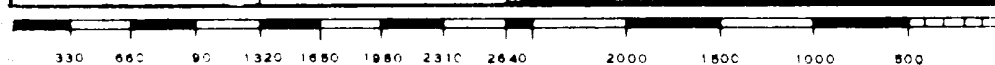
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
Nov. 11, 1976

Registered Professional Engineer and Land Surveyor

Signature
John W. West

Certificate No.
676



Penroc Oil Corporation
Ross Draw Unit
USGS Form 9-331C
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(6) Estimated tops of geologic markers:

Salado	-	775'
Castile	-	1,525'
Delaware Lime	-	3,400'
Delaware Sand	-	3,430'
Bone Spring	-	7,300'

(7) Estimated depths of anticipated water, oil, gas or other minerals:

Delaware Sand	- 3,440 - 3,490'	(gas)
Delaware Sand	- 3,730 - 3,760'	(gas & water)
Delaware Sand	- 4,100 - 4,200'	(water)
Delaware Sand	- 4,400 - 4,500'	(gas)
Delaware Sand	- 4,700 - 4,800'	(gas)
Delaware Sand	- 6,700 - 6,800'	(gas)

(9) Amounts and types of cement:

9 5/8" Estimate to circulate
400 sxs. Halliburton Lite w/5#
Gilsonite & 1/4# Floseal/sx plus
200 sxs. Class C w/2% CaCl.

4 1/2" Estimate 1250 sxs. Class H
w/.6 of 1% CFR₂ & 8# CaCl/sx.

(11) Mud Program:

0 - 3,300' - Saturated brine water w/lime.
3,300 - 7,400' - Brine water base medium with additives of soda
ash, gel, etc. to maintain water loss of 10,
Viscosity 33-34, weight 9.2-9.3, pH 9-10.

Quantities and types of mud and weighting materials to be
maintained shall approximate the following:

30 sacks	Salt Water	CMC
30 sacks	Soda Ash	
20 sacks	Caustic Soda	
20 sacks	Starch Preservative	
100 sacks	Salt Gel	
100 sacks	Paper and Fiber	

Penroc Oil Corporation
Ross Draw Unit
USGS Form 9-331C
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(12) Proposed Drillstem Tests:
Delaware - 3

No cores anticipated.

Logging Program:

Compensated Density-Neutron and Forxo-Guard
(Total depth to 3300', w/Gamma Ray 3300' to surface)

(13) Pressures:

No abnormal pressures anticipated.

Blowout preventers and hydril utilized as indicated on Form 9-331C.

(14) Anticipated commencement date is December 15, 1976, with duration of operations to total depth to be 24 days.

NOTE:

Please refer to Surface Use and Operations Plan submitted for Ross Draw No. 5 well on June 17, 1976 and approved July 29, 1976. Also those maps submitted at that time are still appropriate. You will note on Exhibits A & B with this application that the only new road to be constructed will leave our east-west road in the southeast quarter of Section 28 and go north to the Ross Draw Unit No. 6 location and then northward to the Ross Draw Unit No. 7 location. The new road is illustrated by a blue color.

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 _____

PENROC OIL CORPORATION

and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

PENROC OIL CORPORATION

By _____
Sterling J. Talley, President

Date November 16, 1976

Penroc Oil Corporation
Ross Draw Unit #5
Eddy County, New Mexico

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SURFACE USE AND OPERATIONS PLAN

1. Existing Roads:

The proposed route to the location that will normally be used during operations is to be seen on Exhibit "A". Commencing from the town of Malaga, New Mexico, proceed south on U. S. Highway 285 approximately 12 miles then turn left, or east-northeast, and go 3 miles to El Paso Natural Gas Company plant on all weather road. Go on through the plant area, cross the Pecos River at a low water crossing and proceed due east along a wide caliche road for approximately 2-3/4 miles. (The access road from U. S. 285 is shown in red.) Turn south onto a county maintained, generally all-weather road at a small sign that indicates Gulf Federal No. 1. Proceed generally south-southeast for approximately 6 miles to the south line of Section 31, T-26-S, R-30-E. (This road is also shown in red color.) At this point turn due east down an old pipeline right-of-way road for approximately 2.7 miles and arrive at the site of Delaware producing wells drilled by Williamson, et al. The proposed location is to be midway between Williamson's No. 1 and 4 wells. (The pipeline road is noted in blue color.)

Necessary improvements to the access road indicated in blue will be discussed under Item No. 2.

2. Planned Access Roads:

Please refer to Exhibit "B" which is a compilation of portions of USGS topographic maps designated as Ross Ranch and Phantom Banks in New Mexico and Red Bluff and Orla NE in Texas. The roads indicated by the red and blue colors correspond to the same color scheme as seen on Exhibit "A".

Improvement and partial reconstruction of the road running east-west and to the well location will be necessary. It is planned to grade the total length, cut a drainage ditch along one side with required diversion drainage to keep water off the road as much as possible. Road will be kept to the normal 12 foot width with no more than three turnouts made.

Penroc Oil Corporation
Ross Draw Unit #5
Eddy County, New Mexico

Along the south line of Section 28, there exists a bad washout from existing drainage cut and previous washing rains. The approaches from each side will have to be beveled with removed dirt placed over a probable 36 inch diameter tin culvert. Gravel to be placed on each approach and over the roadbed crossing the tin culvert. Approximate location of the tin culvert is noted on Exhibit "B" by the pink color.

A new barbed wire fence has recently been constructed either immediately east or west of the above discussed tin culvert area. It traverses in a north-south direction. It will probably require a wide battleguard on one side or the other of the swinging gate that will adequately carry anticipated loads.

3. Location of Existing Wells:

Refer to Exhibit "C". All wells within the prescribed two-mile radius are shown.

4. Location of Tank Batteries, Production Facilities, and Production, Gathering, and Service Lines:

This Operator does not own or control any facilities of any nature at this proposed location.

However there exists a pump jack on Williamson et al No. 4 well in the NW/4 Section 27 and a 210 barrel oil tank is positioned immediately west of the wellhead on the west edge of the pad. Line heaters and separators are located on the pads of wells No. 1 (SW/4 Section 27); No. 2 (W/2 of Section 34); and No. 4 (NW/4 Section 27). All flow lines are on the surface.

El Paso Natural Gas Company has gathering facilities for the three Williamson wells which primarily are located between wells No. 1 and 2 and are fenced. A buried gas gathering line is indicated in orange on Exhibit "C".

After the proposed well is drilled, all pits will be cut, covered and leveled and all debris removed. If a dry-hole is encountered, the pad and roads will be restored according to prescribed regulations.

Penroc Oil Corporation
Ross Draw Unit #5
Eddy County, New Mexico

5. Location and Type of Water Supply:

Fresh water to be obtained from a water well drilled by Williamson on the northwest corner of the No. 4 well pad provided it will produce sufficient water. At this writing it is untested. Otherwise all fresh and brine water will be hauled by tank truck from nearest commercial source. (The above mentioned water well is indicated by a blue circle adjacent to the No. 4 well.) See Exhibit "C".

6. Source of Construction Materials:

If memory serves correctly, there is a source of gravel in the SW/4 Section 27 in an existing pit which can be used on the pad and culvert crossing. If not, there exists several gravel pits approximately 4 miles northwest. Necessary arrangements will be made.

7. Methods for Handling Waste Disposal:

In addition to reserve pits, disposal pits will be dug adequately deep in order that all waste and garbage can be covered by not less than 24 inches of overburden.

Reusable drilling fluids will be tanked and sold or used in other wells. Test tank facilities will be utilized to catch and store any oil produced.

8. Ancillary Facilities:

No camps or landing strips planned.

9. Well Site Layout:

Refer to Exhibit "D".

10. Plans for Restoration of the Surface:

If a producing well, the procedure as mentioned in Item 4 will be followed to cut, cover, and level all pits and carefully remove all debris.

Penroc Oil Corporation
Ross Draw Unit #5
Eddy County, New Mexico

In the event of a dry hole, the same procedure would be followed, plus doing all work required by regulations.

In this case it would appear that only the pad and vicinity might have to be ripped and seeded inasmuch as the improved portion of the road already existing should be left intact for pumper and rancher use. This is the route they already use. Also in this case, about the only new area of disturbance will be the pad and pits.

11. Other Information:

The area varies from gentle rolling to hilly and uneven. Several draws and gullies incise the surface following the drainage patterns. Quaternary gravels are most prevalent particularly on the hills and slopes with soil of a clayey to gyp nature in the lower areas.

Vegetation is that adapted to arid areas and sparse. Very little grass is present.

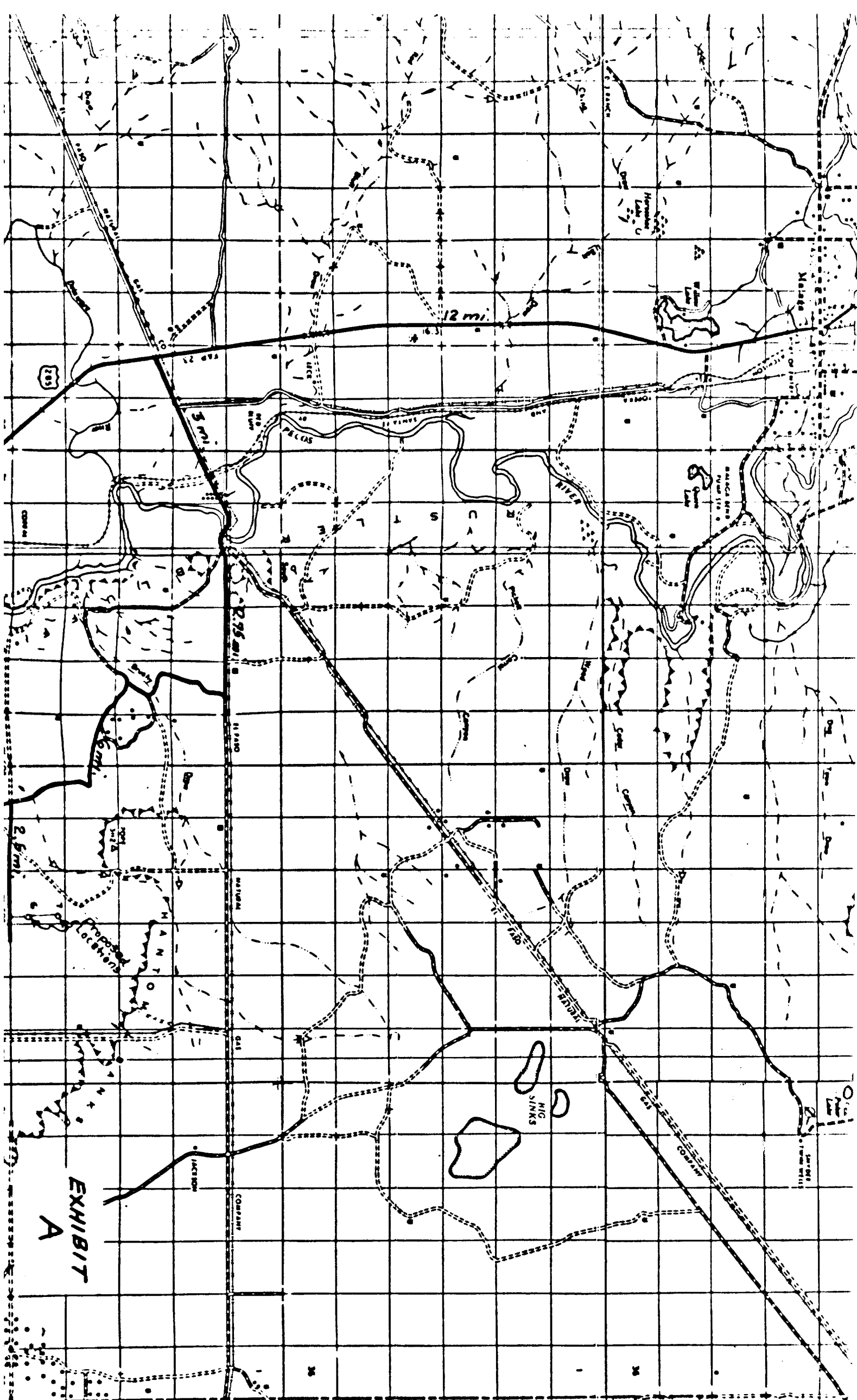
Mostly all ranch country that supports a very limited number of cattle.

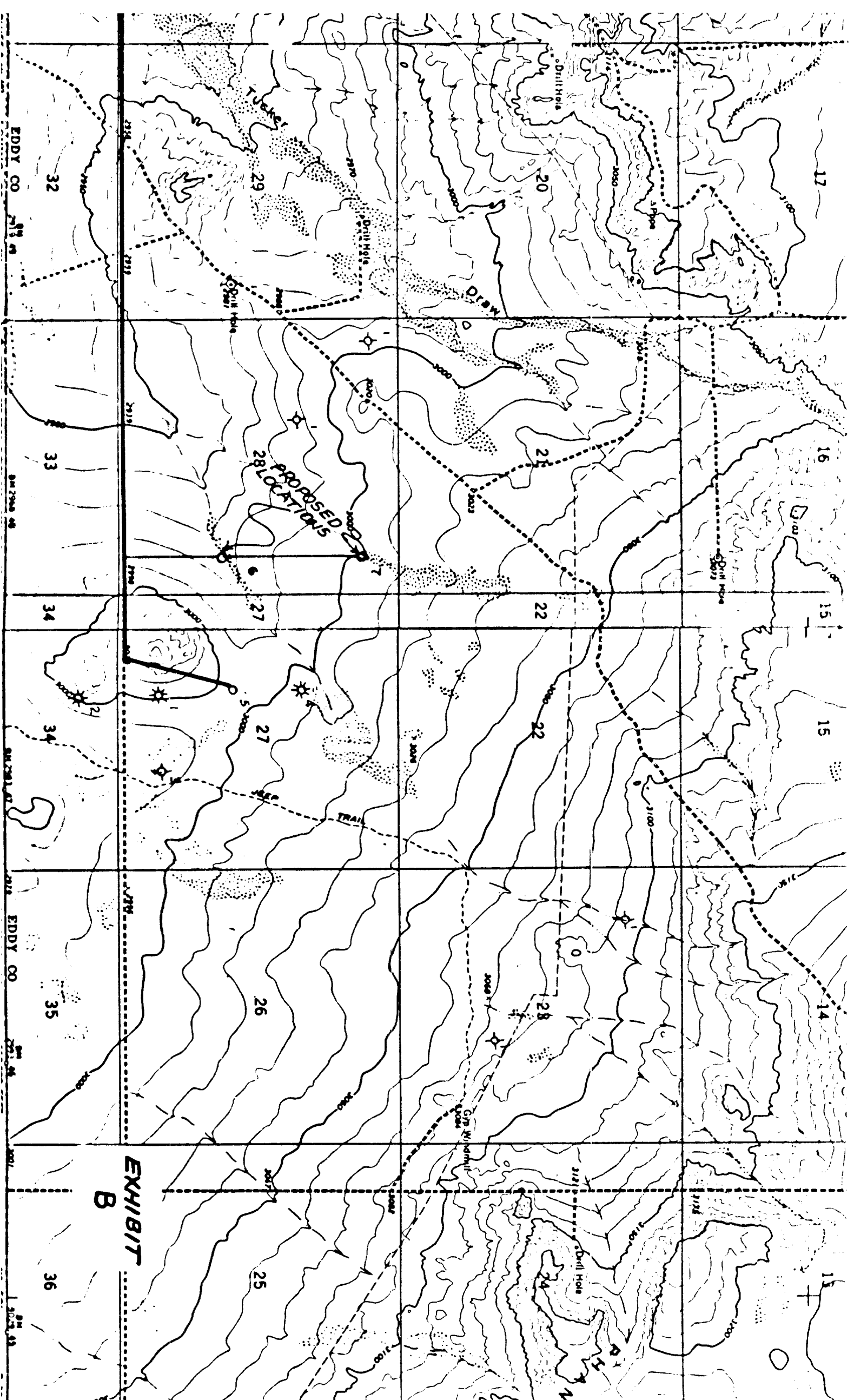
12. Lessee's or Operator's Representative:

Sterling J. Talley - Penroc Oil Corporation
P. O. Drawer 831
Midland, Texas 79701

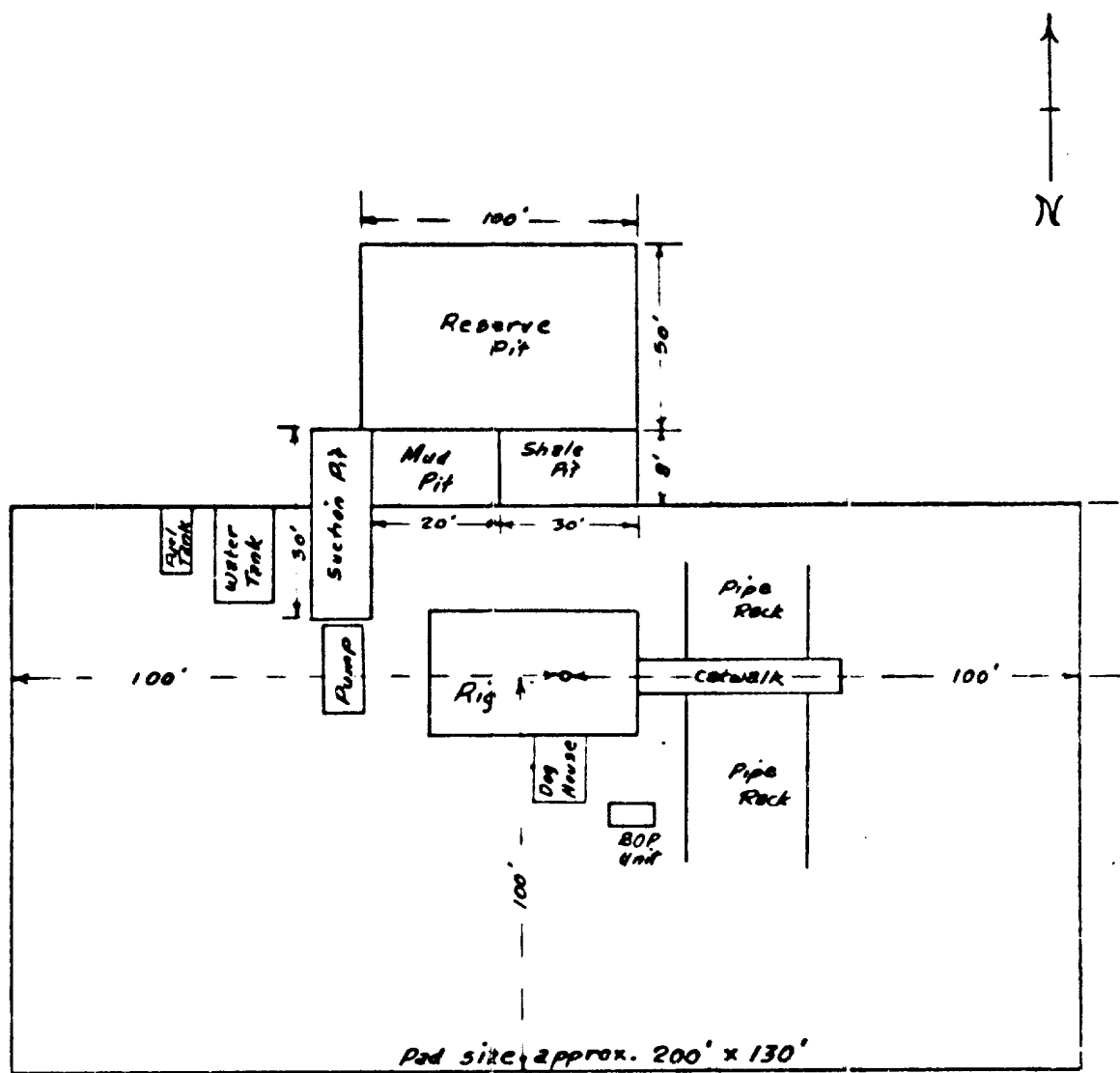
Phone: (915) 683-1861

13. See Attached Statement.



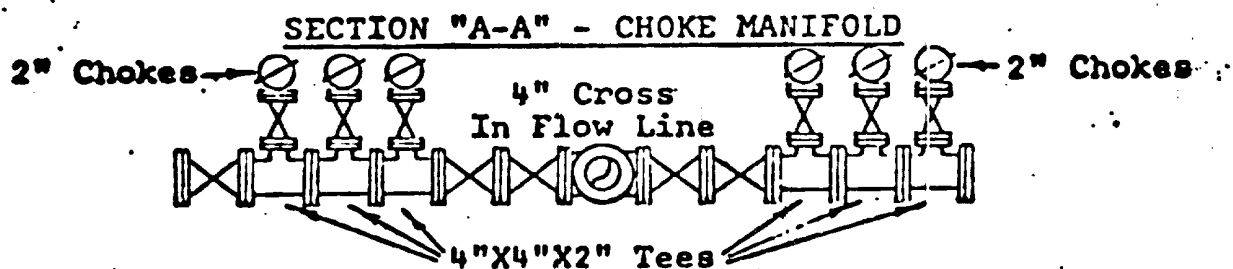
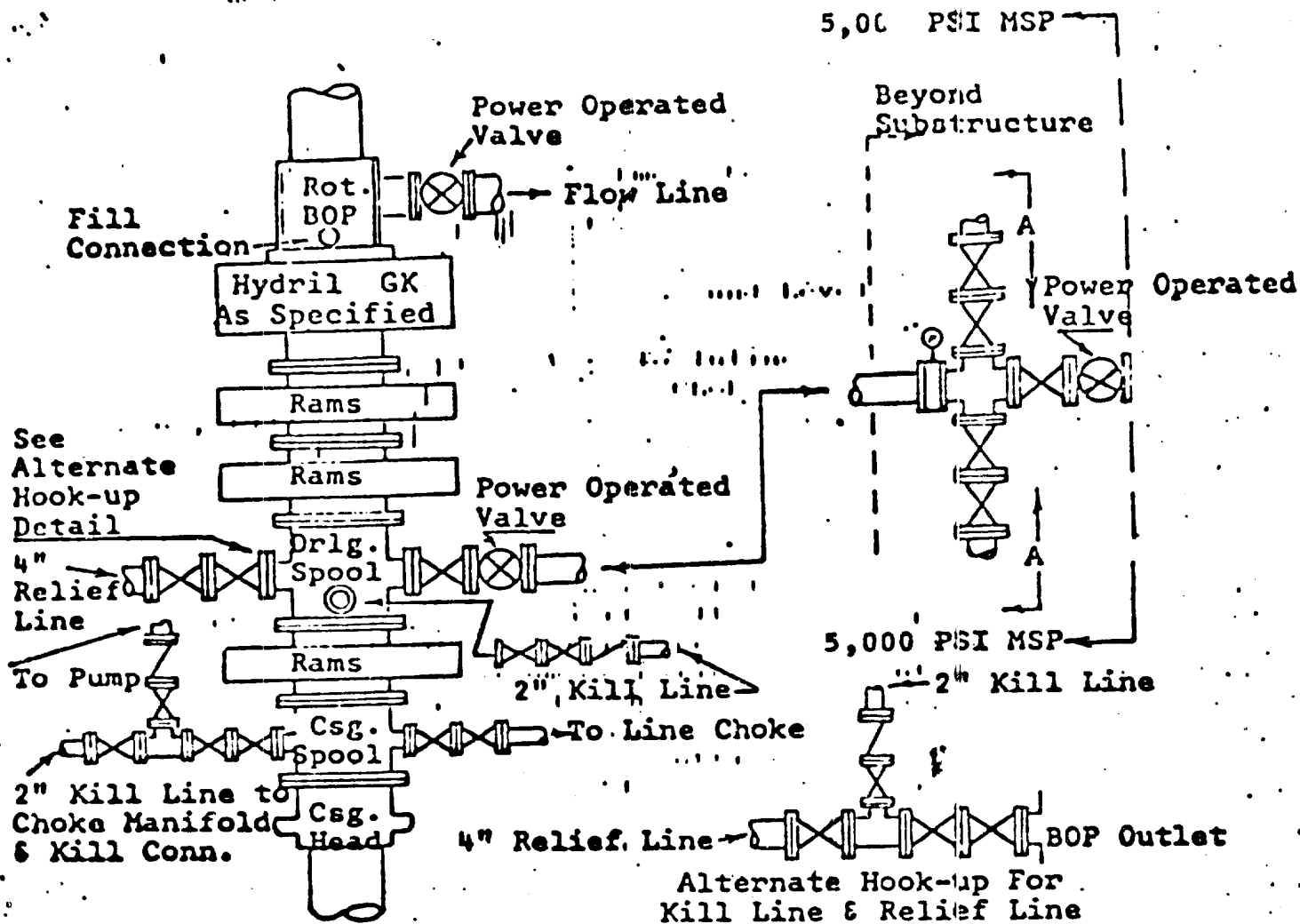


Drilling, Rig and Mud Pits Layout



~ Diagram not to scale

EXHIBIT
C



Minimum assembly will consist of three hydraulically operated ram type preventers, a Hydril GK, a rotating blowout preventer, valves, chokes and connections as illustrated. The two upper ram preventers may be double or singles, open-faced flanged. In lieu of the drilling spool, the flanged outlets of the middle ram preventer, provided they are the correct size, may be used for connecting the two 4-1/16" ID flow lines. If a tapered drill string is used, extra ram preventers will be required. Minimum operating equipment for the preventers will be: (1) Air or power operated pumps, and (2) accumulator(s) with means of obtaining a fluid charge. A regulator for the Hydril will be provided. Sufficient fluid capacity in the accumulator(s) shall be available to close all the pressure operated devices at the same time plus 25 percent reserve. Hydraulic oil shall be used as the operating fluid. Seamless steel piping shall be used to connect from the closing unit to the preventers. The choke manifold and flow lines shall be supported by metal stands or reinforced concrete. The choke lines shall be anchored. No sharp bends or curves will be permitted in the flow lines from the preventers to the pits. Easy and safe access will be maintained to choke manifold at all times. The ram type preventers and hydraulically operated valves will be provided with stem extensions, universal joints if needed, and operating wheels are to extend beyond edge of derrick substructure.