

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

DINERO OPERATING COMPANY

3. ADDRESS OF OPERATOR

POST OFFICE DRAWER 10505, MIDLAND, TEXAS 79702

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

At surface

660' FNL, & 660' FEL

At proposed prod. zone

660' FNL & 660' FEL

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

7 miles South East of White City, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

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

660'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

0

16. NO. OF ACRES IN LEASE

1360

19. PROPOSED DEPTH

7,250

17. NO. OF ACRES ASSIGNED

TO THIS WELL

20. ROTARY OR CABLE TOOLS

Both

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

3396.9' G.L.

22. APPROX. DATE WORK WILL START*

Dec. 1, 1981

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	54#-K	400	450 sx. CIRCULATE
11	8 5/8	24#K-55	2500	1250 sx. CIRCULATE
7 7/8	4 1/4	10.5#-K-55	7250	1300 sx.

MUD PROGRAM--SEE EXHIBIT "G"

BLOW OUT PREVENTER PROGRAM---SEE EXHIBIT "E"

CEMENT PROGRAM---SEE BELOW:

13 3/8 casing 400 sx. CL. C. 2% CC

8 5/8 casing 1300 sx. Halliburton Lite-8# Salt 1/4# Flocele-200 sx. CL C Neat

4 1/2 casing 1200 sx. Trinity Lite Weight 300 sx. Neat-50/50 proz mix. 5/10 CFR-2
5# Salt per sack.

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

L. A. De la Cruz

TITLE

Production Clerk

DATE

Nov. 30, 1981

(This space for Federal or State office use)

PERMIT NO.

APPROVED
AS AMENDED

APPROVAL DATE

APPROVED BY
CONDITIONS OF

APPROVAL

NOV 30 1981

TITLE

DATE

JAMES A. GILLHAM
DISTRICT SUPERVISOR

See Instructions On Reverse Side

RECEIVED
NOV 30 1981OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

Supervisor C-125
100 Ave. 1-155

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

1. Outline the acreage dedicated to the subject well by colored pencil or ballpoint pen on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (with 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?

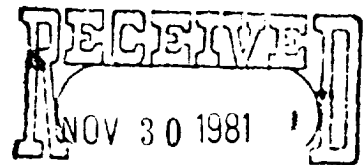
☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have not yet been consolidated. (See 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.

<div data-bbox="172 1615 514 1959"><p>REG. PROF. ENGINEER & LAND SURVEYOR STATE OF CALIFORNIA 678 JOHN W. WEST MEXICO</p></div>		039-0 860	
		CERTIFICATION	
		I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
		Lavonda Norman Production Clerk	
		Dinero Operating Company	
		November 30, 1981	
		I hereby certify that the well location shown on this plan 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.	
		Nov. 12, 1981	
		JOHN W. WEST	
		JOHN W. WEST	
33 40 90 130 180 230 280 330 380 430 480 530 580 630 680 730 780 830 880 930 980		JOHN W. WEST 878 PATRICK A. ROMERO 8838 Ronald J. Edson 3230	

APPLICATION FOR DRILLING
DINERO OPERATING COMPANY
SUNDANCE FEDERAL NO. 1
660' FNL and 660 FEL
Section 3 Eddy County, New Mexico



OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

In conjunction with Form 9-331C, Application for Permit to Drill subject well, DINERO OPERATING COMPANY submits the following ten items of pertinent information in accordance with USGS requirements:

1. The geologic surface formation is Permian.
2. The estimated tops of geologic markers are as follows:

Fresh Water	250'
Salt Anhy.	to 2500'
Lamar Lime	
Bell Canyon	
Cherry Canyon	
Brush Canyon	
Bone Springs	6320'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Approximately	250'
Oil or gas:		2,850'
		4,875'
		6,320'

4. Proposed Casing Program: See Exhibit "F"
5. Pressure Control Equipment: See Exhibit "F"
6. Mud Program: See Exhibit "G"
7. Auxiliary Equipment: None
8. Testing, Logging and Coring Programs:

Side wall core-Delaware
Schlumberger-Dula Laterlog RXO-T.D. up to 2,500'
Compensated Neutron Formation Density with NGT
(Spectrographic Tool - through Bone Springs)

Testing only good shows - Delaware or Bone Springs

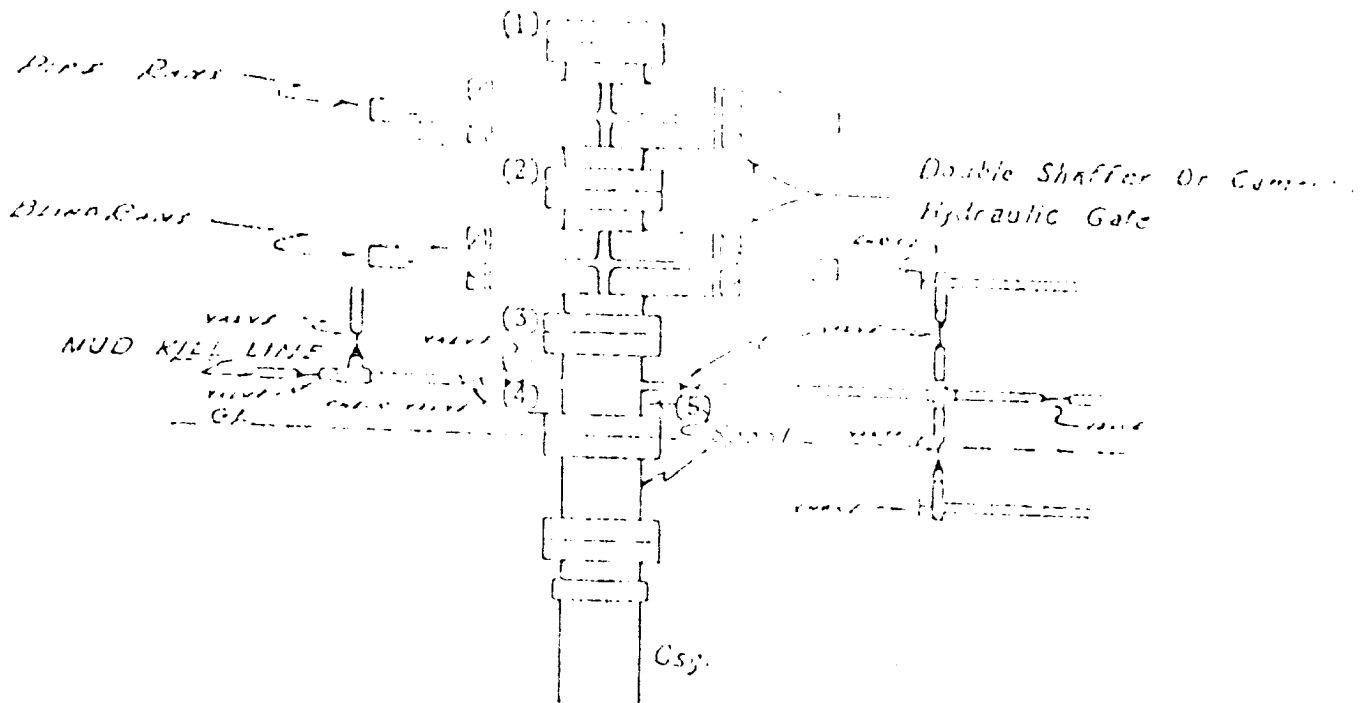
9. Do not anticipate high pressure.
10. Anticipated starting date: December 1, 1981

MINERO OPERATING COMPANY SUMMARY
SUNDANCE FEDERAL NO. 1
660' ENL & 660' FEL
SECTION 3 JIMMY COUNTY, NEW MEXICO

DRILLING, D.S. TEST, CASING AND CEMENT PROGRAM:

1. Drill 17 1/2" hole to 400+'. Protect fresh water.
2. Run 13 3/8" casing 48-51.50# in hole. Cement by Halliburton with 400 sx. CL. C. Cement with 2% CC. Texas Pattern Guide shoe. Displace plug to spot. Leave pressure on casing until cement sets up. Release pressure and nipple up. Pressure test casing to 600# after 18 hours. Drill out.
3. Drill out cement with 12 1/2" bit and establish hole and drilling rate. Pull out and put on an 11" bit. Drill an 11" hole to approx. 2,500' depth or through the Salt Section.
4. Run 2,500+' of 8 5/8" 24# casing and cement with 1,300 sx. of Halliburton Lite Cement, 8# salt and 1/4# floccle. Follow with 200 sx. Class C Neat. Use Guide Shoe, float collar, 6 centralizers. Release pressure when rubber plug is displaced to bottom, if float holds continue.
5. Cut off casing and nipple up, install BOP's after 18 hours, pressure up on casing to 1,000# for 30 minutes. If holding, release pressure and prep. to drill out.
6. Drill 7 7/8" hole to approx. 8,000#. Using a fresh water mud system to 5,800', then mud up to drill into Bone Springs at approx. 6,300'. Drill to approx. 8,000'. Testing will be done as the zones warrant as we drill into each section.
A Mud Logging trailer is on location to assist in evaluating samples and shows for picking drill stem test intervals.
After hole is drilled to 8,100' approx., then we will run logs by Schlumberger-Comp. Neutron, Form. Density Log with NGT. (Spectrographic through the Bone Springs). Dual Later Log RXO, T.D. up to 2,500'. Side Wall Core in Delaware if necessary.
7. Run casing if logs justify, 4 1/2"-11.60# casing and cement with 1,200 sx. Trinity Lite weight cement. 300 sx. Neat 50/50 Poz Mix-.5 CFR-2 5# Salt per sack.
Use guide shoe and float collar. Use as many centralizers as seems necessary after logs.
Displace rubber plug on top of cement, treated with (KCL-2%).
8. Determine Perforations and treating (Acid and or Frac.) after cementing is completed.

X-PORT DRILLING COMBINATION BLOW OUT PREVENTER



NOTE:

MANUAL AND HYDRAULIC CONTROLS WITH
CLOSING UNIT NO LESS THAN 75' FROM
WELL HEAD. REMOTE CONTROLS ON RIG
FLOOR.

(1) 10"-3,000#

(2) 10"-3,000#

(3) 10"-3,000#

(4) & (5) Values 3,000#

DINERO OPERATING COMPANY
SUNDANCE FEDERAL NO. 1
660' ENL & 660' FEL
Sec. 3, T-26-S, R-26-E
Eddy County, New Mexico