

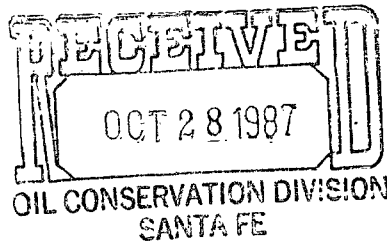
Release Date:
November 16, 1987

B, DEC

RALPH E. WILLIAMSON
ONE FIRST CITY CENTER, SUITE 805
MIDLAND, TEXAS 79702

MAILING ADDRESS
P. O. BOX 994

(915) 683-2200
(915) 683-2633



October 26, 1987

NBL-2450
RULE-104 F(Z)

Brushy Draw
Delaware Pool
Lot Encroaching of
approximately 20.5P
acres shall be dedicated
to the well.

Oil Conservation Commission
Attn: David Catanach
PO Box 2088
Santa Fe, NM 87504-2088

Re: Unorthodox Location
Stateline Federal #2
610' FSL and 990' FWL of Section 35
Township 26 South, Range 29 East
Eddy County, New Mexico

Dear Sir:

Due to environmental and Archeological problems, the Bureau of Land Management, Carlsbad office, requested the above referenced unorthodox location for the Stateline Federal #2.

Enclosed please find in Triplicate the approved application to drill, Archeological Survey, land map, and plat.

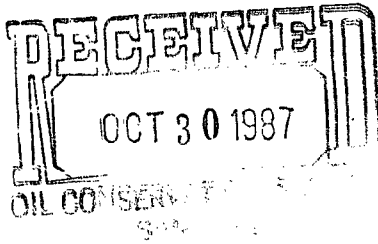
Also enclosed are copies of notification letters to the offset operators requesting a waiver which will be forwarded to you as soon as possible.

Sincerely,

Ralph E. Williamson
by Mary Huber
Ralph E. Williamson

Encs.
REW:mh

Remarks: An administrative application for a non-standard production unit has been filed with the Division and is currently pending approval.



October 22, 1987

Oil Conservation Commission
Attn: David Catanach
PO Box 2088
Santa Fe, NM 87504-2088

Re: Unorthodox Location
Ralph E. Williamson
Stateline Federal #2
610' FSL and 990' FWL of Section 35
Township 26 South, Range 29 East

Dear Sir:

As offset operator to the above referenced well I hereby notify you that I have no objections to the unorthodox location of said well.

Sincerely,

A handwritten signature in cursive script that reads "G.H. Mitchell".

G.H. Mitchell
PO Box 963
Kermit, TX 79745

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

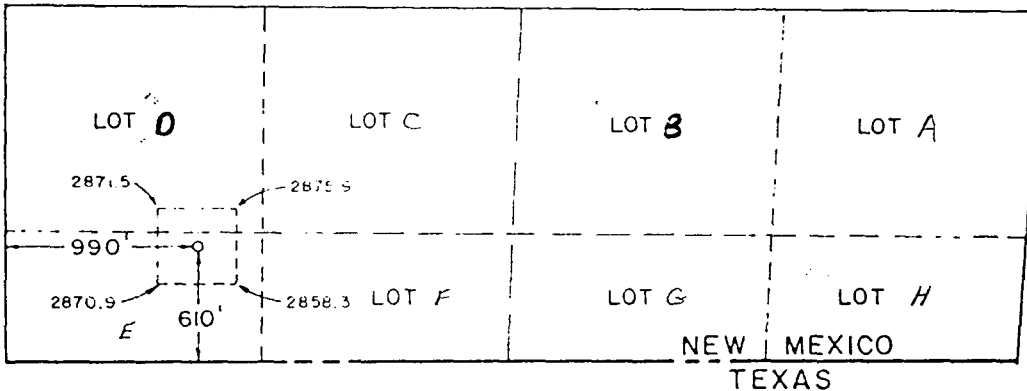
Operator Ralph Williamson			Lease State Line Federal		Well No. 2
Unit Letter E	Section 35	Township 26 South	Range 29 East	County Eddy	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between; align-items: center;"> 610 feet from the south line and 990 feet from the west line </div>					
Ground Level Elev. 2866.0	Producing Formation Cherry Canyon		Pool Brushy Draw- Cherry Canyon		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.

Kala D. Schmidt
Name
Kala D. Schmidt

Position
Production

Company
Ralph E. Williamson

Date
August 7, 1987

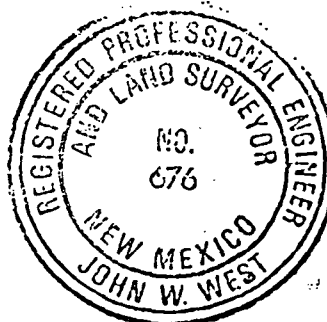
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
September 11, 1987

Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. **JOHN W. WEST 676**

Ronald J. Eidson 3239



RALPH E. WILLIAMSON
ONE FIRST CITY CENTER, SUITE 805
MIDLAND, TEXAS 79702

MAILING ADDRESS
P. O. BOX 994

(915) 683-2200
(915) 683-2633

October 22, 1987

J.C. Williamson
PO Box 16
Midland, TX 79702

Re: Unorthodox location
Stateline Federal #2
610' FSL and 990' FWL of Section 35
Township 26 South, Range 29 East
Eddy County, New Mexico

Dear Sir:

This letter is to serve as notification of request for an unorthodox location for the above referenced well. Due to environmental and archeological problems the Bureau of Land Management, Carlsbad office, requested the above referenced location.

Enclosed please find the application to drill, plat, land map, Archeological Survey, and a waiver. If you have no objections to the unorthodox location please sign the waiver and return it in the self addressed stamped envelope.

Thank you for your prompt attention to this matter.

Sincerely,

Ralph E. Williamson
REW

Ralph E. Williamson

Encs.
REW:mh

RALPH E. WILLIAMSON
ONE FIRST CITY CENTER, SUITE 805
MIDLAND, TEXAS 79702

MAILING ADDRESS
P. O. BOX 994

(915) 683-2200
(915) 683-2633

October 22, 1987

G.H. Mitchell
PO Box 963
Kermit, TX 79745

Return Receipt Requested #P 699 087 271

Re: Unorthodox location
Stateline Federal #2
610' FSL and 990' FWL of Section 35
Township 26 South, Range 29 East
Eddy County, New Mexico

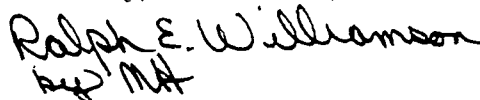
Dear Sir:

This letter is to serve as notification of request for an unorthodox location for the above referenced well. Due to environmental and archeological problems the Bureau of Land Management, Carlsbad office, requested the above referenced location.

Enclosed please find the application to drill, plat, land map, Archeological Survey, and a waiver. If you have no objections to the unorthodox location please sign the waiver and return it in the self addressed stamped envelope.

Thank you for your prompt attention to this matter.

Sincerely,


Ralph E. Williamson

Encs.
REW:mh

RALPH E. WILLIAMSON
ONE FIRST CITY CENTER, SUITE -805
MIDLAND, TEXAS 79702

MAILING ADDRESS
P. O. BOX 994

(915) 683-2200
(915) 683-2633

October 22, 1987

Meridan Oil Company
Attn: Phil Whitsitt
21 Desta Drive
Midland, TX 79705

Return Receipt Requested #P 699 087 273

Re: Unorthodox location
Stateline Federal #2
610' FSL and 990' FWL of Section 35
Township 26 South, Range 29 East
Eddy County, New Mexico

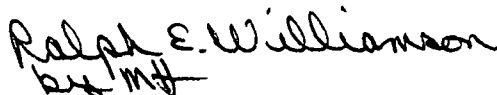
Dear Sir:

This letter is to serve as notification of request for an unorthodox location for the above referenced well. Due to environmental and archeological problems the Bureau of Land Management, Carlsbad office, requested the above referenced location.

Enclosed please find the application to drill, plat, land map, Archeological Survey, and a waiver. If you have no objections to the unorthodox location please sign the waiver and return it in the self addressed stamped envelope.

Thank you for your prompt attention to this matter.

Sincerely,


Ralph E. Williamson

Encs.
REW:mh

P 699 087 273
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to Meridan Oil Company	
Street and No. 21 Desta Drive	
P.O., State and ZIP Code Midland, TX 79705	
Postage	\$ 1.07
Certified Fee	.75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.70
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.52
Postmark or Date JUN 23 1987 USPO	

PS Form 3800, June 1985

P 699 087 271
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to G.H. Mitchell	
Street and No. PO Box 963	
P.O., State and ZIP Code Kermit, TX 79745	
Postage	\$ 1.07
Certified Fee	.75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.70
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.52
Postmark or Date JUN 23 1987 USPO	

PS Form 3800, June 1985

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. ☐ Restricted Delivery
↑(Extra charge)↑

3. Article Addressed to: Meridan Oil Company Attn: Phil Whitsitt 21 Desta Drive Midland, TX 79705	4. Article Number P 699 087 273
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
	Always obtain signature of addressee or agent and DATE DELIVERED .
5. Signature — Addressee X <i>P. Hood</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X	
7. Date of Delivery 10-23-87 <i>PH</i>	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 **DOMESTIC RETURN RECEIPT**

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. ☐ Restricted Delivery
↑(Extra charge)↑

3. Article Addressed to: G.H. Mitchell PO Box 963 Kermit, TX 79745	4. Article Number P 699 087 271
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail
	Always obtain signature of addressee or agent and DATE DELIVERED .
5. Signature — Addressee X <i>G. Mitchell</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X	
7. Date of Delivery 10-23-87	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 **DOMESTIC RETURN RECEIPT**

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

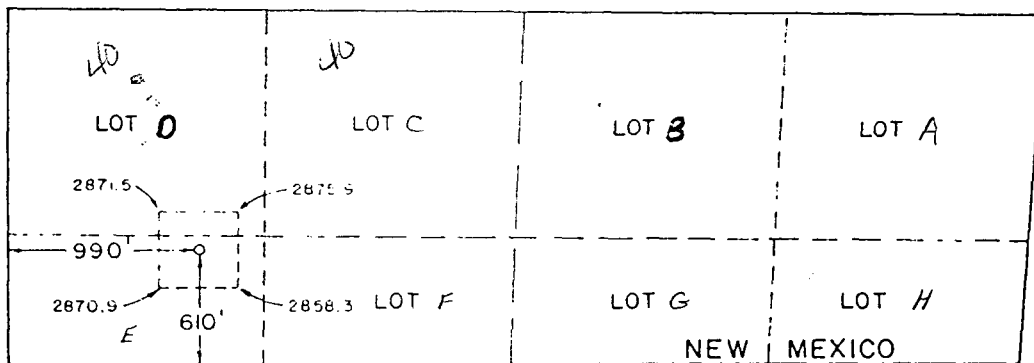
Operator Ralph Williamson			Lease State Line Federal		Well No. 2
Unit Letter E	Section 35	Township 26 South	Range 29 East	County Eddy	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between; align-items: center;"> 610 feet from the south line and 990 feet from the west line </div>					
Ground Level Elev. 2866.0	Producing Formation Cherry Canyon	Pool Brushy Draw- Cherry Canyon		Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.



56.19

CERTIFICATION

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

Kala D. Schmidt
Name

Kala D. Schmidt

Position

Production

Company

Ralph E. Williamson

Date

August 7, 1987

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

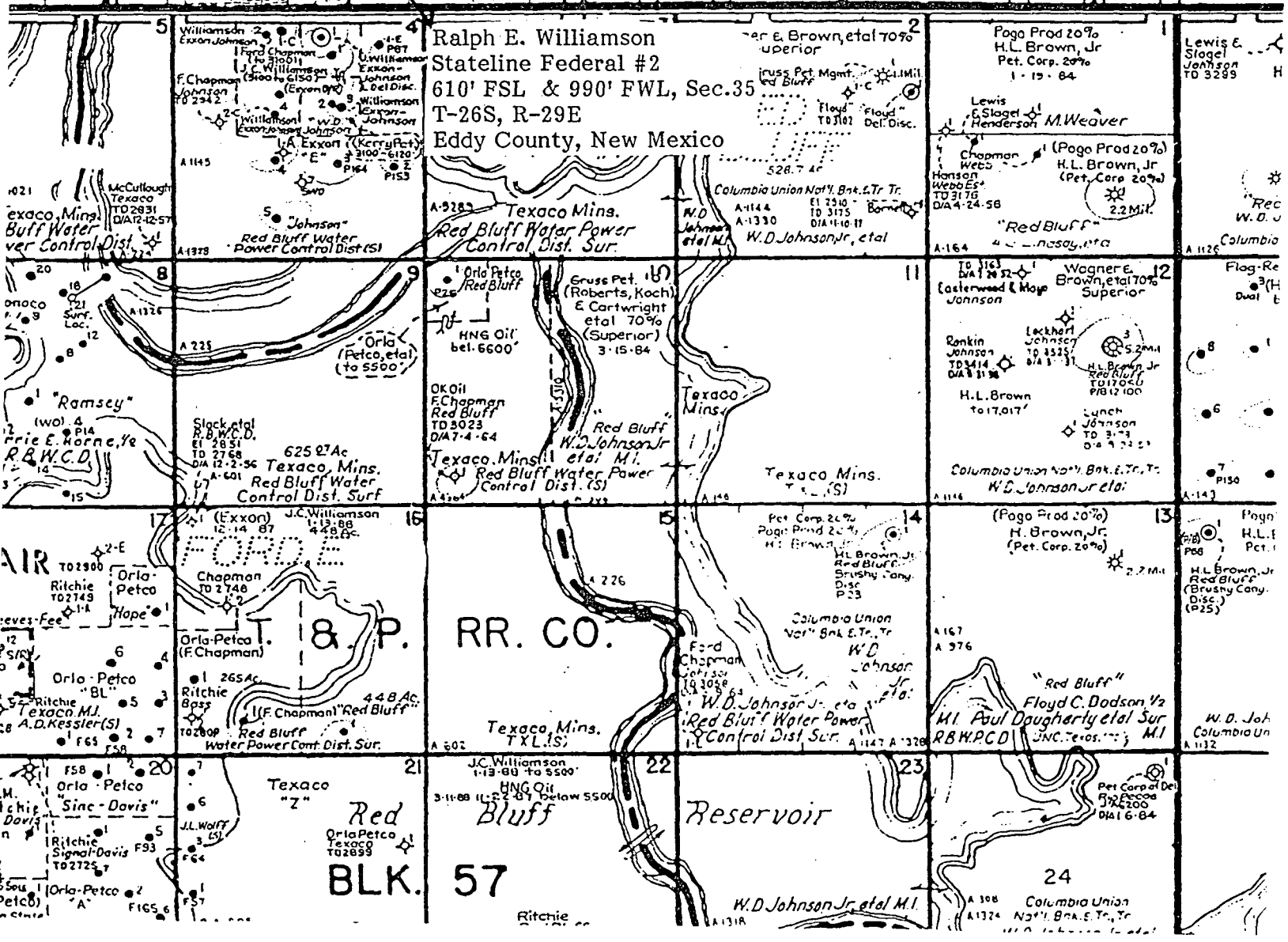
September 11, 1987

Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. **JOHN W. WEST** **676**

Ronald J. Eidson 3239





Archeological Survey Report for
Ralph Williamson's
State Line Federal Well No. 2
Situated on Federal Lands in
Eddy County, New Mexico
PAC Report No. 87107

prepared by
James E. Hunt

submitted by
Pecos Archeological Consultants
P.O. Box 1771, Carlsbad, N.M., 88221
September 24, 1987

Permit No. 6-2920-86-F
(Expiration Date: September 30, 1988)

ABSTRACT

On September 19, 1987, Pecos Archeological Consultants (BLM Cultural Use Permit No. 6-2920-86-F) undertook the archeological survey of a drill location scheduled to be impacted by Ralph Williamson. This project will be situated on federal lands in Eddy County, New Mexico. These public lands occur in section 35, T26S, R29E, NMPM, Eddy County, New Mexico. A total of 4.86 acres were investigated during this project in 6 man-hours by James E. Hunt. Five Isolated finds (IFs) were encountered within the impact zone for this project. Due to the limited nature of the cultural remains occurring in the impact zone, Pecos Archeological Consultants is recommending clearance for this project as planned.

INTRODUCTION

On September 14, 1987, Pecos Archeological Consultants was requested by Ralph Williamson to perform an archeological survey for a drill location situated on public lands in Eddy County, New Mexico. This land is administered by the Bureau of Land Management and federal Law stipulates that an intensive archeological survey of the project area be accomplished to determine what cultural resources might be impacted by the planned construction. Therefore, on September 19, 1987, Pecos Archeological Consultants undertook this survey in accordance with federal requirements. Fieldwork was accomplished by James E. Hunt. The following is a report of the findings resulting from the survey.

SURVEY METHODOLOGY

Pecos Archeological Consultants performed this survey by physically examining the entire impact zone which will result from this project as planned. A pedestrian inspection along transects spaced 15 meters apart was made across the 400 X 400 ft area encompassed by the projected location. Additionally, a buffer zone extending 20 m surrounding the location was included to determine if any secondary impact could occur to cultural resources outside the staked location. The access road which will be constructed to this location was surveyed in two parallel transects at 15 m intervals. This inspection was made between the hours of 4 pm and 5 pm on a sunny day. Surface visibility, which was 35-50% vegetation-free, in the region made this methodology the most practical for effectively sampling the impact zone as it will result from this planned construction.

ENVIRONMENT

Ralph Williamson's drill location will be situated in the eroded hill country east of the Pecos River and Red Bluff Reservoir, south of Brushy Draw, just north of the Texas/New Mexico state line. This area is characterized by low, eroded hills which are separated by shallow drainages flowing towards the river. The project area is the south base and slope of such a hill, which is drained by a shallow arroyo running south. A large sinkhole occurs just east of the location. Soils in the project area are sandy loams which are included in the Reagan-Upton association. They are deposited from old alluvium and shallow overlying caliche on the hilltops. Outcroppings of caliche and screes of fragmented caliche occur frequently as inclusions in these soils. In addition, chert and quartzite gravels are present in these soils, probably eroded from the Ogllalla formation on the Blackdom Surface. These materials are suitable for chipped stone tool manufacture, and in this area, they were used as such frequently.

This area, which occurs at an elevation of between 2800 and 2900 ft above sea level, possesses a biotic community typical of the region as a whole. A number of plants are included in the floral inventory, with mesquite (Prosopis juliflora) the most common local variety. In addition, javalina bush (Condalia ericoides), creosote bush (Larrea tridentata), catclaw acacia (Acacia constricta), prickly-pear cactus (Opuntia macrocentra), desert holly (Perizia nana), and broom-snakeweed (Gutierrezia sarothrae) are also present.

LOCATIONAL DATA

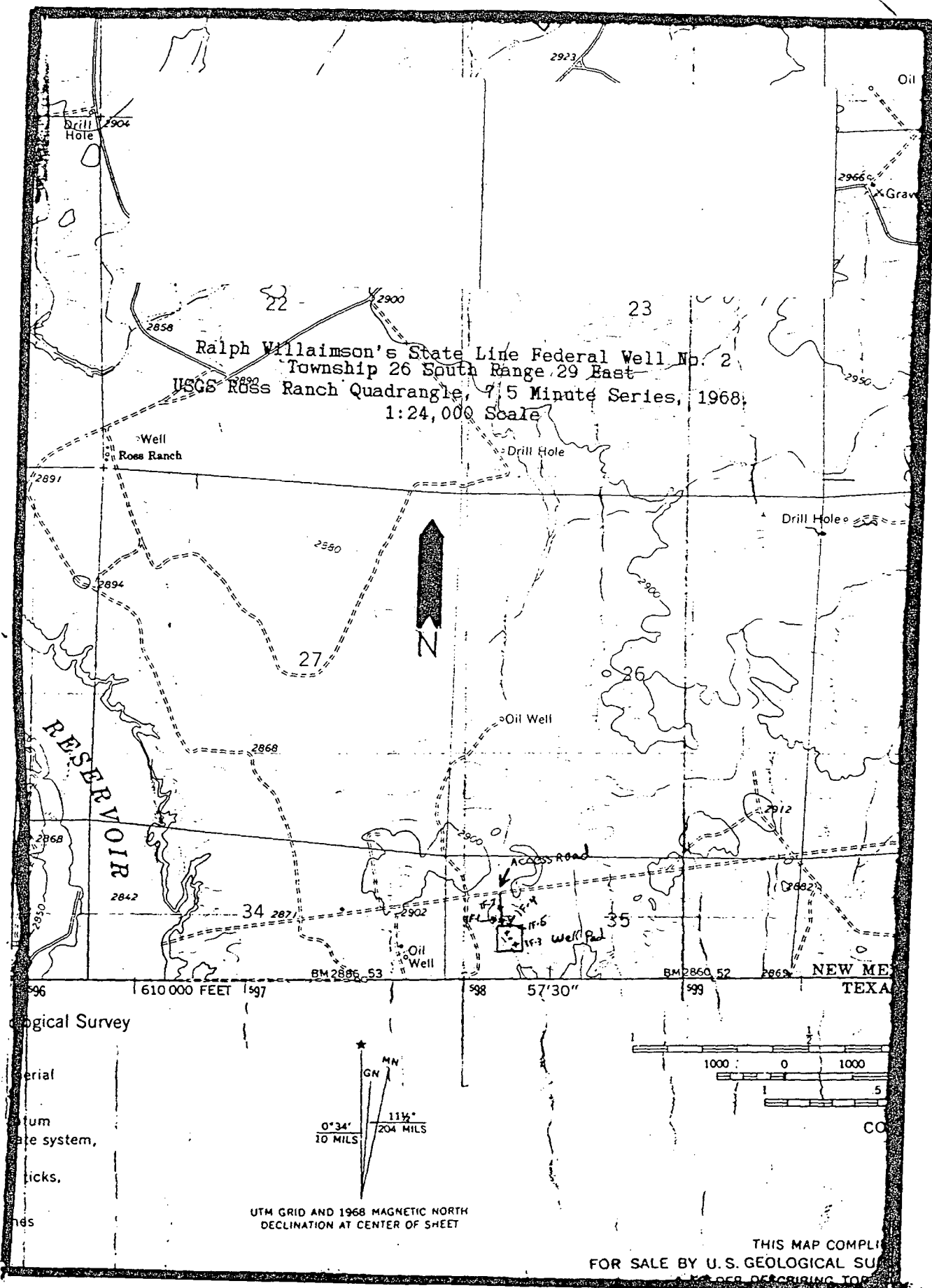
The drill location which Ralph Williamson plans to construct, designated the State Line Federal Well No. 2, will measure 400 X 400 ft, or an area of 3.6 acres. It will be located 610 ft from the south line and 990 ft from the west line, or in Lot 8 and Lot 9, section 35, T26S, R29E, NMPM, Eddy County, N.M.

In addition, an access road will be constructed to the location which will measure 100 ft by 550 ft, or an area of 1.26 acres. It will be situated in the:

Lot 8, section 35, T26S, R29E, NMPM, Eddy County, N.M.

Lot 9, section 35, T26S, R29E, NMPM, Eddy County, N.M.

Map Reference: USGS Ross Ranch Quadrangle, 7.5 Minute Series, 1968.



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

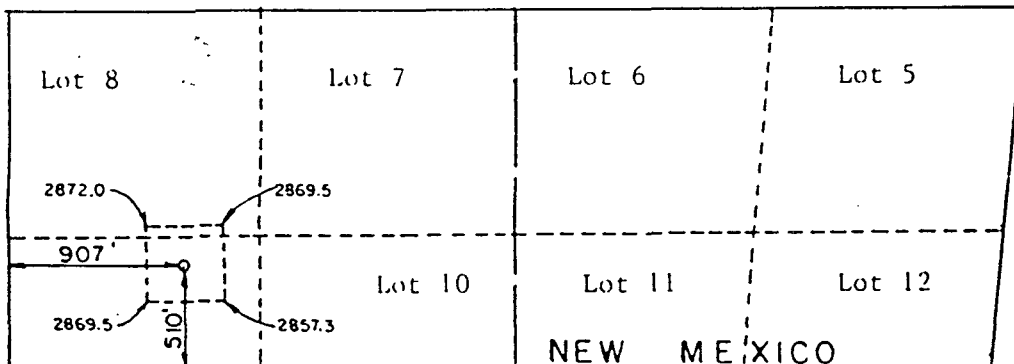
Operator Ralph Williamson		Lease State Line Federal		Well No. 2
Unit Letter E	Section 35	Township 26-S	Range 29-E	County Eddy
Actual Footage Location of Well: 510 feet from the South line and 907 feet from the West line				
Ground Level Elev. 2864.5	Producing Formation	Pool	Dedicated Acreage: Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.



TEXAS

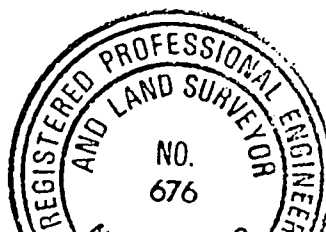
CERTIFICATION

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

Name
Position
Company
Date

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 August 6, 1987
Registered Professional Engineer and/or Land Surveyor



ARCHEOLOGICAL RESOURCES

Prior to initiating fieldwork, Pecos Archeological Consultants performed a literature search to determine if any archeological sites had already been recorded in the project area. Current BLM files and the National Register of Historic Places were consulted in this endeavor. Five previously-reported archeological sites were found to have been recorded in the vicinity of the project area. These are BLM No.s:

NM-06-2867--this is a lithic scatter of indeterminate age located 200 m from the project area.

NM-06-2866--this site consists of a lithic scatter of indeterminate age, located 180 m from the project area.

NM-06-4017--this is a lithic procurement site of unknown cultural affiliation, located 950 m from the project area.

NM-06-4341--is another lithic scatter of indeterminate age, located 250 m from the present well pad.

NM-06-4342--this site is similar to the other sites in the area, also of indeterminate cultural affiliation. it is located 125 m from the project area.

Observed Archeological Manifestations:

Five isolated finds (IFs) were encountered in the impact zone resulting from this project.

ISOLATED FINDS

Isolated Find No. 1 (IF-1) consists of a gray chert core, measuring 2.2 X 4.1 X 5.0 cm, located in an eroded wash 15 m north of the access road beginning, in:

Lot 9, section 35, T26S, R29E, NMPM, Eddy County, N.M.

UTM Coordinates: Zone 13, N 3,540,980 ; E 598,170

Map Reference: USGS Ross Ranch Quadrangle, 7.5 Minute Series, 1968.

Isolated Find No. 2 (IF-2) is a maroon quartzite core, measuring 4.6 X 9.7 X 9.7 cm. It is located 50 m north of the access road beginning, in:

Lot 8, section 35, T26S, R29E, NMPM, Eddy County, N.M.

UTM Coordinate: Zone 13, N 3,541,040 ; E 598,160

Map Reference: USGS Ross Ranch Quadrangle, 7.5 Minute Series, 1968.

Isolated Find No. 3 (IF-3) is a gray chert secondary decortication flake, measuring 1.35 X 3.5 X 3.7 cm. it is located at the south base of a low hill in:

Lot 9, section 35, T26S, R29E, NMPM, Eddy County, N.M.

UTM Coordinates: Zone 13, N 3,540,850 ; E 598,230

Map Reference: USGS Ross Ranch Quadrangle, 7.5 Minute Series, 1968.

Isolated Find No. 4 (IF-4) consists of a white chert primary decortication flake with a prepared platform, measuring 0.44 X 2.6 X 2.1 cm and a white chert secondary decortication flake, measuring 0.8 X 3.1 X 3.2 cm. These are located on the south slope of the hill north of the drill location, in:

Lot 9, section 35, T26S, R29E, NMFM, Eddy County, N.M.

UTM Coordinates: Zone 13, N 3,540,920 ; E 598,190

Map Reference: USGS Ross Ranch Quadrangle, 7.5 Minute Series, 1968.

Isolated Find No. 5 (IF-5) is a black quartzite secondary decortication flake, measuring 2.3 X 4.6 X 9.5 cm. It is located on the south slope of the hill north of the staked pad, in:

Lot 9, section 35, T26S, R29E, NMFM, Eddy County, N.M.

UTM Coordinates: Zone 13, N 3,540,940 ; E 598,260

Map Reference: USGS Ross Ranch Quadrangle, 7.5 Minute Series, 1968.

RECOMMENDATIONS

Due to the scarcity of significant cultural remains within the impact zone, Pecos Archeological Consultants is recommending clearance for Ralph Williamson's project, as planned. This recommendation is based on a surface inspection of the project area; should additional, purely subsurface remains be present in the project area, they would not be detected without extensive subsurface testing. Of course, final clearance for this project must be granted by the Bureau of Land Management.

SPECIAL DRILLING STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

OPERATORS NAME RALPH E. WILLIAMSON WELL NO. & NAME STATELINE FEDERAL NO. 2
 LOCATION 610 F S L & 990 F W L SEC. 35, T. 26 S., R. 29 E.
 LEASE NO. NM-54998 COUNTY Eddy

The special stipulations check marked below are applicable to the above described well and approval of this application to drill is conditioned upon compliance with such stipulations in addition to the General Requirements. The permittee should be familiar with the General Requirements, a copy of which is available from a Bureau of Land Management office. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE STIPULATIONS PURSUANT TO TITLE 43 CFR 3165.3 and 3165.4.

I. SPECIAL ENVIRONMENT REQUIREMENTS

- ☐ Lesser Prairie Chicken (Stips attached) ☐ San Simon Swale (Stips attached)
☐ Floodplain (Stips attached) ☒ Other (See attached)

II. ON LEASE - SURFACE REQUIREMENTS PRIOR TO DRILLING

☒ The BLM will monitor construction of this drill site. Notify the Carlsbad Resource Area Office, BLM at least 2 working days prior to commencing construction at (505)887-6544

☒ Roads and the drill pad for this well must be surfaced with 4 inches of compacted Caliche.

☐ All topsoil and vegetation encountered during the construction of the drill site area will be stockpiled and made available for resurfacing of the disturbed area after completion of the drilling operation. Topsoil on the subject location is approximately _____ inches in depth. Approximately _____ cubic yards of topsoil material will be stockpiled for reclamation.

☒ Other; Culverts will be installed where access road crosses large drainages

III. DRILLING OPERATIONS REQUIREMENTS [Carlsbad Controlled Water Basin]

The Bureau of Land Management office is to be notified at (505)887-6544 in sufficient time for a representative to witness:

☒ 1. Spudding ☒ 2. Cement casing 13 3/8 inch 8 5/8 inch 5 1/2 inch

☐ 3. BOP tests ☐ Other

IV. CASING

☒ 13 3/8" surface casing should be set @ ±350' below all useable fresh water and cement circulated to the surface. If cement does not circulate to the surface this BLM office will be notified and a temperature survey or cement bond log will be run to verify the top of the cement. Remedial cementing will be done prior to drilling out of that string.

☒ Minimum required fill of cement behind the 8 5/8" intermediate casing is to tie back into 13 3/8" surface csq. @ ±350.

☒ Minimum required fill of cement behind the 5 1/2" production casing is to tie back at least 600' above all potential producing horizons.

Lease
BLM ~~Serial~~ Number Nm - 54988
Company Reference Ralph Williamson
Stateline Fed. #2

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES
IN THE ROSWELL DISTRICT, BLM

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

- a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.
- b. Activities of other parties including, but not limited to:
 - (1) Land clearing.
 - (2) Earth-disturbing and earth-moving work.
 - (3) Blasting.
 - (4) Vandalism and sabotage.
- c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

3. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

I. If a void is encountered during the drilling of the surface interval:

1) Please notify Jim Goodbar of the BLM-Carlsbad at 887-6544.

2) Please report the following:

(a) depth at which the void was encountered

(b) distance that the drill string dropped; (i.e. vertical extent of void)

(c) was there a water-flow associated with the void?

(d) was anything done about the void? (i.e. was LCM mixed and pumped, was remaining interval drilled without returns, etc?)

II. If no void is encountered while drilling the surface interval, please include that information on your Sundry Notice so that we may update our records accordingly.

OPERATOR'S COPY
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN 1 LIGATE*
(Other instructions on
reverse side)

Form approved:
Budget Bureau No. 1004-0136
Expires August 31, 1985

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

Ralph E. Williamson

3. ADDRESS OF OPERATOR

P.O. Box 16 Midland, Texas 79702

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

At surface

640 510' FSL & 997' FWL

At proposed prod. zone

640 510' FSL & 997' FWL

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

14 1/2 mi. SE of Malaga, New Mexico

10. DISTANCE FROM PROPOSED*

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

510'

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

1000'

16. NO. OF ACRES IN LEASE

56.19

19. PROPOSED DEPTH

6250'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

2864.5 GR

22. APPROX. DATE WORK WILL START*

September 15, 1987

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"	54.5#	350'	350 sx circulate
11"	8 5/8"	24# & 32#	2750'	250 sx tie back to
7 7/8"	5 1/2"	15.5#	6250'	1000 sx in 2 stages

Surface
csg.

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

Ralph E. Williamson

TITLE

Operator

DATE

July 31, 1987

(This space for Federal or State office use)

PERMIT NO.

Ralph E. Williamson

APPROVAL DATE

APPROVED BY

TITLE

DATE

10-9-87

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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.

5. LEASE DESIGNATION AND SERIAL NO.
NM 54998

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Stateline Federal

9. WELL NO.
2

10. FIELD AND POOL, OR WILDCAT
Brushy Draw Delaware

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
Sec. 35, T-26-S, R-29-E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

RECEIVED
AUG 13 10 50 AM '87
CARLESON RESOURCE
AREA HEADQUARTERS

SUPPLEMENTAL DRILLING DATA

RALPH E. WILLIAMSON
WELL STATELINE FEDERAL #2

1. SURFACE FORMATION: Quaternary Alluvium

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Rustler Anhydrite	350'
Top Upper Salt	650'
Lamar Shale	2900'
Ramsey Sand	2925'
Olds Sand	2950'
Top Cherry Canyon	4150'
Top Brushy Canyon	5100'

3. ANTICIPATED POSSIBLE WATER AND HYDROCARBON BEARING ZONES:

Fresh Water	above 100'
Delaware (oil)	3025'
Brushy Canyon (oil)	5100' - 5150' - 5600' - 5650'
Lower Brushy Canyon (oil)	6150' - 6250'

4. PROPOSED CASING AND CEMENTING PROGRAM:

Casing program is shown on Form 9-331 C.

Hole for surface casing will be drilled to a depth below fresh water zones. 13-3/8" surface casing will then be run to 350', below all fresh water zones and will be cemented to the surface with 350 sacks of Class "C" cement.

8-5/8" casing will be run and cemented at 2750', prior to entering delaware section and will be cemented with 250 sacks of Class "C" cement at 2750', tying same back into ~~surface~~ surface csg.

5-1/2" production casing will be cemented at a total depth if significant shows are encountered in the Brushy Canyon formation, with 1000 sacks Class "C" cement 50/50 poz mix cement in stages with DV tool set at 4600' plus or minus.

5. PRESSURE CONTROL EQUIPMENT:

Pressure control equipment will consist of a 3000# double ram hydraulically controlled blow-out preventer and a 3000# choke manifold.

6. CIRCULATING MEDIUM:

The circulating medium will be fresh water down to 350 feet and down to a depth of 1000' out from under surface. Brine water will be used in the rest of the hole to TD. The fresh water left over from the surface hole and used down to 1000' will be naturally saturated down to 2750', while drilling the 11' intermediate hole. All extra makeup water will be produced brine water.

7. AUXILARY EQUIPMENT:

Not Applicable.

8. TESTING, LOGGING AND CORING PROGRAM:

Formation test will be made by conventional drill stem test; however none are anticipated.

It is planned that a compensated neutron-density gamma ray and dual laterolog will be run when total depth is reached, with a backup computer analysis utilizing these logs.

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE GAS:

None anticipated.

10. ANTICIPATED STARTING DATE:

It is planned that operations will commence on September 15, 1987, or as soon as the application is approved.

SURFACE USE AND OPERATIONS PLAN

FOR

RALPH E. WILLIAMSON
Well No.2 Stateline Federal
510' FSL & 907' FEL Sec. 35, T-26-S, R-29-E
Eddy County, New Mexico

LOCATED: 14-1/2 air miles southeast of Malaga, New Mexico

FEDERAL LEASE NUMBER: NM 54998

LEASE ISSUED: February 16, 1984

RECORD LESSEE: Robert E. Boling

ACRES IN LEASE: 56.19

SURFACE OWNERSHIP: State of New Mexico

GRAZING PERMITTEE: W.D. Johnson Estate
c/o Centerre Bank and Trust Company
Columbia, Missouri
Attn: John Archer

POOL: Brushy Draw Delaware. Statewide Rules

ATTACHMENTS:

- A. General Road Map
- B. Plat Showing existing well and existing roads
- C. Lease Plat
- D. Drilling Rig Layout
- E. BOP Diagram

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a road map showing the location of the proposed well. Access to the location will be gained by using an existing road which comes out of the Jal-Orla cut of Highway (Highway 652). See Point A.
- B. Exhibit "B" is a plat showing existing roads in the vicinity of a well site. Existing roads are shown by a double black line.
- C. The road leading directly to the location will need to be graded no new surfacing will be needed.

2. PLANNED ACCESS ROAD:

Approximately 800 feet of new road will need to be made starting at existing lease road just east of the Stateline Federal #1. This new access road will lead 800 feet diagonally southeast to the location.

- A. SURFACING MATERIAL: No surfacing material should be needed for the prepared location. If necessary, 4" of caliche, watered and compacted will be used.
- B. MAXIMUM GRADE: Two Percent.
- C. TURNOUTS: None required.
- D. DRAINAGE DESIGN: New road will have a drop of six inches from the center on each side.
- E. CULVERTS: None required.
- F. CUTS AND FILLS Some leveling will be necessary to level this very basically level location. Only clearing and leveling where necessary will be required.
- G. GATES AND CATTLE GAURD: No fences will be disturbed.

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. There is a tank battery and treater located on the site of the Stateline Federal #1.
- B. If the proposed well is completed for production, the tank battery on the Stateline Federal #1 will be utilized. The flowline to this battery will be laid along the access road described in 2-A above, and then tied into the production battery located on the Stateline Federal #1 location.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. For the fresh water protion of the hole dow to 1000 feet of depth, and for water for cementing and use on this rig (rig motors washing down, etc), water will be hauled to the location. All brine water needed for make up water from 1000' to TD will be produced brine water avaiable 750 feet north of the proposed location, from the CRW-SWD, Inc. Stateline Gathering System's main Brushy Draw Ross Draw pipeline and will be brought to the location by use of a 3" fasline running from the nearest CRW-SWD, Inc. inlet-outlet manifold, along the main Ross Draw-Brushy Draw road, then

southeast along the proposed access road to the proposed location. All fasline will be run along existing or applied for roadways.

6. SOURCE OF CONSTRUCTION MATERIALS:

Construction materials if needed, and no need is anticipated, will be hauled from an existing and approved caliche pit located approximately 1-1/2 mile north of the prepared location, located in the NE/4 SE/4 of Section 26, T-26-S, R-30-E, Eddy County, New Mexico.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of the drilling pit.
- B. Drilling fluid will be allowed to evaporate in the drilling pit until the pit is dry.
- C. Water produced during production testing will be disposed of in the drilling pit. Oil produced during testing will be stored in test tanks, then transferred to the Stateline Federal #1 battery, cleaned up to pipeline specifications and them sold.
- D. Current laws and regulations pertaining to the disposal of human waste will complied with.
- E. Trash, waste paper, garbage and junk will be buried in a seperate 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 will site within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITES:

- A. None Required.

9. WELL SITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, mud pit, trash pit, and the location of major rig components.
- B. Some leveling of the well site will be required. Approximately 4 feet of cut and fill will be necessary.
- C. The pad and pit area has been staked and flagged.

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, junk and all material buried so as to leave the well site in as an aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled, or left unfenced after all fluids have been removed, then will be broken out as soon as the pits become reasonably dry.

- C. After abandonment, all equipment, trash and junk will be removed or buried and the location cleaned. This is State of New Mexico surface and all state regulations regarding surface restoration will be complied with.

11. OTHER INFORMATION:

- A. TOPOGRAPHY: The land surface is relatively level. Regional slope is to the southwest.
- B. SOIL: The top soil at the well site is a gravelly, loamy sand, with rocky exposures in places.
- C. FLORA AND FAUNA: The vegetative cover is sparse and consists of mesquite, grease wood, 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: The Pecos River is approximately two miles west of the proposed well site. Red Bluff Reservoir is approximately one mile south of the well site.
- E. RESIDENCE AND OTHER STRUCTURES: There is no permanently occupied dwellings or operating windmills within two miles of proposed well site.
- F. ARCHAEOLOGICAL, HISTORICAL, AND OTHER CULTURAL SITES: None observed in the area.
- G. LAND USE: Grazing and hunting in season.
- H. SURFACE OWNERSHIP: State of New Mexico.

12. OPERATOR'S REPRESENTATIVE:

Representative responsible for assuring compliance with the approved Surface Use Plan is:

Ralph E. Williamson
805 Tower One First City Center
Midland, Texas 79701
Attention: Ralph E. Williamson
Office Phone: 915-683-2200
Home Phone: 915-682-2600(Midland)
505/887-0215(Carlsbad)

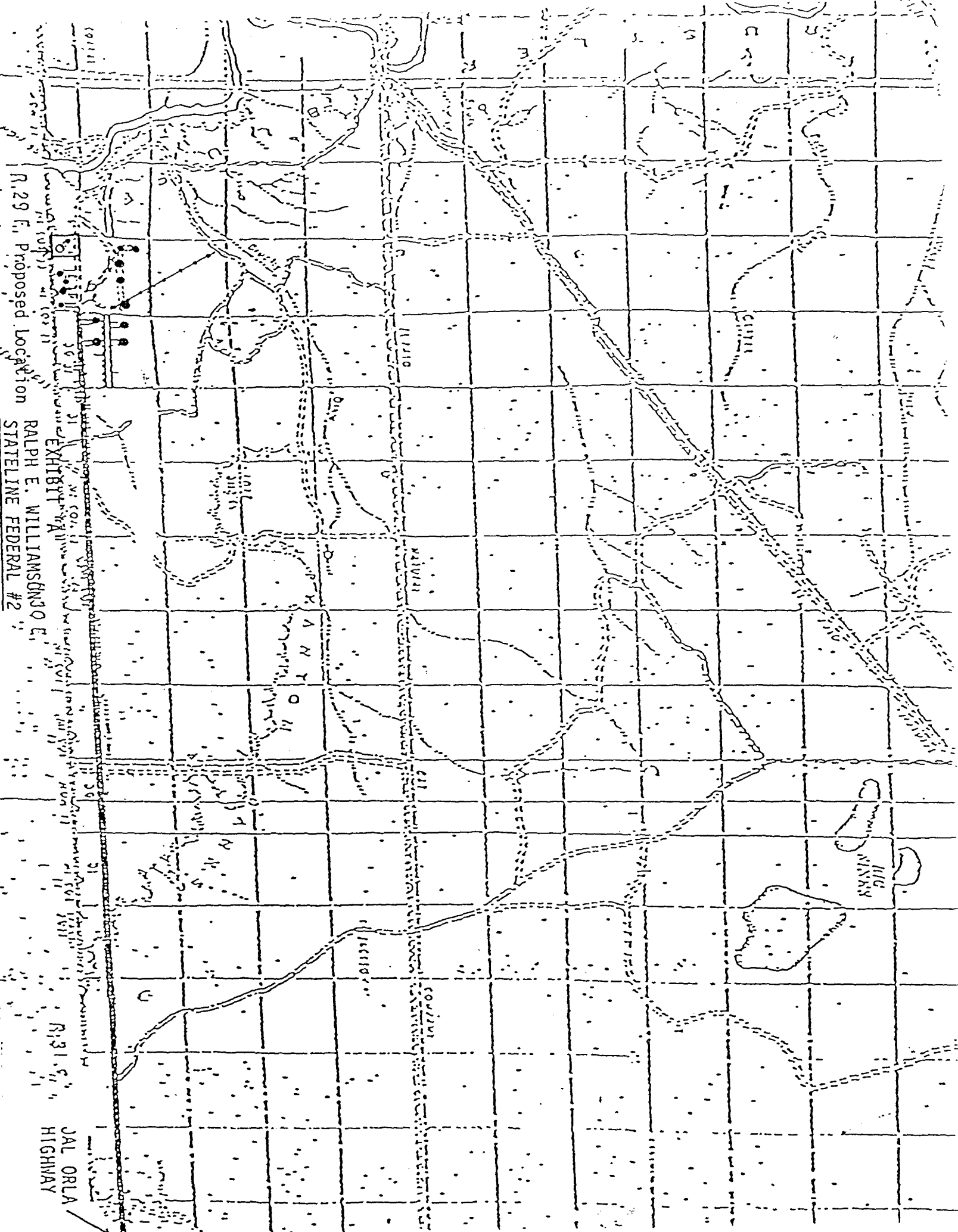
13. CERTIFICATION:

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 presently exist; that the statements made in the 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 J. C. Williamson and its contractors and subcontractors in conformity with this plan and the term and conditions under which it is approved.

DATE

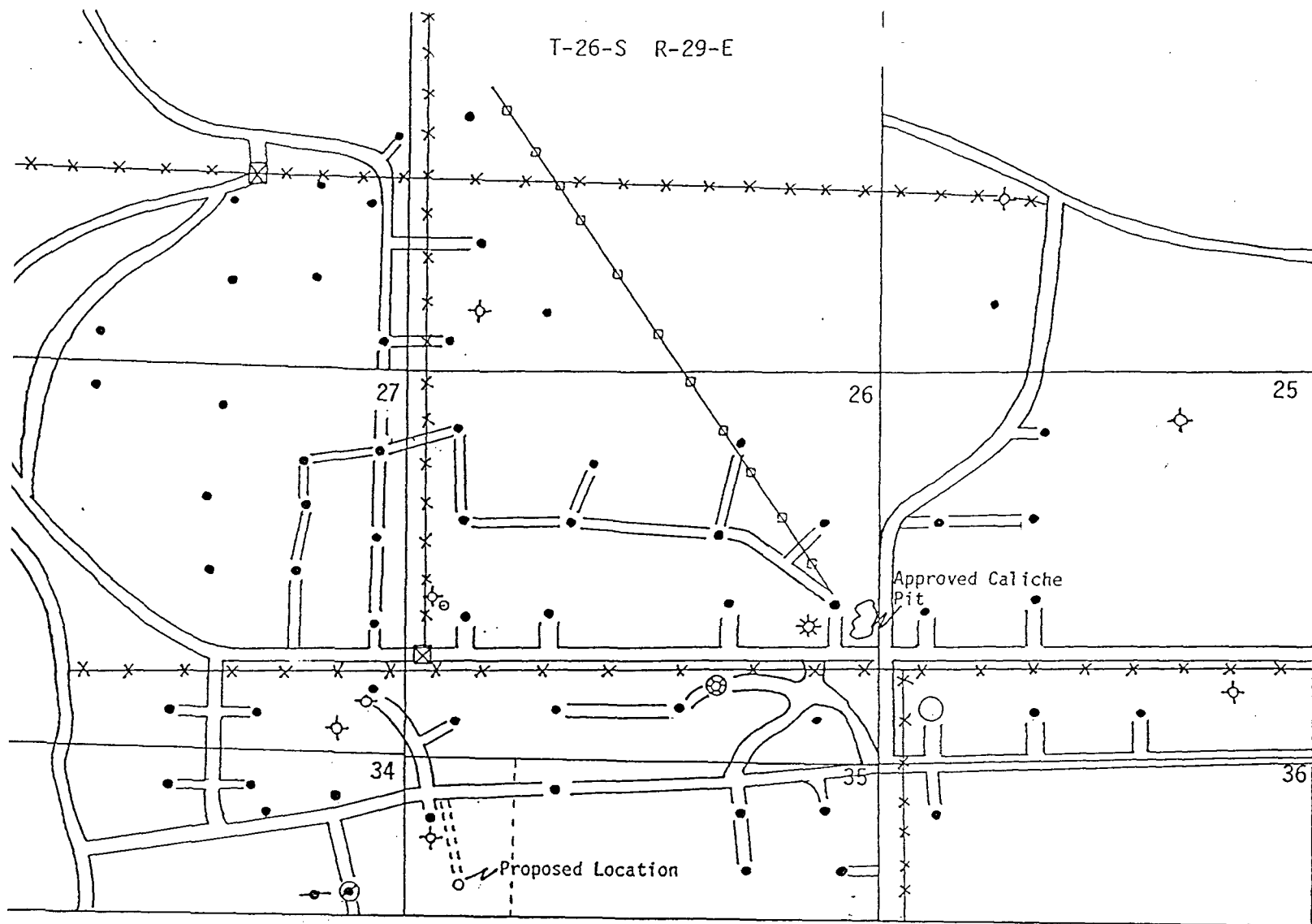
RALPH E. WILLIAMSON, OPERATOR

R. 29 E. Proposed location
STATELINE FEDERAL #2



JAL ORLA
HIGHWAY

T-26-S R-29-E



LEGEND

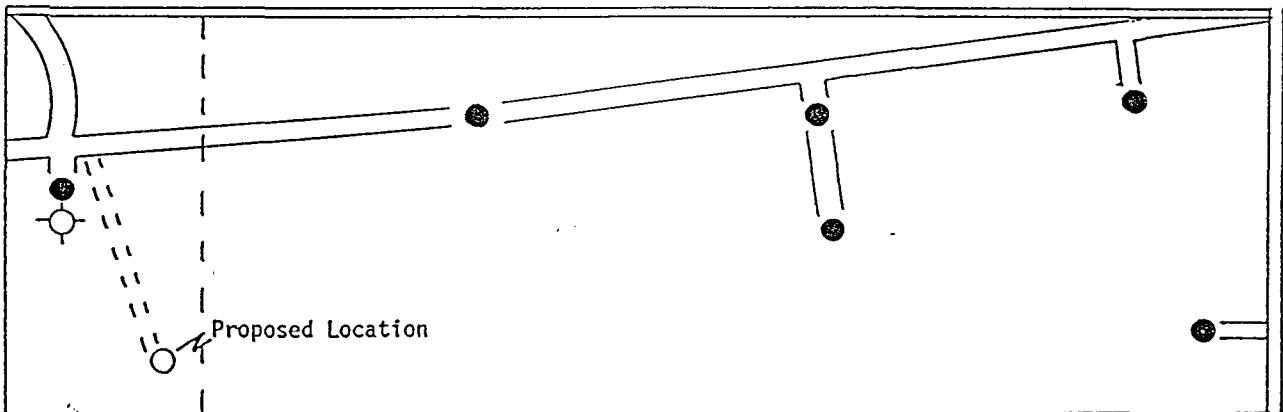
- Proposed Well Location
- Oil Well ☼ Gas Well
- ⊗ Plugged Well ○ Drilling Well
- == Existing Roads
- *** Barbed Wire Fence
- Lease Lines
- ⊕ Electrical Lines
- ⊗ Cattleguard
- == Proposed Road
- ⊙ Windmill

EXHIBIT "B"

RALPH E. WILLIAMSON
STATELINE FEDERAL #2
 Sec. 35, T-26-S, R-29-E
 EDDY COUNTY, NEW MEXICO

EXHIBIT "C"

RALPH E. WILLIAMSON
STATELINE FEDERAL #2
Sec. 35, T-26-S, R-29-E
EDDY COUNTY, NEW MEXICO



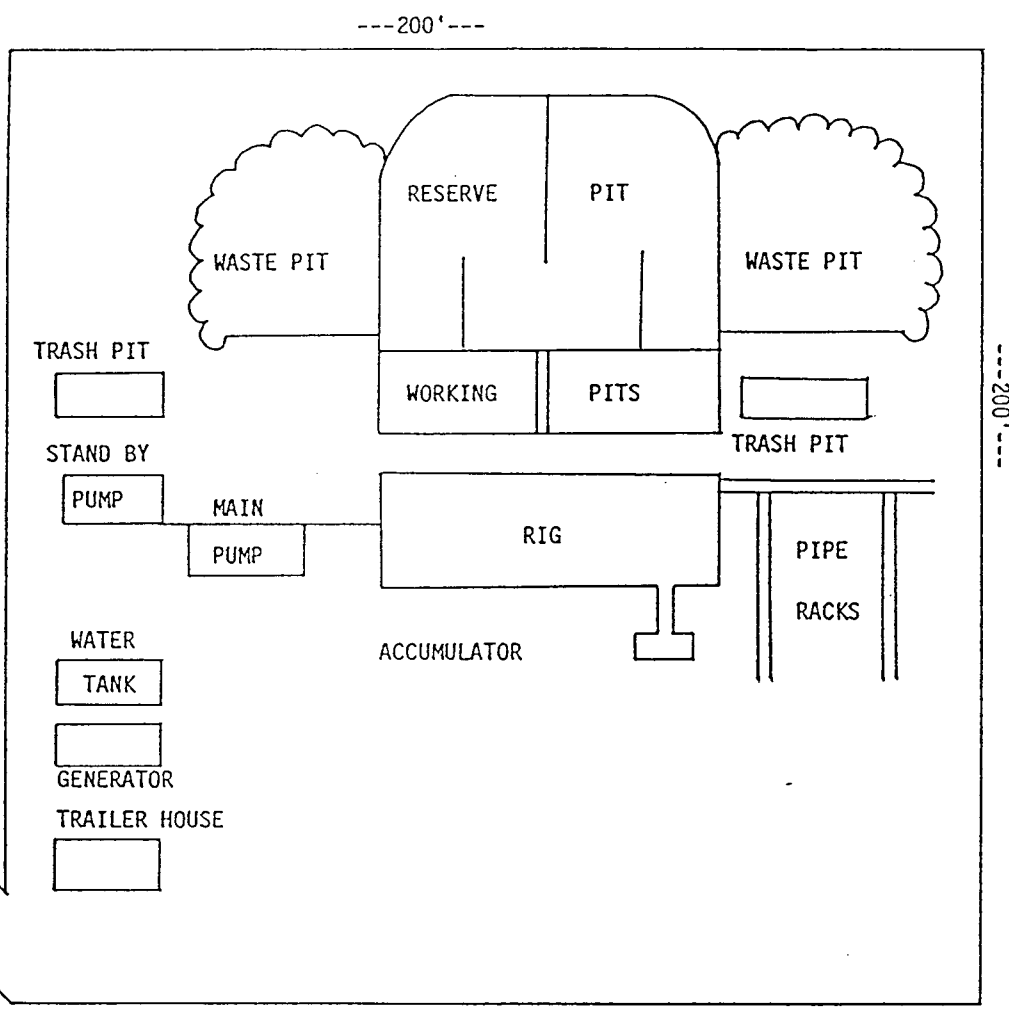


EXHIBIT "D"

RALPH E. WILLIAMSON

STATELINE FEDERAL #2

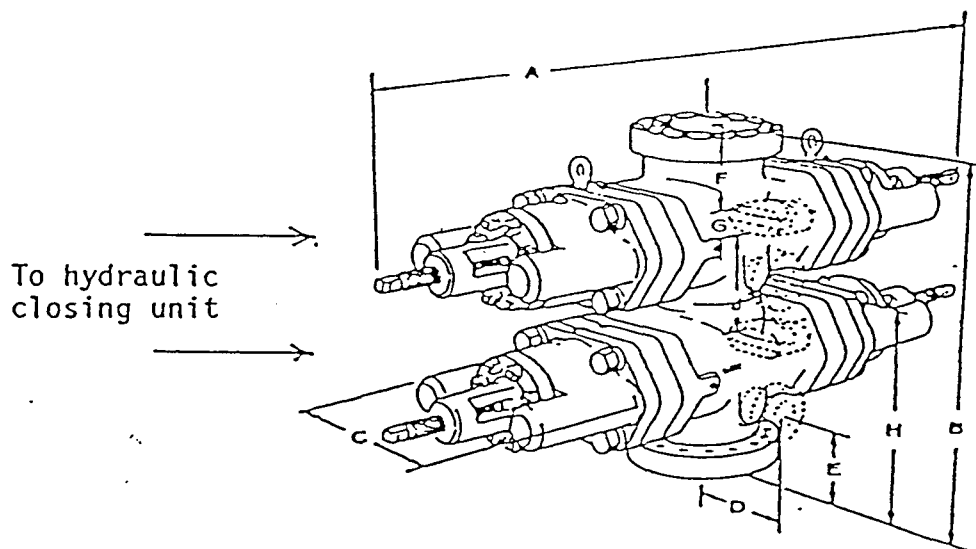
Sec. 35, T-26-S, R-29-E

EDDY COUNTY, NEW MEXICO

EXHIBIT "E"

BOP Diagram

After 8 5/8" intermediate casing has been set and cemented, an 11" double ram BOP, as shown below, will be put on the hole. This blowout preventer will be connected to a hydraulically controlled closing unit. The pressure rating on this BOP is 3000# and will have a blank and 5 1/2" drill pipe rams.



RALPH E. WILLIAMSON
STATELINE FEDERAL #2