

NMOCC COPY

SUBMIT IN TRIPLICATE*

Form approved.
Budget Bureau No. 42-R1435.UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-005-60495

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 DEPCO, Inc. ✓

3. ADDRESS OF OPERATOR 800 Central, Odessa, Texas 79761

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface Unit Letter J, 11-12s-29e
At proposed prod. zone 1980/s + E

5. LEASE DESIGNATION AND SERIAL NO. NM 18494

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NO. 1

10. FIELD AND POOL, OR WILDCAT Wildcat, mesa

11. SEC., T., R., M. OR BLK. AND SURVEY OR AREA 11-12s-29e

12. COUNTY OR PARISH Chaves

13. STATE N.M.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 31 mil. NW of Maljamar, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. line, if any) 1980

16. NO. OF ACRES IN LEASE 2520

17. NO. OF ACRES ASSIGNED TO THIS WELL 320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. None

19. PROPOSED DEPTH 9027

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3802.4 Gr.

22. APPROX. DATE WORK WILL START* 4-1-78

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	300	400 SX.
11	8 5/8	24 & 32	2400	450 SX.
7 7/8	4 1/2	11.6	9027	600 SX.

Mud Program: Letter attached from Texas Mud & Chemical Co.
BOP Program: See Exhibit E
Gas production not dedicated.

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ARTESIA, NEW MEXICO

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 D. R. Mason TITLE Chief Clerk DATE 2-22-78

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE MAR 30 1978

APPROVED BY Joe D. Lara TITLE ACTING DISTRICT ENGINEER DATE MAR 30 1978

CONDITIONS OF APPROVAL, IF ANY:

THIS APPROVAL IS RESCINDED IF OPERATIONS
ARE NOT COMMENCED WITHIN 3 MONTHS.
EXPIRES JUN 30 1978

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
W 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

Depco, Inc.		Lease		Sundance Fed. "B"		Well No.	
J	11	12	South	29	East	Chaves	
1980		South		1980		East	
feet from the		line and		feet from the		line	
3802.4		Mississippi Line		Wildcat		Dedicated Acreage:	
						320 Acre	

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 interest (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have all owners been consolidated by communitization, unitization, force-pooling, etc?

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ARTESIA, NEW MEXICO

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, force-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.

D. R. Mason

D. R. Mason

Chief Clerk

DEPCO, Inc.

2-22-78

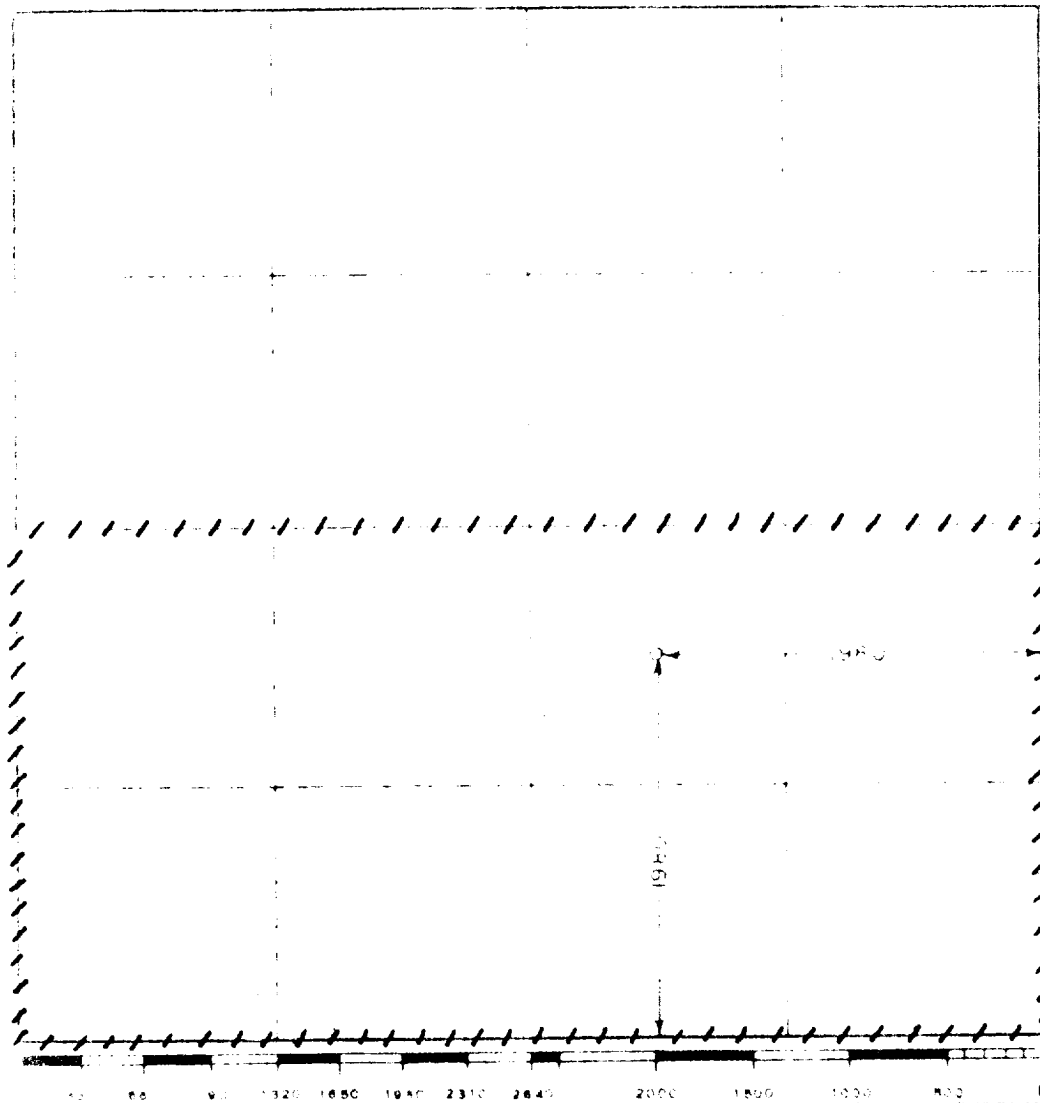
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Plotted by

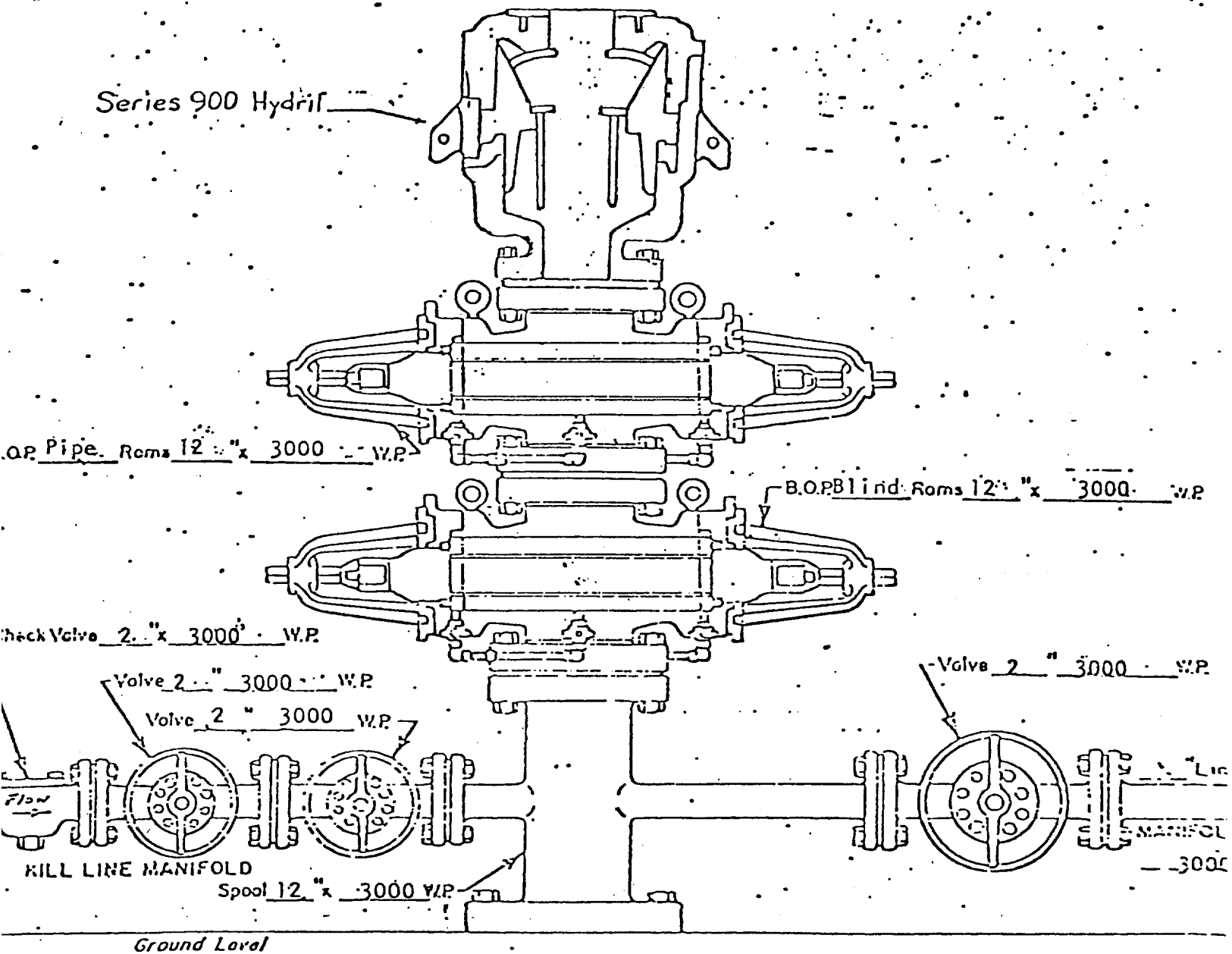
12/10/77

Registered Professional Engineer
and Professional Surveyor

John W. West
676



DEPCO, Inc.
 No. 1 Sundance Federal "B"
 1980 FS & EL
 Sec 11-T12S-R29E
 Chaves Co., New Mexico



SURFACE
 WELL HEAD B.O.P.
 3000 W.P.

☐ Manual
☒ Hydraulic

APPLICATION FOR DRILLING

DEPCO, Inc.

No. 1 Sundance Federal "B" Section 11 - T12s - R29e
Chaves County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill, DEPCO, Inc. submits the following items of pertinent information in accordance with USGS requirements.

1. The estimated tops of geologic markers are as follows:

San Andres	2275
Glorieta	3675
Tubb	5075
Abo	5900
Wolfcamp	6900
Cisco	7555
Canyon	7855
Strawn	8280
Atoka	8495
Mississippi Ls.	8727
TD	9027

2. The depth at which anticipated water, oil or gas formations are expected to be encountered.

Water:	Approximately 100 feet or less.
Oil Or Gas:	Abo 5900-6900
	Atoka 8495-8727
	Mississippi Ls. 8727-9027

3. Proposed Casing Program: See Form 9-331C.
4. Pressure Control Equipment: See Form 9-331C and Exhibit E.
5. Mud Program: See Form 9-331C and attached letter from Texas Mud & Chemical Co.
6. Auxiliary Equipment: Blowout Preventer, Inside Blowout Preventer, Kelley Cock.
7. Testing, Logging and Coring Program:

Drill Stem Tests:	Abo	- 1
	Atoka	- 2
	Miss. Ls.	- 1

10-foot samples from surface casing to TD.
Logging: Dual Laterolog and Compensated Neutron/Density
with Gamma Ray and Caliper.

8. No abnormal pressures or temperatures are anticipated.
9. Anticipated starting date: As soon as possible.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

DEPCO, Inc.
No. 1 Sundance Federal "B"
1980' FSL and 1980' FEL
Section 11 - T12s - 29e
Chaves County, New Mexico

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U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

This plan is submitted with Form 9-331C, Application for Permit to Drill covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the necessary surface disturbance and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effects associated with the operation.

1. ESISTING ROADS

- A. Exhibit A is a portion of the USGS Map of Chaves County, New Mexico, on a scale of 1" = 2000' showing the area of the proposed wellsite and the roads in the vicinity. The wellsite is located approximately 32 miles north and west of Maljamar, New Mexico, and part of the access route to the location is indicated in red on Exhibit A.
- (1) Proceed east on Highway 82 from Maljamar, New Mexico, for approximately 1 mile to the intersection of Highways 82 and 31.
 - (2) Turn left on Highway 31 and continue for approximately 11 miles to the intersection of Highway 31 and 172. Continue north on Highway 172 to the 24 mile marker.
 - (3) Turn left through the cattleguard just opposite mile marker 24 and proceed west on an improved caliche road for approximately 10.7 miles to the intersection with a newly improved road. Turn left and go approximately 1.9 miles to the abandoned dwelling at Lone Wolf windmills. Turn north and go approximately 2.3 miles on existing unimproved road.
 - (4) At this point, the proposed access road is staked to the location approximately 150 yards south. The location is staked and flagged and clearly visible.
- B. The existing access road has numerous turnouts, is in good condition, and will require minimal repair. The unimproved access road will be widened to 12 feet in width and will be covered with six inches compacted caliche. The road will be crowned with drainage on both sides and three turnouts will be necessary.

2. PLANNED ACCESS ROAD

- A. The proposed new access road will be approximately 100 yards in length and 12 feet in width. It will be covered with six inches of compacted caliche. The road will be crowned with drainage on both sides and no turnouts will be necessary. The new road will meet the drilling pad at the northeast corner of the pad. One cattleguard will be necessary approximately 1.5 miles north of the abandoned dwelling at the fence line.
- B. The center line of the proposed new access road has been staked and flagged, and is clearly visible.

3. LOCATION OF EXISTING WELLS.

- A. See Exhibit C.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are no DEPCO, Inc. production facilities on this lease.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive of oil, a gas powered self contained unit will be utilized. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY.

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from privately owned or commercial sources and will be hauled to the location by truck over the existing and proposed roads on Exhibits A and B.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. Caliche for construction of the drilling pad and the new access road, and repairs to the existing access road, will be obtained from an existing pit located just south of the Sundance "Amoco Federal #1" dry hole.

7. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system or separate disposal application will be submitted to the U.S.G.S for appropriate approval.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.
- G. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES.

- A. None required.

9. WELLSITE LAYOUT.

- A. Exhibit D shows the relative location and dimensions of the well pad, reserve pits, and major rig components.
- B. The ground surface at this site is slightly rolling mounds and the well location is on the southerly slope of one of these mounds. Approximately 2' cut and fill will be required to level the pad area, which will be covered with at least six inches of compacted caliche.
- C. The reserve pits will be plastic lined.
- D. The pad and pit area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE.

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk.
- B. Unguarded pits, if any, containing fluids will be fenced until they have been filled.
- C. This location and proposed road is on Federally owned surface and will be restored as per Federal stipulations covering such restoration. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: The wellsite is in an area of gentle rises reaching 2-3 feet in height over a lateral distance of several hundred feet.
- B. The topsoil at the wellsite is moderately hard sand.
- C. The vegetation cover at the wellsite is of a sparse amount, and consists primarily of prairie grass, miscellaneous weeds, and prairie flowers. No wildlife was observed, but it is likely that typical semi-arid desert wildlife, such as rabbits, coyotes, gophers, rodents and snakes inhabit the area. The area is used for cattle grazing.
- D. There are no ponds, lakes, or streams or rivers within several miles of the wellsite.
- E. The nearest occupied dwelling is the Malmstrom ranch house in the SW/SW Section 3-T12s-R29e, approximately 1.7 miles northwest. There are three windmills southeast 2 miles in the NW/4 of Section 24, one 2 miles southeast in the SE/4 of Section 7-T12s-R30e. There is an abandoned water well just west of the proposed location.
- F. The wellsite is located on Federally owned surface as is the proposed access road.

- G. There is no evidence of any archeological, historical, or cultural sites in the area.

12. OPERATORS REPRESENTATIVES.

- A. The field representatives for assuring compliance with the approved surface use plan are:

Carl Bizzell
Production Superintendent
DEPCO, Inc.
800 Central Drive
Odessa, Texas 79761
Telephone: 915-337-1536 (Office)
915-366-2147 (Home)
915-337-5677 (Mobile)

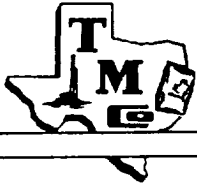
Kenneth Ragsdale
DEPCO, Inc.
Home Address: 1501 Lolita Ave.
Artesia, New Mexico 88210
Telephone: 505-746-3685 (Home)
505-365-2593 (Mobile)

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

February 22, 1978
Date


C. O. Bizzell - Production Superintendent
DEPCO, Inc.



TEXAS MUD AND CHEMICAL CO.

P. O. BOX 1966

PHONE A/C 915/381-0400

ODESSA, TEXAS 79760

December 28, 1977

Depco, Inc.
800 Central
Odessa, Texas 79761

Attn: Mr. C. O. Bizzell

Dear Carl;

We are pleased to submit a Mud Program for your Sundance Federal B#1, to be drilled in Sec. 11, T-12S, R-29E, Chaves County, New Mexico.

0 - 300'	T.M.C. Gel and Lime Vis. 40-45.
300 - 2,400'	Drill with fresh water, circulating reserve. Caustic for P.H. control, 9.5 - 10. Add mud seal as needed for seepage. Sweep hole with 100 bbl. slug 45-50 Vis. to run pipe.
2,400 - 5,600'	Drill with fresh water circulating reserve. Caustic for P.H. control 9.5 - 10. Add Mud Seal if needed for seepage.
5,600 - 6,800'	Add brine to raise chlorides to 100,000 P.P.M. Add 2-3% K.C.L. Add Salt Gel to raise Vis. to 33-34. Add 2-3% oil to drill into Abo.
6,800 - T.D.	Maintain Vis. 33-34, lower W/L to 20 cc or less for D.S.T. Lower W/L 10 cc or less to go into Atoka at 8,400 feet. Raise Vis. 38-40 if needed for D.S.T. and Logging.

Drilg. Hazards: Possible Abo shale heaving.

Est. Mud Cost: \$12,000.00

Engineer: J. F. Nimmons - Odessa - 381-0400 - Home - 381-0600

Stock Point: Lovington, New Mexico - call Odessa - 381-0400

Thank you for the opportunity of submitting this program. We look forward to hearing from you soon.

Sincerely,

Leon Koonce, President
TEXAS MUD AND CHEMICAL COMPANY

EXHIBIT "B"
DEPCO, Inc.
No. 1 Sundance Federal "B"
1980' FS & EL
Sec. 11-T12S-R29E
Chaves Co., New Mexico

