

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY**

**30-005-60709**

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/> <b>PLUG BACK</b> <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. <b>NM-10896</b>	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR <b>SUNDANCE OIL COMPANY</b>			7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR <b>ARTESIA, OFFICE</b>			8. FARM OR LEASE NAME <b>Johnston-Federal</b>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface <b>660' FNL and 600' FWL, Unit D</b> At proposed prod. zone <b>660' FNL and 500' FWL, Unit D</b>			9. WELL NO. <b>2</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>11 miles ESE of Roswell, New Mexico</b>			10. FIELD AND POOL, OR WILDCAT <b>Undesignated Penrose</b>	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) <b>Unit</b>			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>NW NW</b>	
16. NO. OF ACRES IN LEASE <b>1320</b>			12. COUNTY OR PARISH <b>Chaves</b>	
17. NO. OF ACRES ASSIGNED TO THIS WELL <b>40</b>			13. STATE <b>New Mexico</b>	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. <b>None</b>			19. PROPOSED DEPTH <b>450</b>	
20. ROTARY OR CABLE TOOLS <b>Cable Tools</b>			21. APPROX. DATE WORK WILL START* <b>May 1, 1980</b>	
22. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>3605.6' GL</b>				

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
10"	8 5/8"	24	100	40 sx (circulated)
7 7/8"	4 1/2"	11.6	450	50 sx

Drill 10" hole to 100'. Set and cement to surface 8 5/8" casing. Drill 7 7/8" hole to TD. Bailer test all shows. Run and cement 4 1/2" casing for production.

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ARTESIA, NEW MEXICO**

21. 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 prevention program, if any.

SIGNED *Richard O. Dimit* TITLE Vice President, Production DATE 4/8/80  
Richard O. Dimit  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE 4-28-80

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

N. 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.

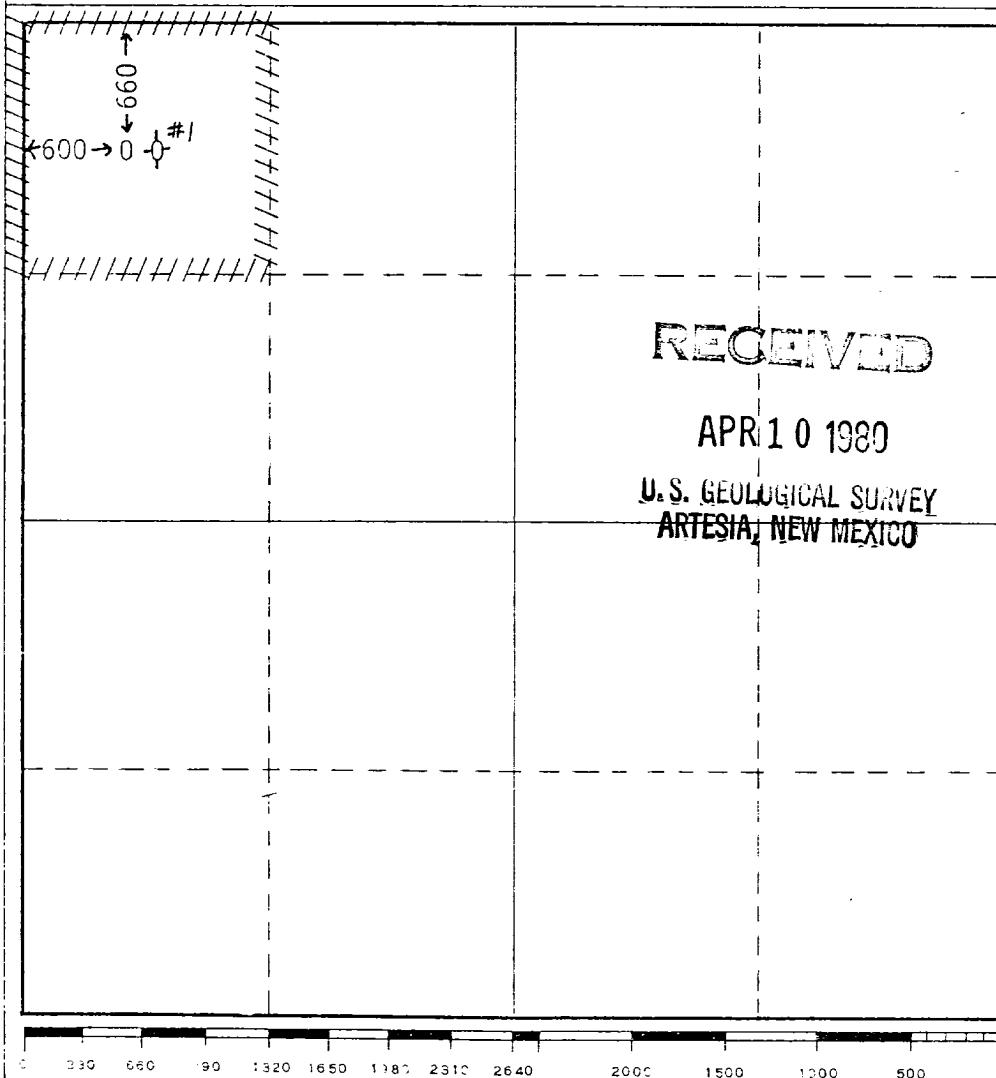
SUNDANCE OIL COMPANY			Lease Johnston-Federal		Well No. 2
Section Letter D	Section 35	Township 11 South	Range 26 East	County Chaves	
Approx. Photographic Location of Well:					
660		feet from the North	line and	600	feet from the West line
Drill Level Elev. 3605.6' GL	Producing Formation Penrose		Pool Wildcat	Dedicated Acreage: 40 Acres	

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.

Name  
Richard O. Dimit  
Position  
Vice President, Production  
Company  
Sundance Oil Company  
Date  
April 7, 1980

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  
Registered Professional Engineer and/or Land Surveyor  
Certificate No.

NE. 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

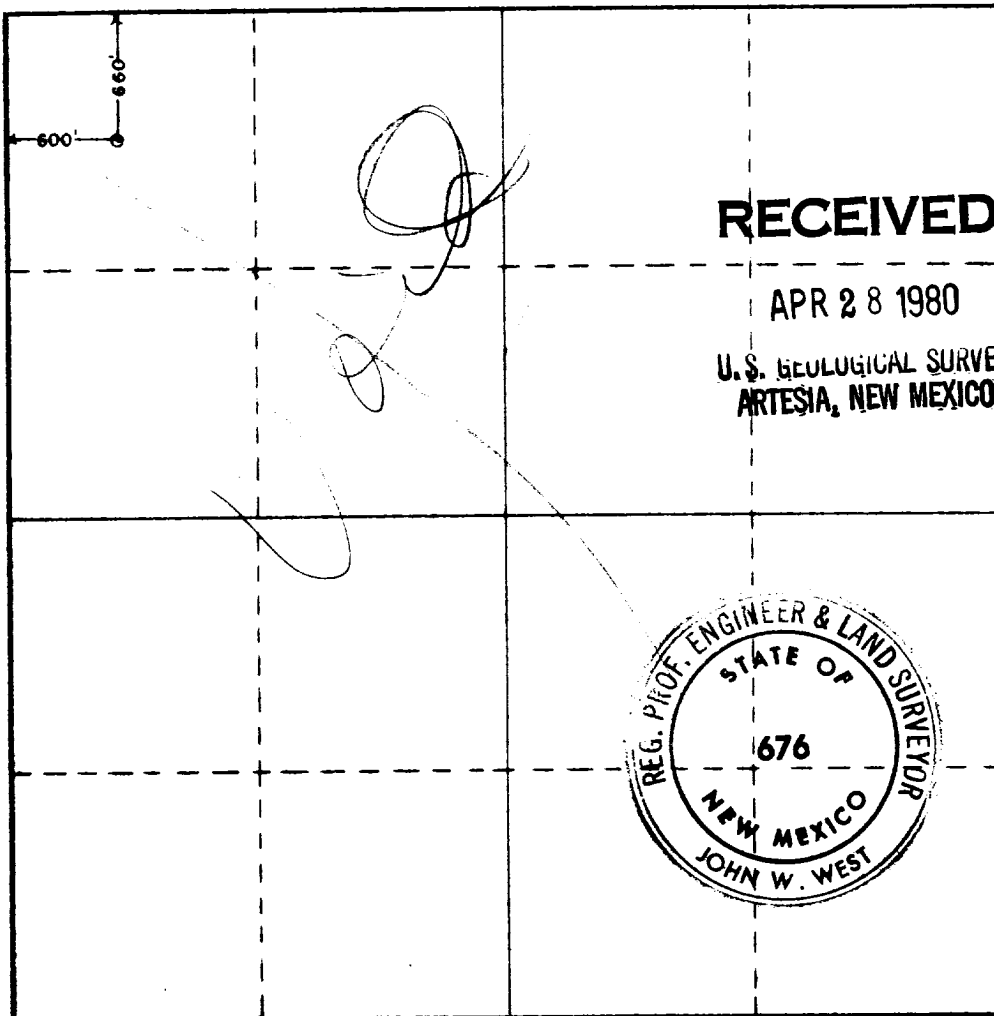
Operator <b>Sundance Oil Company</b>			Lease <b>Johnson Federal</b>		Well No. <b>2</b>
Unit Letter <b>D</b>	Section <b>35</b>	Township <b>11 South</b>	Range <b>26 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>North</b> line and <b>600</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3605.6</b>	Producing Formation <b>Penrose</b>	Pool <b>Undesignated</b>	Dedicated Acreage: <b>40</b> 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.

*Richard O. Dimit*  
Name

Richard O. Dimit

Position  
Vice President, Production

Company  
Sundance Oil Company

Date  
April 25, 1980

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  
April 18, 1980

Registered Professional Engineer and/or Land Surveyor

*John W. West*

Certificate No. **JOHN W. WEST 676**  
**PATRICK A. MONERO 6888**  
**Ronald J. Elden 3238**

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UNITED STATES DEPARTMENT OF THE INTERIOR

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GEOLOGICAL SURVEY

P. O. Drawer U  
Artesia, New Mexico 88210

APR 30 1980

O. C. D.

ARTESIA, OFFICE

April 28, 1980

Sundance Oil Company  
Suite 510  
1776 Lincoln Street  
Denver, Colorado 80203

SUNDANCE OIL COMPANY  
Johnston-Fed No. 2  
660 FNL 600 FWL Sec. 35 T.11S R.26E  
Chaves County Lease No. NM-10896

Above Data Required on Well Sign

Gentlemen:

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 450 feet to test the Penrose formation is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL LEASES, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the SURFACE USE PLAN and this approval including the GENERAL REQUIREMENTS.
3. All access roads will be limited to a 12 foot wide driving surface, excluding turnarounds. Surface disturbance associated with road construction will be limited to 20 feet in width.
4. Submit a Daily Report of Operations from spud date until the Well Completion Report (form 9-330) is filed. The progress report should be not less than 8" x 5" in size and each page should identify the well.
5. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
6. Notify the Survey by telephone 24 hours prior to spudding well.
7. Cement behind the 8-5/8" and 4-1/2" casing must be circulated.
8. Notify Survey in sufficient time to witness the cementing of the 4-1/2" casing.

9. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,



George H. Stewart  
Acting District Engineer

SUPPLEMENTAL DRILLING DATA

SUNDANCE OIL COMPANY

JOHNSTON-FEDERAL #2  
650' FNL & 600' FWL, Section 35, T.11S., R.26E.  
Chaves County, New Mexico

This supplemental plan is submitted with the application to drill the above described well in compliance with NTL-6 of the United States Department of the Interior.

1. The surface is composed of a loamy sand; Guadalupe in age.
2. Estimated top of primary geologic markers and potential oil or gas zones.

<u>FORMATION</u>	<u>ESTIMATED DEPTH</u>	<u>POTENTIAL PRODUCTION</u>
Penrose	450'	Oil
Total Depth	450'	

Elevation: 3,606' GL.

3. Proposed casing program: See Form 9-331C and attachments.
4. Pressure control equipment: None.
5. Mud Program: None (Cable Tool).
6. N/A
7. Testing, coring and logging program:
  - (A) All significant shows of oil or gas will be bailer tested if possible.
  - (B) No coring is anticipated.
  - (C) No logs will be run (this is a twin well to Johnston-Federal #1).
8. No abnormal pressures, temperatures or hydrogen sulfide are anticipated.
9. Anticipated spud date is May 1, 1980. Drilling operations will require approximately 10 days; completion operations will require an additional one to two weeks.

SURFACE USE PLAN  
FOR  
DRILLING, COMPLETING AND PRODUCING OPERATIONS

SUNDANCE OIL COMPANY  
JOHNSTON-FEDERAL #2  
660' FNL & 600' FWL  
SECTION 35, T.11S., R.26E.  
CHAVES COUNTY, NEW MEXICO

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**U.S. GEOLOGICAL SURVEY  
ARTESIA, NEW MEXICO**

LOCATED: 13 air miles southeast of Roswell, New Mexico.

FEDERAL LEASE NUMBER: NM-10896

LEASE ISSUED: January 1, 1970 for ten years. If lease extension by drilling operations is planned, lease rental must be timely paid for next year.

RECORD LESSEE: Randall B. Johnston.

OPERATOR'S AUTHORITY: Designated operator by record lessee.

ACRES IN LEASE: 1320.

SURFACE OWNERSHIP: Federal.

GRAZING PERMITTEE: David J. Sorenson  
P.O. Box 1453  
Roswell, New Mexico 88201

POOL: Wildcat. Statewide rules.

EXHIBITS: A. General Road Map  
B. Plat Showing Existing Wells and Roads  
C. Drilling Rig Layout

1. EXISTING ROADS:

- A. Exhibit "A" is portion of a road map showing the location of the proposed well as staked. Point "A" on the plat is on US-380, approximately 10 miles east of Roswell, where a paved road goes south to the Bottomless Lakes State Park. To reach the proposed well site from this point go south approximately 6.5 miles, staying on the high road in the east side of the park, to near the southeast corner of the park. Where the road is closest to the east park fence there is an unimproved ranch road going northeast. Exit the paved park road at this point, go through the wired-up fence gate and go northeast about 0.75 miles. The proposed well site is about 250 feet west of this point.

The well site can also be reached from the south by going east from Dexter, New Mexico, for 2 miles and then north for about 9 miles to the Bottomless Lakes State Park. This road is paved and intersects the paved park road in the south end of the park. At the intersection turn right and go east

and north about 0.4 miles to the point described above where the unimproved ranch road takes off from the paved park road through a fence in a north-easterly direction. However, this road is limited to light traffic because the bridge over the Pecos River is narrow and has a load limit of 10,000 pounds.

- 3. Exhibit "B" is a plat showing existing roads in the vicinity of the well site. These existing roads are color coded.
- C. The 0.75 mile of ranch road from the paved road to the well site will require up-grading. Because the nearest known caliche pit is some 17 miles distant, surfacing the road is not planned at the present time unless necessary to do so. Plans are to blade, water and compact this road which is believed sufficient for drilling operations. If the well is completed for production, the road will be further up-graded by surfacing as necessary for producing operations.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The new road will be 12 feet wide and approximately 150 feet long. The new road is labeled and color coded red on Exhibit "B". The center line of the proposed new road, from the beginning to the well site, has been staked and flagged with the stakes being visible from any one to the next. This new road will not be surface for drilling operations unless necessary to do so.
- B. Surfacing Material: Surfacing material, if required, will be caliche, watered, compacted and graded.
- C. Maximum Grade: Three percent.
- D. Turnouts: One may be required.
- E. Drainage Design: Access road will be crowned with drainage to each side.
- F. Culverts: None required.
- G. Cuts and Fills: None necessary. Only clearing and minor levelling will be required.
- H. Gates and Cattle Guards: One cattle guard will be required.

3. LOCATION OF EXISTING WELLS:

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

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. This lease is undeveloped at the present time and there are no existing production facilities on the lease.
- B. If the proposed well is productive, the tank battery and flow line will be located on the well pad and no additional surface disturbance will be necessary.



5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is not contemplated that a water well will be drilled. Water necessary for drilling will be purchased and hauled to the well site over existing and proposed roads shown on Exhibit "B".

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. There is a caliche pit on private land in the W $\frac{1}{2}$  Section 26, T.10S., R.27E. which would require a haul of about 17 miles. There is also a pit on State land in the SW $\frac{1}{4}$  Section 29, T.10S., R.27E. which would require a haul of about 15 miles. Caliche needed for surfacing the road and pad will be taken from either one or both of these pits.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cutting will be disposed of in the drilling pits on location.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. 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. Location of the trash pit is shown on Exhibit "C".
- F. All trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELL SITE LAYOUT:

- A. Exhibit "C" shows the relative location and dimensions of the well site, mud pits, reserve pit and trash pit and the location of major rig components. Surfacing of the well site is not planned for drilling operations unless necessary to do so. If the well is completed for production, surfacing of the area for producing operations will be accomplished as necessary.
- B. Only minor levelling of the well site will be required. No significant cut and fill will be necessary.
- C. The pad and pit area is a part of the original location.

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 and junk to leave the well site in an as aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are dry.
- C. After abandonment, all equipment, trash and junk will be removed and the location will be cleaned. Any special rehabilitation and/or special revegetation requirements of the surface management agency will be complied with and accomplished as expeditiously as possible.

11. OTHER INFORMATION:

- A. Topography: The land surface at the well site is relatively level. Land slope from the well site is to the south.
- B. Soil: The soil is a thin sandy loam underlain by gyp.
- C. Flora and Fauna: The vegetative cover is sparse and consists of mesquite, 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 a little more than 2 miles west of the proposed well site. The nearest lakes in Bottomless Lakes State Park are about 3/4 mile northwest and southwest of the well site.
- E. Residences and Other Structures: The nearest occupied dwelling is about one mile southwest of the well site. The nearest windmill is a little more than one mile east.
- F. Archaeological, Historical and Cultural Sites: None observed in the area.
- G. Land Use: Grazing and hunting in season.
- H. Surface Ownership: Federal.

12. OPERATOR'S REPRESENTATIVE

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

Richard O. Dimit  
Sundance Oil Company  
Suite 510, 1776 Lincoln St.  
Denver, Colorado 80203  
Office Phone: 303-861-4694  
Home Phone: 303-841-4592

13. CERTIFICATION:

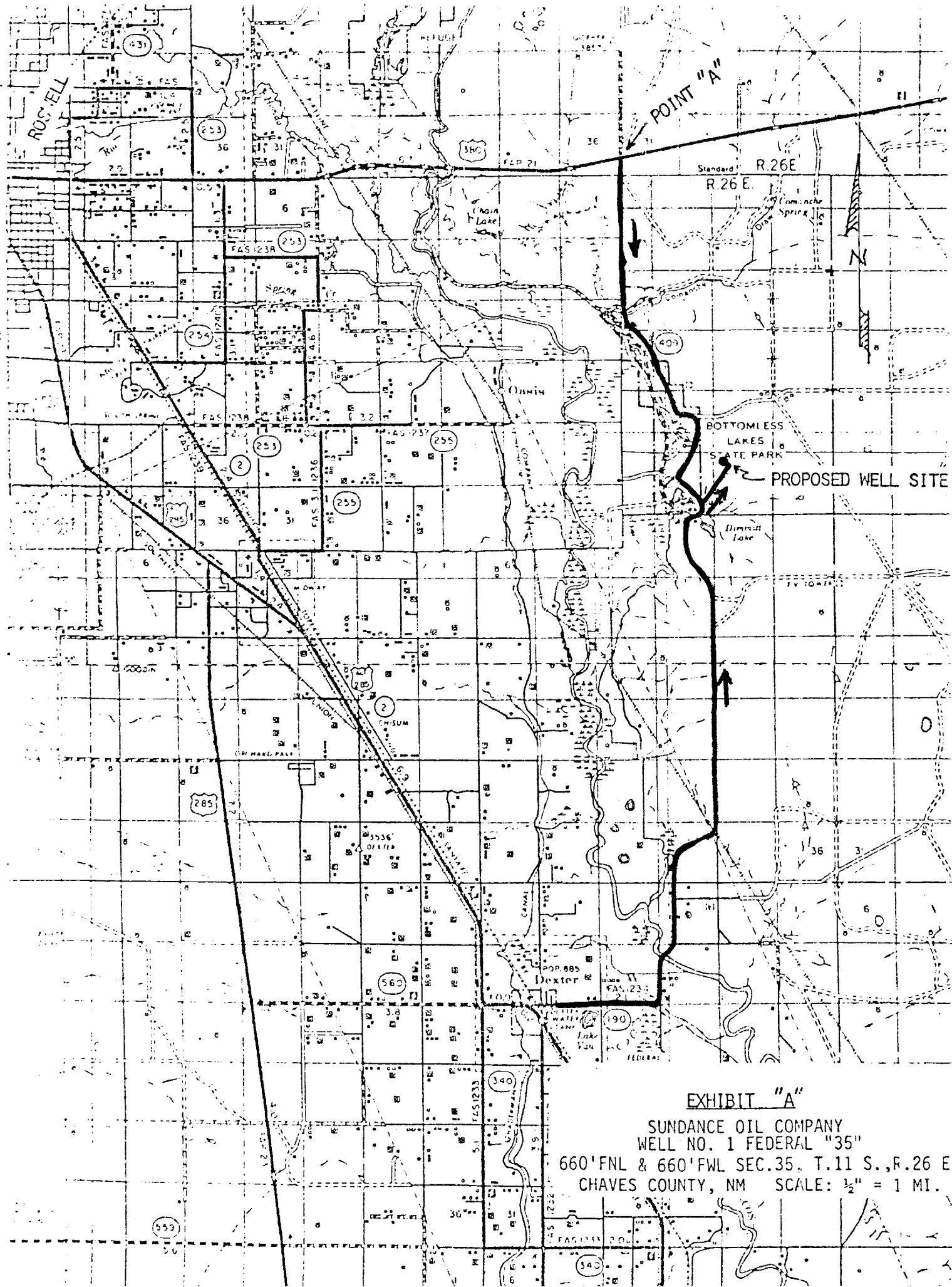
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions that presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Sundance Oil Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

Date

4/8/80

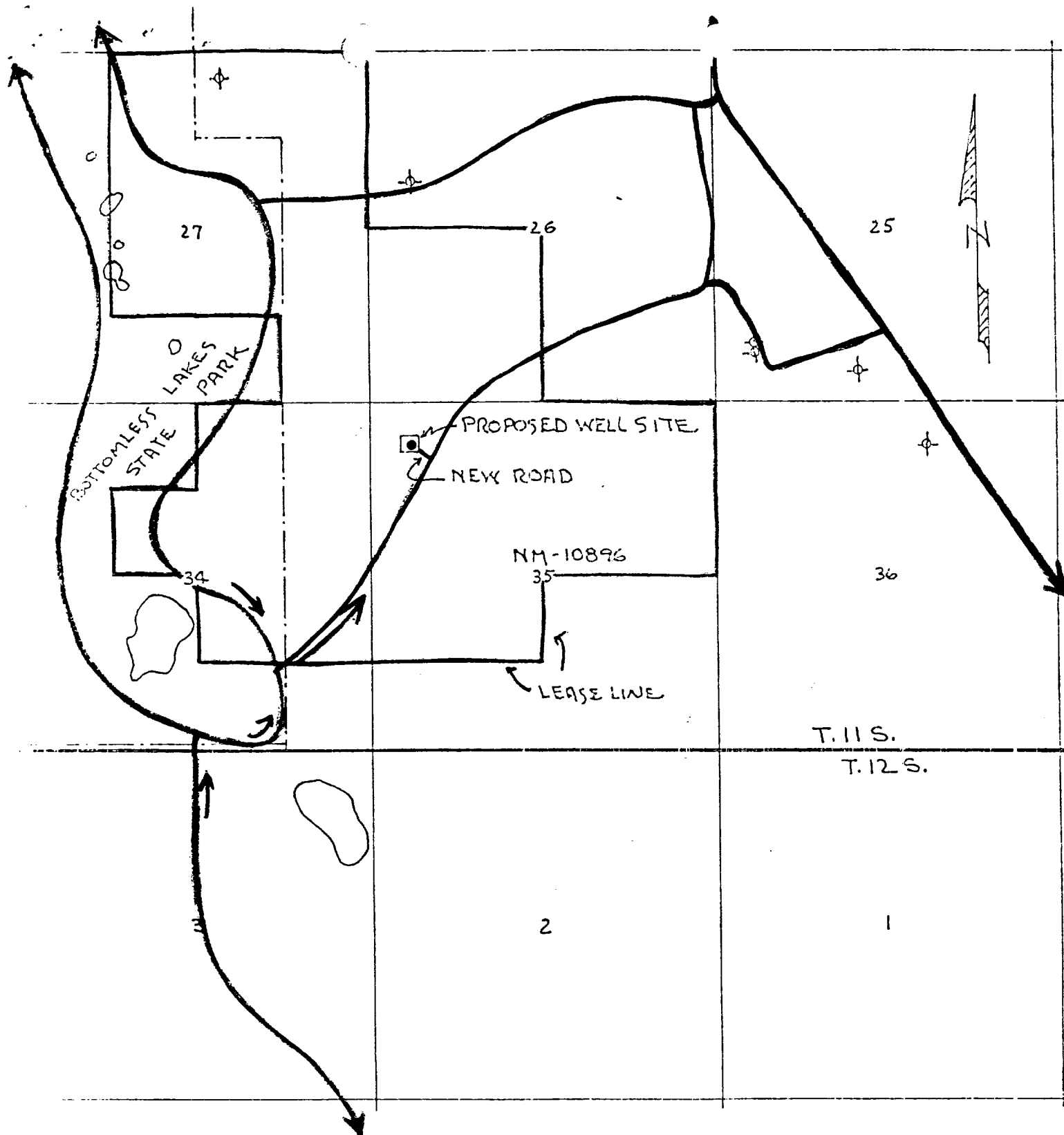
Richard O. Dimit

Vice President, Production



# EXHIBIT "A"

SUNDANCE OIL COMPANY  
 WELL NO. 1 FEDERAL "35"  
 660' FNL & 660' FWL SEC. 35, T.11 S., R.26 E  
 CHAVES COUNTY, NM SCALE: 1/2" = 1 MI.



LEGEND:

- Proposed Well Location
- ⊕ Plugged Well
- Existing Paved Road
- Existing Improved Road
- Existing Unimproved Ranch Road
- Proposed New Road

EXHIBIT "B"

SUNDANCE OIL COMPANY  
 WELL NO.1 FEDERAL "35"  
 660' FNL & 660' FWL SEC.35, T.11 S., R.25 E.  
 CHAVES COUNTY, NM SCALE: 1" = 2000'

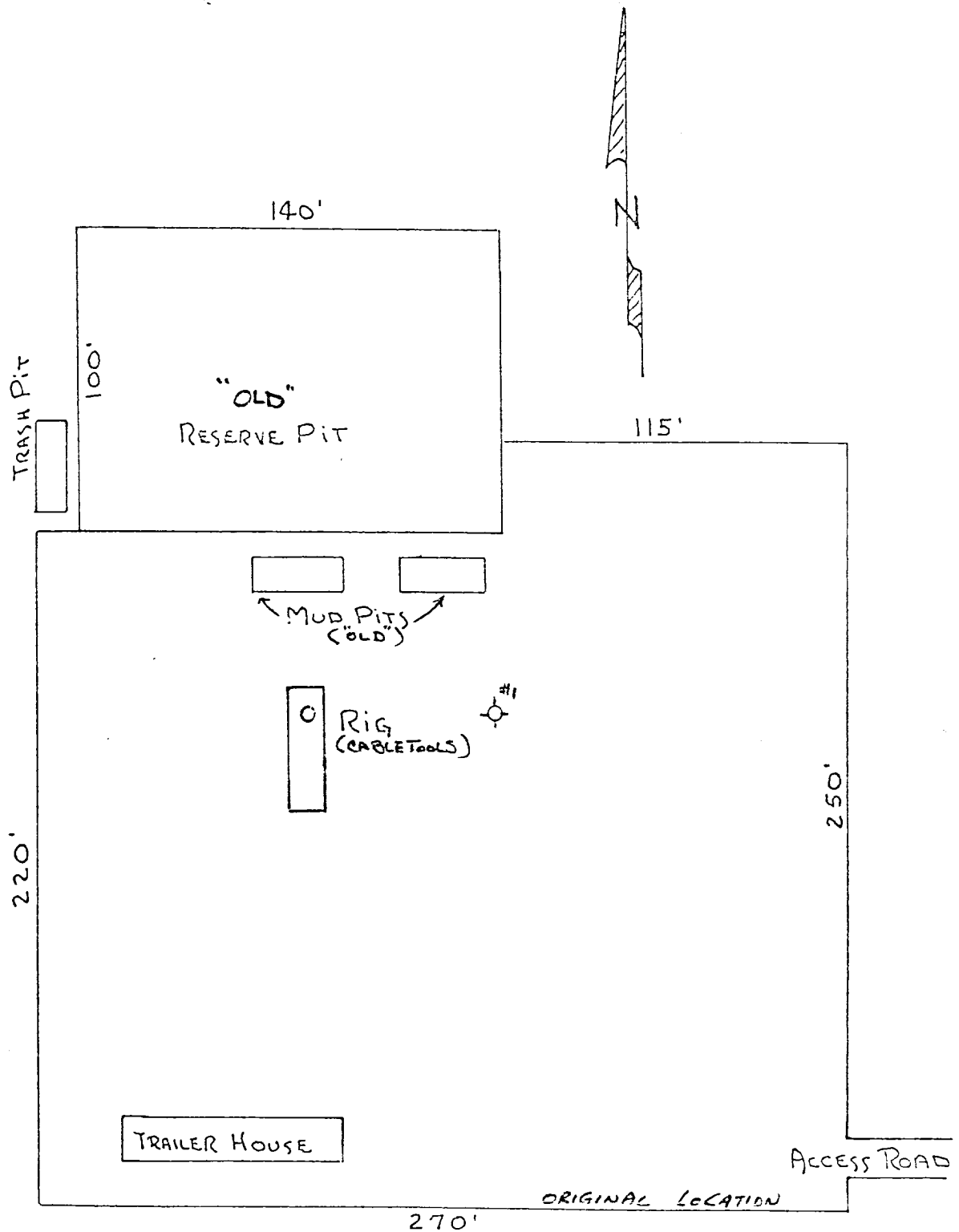


EXHIBIT "C"  
DRILLING RIG LAYOUT  
SCALE: 1" = 50'