

30-005-61287

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
Estoril Producing Corporation ✓

3. ADDRESS OF OPERATOR
11th Floor, Vaughn Bldg. Midland, Tx. 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface 1980' FSL & 1650' FWL
At proposed prod. zone Same
DEC 17 1981

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
35 miles north of Roswell, N.M. O. C. D. ARTESIA, OFFICE

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1650' FWL
16. NO. OF ACRES IN LEASE 2400

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A
19. PROPOSED DEPTH 4200

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
4089.7 GR

5. LEASE DESIGNATION AND SERIAL NO.
NM-33659

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Hoffman Federal

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Wildcat-Abo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 11, T-4S, R-2E

12. COUNTY OR PARISH 13. STATE
Chaves N.M.

17. NO. OF ACRES ASSIGNED TO THIS WELL
160

20. ROTARY OR CABLE TOOLS
Rotary

22. APPROX. DATE WORK WILL START*
Dec. 15, 1981

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	10 3/4"	32.75	900'	700 SX CIRCULATE
* 9 7/8"	7 5/8"	24.00	1600'	300 SX CIRCULATE
7 7/8"	4 1/2"	10.50	4200'	700 SX

Blowout Prevention:

Cameron 10" 900 series BOP with 3400 psi working pressure with 4 1/2" pipe rams.

* Intermediate string will not be set if no problems are encountered through this section of the hole.

GAS IS DEDICATED.

RECEIVED
DEC 04 1981

ON A GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, 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 Jerry W. Franklin TITLE Agent DATE 11-20-81

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

APPROVED
DEC 15 1981
JAMES A. GILLHAM
DISTRICT SUPERVISOR

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form No. 1
Supersedes Form
No. 1, 1931

All distances must be from the outer boundaries of the Section

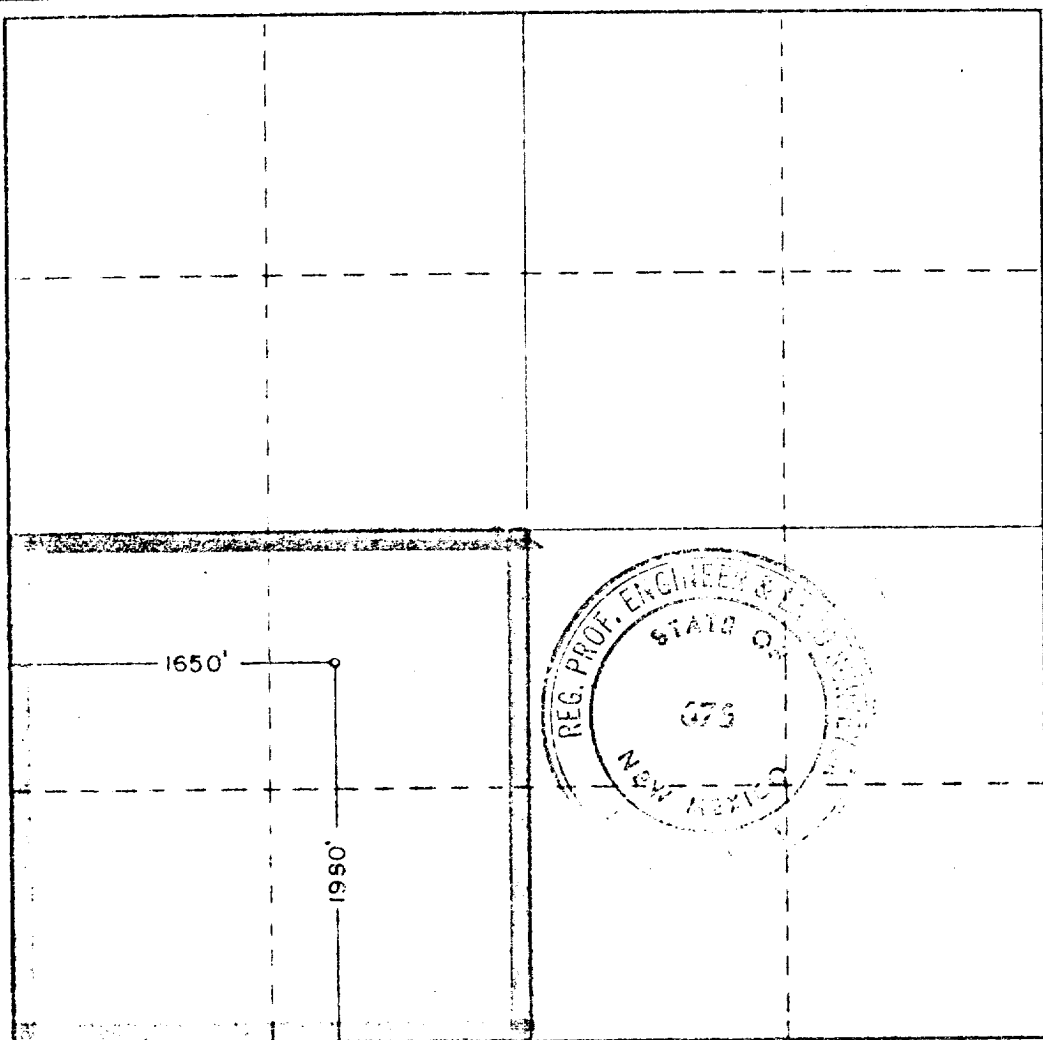
Operator Estoril Producing Corporation			Lease Hoffman Federal			Well No. 1		
Tract Letter F	Section 11	Township 4 South	Range 23 East	County Chaves				
Approximate Location of Well: 1980 feet from the south line and 1650 feet from the West line								
Estimated Perfor. Elev. 4089.7		Producing Formation ABO			Pool WILDCAT		Estimated Acreage 160	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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: *Jerry W. Franklin*
 Position: **AGENT**
 Company: **ESTORIL PRODUCING CORP.**
 Date: **10-29-81**

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: **10-20-81**
 Registered Professional Engineer and Land Surveyor:
John W. West
 Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6885
Ronald J. Eidson 2225

APPLICATION TO DRILL

ESTORIL PRODUCING CORP.
Hoffman Federal No. 1
1980' FSL & 1650' FWL
Section 11, T-4S, R-23E
Chaves County, New Mexico

The following answers are provided for your consideration in response to your outline under Section II of Bulletin NTL-6:

1. Location: 1980' FSL & 1650' FWL, Section 11, T-4S, R-23E, Chaves County, New Mexico.
2. Elevation Above Sea Level: 4089.7 GR
3. Geologic Name of Surface Formation: Alluvium
4. Drilling Tools & Associated Equipment: Conventional rotary drilling tools using mud for the circulation medium.
5. Proposed Drilling Depth: 4200'
6. Estimated Geological Marker Tops: San Andres 620'; Glorietta 1600' Abo: 3700'.
7. Mineral Bearing Formation: Gas bearing at 3875'.
8. Casing Program: (A) Surface Casing: 10 3/4", 32.75# new casing.
(B) Intermediate Casing: 7 5/8", 24.0# new casing.
(C) Production Casing: 4 1/2", 10.5# new casing.
9. Setting Depth of Casing & Cement for Same: (A) 10 3/4" casing set at ~~900'~~ Cement will be circulated to surface using 700 sacks of Lite C cement. (B) 7 5/8" casing set at 1600'. Cement will be circulated to surface using 300 sacks of Class C Lite cement. This string of pipe will be run only if there are problems encountered in this section of the hole. (C) 4 1/2" casing set at 4200'. Cement will be brought up to cover the Abo section, using 500 sacks of Lite C cement, followed by 200 sacks of 50-50 Pozmix C plus 2% Gel and 6 lb. of salt per sack.
10. Pressure Control Equipment: After surface casing is set, blowout preventers will be installed. They will be Cameron 10" 900 series BCP with 3400 psi working pressure with 4 1/2" pipe rams. The blowout preventers will be tested to 1000 psi after they are installed.
11. Proposed Circulation Medium: Surface Hole to 900'; Spud mud containing the following properties- viscosity 32-35 with a mud weight of 9.5 lb. per gallon. 900-1600: Drill out under surface casing with brine water. Add paper and surfactant for seepage. 1600-3600: Brine water. 3600-TD: Salt mud with 3-6% oil content with a water loss of 10cc to get through the Abo shale.

12. Testing, Logging, and Coring Program: (A) Testing: All testing will be commenced after the well has been drilled and casing set and cemented. (B) Logging: At total depth the following logs will be run: 1. Compensated Neutron Formation Density with Gamma Ray and Caliper. 2. Dual Laterolog-RXO
(C) No coring is anticipated.
13. Potential Hazards: No abnormal pressure or temperature zones are anticipated.
14. Anticipated Starting Date and Duration of Operations: Dec. 15-24 for drilling operations. Dec. 26 through Jan. 3 for completion.
15. Other Facets of Operations: After running 4 1/2" casing, cased hole gamma ray correlation logs will be run from total depth over and above the pay zone. The Abo formation will then be perforated and treated. The well will then be tested for commercial production.

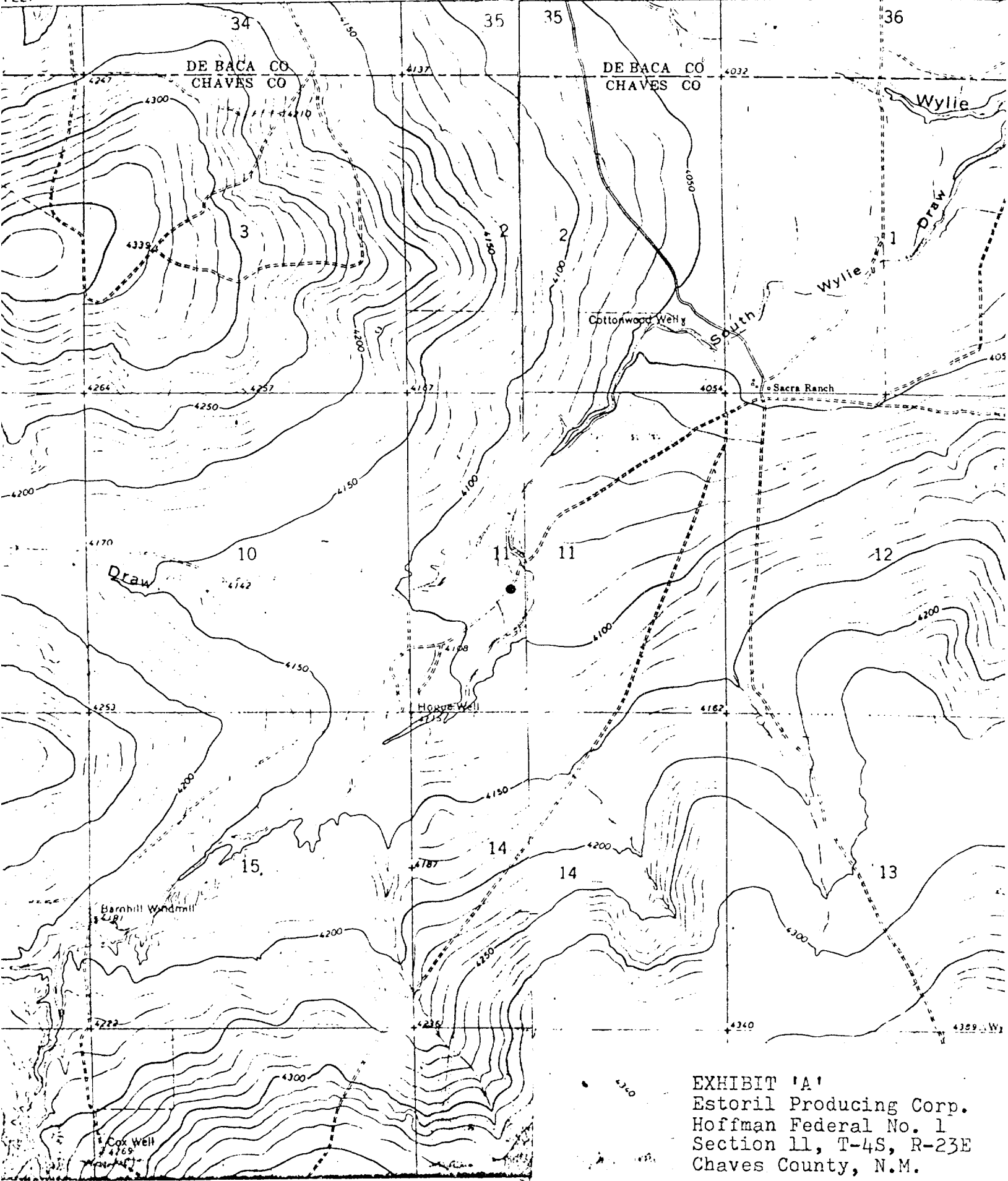


EXHIBIT 'A'
Estoril Producing Corp.
Hoffman Federal No. 1
Section 11, T-4S, R-23E
Chaves County, N.M.

U.S. Geological Survey
P.O. Drawer 1857
Roswell, N.M. 88201

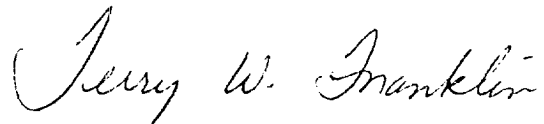
Re: Estoril Producing Corp.
Hoffman Federal No. 1
1980' FSL & 1650' FWL
Sec. 11, T-4S, R-23E
Chaves County, N.M.

Dear Mr. Stewart,

This letter is being written as notification to your department that I, Terry W. Franklin, agent for Estoril Producing Corp., contacted the surface owner of the above mentioned surface, and have received permission for construction of a drillsite on the referenced drillsite. The surface owner will be compensated for the damages resulting from construction of the drillsite.

If the test well results in a dry hole, the drillsite will be left intact. A dry hole marker will be placed at the wellsite and location cleaned of all debris. Pits will be leveled to their original land contour in reasonable time.

Yours truly,



Terry W. Franklin
Agent
Estoril Producing Corp.