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30-015-23186

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL FEB 18 1980 DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER O. C. D. SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 ARTESIA, OFFICE
 H & S OIL COMPANY

3. ADDRESS OF OPERATOR
 216 American Home Bldg. - Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface: 1980' FSL 660' FWL of Section 18-T17S-R28E
 At proposed prod. zone: same

5. LEASE DESIGNATION AND SERIAL NO.
 LC-045818 (a)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Hastie

9. WELL NO.
 19

10. FIELD AND POOL OR WILDCAT
 Red Lake (Q.G., SA.)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 18-T17S-R28E

12. COUNTY OR PARISH
 Eddy

13. STATE
 New Mex.

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

16. NO. OF ACRES IN LEASE
 331.60

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

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

19. PROPOSED DEPTH
 1900'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 GR 3525.2

22. APPROX. DATE WORK WILL START*

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11 1/4"	8 5/8"	20#	345'	250 sks.
7 7/8"	5 1/2"	20#	1900'	300 sks.

Estimated formation tops: Seven Rivers 500', Queen 1040', Grayburg 1420', San Andres 1825'. Drilling fluid will be water with small amounts of mud additive from 1700' to assist in sample clarity. Well will be logged open hole with Gamma Ray Neutron. No abnormal pressures or hazards have been encountered in this field, however, BOP will be Shaffer 10" 900 Double. Oil or gas expected between 1200' & 1850'. No encounter of water is anticipated.

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ARTESIA, NEW MEXICO

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on depth, 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.

24. SIGNED A. L. Henschel TITLE Partner DATE 1/29/80

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 2-15-80

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

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 H & S Oil Co.		Lease Hastic		Well No. 19	
Unit Letter E	Section 18	Township 17 South	Range 20 East	County Eddy	
Actual Well Location of Well: 1980 feet from the North line and 660 feet from the West line					
Ground Level Elev. 3529.2	Producing Formation Queen, Grayburg, San Andres		Pool Red Lake Q-GSA	Dedicated Acreage: 40 42.93 Acres	

- 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.

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FEB 18 1980

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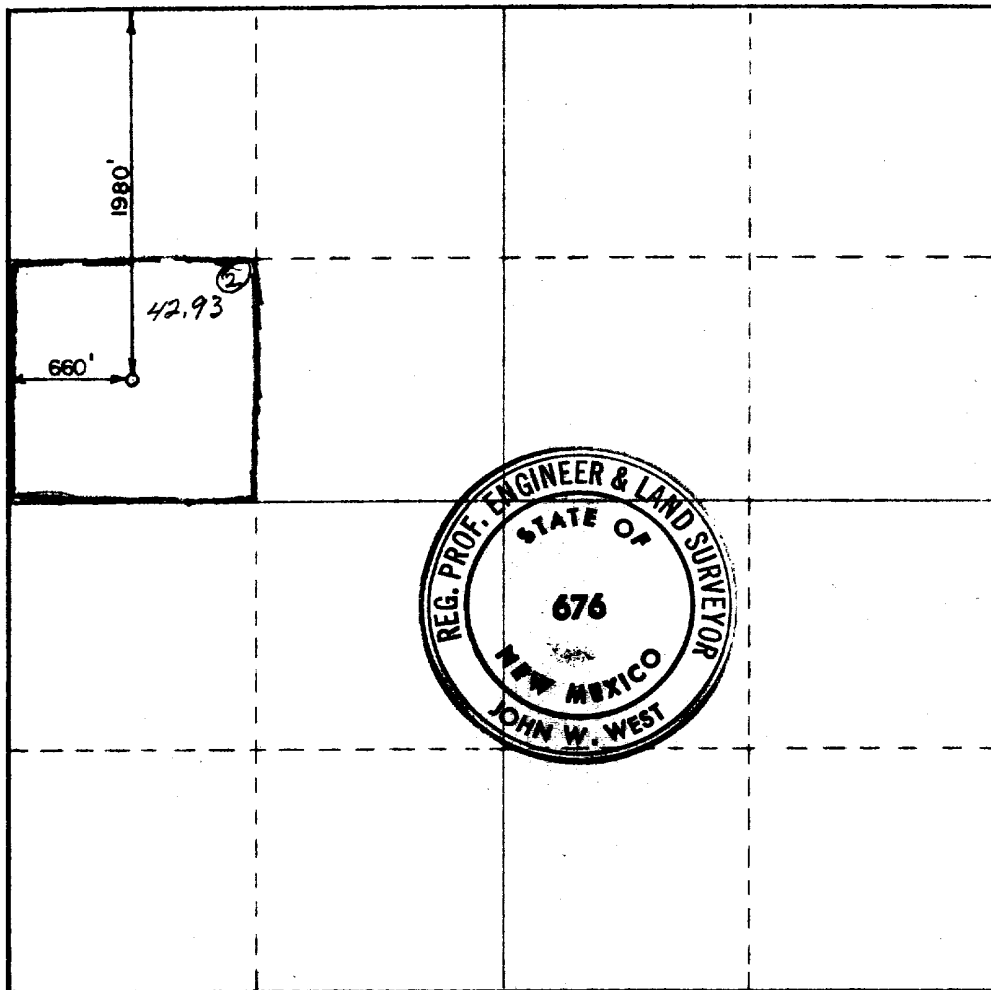
JAN 31 1980

Yes No If answer is "yes" type of consolidation

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ARTESIA, NEW MEXICO

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
R. L. Heinsch

Position
Partner

Company
H & S OIL COMPANY

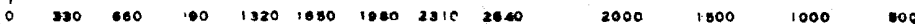
Date
1/29/80

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
November 12, 1979

Registered Professional Engineer and Land Surveyor

John W. West
Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6683
Ronald J. Eidsen 3239





PHOTOCOPY
United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Drawer U
Artesia, New Mexico 88210

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FEB 18 1980
O. C. D.
ARTESIA, OFFICE

February 15, 1980

H & S Oil Company
216 American Home Bldg.
Artesia, New Mexico 88210

H & S OIL COMPANY
Hastie No. 19
1980 F#L 660 FWL Sec. 18 T.17S R.28E
Eddy County Lease LC 045818(a)

Gentlemen:

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 1,900 feet to test the San Andres 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. 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.
4. 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).
5. Cement behind the 8-5/8" casing must be circulated.
6. Special Stipulations:
 - a. No caliche will be obtained from federal lands.
 - b. Prior to any dirt work a meeting is required between BLM, the operator, and the dirt contractor.



7. 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

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U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

SURFACE USE PLAN

H & S OIL COMPANY

Hastie No. 19
1980' FNL & 660' FWL of Section 18, T17S, R28E
Lease No. LC 045818(a), Eddy County, N. M.

Field Well

1. EXISTING ROADS: Attached are two maps showing drillsite location in relation to a town or known point, Exhibit B (land ownership map), Exhibit C (topographic map with roads). Ten miles east of Artesia on Highway 82 (orange) turn north on bladed maintained road for approximately 1/8 mile (blue) then turn northeast on a second bladed road approximately 1 1/4 miles then veer north for approximately 1/8 mile then northeast for approximately 1/8 mile then east for approximately 1/16 mile to lease house (green), at lease house turn directly north for approximately 1600' to wellsite road. (yellow) This 1600' will be a driven out road since any road blading in this area turns to powder without the vegetation to hold it.
2. PLANNED ACCESS ROADS: As stated in No. 1 the 1600' road will be a driven out road. We have found from experience in this area that blading causes more damage than just driving out the roads needed. Access road to wellsite is approximately 380 feet or less off of an existing lease road. It will be constructed 12 feet wide. Center line of proposed new access road has been staked so that flagging will be visible from one stake to the other. Color coded red.
3. LOCATION OF EXISTING WELLS: All existing wells within a one mile radius are shown on Exhibit B.
4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES: In the event production is established, a central tank battery is proposed for the center of the NW/4 of Section 18-T17S-R28E. Surface lines will be laid to this tank battery as shown on Exhibit C. This central tank battery will be needed for future development of this quarter. See Exhibit D for proposed tank pad layout.
5. LOCATION AND TYPE OF WATER SUPPLY: All drilling water will be trucked to location from Oasis Water Station, 4 miles east of Artesia by trucking contractor over existing & proposed roads.
6. SOURCE OF CONSTRUCTION MATERIALS: Little surfacing will be required on any access road or pad as caliche is within a few inches of surface. What material is needed will be taken from mud pits when they are constructed, and from caliche pit noted on Exhibit C. All roads used to haul water or construction material will be on Federal lands.
7. METHODS OF HANDLING WASTE DISPOSAL:
 - (a). Drill cuttings will be disposed of in reserve pit.
 - (b). Drilling fluids will be allowed to evaporate in reserve pit until pit is dried up.
 - (c). Water produced during testing will be disposed of by allowing to evaporate in pit. Oil produced during testing will be stored in test tank until sold.
 - (d). Disposal of human wastes will be complied with as to current laws and regulations.
 - (e). Trash, garbage and junk will be kept and later buried in pit (labeled trash pit on Exhibit A) with a minimum of 24 inches of dirt. All waste materials will be contained to prevent scattering by the wind.
 - (f). All trash and debris will be buried or removed from the well-site within 30 days after finishing operations and/or well completion.

8. ANCILLARY FACILITIES: None required.
9. WELLSITE LAYOUT:
- (a). Exhibit A shows the relative location and dimensions of the drilling pad, reserve pit, trash and mud pits. Drilling rig V-Door to the East.
 - (b). Wellsite will require only grading, no cuts or fills will be necessary.
 - (c). Due to existing soil, no pit will have plastic lining.
10. PLANS FOR RESTORATION OF THE SURFACE:
- (a). If well is productive, pits will be filled and leveled as soon as fluid is dry.
 - (b). Trash pit will be filled at completion of drilling.
 - (c). If well is non-productive, pad and roads will be ripped and USGS or BLM stipulations will be complied with at time pits are dried and ready to cover.
11. OTHER INFORMATION: All surface is Federal ownership. Vegetation is very sparse, consisting of weeds in some areas, and nothing in most of total area. Area is fairly flat with almost no topsoil as caliche and rock surfaces on almost all the area. There are no surface waters within 4 miles and no windmills or water wells in the same distance. Two deserted buildings from previous oil production are located on the lease. Land has extremely limited grazing use and is in an extremely low environmental risk area with very minimal effect created by drilling and producing this and other wells on the lease.
12. OPERATORS REPRESENTATIVE: The representative responsible for assuring compliance with the surface and operation plan is:
- H. R. Spencer
216 American Home Building
Artesia, New Mexico 88210
Office Telephone (505) 746-6658
Home Telephone (505) 746-2495
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 H & S Oil Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

H & S OIL COMPANY

Date:

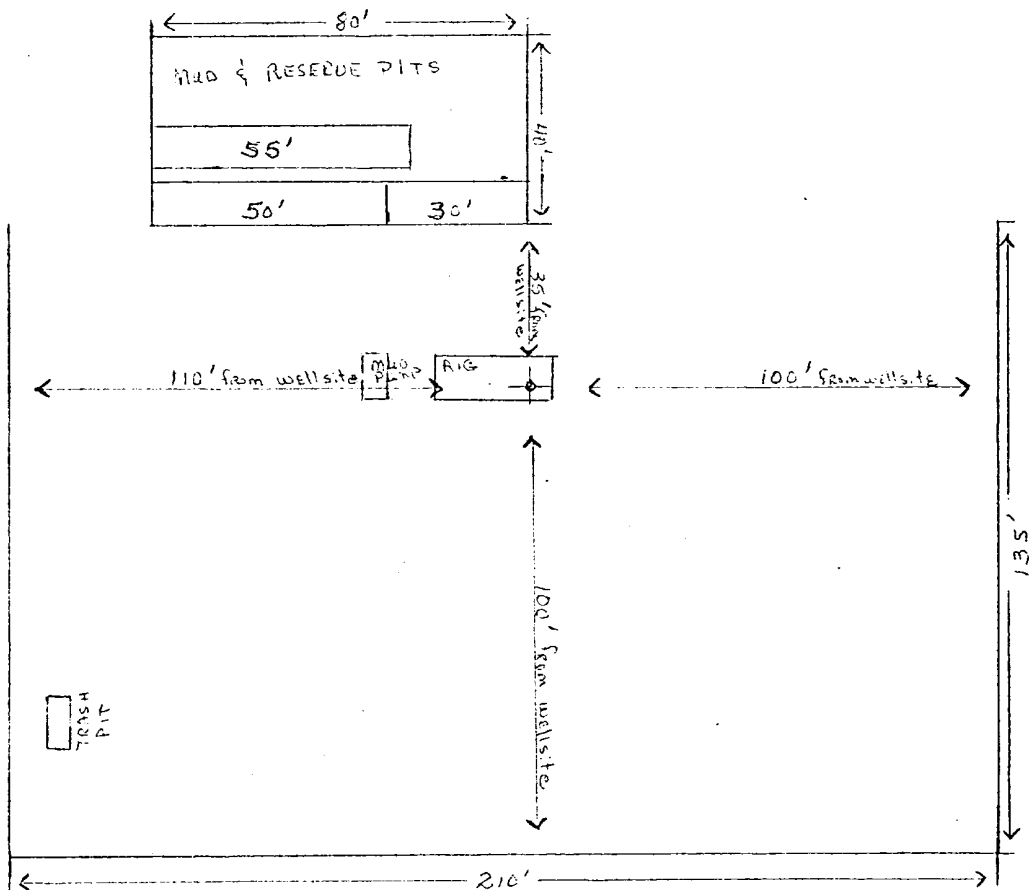
1/29/80

R. L. Heinisch

H & S OIL COMPANY
216 American Home Building
Artesia, New Mexico 88210

Hastie No. 19
1980' FSL & 660' FWL of Section 18, T17S, R38E
Lease No. LC 045818(a), Eddy County, N. M.

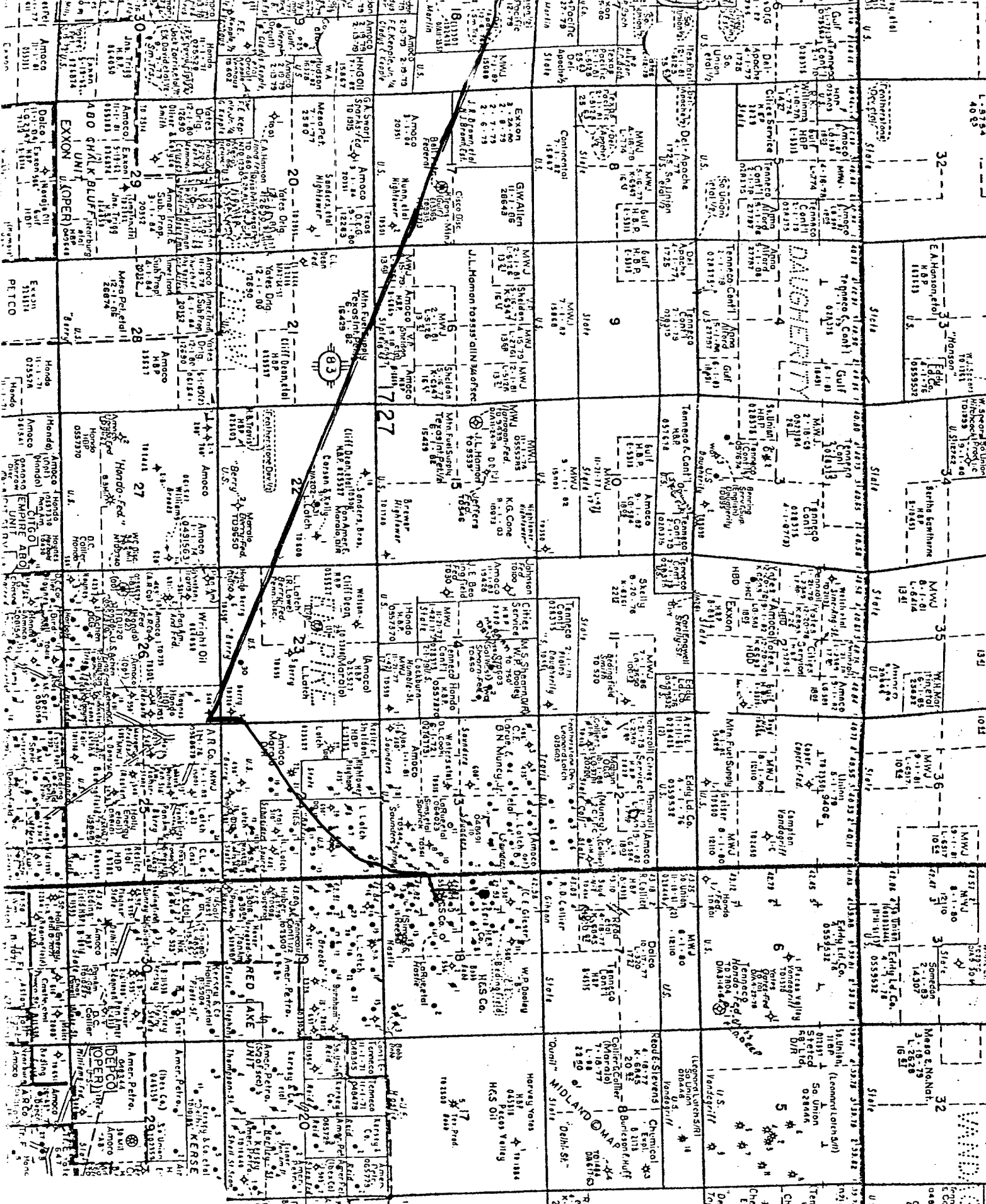
Scale 1/2" = 20'



DRILLING PAD - LEVELED AND CALICHERED

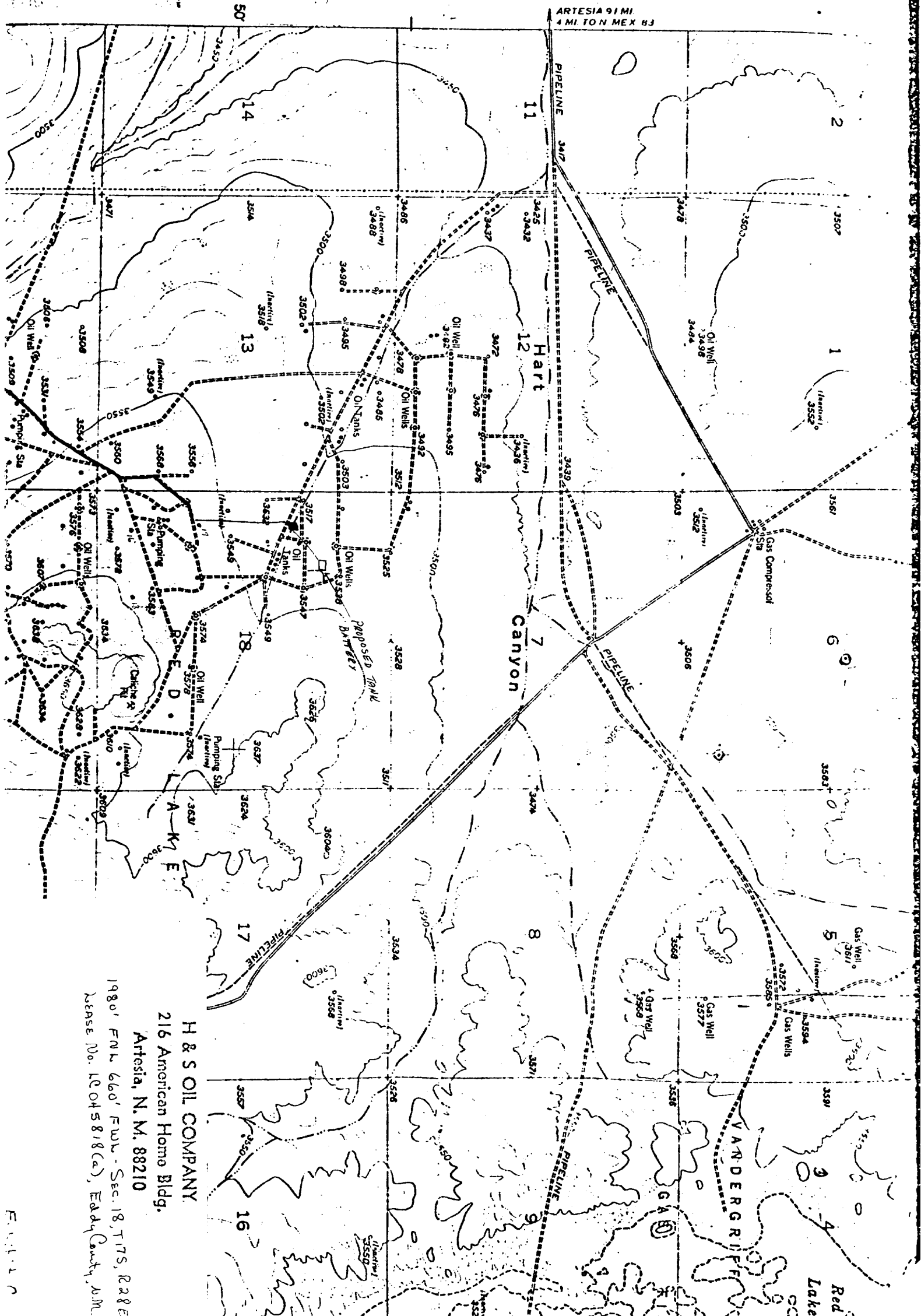
PITS WILL BE DUG TO COVER GARBAGE AND TRASH, WHICH WILL BE KEPT IN CONTAINERS UNTIL WELL IS COMPLETED.

EXHIBIT A



H & S OIL COMPANY
 216 American Home Bldg.
 Artesia, N. M. 88210
 1980 FNL 660 F.W.L, Sec 18, T19S, R28E
 Lease No. LCOY8186C, Eddy County, N.M.

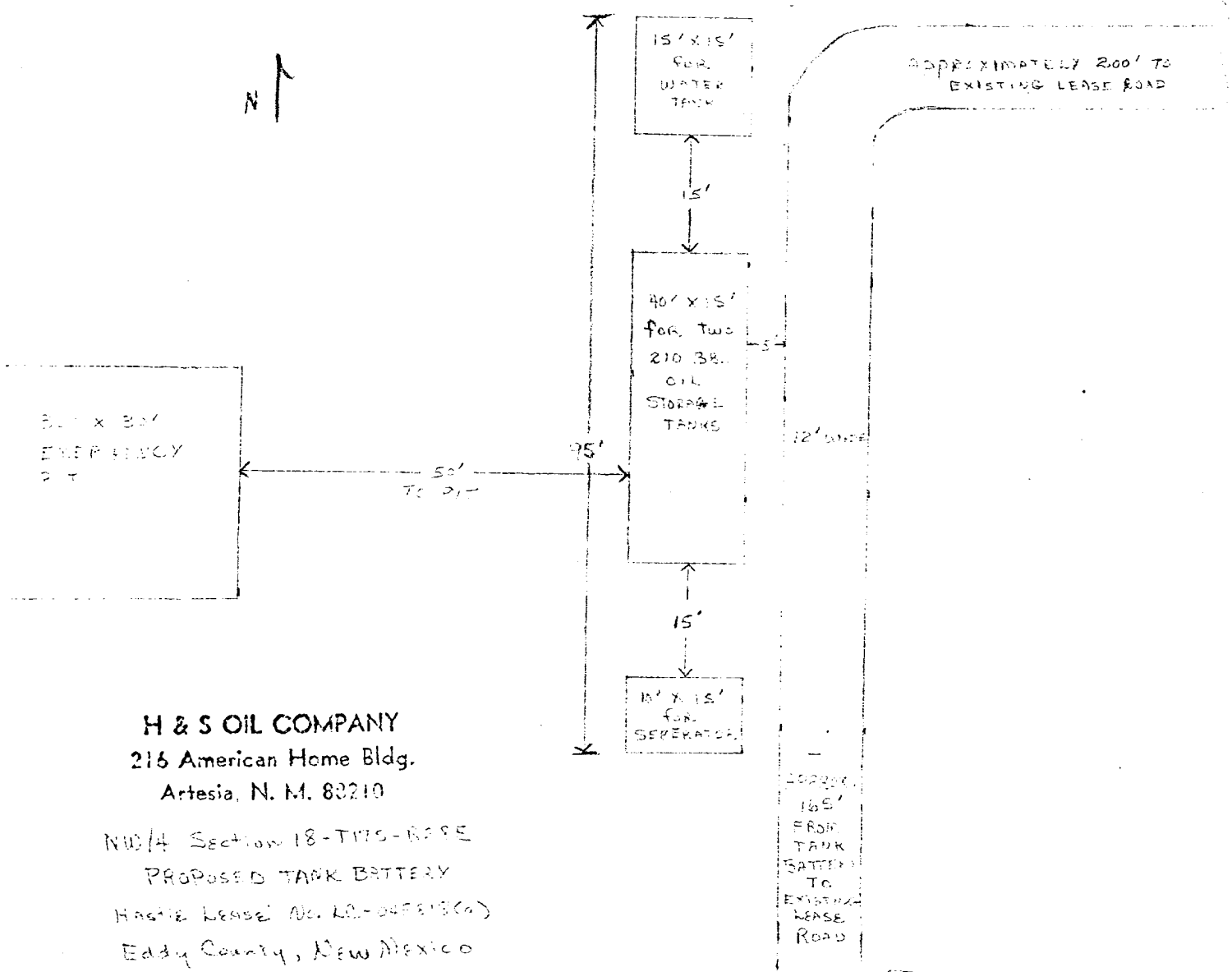
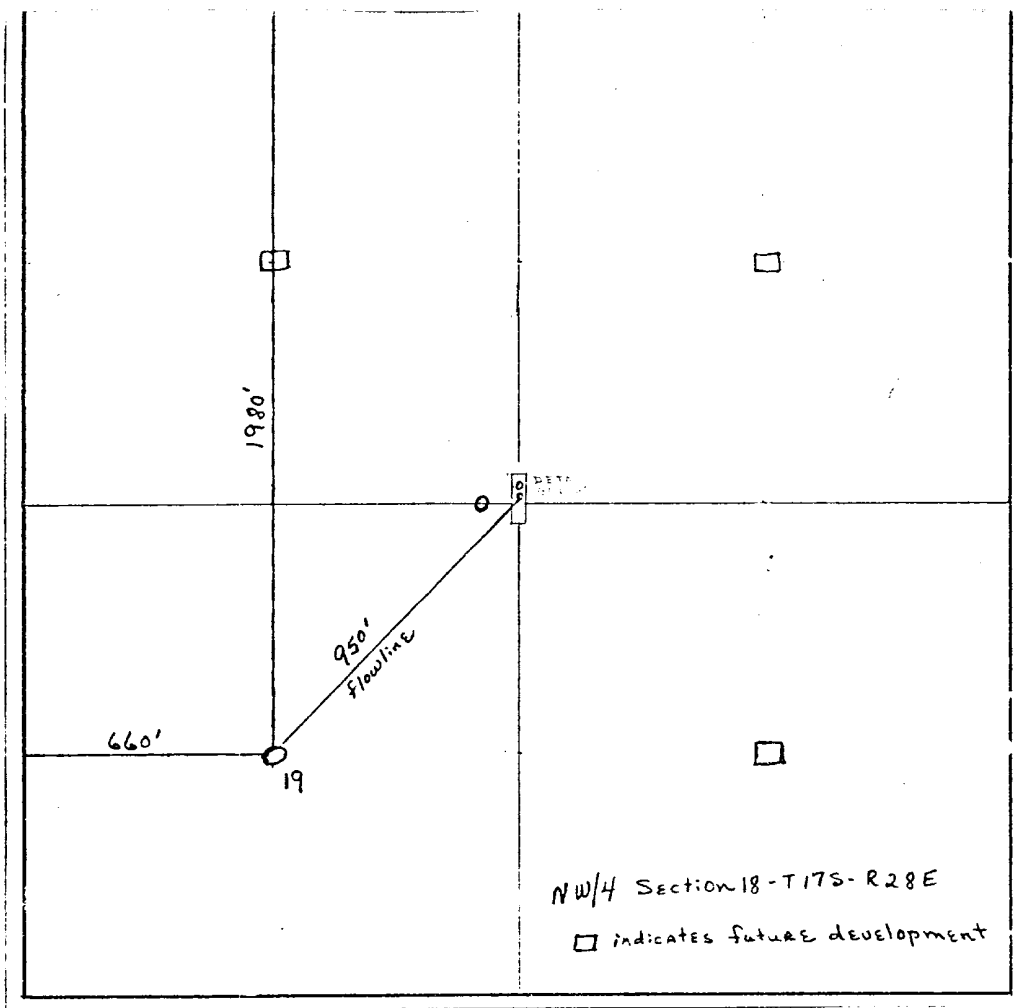
C.H.H. + B



ARTESIA 91 MI
4 MI. TO N. MEX. B.J.

H & S OIL COMPANY
215 American Home Bldg.
Artesia, N. M. 88210
1980' F.W. 660' F.W. - Sec. 18, T17S, R28E
Lease No. LC045818(C), Eddy County, N.M.

E. 11110



H & S OIL COMPANY
 216 American Home Bldg.
 Artesia, N. M. 83210

NW 1/4 Section 18-T17S-R28E
 PROPOSED TANK BATTERY
 HASTIE LEASE No. 10-04513(6)
 Eddy County, New Mexico