

C/SF

Form 9-2811C
May 1980SUBMIT IN ☒ DUPLICATE*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-23516

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐ PLUG BACK ☐			5. LEASE DESIGNATION AND SERIAL NO. LC-045818(a)	
b. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐			6. IF INDIAN ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR H & S Oil Company ✓			7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 216 American Home Bldg. - Artesia, New Mexico 88210			8. FARM OR LEASE NAME Hastie	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 660' FNL 660' FWL of Section 18-T17S-R28E At proposed prod. zone			9. WELL NO. 20	
11. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*			10. FIELD AND POOL, OR WILDCAT Red Lake (O.G.S.A.)	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA D Sec. 18-T17S-R28E	
16. NO. OF ACRES IN LEASE 331.60			12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40			13. STATE N.M.	
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. APPROX. DATE WORK WILL START*	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) GR 3526.1			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. CIRCULATE
7 7/8"	5 1/2"	20#	1900'	300 sks. CIRCULATE

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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IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present production zone and depth and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measure and true depths. Give blowout preventer program, if any.

SIGNED Robert R. Spence TITLE Partner DATE 10/9/80
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

(Orig. Sgd.) GEORGE H. STEWARTAPPROVED BY _____ TITLE ACTING DISTRICT ENGINEER DATE OCT 29 1980

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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 H&S Oil Co.		Lease Hastie		Well No. 20
Unit Letter D	Section 18	Township 17 South	Range 28 East	County Eddy
Actual Footage Location of Well: 660 feet from the North line and 660 feet from the West line				
Ground Level Elev. 3526.1	Producing Formation Queen, Grayburg, S.A.		Well Name Red Lake Q-M-SA	Actual Depth 40 42.98

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 on the 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.

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CERTIFICATION

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

Herbert R. Spence
Partner

H & S OIL COMPANY

10/9/80

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

October 3, 1980

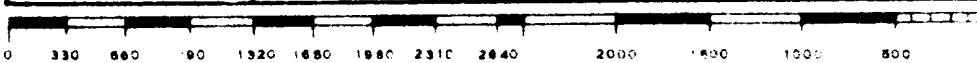
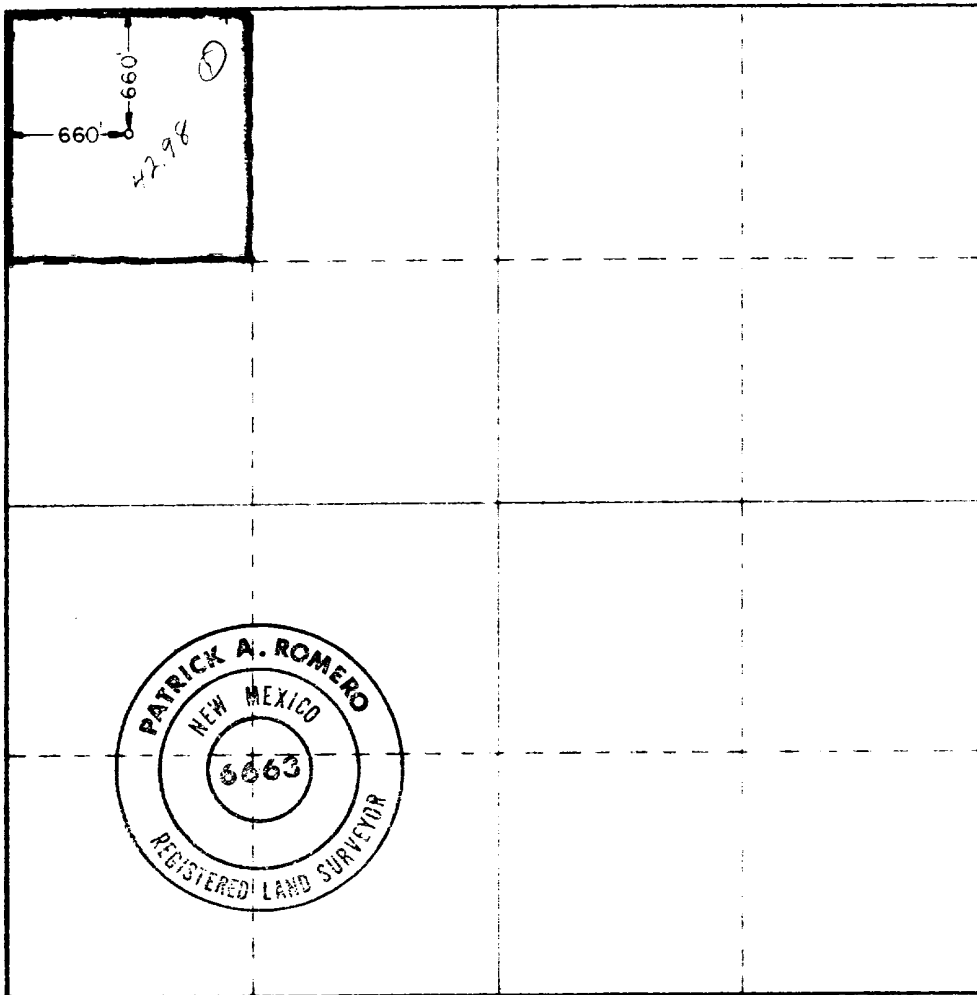
Registered Professional Engineer
in the State of New Mexico

Patrick A. Romero

Certificate No. John W. West

676

Ronald J. Espinoza 2232





United States Department of the Interior

GEOLOGICAL SURVEY

SPECIAL APPROVAL STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN:

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H & S OIL COMPANY

Hastie No. 20

NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 18 T. 17S R. 28E

Eddy County New Mexico

Lease No. LC-045818(a)

NOV 03 1980

O. C. D.
ARTESIAN OFFICE

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. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE SPECIAL STIPULATIONS PURSUANT TO TITLE 30 CFR 290.

- ☒ A. 8 5/8" surface casing should be set in the Rustler Anhydrite formation and cement circulated to the surface. If surface casing is set at a lesser depth, the _____ casing must be cemented from the casing shoe to the surface or cemented to the surface through a stage tool set at least 50 feet below the top of the Rustler after cementing around the shoe with sufficient cement to fill to the base of the salt section.
- ☐ B. Before drilling below the 8 5/8" casing, the blowout preventer assembly will consist of a minimum of ~~one annular type and~~ two ram type preventers.
- ☐ C. Casing protectors will be run on drill pipe while drilling through the _____ casing. Protectors will be of sufficient number and of sufficient outside diameter to protect the casing.
- ☐ D. Minimum required fill of cement behind the 5 1/2" casing is to circulate to surface
- ☐ E. After setting the 8 5/8" casing string and before drilling into the QUEEN formation, the blowout preventers and related equipment shall be pressure tested to rated working pressures ~~by an independent service company.~~ Any equipment failing to test satisfactorily shall be repaired or replaced. ~~This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report.~~
- ☐ F. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before drilling into the _____ formation and used until production casing is run and cemented. Monitoring equipment shall consist of the following:
- (1) A recording pit level indicator to determine pit volume gains and losses.
 - (2) A mud volume measuring device for accurately determining mud volume necessary to fill the hole on trips.
 - (3) A flow sensor on the flow-line to warn of any abnormal mud returns from the well.
- ☒ G. All pits containing toxic liquids will be fenced and covered with a fine mesh netting, if necessary for the protection of livestock or wildlife.
- ☒ H. Above ground permanent structures and equipment shall be painted in accordance with the Painting Guidelines. The paint color is to simulate:
- ☒ Sandstone Brown, Fed. Std. 595-20316 or 30316
- OR ☒ Sagebrush Gray, Fed. Std. 595-26357 or 36357
- ☐



I. A kelly cock will be installed and maintained in operable condition.



J. The ARTESIA Sub-District Office is to be notified in sufficient time for a representative to witness:

(a) Spudding ✓

(b) Cementing casing

5 1/2 inch

_____ inch

_____ inch

(c) ~~ROP tests~~



K. A Communitization Agreement covering the acreage dedicated to the well must be filed for approval with the U. S. Geological Survey, P. O. Box 26124, Albuquerque, New Mexico 87125. The effective date of the agreement must be prior to any sales.



L. A Gamma Ray-Compensated Neutron log is required from the base of the salt section to the surface with cable speed not to exceed 30 feet per minute.



M. At least one working day prior to constructing the well pad, access roads and/or related facilities, the operator or dirt contractor shall notify the authorized officer (Bureau of Land Management, CARLSBAD area). He shall also notify the Authorized Officer within two working days after completion of earth-moving activities.



N. All access roads constructed in conjunction with the drilling permit (AFD) will be limited to a 12 foot wide driving surface, excluding turn-arounds. Surface disturbance associated with construction and/or use of the road will be limited to 20 feet in width. If well is a producer, all roads will be adequately drained to control runoff and soil erosion. Drainage facilities may include ditches, water bars, culverts and/or any other measures deemed necessary by the authorized officer of the BLM. The following is a general guide for the spacing of water bars:

% Slope

less than 2%	200 ft.
2% to 4%	100 ft.
4% to 5%	75 ft.
more than 5%	50 ft.



O. Other special stipulations:

Any permanent pit containing waste oil must be fenced and covered with mesh wire.

SURFACE USE PLAN

H & S OIL COMPANY

Hastie No. 20
660' FNL & 660' FWL of Section 18, T17S, R28E
Lease No. LC 045818(a), Eddy County, N. M.

Field Well

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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 on a high line road for approximately 1 1/2 miles (yellow), then turn due east for approximately 345' to wellsite (red).
2. PLANNED ACCESS ROADS: We would like to have permission to drive out the 345' road to the wellsite. We have found from experience in this area that blading causes more damage than just driving out the road needed. If denied, we will construct the road 12 feet wide by blading since there is caliche within a few inches from surface.
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 has been approved in 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. See Exhibit D for approved 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 on 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

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 enviromental risk area with very minimal effect created by drilling and producing this and other wells on the lease.

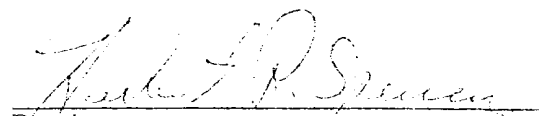
12. OPERATORS REPRESENTATIVE: The representative responsible for assuring compliance with the surface and operation plan is:

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

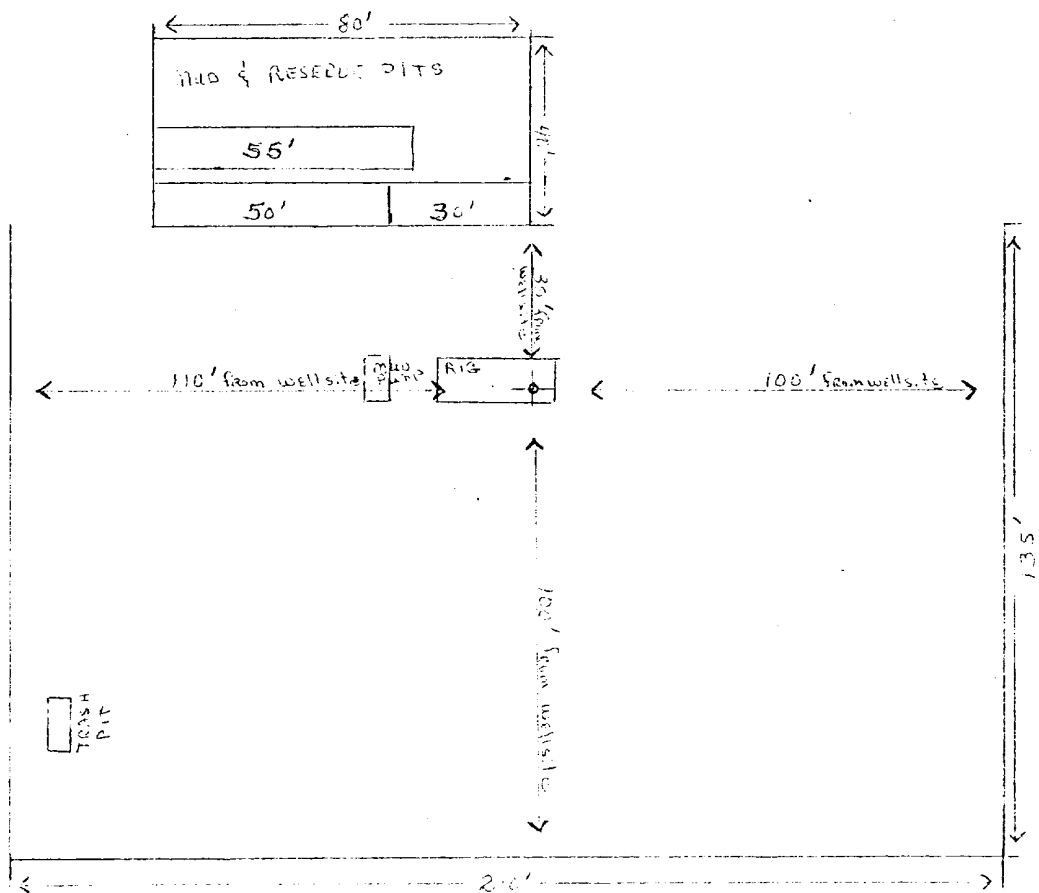
Date: 10/9/80


H. R. Spencer

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

Hastie No. 20
660' FNL & 660' FWL of Section 18, T17S, R28E
Lease No. LC 045818(a), Eddy County, N. M.

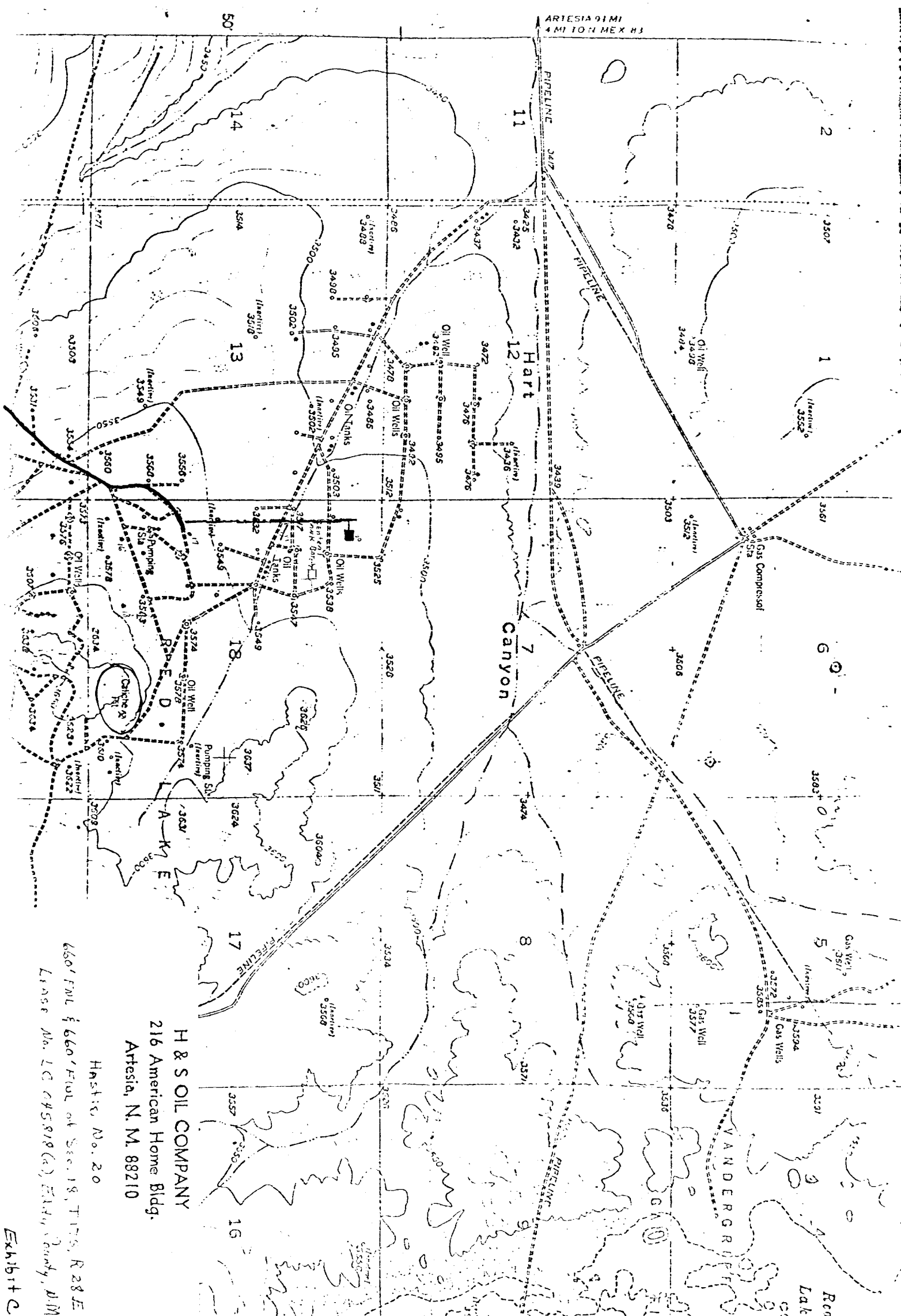
Scale $\frac{1}{2}" = 20'$



DRILLING PAD - LEVELED AND CALICED

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

Hart's No. 20

660' FNL & 660' FNL of Sec. 18, T17S, R28E
 Lease No. LC 045818 (a), El Paso County, N.M.

Exhibit C

