

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-23892

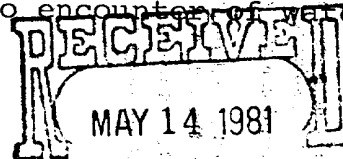
C/SF
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐ PLUG BACK ☐		5. LEASE DESIGNATION AND SERIAL NO. NM 18973
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 Building - Artesia, New Mex. 88210		8. FARM OR LEASE NAME Eagle
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980'FNL 660'FEL of Section 15, T17S, R27E At proposed prod. zone		9. WELL NO. 1
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*		10. FIELD AND POOL, OR WILDCAT Undesignated
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 Sec. 15-T17S-R27E
16. NO. OF ACRES IN LEASE		12. COUNTY OR PARISH Eddy
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE New Mex.
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		20. ROTARY OR CABLE TOOLS Rotary
19. PROPOSED DEPTH 1750'		22. APPROX. DATE WORK WILL START* Rig availability
21. ELEVATIONS (Show whether DF, RT, GR, etc.) GR 3486.5		

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#	350'	250 sacks CIRCULATE
7 7/8"	5 1/2"	15#	1750'	300 sacks CIRCULATE

Estimated formation tops: Seven Rivers 450', Queen 900', Grayburg 1390', San Andres 1652'. Drilling fluid will be water with small amounts of mud additive from 1550' 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 1400' & 1650'. No encounter of water is anticipated.



GAS NOT DEDICATED

OIL & 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 Herb A. Spencer TITLE Partner DATE 5/5/81
(This space for Federal or State office use)

PERMIT NO. APPROVED APPROVAL DATE _____
(Orig. Sgd.) GEORGE H. STEWART
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY
JUL 31 1981
FOR
JAMES A. GILHAM
DISTRICT SUPERVISOR

*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.

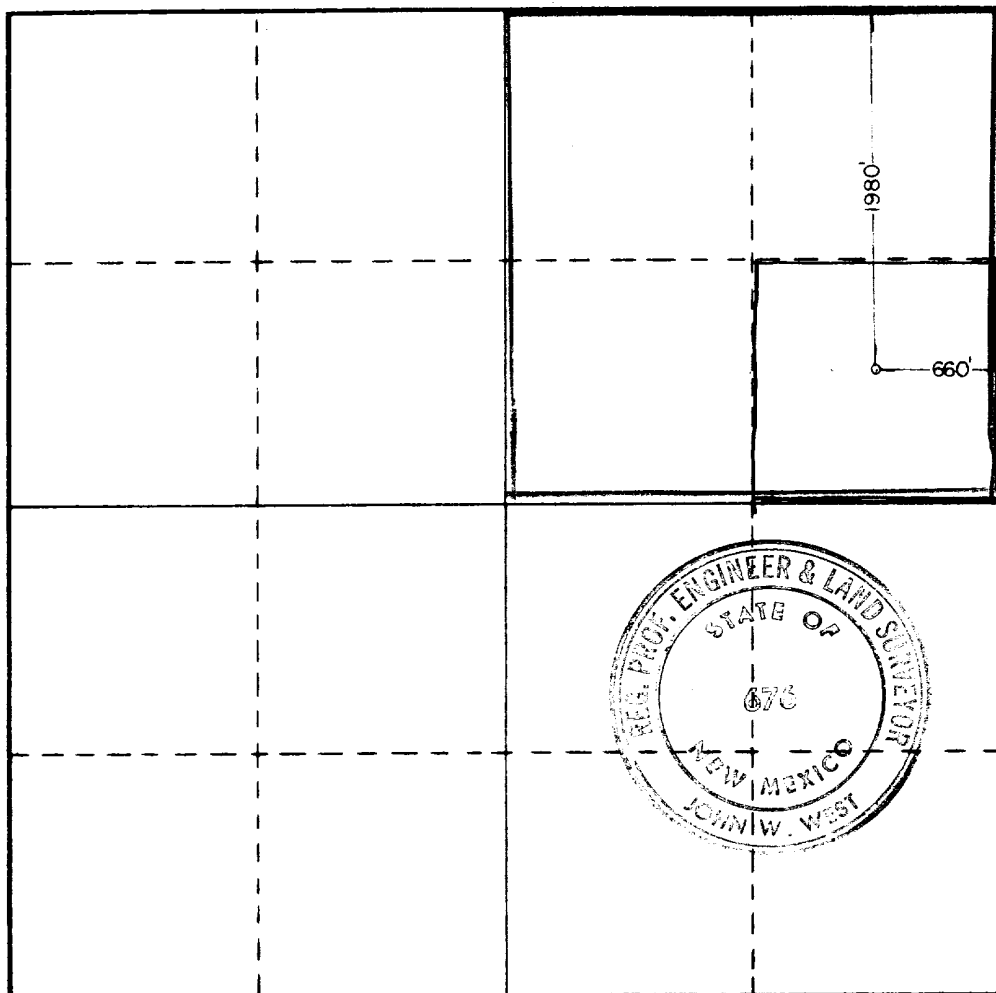
Operator H & S OIL COMPANY			Lease EAGLE		Well No. 1
Unit Letter H	Section 15	Township 17 SOUTH	Range 27 EAST	County EDDY	
Actual Footage Location of Well: 1980 feet from the NORTH line and 660 feet from the EAST line					
Ground Level Elev. 3486.5	Producing Formation Grayburg	Pool Undesignated	Dedicated Acreage: 40/60		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: Herbert R. Spencer
 Position: Partner
 Company: H & S OIL COMPANY
 Date: 5/5/81

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: April 21, 1981
 Registered Professional Engineer and/or Land Surveyor

John W. West
 Certificate No. JOHN W. WEST 676
PATRICK A. ROMERO 6063
Ronald J. Eideen 3239



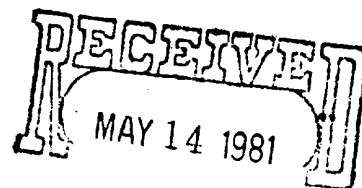
SURFACE USE PLAN

H & S OIL COMPANY

Eagle No. 1

1980' FSL 1980' FEL of Section 15, T17S, R27E

Lease No. NM 189713, Eddy County, N.M.



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). Approximately 8 miles east of Artesia on Highway 82 (orange) at the 115 mile marker turn north on a bladed maintained road for approximately .65 miles (blue) then turn east for approximately .47 miles on second bladed road then turn north for approximately 400' to Eagle 2 wellsite (green) then go northeast approximately 1600' to wellsite (red).
2. PLANNED ACCESS ROADS: The road will be constructed 12 feet wide by blading since there is caliche on the 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, the tank battery will be located in the center of the E/2 of Section 15-T17S-R27E. Surface lines will be laid to this tank battery as shown on Exhibit C. 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 approved caliche pit. 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 regulation.
 - (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.

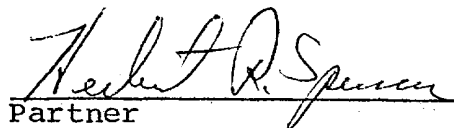
11. OTHER INFORMATION: All surface is Federal ownership. Vegetation is very sparse, consisting of weeds in some areas, and nothing in most of total area. Area is fairly flat with almost no topsoil as caliche and rock surfaces on almost all the area. Land has extremely limited grazing use and is in an 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) 756-6658
Home Telephone (505) 756-2495

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


Partner

5/5/81

Date

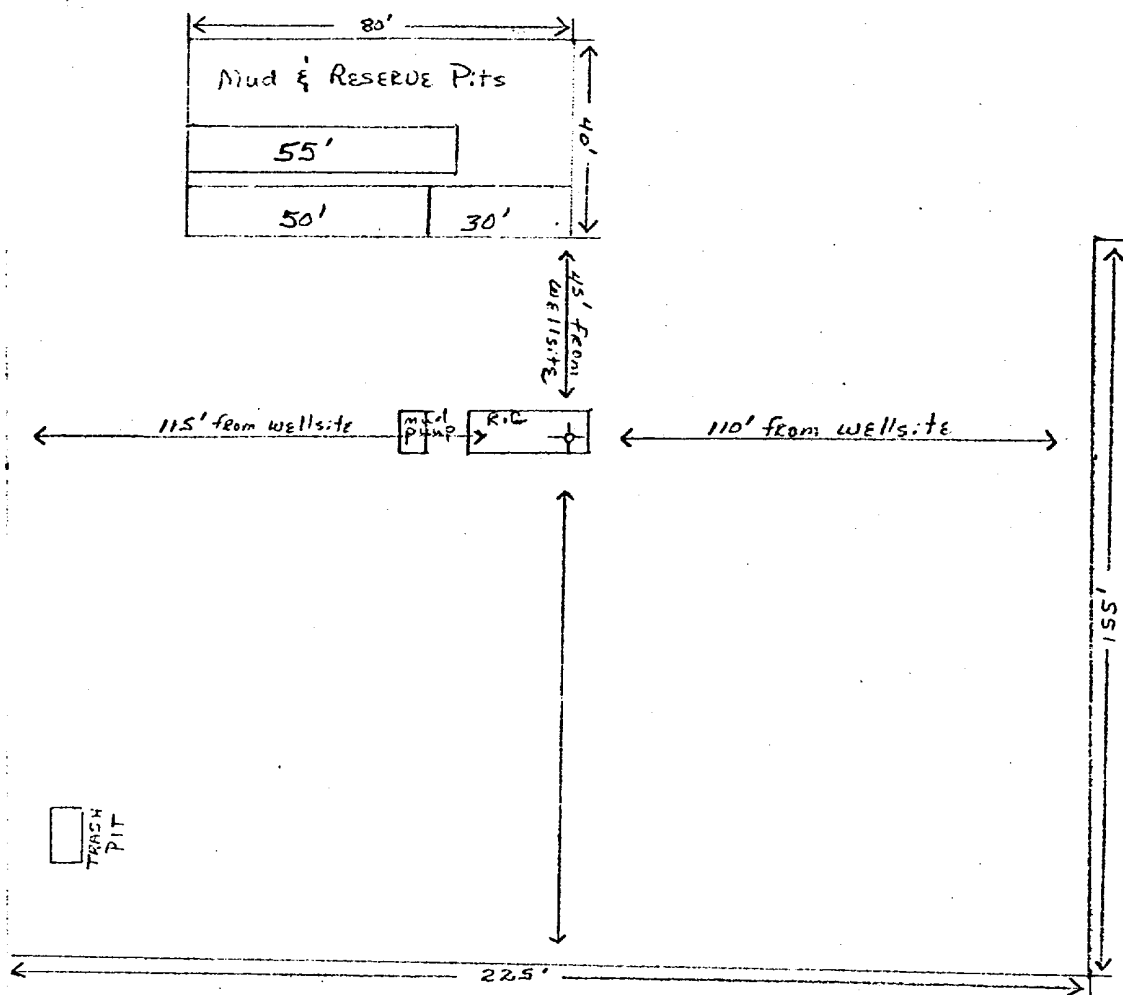
H & S OIL COMPANY
216 American Home Building
Artesia, New Mexico 88210

EAGLE NO. 1
1980'FNL 660'FEL Section 15-T17S-R27E
Lease No. NM 18973
Eddy County, New Mexico

EXHIBIT A

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

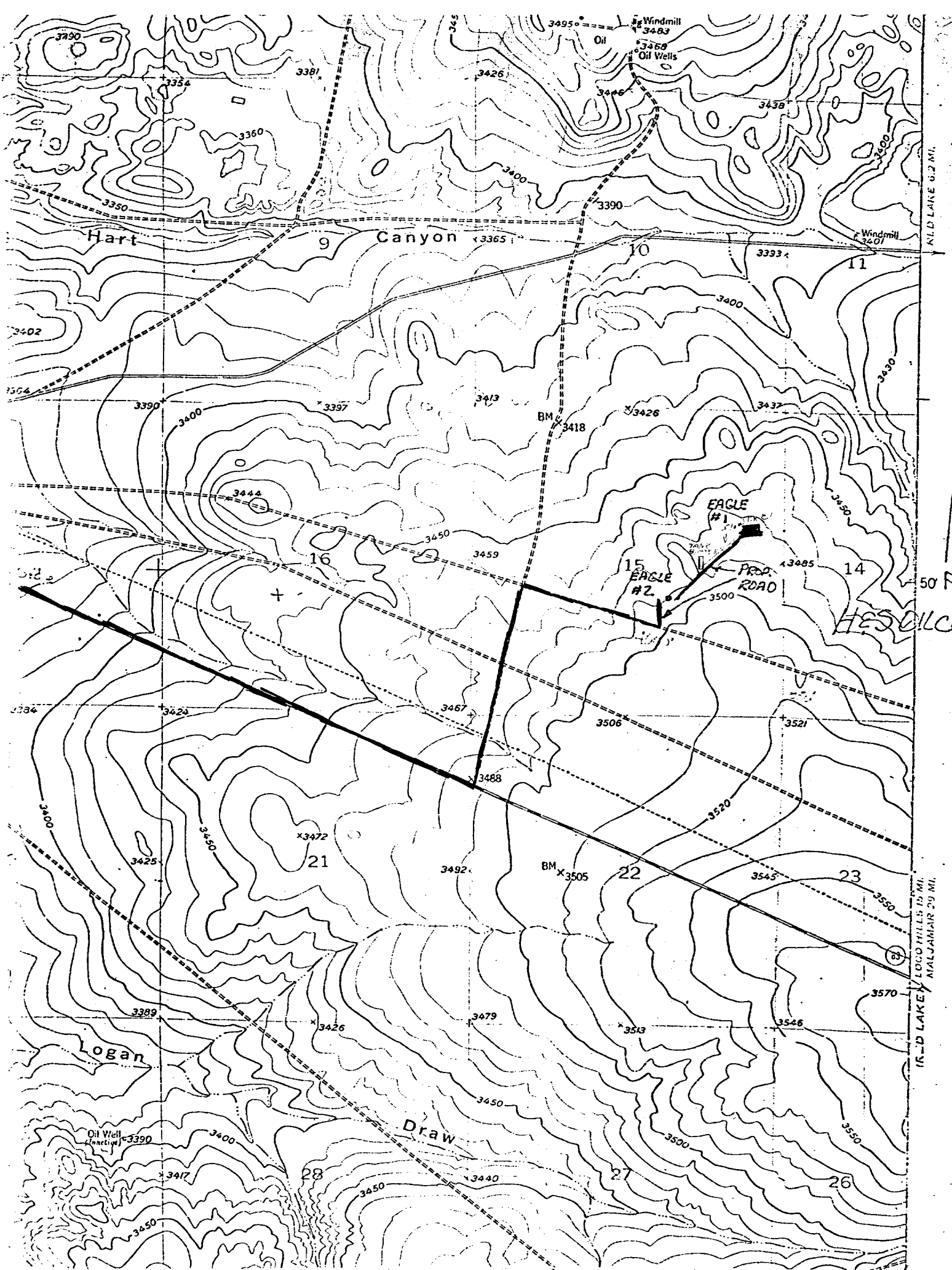
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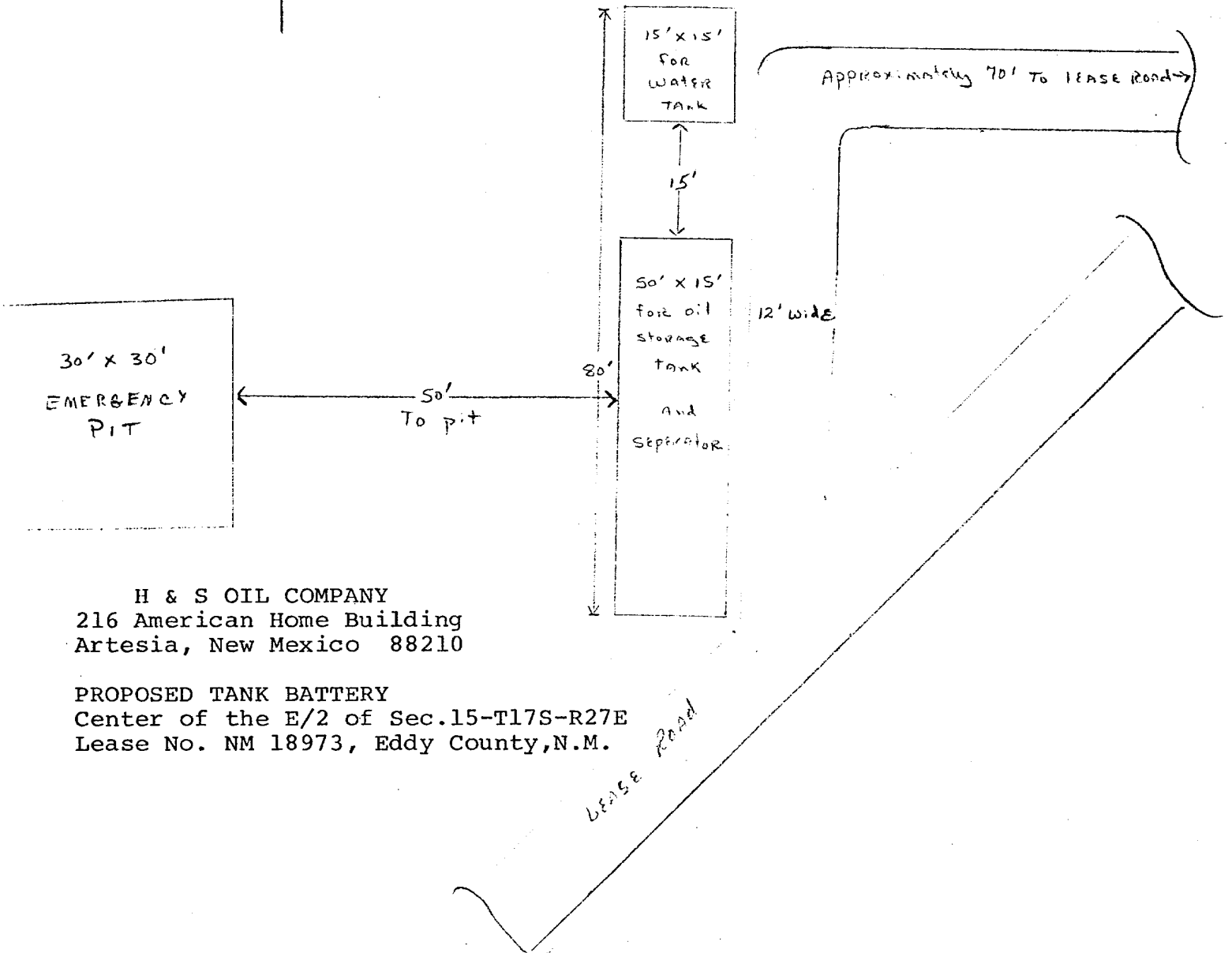
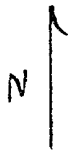
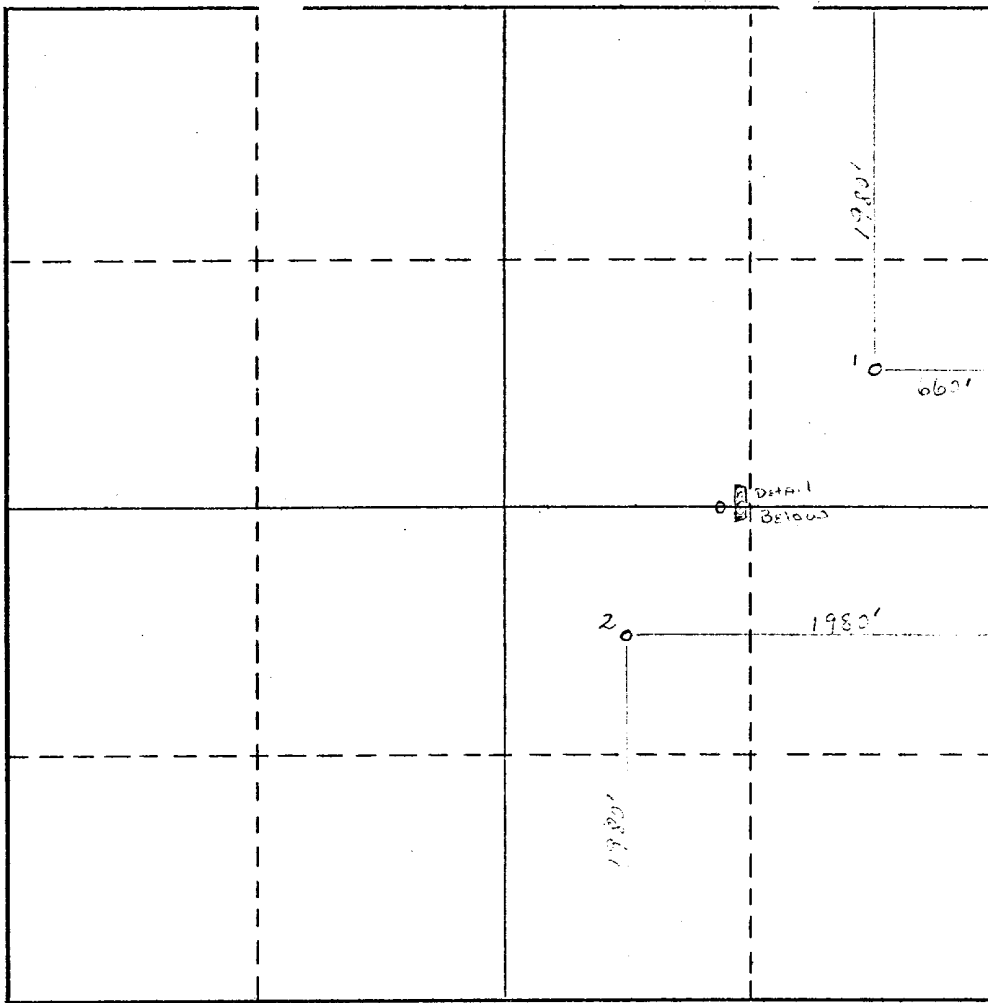
DRILLING PAD - LEVELED AND CALICED

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

EXHIBIT A



EAGLE NO. 1
1980'FNL 660'FEL Section 15-T17S-R27E
Lease No. NM 18973
Eddy County, New Mexico



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

PROPOSED TANK BATTERY
Center of the E/2 of Sec.15-T17S-R27E
Lease No. NM 18973, Eddy County, N.M.