

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY30-015-23911
LEASE DESIGNATION AND SERIAL NO.
LC-029431-A
JUN 24 1981

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

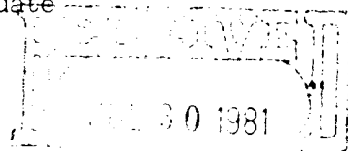
RECEIVED

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			7. UNIT AGREEMENT NAME SEP 8 198		
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. FARM OR LEASE NAME WELCH FEDERAL O. C. D.		
2. NAME OF OPERATOR C. E. LaRue and B. N. Muncy Jr. ✓			9. WELL NO. 2 ARTESIA, OFFICE		
3. ADDRESS OF OPERATOR P. O. Box 196 Artesia, New Mexico 88210			10. FIELD AND POOL, OR WILDCAT HENSHAW (Q, G, SA)		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 330' FNL and 1335' FWL Sec. 19, T16S, R31E At proposed prod. zone			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 19, T16S, R31E		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 8 Miles Northeast of Loco Hills, New Mexico			12. COUNTY OR PARISH Eddy		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330'			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.			20. ROTARY OR (ABLE TOOLS Rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3901' GL			22. APPROX. DATE WORK WILL START* August 20, 1981		

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	29#	450'	Circulated
7 7/8"	4 1/2"	10 1/2#	3700'	

Estimated Tops, Yates 1450, Seven Rivers 1640, Queen 2280,
Penrose 2550, San Andres 3000, Lovington 3100. Adequate
BOP will be used.

GEOLOGICAL SURVEY
UNITED STATES DEPARTMENT OF THE INTERIOR
ALBUQUERQUE, 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 [Signature] TITLE Operator DATE July 22, 1981

(This space for Federal or State office use)

PERMIT NO. APPROVED GEORGE H. STEWART APPROVAL DATEAPPROVED BY SEP 3 1981 TITLE DATECONDITIONS OF APPROVAL, IF
FOR
JAMES A. GILLHAM
DISTRICT SUPERVISOR

*See Instructions On Reverse Side

2681

N MEXICO OIL CONSERVATION COMMISS
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-128
 Supersedes C-128
 Effective 10-65

All distances must be from the outer boundaries of the Section

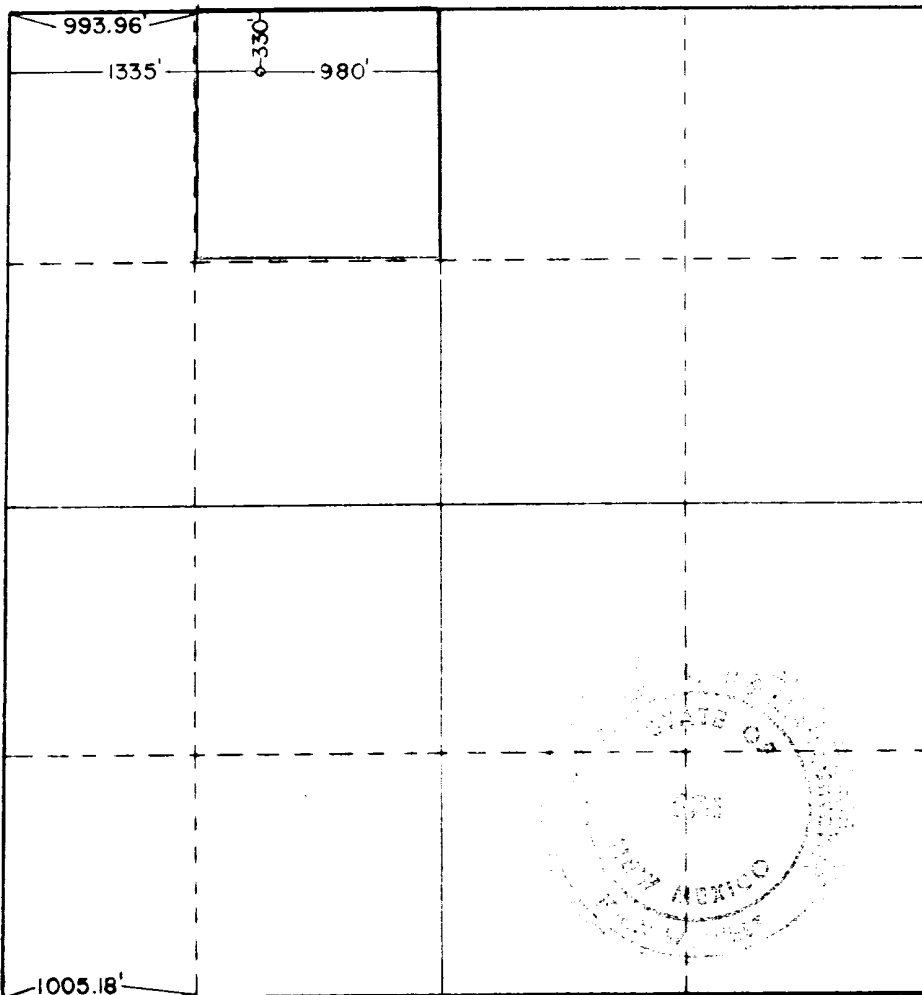
Operator LA RUE AND MUNCIE			Lease WELCH FEDERAL		Well No. 2
Unit Letter C	Section 19	Township 16 SOUTH	Range 31 EAST	County EDDY	
Actual Portage Location of Well: 330 feet from the NORTH line and 1335 feet from the WEST line					
Ground Elev. Elev. 3901.0	Producing Formation San Andres		Form. Henshaw (Q, G, SA)		Dedicated Acreage 40

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 _____
 Position *Operator*
 Company **C.E. LaRue and B.N. Muncy, Jr.**

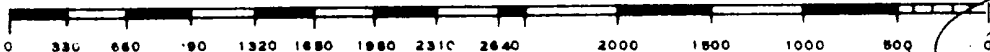
Date *July 27, 1981*

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 **7-23-81**

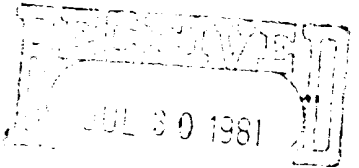
Registered Professional Engineer and/or Land Surveyor

John W. West
 Certificate No. **JOHN W. WEST 678**
PATRICK A. ROMERO 6863
Ronald J. Eidson 3239



C. E. LaRue and B. N. Muncy, Jr.
Welch Federal No. 2
33' FNL and 1335' FWL, Section 19, T16S, R31E,
Eddy County, New Mexico

Lease No. NM 2469



OFFICE OF THE
LAND SURVEYOR
NEW MEXICO

1. Existing Roads - Maps showing drillsite and all existing roads are shown on Exhibit A & B, from existing road 500' of new road is planned South to location.
2. Planned Access Roads - Exhibit A shows new road to be constructed in red line. Road will be built to a maximum width of 12 feet and surfaced with caliche, with no turnouts planned. Drainage will not be a factor as surface is sandy with no water drainage. Road design will be for drilling equipment and water haulage for drilling purposes, and for oil trucking. No culverts or special drainage features are believed necessary. Center line of new road has been staked with flagging visible from one stake to the other.
3. Existing wells are shown on Exhibit B.
4. Tank battery will be placed on edge of drilling pad, and flow lines will cross only caliche pad. All pads and access roads will be used for production and maintenance. If well is non-productive, the drilling pad and such access road as not needed to reach other location will be ripped and restored in accordance with current rules.
5. There are no rivers, creeks, lakes, ponds in the entire lease area. All water for drilling purposes will be trucked to location over present and to be constructed access roads shown on Exhibit A from the nearest water supply at Loco Hills, New Mexico.
6. Caliche pits will be the only source of material used in road and pad construction, location is shown on Exhibit A, in SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 18. All material will be hauled over present roads and roads to be constructed as shown on Exhibit A.
7. All cutting and drilling fluid will be left in pits and covered after they have dried; which should be in 4 to 6 weeks. All garbage and trash will be kept in containers, placed in trash pit as shown on Exhibit C and covered when well is completed. No well in area has produced water or oil during drilling.
8. No camps or airstrips will be constructed.
9. See Exhibit C. There will be no lining used in mud pits. All equipment and transportation will use only access roads and drilling pad. Mud will be stacked on drilling pad adjacent to mud pump. Only minor leveling and caliche cover will be needed on drilling pad. No significant cuts or fills will be required other than construction of mud pits and reserve pit. The pad and pit area have been staked.
10. At completion of drilling and completion operations, all equipment not necessary for well production will be removed, pits will be filled when dried, and trash pit will be covered when completion equipment is moved off. All access roads not needed for other producing wells or leases will be ripped and restored in accordance with current rules as will the pad if well is non-productive.
11. Area in general is rolling, with sand dunes creating the principal changes in elevation. Scrub oak is primary brush growth, with extremely scanty native grasses and fairly heavy weeds. All surface area is Federal land, as are all roads present and to be constructed. Topsoil is extremely sandy, underlaid with caliche. Land is used for grazing purposes, and is classed very low in number of livestock it will maintain because of the extremely sparse vegetation, and the fact there is no natural water above ground in the area from streams or ponds, and closest water well to this location is 1 mile Northwest. Nothing has been observed in the area that would give indication of archaeological,