

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

C/SF
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

RPM Energy, Inc. ✓

3. ADDRESS OF OPERATOR

613 Commercial Bank Tower, Midland, TX 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

330' FNL, 330' FEL, Sec. 21-16S-26E

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

5 Miles Northeast of Artesia, NM

15. DISTANCE FROM PROPOSED*

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

330'

16. NO. OF ACRES IN LEASE

80

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.

1800'

19. PROPOSED DEPTH

1400' San Andres

20. ROTARY OR CABLE TOOLS

Rotary

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

3356' GL

22. APPROX. DATE WORK WILL START*

OCT. 16, 1981

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-7/8"	7"	17" J-55	1030'	360 sx Class C (Circ.)
6-1/8"	4 1/2"	9.5# X-42	1400'	160 sx Class C

Plan to drill to 1400'+ with Rotary Rig to test the San Andres formation.

Blow out Preventer will be used while drilling.

Set casing through any productive zone.

Perforate selective zones and stimulate by acidizing with 2000 gallons of HCL.

ABOVE CASING PROGRAM HAS CONCURRENCE BY
W. A. GRESSETT OF THE ARTESIA NMOC.Posted ID-1
API + NL Book
10-23-81

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

Roy J. J. J.

TITLE

U.P.

DATE

Oct 10, 1981

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY

APPROVED

(Orig. Sgd.) GEORGE H. STEWART

OCT 16 1981

FOR

JAMES A. GILLHAM
DISTRICT SUPERVISOR

NMOC

All distances must be from the outer boundaries of the Section.

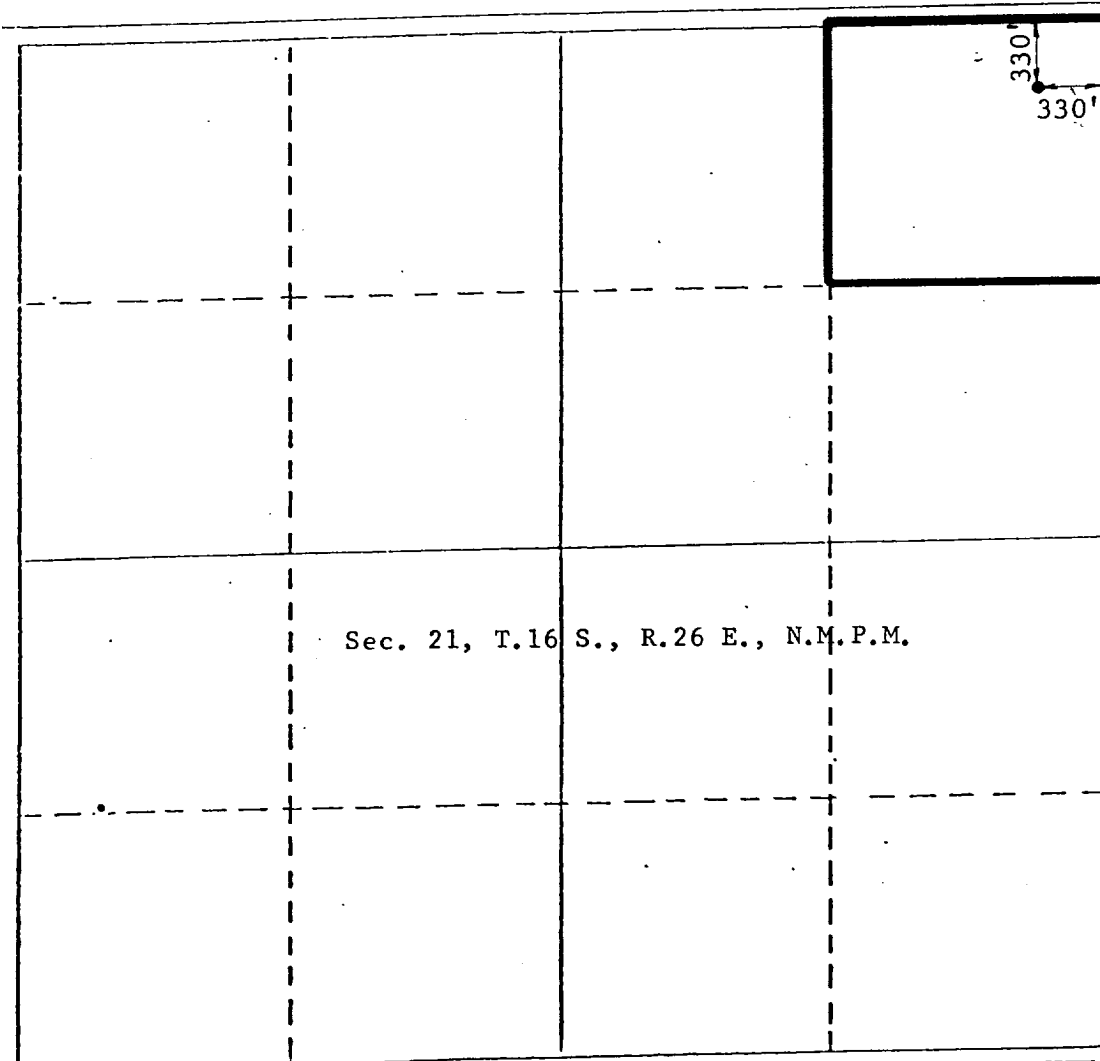
Operator RPM ENERGY, INC. Citico Service Co.		Lease CITCO FEDERAL		Well No. 2
Unit Letter A	Section 21	Township 16 South	Range 26 East	County Eddy
Actual Footage Location of Well:				
330 feet from the North line and		330 feet from the East line		
Ground Level Elev. 3356	Producing Formation San Andres	Pool Undesignated	Dedicated Acreage: 40 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 Division.



CERTIFICATION

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

Jerry W. Long
Name
JERRY W. LONG

Position
Agent

Company
RPM ENERGY, INC.

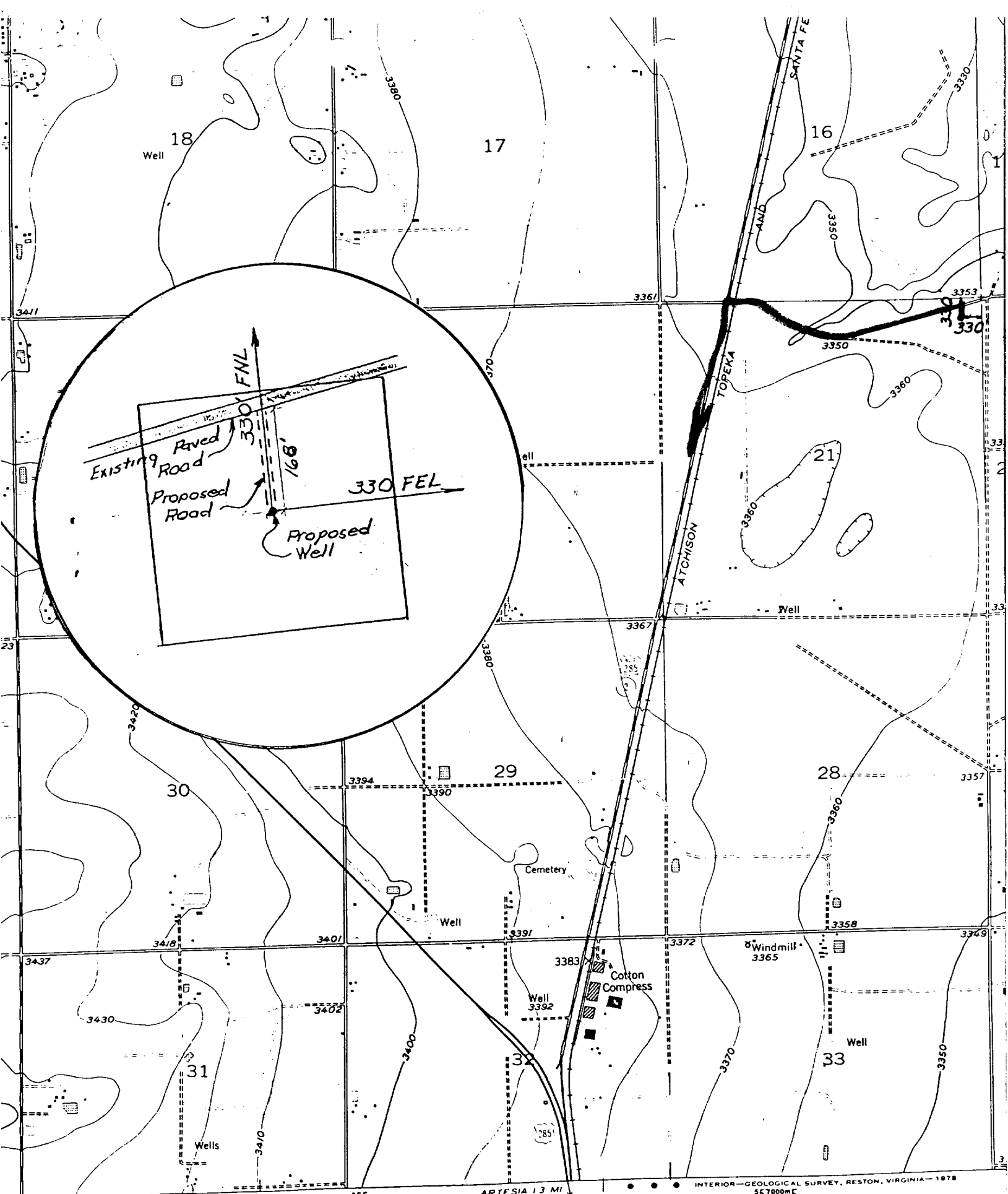
Date

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
July 17, 1981
Registered Professional Engineer and/or Land Surveyor

JOHN D. JAQUES
John D. Jaques, P.E. & L.S.
Certificate No. **6290**

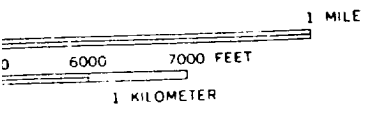
6290



INTERIOR—GEOLOGICAL SURVEY, RESTON, VIRGINIA—1978
57000mE

ROAD CLASSIFICATION

- | | |
|--|--|
| Primary highway, all weather, hard surface | Light-duty road, all weather, improved surface |
| Secondary highway, all weather, hard surface | Unimproved road, fair or weather |



SUPPLEMENTAL DRILLING DATA

RPM ENERGY, INC.
No. 2 CITCO FEDERAL
NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 21-16S-26E
Eddy County, N.M.

NM 14297-A

The following items supplement Form 9-331C in accordance with instructions contained in NTL-6.

1. SURFACE FORMATION: Recent
2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Surface - Alluvian
San Andres - 800'

3. PRIMARY OBJECTIVE: Oil from San Andres formation. No surface water expected below 300'.

4. CASING AND CEMENTING PROGRAM:

Surface: 12 3/4", 35#, X-42 casing will be set to protect surface waters. The casing will be set at about 400' with 14 ppg cement circulated to the surface.

Intermediate: 8 5/8", 24#, J-55 casing will be set to protect the Artesian fresh water zones. This casing will be set at about 1030'± and cemented back to the surface with an estimated 950 sacks of Class C cement.

Production: If commercial quantities of oil are encountered, a string of 4 1/2", 9.5#, X-42 casing will be run through the production zone and cemented with sufficient cement to isolate all water, oil and gas zones.

5. PRESSURE CONTROL EQUIPMENT: Current development of the San Andres formation in this general area indicates that high pressures should not be present in this zone. Since the well will be drilled with ~~cable~~ tools, formation pressure will be controlled by weight of the mud in the hole and use of a ~~control head~~ **BOP** at the surface.

SEE FORM 9-331C FOR
REVISED CASING PROGRAM

6. CIRCULATING MEDIUM: None
7. TESTING, LOGGING AND CORING: ~~Since this will be a cable tool operation, there will be no coring or drillstem tests.~~ A Neutron Formation Density log will be run after total depth is reached. Other logs will be run as necessity dictates.
8. SUBSURFACE HAZARDS: No abnormal pressure or temperature conditions are expected. No production of hydrogen sulfide gas is anticipated.
9. STARTING DATE: Drilling will commence after No.1 well has been thoroughly tested. Drilling operations will last for about ~~three~~ ^{ONE} weeks. If commercial production is indicated, normal completion operations will be conducted. This will include perforating two shots per foot in the zones of interest followed by stimulation with 2000 gallons of 15% HCL.

PERTINATE INFORMATION

For

RPM ENERGY, INC.
No.2 CITCO FEDERAL
NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec.21-16S-26E
Eddy County, N.M.

NM 14297-A

<u>LOCATED:</u>	5 miles northeast of Artesia, N.M.
<u>FEDERAL LEASE NUMBER:</u>	NM 14297-A
<u>LEASE ISSUED:</u>	September 1, 1971
<u>RECORD LESSEE:</u>	Cities Service Company
<u>BOND COVERAGE:</u>	Lessee's Nationwide Bond
<u>ACRES IN LEASE:</u>	80
<u>SURFACE OWNERSHIP:</u>	Privately-owned by Barabara J. Bedingfield
<u>AUTHORITY TO OPERATE:</u>	Designation of Operator from Cities Service Company
<u>POOL RULES:</u>	General Statewide Rules 40 Acre spacing
<u>EXHIBITS:</u>	A. Road Map B. Contour map with adjacent wells C. Rig Layout D. Flood Plain Map

*DESIGNATION OF OPERATOR AND ARCHAEOLOGICAL
REPORT WERE FILED WITH THE NO.1 WELL.*

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

RPM ENERGY, INC.
No.2 CITCO FEDERAL
NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec.21-16S-26E
Eddy County, N.M.

NM 14297-A

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a road map showing the location of the proposed well as staked. The well is located 5 miles northeast of Artesia, N.M.
- B. Directions: Go 5 miles north from Artesia, paralleling the railroad track. Turn East on County paved road and go 3/4 mile to new access road to the location. The well is 168' south of the paved road.

2. PLANNED ACCESS ROAD:

- A. Length and Width: Access from the paved road will require construction of a new road 100' long and 12' wide. This road and pad will be entirely on fee surface. An agreement has been made with the fee surface owner regarding surface disturbance and restoration.
- B. Surfacing Material: None required
- C. Maximum Grade: Essentially level
- D. Turnouts: None necessary
- E. Drainage: None necessary
- F. Culverts: None necessary
- G. Cuts and Fills: Approximately 1' of cut and fill for the road and pad. Pit will be 8'x50'x6' deep.

H. Gates, Cattle Guards: None necessary

3. LOCATION OF EXISTING WELLS:

A. Location of adjacent wells are indicated on attached Exhibit B.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. There are presently no wells or facilities on the lease. An application has been filed proposing the drilling of the No.1 well in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec.21.

B. It is anticipated that oil separation and storage facilities will be constructed on an unused portion of the well pad.

C. If a central lease battery is constructed at a later date, a modified surface use plan will be submitted.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. ~~Since this well will be drilled with cable tools,~~
A minimal amount of water will be required. Necessary water will be obtained from a commercial source.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. If a caliche surface is necessary, it will be obtained from a commercial source.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.

D. Current laws and regulations pertaining to the disposal of human waste will be complied with.

E. Trash, waste paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Location of the trash pit is shown on Exhibit C.

F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

A None necessary

9. WELL SITE LAYOUT:

A. Exhibit "C" indicates the relative location of the mud pit, trash pit, ~~cable tool~~ rig, and the size of the location.

B. A minimum of rig components will be necessary, ~~since this will be a cable tool operation.~~

C. ~~No generating equipment will be necessary, since this will be a daylight operation.~~

10. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite in an aesthetically pleasing condition as possible.

B. Any unguarded pits containing fluids will be fenced until they are filled.

C. Restoration will be consistent with the wishes of the surface owner. Minimum rehabilitation will consist of removing trash and leveling of the location and pits.

11. OTHER INFORMATION:

A. Topography: The terrain is an essentially flat portion of the Pecos Valley. The well is not within the Designated Flood Plain of the Pecos River, as indicated by Exhibit D.

- B. Soil: The soil is predominantly a gray gypsiferous silt, interspersed with small pebbles and caliche fragments. Taxonomically it can be classified as a calciorthid.
- C. Flora and Fauna: Density of vegetation on the road and pad is about 70%, consisting primarily of grasses. Species present are ring muhly, four wing salt brush, prickly pear, rabbit brush and sand drop seed. No animals were noted during the initial field survey. However, it is expected that fauna would include such animals as rodents, birds and snakes.
- D. Ponds or Streams: The well is located about 1 3/4 miles west of the Pecos River and 1/4 mile southwest of Cottonwood Creek.
- E. Residences and other Structures: The nearest dwelling is 0.5 mile west of the location. The operation should not cause an adverse impact on the dwelling.
- F. Archaeological, Historical and other Cultural Sites: An archaeological survey was conducted by the Agency for Conservation Archaeology. An Archaeological report and recommendations has been furnished to USGS and BLM for consideration by those agencies.
- G. Land Use: The land is not cultivated. It is suitable for grazing, but is not fenced.
- H. Surface Ownership: Privately-owned by Barbara J. Bedingfield. A copy of the surface owner agreement is attached.

12. OPERATOR'S REPRESENTATIVE:

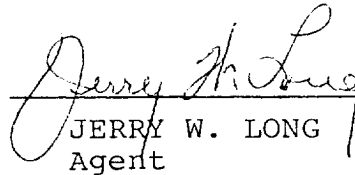
Representative responsible for assuring compliance with the approved Surface Use Plan:

Roy Jones
613 Commercial Bank Tower
Midland, TX 79701
Ph. 915-684-7811

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 statement 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 RPM ENERGY, INC. and its sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

Date



JERRY W. LONG
Agent

T165. RZ6E.

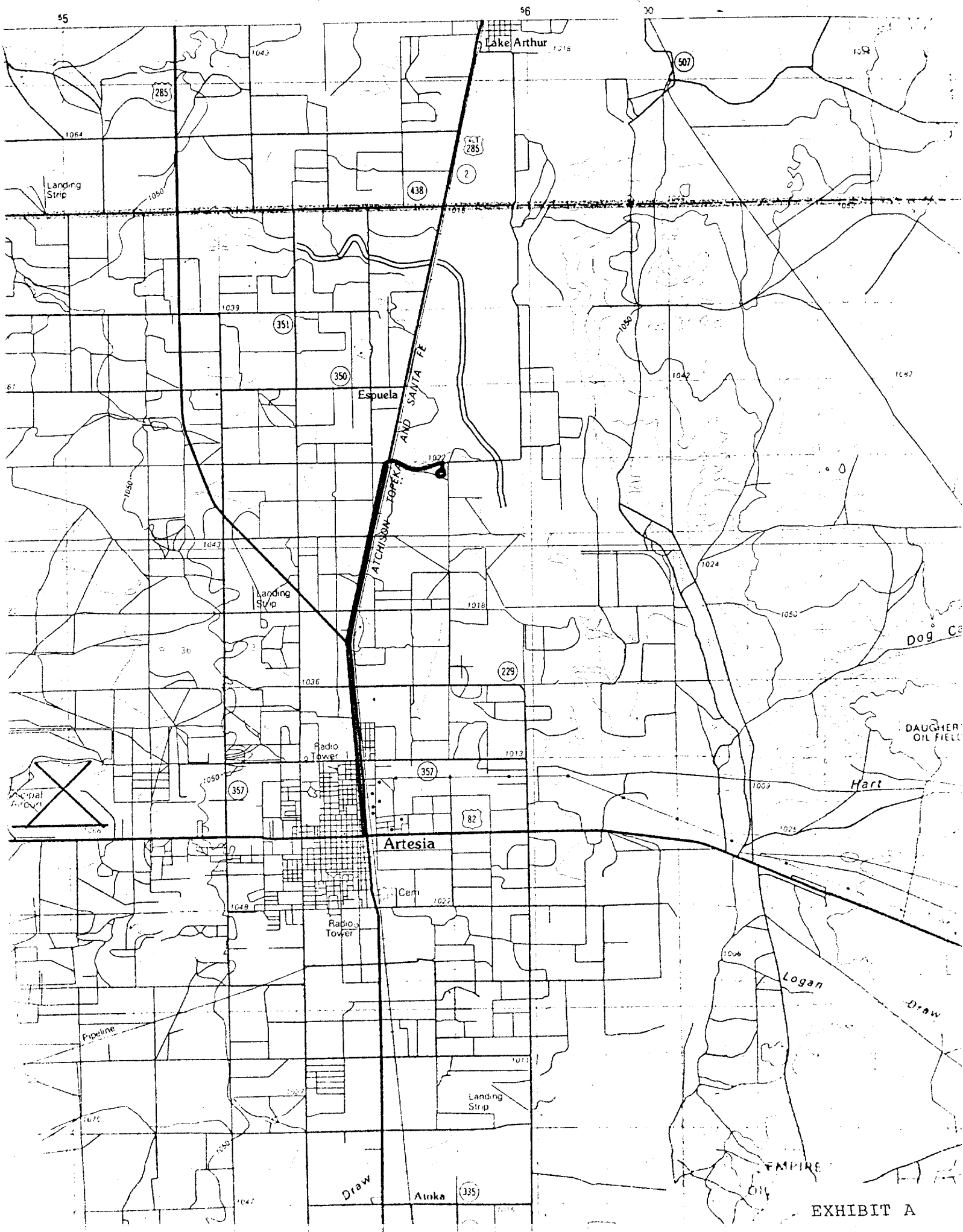


EXHIBIT A

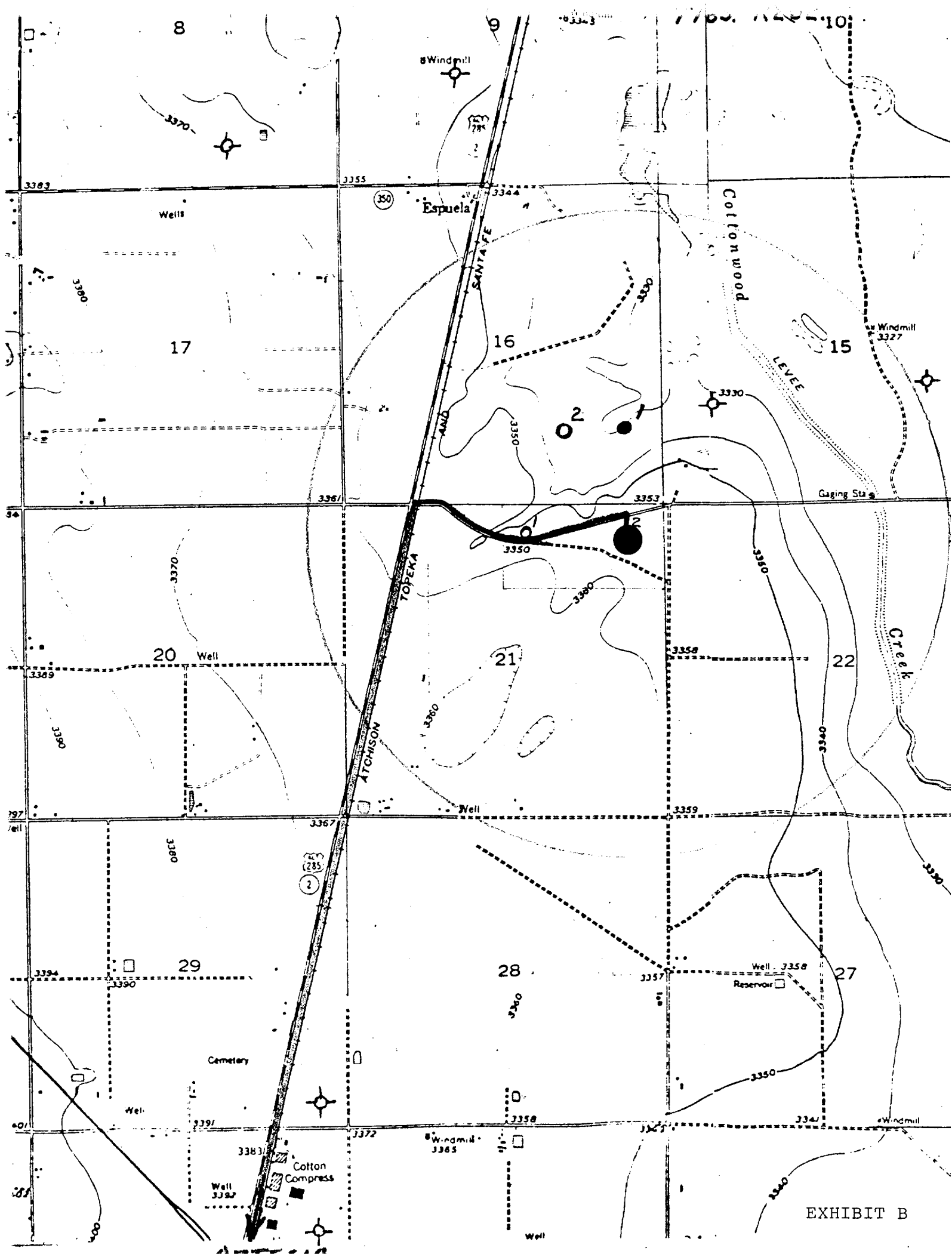
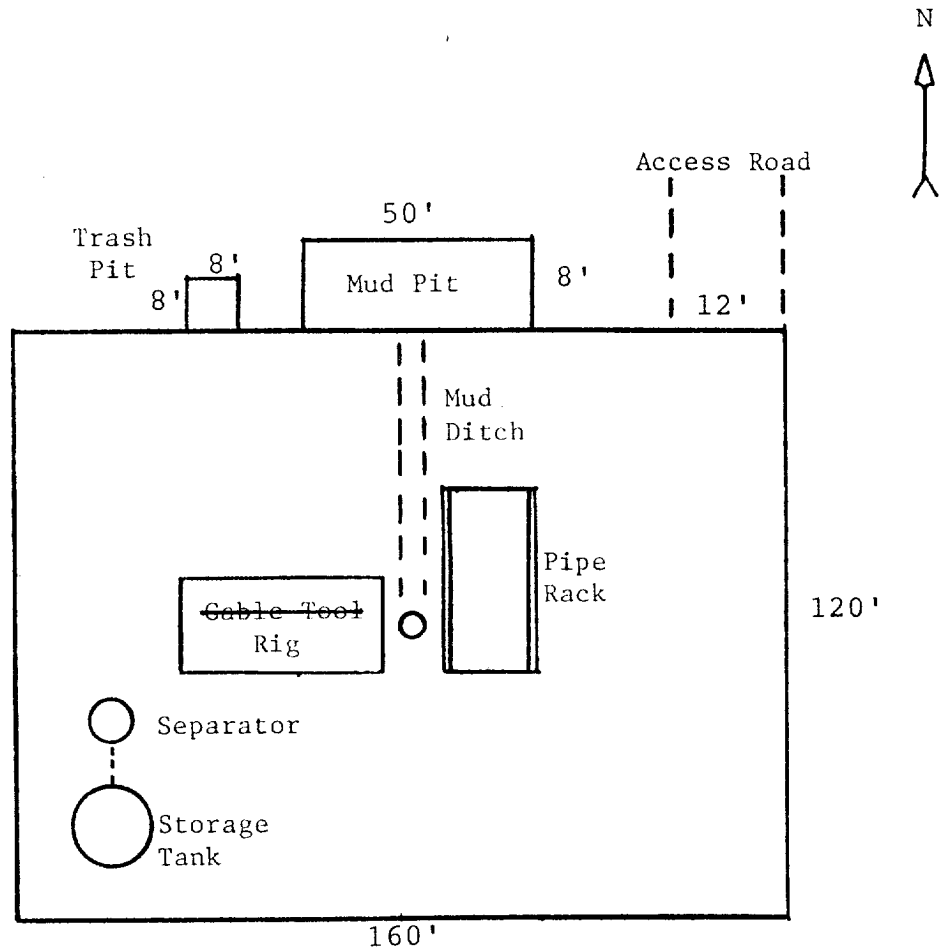


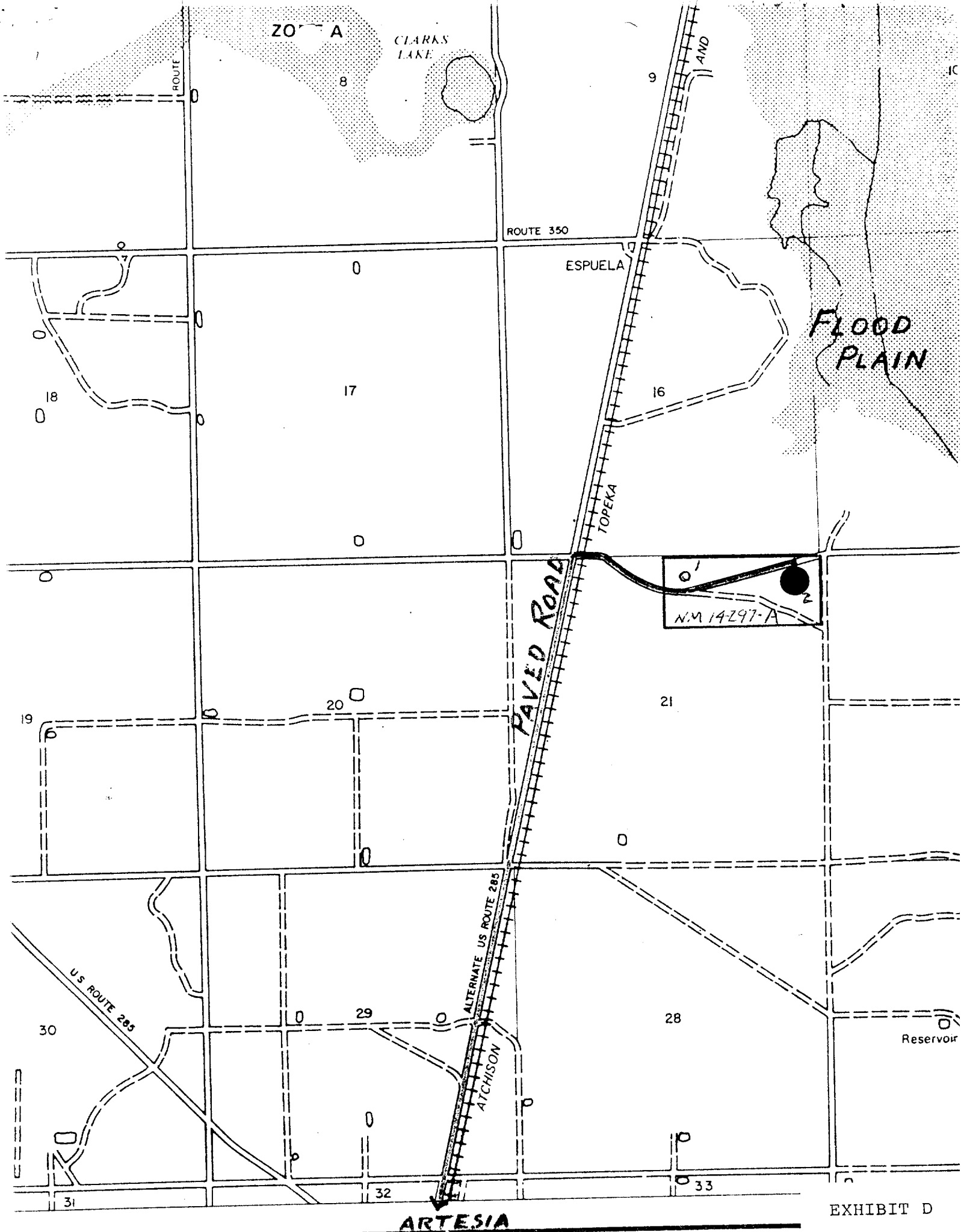
EXHIBIT B

RPM ENERGY, INC.
No.2 CITCO FEDERAL
NE¼NE¼ Sec.21-16S-26E
Eddy County, N.M.

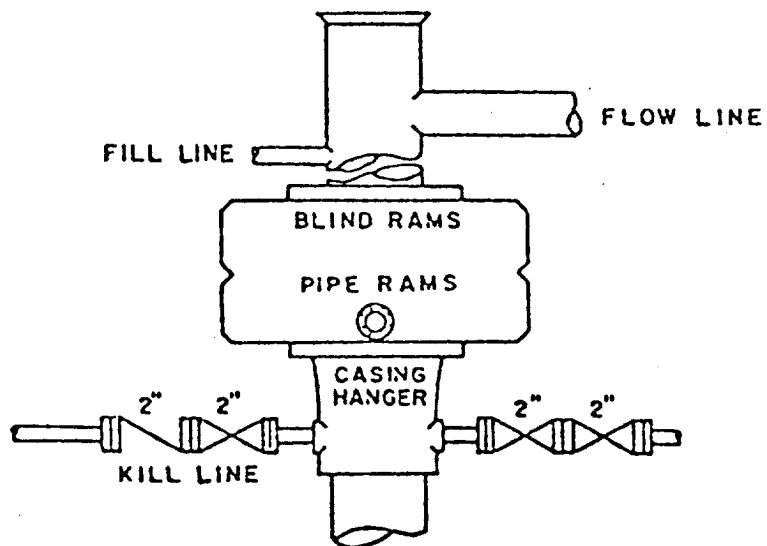
NM 14297-A



~~CABLE TOOL~~ RIG LAYOUT



RPM ENERGY, INC.
No.2 Citco Federal
NENE 21-16S-26E
Eddy County, N.M.



BOP STACK

3000 PSI WORKING PRESSURE