

N.M.O.C.D. COPY

SUBMIT IN T ICATE*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-23032

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐ PLUG BACK ☐		5. LEASE DESIGNATION AND SERIAL NO. LC 037777 (a)	
b. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER ☐		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR J E M Resources Inc. ✓		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR Box 648 Artesia, N. Mex. 88210 O.C.C.		8. FARM OR LEASE NAME LEVERS	
4. LOCATION OF WELL (Report location clearly and in accordance with instructions.*) At surface 1650 Fr. S. & 990 Fr. W. Lines of Sec. 33-16-29 Same		9. WELL NO. 6	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 10 Miles West of Loco Hills, N. Mex.		10. FIELD AND POOL, OR WILDCAT Cave	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 990		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA L- 33-16-29	
16. NO. OF ACRES IN LEASE 600		12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE N. Mex.	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 330 P&A		19. PROPOSED DEPTH 2700-2600' G.S.	
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START* 10-1-79	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3594 GR			

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8	24	300	100 (Circulate)
7 7/8	5 1/2	14	2700-2600	600 (Circulate)

Propose to drill 11" hole to Approximately 300' to cover all surface water, set 8 5/8 pipe & circulate cement. Drill approximately 2700', log & run 2700' 2600' used tested 5 1/2 pipe & circulate cement. Cement will be Haliburton.

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U.S. GEOLOGICAL SURVEY
ARTESIA, 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 Walter S. [Signature] TITLE President DATE 8-28-79

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 10-1-79APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-127
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

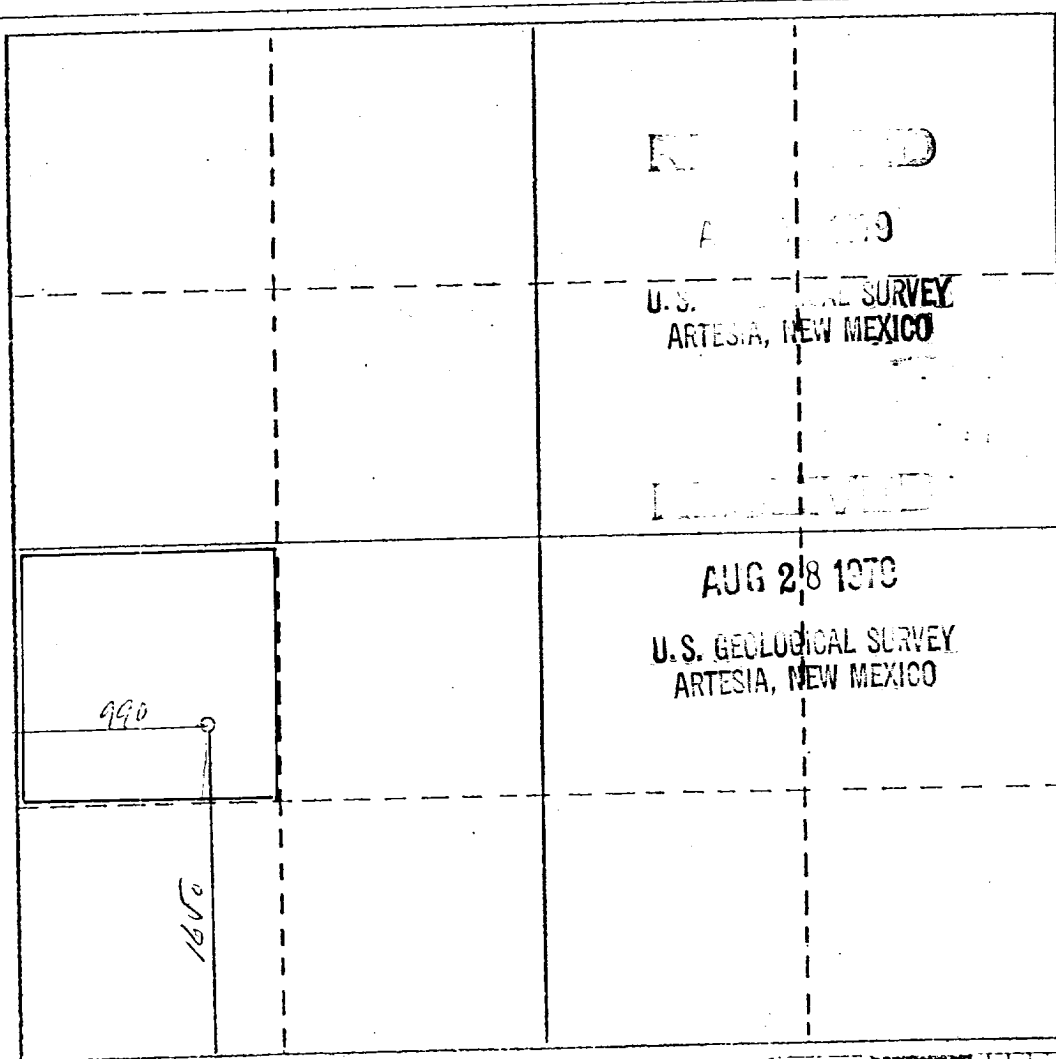
Operator JEM RESOURCES, INC.		Lease LEVERS		Well No. 6
Unit Letter L	Section 33	Township 16 South	Range 29 East	County Eddy
Actual Footage Location of Well: 1550 feet from the South line and 990 feet from the West line				
Ground Level Elev. 3594	Producing Formation Sh		Pool 1	Dedicated Acreage 1/2 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 communization, 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 communization, 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
Dalton Bell
Position
President
Company
J E M Resources Inc.
Date
8-28-79

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
August 27, 1979
Registered Professional Engineer and/or Land Surveyor
John A. Mathis Jr
Certificate No.
1502

0 500 1000 1500 2000 2500 3000 3500 4000 4500 5000 5500 6000 6500 7000 7500 8000 8500 9000 9500 10000



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U
Artesia, New Mexico 88210

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OCT 12 1979

**O. C. C.
ARTESIA, OFFICE**

October 11, 1979

J E M Resources, Inc.
P. O. Box 648
Artesia, New Mexico 88210

Gentlemen:

J E M RESOURCES INC. Levers No. 6 1650 FSL 990 FWL Sec. 33 T.16S R.29E Eddy County Lease No. LC 037777-A Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 2,600 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. Notify Survey prior to running 5-1/2" casing so that casing may be inspected by U.S.G.S. technician.
6. Cement behind the 8-5/8" and 5-1/2" casing must be circulated.
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



Supplement to USGS form 9-331C as required from NTL 6 page 5

Operator
Lease & Well #
Location

J E M Resources Inc.
LEVERS # 6
990/W. & 1650/S. Sec. 33-16-29
Eddy County, N. Mex.

1. See Form 9-331C
2. " " "
3. Geologic surface formation is recent.
4. See form 9-331C
5. " " "
6. Estimated tops of Geologic Markers are;

Top	Salt	250
Base	Salt	430
Top	Yates	860
Top	Seven Rivers	1090
Top	Queen	1650
Top	Grayburg	2150
Top	San Andres	2500

7. Estimated depths at which Water, Oil, or Gas may be encountered are:

Surface Water		100-150
Oil, Gas	Yates	850-900
Oil, Gas	7-R	950-1060
Water	Queen	1600-1700
Oil, Gas	Grbg	2150-2450
Oil, Gas	Lovington	2550-2650

8. See 9-331C
9. " "
10. No unusual Pressures are anticipated. Will install usual safety equipment after setting surface pipe. Test of capabilities of Blowout preventer and other safety equipment will be made. Drilling is in known area. Drilling records on file for surrounding wells.
11. Clay & Salt Gel will be the only mud additives used.
12. No coring or D.S.T. are planned. Logging will be done open hole & testing only after setting pipe & perforating.
13. Drilling in known area. No Hazards anticipated.
14. The anticipated starting date is 10-1-79 & Completion 10-10-79.
15. Any further information will be provided as needed.

JEM Resources Inc.
Levers #6
1650/S & 990/W of 33-16-29
Edy County N. Mex.
Lease # L.C. 037777 (a)

AUG 28 1979

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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 map of area with location pinpointed, shows location from Artesia & Loco Hills. An improved road runs along quarter section line East West across Sec. 4 & lease roads run within 10' of location.
- B. Exhibit B shows lease roads & improved roads

2. Planned Access Roads

- A. Exhibit C shows detail of location. Road to be built will be less than 10 feet.

3. Location of Existing Facilities

- A. Exhibit D shows location of all wells within 1 mile & location of existing tank battery. New flow line to existing tank battery would be built if needed.

4. Water Supply

- A. Water will be hauled to location by company truck from existing facilities at Cave Pool unit tank battery where fresh water is available from city of Carlsbad (Eagle Water Co.) line.

5. Construction Materials

- A. Soil at location is sandy-caliche and is very flat so very little hauling is anticipated. Caliche is available at existing pit in Sec. 4-17-29.

6. Methods of Handling Waste.

- A. Drill cuttings will be disposed of in drilling pit. Water will be placed in pit and allowed to evaporate before closing pit.
- B. Current regulations will be followed for disposal of solid and human waste. Well site will be cleared of all debris within 30 days.

7. Ancillary Facilities

A. None required

8. Well Site Layout

- A. See exhibit E.
Very little change to be made in present condition of surface.
- B. Pad & Pit area has been staked.

9. Plans for Restoration of Surface

- A. After completion or abandonment pits will be filled.
- B. Unnecessary Equipment will be removed and surface will be restored as nearly as possible to present condition.
- C. Any requirements made by surface management agency will be met.

10. Other Information

- A. Topograph-land surface is almost flat, very gently sloping south-east ground elevation is 3594. Soil is sandy caliche.
- B. Flora and Fauna-vegetative cover is generally native range grasses and mesquite. Wildlife is typical to the area including coyotes, rabbits, rodents, reptiles, antelope and various birds, including quail and dove.
- C. Ponds and streams-no streams, lakes or ponds in the area.
- D. Residences-no residence or other structure within 3-4 miles
- E. Land use-grazing and hunting in season.
- F. Surface owner ship-wellsite is on federal surface.

11. Field Representative Responsible

For assuring compliance with approved surface use and operations plan contact-

Dalton Bell
811 Bullock
Box 648
505-748-2134
Artesia, N. Mex. 28210

Or
Joe E. Bell
622-2515
Roswell, N. Mex. 58201

12. 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 JEM Resources Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

8-28-79

(Date)

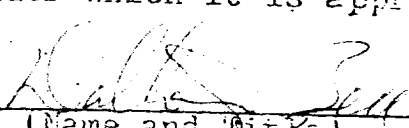

(Name and Title) *Person*

EXHIBIT "A" LEVERS # 6
J E M Resources Inc.

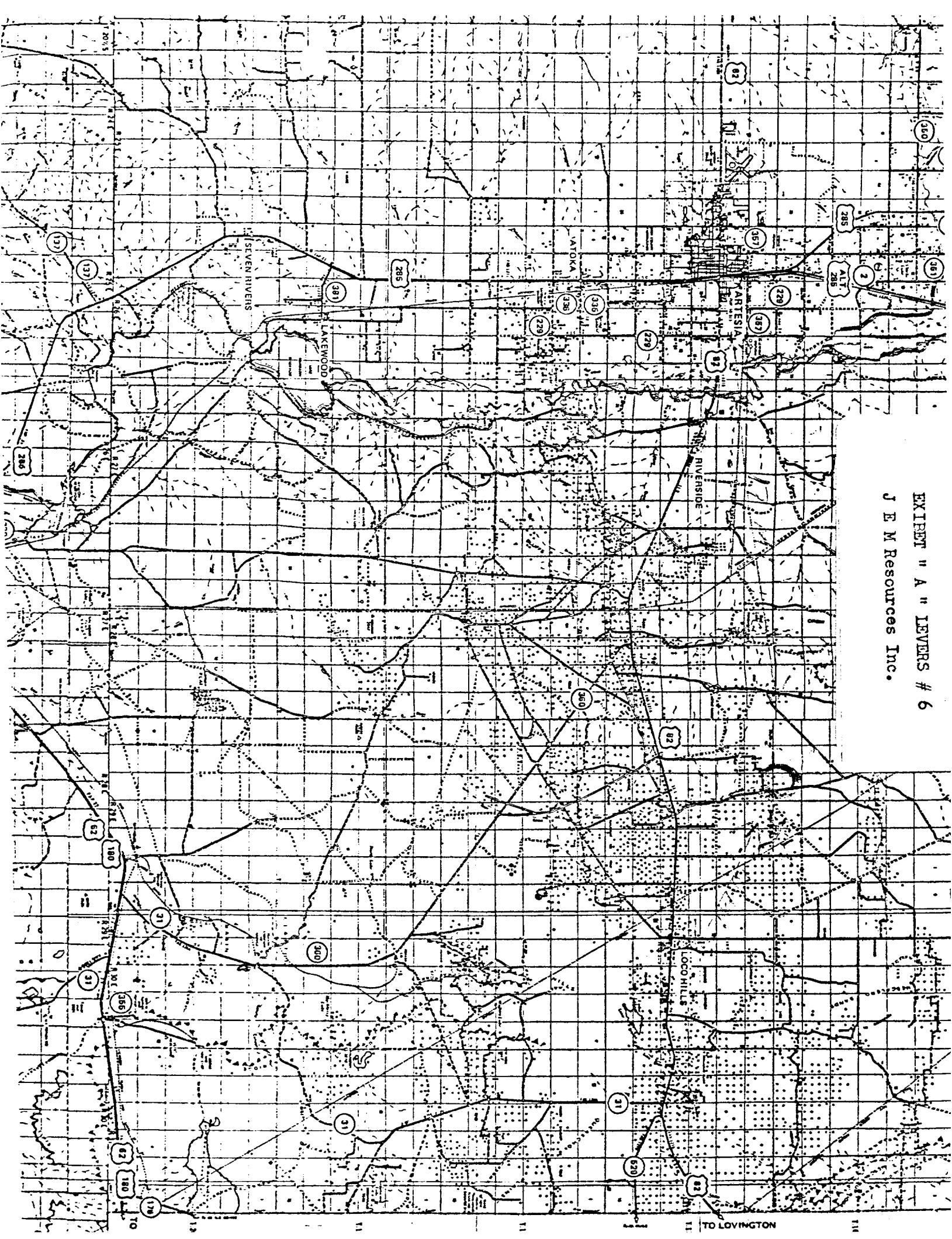
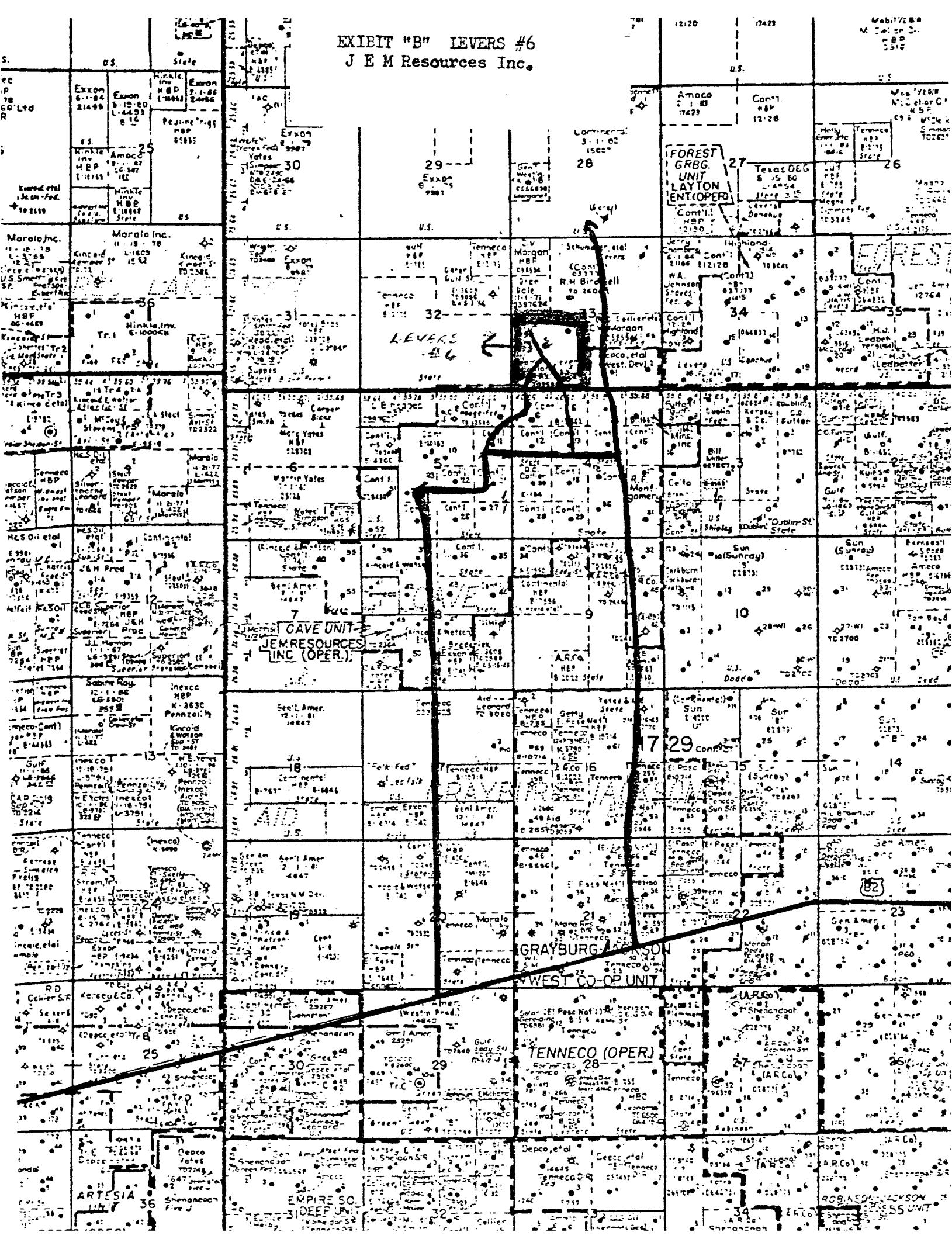


EXHIBIT "B" LEVERS #6
J E M Resources Inc.



U.S. 29 E

Gulf
HBP
E-785

Geror
Gulf St.

Tenneco
HBP
8-7175

E-13692
03098
0-45356

32

PRIMITIVE ROADS
(LEASE)

IMPROVED ROADS

PROPOSED
LOCATION
#6

State

L B Hodges
0397622

3966 413378 313950 214322
W.O. B. Hodges-Fed
U.S. 1812500

Cont'l.
U-5
782400
E-4260

Cont'l.
E-10183
9 10

Cont'l.
0284805

Cont'l.
231 Cont'l.
22

U.S.
52

Cont'l.
25
26
27

Cont'l.
28
29

State
D.C.
Collier
E-134

Cont'l.
19
20
21

State
4 Store
Cont'l.
36

Cont'l.
31
32

EXHIBIT "C" LEVERS # 6
J E M Resources Inc.

LEVERS
oker, et al.
Levers

R.H Birdwell
to 2600
Dale
11-1-71
0397624

3
R D Collector
Morgan
058554 FS
Levco, et al
(West. Dev) 2

2 LEVERS
3 X 3 U

39.88
39.99
39.99
39.88

Cont'l.
12
13
14
15

Cont'l.
16
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Cont'l.
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23

Cont'l.
24
25
26
27

1213
Jerry
Chamber
6-1-84
21166

WA.
Johnso
Groves-
Fed

Cont'l
1212a
Highland
3
TOTFO

Lev
16

39.81
Fulton
Guilf
St.

Cont'l.
23
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J E M Resources Inc.

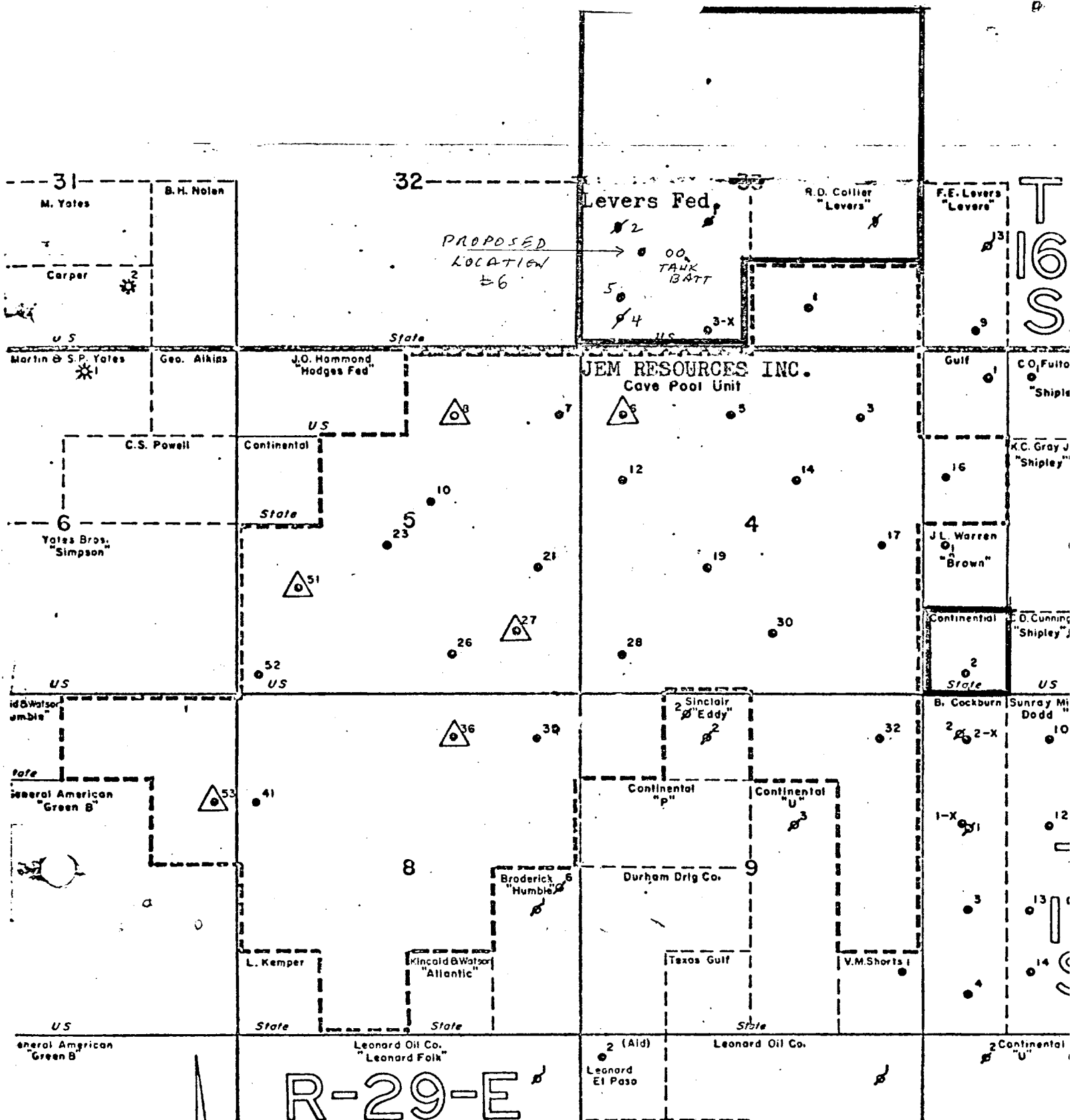


EXHIBIT "E" LEVERS # 6
J E M Resources Inc.

