

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

P. O. Box 187  
Artesia, New Mexico

COPI

August 16, 1948

Grayburg Oil Company  
P. O. Box 416  
Loco Hills, New Mexico

Re: L. C. 028784-93-B

Gentlemen:

Receipt is acknowledged of your "Notice of Intention to Drill" dated August 9, 1948, covering your No. 16-B Keely well on the subject land in the SE $\frac{1}{4}$  SE $\frac{1}{4}$ , section 26, T. 17S., R. 29E., Grayburg-Jackson Field, Eddy County, New Mexico.

Your proposed work is hereby approved subject to compliance with the provisions of the "Oil and Gas Operating Regulations" revised May 25, 1942, a copy of which will be sent you on request, and subject to the following conditions:

1. Drilling operations so authorized are subject to the attached sheet for general conditions of approval.
2. Furnish the U. S. Geological Survey with a sample description log from the base of the salt to the total depth.

Yours very truly

~~FRANK B. STAHL~~

FRANK B. STAHL  
Acting District Engineer

PLEASE READ BEFORE DRILLING OPERATIONS

Attention is called to the following general and special requirements most likely to be overlooked by operators on Federal oil and gas leases. Suspension of field operations may be required by the District Engineer for failure to comply with the Operating Regulations, the conditions of drilling approval, and these requirements:

GENERAL

1. All drilling and producing wells shall be permanently marked in a conspicuous place with the name of operators, lease name, serial number of lease, well number, and location. Necessary precautions must be taken to preserve such signs.
2. Any desired change of drilling plan or condition of approval must have written approval of the District Engineer BEFORE the change is made.
3. Unless otherwise specified in the approval to drill, the production string of casing must be set at the top of the pay zone, and completion shall be made with a reasonable gas-oil ratio.
4. Before work is started, written approval must be obtained, unless other acceptable arrangements are made in advance with the District Engineer, and after work is completed results must be reported to the U. S. Geological Survey by submitting complete information in triplicate on form 9-331a, covering:
  - a. Mudding or cementing, including proposed date and method of testing water shut-off.
  - b. Drill-stem tests or perforating.
  - c. Casing alterations, packer settings, or repairs of any kind.
  - d. Shooting, acid treatment, deepening or plugging back.
  - e. Gas-lift installations.
  - f. Drilling of water wells.
5. Monthly report of operations in duplicate, on form 9-329, must be submitted promptly each month beginning with spudding of the first well on a lease and continuing until approved abandonment of all drilling and producing operations.
6. Log, in triplicate, on form 9-330, must be submitted within 10 days of reaching temporary or permanent drilling depth. Copies of all electrical logs, sample cutting logs, drilling-time logs, and any other well information not given on the standard form, should be attached to same.
7. Separate application to drill any water well on federal land is required, and special procedure is necessary for abandonment of any well having a desirable water supply.
8. All wells and lease premises shall be maintained in first class condition with due regard to safety, conservation, appearance, and refuse disposal.
9. The notice of intention to drill any well is rescinded without further notice if drilling is not started within 90 days of approval.
10. Cement must be allowed to set a minimum of 72 hours on all strings of casing prior to drilling the plug, except for modifications provided by the Supervisor's order dated March 18, 1947, copy of which will be furnished on request.

SPECIAL (none, if so indicated.)

(SUBMIT IN TRIPLICATE)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

Land Office Las Cruces  
Lease No. 028784-93-B  
Unit Keely "B"

COPY

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL.....	<input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF WATER SHUT-OFF.....	
NOTICE OF INTENTION TO CHANGE PLANS.....		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING.....	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....		SUBSEQUENT REPORT OF ALTERING CASING.....	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL.....		SUBSEQUENT REPORT OF REDRILLING OR REPAIR.....	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....		SUBSEQUENT REPORT OF ABANDONMENT.....	
NOTICE OF INTENTION TO PULL OR ALTER CASING.....		SUPPLEMENTARY WELL HISTORY.....	
NOTICE OF INTENTION TO ABANDON WELL.....			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Loco Hills, New Mexico August 9, 19 48

Well No. 16-B is located 1295 ft. from XXX line and 1295 ft. from E line of sec. 26

Approx. C of SE 1/4 Section 26 17 South 29 East N.M.P.M.

Grayburg-Jackson Eddy New Mexico

The elevation of the derrick floor above sea level is \_\_\_\_\_ ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

We propose to drill this well as follows:

Total depth to be approximately 3260'.

Will set approximately 415' of new 8 5/8" OD 24# casing at top of salt and cement with 50 sacks of cement preceded by heavy mud to surface.

Will set approximately 2960' of new 7" OD 20# casing and cement with 100 sacks cement preceded by heavy mud to surface.

Drilling operations to start on or about August 19, 1948, with a Company owned No. 3 National Machine.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company Grayburg Oil Company of New Mexico

Address Box 416

Loco Hills, New Mexico

Please return two (2) copies of this report to the above address.

By R. J. Heard  
R. J. Heard,  
Title Vice President