Form 9-331 C
(May 1963)

N. M. O. C. C. SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

copy to SF

Form approved.
Budget Bureau No. 42-R1425.

30-015-21945

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: LC-054988 (B)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

7. UNIT AGREEMENT NAME:

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [ ] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME: Jenkins "B" Federal

2. NAME OF OPERATOR: Petroleum Corporation of Texas ✓

9. WELL NO.: 6

3. ADDRESS OF OPERATOR: Box 911, Breckenridge, Texas 76024

10. FIELD AND POOL, OR WILDCAT: Gravburg-Jackson

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 660' FNL and 1650' FWL
At proposed prod. zone: Same

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Unit Letter C, Sec. 20, T17S, R30E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately ½ mile west of Loco Hills, New Mexico

12. COUNTY OR PARISH: Eddy — 13. STATE: New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
660'	160	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
800'	4000'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3639' GR

22. APPROX. DATE WORK WILL START*: November 1976 (as soon as possible after approval)

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11" or 12¼"	8-5/8"	22.3# New	500'	Sufficient to circulate
7-7/8"	4½"	10.5# New	4000'	150 sx.

BOP Program: Schaeffer Type E 10" Series 900 Hydraulic.

Mud Program: See attached letter dated August 31, 1976 from Mudco, Incorporated.

RECEIVED
OCT 25 1976
O. C. D.
ARTESIA, OFFICE

RECEIVED
OCT 08 1976
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 Jerrell E. Mapes TITLE Dist. Engr. DATE 10-5-76

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED
OCT 1976
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:
ACTING DISTRICT ENGINEER

THIS APPROVAL IS SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED HERETO.
EXPIRES JAN 22 1977

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION

RECEIVED
OCT 08 1976
U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

Form C-102
Supersedes C-128
Effective 1-1-65

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

Operator	Lease	Well No.
Petroleum Corporation of Texas	[redacted] Jenkins "B" Federal	6

Unit Letter	Section	Township	Range	County
C	20	17 South	30 East	Eddy

Actual Footage Location of Well:
660 feet from the North line and 1650 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3639	San Andres	Grayburg Jackson	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

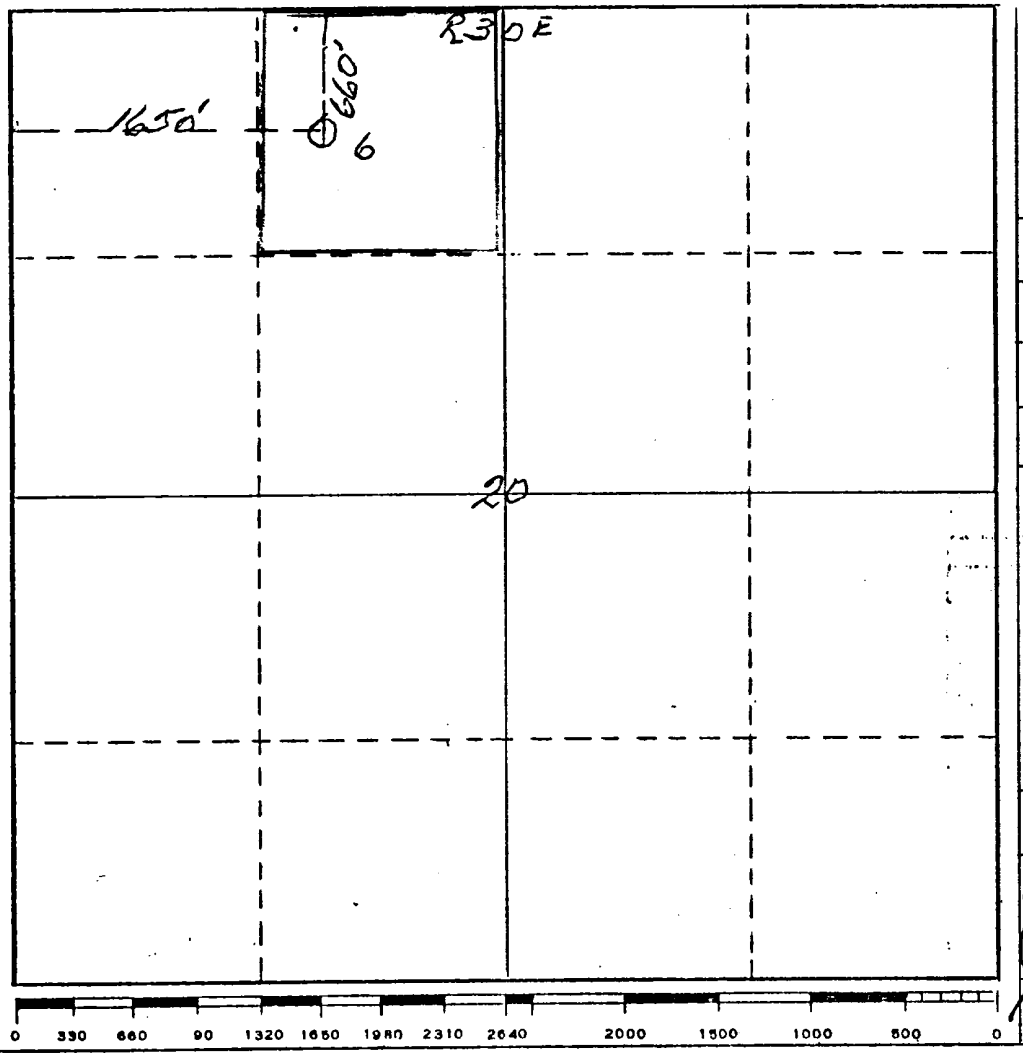
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 S. H. Lindley, Jr.

Position Division Superintendent

Company Petroleum Corp. of Texas

Date August 11, 1976

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.

REGISTERED LAND SURVEYOR
STATE OF NEW MEXICO
JAMES H. BROWN

Date Surveyed July 24th 1976

Registered Professional Engineer and/or Land Surveyor

James H. Brown

Certificate No. 542

APPLICATION FOR DRILLING
Petroleum Corporation of Texas
Well No. 6 Jenkins "B" Federal
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill, subject well in Section 20, Township 17 South, Range 30 East, Eddy County, New Mexico, Petroleum Corporation of Texas submits the following ten items of pertinent information in accordance with U.S.G.S. requirements:

1. The geologic surface formation is Quaternary Alluvium and bolson deposits and other surficial deposits.

2. The estimated tops of geologic markers are as follows:

Yates	1230'
Seven Rivers	1895'
Queen	2170'
Grayburg	2590'
San Andres	3130'
Glorieta	4440'
Abo Reef	6750'

3. The estimated depths at which water, oil or gas formations are expected to be encountered are:
   Water: At approximately 50' or at approximately 200' to 300'.
   Oil: Grayburg-San Andres at approximately 2640' to 3800'.

4. Proposed casing program: See Form 9-331C.

5. Pressure control program: See form 9-331C.

6. Mud program: See Form 9-331C.

7. Auxiliary equipment: Kelly cocks, floats at the bit, sub on the floor.

8. Testing, logging and coring programs: No testing or coring.
   Gamma Ray density logging.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: November 1976 (as soon as possible after approval).

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Petroleum Corporation of Texas (Petco)
Well No. 6 Jenkins "B" Federal
660' FNL and 1650' FWL Sec. 20-17s-30E
Eddy County, New Mexico
Lease LC-054988 (B)
(Development Well)

This plan is submitted with Form 9-331C, Application for Permit to Drill, covering the above described well. The purpose of this 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 reproduction of a portion of BLM quad color map no. SE-19, New Mexico, which includes the location of the proposed well. Scale is ½ inch to a mile. The well location is a total distance of approximately 25.6 miles from the intersection of highways 82 and 285 in Artesia, New Mexico.

(1) Proceed east from this intersection on highway 82 for a distance of approximately 24.6 miles.

(2) Turn left at this point onto a dirt road. (NOTE: If you mistakenly pass this northbound entry road, you will come on route 82 to a one-story concrete block building on the right (south) side of the highway, followed by a sign reading "Double Eagle Corporation." You will have gone too far east. Turn around at this point and return west about 2/10 of a mile to the entry road on the north side of the highway.) Proceed on this northbound road for approximately 2/10 of a mile to a three-way fork in the road.

(3) Follow the left fork for less than 1/10 of a mile to another three-way fork in the road, where the road turns to the left while a trail heads generally north and another road turns off to the right.

(4) Take the left fork and follow this road for about ½ a mile. En route, you will pass a northbound road and Petco well no. 4 on your right (2/10 of a mile) and Petco well no. 1 and tank battery on your left (additional 2/10 of a mile), before jogging to the right and continuing north for approximately 1/10 of a mile to Petco well no. 2.

(5) Turn right (east) at this point and proceed approximately 2/10 of a mile to the site of proposed well no. 6. This is a total distance of approximately one mile from the departure point from highway 82. The wellsite for proposed well no. 6 is located about ten feet from the northern edge of the existing road.

B. In addition to the roads mentioned in paragraph A above, other existing roads in the vicinity of the proposed wellsite are also shown on exhibit B.

C. Exhibit B also shows (as a dotted line) a proposed new road to Petco well no. 5, for which a separate Application for Permit to Drill, Form 9-331C, is being submitted concurrently with this application for well no. 6.

D. Caliche fill will be applied to any areas of the existing roads where it is needed to repair washout damage or where leveling or reinforcement of the surface is necessary. The existing lease road which passes the proposed site of well no. 6 will be releveled and covered with caliche for most of its length leading to the wellsite. Fill will be added, where necessary.

2. PLANNED ACCESS ROADS.

A. Inasmuch as the lease road leading to the location passes within 10 feet of the proposed wellsite and would be covered by the drilling pad (see paragraph 1A(5) above), it is proposed to construct a curved section of new road, by-passing the wellsite, as shown in exhibit B. This section of new road would have a total length of about 350 to 400 feet, and would join the existing road at points approximately 60 to 100 feet from the western and eastern edges of the proposed drilling pad. The new road would be about 15 feet in width and would pass around and adjacent to the southern edge of the drilling pad, as shown in exhibits B and C. The center line of the proposed road has been staked, with the stakes visible from each stake to the next. The ground surface includes no major elevation variations where the new road will be constructed and only minor leveling and filling will be required in the construction of the road, which will be blade-scraped and surfaced with caliche. No turnouts, cattleguards or culverts will be necessary.

3. LOCATION OF EXISTING WELLS.

A. Existing wells within one mile of the proposed wellsite are shown on exhibit D.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

A. At the present time, there are four existing Petco wells and a tank battery located on this lease. If the proposed well is completed for production, a flow line will be constructed as shown in exhibit D, connecting with the flow line from Petco well no. 2 to the tank battery adjacent to Petco well no. 1.

5. LOCATION AND TYPE OF WATER SUPPLY.

A. It is planned to drill the proposed well with a fresh water system. The water will be hauled to the wellsite by truck, from Loco Hills, New Mexico, via the existing and proposed roads shown in exhibits A and B.

6. SOURCE OF CONSTRUCTION MATERIALS.

A. Caliche for the well pad and for the surface of the proposed road will, if approved, be obtained from a caliche pit to be dug directly adjacent to and north of the reserve pit (see exhibit E). This proposed caliche pit would be approximately 80 feet by 120 feet and, following completion of operations, would be filled and covered to restore the original contours and condition of the surface.

B. If the approved caliche pit outlined in paragraph 6A above is not approved, an alternate source of caliche is proposed and is shown in exhibit B. This would be a newly dug caliche pit to be used in the construction of the drilling pads and new roads for both this well (Petco no. 6) and Petco well no. 5 (which is covered by a separate Form 9-331C being submitted concurrently with this application for well no. 6). The size of this pit, which has been staked, would be approximately 150 feet by 160 feet and it would located south and east of Petco well no. 2, as shown in exhibit B.

7. METHODS OF HANDLING WASTE DISPOSAL.

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

B. Drilling fluids will be allowed to evaporate in the reserve pit until the pit is 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.

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 required.

9. WELLSITE LAYOUT.

A. Exhibit E shows the relative location and dimensions of the well pad, mud pits, and reserve pit, and the location of major rig components.

B. Essentially, only minor leveling of the wellsite will be necessary, although 5 to 6 feet of fill will be required at the southeastern corner of the drilling pad.

C. There are no plans to line the earthen reserve pit, since it should seal quite rapidly with drill solids and bentonite. Water used for drilling is of discharge quality.

D. The pad and pit area, as well as the proposed caliche pit adjacent to the reserve pit (see exhibit E), have been staked and flagged.

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 as aesthetically pleasing a condition as possible. The proposed caliche pit adjacent to the reserve pit, if approved will be filled and the surface restored to its natural contours and condition.

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

C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management and the United States Geological Survey will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION.

A. Topography: The land surface rises and falls with undulations of 2 to 3 feet over the area, although the overall level of the landscape is somewhat constant. As noted in paragraph 9B above, there are occasional areas where the elevation varies to a greater extent. For example, the surface rises approximately 12 to 15 feet as a distance of about 200 feet north of the wellsite.

B. The soil at the wellsite is sand and hardpan, underlain by caliche.

C. Flora and fauna: The vegetation cover is fairly heavy, consisting of mesquite, shinnery oak, burr grass, broom weed, prairie grass, etc. Wildlife in the area is typical of semi-arid desert land, including jackrabbits, kangaroo rats, reptiles, coyotes, doves, etc.

D. There are no streams, rivers, ponds or lakes in the area.

E. There are no occupied dwellings in the area of the wellsite.

F. Surface ownership: The wellsite is on federal surface.

12. OPERATOR'S REPRESENTATIVE.

The field representative responsible for assuring compliance with the approved surface use and operations plan is:

Mr. Lowell Moore
District Superintendent, Southeast New Mexico Area
Petroleum Corporation of Texas
P. O. Box 966
Seminole, Texas 79360
Home telephone: 915-758-2282
Mobile telephone: 915-758-5006 (YJ or JS Channel)

13. CERTIFICATION.

See attachment.

GENERAL OFFICE
Phone EX 3-6017

P. O. Box 103
HOBBS, NEW MEXICO 88240

MUDCO INCORPORATED

SALES & SERVICE OF DRILLING MUDS

SERVING WEST TEXAS AND NEW MEXICO

August 31, 1976

Petroleum Corp. of Texas (Petco)
P.O. Box 911
Breckenridge, Texas 76024

Mr. Steve Lindley;
Mr. Lowell Moore;

Dear Sirs:

Reference:

Well & mud program as requested by Mr. Lindley (Petco)
For Contractor: W.E.K. Rig # 1 (Larry Arnold, pusher)

Two wells at Loco Hills, N.M. "Grayburg-San Andres" pay zone.

1. Drlg. 12¼" surface hole to 510' approx. Rotary bushing measurement. with 10 ft. sub-struction. Set 85/8" surface csg @ 500' approx.

2. No! Spud mud used! As 7 out of 10 times, will lose circulationg in gravel & sand @ 270' to 400'. Drlg with no returns to csg. point. The above hole condition is reason for 12 1/4" hole, so that 8 5/8" csg. will run without difficulty, so will not have to spud or drive csg to bottom.

3. If cement is circulated it will still settle back, therefore 1½ to 2 yards gravel should be used around top of 8 5/8" csg. while W.O.C.

4. Out from under 8 5/8" csg. with fresh water 7 7/8" bit using bichromate as inhibitor for caseing & drill pipe, use initally first day drlg, one sack (100)" then ½ sack (50") daily (24hours) thereafter w/drlg.

5. If no water flow start mud up @ 100' above T.D. through rig pits (only) w/salt gel, mud seal paper and super visbestos, for 35-36 viscosity (no w.l. control), circulate hole clean for open hole elect. log.

6. If you have water flow, drlg. to T.D. pull out 5 stands D.P. (up in the clear) build the above mud in rig pit, run D.P. back to bottom and load hole with mud pull out , run logs.

Thank you for calling.

Sincerely yours,

Vance Nix, President

WEK DRILLING CO., INC.
RIG #1 - RIG INVENTORY

1	Unit Rig U-34 Drawworks Double Drum W/15" Parkesburg Hydro-matic Brake, Foster Catheads and powered by one set 671 Twin Diesel Engines W/Allison Torque Converter. Eng. Serial #3111434-118-59 and 5111434-100-59.
1	Lee C. Moore 127' Bolted Derrick cut down to 103' W/Racking Board, Hook Capacity 300,000 # Net.
1	7' x 18' x 33' Lee C. Moore Substructure W/400,000 # Capacity.
1	IDECO SHS 175 Rotary Table
1	Bash Ross Kelly Drive 4½'
1	Gardner Denver 600 Swivel 160 Ton
1	4½' Stand Pipe and Valves
1	3" x 50' Rotary Hose
1	160 Ton B J Hook
1	4 Sheave 160 Ton Gumbo Buster Traveling Blocks
1	IDECO MM 450 Duplex Slush Pump, W/Forged Steel Fluid End, Serial # 156, Powered by V-85 Climax 350 H. P. Engine, Serial # A5A8V3C
1	IDECO 20-GS Pulsation Dapner Serial # 98
1	Set Type B B.J. Short Lever Rotary and CSG Tongs
1	Kohler 10 KW Lite Plant
1	500 Bbl. Horizonal Water Tank
4	36" x 26' Triangle Pipe Racks
2	V Door Walkways 3½" x 3' x 29' ea.
1	7' x 6' x 18" Pipe Rack for racking D.P. and D.C.
1	Assortment of hand tools
130	Jts. 4" F H B N Grade "E" 14# 1' D.P.
28	6¼" x 6½" x 29' D.C. W/4½" X-Hole Tool Jts.
15	Lift Nubbins and lift nipples for D.C.
1	Set 4" B.N.D.P. 150 Ton Web Wilson Elevators
1	Set 4½" B.J. Csg. Elevators
1	Set 7" Csg. Elevators
1	Set Wooley 4" D.P. Slips
6	Various Size D.C. & D.P. Subs
1	Set Vapor Proof Lites
1	Set Mud Pit Jets
1	Set Mud Lines
1	2" x 3" Mission Washdown Pump

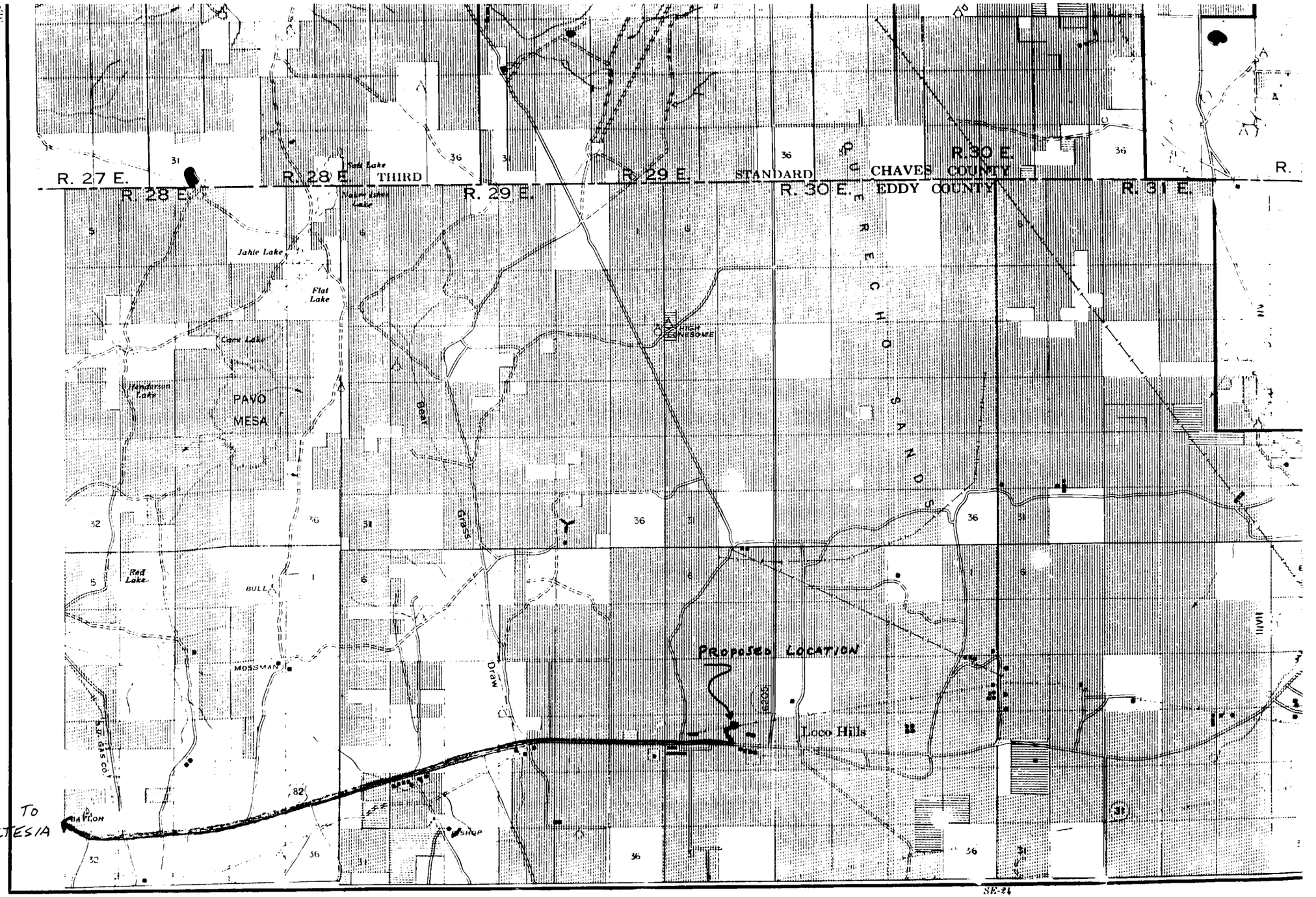
1	10" Suction Manifold
1	7' x 8' Clothes Change House
1	7' x 12' Doghouse
1	7' x 10' Junk Rack
1	4½ x 40' Square Kelly
1	Kelly Saver Sub
1	Type C R Safety Drill Collar Clamp
1	Set 5" x 7½" Wooley D.C. Slips
1	3½" x 20' Vibrator Hose
1	Set 2½" x 74" Elevator Links
1	10" Shaffer Type 39 10" 900 Series Double B O P W/4" ✓ and Blank Rams
1	Type "C" Clipper Martin Decker Weight Indicator
1	Cameron Type D Mud Gauge
1	Set 8-5/8" Csg. Elevators

EXHIBIT A

PETROLEUM CORPORATION OF TEXAS

WELL No. 6 - JENKINS "B" FEDERAL

SEC. 20 - T17S - R30E



SCALE: ½" 1 MILE

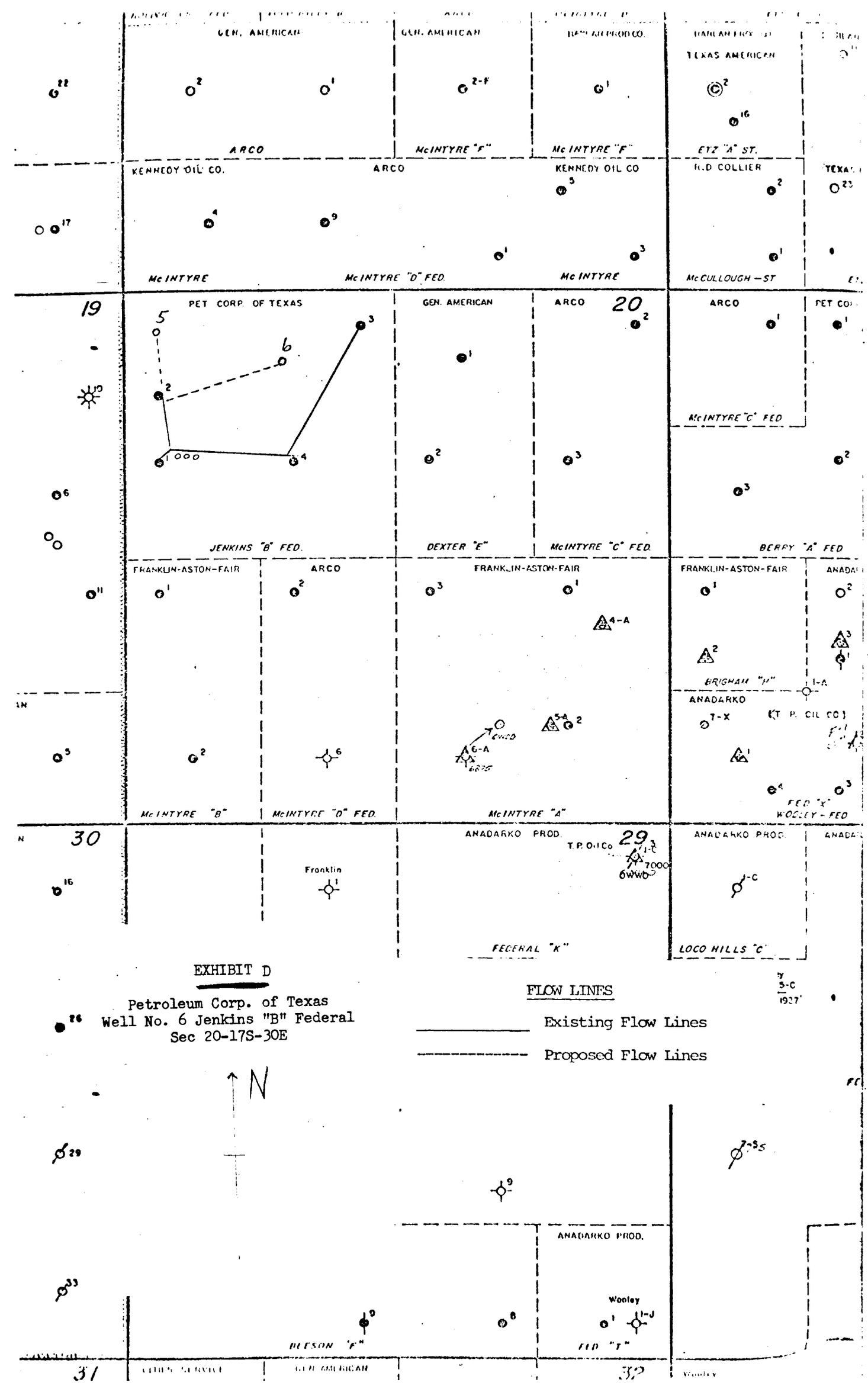


EXHIBIT D

Petroleum Corp. of Texas
Well No. 6 Jenkins "B" Federal
Sec 20-17S-30E

FLOW LINES

Existing Flow Lines

Proposed Flow Lines