Form 9-331 C
(May 1963)

NMOCC COPY

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-015-22573

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

5. LEASE DESIGNATION AND SERIAL NO.: LC-028784-c

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

RECEIVED
JUN 8 1978
O. C. C.
ARTESIA, OFFICE

7. UNIT AGREEMENT NAME:

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

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

8. FARM OR LEASE NAME: Keely C

2. NAME OF OPERATOR: General American Oil Company of Texas

9. WELL NO.: #53

3. ADDRESS OF OPERATOR: P. O. Box 128, Loco Hills, New Mexico 88255

10. FIELD AND POOL, OR WILDCAT: Grayburg Jackson

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1345' FNL and 1980' FWL of Section 26
At proposed prod. zone: T. 17-S, R. 29-E Eddy County, New Mexico

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 26, T-17-S, R-29-E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 3 Miles Southwest of Loco Hills

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
2000'	1440	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**
625'	3400'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3580' G. L.

22. APPROX. DATE WORK WILL START*: June 25, 1978

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"	20#	350'	300 sacks
7 7/8"	5 1/2"	15.5#	3400'	500 sacks

We propose to drill this well to 3400' and complete in the Grayburg and San Andres.

All zones indicating porosity will be acidized or fraced.

Mud Program: Water and native mud will be used and approximately 100' from T. D we will mud up to get hole in shape to log.

A 10" 3000# blowout preventer will be used in the drilling of this well.

RECEIVED
APR 25 1978
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 Landell Hawkins TITLE Asst. Field Superintendent DATE April 21, 1978

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE JUN 07 1978

APPROVED BY Albert R. Stall TITLE ACTING DISTRICT ENGINEER DATE JUN 07 1978

CONDITIONS OF APPROVAL, IF ANY:

THIS APPROVAL IS RESCINDED IF OPERATIONS ARE NOT COMMENCED WITHIN 3 MONTHS.
EXPIRES SEP 7 - 1978

*See Instructions On Reverse Side

Amended Location

NE EXICO OIL CONSERVATION COMMISSIC

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

Operator	Lease	Well No.
GENERAL AMERICAN OIL CO. OF TEXAS	Kealy, "C"	53

Unit Letter	Section	Township	Range	County
"F"	26	17 South	29 East	Eddy

Actual Footage Location of Well:
1345 feet from the North line and 1880 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3580	Grayburg & 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.

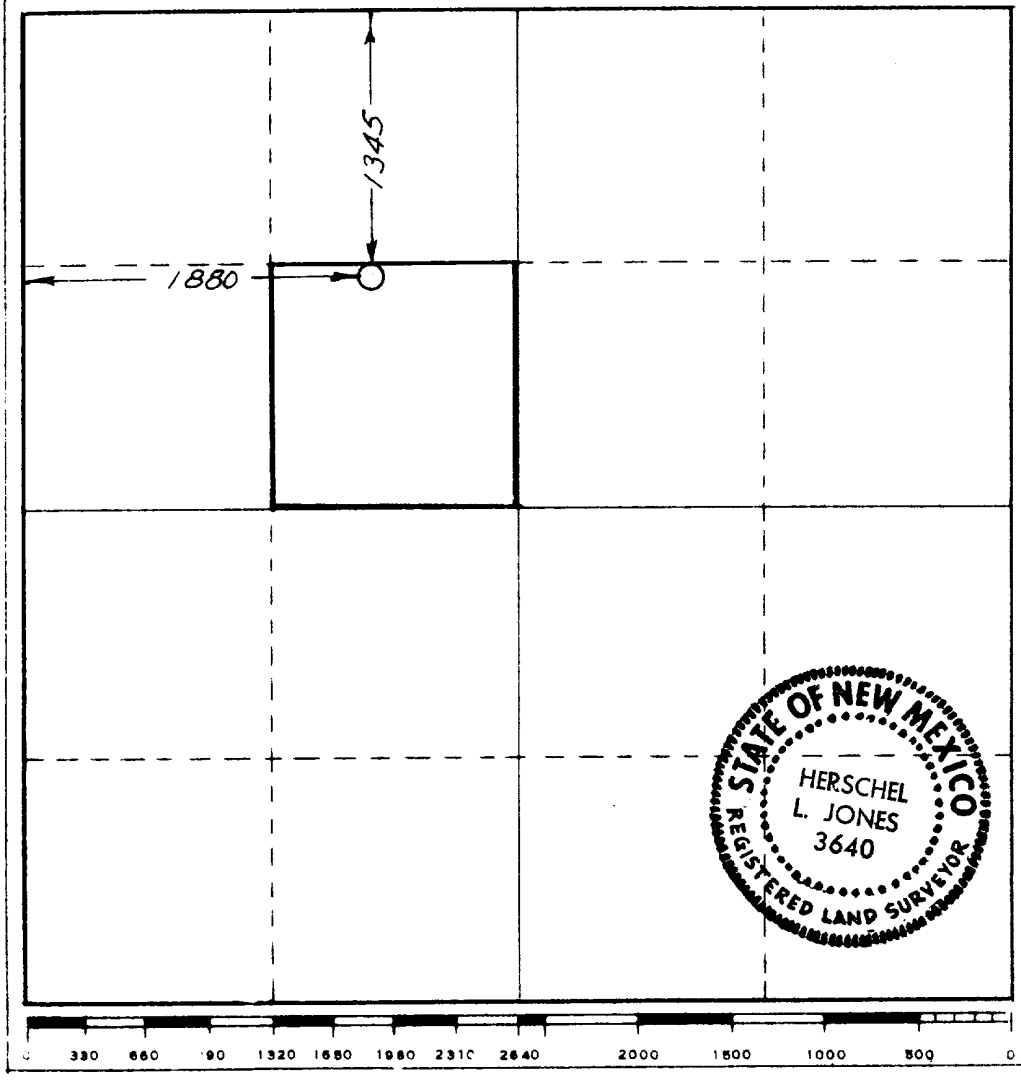
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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.

Lendell Hawkins

Name
Lendell Hawkins

Position
Assist. Field Superintendent

Company
General American Oil Co. of Texas

Date
April 27, 1978

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
April 19, 1978

Registered Professional Engineer and/or Land Surveyor

Herschel Jones

Certificate No.
3640

SURFACE USE PLAN
GENERAL AMERICAN OIL COMPANY OF TEXAS, WELL: KEELY "C" #53
LEASE: LC-028784-c, EDDY COUNTY, NEW MEXICO

The subject well is located approximately 23 miles East of Artesia, New Mexico on the south side of Highway U. S. 82. The following is a discussion of pertinent information concerning possible effect, which the proposed drilling of the well may have on the environment of the well and road sites and surrounding acreage. A copy will be posted on the derrick floor so that all contractors and sub-contractors will be aware of all items of this plan.

1. AERIAL ROAD MAP - Exhibit "A" is a portion of the Artesia Quadrangle Map #106 and Maljamar Quadrangle Map #107 showing well site in relation to U. S. Highway 82. Access road, which is shown on Exhibit "B" exits the highway about 23 miles East of Artesia, New Mexico.

2. LOCATION OF EXISTING WELLS - The location of existing wells in the immediate area of the proposed well is shown on Exhibit "B".

3. PROPOSED WELL MAT AND IMMEDIATE AREA - Refer to Exhibit "C" for direction orientation and road access.

   a. MAT SIZE - 140' x 180'.

   b. SURFACED - Will be topped with 6" of caliche, bladed, watered, and compacted. Caliche to be purchased from B.L.M. by dirt contractor.

   c. RESERVE PIT - 60' x 70' pit unlined, joining mat to North.

   d. CUT & FILL - Location is basically flat except for small sand dunes. No fill will be needed except existing sand dunes leveled and topped with caliche.

   e. DRILL SITE LAYOUT - Exhibit "C" shows the location and layout including position of the Rig, Mud Tanks, Reserve Pits, Pipe Racks, etc. The Rig will be errected with the V-Door to the East.

   f. SETTING AND ENVIRONMENT

      (1) Terrain - Low rolling sand hills.

      (2) Soil - Sandy Soil.

      (3) Vegetation - Sparse vegetation, being mostly mesquite, shennery, weeds, and other semi-desert plants with some grass.

      (4) Surface Use - Grazing.

      (5) Other - Drillsite - which is in sandy semi-arid desert country, is in a low environmental risk area. The total effect of drilling and producing this and other wells in this area would be very minimal.

   g. DISTANCES TO

      (1) Ponds and Streams - There are no surface waters within 3/4 mile.

      (2) Water Wells - There are no water wells within 1/2 mile.

      (3) Residences and Building - There are no residences or buildings within 1/2 mile.

      (4) Arroyos, Canyons, Hills, etc. - Outside of small sand dunes there are no surface features.

   h. WELL SIGN - Sign identifying and locating proposed well will be maintained at the drill site commencing with the spudding of the well.

   i. OPEN PITS - All pits containing mud or other liquids will be guarded.

4. ROADS

a. EXISTING ROADS - All existing roads within the immediate area of well site are shown on Exhibit "B".

b. PLANNED ROADS - Planned access road will require less than 650 feet of new road that is 12 feet wide. The road will be surfaced with caliche. The proposed road is colored blue and a suggested route to the location is colored red on Exhibit "B". Little improvement will be required on existing access road.

c. FENCES, GATES AND CATTLE GUARDS - Will be maintained as General American already operates several hundred wells in the immediate area.

5. TANK BATTERY - If production is encountered no additional battery will be required as sufficient facilities are already on the lease.

6. LEASE - PIPELINES

a. EXISTING - All existing pipelines are shown on Exhibit "B".

b. PLANNED - If production is encountered, flowline will consist of about 150' of 2" steel line on top of ground shown in orange on Exhibit "B".

7. WASTE DISPOSAL - Barrel trash containers will be in accessible locations within the drill site area during drilling and completion operations. A waste disposal pit will be deep enough to handle waste and will be covered with a minimum of 2 feet of top soil. See Exhibit "C" for pit locations. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. Any produced water will be disposed of through the currently existing S.W.D. system.

8. WATER SUPPLY - Water supply to drill this well will be furnished through a steel line already laid through the drilling area.

Location of the water line is shown on Exhibit "B".

9. ARCHAEOLOGICAL RESOURCES - None were observed.

10. RESTORATION OF SURFACE - If well is productive, pits will be backfilled and leveled as soon as practical. Upon final abandonment of well, well site will be leveled and cleaned, with land returned as near as possible to original condition.

11. OPERATOR'S REPRESENTATIVES - Field personnel who can be contacted concerning compliance of this surface use plan are as follows:

DRILLING AND PRODUCTION

Lendell Hawkins
P. O. Box 128
Loco Hills, New Mexico 88255
Office Phone: 505 677-2481
Home Phone: 505 677-2277

OR

Fred Starkey
P. O. Box 128
Loco Hills, New Mexico 88255
Office Phone: 505 677-2481
Home Phone: 505 746-9397

12. CERTIFICATION

I hereby certify that I or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions as they actually exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the proposed work performed by General American Oil Company and its Contractors and Sub-Contractors will conform to this plan.

4-24-78
DATE

Lendell Hawkins
Lendell Hawkins
Assistant Field Superintendent

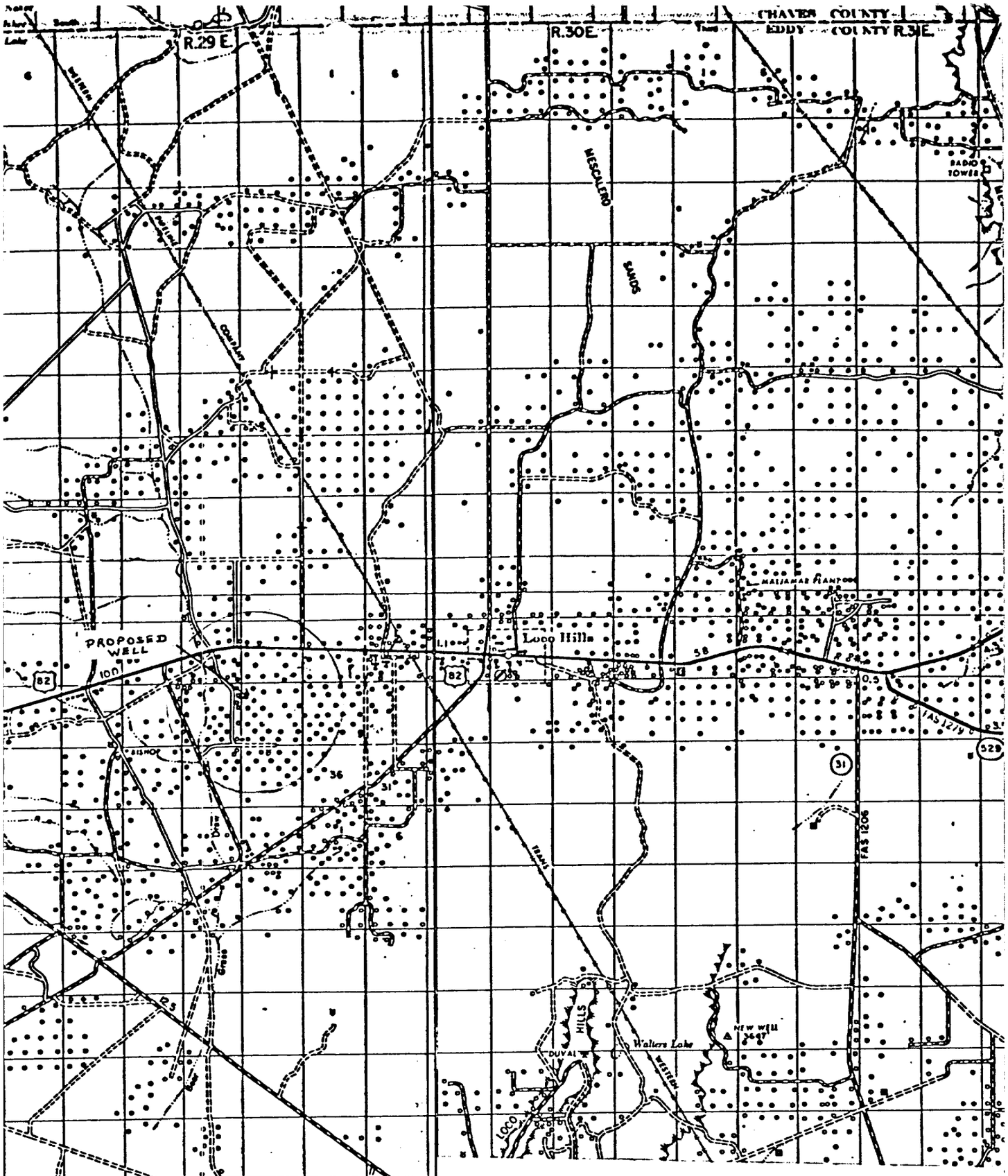


EXHIBIT "A"

GENERAL AMERICAN

OIL COMPANY OF TEXAS

N.E. EDDY, S.E. CHAVES COUNTIES

NEW MEXICO

Longitude West from Greenwich

Scale $\frac{1}{126720}$ or 1 Inch = 2 Miles

1 1/2 0 1 2 3 4

STATUTE MILES

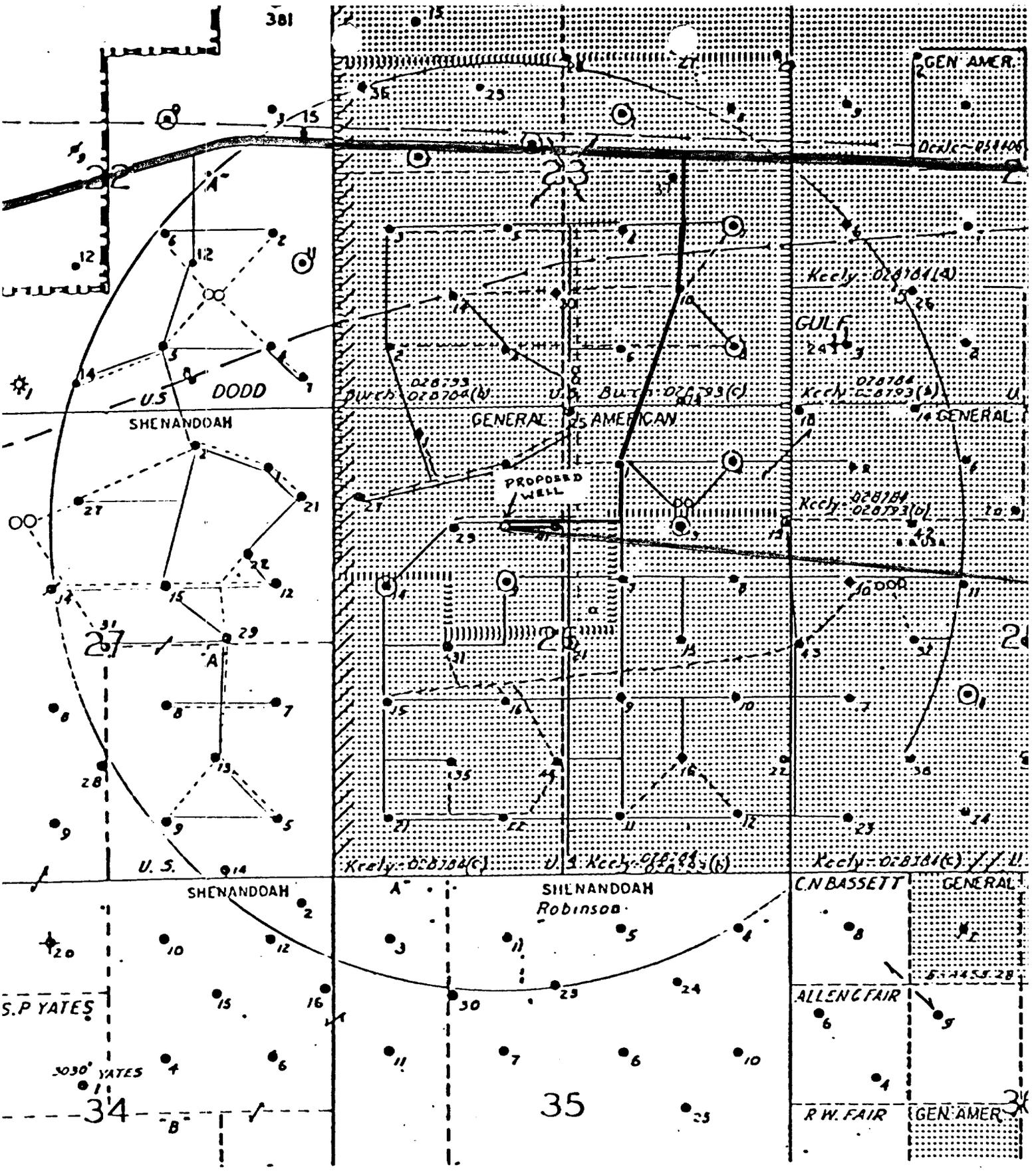


EXHIBIT "B"
GENERAL AMERICAN OIL COMPANY OF TEXAS
PROPOSED: KEELY "C" 53
SECTION 26-17-29 EDDY COUNTY, NEW MEXICO

- Existing Oil Wells
- Existing Roads
- U.S. Highway 82
- Existing Flowlines
- Proposed Road Approx. 200 ft.
- Proposed Flowline (2 inch steel on top of ground).
- Water Supply Line
- Suggested Route To Location.

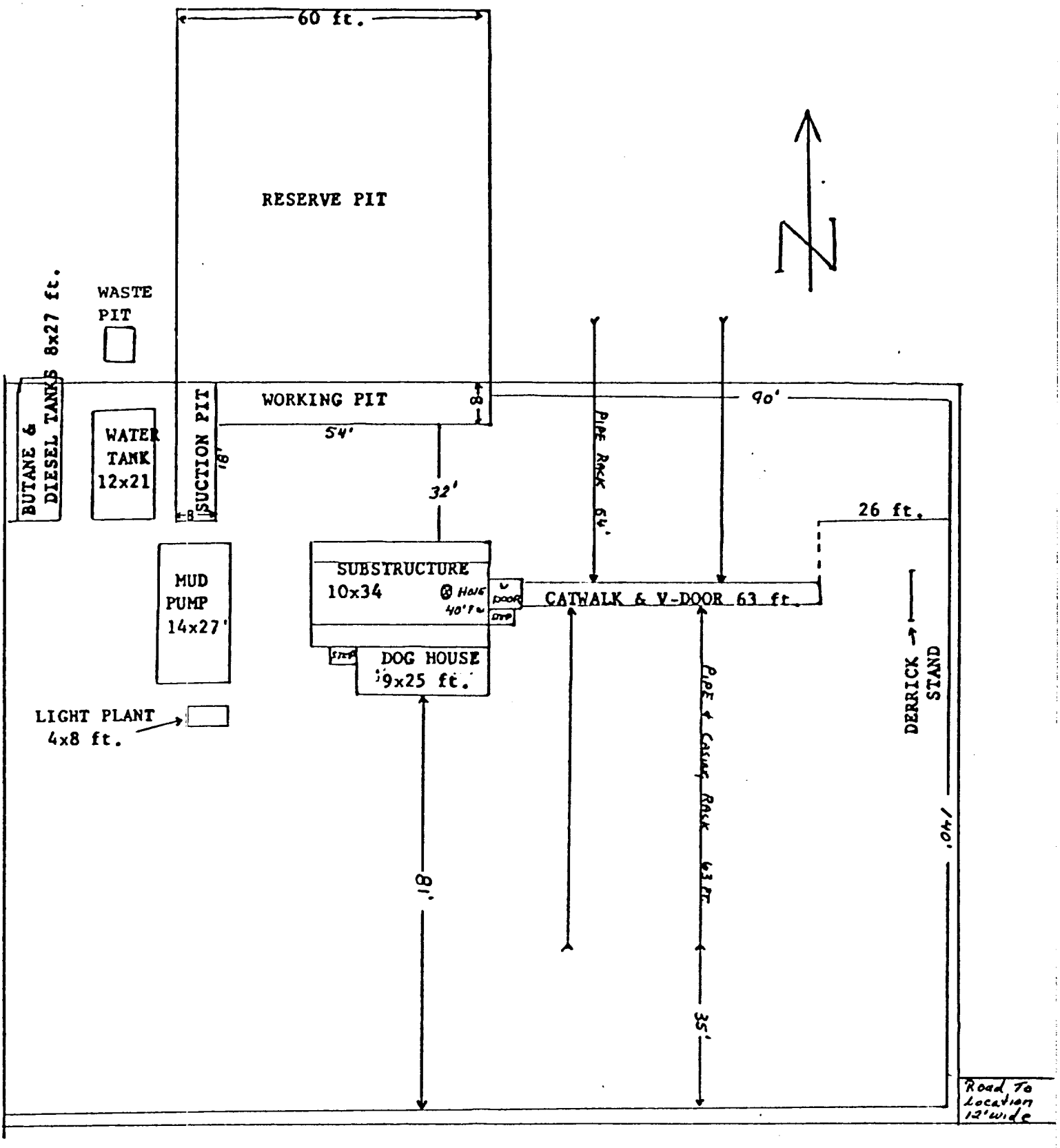


EXHIBIT "C" Scale: 1 inch = 25 ft.

RE: Drilling Prognosis
4 Well Infill Program
Eddy County, New Mexico

I. OBJECTIVE: Drill 4 wells in the Grayburg Jackson Field, Eddy County, New Mexico. Two wells will be 20 acre infill wells on spacing already established by a hearing. One will be a well located inside the Keely Unit to develop zones above the Keely zone. The success of the well could prove up several wells. The other well will be located on Dexter E property. These wells will range in depth from 3200' - 3400'.

II. LOCATION: These wells will be located in Section 24 and 26, Township 17 South, Range 29 East and Sections 20 and 30 of Township 17 South, Range 30 East, Eddy County, New Mexico.

III. BUDGET CLASSIFICATION: Development Drilling.

IV. PROJECTED TOTAL DEPTH, HOLE SIZE, SLOPE TEST:

A. 12-1/4" hole to the top of the salt to accomodate 8-5/8" surface casing. (Approximately 350' - 525')

B. 7-7/8" hole to approximately 3200' - 3400' to accommodate 5-1/2" production casing.

C. Estimated drilling time 6 to 7 days per well.

D. Slope test will be run on each bit trip or 500' intervals.

E. If any coring or drill stem testing is done pipe will be strapped out of hole prior to coring or testing.

V. DRILLING CONTRACTOR:

A. Contractor: W.E.K. Drilling Company, Inc. (Probable)

B. Type Contract: Footage

C. Contract Depth: 3200' - 3400'

VI. MUD PROGRAM: Probably will be furnished by Marrs or Magobar.

Interval	Type Mud	Weight	Viscosity	Water
0' - 3200'	Fresh & Salt Water	9-10	28 - 30	NC
3200' - 3400'	Salt Mud	10-11	36 - 38	NC

(Will mud up 200' from T.D.)

VII. TYPICAL GEOLOGICAL TOPS FOR WELL IN SECTION 24-17S-29E: (Middle of Unit Area)

Tops	Vertical Depth	Subsea
Queen	1880'	+1715'
Loco Hills	2340'	+1255'
Main Metex	2450'	+1145'
San Andres	2585'	+1010'
Lovington	2690'	+ 905'
Jackson Pays	2870'	+ 725'
Lower San Andres Pay	3150'	+ 445'
Keely Pay	3330'	+ 265'

VIII. SAMPLES:

A. 10' Samples from 2200' to T.D. or as directed by Company Representative.

IX. CORES AND DRILL STEM TESTS:

A. At the present time no cores or drill stem tests are planned.

X. LOGS:

A. Proposed logging program will be a Sidewall Neutron, Gamma Ray, Caliper from 0' - T.D.

XI. CASING AND TUBING PROGRAM:

A. Surface: 8-5/8" 20# Range 2 casing to be set approximately (350' - 525') and cemented with 300 sacks Class "C" cement with 2% CaCl.

B. Production: 5-1/2" K-55 15.5# ST&C casing will be run.

Cementing of production casing will be with Class"H" cement with 1/4# flocel, 3/4 of 1% CFR-2, 5# salt, 10# sand per sack, and Class C if the well is to be cemented above the Seven Rivers.

XII. SAFETY PROGRAM:

Blowout preventers will be used as well as close observation by company personnel to assure the well is safely drilled.

XIII. THIRD PARTY SERVICES:

Surveying:	Jones & Company and John West Engineering
Dirtwork:	Jabo Rowland and Sweatt Construction
Cementing:	Halliburton and B. J.
Logging:	Dresser Atlas
Drilling Mud:	Marrs and Magobar
Water Trucking:	I & W and C L M

XIV. LOG DISTRIBUTION:

2 - W. T. Patterson	GAOC	Meadows Building	Dallas, Texas 75206
4 - L. N. Hawkins	GAOC	P. O. Box 128	Loco Hills, N. M. 88255