

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-23051

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

General Operating Company

3. ADDRESS OF OPERATOR

Suite 1007, Ridglea Bank Building, Fort Worth, Texas 76116

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

At surface

1980' FSL and 1980' FWL

At proposed prod. zone Same

OCT 9 1979

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

One and one-half miles east of Loco Hills

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

660

16. NO. OF ACRES IN LEASE
Unit

1600

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.

1320' East

19. PROPOSED DEPTH

3200'

20. ROTARY OR CABLE TOOLS

Rotary

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

3650' GR, 3660' RT

22. APPROX. DATE WORK WILL START*

As soon as possible

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8" OD	20#	450'	300 Sacks
7-7/8"	4-1/2" OD	10.5#	3200'	500 Sacks

General Operating Company proposes to drill its Grayburg Jackson Unit Tract 4 Well No. 3 for completion in the Premier sand of the Grayburg at an approximate depth of 3050'.

Casing program will consist of 8-5/8" OD, 20# surface casing to be set at an approximate depth of 450' or top of salt and cemented with 300 sacks Class H cement with 2% CaCl. Production casing consisting of 4 1/2" OD, 10.5# pipe to be set at total depth and cemented with 500 sacks 50/50 poz with 18% salt, 3/4 of 1% CFR-2, and gilsonite to cover Fren (Seven Rivers) oil and gas zone at approximate depth of 1900'. Surface casing will be pressure tested to 1000 psi and production casing to 3000 psi.

During drilling operations, the WEK Drilling Company rotary rig that is to drill the proposed well will be equipped with a Schaeffer Type E 10" Series 900 Hydraulic BOP. Mud program will be native mud from surface to top of Yates and salt water mud from top of Yates to total depth.

The Grayburg will be perforated and fracture treated for production at an approximate interval from 3050'-60'.

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 C. W. Stumhoff TITLE Partner DATE October 4, 1979

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 10-30-79APPROVED BY _____ TITLE _____
CONDITIONS OF APPROVAL, IF ANY:

Gas produced with oil to be used in Unit operations.

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DATE

OCT 31 1979

*See Instructions On Reverse Side

D. C. C.
ARTESIA, OFFICE

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 GENERAL OPERATING COMPANY			Lease Grayburg Jackson Unit Tract 4		Well No. 3
Unit Letter "K"	Section 22	Township 17 South	Range 30 East	County Eddy	
Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the West line					
Ground Level Elev. 3650.1	Producing Formation Premier sand (Grayburg)		Pool Grayburg Jackson Q-SA		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?

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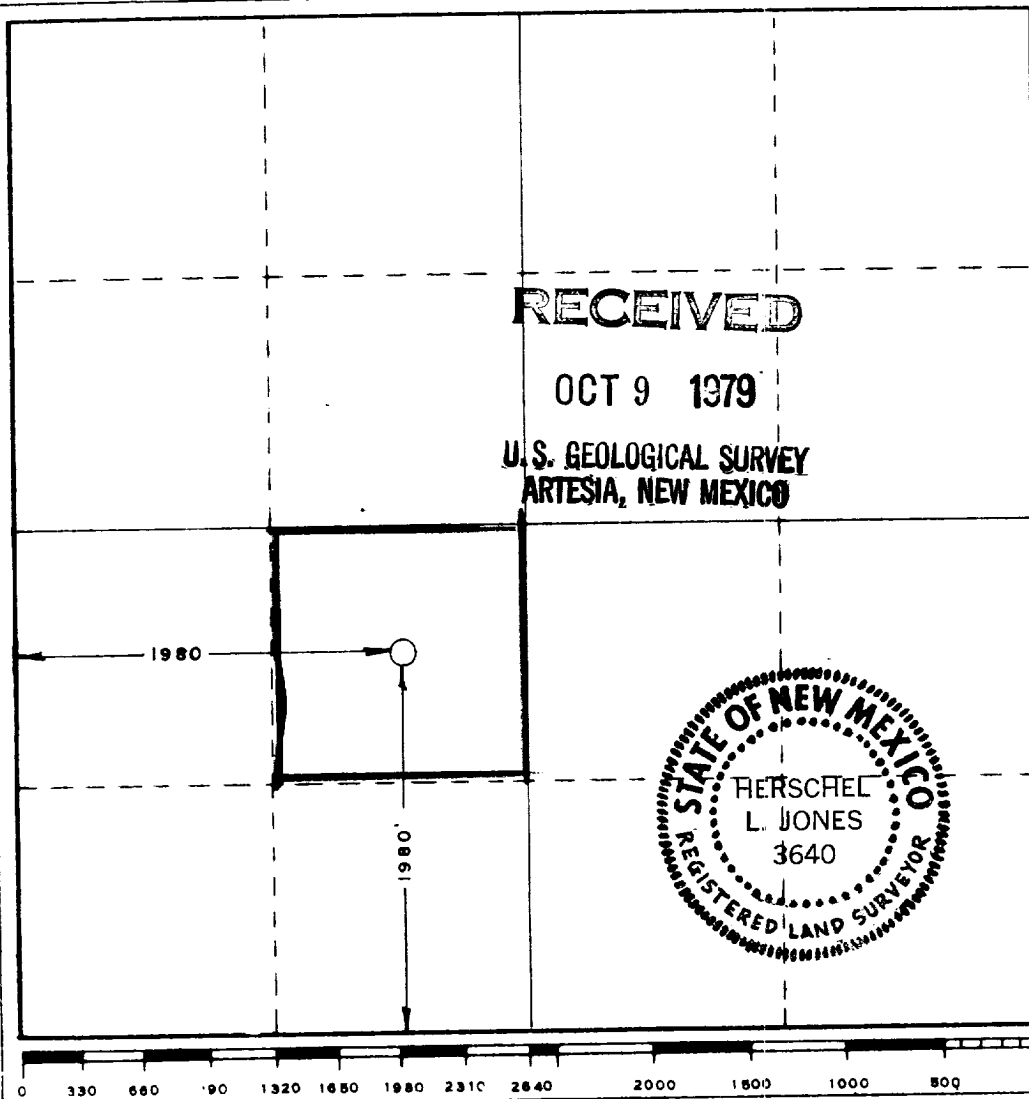
OCT 31 1979

O.C.C.
ARTESIA, OFFICE

☒ Yes ☐ No If answer is "yes," type of consolidation Unit Agreement

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.

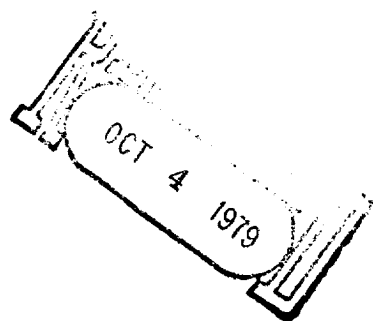
Name C. W. Stumhoffer
C. W. Stumhoffer
Position
Partner
Company
General Operating Company
Date
October 4, 1979

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
September 26, 1979

Registered Professional Engineer
and/or Land Surveyor

Certificate No. 3640





U.S.D. COPY
United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Drawer U
Artesia, New Mexico 88210

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OCT 31 1979

O. C. C.
ARTESIA, OFFICE

October 30, 1979

General Operating Company
Suite 1007, Ridglea Bank Bldg.
Fort Worth, Texas 76116

Gentlemen:

GENERAL OPERATING COMPANY
Grayburg Jackson Unit Tr. 4 No. 3
1980 FSL 1980 FWL Sec. 22 T.17S R.30E
Pddy County Lease LC-029020-G

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 3,200 feet to test the Grayburg 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. Cement behind the 8-5/8" casing must be circulated.
6. Notify Survey in sufficient time to witness the cementing of 8-5/8" casing.
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

George H. Stewart
Acting District Engineer



APPLICATION FOR DRILLING

GENERAL OPERATING COMPANY
GRAYBURG JACKSON UNIT
TRACT 4 WELL NO. 3
1980' FSL AND 1980' FWL
SECTION 22-T17S-R30E
EDDY COUNTY, NEW MEXICO

In conjunction with Form 9-331C, Application for Permit to Drill subject well, General Operating Company submits the following ten items of pertinent information in accordance with USGS requirements:

1. The geologic surface formation is Holocene-aged aeolian material.
2. The estimated tops of geologic markers are as follows:

Top Salt	470'
Base Salt	1170'
Top Seven Rivers	1870'
Top Queen	2300'
Top Grayburg	2735'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: None
Oil or Gas: Seven Rivers (Fren) - approximately 1870'
Grayburg - approximately 3050'

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Normal drilling rig inventory.
8. Testing, Logging and Coring Program:

Drill Stem Tests: None

Logging: Sidewall Neutron Porosity Log
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

GENERAL OPERATING COMPANY
GRAYBURG JACKSON UNIT TRACT 4 WELL NO. 3
1980' FSL and 1980' FWL
SECTION 22-T17S-R30E
EDDY COUNTY, NEW MEXICO

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U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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 operations, so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS

Exhibit A is a portion of a USGS topographic map of the area on a scale of approximately one inch to the mile, showing the location of the proposed wellsite and roads in the vicinity. The proposed location is situated approximately 1.5 miles east of Loco Hills, New Mexico, via the access routes shown on Exhibit A. Directions as follows:

- a. Proceed east from Loco Hills for 1.5 miles on Highway 82.
- b. Turn left (north) through cattle guard and immediately turn left (west) on lease road and proceed in westerly direction approximately three-quarters of a mile to a point north of proposed location.

2. PLANNED ACCESS ROAD

Approximately 400' of new road to proposed location will be required.

3. LOCATION OF EXISTING WELLS

The well locations in the vicinity of the proposed well are shown on Exhibit B. Petroleum Corporation of Texas' Graridge Federal No. 2, temporarily abandoned Abo producing well in the Jackson Abo Field, is located 2310' FSL and 2310' FWL Section 22-T17S-R30E on the same 40-acre unit as the proposed location.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

This proposed producing well is on an active waterflood unit that covers 1600-acres.

If proposed well is successfully completed, a flow line will be laid in an easterly direction and connected to the existing oil gathering system for the Grayburg Jackson Unit. Production from the proposed well will then be transported through the Unit oil gathering system

to the Unit tank battery located in the SE/4 SE/4 Section 22-T17S-R30E.

Production from the well will be lifted by pumping unit driven by electric motor.

5. LOCATION AND TYPE OF WATER SUPPLY

It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing roads shown on Exhibit A.

6. SOURCES OF CONSTRUCTION MATERIALS

Any caliche required for construction of the drilling pad will be obtained from an existing pit on federally owned surface northeast of the proposed location.

7. METHODS OF HANDLING WASTE DISPOSAL

Drill cuttings will be disposed in the reserve pit.

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

Water produced during operations will be disposed through salt water disposal facilities located at Unit tank battery site in the SE/4 SE/4 Section 22-T17S-R30E.

Oil produced during operations will be sold through LACT facilities located at Unit tank battery site in the SE/4 SE/4 Section 22-T17S-R30E.

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

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.

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

None required.

9. WELLSITE LAYOUT

Exhibit C shows the dimensions of the well pad and reserve pits, and the location of major rig components.

The ground surface at the drilling location is sloping down toward

the south. Cutting will be required to level the pad area, which will be covered with at least six inches of compacted caliche.

The pad and pit area have not been staked and flagged.

The reserve pits will not be plastic lined unless fluid loss occurs.

10. PLANS FOR RESTORATION OF THE SURFACE

After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleared of all trash and junk, to leave the wellsite in as aesthetically pleasing a condition as possible.

Unguarded pits, if any, containing fluids will be fenced until they have been filled.

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. TOPOGRAPHY

The wellsite and access route are located on a broad, undulating plain.

The top soil at the wellsite is probable Holocene-aged aeolia material.

The vegetation cover at the wellsite is moderately sparse, with prairie grasses, some yucca, and miscellaneous weeds.

No wildlife was observed but it is likely that rabbits, lizards, insects, and rodents traverse the area. The area is used for cattle grazing.

There are no ponds, lakes, streams, or rivers within several miles of the proposed wellsite.

There are no houses or buildings within 1 mile of the proposed wellsite.

The wellsite is located on federal surface.

There is no evidence of any archaeological, historical, or cultural sites in the vicinity of the location.

12. OPERATOR'S REPRESENTATIVES

The field representatives responsible for assuring compliance with the approved surface use plan are:

C. W. Stumhoffer	Carroll Bellah
Partner	Consulting Drilling Supervisor
General Operating Company	General Operating Company
Suite 1007, Ridglea Bank Bldg.	P. O. Box 1202
Fort Worth, Texas 76116	Maljamar, New Mexico 88264
Telephone (817) 731-6381 ofc.	Telephone (505) 397-3291 mobile
(817) 923-2016 res.	(505) 396-5278 res.

13. CERTIFICATION

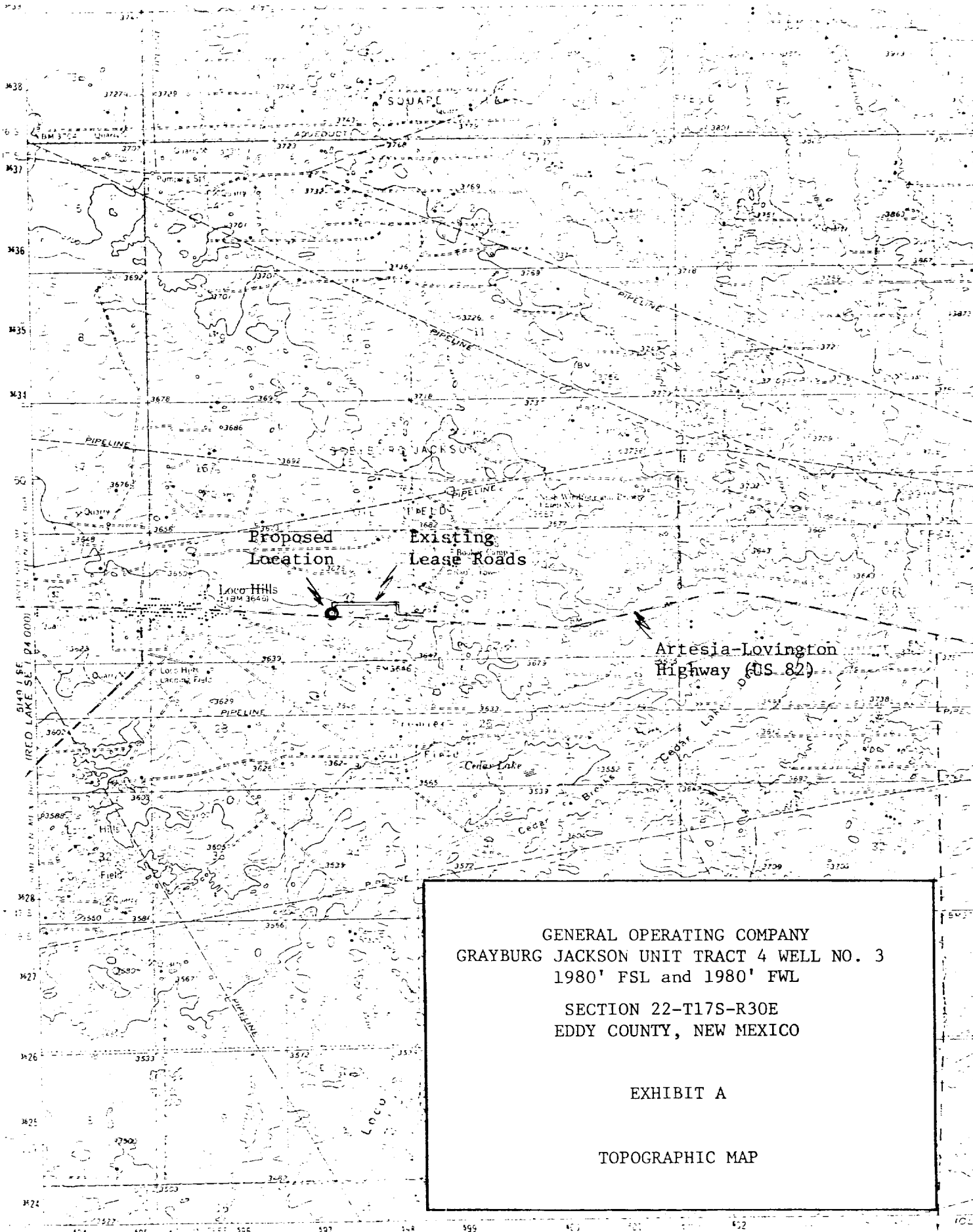
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by General Operating Company and its Contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

10/4/79

Date

C. W. Stumhoffer

C. W. Stumhoffer
Partner
General Operating Company
Suite 1007, Ridglea Bank Building
Fort Worth, Texas 76116



GENERAL OPERATING COMPANY
GRAYBURG JACKSON UNIT TRACT 4 WELL NO. 3
1980' FSL and 1980' FWL

SECTION 22-T17S-R30E
EDDY COUNTY, NEW MEXICO

EXHIBIT A

TOPOGRAPHIC MAP

Map compiled and published by the Geological Survey

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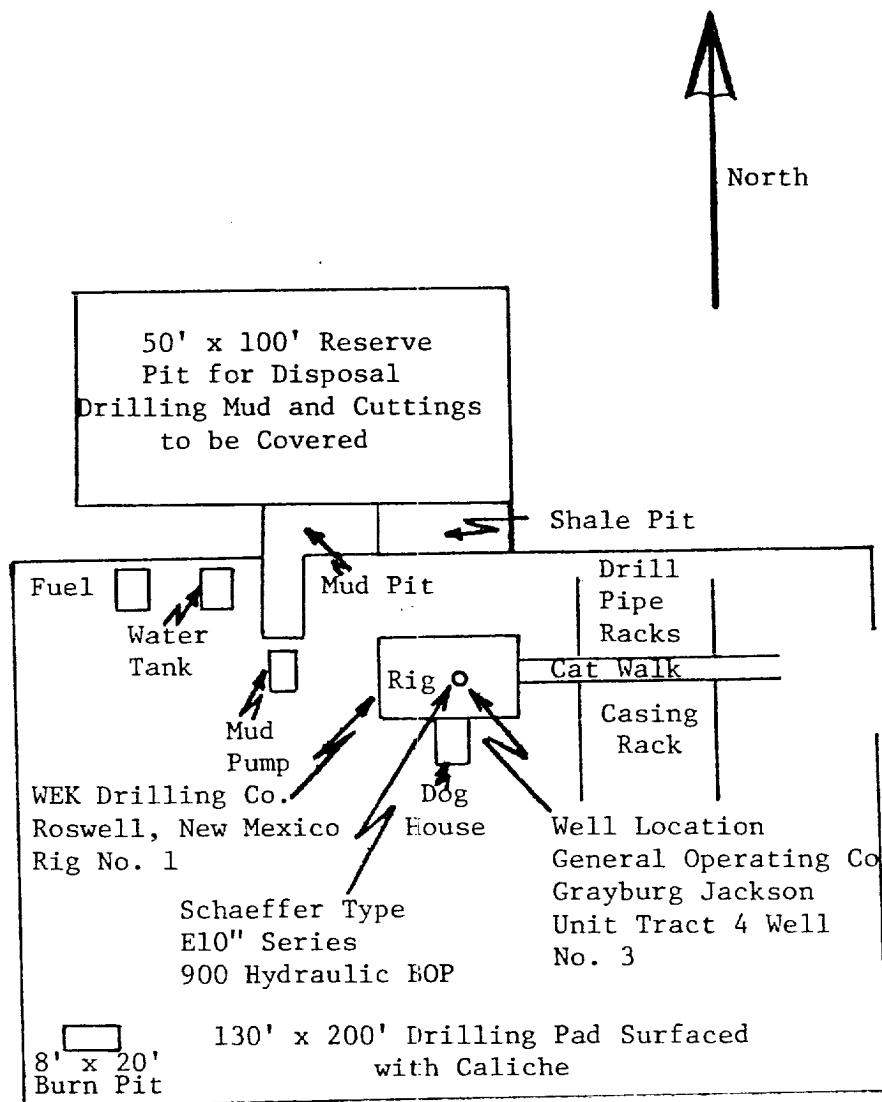
Topographic Map of the Grayburg Jackson Unit Tract 4 Well No. 3

U.S. GEOLOGICAL SURVEY, RESTON, VIRGINIA 20192

Scale: 1 inch = 1 mile

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GENERAL OPERATING COMPANY
GRAYBURG JACKSON UNIT TRACT 4 WELL NO. 3
1980' FSL and 1980' FWL
SECTION 22-T17S-R30E
EDDY COUNTY, NEW MEXICO

EXHIBIT C

PAD LAYOUT