

United States Department of the Interior

GEOLOGICAL SURVEY P. O. Box 26124 Albuquerque, New Mexico 87125

SEP 2 6 1978

C. E. LaRue & B. N. Muncy, Jr. Post Office Box 196 Artesia, New Mexico 88210 C. E. LaRue & B. N. Muncy, Jr. Duval/Federal "A" No. 1 1980 FNL 660 FEL Sec. 27, T18S, R30E Eddy County Lease No. LC-058186

Above Data Required on Well Sign

Gentlemen:

Your APPLICATION FOR PERMIT TO DRILL the above-described well in the Secretary's Oil - Potash Area to a depth of 3,500 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 his approval including the GENERAL RE-QUIREMENTS.
- 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 above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate sandstone brown (Federal Standard color #595A, color 20318 or 30318).
- 5. Cement behind the 8-5/8" casing must be circulated.



6. Notify the District Engineer, Geological Survey, Post Office Drawer U, Artesia, New Mexico, 88210, in sufficient time for a representative to witness the 8-5/8" cementing operations. The office phone number is Area Code 505-746-9838.

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

Area Oil and Gas Supervisor

Enclosure

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cc:
Regional Manager, Denver
Mining Branch (2)
BLM, Roswell (w/cy Notice)
/NMOCC, Artesia (2) (w/2 cys Notice)
Artesia (w/cy Notice)
Roswell (w/cy Notice)
Area (potash)
Area (Chrono.)
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N MEXICO OIL CONSERVATION COMMISS' WELL LOCATION AND ACREAGE DEDICATION FLAT

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

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	ENGINEER & LAN				shown on this notes of actu under my sup	tify that the well location s plat was plotted from field val surveys made by me or ervision, and that the same correct to the best of my d belief.
ov REG	67'6	SURVETO			and/or Land Sur	essional Engineer
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RECEIVED C. E. LaRue and B. N. Muncy, Jr. 1980' FNL and 660' FEL, Section 27, T185, R30E JUN 28 1079 Eddy County. New Movie-U.S. GEULUGICAL SURVEY ARTESIA, NEW MEXICO Lease No. LC 058186 Development Well

- 1. Existing Roads Maps showing drillsite and all existing roads are shown on Exhibit A & B from existing road 660' of new road is planned north to location.
- 2. Planned Access Roads Exhibit A shows new road to be constructed in red line. Road will be built to a maximum width of 12 feet and surfaced with caliche, with no turnouts planned. Drainage will not be a factor as surface is sandy with no water drainage. Road design will be for drilling equipment and water haulage for drilling purposes, and for oil trucking. No culverts or special drainage features are believed necessary. Center line of new road has been staked with flagging visible from one stake to the other.
- 3. Existing Wells are shown on Exhibit B.
- 4. Tank battery will be placed on eadge of drilling pad and flow lines will cross only caliche pad. All pads and access roads will be used for production and maintenance. If well is non-productive the drilling pad, and such access road as not needed to reach other location will be ripped and restored in accordance with current rules.
- 5. There are no rivers, creeks, lakes, ponds or water wells in the entire lease area. All water for drilling purposes will be trucked to location over present and to be constructed access roads shown on Exhibit A from the nearest water supply at Loco Hills, New Mexico.
- 6. Caliche pits will be the only source of material used in road and pad construction, location is shown on Exhibit A, in SW&NW&, Section 26. All material will be hauled over present roads and road to be constructed as shown on Exhibit A.
- 7. All cutting and drilling fluid will be left in pits and covered after they have dried, which should be in 4 to 6 weeks. All garbage and trash will be kept in containers, placed in trash pit as shown on Exhibit C and covered when well is completed. No well in area has produced water or oil during drilling.
- 8. No camps or airstrips will be constructed.
- 9. See Exhibit C. There will be no lining used in mud pits. All equipment and transportation will use only access roads and drilling pad. Mud will be stacked on drilling pad adjacent to mud pump. Only minor leveling and caliche cover will be needed on drilling pad. No significant cuts or fills will be required other than construction of mud pits and reserve pit. The pad and pit area have been staked.
- 10. At completion of drilling and completion operations all equipment not necessary for well production will be removed, pits will be filled when dried, and trash pit will be covered when completion equipment is moved off. All access roads not needed for other producing wells or lease will be ripped and restored in accordance with current rules as will the pad if well is non-production.
- 11. Area in general is rolling, with sand dunes creating the principal changes in elevation. Mesquite and acrub oak are primary brush growth, with extremely scanty native grasses and fairly heavy weeds. All surface area is Federal land, as are all roads present and to be constructed. Topsoil is extremely sandy, underlaid with caliche. Land is used for grazing purposes and is classed very low in number of livestock it will maintain because, the extremely sparse vegetation, and the fact there is no natural water above ground in the area for streams or ponds and closest water well to this location is 8 miles east. Nothing has been observed in the area that would give indication of archaelogical historical or cultural sites. There are no steep hillsides or gullies in the area where road and drilling pad are to be constructed and no drainage or erosion problems should be encountered. Road and pit construction will require little change other than blading and spreading caliche. Wildlife in the area is typical semi-arid natives, numbers of all are considerable less than average across most of this country. The only structure in the area is a Potash Mine 4 miles southwest.
- 12. Operators representative is B. N. Muncy, Jr. P. O. Box 196, Artesia, New Mexico 88210. Telephone Number (505) 746-6651

C. E. LaRue and B. N. Muncy, Jr.

Duval Federal A No. 1

Page 2

13. I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I'm 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 assisted with the operations proposed herein will be performed by LaRue and Muncy and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

Operator De



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C.E. LaRue and B.N. Muncy, Jr.

DUVAL FEDERALA#1 EXNUBIT B

PROPOSED LOCATION

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