

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-22792

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

C. E. LaRue and B. N. Muncy, Jr. ✓

3. ADDRESS OF OPERATOR

P.O. Box 196, Artesia, New Mexico 88210

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

At surface

1980' FSL & 660' FEL of Section 15, T18S, R30E

At proposed prod. zone

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

5 miles south of Loco Hills, New Mexico

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drilg. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

160

19. PROPOSED DEPTH

3500

17. NO. OF ACRES ASSIGNED

TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3461.5

22. APPROX. DATE WORK WILL START*

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8"	29#	550'	200 sacks circulated
7-7/8"	5-1/2"	15.5#	3500'	300 sacks

Formation Tops Estimated: Salt 425'; Queen 2700', Grayburg 3250'. No abnormal pressures have been encountered in the area, drilling fluid will be water with mud additives from Queen section to TD to facilitate sample clarity. Gamma Ray-Neutron logs will be run to TD in open hole. 8" Reagan BOP to be used. No unusual pressures or waterflows have been encountered in any wells in this area.

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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

TITLE

Operator

DATE

10-26-78

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

1-16-79

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side



United States Department of the Interior **RECEIVED**

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

JAN 18 1979

O. C. C.
ARTESIA, OFFICE

JAN 16 1979

C. E. LaRue & B. N. Muncy, Jr.
Post Office Box 196
Artesia, New Mexico 88210

C. E. LaRUE & B. N. MUNCY, JR. Federal "FR" No. 1 1980 FSL 660 FEL Sec. 15, T18S, R30E Eddy County Lease No. NM-23000
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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 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 Color #595A, color 20318 or 30318).
5. Cement behind the 5-1/2" and 8-5/8" casing must be circulated.

6. Notify Survey in sufficient time to witness the cementing of the 5-1/2" and 8-5/8" casing.

Sincerely yours,

Orig. Signed - JAMES H. CORNELLAND

Area Oil and Gas Supervisor

Enclosure

cc:

Regional Manager, Denver

Mining Branch (2)

BLM, Roswell (w/cy Notice)

✓NMOCD, Artesia (2 w/2 cys Notice)

Artesia

Roswell (w/cy Notice)

Area Potash

Area Chrono.

2-1-79 [illegible] 12-7-78 RLL
11 [illegible] 12-29-78

IT IS THEREFORE ORDERED: *Case # 6405 12-7-78 RLL*
Order R. 5388 12-29-78

(1) That the applicant, LaRue and Muncy, is hereby authorized an exception to the casing/cementing rules for the Oil-Potash Area as promulgated by Order No. R-111-A to permit its Federal FR Well No. 1 located in Unit I of Section 15, Township 18 South, Range 30 East, Eddy County, New Mexico, to be completed with a string of surface casing set and circulated with cement at a depth of approximately 550 feet and a production casing set at a depth of approximately 3500 feet with a volume of cement calculated to be sufficient to circulate.

PROVIDED HOWEVER, that the applicant shall report the following, both to the district office of the Division and the U.S.G.S:

- (a) Any water flows encountered; and
- (b) The top of the cement around the production casing as determined by temperature survey if such cement does not circulate.

PROVIDED FURTHER, that the applicant may be required to re-cement the production casing to the surface if cement on said casing did circulate to the surface.

**NEW MEXICO OIL CONSERVATION COMMISSION
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

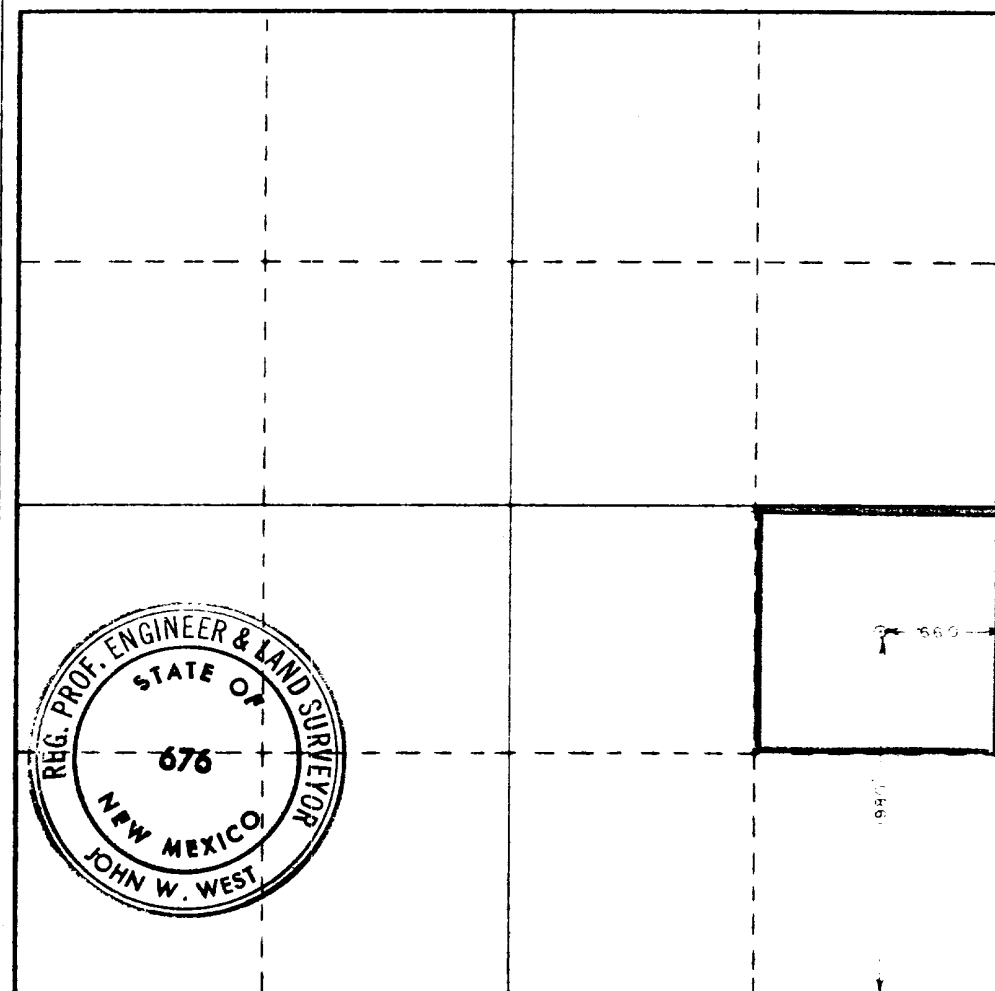
Operator La Rue & Muncy			Lease Federal F. R.		Well No. 1
Unit Letter 1	Section 15	Township 18 South	Range 30 East	County Eddy	
Actual Portage Location of Well: 1980 feet from the South line and 660 feet from the East line					
Ground Level Elev. 3461.5	Producing Formation Grayburg		Pool Leo Q - 24		Dedicated Acreage: 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 NOV 3 1978

If answer is "no," list the owners and tract descriptions which have actually been consolidated (reverse side of this form if necessary.) **U.S. GEOLOGICAL SURVEY ARTESIA, NEW MEXICO**

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
[Signature]
Position
Operator
Company
C.E. LaRue and B.N. Muncy, Jr.

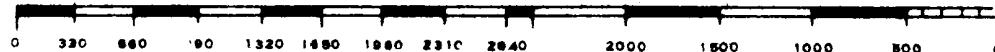
Date
October 26, 1978

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.

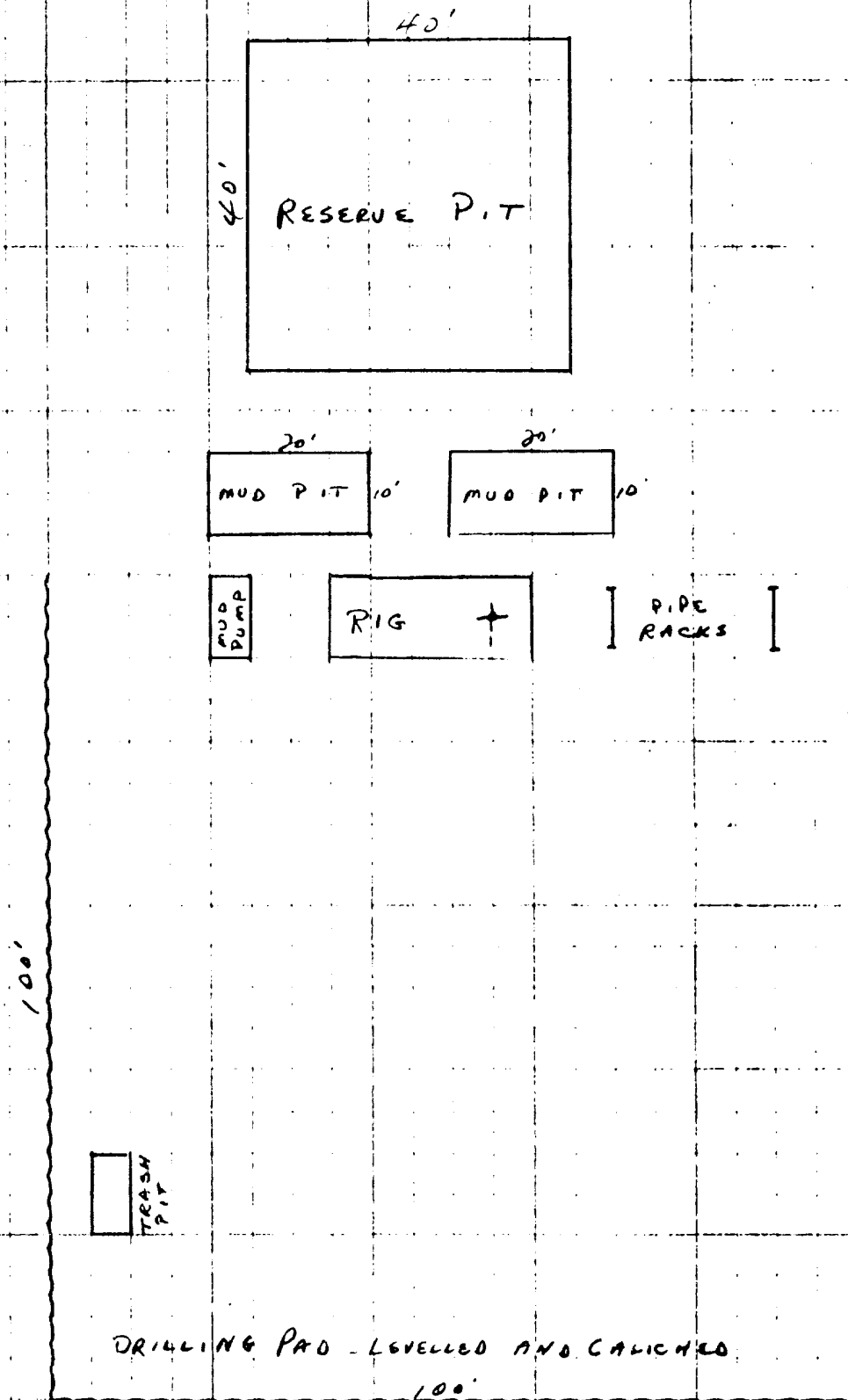
Date Surveyed
October 25, 1978

Registered Professional Engineer and/or Land Surveyor

[Signature]
Certificate No. **John W. West 676**
Ronald J. Eidsen 3239



SCALE 1"=20'



PITS WILL BE DUG TO COVER GARBAGE AND TRASH, WHICH WILL BE KEPT IN CONTAINERS UNTIL WELL IS COMPLETED.

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

EXHIBIT C

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

Federal FR No. 1

1980' FSL and 660' FEL, Section 15, T18S, R30E

Eddy County, New Mexico

Lease No. NM 23000

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ARTESIA, NEW MEXICO

1. Existing Roads - Maps showing drillsite and all existing roads are shown on Exhibit A & B, from existing road 800' of new road is planned west 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 turn-outs 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 edge 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 SE 1/4 NE 1/4, Section 15. All material will be hauled over present roads and roads 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-productive.
11. Area in general is rolling, with sand dunes creating the principal changes in elevation. Mesquite and scrub 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 of the extremely sparse vegetation, and the fact there is no natural water above ground in the area from 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 archaeological, 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 5 miles southwest.
12. Operators representative is B. N. Muncy, Jr., P.O. Box 196, Artesia, New Mexico 88210 Telephone number (505) 746-6651.

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.

October 25, 1978

Date

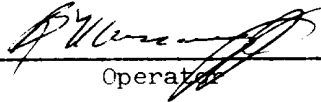
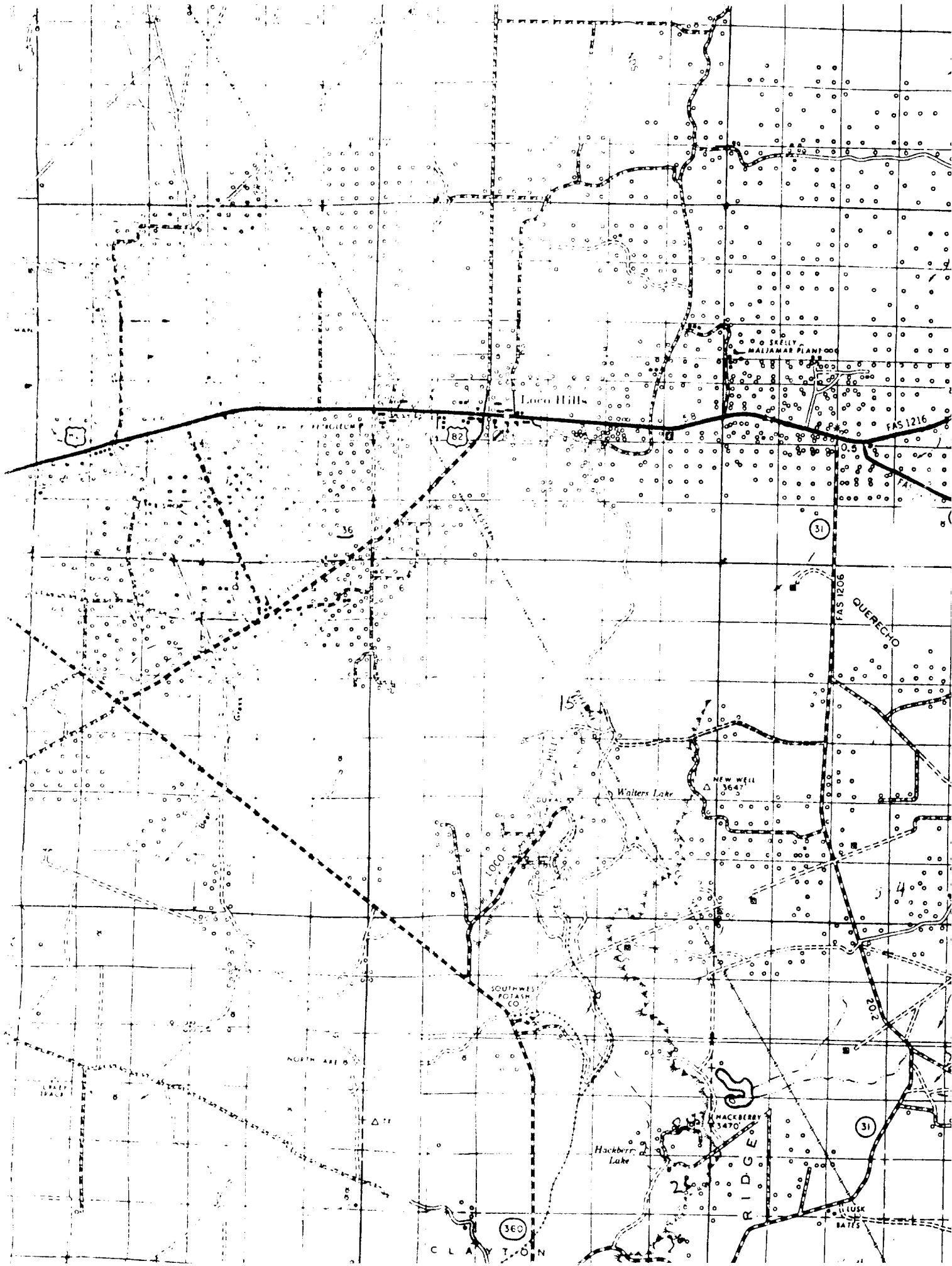

Operator

EXHIBIT B



FEDERAL TRAIL
C.E. and B.M. Mancy, Jr.

LOCATION

ROAD CONSTRUCTION

Artesia - 106

T.18S.

T.19S.

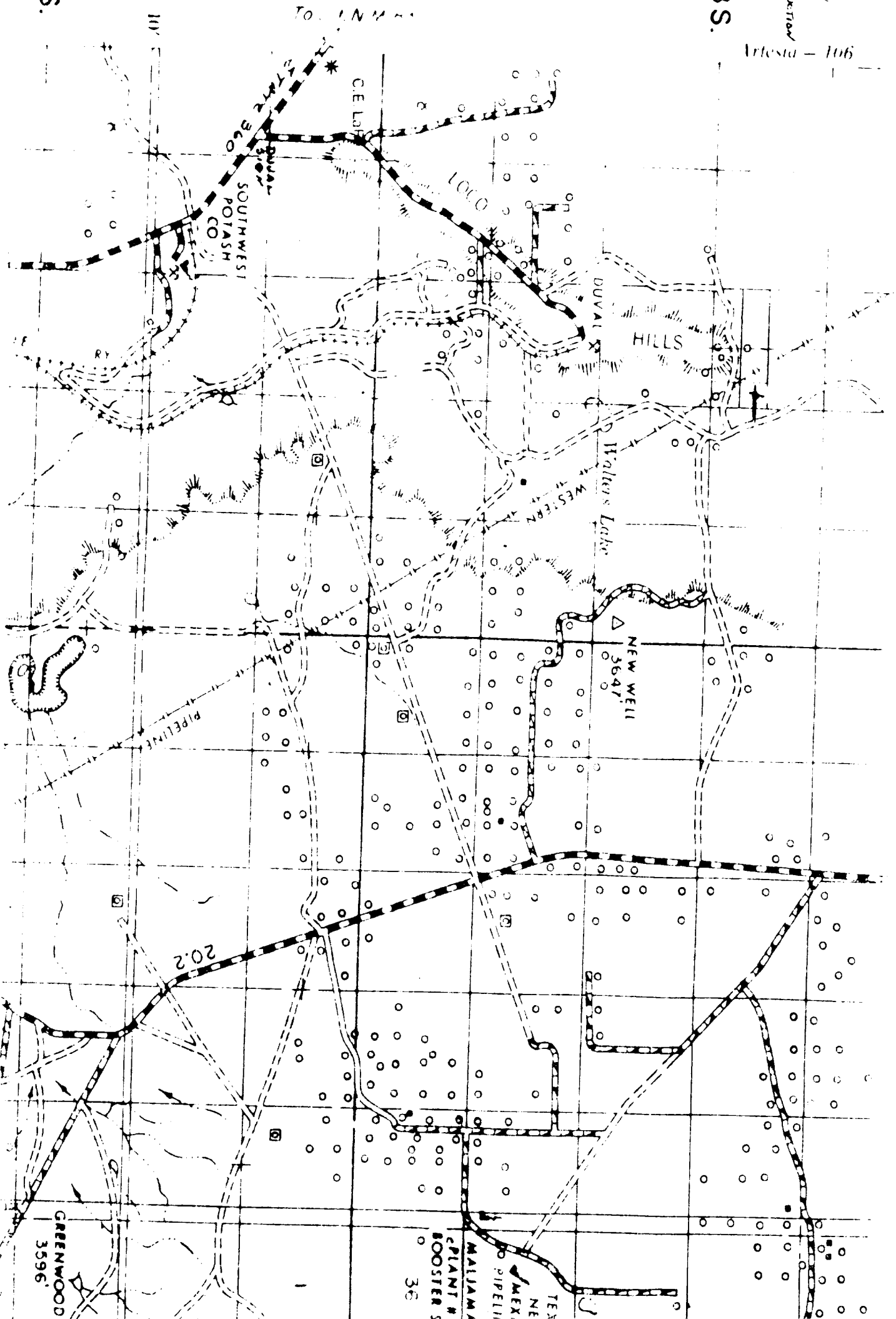


EXHIBIT A
FEDERAL FR #1

C E LARUE AND B N MINNEY

EXISTING ROADS

ROAD TO BUILD

LOCATION

CALICHE PIT

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

