Form 9-331 C (May 1963)	UNITED STATES RTMENT OF THE INTE GEOLOGICAL SURVEY	(Other instru reverse s	(iae, ^{on} 3	Forte appr Budget Bur O- 015-2 LEASE DESIGNATE NM 23000	ON AND SEBIAL NO.	
APPLICATION FOR F	ERMIT TO DRILL, DEEP	PEN, OR PLUG I	BACK 6	. IF INDIAN, ALLOT	TEE OR TRIBE NAME	
1a. TYPE OF WORK DRILL	DEEPEN	PLUG BA	СК 🗌 🧵	, UNIT AGREEMENT	NAMB	
b. TYPE OF WELL OIL WELL D. GAS WELL D. WELL 2. NAME OF OPERATOR C. E. LaRue and B.	OTHER		ED.	FARM OR LEASE Federal FR		
3. ADDRESS OF OPERATOR P.O. Box 196, Artes 4. LOCATION OF WELL (Report location At surface	sia, New Mexico 88210	U. S. C.	X	1 0. FIELD AND FOOL Leo Queen 1. SEC., T., E., M., C AND SURVEY OF Section 15	Grayburg	
14 DISTANCE IN MILES AND DIRECTIO 5 miles south of La	N FROM NEAREST TOWN OR POST OFFI	CB.	1	2. COUNTY OR PARI Eddy	SH 13. STATE N.M.	
10. DISTANCS FROM PROPOSED [®] LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 18. DISTANCE FROM PROPOSED LOCATION [®] TO NEAREST WELL, DRILLING, COMPLETED,		NO. OF ACRES IN LEASE 160 proposed depth 3500	TO THIS 20. ROTABY	NO. OF ACRES ASSIGNED TO THIS WELL 4 C ROTABY OR CABLE TOOLS ROTARY		
OR APPLIED FOR, ON THIS LEASE, FT. 21. ELEVATIONS (Show whether DF, RT 3461.5		<u>,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</u>			WORK WILL START*	
23.	PROPOSED CASING AN	ND CEMENTING PROGR	AM			
SIZE OF HOLE SIZE OF	CABING WEIGHT PER FOOT	SETTING DEPTH		QUANTITY OF CE	MENT	
11" 8-	5/8" 29#	550'	200 s	00 sacks circulated		
7-7/8" 5-	1/2" 15.5#	3500'	300_st	acks		

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. 3" Reagan BOP to be used. No unusual pressures or waterflows have been encountered in any wells in this area.

1.0V 31073

U.S. BEULDAIDAL SUNVEY ARTESIA, NEW MEXICO

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive sone 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.

81GNED BULLENT	Operator	DATE 10-26-78
(This space for Federal or State office use)	APPROVAL DATE	.16-79
APPROVED BY	TITL E	DATE

*See Instructions On Reverse Side



United States Department of the Interior ECEIVED

GEOLOGICAL SURVEY P. O. Box 26124 Albuquerque, New Mexico 87125 JAN 1 8 1979

O. C. C. ARTESIA, DEFICE

JAN 16 1379

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 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 RE-OUIREMENTS.
- 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. Stand - INNES IN CONTINUED

Area Oil and Gas Supervisor

Enclosure

cc: Regional Manager, Denver Mining Branch (2) BLM, Roswell (w/cy Notice) VNMOCD, Artesia (2 w/2 cys Notice) Artesia Roswell (w/cy Notice) Area Potash Area Chrono.

IN IS THEREFORE ORDERED: Com # 6405 12-7-78 R.J.J.

(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 lits 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 comment at a depth of approximately 550 feet and a production with comment calculated to be sufficient to circulate.

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FOULDED 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.

2000 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

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

All distances mus	t be from	the outer	boundaries	of the	Section
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3. If more	than one lease o	f different ownership is dec	licated to the well,	have the interests	of all owners been consoli-
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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

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.

U.S. 6:

ARTESIA, NEW 1

- 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 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 & miles east. Nothing has been observed in the area that would give indication of archaelogical, historical or cultural sites. There are no steep hillsider 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.

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

Federal FR 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.

October 25, 1978

Date

Derate Operate



EXHIBIT B





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C.E. LaRue and B.N. Muncy, Jr. FEDERAL FR #1 EXNIBIT B

PROPOSED LOCATION

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