

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-23014

APPLICATION FOR PERMIT TO DRILL DEEPEN OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.

NM 27276

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

McClay Federal

9. WELL NO.

11

10. FIELD AND POOL, OR WILDCAT

North Benson Queen North 48

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

U. 1. K Sec. 33-T18S-R3CE

12. COUNTY OR PARISH 13. STATE

Eddy

New Mexico

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

H & S Oil Company

O. C. C.
ARTEBIA, OFFICE

3. ADDRESS OF OPERATOR

216 American Home Bldg. - Artesia, New Mexico 88210

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

At surface

2260' from South & 1730' from West lines of
Section 33-T18S-R30E

At proposed prod. zone

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

8 miles South of Loco Hills, N.M.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. 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

19. PROPOSED DEPTH

3450'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

GL 3468

22. APPROX. DATE WORK WILL START*

Sept. 27, 1979

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11 1/4"	8 5/8"	29#	500'	150 sacks circulated
7 7/8"	5 1/2"	17#	3450'	200 sacks

Estimated formation tops: Queen 2475', Penrose 3050', Grayburg 3250'. Drilling fluid will be water with small amounts of mud additive from 1700' to assist in sample clarity. Well will be logged open hole with Gamma Ray Neutron. No abnormal pressures or hazards have been encountered in this field.

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SEP 10 1979

U.S. GEOLOGICAL SURVEY
ARTEBIA, 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

TITLE

Partner

DATE

9/10/79

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

9-28-79

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE LOCATION PLAT

Form
Supplemental to Form
1-1-1

H & S COMPANY

McClary *McClary*

11

K 33 13 South 30 East Eddy

22.0 South 1730 West

3463.0 Grayburg North BENSON QUEEN NEAR GB 40

the acreage dedicated to the subject well by colored pencil or by hand marks.

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If more than one lease is dedicated to the well, outline each and identify (by owner, interest and royalty).

OCT 2 1979

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SEP 10 1979

If more than one lease of different ownership is dedicated to the well, have it stated by communitization, unitization, force pooling, etc.

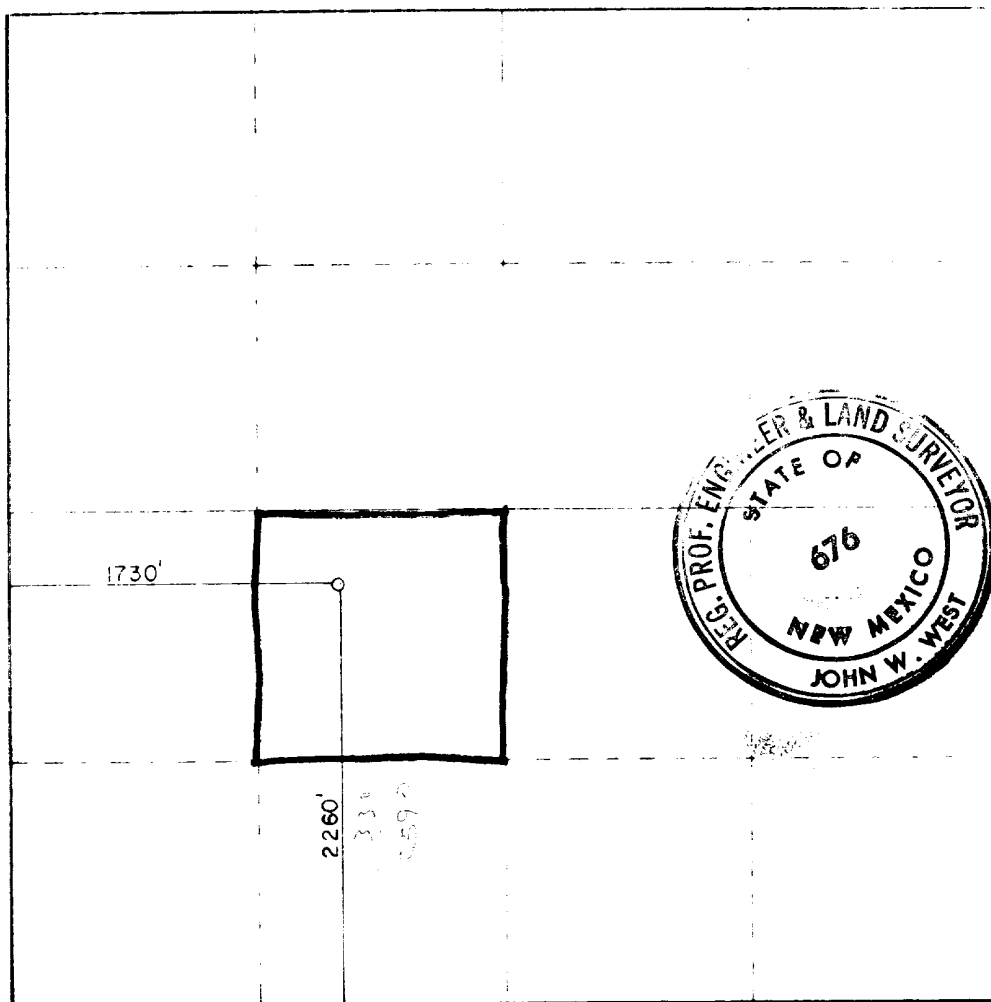
**O. O. O.
ARTESIA, OFFICE**

**U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO**

Yes No If answer is "yes," type of consolidation

If answer is "no," list the owners and tract descriptions which have a claim on this form if necessary.

No allowable will be assigned to the well until all interests have been consolidated by force pooling, or otherwise) or until a non-standard unit, eliminating such interests, is approved by the Commission.



R L Heinsch

Partner

H & S OIL COMPANY

Sept. 10, 1979

I hereby certify that the well location plat was prepared from the original survey data and that the same is correct and true to the best of my knowledge and belief.

Jul 27, 1979

John W. West

Certificate No. John W. West 676
Ronald J. Eidson 3239



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124
Albuquerque, New Mexico 87125

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OCT 2 1979

O. C. C.
ARTESIA, OFFICE

SEP 28 1979

H & S Oil Company
216 American Home Bldg.
Artesia, New Mexico 88210

H & S OIL COMPANY
McClay No. 11
2260 FSL 1730 FWL Sec.33 T.18S R.30E
Eddy County Lease No. NM 27276

Gentlemen:

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well in the Secretary's Oil-Potash Area to a depth of 3,450 feet to test the Grayburg 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 attached 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 these Conditions of Approval including the attached General Requirements.
3. Submit a Daily Report of Operations from spud date until the well is completed and the Well Completion Report (form 9-330) is filed. The report should not be 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 Guidelines. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
5. Notify the Survey in sufficient time to witness the cementing of the 8-5/8" and 5-1/2" casing.
6. Cement behind the 8-5/8" and 5-1/2" casing must be circulated.



7. Pad orientation must be in accordance with agreement between BLM and operator representatives.
8. 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,

(ORIG. SGD.) JACK WILLOCK

ACTING 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

District Potash

District Chrono

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AUG 1 1979

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

MULTI-POINT SURFACE USE & OPERATIONS PLAN

H & S OIL COMPANY
McClay No. 11 - ²²⁶⁰~~2310~~ FSL & ¹⁹³⁰~~1930~~ FWL, Sec. 33-T18S-R30E;
Lease No. NM 27276, Eddy County, New Mexico

1. EXISTING ROADS: Attached are three maps of the subject area, i.e.: Exhibit A (USGS Topographic map), Exhibit B (land ownership map) & Exhibit C (New Mex. road map). The proposed wellsite is located approximately 8 miles south of Loco Hills, New Mexico. The route to the well from Artesia is color coded on Exhibit A, B, & C. From Artesia (Exh. C), go east on Hwy. 82 approx. 12 miles (orange), turn southeast on Hwy. 360 for approx. 13 miles (at Duval mine sign), (green) turn north onto paved road for approx. 1 mile then right for another mile, then left onto access road (yellow), drillsite approx. 150 feet west of paved road, (red).
2. PLANNED ACCESS ROAD: New road required will be approximately 150 feet long and 12 feet wide, location shown on Exhibit C. Road will be Caliche. There will be no culverts or other drainage features necessary. Center line of proposed new access road has been staked so that flagging will be visible from one stake to the other. Road to be constructed is color coded in red.
3. LOCATION OF EXISTING WELLS: All wells within one mile radius to our knowledge are shown on Exhibit B.
4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:
 - (a). No presently existing surface facilities.
 - (b). If the well is a producer, all surface facilities will be located on the wellsite. Tank battery, gas separator, meter equipment will be on or near the edge of the drilling pad and flowlines will not be buried.
5. LOCATION OF TYPE OF WATER SUPPLY: Water for drilling will be obtained from the fresh water supply used in the offsetting North Benson waterflood. A connection is available at Texaco's injection well #41 located in SE/4NE/4 of Section 33 (see Exh. B). A temporary water line will be laid on top of the ground from the injection well to the wellsite. The temporary water line will cause no surface disturbance and will be removed after drilling is completed.
6. SOURCE CONSTRUCTION MATERIAL: Caliche for road and pad will be obtained from existing caliche pit located to the northwest approximately 300 yards of drillsite. There is a good possibility of obtaining some caliche at the wellsite under sand.
7. METHOD OF HANDLING WASTE:
 - (a). Drill cuttings will be disposed of in reserve pit.
 - (b). Drilling fluids will be allowed to evaporate in reserve pit until pit is dried up.
 - (c). Water produced during testing will be disposed of by allowing to evaporate in pit. Oil produced during testing will be stored in test tank until sold.
 - (d). Disposal of human wastes will be complied with as current laws and regulations.
 - (e). Trash, garbage and junk will be kept and later buried in a pit with

a minimum of 24 inches of dirt. All waste materials will be contained to prevent scattering by the wind.

- (f). All trash and debris will be buried or removed from the wellsite within 30 days after finishing operations and/or well completion.

8. ANCILLARY FACILITIES: None required.

9. WELLSITE LAYOUT:

- (a). Figure 1 shows location of well pad including rig and component equipment, reserve pit, mud pits and waste pit.
- (b). Caliche will be hauled in and leveled with a 2 degree slope toward west for drainage.
- (c). Pits will have plastic linings.

10. PLAN FOR RESTORATION OF THE SURFACE:

- (a). After completion of drilling and/or completion operations, all equipment and materials not needed will be removed and water line taken up. Pits will be filled and levelled, location cleaned of all trash and junk.
- (b). All unguarded pits containing fluid will be fenced until they are filled.
- (c). After abandonment, surface restoration will be in accordance with the methods set out above under a & b and the BLM requirements. All pits should be filled, if they are dried out, within 90 days after abandonment.

11. OTHER INFORMATION:

- (a). Topography - Land surface consists of numerous sand dunes (see Exhibit A). There should be a minimum amount of disturbance to the topography.
- (b). Soil - Sand dunes
- (c). Flora & Fauna - Flora includes broom snakeweed, creosotebush, and mesquite. Fauna includes rabbits, quail and coyotes.
- (d). Ponds and Streams - There are no rivers, streams, lakes or ponds in the immediate area.
- (e). Residences and Other Structures: To our knowledge, the nearest ranch house is the Schneider Ranch house approx. 2½ miles NE of wellsite and approx. 1½ miles south is the Amax potash mining operation, both circled blue on Exh. A.
- (f). Land Use - Acreage involved is under grazing lease to Schneider Ranch.

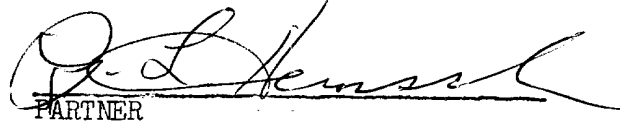
12. OPERATORS REPRESENTATIVE: The representatives responsible for assuring compliance with surface and operation plan are:

Mr. H. R. Spencer
216 American Home Building
Artesia, New Mexico 88210
Ph. 505 746-6658 Mobil Ph. 365-2504

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 H & S Oil Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

H & S OIL COMPANY

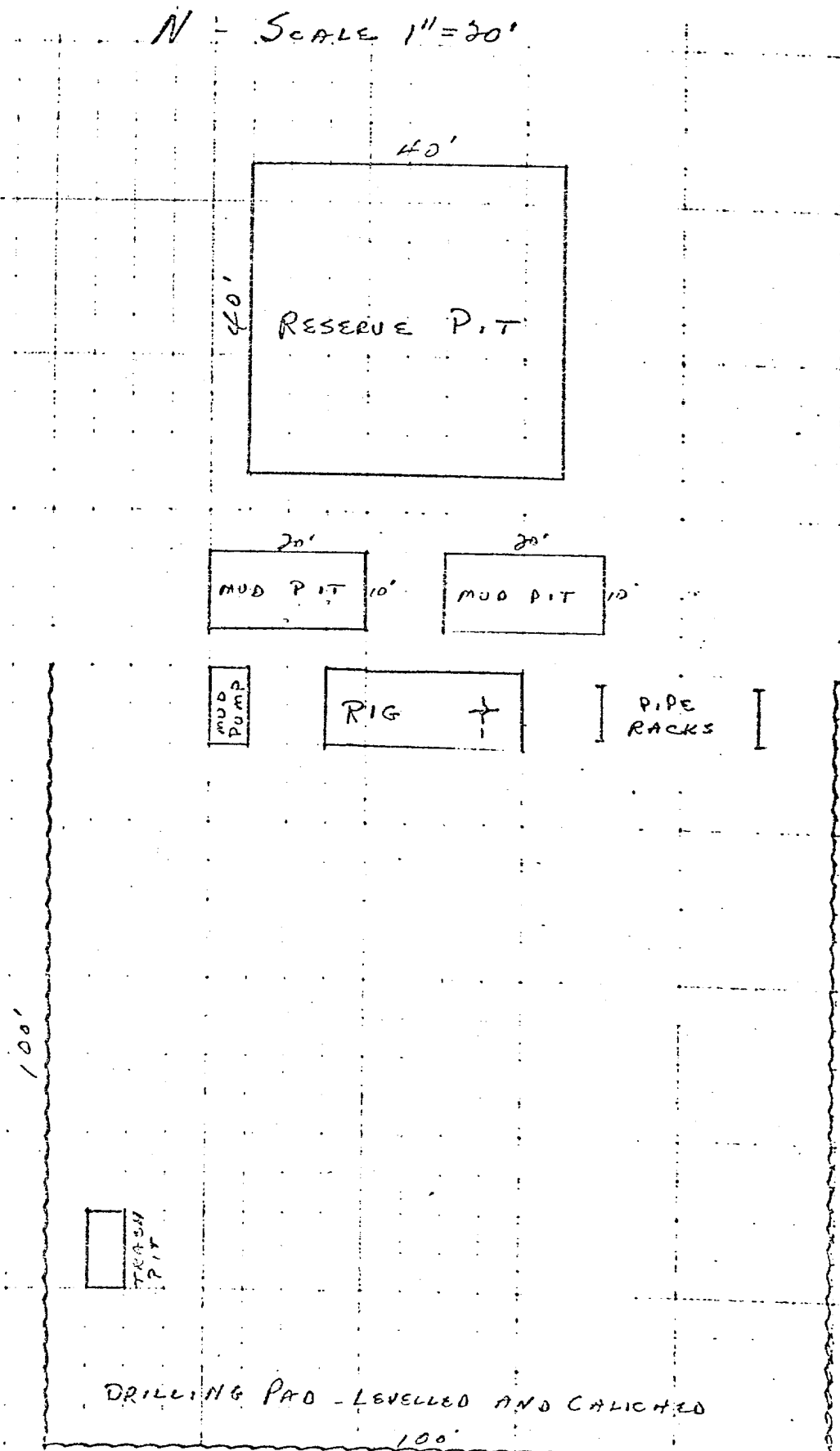
Date: July 31, 1979


PARTNER

H & S OIL COMPANY
216 American Home Bldg.
Artesia, N. M. 88210

McClay #11
2310' FSL & 1830' FWL
Section 33-T18S-R30E
Eddy County, N.M.

N - SCALE 1"=30'

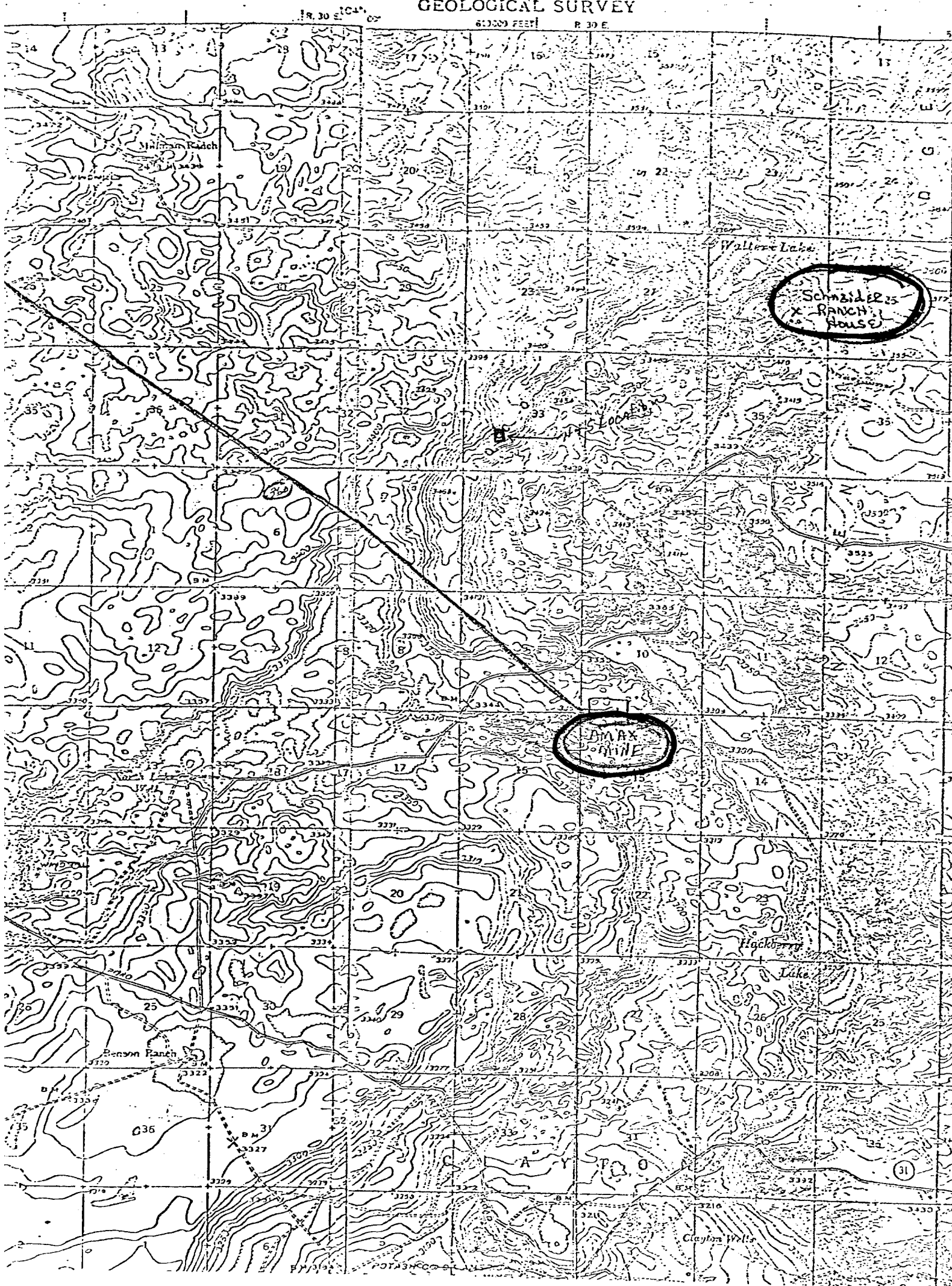


PITS WILL BE DUG TO COVER GARBAGE AND TRASH, WHICH WILL BE KEPT IN CONTAINERS UNTIL WELL IS COMPLETED.

FIGURE 1

NEW MEXICO
(EDDY COUNTY)
OIL CITY QUADRANGLE
15-MINUTE SERIES

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

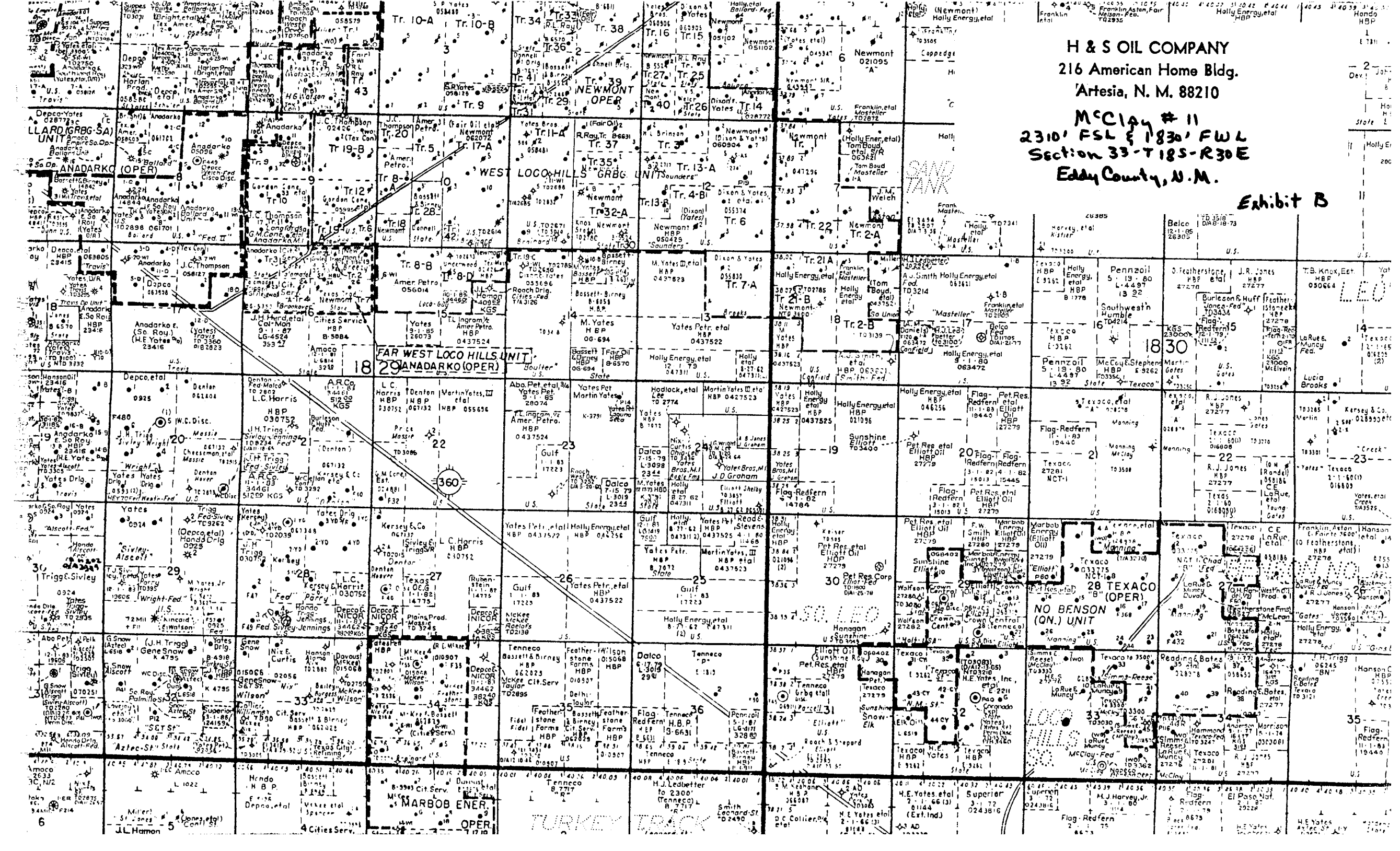


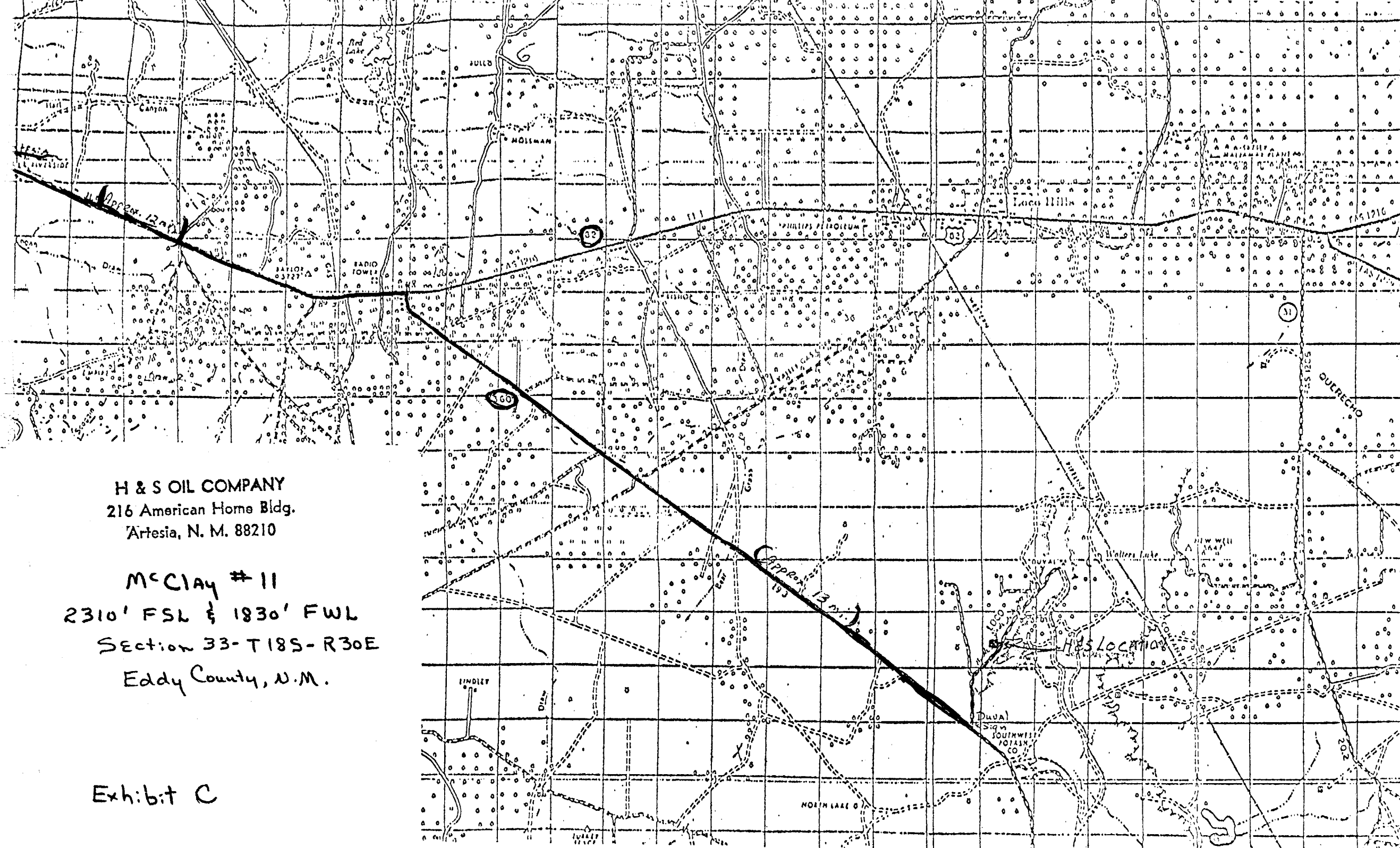
H & S OIL COMPANY
216 American Home Bldg.
Artesia, N. M. 88210

McClay # 11
2310' FSL & 1830' FWL
Section 33-T18S-R30E
Eddy County, N.M.

C.L.L.L.A.

Exhibit B





H & S OIL COMPANY
216 American Home Bldg.
Artesia, N. M. 88210

McCay # 11
2310' FSL & 1830' FWL
Section 33-T18S-R30E
Eddy County, N.M.

Exhibit C