

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-23125

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☒ RECEIVED
DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
H & S Oil Company

3. ADDRESS OF OPERATOR
O. C. D.
216 American Home Bldg. - Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 1980' from South & 660' from West lines of Section 33-T18S-R30E
At proposed prod. zone

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

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
3460'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
GR 3423.3

22. APPROX. DATE WORK WILL START*
Dec. 15, 1979

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.
12

10. FIELD AND POOL, OR WILDCAT
Benson Queen North

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 33-T18S-R30E

12. COUNTY OR PARISH
Eddy

13. STATE
New Mexico

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"	24#	660'	150 sacks circulated
7 7/8"	5 1/2"	14#	3460'	200 sacks

Estimated formation tops: Queen 2800', Penrose 3020', Grayburg 3280'. Drilling fluid will be water with small amount 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.

RECEIVED

NOV 19 1979

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present well. 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 Keith R. Spreen TITLE Partner DATE 11/15/79
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 1-9-80

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Form C-128
Supersedes C-128A
File No. 100-65

FEDERAL CO.		Imo McClay Federal		12
L	33	10 South	30 East	
1920	South	666	West	
3423	m Grayburg	N. BENSON QUEEN-NORTH G.		40

- 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.

A circular professional seal for a registered engineer and land surveyor. The outer ring contains the text "REG. PROF. ENGINEER & LAND SURVEYOR" at the top and "JOHN W. WEST" at the bottom. The inner circle contains the text "STATE OF" at the top, "NEW MEXICO" at the bottom, and the license number "676" in the center.

Certificate No.	JAMES W WEST	678
	PATRICK A. ROMERO	6663
	Ronald J. Eidson	3239

7. Special Stipulations: Turn "v"-door south. Tank battery location as requested in Supplement to Surface Use and Operations Plan is denied. Caliche will be obtained from pit located in the SE/4SE/4 of section 32, T. 18S., R. 30E., (BLM).
8. It is required that a Gamma-Ray-Neutron Log be run in open hole from the base of Salado to the surface at a speed not to exceed 30 feet per minute.
9. 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,

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)



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124
Albuquerque, New Mexico 87125

RECEIVED

JAN 15 1980

O. C. D.
ARTESIA, OFFICE

January 9, 1980

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

Gentlemen:

H & S OIL COMPANY
McClay No. 12
1980 FSL 660 FWL Sec. 33 T.18S R.30E
Eddy County Lease No. NM 27276

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 3,460 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" and 5-1/2" casing must be circulated.
6. Notify Survey in sufficient time to witness the cementing of 8-5/8" and 5-1/2" casing.



MULTI-POINT SURFACE USE & OPERATIONS PLAN

RECEIVED

H & S OIL COMPANY

McClay No. 12 - 1980' FSL & 660' FWL, Sec. 33-T18S-N10E, 19 1979

Lease No. NM 27276, Eddy County, New Mexico

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

1. EXISTING ROADS: Attached are three maps of the subject acre, 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 330 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. Present road is color coded in yellow and to be constructed road is color coded in red.
3. LOCATION OF EXISTING WELLS: All existing 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 well is a producer, the tank battery will be located between our McClay 11 and this location. The two wells will share the same tank battery.
5. LOCATION OF TYPE OF WATER SUPPLY: Water for drilling will be trucked in lowbid trucking contractor.
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 the 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 to 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. $2\frac{1}{2}$ miles NE of wellsite and approx. $1\frac{1}{2}$ 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.

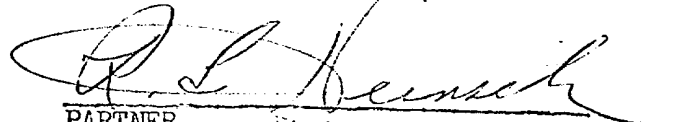
12. OPERATORS REPRESENTATIVE: The representatives responsible for assuring compliance with surface and operation plan are:

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

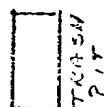
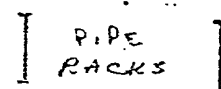
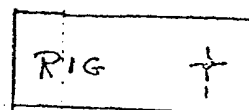
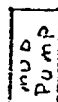
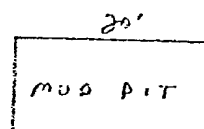
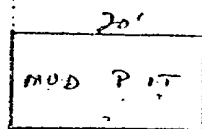
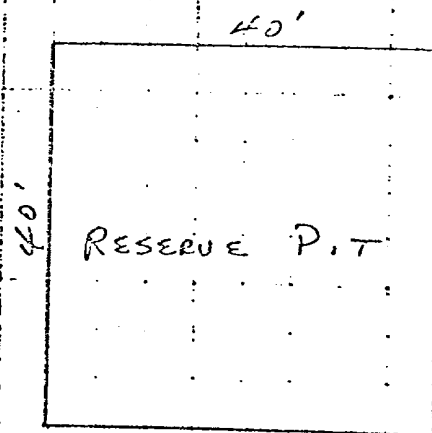
Date: 11-15-79


PARTNER

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

MCCLAY #12
1980' FSL + 660' FWL
Section 33-T18S-R30E
Eddy County, N.M.

N - SCALE 1" = 30'

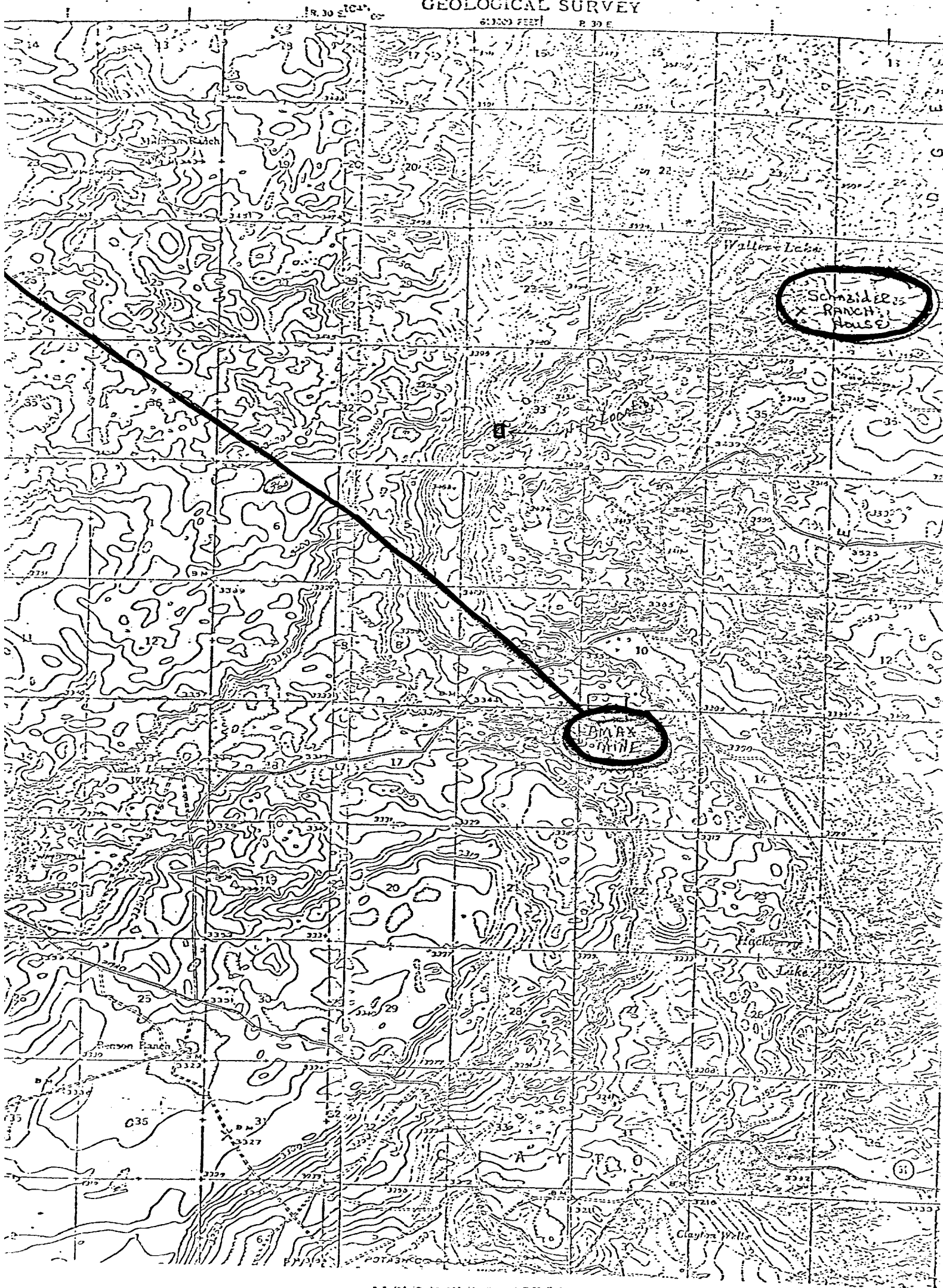


DRILLING PAD - LEVELLED AND CALICATED
100'

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

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 #12
1980' FSL + 660' FWL
Section 33-T18S-R30E
Eddy County, N. M.

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

McCLAY #12
1980 FSL & 660' FWL
Section 33-T185-R30E
Eddy County, N.M.

四、五、六、七

Exhibit C

H & S OIL COMPANY

ARTESIA, NEW MEXICO . 88210

SUPPLEMENT TO SURFACE USE & OPERATIONS PLAN

McClay No. 12
1980' FSL & 660' FWL, Sec. 33-T18S-R30E
Lease No. NM 27276, Eddy County, New Mexico

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- (a). No presently existing surface facilities.
- (b). If well is producer, the tank battery will be located in an approved location to serve both McClay #11 & McClay #12. The proposed tank battery location is to the southeast of McClay #11 approximately 300' next to the existing highway.
- (c). Flowlines from McClay #12 will be laid on top of sand along wellsite road east to highway then north to tank battery.

6. SOURCE CONSTRUCTION MATERIAL: Caliche for road and pad will be obtained from existing caliche pit located in the SE/4 SE/4 of Section 32-T18S-R30E. There is also the possibility some caliche being at wellsite under the sand.

H & S OIL COMPANY

ARTESIA. NEW MEXICO. 88210

SUPPLEMENT TO APPLICATION FOR PERMIT TO DRILL

McClay No. 12
1980' FSL & 660' FWL
Section 33-T18S-R30E
Eddy County, New Mex.

BOP will be Shaffer 10" 900 Double.

If any water is encountered it should be around 150'.

Oil expected in stringers between 2800' & 3400'.