

Form 9-331 C
(May 1963)RECEIVED
SUBMIT IN TF DATE*Form approved.
Budget Bureau No. 42-R1425.UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

O. C. D.

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

Napeco, Inc.

3. ADDRESS OF OPERATOR

P.O. Box 283 Houston, Texas 77001

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

At surface

2080 +980' FNL & 660' FWL

At proposed prod. zone

2080 +980' FNL & 660' FWL

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

9 miles South of Loco Hills, N.M.

15. DISTANCE FROM PROPOSED*

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

660'

16. NO. OF ACRES IN LEASE

560

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

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

3,800' from

Benson Deep # 1

19. PROPOSED DEPTH

12,100'

20. ROTARY OR CABLE TOOLS

Rotary

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

3,455 GR

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 |
|--------------|-----------------------|-----------------|---------------|--|
| 17 1/2" | 13-3/8" K-55 | 54.5 | 600' | 600 sx Cl C + 2% cal. |
| 12-1/4" | 9-5/8" K-55 | 36 | 4,000' | 1200 sx Cl C w/50 light posmix + 4% gel +2% cal + 1/4#/sx celo flac + 5#/sx colite + 10% salt. Tail in w/300 sx cl C +2% cal. |
| 8 1/2" | 5 1/2" K-55 & N-80 | 15.5 17.0 | 12,200' | 400 sx cl H + 10% D65 + 5#/sx |

potassium chloride + 14 gal/sx D-108. BOP & Hydril 10" (See attachment) test pipe rams & Hydril daily, blind rams on trips. Install pit leveler, flow sensor & gas separator & yellow jacket by 9500' (just above Wolfcamp). Drill surface hole w/fresh water, intermediate hole w/brine water, set 8-5/8" into top of Andres, drill out 8-5/8" w/fresh water to 9500', displace w/3% KCL water (8.8 to 9.0 #/gal wt., no W.L.) to 11,200'. Increase to 5% KCL, 10 or less W.L. 912 to 9.5 #/gal wt. 32 to 34 vis. (sufficient control BHP) no abnormal high pressure or hydrogen sulfide gas anticipated. Drillstem test possible producing zones, no coring, elec logs run to T.D. Fresh water zone anticipated @ 265', water flood zone (Queen) 2,750', gas zone in Morrow, no other minerals expected.

GAS SITES NOT DEDICATED.

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

Sharon H. Kondecka

Production
Coordinator

DATE 10-23-79

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

6-13-80

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

U.S. GOVERNMENT PRINTING OFFICE : 1963-O-711-398

Estimated Tops:

| | |
|---------------------------------|--------------|
| Fresh water Zone | 265' |
| Rustler Anhydrite | 440' |
| Base Salt | 1,560' |
| Queen | 2,825' |
| Water Flood Zone | 2,750-3,350' |
| San Andres | 3,475' |
| Base Delaware (Top Bone Spring) | 5,710' |
| 1st Bone Spring Sand | 7,425' |
| 3rd Bone Spring Sand | 9,150' |
| Wolfcampian | 9,580' |
| Upper Penn | 10,335' |
| Strawn | 10,677' |
| Atoka | 10,888' |
| Morrow Lime | 11,300' |
| Upper Morrow Clastic | 11,565' |
| Lower Morrow Clastic | 11,772' |
| Top Mississippian | 11,970' |

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

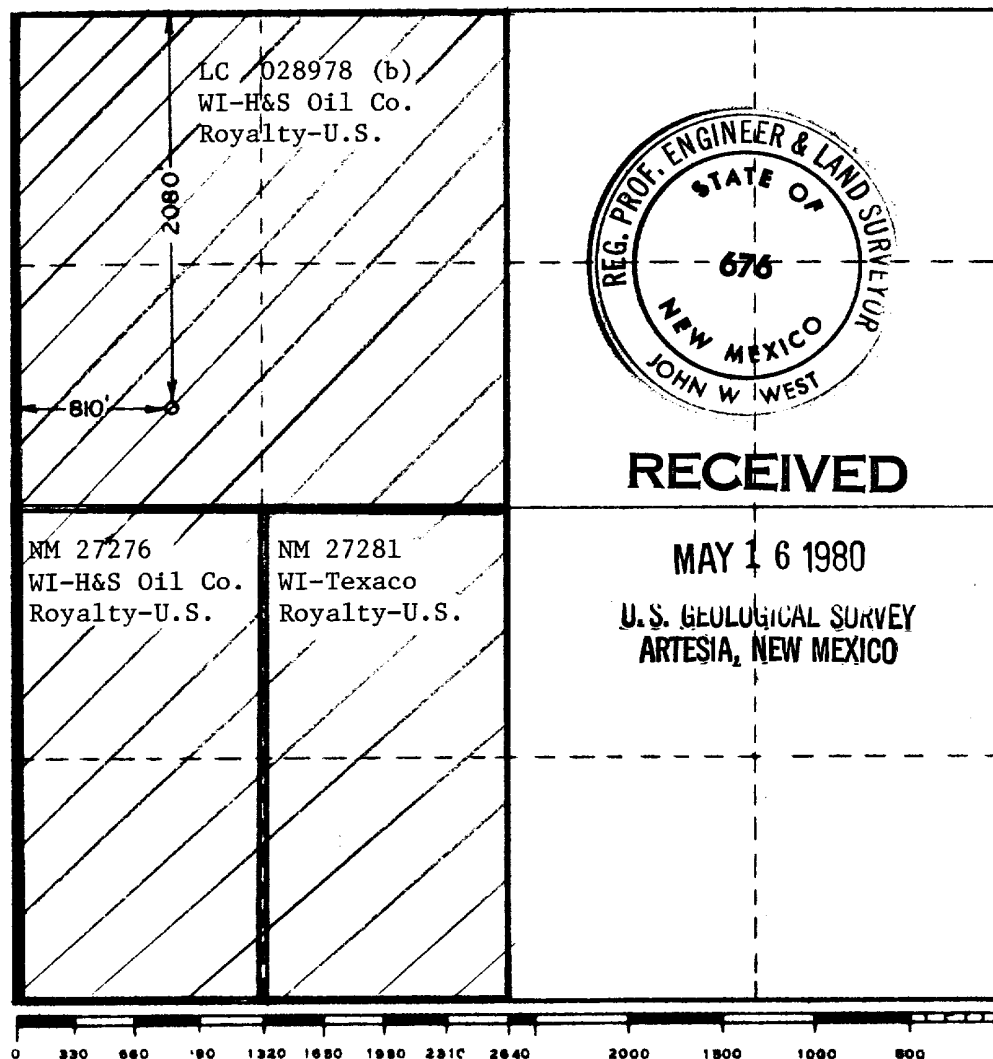
| | | | | | |
|---|--------------------------------------|-----------------------------|----------------------------------|--|----------------------|
| Operator NAPECO, Inc., | | | Lease Benson Deep Com. | | Well No. 2 |
| Unit Letter E | Section 34 | Township 18 South | Range 30 East | County Eddy | |
| Actual Portage Location of Well: 2080 feet from the North line and 810 feet from the West line | | | | | |
| Ground Level Elev. 3456.2 | Producing Formation Morrow | Pool Wildcat | | Dedicated Acreage: 320 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 Unitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

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.

Sharon H. Koudelka

Name
Sharon H. Koudelka

Position
Production Coordinator

Company
Napeco, Inc.

Date
April 16, 1980

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
April 10, 1980

Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 8863
Ronald J. Eidsen 3239



United States Department of the Interior

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

RECEIVED

JUN 16 1980

O. C. D.
ARTESIA, OFFICE

Napeco, Inc.
P. O. Box 90996
Houston, Texas 77090

NAPECO, INC.
Benson Deep No. 2
2080 FNL 810 FWL Sec. 34 T.18S R.30E
Eddy County Lease No. LC-028978-B

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 12,100 feet to test the Morrow 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. All access roads will be limited to a 12 foot wide driving surface, excluding turnarounds. Surface disturbance associated with road construction will be limited to 20 feet in width.
4. 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.
5. 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).
6. Before drilling below the 9-5/8" casing, the blowout preventer assembly will consist of a minimum of one annular type and two ram type preventers.

7. A kelly cock will be installed and maintained in operable condition.
8. After setting the 9-5/8" casing string and before drilling into the Wolfcamp formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures by an independent service company. Any equipment failing to test satisfactorily shall be repaired or replaced. This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report.
9. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before drilling into the Wolfcamp formation and used until production casing is run and cemented. Monitoring equipment shall consist of the following:
 - (1) A recording pit level indicator to determine pit volume gains and losses.
 - (2) A mud volume measuring device for accurately determining mud volume necessary to fill the hole on trips.
 - (3) A flow sensor on the flow-line to warn of any abnormal mud returns from the well.
10. Notify the Survey by telephone 24 hours prior to spudding well.
11. Notify the Survey in sufficient time to witness the cementing of the 13-3/8" and 9-5/8" casing.
12. Cement behind the 13-3/8" and 9-5/8" casing must be circulated.
13. Special Stipulations: Use existing road to North Benson Queen Unit.
14. 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.

15. 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,


Gene F. Daniel
Acting Deputy Conservation Manager,
Oil and Gas

Enclosure

cc:

Mining Branch (2)

BLM, Roswell (w/cy Notice)

NMOCD, Artesia (2) (w/2 cys Notice) 

Artesia

Roswell (w/cy Notice)

UNITED STATES JUN 16 1980
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY O. C. D.

ARTESIA, OFFICE
SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil well ☐ gas well ☒ other

MAY 16 1980

2. NAME OF OPERATOR

Napeco, Inc.

U.S. GEOLOGICAL SURVEY

3. ADDRESS OF OPERATOR

ARTESIA, NEW MEXICO

P.O. Box 90996 Houston, Texas 77090

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)

AT SURFACE: 2080' FNL & 810' FWL of Sec. 34

AT TOP PROD. INTERVAL:

AT TOTAL DEPTH:

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF ☐
FRACTURE TREAT ☐
SHOOT OR ACIDIZE ☐
REPAIR WELL ☐
PULL OR ALTER CASING ☐
MULTIPLE COMPLETE ☐
CHANGE ZONES ☐
ABANDON* ☐

☐
☐
☐
☐
☐
☐
☐
☐

(other) Request for approval to change location

5. LEASE

Benson Deep

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Benson Deep

9. WELL NO.

2

10. FIELD OR WILDCAT NAME

Wildcat

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

34 T18S R30E

12. COUNTY OR PARISH

Eddy

13. STATE

New Mexico

14. API NO.

15. ELEVATIONS (SHOW DF, KDB, AND WD)
3456.2

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Permission is requested to change location from 1980' FNL & 660' FWL to 2080' FNL & 810' FWL. This location change was made at the request of the Bureau of Land Management.

Subsurface Safety Valve: Manu. and Type _____ Set @ _____ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED Sharon H. Koudelka TITLE Prod. Coordinator DATE 4/21/80
Sharon H. Koudelka

(This space for Federal or State office use)

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

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

JUN 16 1980

Form 0-10-70
Supersedes L-128
Effective 1-1-75

All distances must be from the outer boundaries of the Section

O. C. D.
ARTESIA, OFFICE

| | | | | | | |
|------------------|---------------------|----------|-------------|---------|-----------------|------|
| NAPECO INC. | | | Benson Deep | | | 2 |
| Section | 34 | Township | 13 South | Range | 30 East | Eddy |
| Location of Well | | | | | | |
| 19 0 | feet from the | North | line and | 560 | feet from the | West |
| 3455.0 | Producing Formation | Morrow | Pool | Wildcat | Section Acreage | 320 |

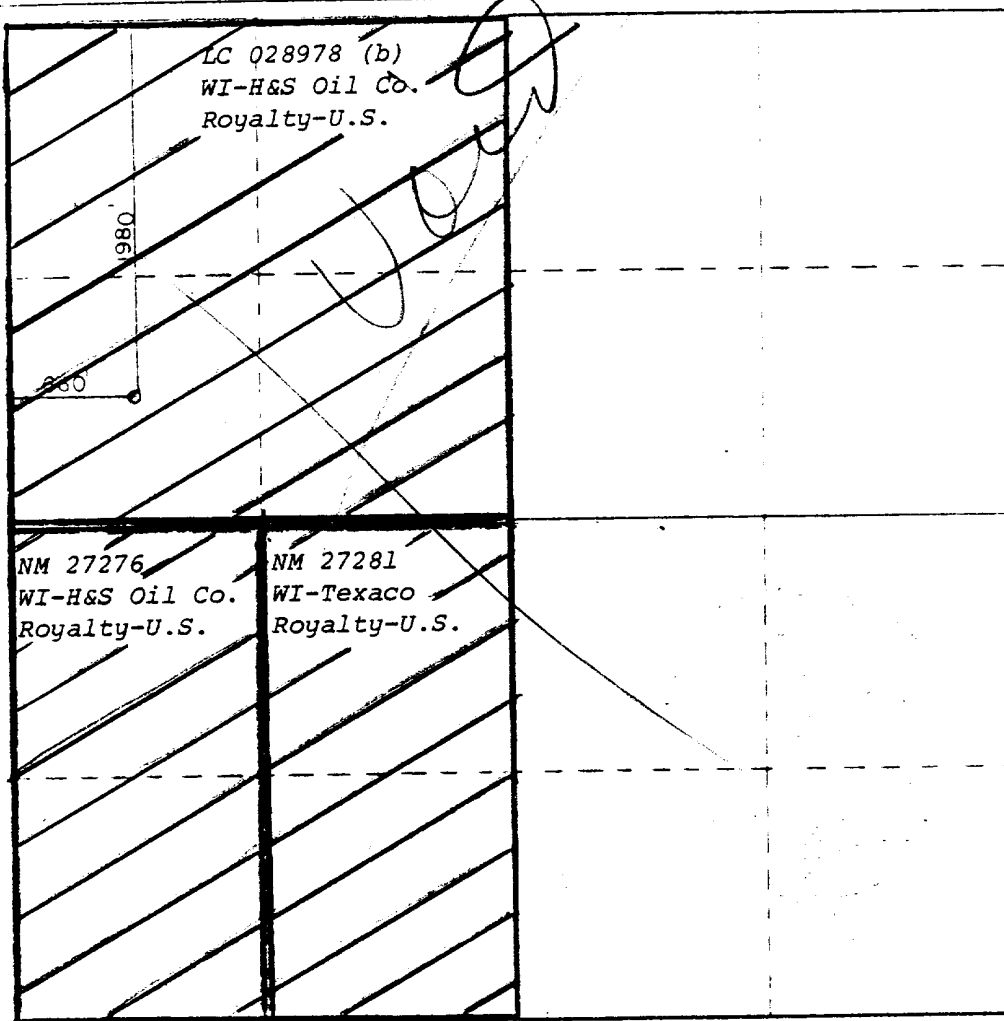
RECEIVED
OCT 29 1979
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the owners thereof (both as to working interest and royalty).
- 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 Unitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated (if so reverse side of this form if necessary.) _____

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.

Michael R. Goode

Michael R. Goode

Division Land Manager

NAPECO Inc.

September 17, 1979

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
August 24, 1979

Registered Professional Land Surveyor
and State Surveyor

John W. West

Certificate No. **John W. West 676**
Ronald J. Eldson 3239

RECEIVED
OCT 29 1979
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

MULTI POINT SURFACE USE & OPERATIONS PLAN

NAPECO, INC.

Benson Deep No. 2 - 660' FWL & 1980' FNL, Sec. 34-T18S-R30E,
Lease No. NM 27276, Eddy County, New Mexico
Wildcat

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 9 miles south of Loco Hills, New Mexico. The route to the well from Artesia is colored coded on Exhibit A, B, & C. From Artesia (Exb. C) go east on Hwy 82 approx. 12 miles (follow red arrows to yellow), turn Southeast on Hwy 360 for approx. 14 miles (past Duval mine sign approx. 1 mile), (green) turn northeast onto dirt road (yellow) for approx 1 mile then left again for another $\frac{1}{2}$ mile to fork in road. Right at the fork in the road for 1 mile, drillsite approx 500 feet west of road (red).
2. PLANNED ACCESS ROAD: New road required will be approx 500 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 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 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.

Napeco, Inc.
Benson Deep # 2
Eddy County, New Mexico

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. C.
- (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:

Ronald P. Walden
Division Drilling Superintendent

| | | | |
|----------------------|-----------|--------------|---------|
| Napeco, Inc. | Business | 713/621-9030 | Ext 305 |
| P.O. Box 283 | | | |
| Houston, Texas 77001 | Residence | 713/783-4357 | |

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 NAPECO, INC. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

NAPECO, INC.

Date; 10/25/79

Ronald P. Walden

Ronald P. Walden

LAND LOCATION

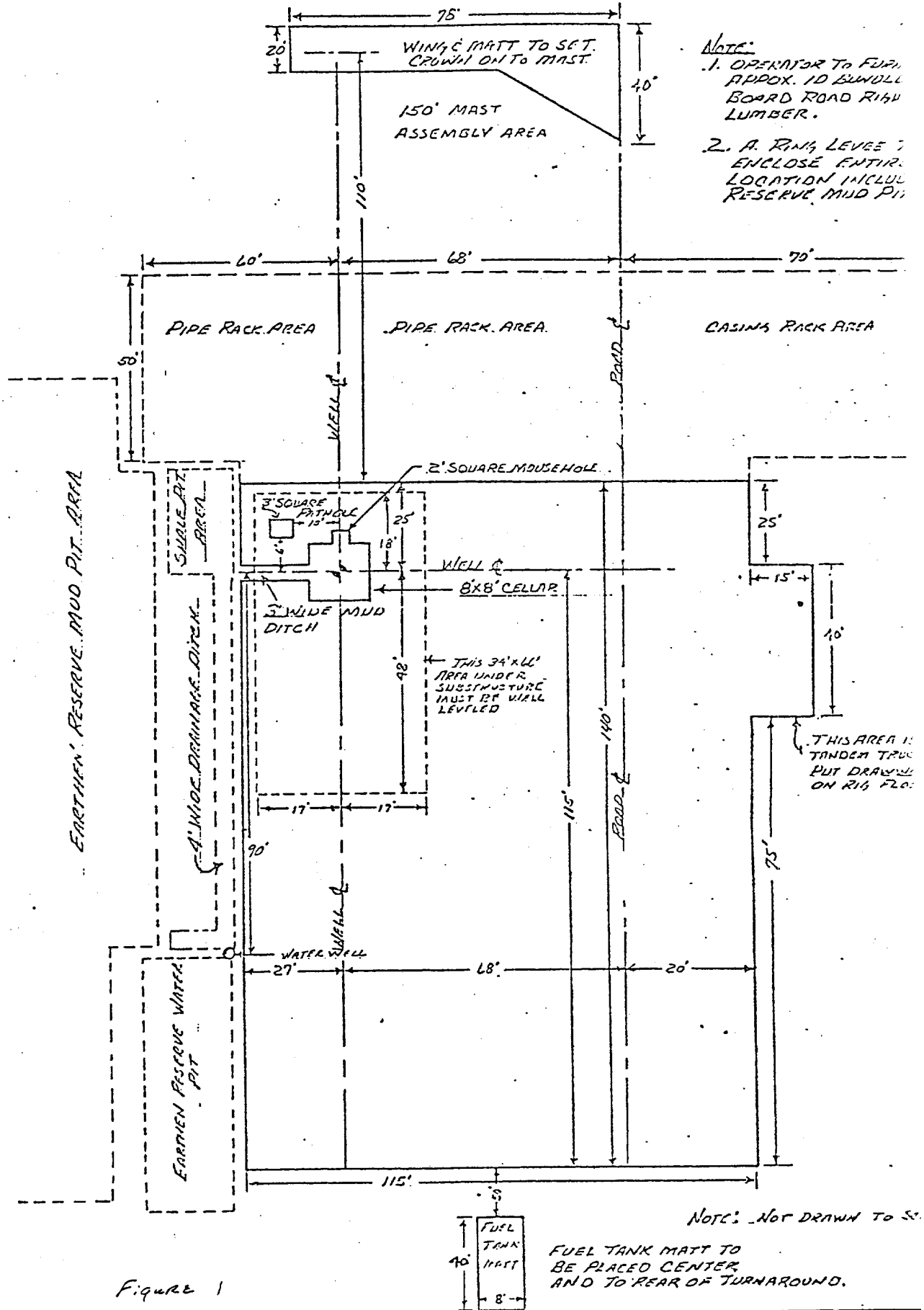
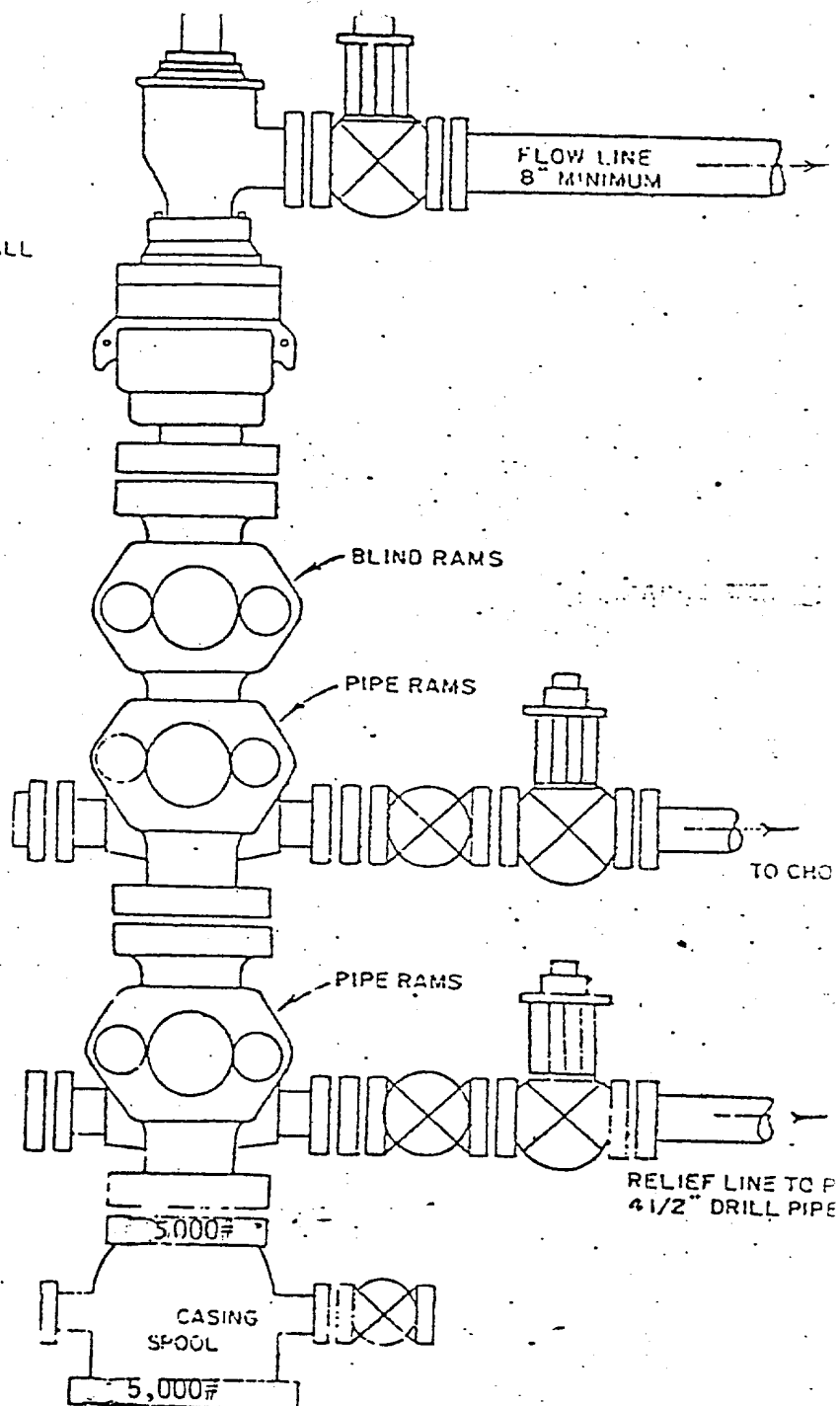


Figure 1

HYDRIL TO BE TESTED TO 5,000 PSI AND ALL
BOP STACK EQUIPMENT BELOW IT TO BE
5,000 PSI WORKING PRESSURE

ALL EQUIPMENT IN CHOKER LINE, RELIEF
LINE AND KILL LINES TO BE 5,000 PSI
WORKING PRESSURE



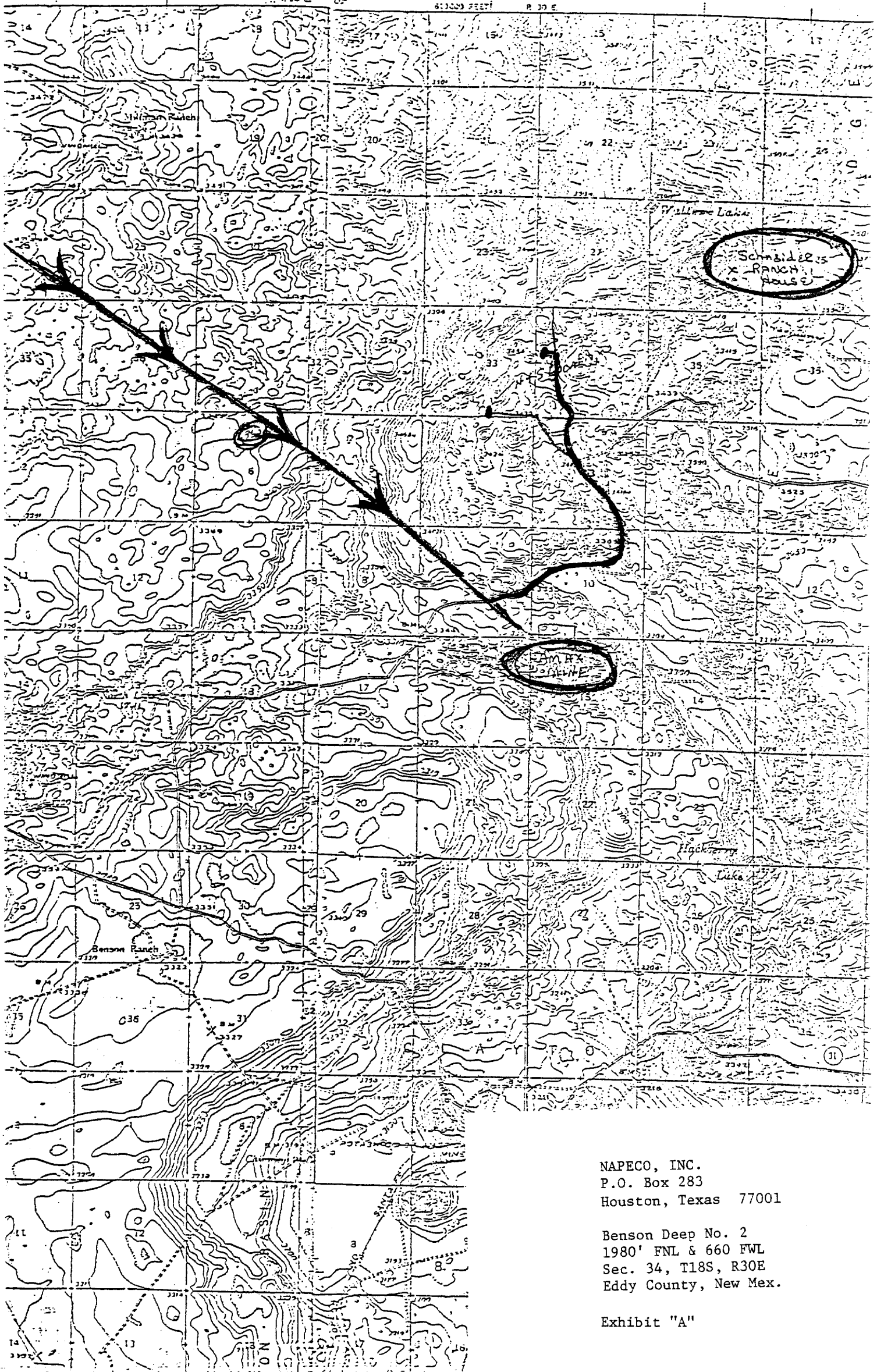
NAPECO INC.

BOP STACK SCHEMATIC

Figure 2

OIL CITY QUAD. NGLE.
15-MINUTE SERIES

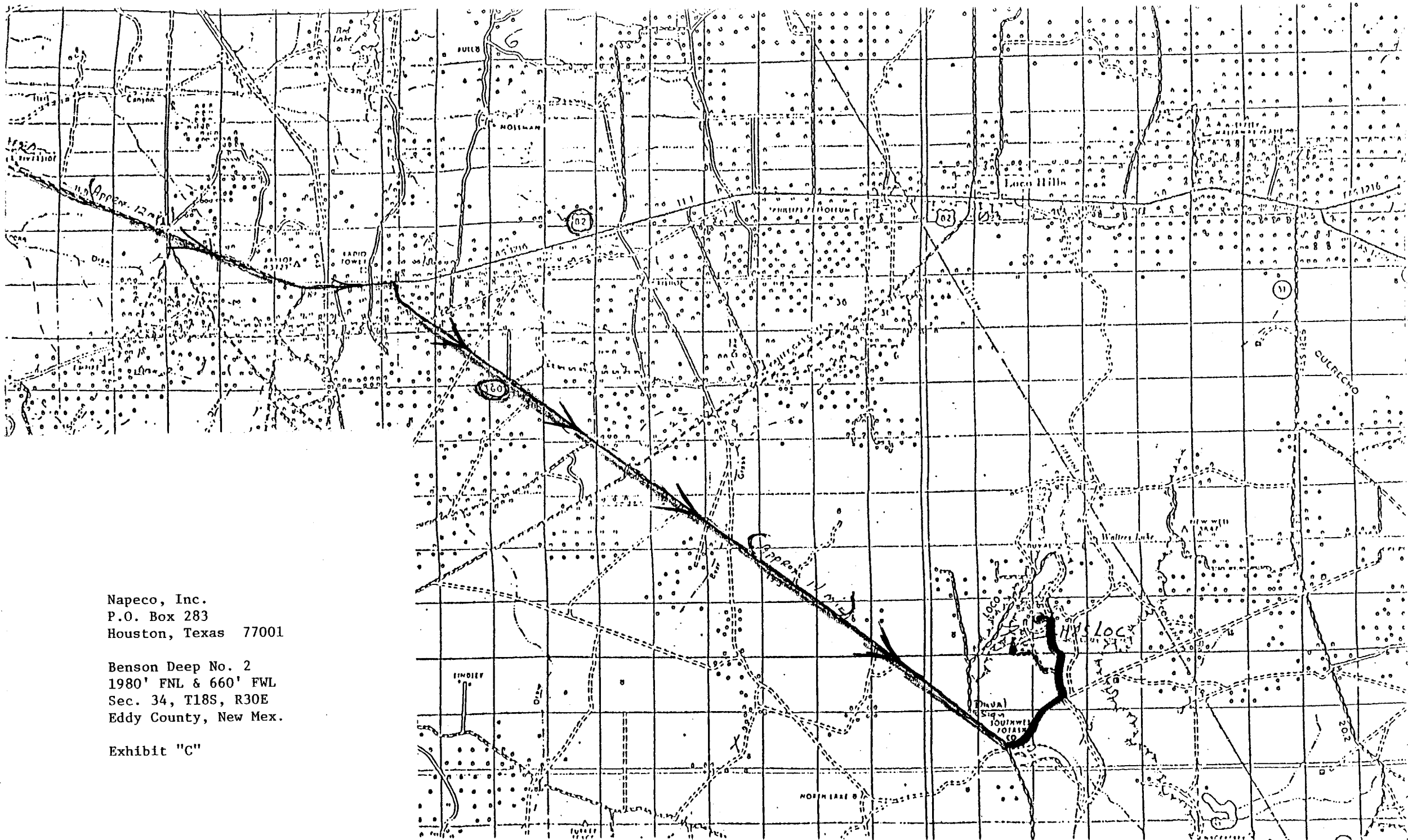
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



NAPECO, INC.
P.O. Box 283
Houston, Texas 77001

Benson Deep No. 2
1980' FNL & 660 FWL
Sec. 34, T18S, R30E
Eddy County, New Mex.

Exhibit "A"



Napeco, Inc.
P.O. Box 283
Houston, Texas 77001

Benson Deep No. 2
1980' FNL & 660' FWL
Sec. 34, T18S, R30E
Eddy County, New Mex.

Exhibit "C"