Form 9-331 C
(May 1963)

NM OIL CONS. COMMISSION
Drawer DD
Artesia, NM 88210

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY Copy to S F

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: LC -061701

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL XX DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ OTHER XX Water Injection SINGLE ZONE ☐ MULTIPLE ZONE ☐

7. UNIT AGREEMENT NAME: Ballard Grayburg San Andres Unit

2. NAME OF OPERATOR: Anadarko Production Company ✓

8. FARM OR LEASE NAME: Tract No. 14

3. ADDRESS OF OPERATOR: P. O. Box 67, Loco Hills, New Mexico 88255

9. WELL NO.: 7

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 400' FSL & 2000' FWL Sec. 8, T18S, R29E SESW
At proposed prod. zone: Same Eddy County, New Mexico

10. FIELD AND POOL, OR WILDCAT: Loco Hills-Queen-Grayburg-San Andres

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: 8 - 18S - 29E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately 7 miles Southwest of Loco Hills, N.M.

12. COUNTY OR PARISH: Eddy

13. STATE: New Mex

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 2700'

16. NO. OF ACRES IN LEASE: 2600

17. NO. OF ACRES ASSIGNED TO THIS WELL: 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 700'

19. PROPOSED DEPTH: 2760'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3516.2' GL

22. APPROX. DATE WORK WILL START*: 8-20-82

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AUG 23 1982
ARTESIA, OFFICE

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12¼"	8-5/8"	24.0#	350'	Approx. 250 sx circulated
7-7/8"	4-1/2"	10.5#	2760'	Approx. 500 sx circulated

1. Rig up rotary tools.
2. Drill 12¼" hole to approx 350'; set & circulate or readymix cement to surface on 8-5/8" casing. Install & test Series 900 Double Ram Hydraulic BOP.
3. Drill 7-7/8" hole to TD (approx. 2760'); possibly run Open Hole Logs.
4. Set & circulate cement on 4½" casing from TD to surface.
5. Perforate and acidize Grayburg Zone.
6. Equip braidenhead and casing head with pipe & valves brought to the surface (valves open as an "attention getting device") of possible tubing, casing or packer leaks.
7. Run 2-3/8" SALTA (internally plastic lined) tubing with 4½" injection packer
8. Set packer approx 50' above top perforations; pressure test casing to NMOCC specifications; unset packer, circulate packer fluid & reset packer.
9. Hook up well head for water injection.
10. Commence water injection in accordance with NMOCC Order #R7000, Case #7572 dated June 11, 1982

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 Truman D. Jones TITLE Field Foreman DATE July 14, 1982

(This space for Federal or State office use)

APPROVED
AS AMENDED
AUG 19 1982
DISTRICT SUPERVISOR

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JUL 19 1982
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U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

PERMIT NO. (Orig. Sgd.) GEORGE H. STEWART APPROVAL DATE

APPROVED BY AUG 19 1982 TITLE

CONDITIONS OF APPROVAL, IF ANY:

Note: A plan of development has been filed in Albuquerque with Minerals Management Services (with Joe Lara).

*See Instructions On Reverse Side

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

MADARKO PRODUCTION COMPANY	Ballard Grayburg SA Unit Tr. 14	Well No. 7
Unit Letter: N	Section: 8	Township: 18 South	Range: 29 East	County: Eddy
Actual Footage Location: 400 feet from the South line and 2000 feet from the West line		
Ground Level Elev.: 3516.2'	Producing Formation: Grayburg	Pool: Loco Hills-Queen-Grayburg-San Andres	Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

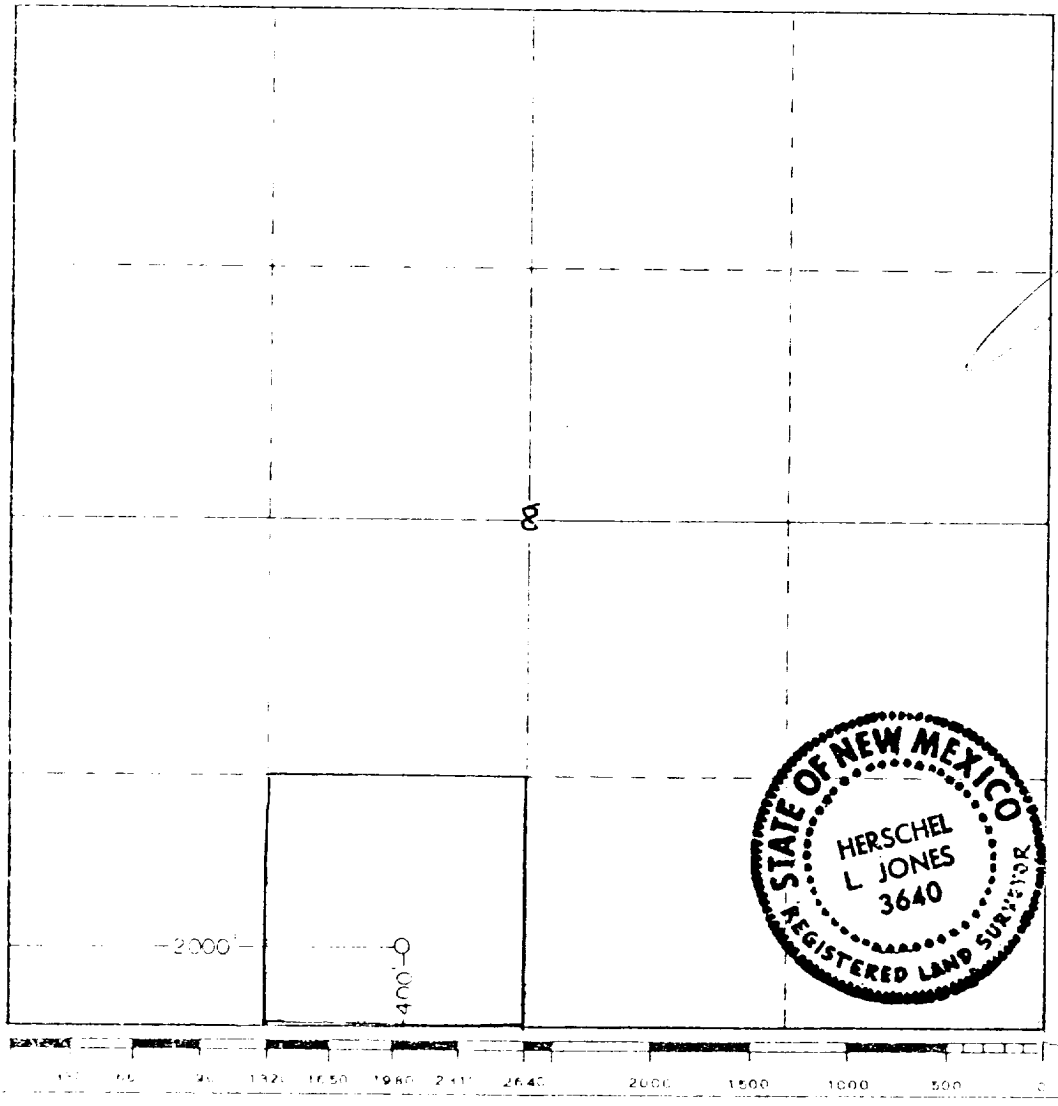
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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?

X 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.

Name: Jerry L. Buckles

Position: Area Supervisor

Company: Anadarko Production Company

Date: July 14, 1982

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: 5/6/82

Registered Professional Engineer and/or Land Surveyor

Certificate No. 3640

DATA SHEET

This data sheet is provided in reference to the attached "Application for Permit to Drill" Anadarko's Ballard Grayburg San Andres Unit Tract 14 Well #7

1. Location: 400' FSL & 2000' FWL Sec. 8, T18S, R29E, Eddy County, New Mexico

2. Elevation: 3516.2' GL

3. Geological Name of Surface Formation: Triassic Doakum (Santa Rosa)

4. Type of Drilling Tools to be utilized: Rotary Tools.

5. Proposed Drilling Depth: 2760'

6. Tops of Important Geological Markers:

T. Salt - - 330	7-Rivers - - 1280
B. Salt - - 900	Queen - - - 1980
Tansill - - 950	Grayburg - - 2340
Yates - - - 980	San Andres - 2675

7. Estimated Depth of Anticipated Water, Oil or Gas:

Oil: - - 2450 - 2675

8. Casing Program:

8-5/8" - 24.0# K-55 or J-55 - New
4-1/2" - 10.5# K-55 or J-55 - New

9. Setting Depth of Casing:

8-5/8" - 350' - approx. 250 sx cement
4-1/2" - 2750' - approx. 500 sx cement

10. Specifications for Pressure Control Equipment: See attached Schematic
This rig will have a Series 600 BOP with 4" Blind Rams, kill line and choke manifold - Koomey Hydraulic controls & accumulator with remote controls. When nippling up, test BOP & Choke to 1000 Psi. Operate BOP equipment once a day, or as directed by Company Representative.

11. Mud Program:

Spud and drill with fresh water Native Mud to a depth of approx. 350'. Drill out from under surface casing with 10# brine water to within 50' of T D while maintaining a Ph of 10. At this point paper & gel will be used to clean hole prior to running O H Log

12. Testing, Logging & Coring Program:

a. Testing: No drill stem tests will be conducted.
b. Coring: No coring is planned but there is a possibility the well will be cored.
c. Logging: Open Hole Logs may be run prior to running 4½" casing.

13. Potential Hazards:

None are expected. Above described BOP should take care of any blowout. Numerous wells have been drilled in this area without problems.

14. Anticipated Starting Date & Duration:

Plans are to begin drilling operations about Aug.20 1982. Approximately 6 days are required to drill the well and 2 weeks for completion.

15. Other Facets:

None

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JUL 19 1982
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ROSWELL, NEW MEXICO

APC 53 Rev. 7-80

Anadarko Production Company

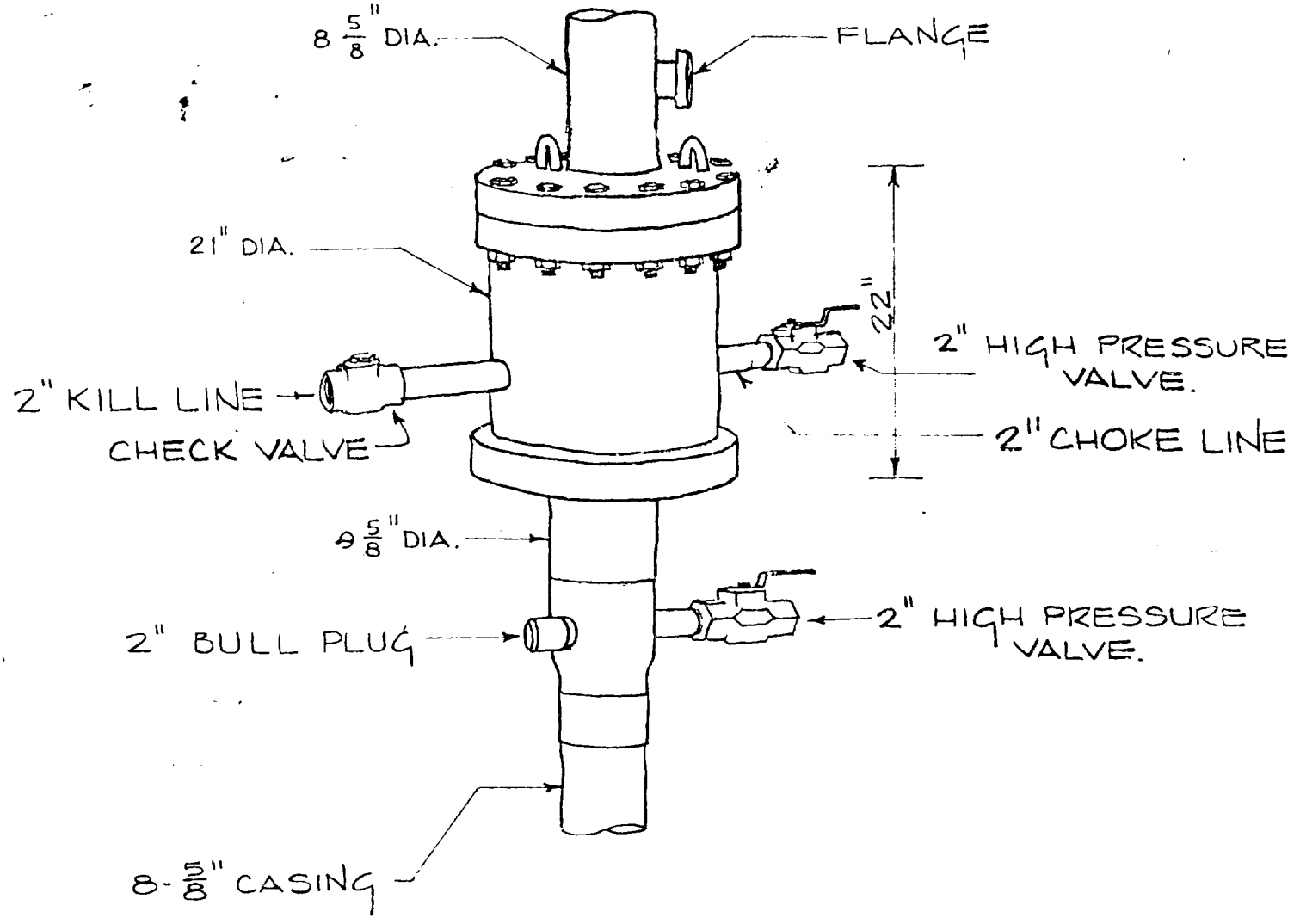
Inter-Department Correspondence

TO

FROM

SUBJECT

DATE JUNE 4, 1982



SHAFFER SERIES 900 BLOW OUT PREVENTER

FOR SALAZAR - 13 RIG. PREVENTER IS BLADDER-TYPE WITH HYDRAULIC RAMS.