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(May 1963)

APR 11 1985

O. C. D.

SUBMIT IN 1 LIGATE\*  
(Other instructions on  
reverse side)Form approved.  
Budget Bureau No. 42-B1425.

30-015-25256

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

## 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

MYCO Industries, Inc. ✓

3. ADDRESS OF OPERATOR

207 South Fourth Street - Artesia, NM 88210

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

At surface

1980' FSL &amp; 660' FWL (Unit L)

At proposed prod. zone Same

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

Approximately 25 miles ESE of Artesia, New Mexico

15. DISTANCE FROM PROPOSED\*

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

660'

16. NO. OF ACRES IN LEASE

812.67

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.

19. PROPOSED DEPTH

3200'

20. ROTARY OR CABLE TOOLS

Rotary

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

5438.0' GR

22. APPROX. DATE WORK WILL START\*

ASAP

23.

## PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	23-24# K-55	350' SC	300 sacks - circulate
7-7/8"	5-1/2"	15.5# K-55	TD	450 sacks

We propose to drill and test the San Andres and intermediate formations. Approximately 350' of 8-5/8" casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW, Gel & LCM to 350'; brine to TDBOP PROGRAM: BOP's will be installed at the offset and tested

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

Clifton May

TITLE

Regulatory Agent

DATE

April 1, 1985

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

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.

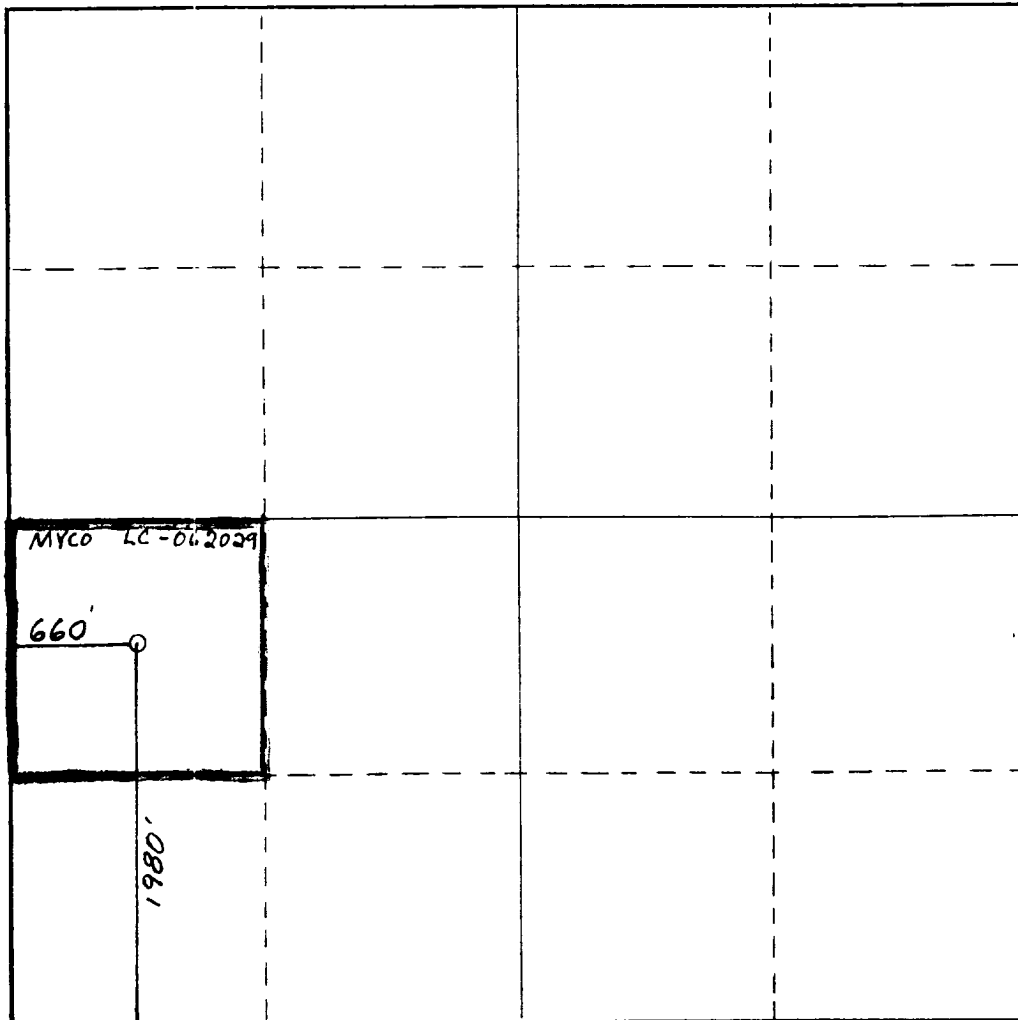
Operator <b>MYCO INDUSTRIES</b>			Lease <b>Roadrunner Federal</b>		Well No. <b>3</b>
Unit Letter <b>L</b>	Section <b>35</b>	Township <b>18 South</b>	Range <b>29 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>1980</b> feet from the <b>South</b> line and <b>660</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3438.</b>	Producing Formation <b>SAN ANTONIO</b>		Pool <b>SEVEN RIVERS, QUEEN, GRAYBLES,</b> <b>SAN ANTONIO</b>		Dedicated Acreage: <b>40</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 \_\_\_\_\_

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.

*Clifton May*

Name

Clifton May

Position

Regulatory Agent

Company

MYCO Industries, Inc.

Date

April 1, 1985

*DAN R. REDDY*  
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 are true and correct to the best of my knowledge and belief.  
REGISTERED PROFESSIONAL ENGINEER

Date Surveyed

March 26, 1985

Registered Professional Engineer and/or Land Surveyor

*Dan R. Reddy*

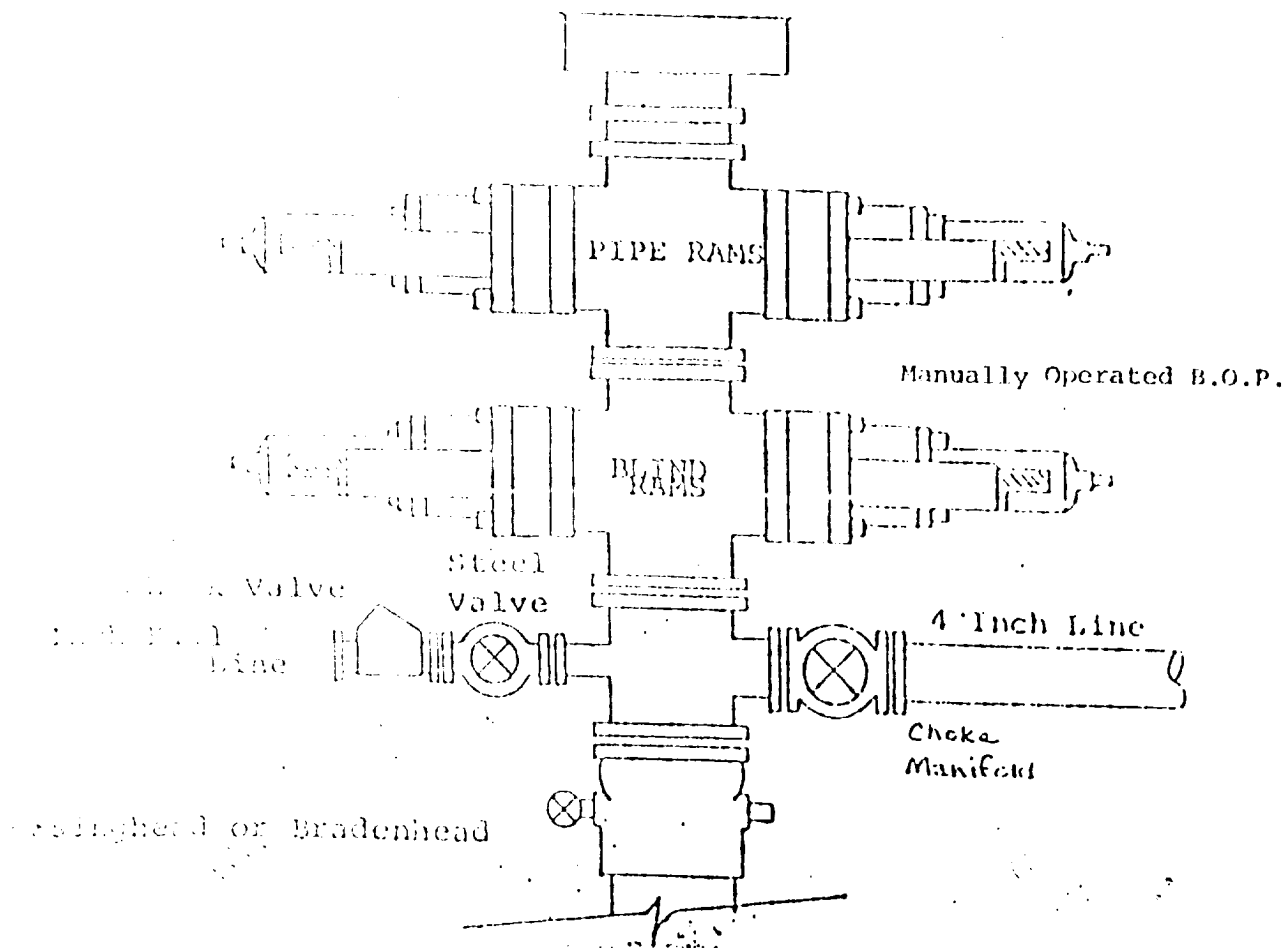
Certificate No.

NM PE&LS NO. 5412

# EXHIBIT B

## BOP DIAGRAM

RATED 3000<sup>#</sup>



MYCO INDUSTRIES, INC.  
Roadrunner Federal #3  
1980' FSL & 660' FWL  
Sec. 35-T18S-R29E  
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, MYCO Industries, Inc. submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geologic surface formation is sandy alluvium.
2. The estimated tops of geologic markers are as follows:

Sever Rivers	1450'
Queen	2120'
Grayburg	2500'
San Andres	2950'
TD	3200'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approximately 200-240'

Oil or Gas: 2560'

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:

Samples: 10' samples caught out from under surface casing to TD

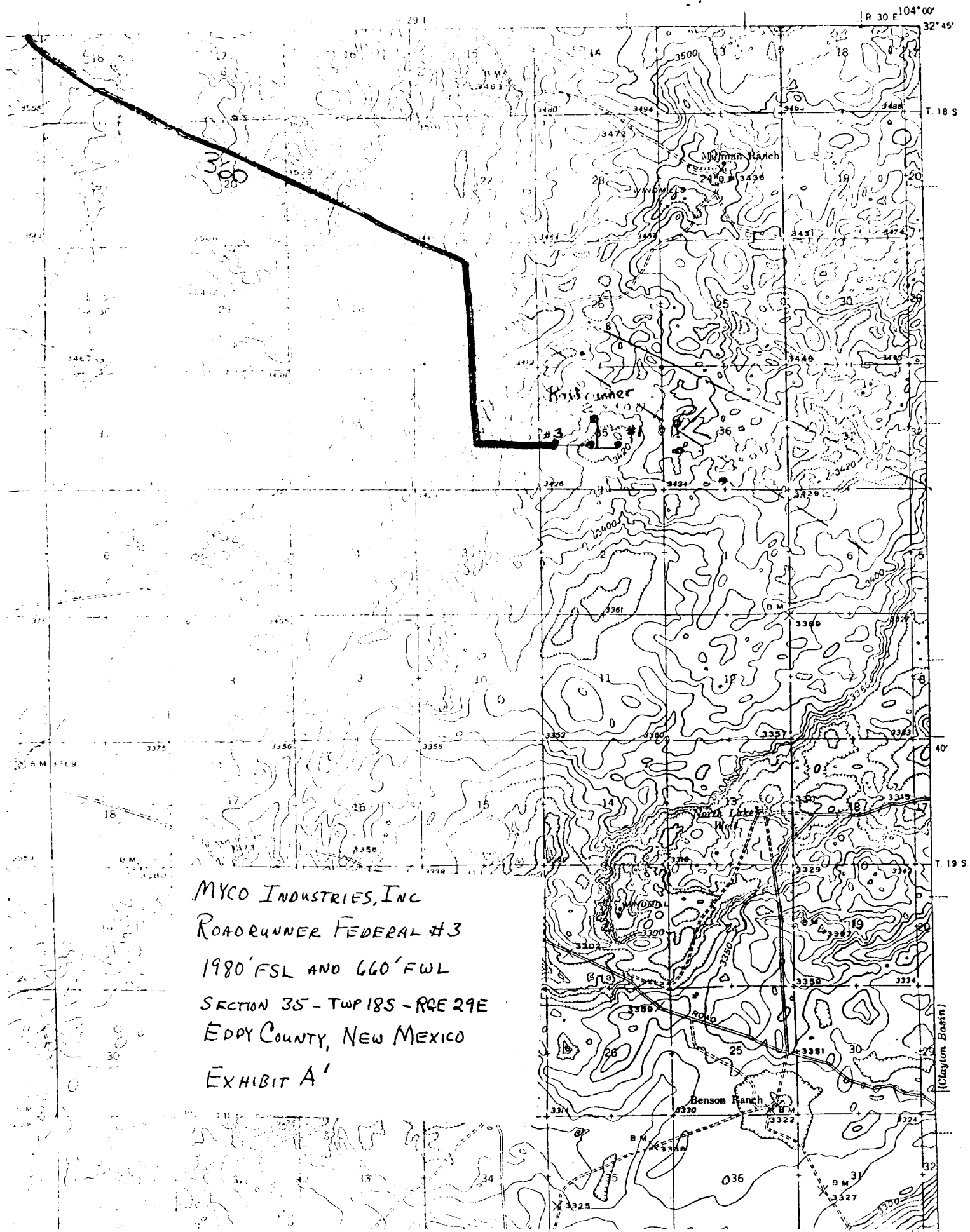
DST's: As warranted

Coring: None

Logging: CNL/LDT from TD to surface casing with GR-CNL on to surface; DLL w/Rxo from TD to surface casing.

9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

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



# VALES PETROLEUM CORP.

## Exhibit C

