

~~REVISED~~  
**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

SUBMIT IN 1 ICATE  
(Other instructions on  
reverse side)

30-015-26603  
Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

**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

IN-FILL WELL

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

**2. NAME OF OPERATOR**

AVON ENERGY CORPORATION

Ph. 915-685-4338

**3. ADDRESS OF OPERATOR**

310 West Wall, Suite 915

Midland, Texas 79701

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

At surface

(Unit A) 140' FNL 1270' FEL Sec. 29-17S-31E

At proposed prod. zone

Same

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

5.5 air miles east 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)

1270'

**16. NO. OF ACRES IN LEASE**

1786.15

**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.

740'±

**19. PROPOSED DEPTH**

3500'

**20. ROTARY OR CABLE TOOLS**

Rotary

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

3721 GL

**22. APPROX. DATE WORK WILL START\***

As Soon As Possible

**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"	24.0# J-55	600'±	300 sx Class C (Circulate)
7-7/8"	5-1/2"	15.5# K-55	3500'±	200 sx Class C + 600 sx Lite

Propose to drill to about 3500' and complete as an in-fill non-standard Grayburg producer. State approval of the unorthodox location is pending. Set 5-1/2" production casing to TD, cemented with sufficient cement to isolate all porosity zones. Selectively perforate favorable Grayburg zones.

Run 2-7/8" tubing to perforations and treat formation with 15% HCL. Sand-frac formation and test to tanks.

See attached Drilling Data and Surface Use Plan.

The surface grazing lessee has been advised of the proposed operation.

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

*Jerry W. Long*  
JERRY W. LONG

TITLE Permit Agent

DATE December 18, 1990

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

12-28-90

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS

\*See Instructions On Reverse Side

Title 18, U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

# OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>Avon Energy Corporation</b>			Lease <b>Turner "B" Federal</b>		Well No. <b>91</b>
Unit Letter <b>A</b>	Section <b>29</b>	Township <b>17 South</b>	Range <b>31 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>140</b> feet from the <b>North</b> line and <b>1270</b> feet from the <b>East</b> line					
Ground level Elev. <b>3721</b>	Producing Formation <b>Grayburg</b>		Pool <b>Grayburg-Jackson</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).

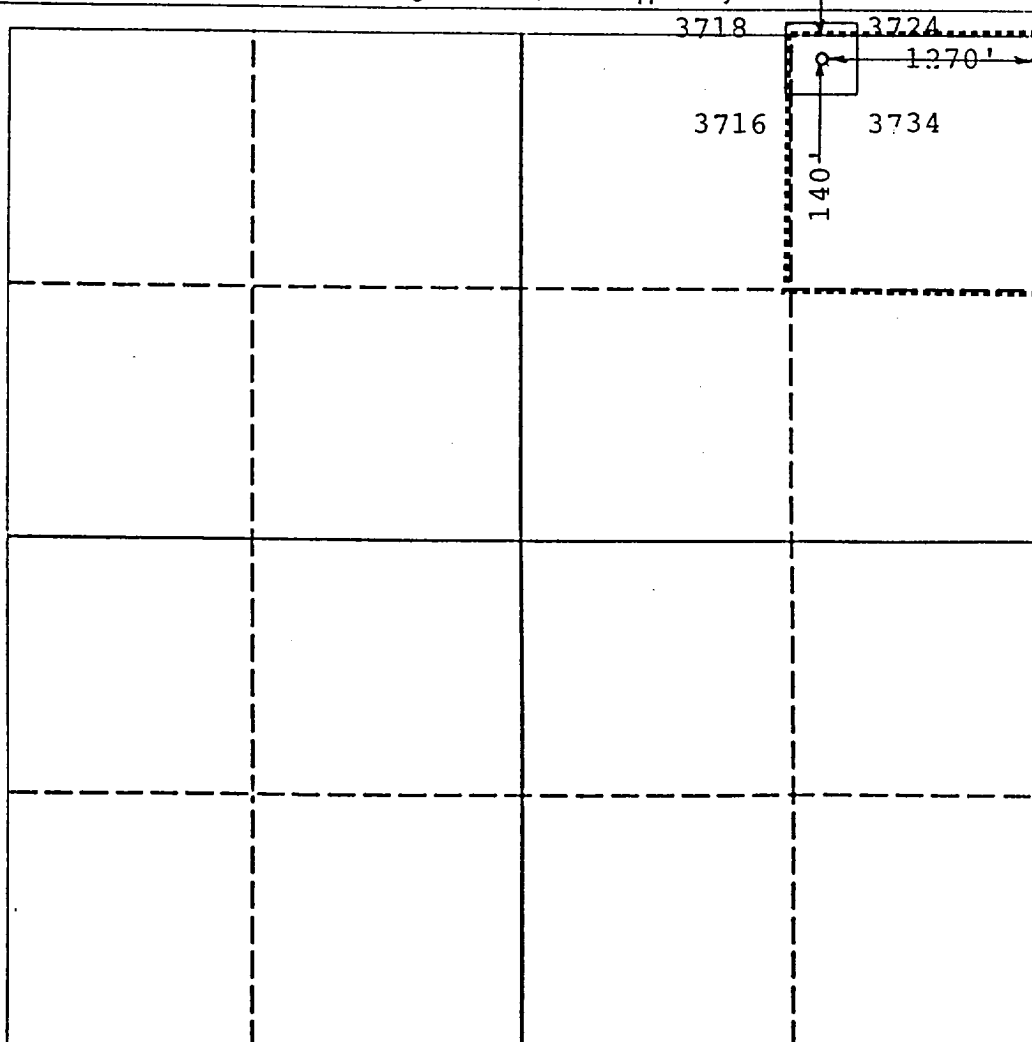
**SINGLE LEASE - LC 029395-B**

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



### OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

*Jerry W. Long*  
Printed Name  
**JERRY W. LONG**

Position

**Permit Agent**

Company

**AVON ENERGY CORPORATION**

Date

**December 18, 1990**

### SURVEYOR CERTIFICATION

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

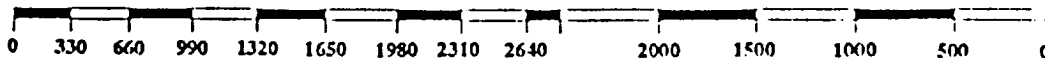
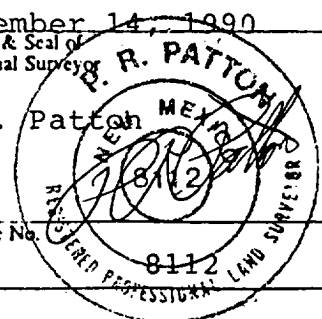
**December 14, 1990**

Signature & Seal of  
Professional Surveyor

**P.R. Patton**

Certificate No.

**8112**



MULTI-POINT SURFACE USE AND OPERATIONS PLAN  
AVON ENERGY CORPORATION  
No.91 Turner "B"

G. Cuts and Fills: Construction of the drill pad will require about 5' of fill on the northwest side.

H. Gates, Cattle Guards: None necessary

3. LOCATION OF EXISTING WELLS:

A. See Exhibit B

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. Temporary production and storage facilities will be located on the well pad.

B. An application for permanent flow lines will be filed at a later date, if the well is commercial.

C. Portions of the well pad will overlap pipelines owned by CONOCO and TEXAS-NEW MEXICO PIPELINE companies. The pipeline companies offer no objection to the operation, if the pipelines are located and protected from damage.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water for drilling and completion will be obtained from a commercial source and trucked over existing roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche for surfacing the road and pad will be purchased from a Federal pit located in the SESW Sec.20-17S-31E.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill cuttings will be disposed of in the drilling pits.

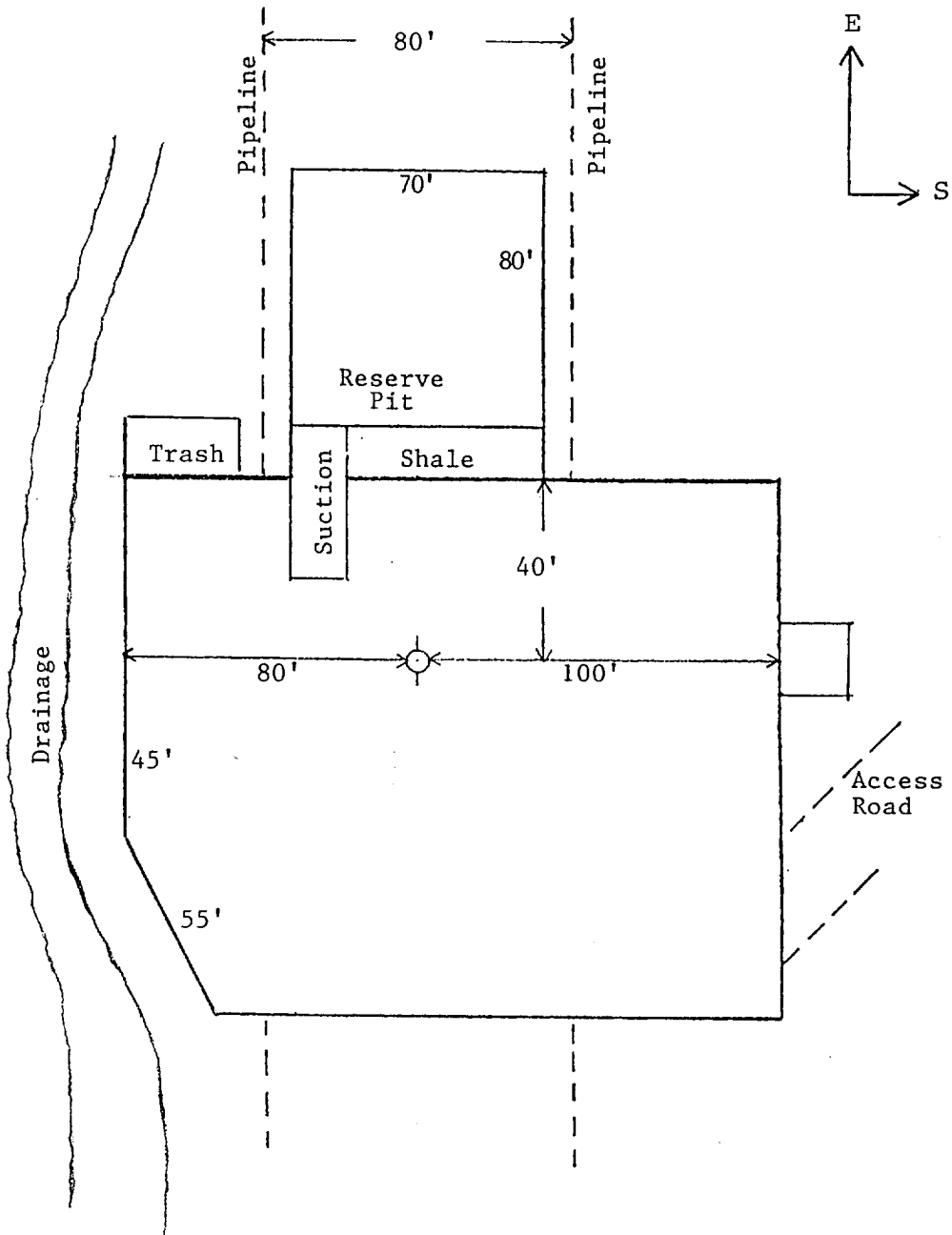
B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

C. Water produced during test will be disposed of in the drilling pits. Oil produced during test will be stored in test tanks until sold.

D. Current laws and regulations pertaining to the disposal of human waste will be complied with.

AVON ENERGY CORPORATION  
No.91 Turner "B"  
NENE Sec.29-17S-31E  
Eddy County, N.M.

LC 029395-B



REVISED

DRILL PAD LAYOUT

EXHIBIT C

SUPPLEMENTAL DRILLING DATA

AVON ENERGY CORPORATION  
No.91 Turner "B"  
NENE Sec.29-17S-31E  
Eddy County, N.M.

LC 029395-B

The following items supplement Form 3160-3 in accordance with instructions contained in Onshore Oil and Gas Order No.1:

1. SURFACE FORMATION: Recent

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Rustler	600'	Queen	2550'
Salt	700'	Grayburg	2950'
Yates	1500'	San Andres	3350'
Seven Rivers	1750'		

3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Water - Possible groundwater from 0' to 300'

Oil - 2000' to TD

Gas - None anticipated

4. PROPOSED CASING PROGRAM:

8-5/8" Casing - Set 600' of 24#, J-55, Surface Casing  
Pressure tested to 1000 psi.

5-1/2" Casing - Set 3500' of 15.5#, K-55, Production Casing  
Pressure tested to 1500 psi.

5. PRESSURE CONTROL EQUIPMENT: Install a 2M, Series 600, Type "E" Shaffer Double Hydraulic BOP on the 8-5/8" surface casing prior to drilling into the Queen. Due to depleted nature of the reservoir, it is requested that a waiver be granted to test pressure control equipment to 1000 psi. using rig pump, instead of the normal 2000 psi. test. Exhibit D is a diagrammatic sketch of the BOP equipment.

6. CIRCULATING MEDIUM: Drill with fresh water from surface to setting depth of surface casing. Drill remainder of hole with brine water, using additives to control water loss, viscosity and mud weight.
7. AUXILIARY EQUIPMENT: Equipment will include pit level monitor, a full-opening safety valve and a gas detector.
8. TESTING, LOGGING AND CORING PROGRAM:
  - Samples: Samples will be caught at 10' intervals from below the surface casing to total depth.
  - DST and Cores: None anticipated
  - Logging: Density-Neutron log  
Gamma Ray-Neutron log  
Mud Log
9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:
  - No abnormal pressures or temperatures anticipated.
  - Precautions will be taken to monitor possible traces hydrogen sulfide gas in the Grayburg.
10. ANTICIPATED STARTING DATE: Drilling will commence upon Federal and State approval. Drilling and completion will require about 30 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

AVON ENERGY CORPORATION  
No.91 Turner "B"  
NENE Sec.91-17S-31E  
Eddy County, N.M.

LC 029395-B

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a road map showing the location of the proposed well as staked. The well is approximately 5.5 miles east of Loco Hills, N.M.
- B. Directions: Go east from Loco Hills, N.M. on U.S. 82 a distance of 6.0 miles. Go south on Hwy.31 for 0.25 mile. Turn west on lease road and go 0.1 mile to No.59 well. Go 500' northwest to drillsite.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The new road will be about 500' long and about 14' wide.
- B. Surfacing Material: The new road and well pad will be surfaced with 6" of caliche.
- C. Maximum Grade: Less than 5%
- D. Turnouts: No traffic turnouts are necessary.
- E. Drainage Design: The road will be constructed with a 6" crown and appropriate water turnouts to provide proper drainage.
- F. Culverts: None necessary

G. Cuts and Fills: Construction of the drill pad will require about 5' cut on the southeast side and 5' of fill on the northwest side. Surface soil will be stock-piled on the edge of the location for use in rehabilitating the disturbed area.

H. Gates, Cattle Guards: None necessary

3. LOCATION OF EXISTING WELLS:

A. See Exhibit B

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. Temporary production and storage facilities will be located on the well pad.

B. An application for permanent flow lines will be filed at a later date, if the well is commercial.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water for drilling and completion will be obtained from a commercial source and trucked over existing roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche for surfacing the road and pad will be purchased from a Federal pit located in the SESW Sec.20-17S-31E. Topsoil will be stock piled at the edge of the location for rehabilitation.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

C. Water produced during test will be disposed of in the drilling pits. Oil produced during test will be stored in test tanks until sold.

D. Current laws and regulations pertaining to the disposal of human waste will be complied with.



E. Trash, waste paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Location of the trash pit is shown on Exhibit "C".

F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

A. None required

9. WELL SITE LAYOUT:

A. The wellsite, surrounded by a 400' X 400' area has been surveyed and flagged.

B. Dimensions and relative location of the drill pad and pit are shown on Exhibit C.

C. Construction of the pits and drill pad will require special supervision. Two east-west pipelines, which cross a portion of the drill pad, will be flagged and the pad will be built up with about 3' of soil to protect the pipelines from damage.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite in an aesthetically pleasing condition as possible.

B. Any unguarded pits containing fluids will be fenced until they are filled.

C. If the well is non-productive the disturbed area will be rehabilitated to surface owner requirements and will be accomplished as expeditiously as possible.

11. OTHER INFORMATION:

A. Topography: The wellsite and access road are located in the Querecho Plains. The project area drains to the west toward Cedar Lake Draw. Construction of the drill pad and road will require leveling and surfacing with caliche.

B. Soil: The surface soil is sandy with caliche and chert inclusions.

- C. Flora and Fauna: Vegetation consists of mesquite, sagebrush, yucca, and various weeds and grasses. Ground cover is about 10%. Wildlife in the area is that typical of semi-arid desert land, such as coyotes, rodents, reptiles and birds.
- D. Ponds or Streams: None
- E. Residences and Other Structures: None in this area.
- F. Archaeological, Historical and Other Cultural Sites: Archaeological Services Consultants of Roswell, N.M., will furnish an Archaeological report and recommendations.
- G. Land Use: The surface is used for cattle grazing.
- H. Surface Ownership: The drillsite and access road are located on Public surface. The grazing lessee is Williams & Son Cattle Company, Box 30, Maljamar, New Mexico.

12. OPERATOR'S REPRESENTATIVE:

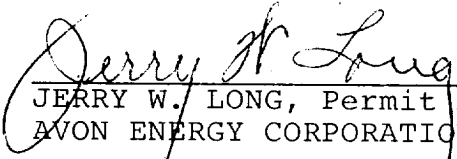
Representative responsible for assuring compliance with the approved Surface Use Plan:

Mr. Robert Setzler  
P.O. Box 38  
Loco Hills, New Mexico 88255  
Phone 505-677-2360

13. CERTIFICATION:

I hereby certify that I, or person 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; that the work associated with the operations proposed herein will be performed by AVON ENERGY CORPORATION and its sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

November 27, 1990  
Date:

  
JERRY W. LONG, Permit Agent for:  
AVON ENERGY CORPORATION

PERTINENT INFORMATION

For

AVON ENERGY CORPORATION  
No.91 Turner "B"  
NENE Sec.29-17S-31E  
Eddy County, N.M.

<u>LOCATED:</u>	5.5 air miles east of Loco Hills, New Mexico
<u>FEDERAL LEASE NUMBER:</u>	LC 029395-B
<u>LEASE ISSUED:</u>	June 13, 1934 - HBP
<u>ACRES IN LEASE:</u>	1,786.15 Ac.
<u>RECORD LESSEE:</u>	Atantic Richfield Company
<u>BOND COVERAGE:</u>	Statewide Bond of Avon Energy Corporation pending
<u>AUTHORITY TO OPERATE:</u>	Assignment of Operating Rights
<u>SURFACE OWNERSHIP:</u>	Federal
<u>GRAZING PERMITTEE:</u>	Williams & Son Cattle Co. Box 30 Maljamar, New Mexico 88264 Phone 505-676-2293
<u>POOL RULES:</u>	General Oil Rules - 40 Ac. Spacing
<u>EXHIBITS:</u>	A. Lease and Contour Map B. Road and Well Map C. Rig Layout D. BOP Diagram

This is a detailed topographic map of a region in the western United States, likely near the Idaho-Montana border. The map features numerous contour lines indicating elevation, with labels such as 3500, 3600, 3700, and 3800. Key geographical features include the town of Geyserburg, Jackson, and the Loco Hills. A road labeled 'Hwy 82' runs horizontally across the middle of the map. A 'Drillsite' is marked with a black dot and labeled 'LC 029395-B'. Other labels include 'Quarry', 'Pipeline', 'Field', 'Lake', and 'Hill'. The map is overlaid with a grid of latitude and longitude lines, with coordinates like 37°01' and 114°01' visible. A scale bar indicates a distance of 6.0 miles.

EXHIBIT A

LEASE AND CONTOUR MAP

LC 029395-B

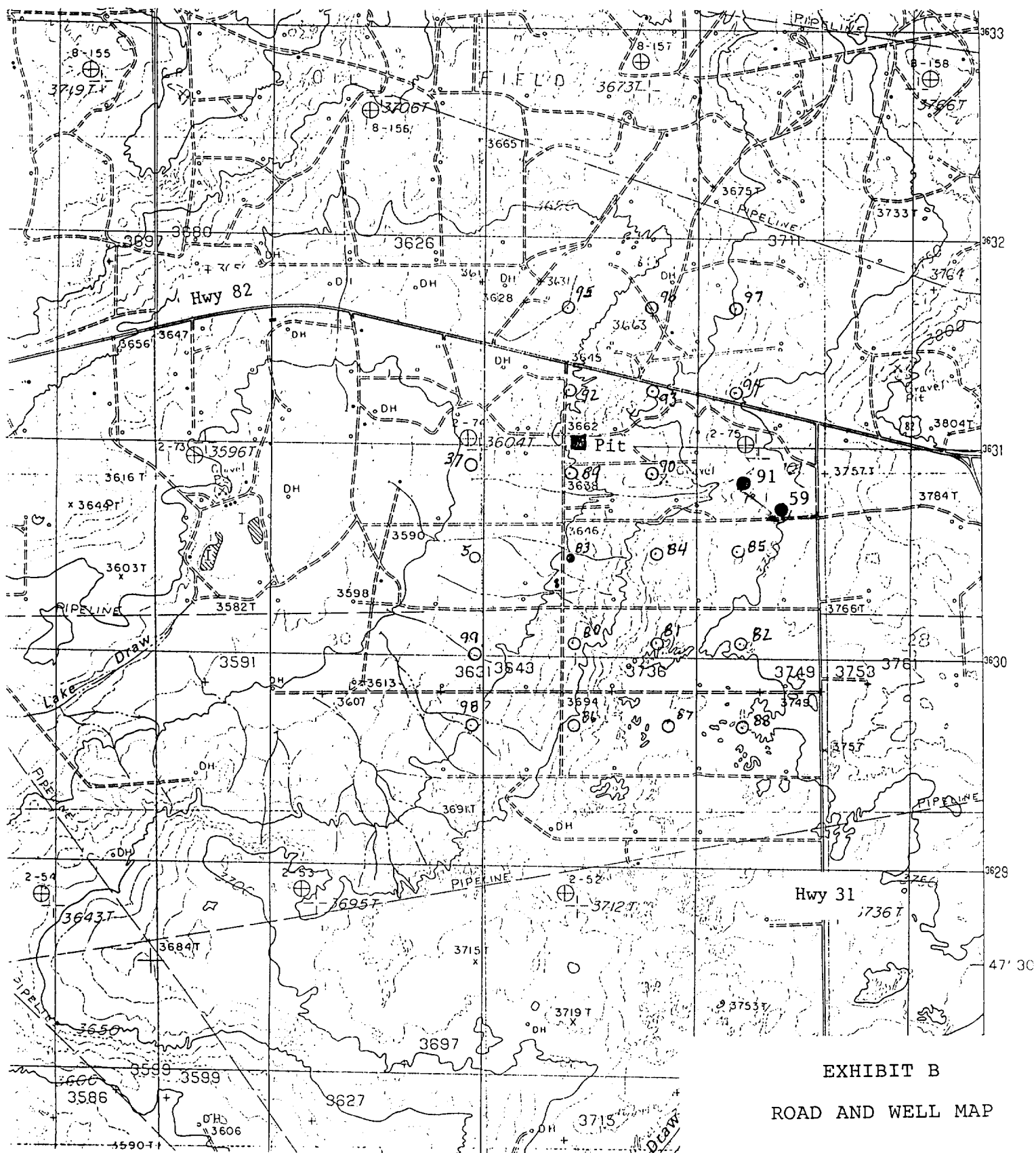
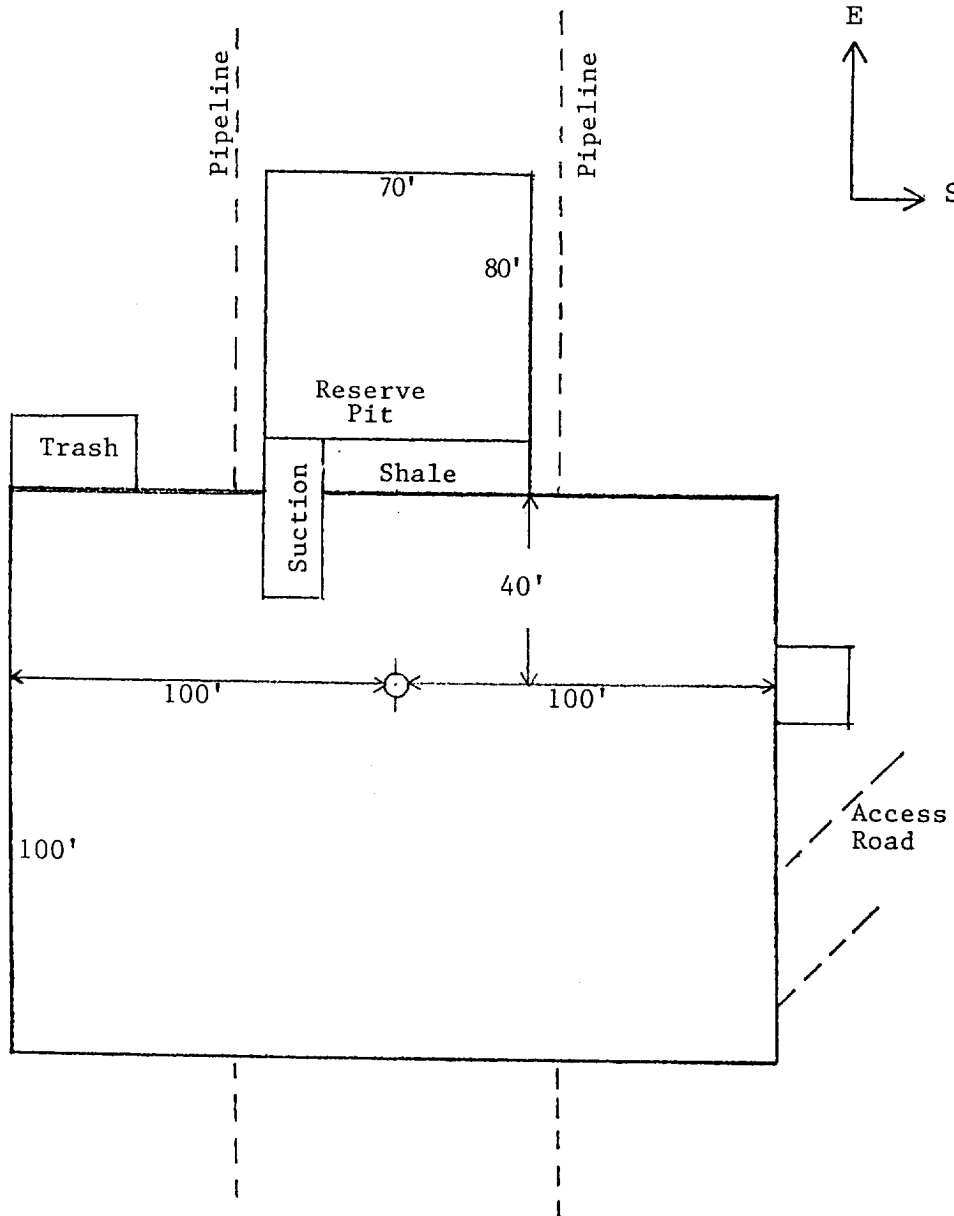


EXHIBIT B

ROAD AND WELL MAP

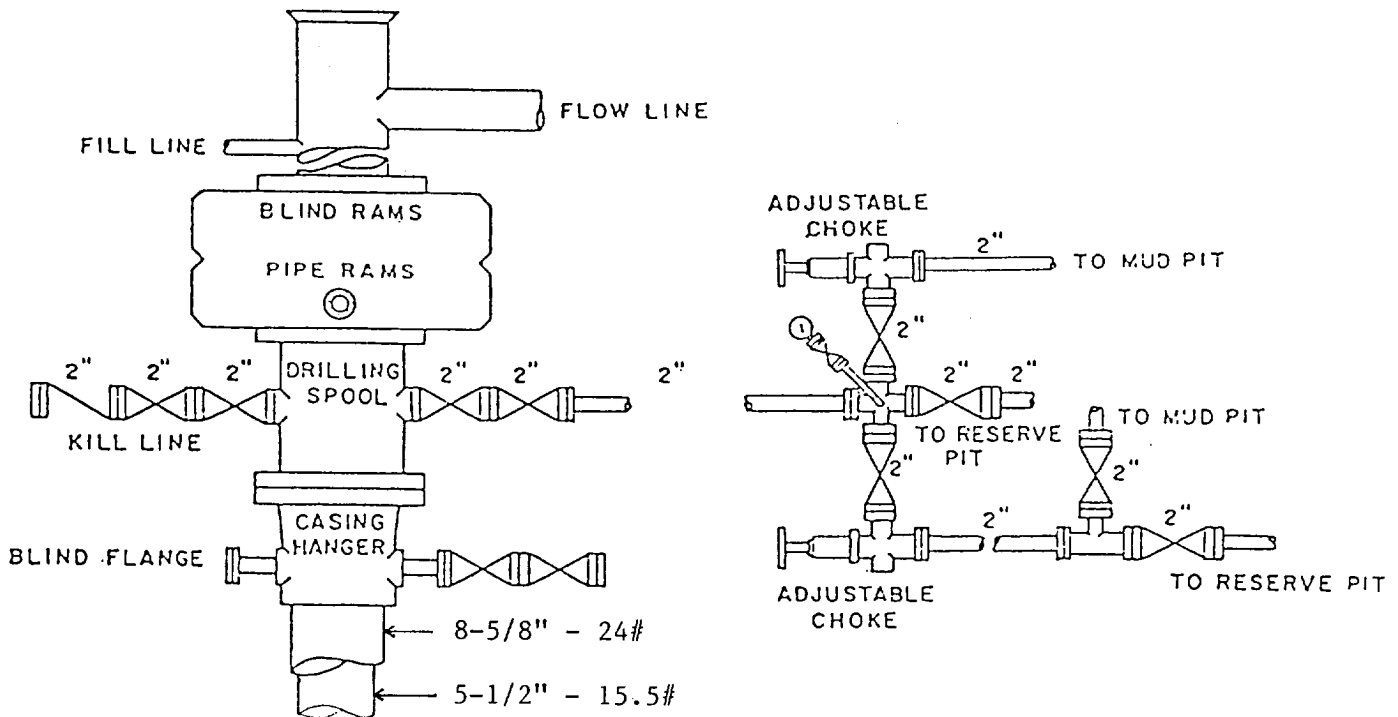
AVON ENERGY CORPORATION  
No.91 Turner "B"  
NENE Sec.29-17S-31E  
Eddy County, N.M.



DRILL PAD LAYOUT

EXHIBIT C

AVON ENERGY CORPORATION  
No.91 Turner "B"



BOP DIAGRAM

2000# Working Pressure  
Rams Operated Daily