

505 Marquette NW
Suite 815
Albuquerque, New Mexico 87125

5 JAN 1983

RECEIVED

Bel-Dyn, Inc. Properties
P. O. Box 136
Lovington, New Mexico 88260

JAN 06 1983

O. C. D.
ARTESIA, OFFICE

Dear Sir:

Your application for Permit to Drill well No. 3 Hale Federal in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 1, T.19S., R.30E., Eddy County, New Mexico, lease NM-0560353, to a depth of 3400 feet to test the Seven Rivers and Queen formations in the oil-potash area, is hereby approved as amended by stipulations attached to the application.

One copy of the application is returned herewith. Please notify the District Supervisor, Bureau of Land Management, Roswell, New Mexico, in sufficient time for a representative to witness all cementing operations.

Sincerely yours,

(Orig. Signed) - Michael F. Reitz

for Gene F. Daniel

Enclosure

cc:
✓ NMOC (2)
BLM - Carlsbad
SCR
DMM - Mining (2)
Regional Files
Roswell District Files
Artesia Sub-District
Suspense File
ARF
RCF

JAGillham/ml1/12-29-82

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30-015-24375

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

2. NAME OF OPERATOR
 BEL-DYN, INC. PROPERTIES, ARTESIA, OFFICE
 O. C. D. (Attn: Mr. Don Bell)
 Phone 505-396-3062

3. ADDRESS OF OPERATOR
 P. O. Box 136, Lovington, New Mexico 88260

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface: 1980' FNL & 990' FWL of Section (SW 1/4 NW 1/4)
 At proposed prod. zone: same (Unit "E")

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 9 1/2 air miles south-southeast of Loco Hills, N. M.

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 738'

16. NO. OF ACRES IN LEASE
 2160.32

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.
 1090'

19. PROPOSED DEPTH
 3400' Queen

20. ROTARY OR CABLE TOOLS
 Cable

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3519 G.L.

22. APPROX. DATE WORK WILL START*
 January 3, 1983

5. LEASE DESIGNATION AND SERIAL NO.
 NM 0560353

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 --

7. UNIT AGREEMENT NAME
 --

8. FARM OR LEASE NAME
 HALE FEDERAL

9. WELL NO.
 3

10. FIELD AND POOL, OR WILDCAT
 X Shugart (Y, SR, Q, Gb)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 1-19S-30E

12. COUNTY OR PARISH
 Eddy

13. STATE
 NM

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24.0#	650'	Sufficient to circulate
8"	5 1/2"	13.0#	3000'	150 sacks
5"	--	--	3400'	--

It is planned to set the 5 1/2" casing on top of the Queen formation and complete the well open-hole.

- Attached are:
- Well Location & Acreage Dedication Plat
 - Supplemental Drilling Data
 - Surface Use Plan

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OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

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: James A. Knaut TITLE: Agent DATE: December 17, 1982

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Posted by
JAG-1 & JF B
1-14-83

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
Supersedes O-128
Effective 10-65

All distances must be from the outer boundaries of the Section

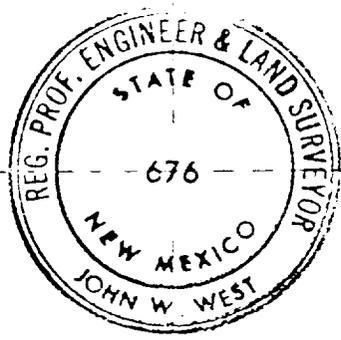
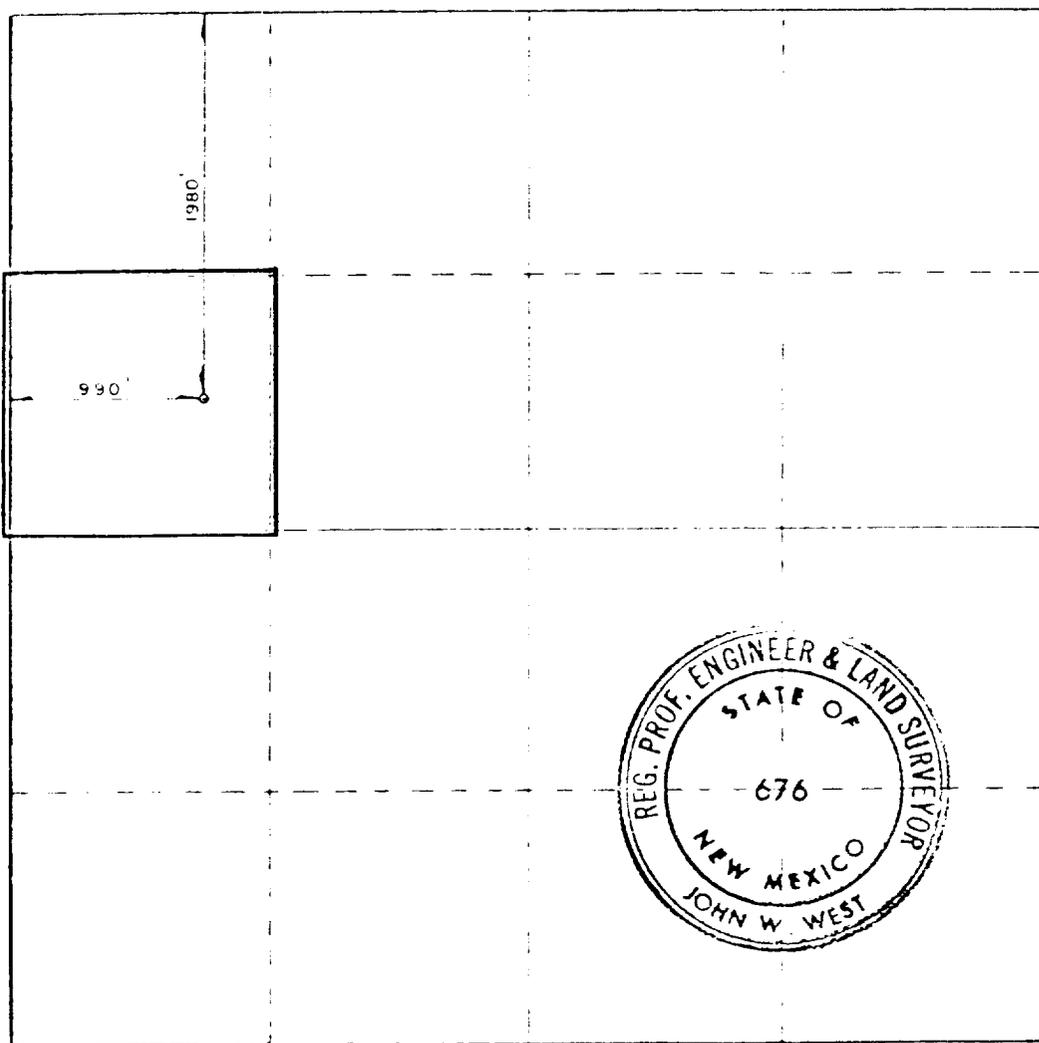
BEL-DYN, INC. PROPERTIES			Lease HALE FEDERAL		Well No. 3		
Range E	Section 1	Township 19S	Range 30E	County EDDY			
Actual Surface Location of Well:							
1980	feet from the	NORTH	line and	990	feet from the	WEST	line
Ground Level Elev. 3518.5	Producing Formation Seven Rivers & Queen		Foot	Shugart (Y-SR-Q-Gb)		Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership 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 _____

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

No oil will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-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.

James A. Knauf

James A. Knauf

Agent

BEL-DYN, INC. PROPERTIES

December 17, 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.

11/26/82

Registered Professional Engineer and Land Surveyor

John W. West

John W. West N.M. #676

SUPPLEMENTAL DRILLING DATA

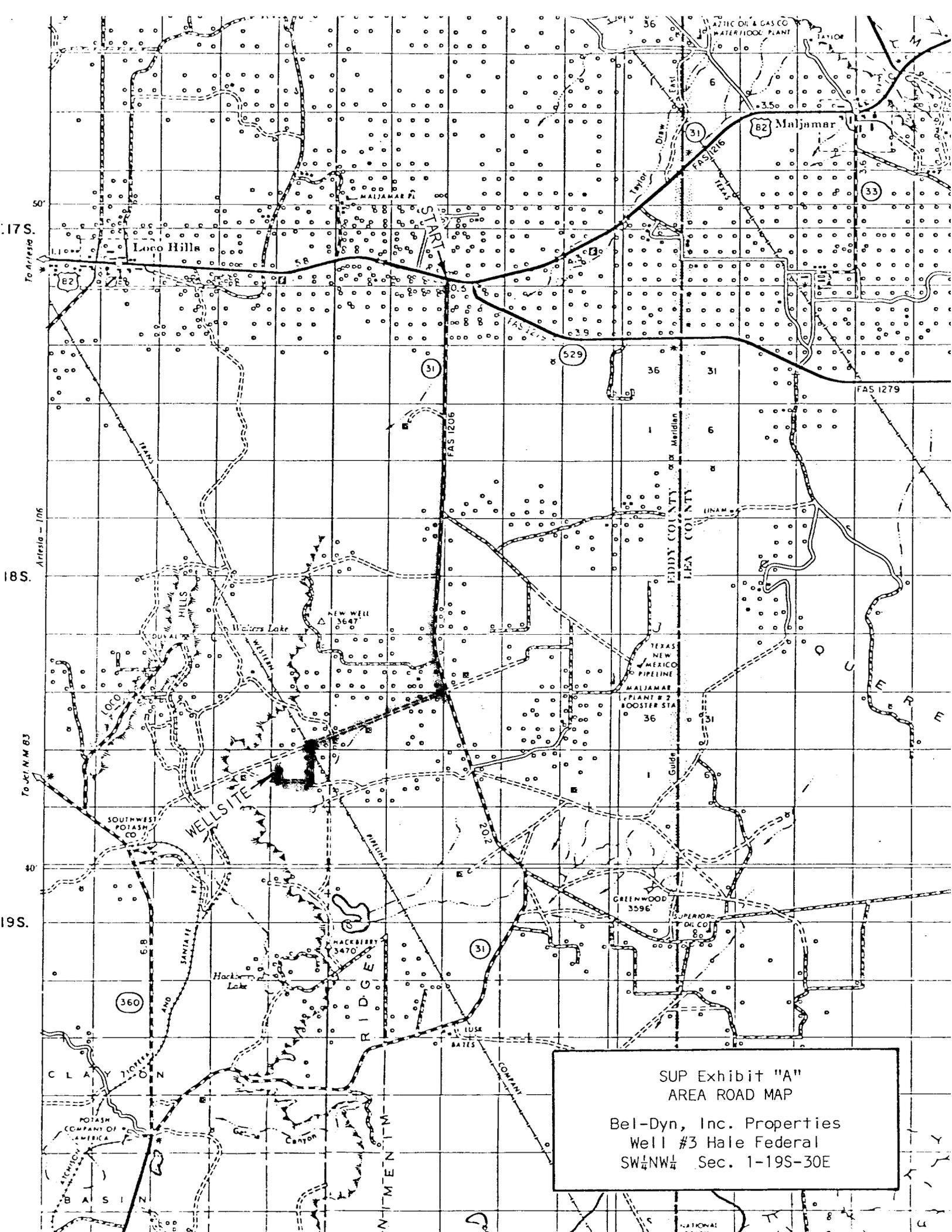
BEL-DYN, INC. PROPERTIES
WELL #3 HALE FEDERAL
SW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC. 1-19S-30E
EDDY COUNTY, NEW MEXICO

1. SURFACE FORMATION: Quaternary.
2. ESTIMATED TOPS OF GEOLOGIC MARKERS (Elevation 3519' G.L.):

Salt	650'	Queen	3070'
Base Salt	1970'	Penrose	3300'
Yates	2100'		
3. ANTICIPATED POROSITY ZONES:

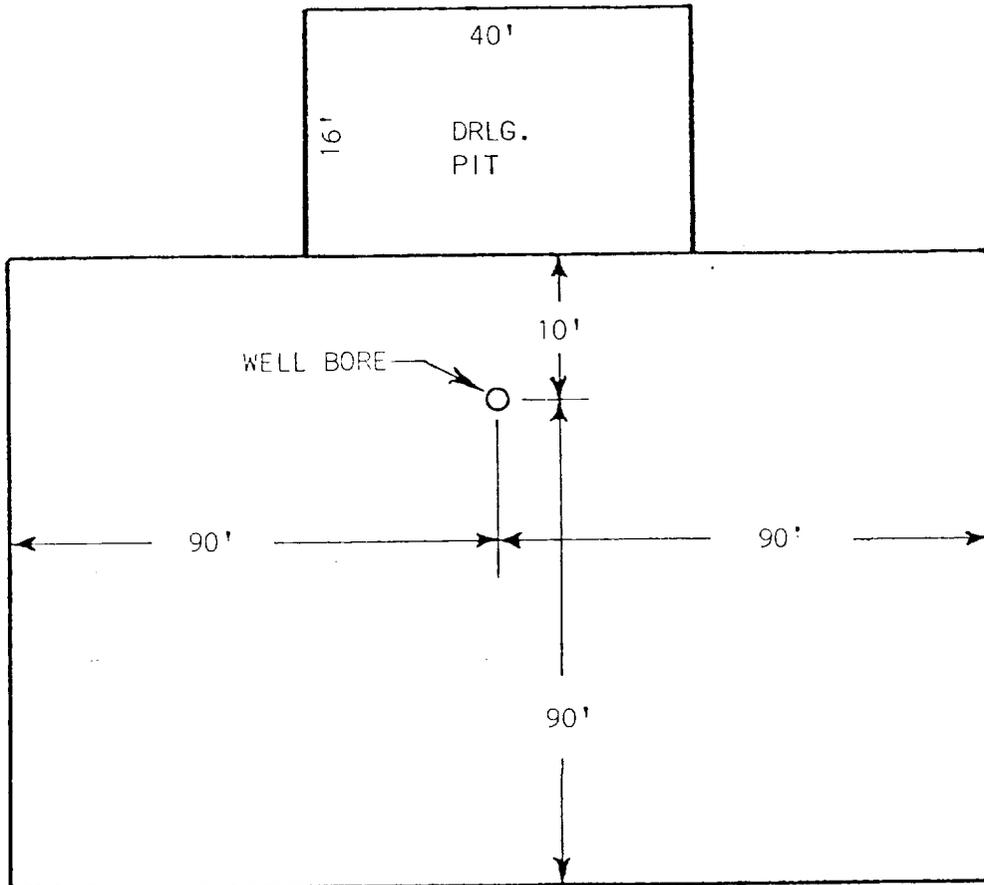
Water	Less than 450'
Oil	3080 - 3120'
4. CASING DESIGN:

<u>Size</u>	<u>Interval</u>	<u>Weight</u>	<u>Grade</u>	<u>Joint</u>
8 5/8"	0 - 650'	24.0#	K-55	STC
5 1/2"	0 - 3000'	13.0#	K-55	STC
5. SURFACE CONTROL EQUIPMENT: Pressure control valve and oil saver.
6. CIRCULATING MEDIUM: Not applicable for cable tool hole.
7. AUXILIARY EQUIPMENT: None considered necessary on shallow development well.
8. LOGGING PROGRAM: Gamma Ray Log will be run to TD.
9. ABNORMAL PRESSURES, TEMPERATURES OR GASES: None anticipated.
10. ANTICIPATED STARTING DATE: It is planned that operations will commence about January 3, 1983. Duration of drilling, testing and completion operations should be 30 to 90 days.



SUP Exhibit "A"
 AREA ROAD MAP
 Bel-Dyn, Inc. Properties
 Well #3 Hale Federal
 SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 1-19S-30E

CABLE TOOL DRILL PAD



SUP Exhibit "D"
SKETCH OF WELL PAD
Bel-Dyn, Inc. Properties
Well #3 Hale Federal
SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 1-19S-30E