

NM OIL CONS. COMMISSION
DRAY RD
ARTESIA NM 88210
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONTACT RECEIVING
OFFICE F MFR
OF COPIES REQUIRED
(Other instructions on
reverse side)

30-015-27626
BLM Roswell District
Modified Form No.
NMO60-3160-2

chf

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 045276
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Conoco, Inc. ✓		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR 10 Desta Dr. Ste 100W, Midland, TX 79705		8. FARM OR LEASE NAME Preston Fed. No.
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 660' FNL & 1980' FEL At proposed prod. zone Cisco		9. WELL NO. 9
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*		10. FIELD AND POOL, OR WILDCAT South Dagger Draw Penn
13. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)	16. NO. OF ACRES IN LEASE	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.	19. PROPOSED DEPTH 8100'	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3653.4'		22. APPROX. DATE WORK WILL START* 8/1/93

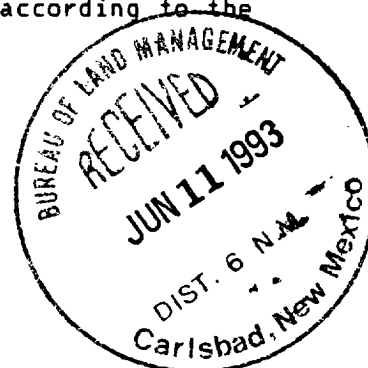
PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
14-3/4"	9-5/8"	36#	K-55	ST&C	1200'	1100 circ.
8-3/4"	7"	26#	K-55	LT&C	8100'	1205 circ.

It is proposed to drill this well as a vertical Cisco oil producer according to the drilling plan outlined in the following attachments:

1. Well Location and Acreage Dedication Plat (C-102)
2. Attachment to Form 3160-3
3. Proposed Well Plan Outline
4. Surface Use Plan
5. EXHIBIT A: New Mexico road map
6. EXHIBITS B.1 & B.2: Lease road & well location maps
7. EXHIBITS C.1, C.2, & C.2: road, flowline, & powerline plats
8. EXHIBIT D: Rig layout plat
9. BOP specifications
10. H2S Drilling Operations Plan

IO-1
8-13-93
AL/APT



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 M. Hoover TITLE Sr. Conservation Coordinator DATE 6/10/93
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
(ORIG. SGD.) RICHARD L. MANIS AREA MANAGER **AUG 5 - 1993**
APPROVED BY _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-88

OIL CONSERVATION DIVISION

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

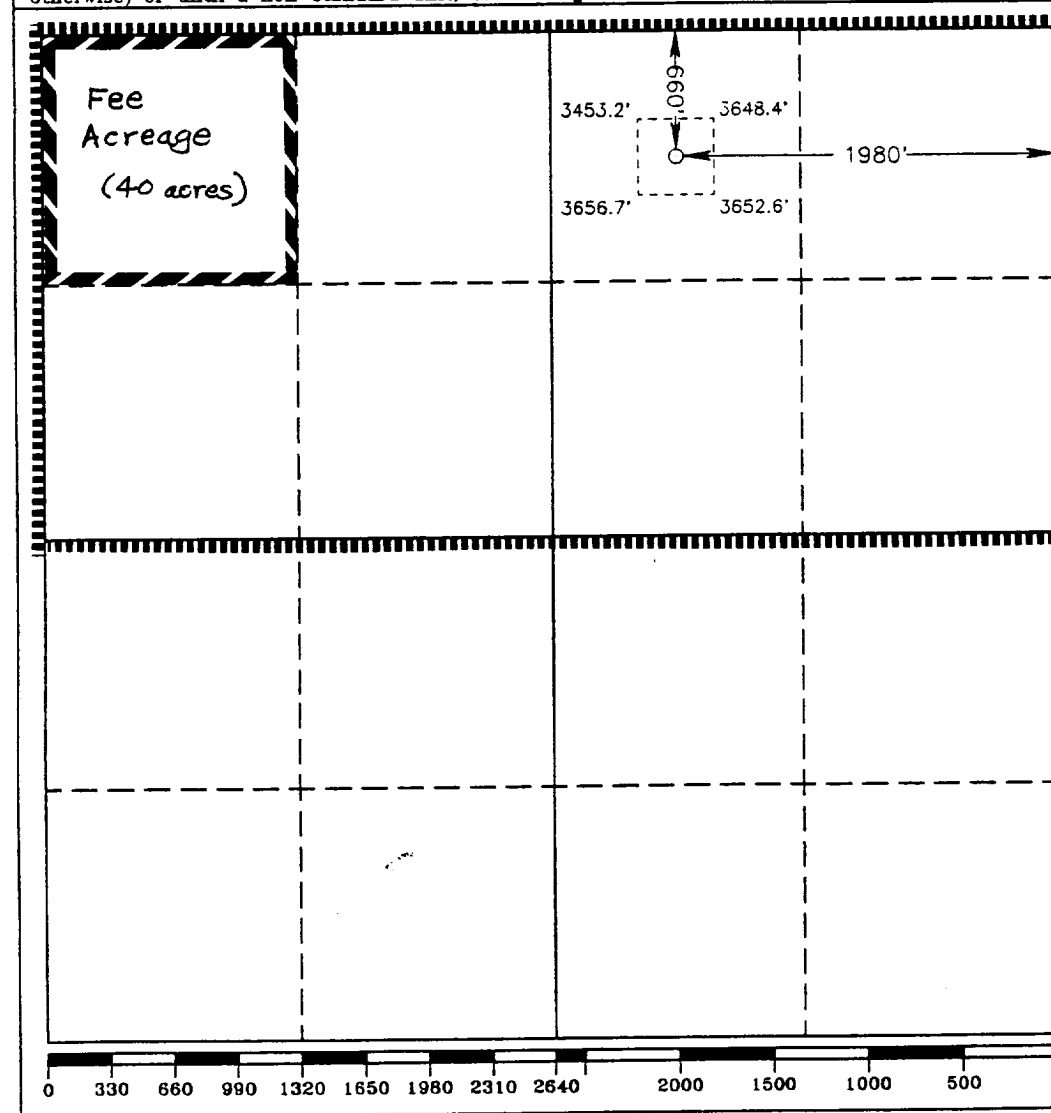
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator CONOCO INC.			Lease PRESTON FEDERAL		Well No. 9
Unit Letter B	Section 35	Township 20 SOUTH	Range 24 EAST	NMPM	County EDDY
Actual Footage Location of Well: 660 feet from the NORTH line and 1980 feet from the EAST line					
Ground Level Elev. 3653.4'	Producing Formation Cisco	Pool South Dagger Draw		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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☒ Yes ☐ No If answer is "yes" type of consolidation Federal Com. Agreement
- If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)
- No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Jerry M. Hoover
Printed Name
Jerry M. Hoover
Position
Sr. Conservation Coord.
Company
Conoco, Inc.
Date
6/7/93

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
APRIL 14, 1993

Signature & Seal of
Professional Surveyor

Gary L. Jones
Certificate No. JOHN W. WEST 676
RONALD J. EDSON 3239
GARY L. JONES 7977
93-11-0605

ATTACHMENT TO FORM 3160-3
APPLICATION FOR PERMIT TO DRILL

Conoco Inc.

Preston Fed. No. 9
Sec. 35, T-20S, R-24E
Eddy County, New Mexico

1. The estimated tops of important geologic markers are shown on the attached Proposed Well Plan Outline.
2. The estimated depths at which anticipated water, oil, gas or other mineral-bearing formations to be encountered are shown on the attached Proposed Well Plan Outline.
3. A drawing of Blowout Preventer Specifications is attached. Pipe rams and blinds will be checked to the working pressure of the stack or 70% of the minimum internal yield strength of the casing whichever is less. BOP will be checked when casing string is set.
4. The proposed casing program is as follows:

0-1200':	9-5/8"	36#	K-55
0-8100':	7"	26#	K-55
5. The proposed mud program is as follows:

0-1200':	8.4# Fresh
1200'-7000':	8.8-9.2 Brine
7000':	9.2 Brine w/starch
6. The logging suite will include the following open-hole logging tools:
1) GR-CAL-DLL-MSFL-CNL-FDC from 8100'-1200' and 2) CYBIL from 8100'-7000'.
7. Special Drilling Problems:
 - a) Possible lost circulation in surface area.
 - b) H₂S in Yesso.
 - c) Possible deviation 4500'-5500'
8. The anticipated starting date is 8-1-93 with a duration of approximately 18 days.

PROPOSED WELL PLAN OUTLINE

WELL NAME **PRESTON FEDERAL NO. 9**

LOCATION

TVD IN 1000'	MD	FORMATION TOPS & TYPE	DRILLING PROBLEMS	TYPE OF FORMATION EVALUATION	HOLE SIZE	CASING SIZE DEPTH	FRAC GRAD	FORMATION PRESSURE GRADIENT	WT	MUD TYPE	DAYS
0					14-3/4"			BELOW NORMAL	8.4	FRESH	
1			LOST CIRCULATION IN SURFACE AREA			9-5/8" 1200' 36# K-55					
2		GLORIETTA 1989' YESO 2145'	H2S IN YESO	MUD LOGGERS AND EQUIPMENT ON @ 1200'		CIRC. CEMENT			8.8-9.2	C/BRINE	
3								9.0 PPG			
4		ABO 4198'			8-3/4"						
5		WOLFCAMP 5100'	POSSIBLE DEVIATION 4500"-5500"	H2S ON PRIOR TO WOLFCAMP							
6											
7									9.2	C/BRINE STARCH	
8		CISCO 7600'									
9		TD 8100'		1200 - 8100' GR-CAL-DLL-MSFL GR-CAL-CNL-LDT CBIL		7" 26# K-55 @ 8100' CIRC. CEMENT					
10											
11											
12											
13											
14											
15											
16											

DATE **March 1993**

APPROVED **D.W. EUBANK**
ENGINEER

**SURFACE USE PLAN
Conoco Inc.**

Preston Fed. No. #9

The following is the required information concerning the possible effect which the proposed drilling of this well may have on the environment, existing road sites, and surrounding acreage. A copy will be posted on the derrick floor so all contractors and sub-contractors will be aware of all items of this plan.

1. Existing Roads

- A. The proposed well site is 660' FNL & 1980' FEL, Sec. 35, T-20S, R-24E, Lea County, New Mexico.
- B. Exhibit A is a portion of a New Mexico road map and Exhibit B.1 a lease road map showing existing roads and wells. Directions to the location are as follows:

From U.S. Hwy. 285 go west on Rock Daisy Road 8 miles. Turn south on Sawbuck Road for 6.2 miles and then turn east for 1/2 mile.
- C. No improvement or maintenance is anticipated for the existing roads.

2. Planned Access Roads

- A. 2000'x 12' of new access road will be required.
- B. Two turnouts will be required.
- C. No culverts, or fills will be required.
- D. No gates, cattleguards, or fences will be required.

3. Location of Existing Wells

See Exhibit B.2

4. Location of Proposed Facilities if Well is Productive

Produced fluids will be transferred via flowlines to a central battery located at the Preston Federal No. 1 in unit L of section 35, T-20S, R-24E.

5. Water Supply

Water will be trucked in.

6. Source of Construction Materials

Caliche will come from the pit located in Unit J, Sec. 22, T-20S, R-24E.

7. Methods of Handling Waste Disposal

Waste Disposal: Well cuttings will be disposed of in the reserve pit. Barrel trash containers will be in accessible locations within drill site area during drilling and completion procedures. All detrimental waste will be hauled away. See Exhibit D for location of pits. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. Any produced water will be collected in tanks until hauled to an approved disposal system, or separate disposal applications will be submitted to survey for appropriate approval.

8. Ancillary Facilities

See Exhibits C.1, C.2, and C.3 for road, flowline, and powerline plats.

9. Wellsite Layout

See Exhibit D. The V-door faces east. The reserve pit will be lined with plastic and the pad and pits are staked.

10. Plans for Restoration of Surface

Pits will be backfilled and leveled as soon as practical to original condition. Commencement of rehabilitation operations will immediately follow removal of drilling and completion equipment from location and rehabilitation of the surface is planned to be completed within 45 days from commencement.

11. Surface Ownership

Federal.

12. Other Information

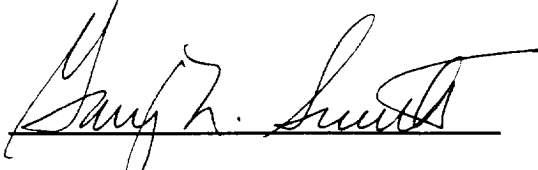
Archaeological surveys will be done on location, road, flowlines, and powerline right-of-ways.

13. Operator's Representative and Certification

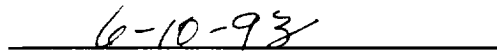
The person who can be contacted concerning compliance of this Surface Use Plan is:

**Gary L. Smith
10 Desta Drive West
Midland, Texas 79705
(915)686-5471**

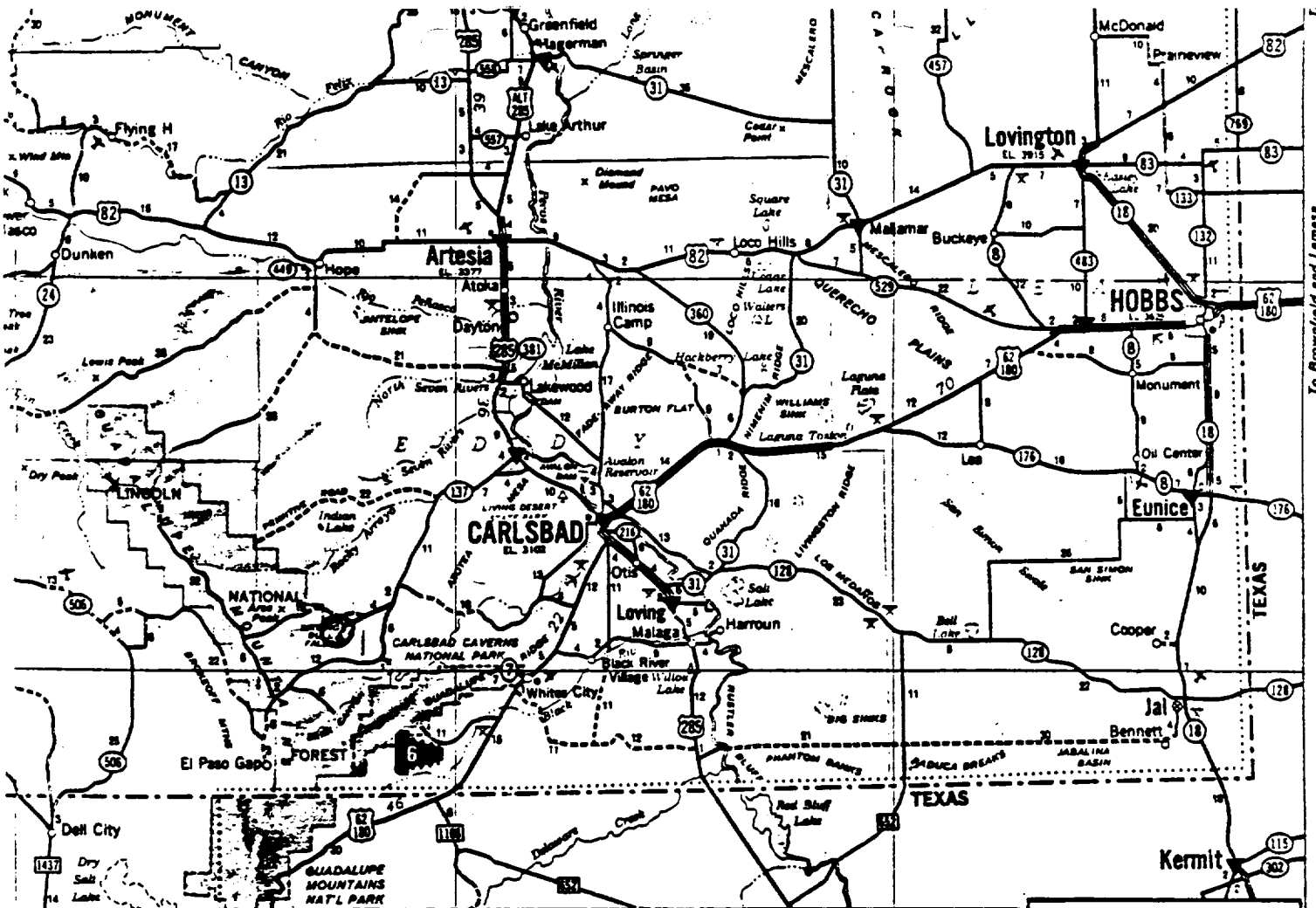
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drilling site; that I am familiar with the conditions which currently exist; that the statements made in this plan, are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Conoco Inc. and its contractors and subcontractors 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.

A handwritten signature in cursive script, appearing to read "Gary L. Smith", is written over a horizontal line.

Gary L. Smith,
Drilling Manager

A handwritten date "6-10-93" is written over a horizontal line.

Date



LOCATIONS WHERE CONOCO PRODUCTS ARE SOLD

▼ Locations on Interstate Highways, toll roads or major limited access highways where CONOCO PRODUCTS are sold.

▼ Other CONOCO station locations.

▼ Locations of CONOCO Travel Shoppes.

▼ Locations where CONOCO DEALERS provide Trailer Travelers with Sanitary Disposal Facilities. Look for this sign:

CONOCO

TRAILER DISPOSAL

TOURAIDE ATTRACTIONS

1 HISTORICAL

2 SCENIC

3 GENERAL

Attraction points described on reverse side

How to read your map of NEW MEXICO

SCALE IN MILES AND KILOMETERS

ONE INCH 22 MILES 0 5 10 20 30

ONE INCH 35 KILOMETERS 0 5 10 20 30 40

HIGHWAY MARKERS

INTERSTATE (40) UNITED STATES (66) STATE (41) TEXAS FARM OR RANCH (50)

ROAD CLASSIFICATIONS

CONTROLLED ACCESS DIVIDED HIGHWAYS Interstate interchange numbers are indicated.

OTHER DIVIDED HIGHWAYS

PRINCIPAL THROUGH HIGHWAYS

OTHER THROUGH HIGHWAYS

CONNECTING HIGHWAYS

LOCAL ROADS In unfamiliar areas inquire locally before using these roads.

MILEAGES

MILEAGE BETWEEN TOWNS AND JUNCTIONS 3 2 4

MILEAGE BETWEEN DOTS 0 3 5 8

ONE MILE EQUALS 1.6 KILOMETERS

ONE KILOMETER EQUALS .6 MILES

SPECIAL FEATURES

STATE PARKS With Campsites Without Campsites

RECREATION AREAS With Campsites Without Campsites

PORTS OF ENTRY Open 24 Hours Inquire Locally

POINTS OF INTEREST

POPULATION SYMBOLS

State Capital

Under 1,000

1,000 to 2,500

2,500 to 5,000

5,000 to 10,000

10,000 to 25,000

25,000 to 50,000

50,000 to 100,000

100,000 and over

G THE W. M. GOSHA COMPANY BOX 8227 SAN JOSE, CALIF. 95108 ALL RIGHTS RESERVED

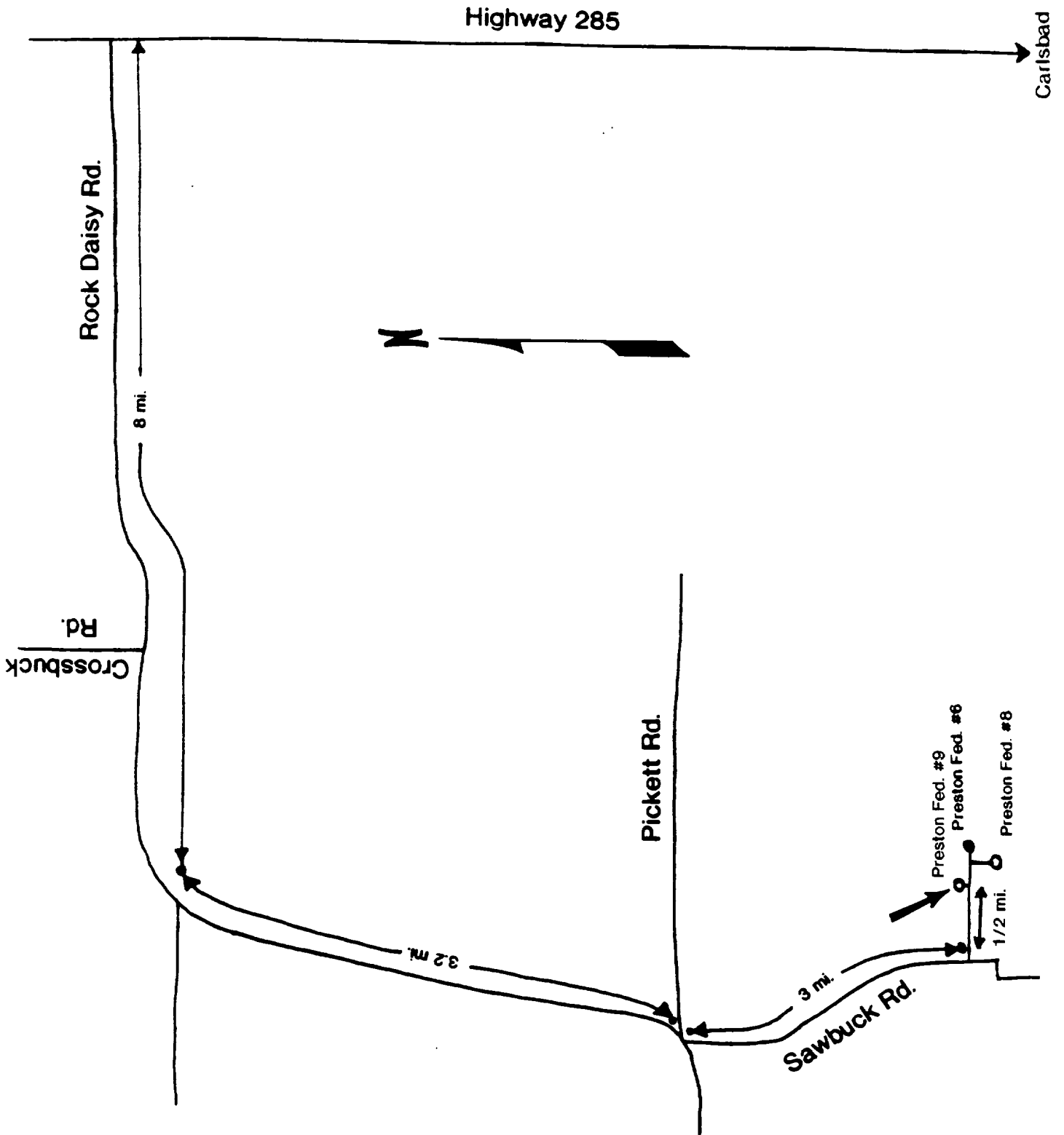
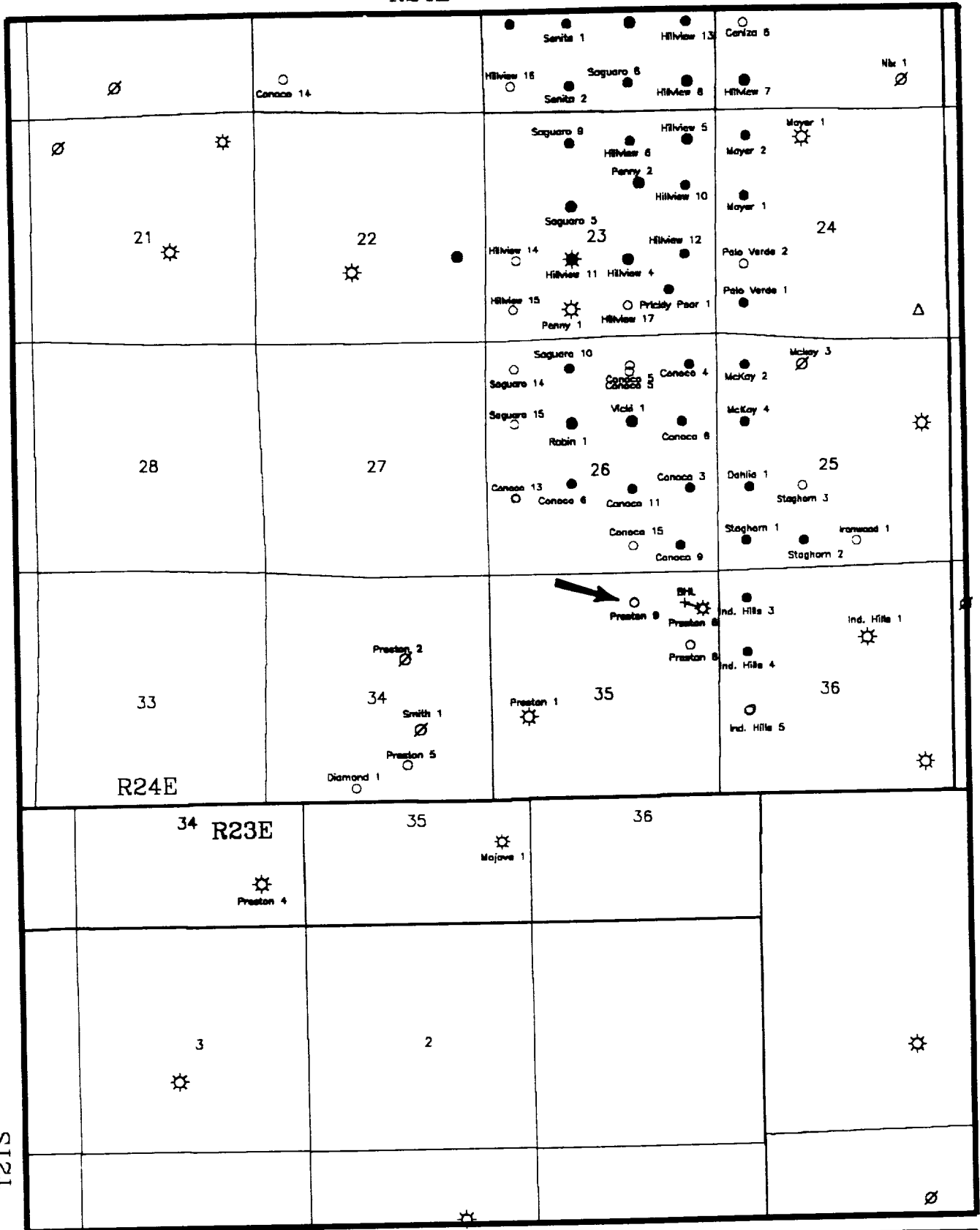


EXHIBIT B.1

R24E

T20S

T21S

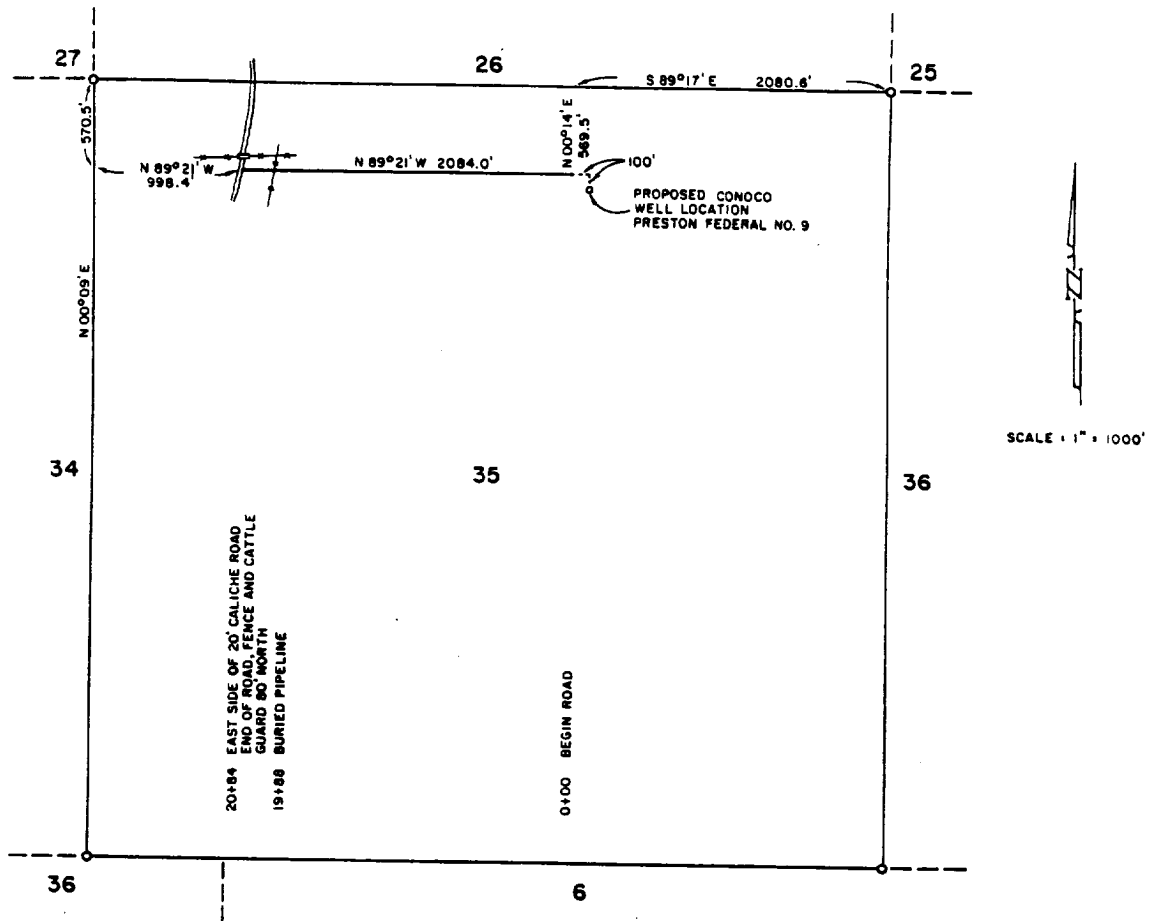


FEET 0 1:36000 5000 FEET

EXHIBIT B.2

EPNA-MIDLAND DIVISION
SOUTH DAGGER DRAW
BASEMAP
1" = 1000' 10-10-00

CONOCO, INC.
 PROPOSED ROAD
 SECTION 35, TOWNSHIP 20 SOUTH, RANGE 24 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



FIELD NOTES OF 2084.0 FEET OF PROPOSED ROAD IN SECTION 35, TOWNSHIP 20 SOUTH, RANGE 24 EAST N.M.P.M., EDDY COUNTY, NEW MEXICO:

BEGINNING at a point from which point a G.L.O. iron pipe in a rock mound being the northeast corner of Section 35, Township 20 south, Range 24 East N.M.P.M., Eddy County, New Mexico, bears N 0°14' E, 569.5 feet and S 89°17' E, 2080.6 feet, also from said beginning point, proposed Conoco Inc. Well location Preston Federal #9 bears S 0°14' W, 100.0 feet and S 89°17' E, 100.0 feet;

THENCE N 89°21' W, 2084.0 feet to a point in an existing road for the end of this line, from which point a G.L.O. iron pipe in a rock mound bears N 89°21' W, 998.4 feet and N 0°09' E, 570.5 feet.

Dated: June 7, 1993

WEST TEXAS CONSULTANTS, INC.

By:

Earl Foote

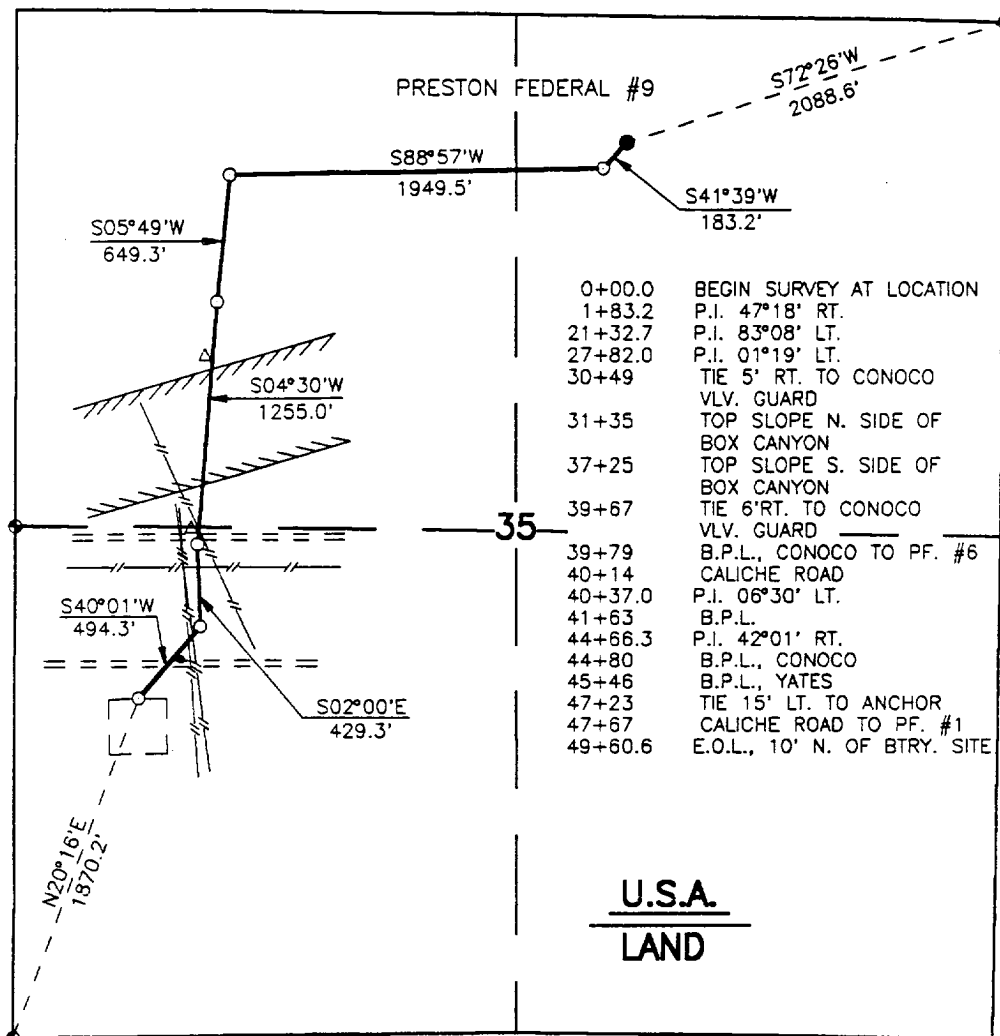
Earl Foote
 New Mexico Registered
 Professional Land Surveyor



Conoco Inc.
 WTC Job No. - 43430

EXHIBIT C.1

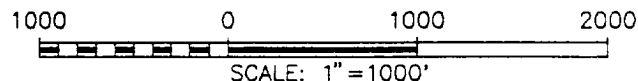
SECTION 35, TOWNSHIP 20 SOUTH, RANGE 24 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



U.S.A.
LAND

LEGAL DESCRIPTION

A STRIP OF LAND 50.0 FEET WIDE, AND 4960.6 FEET OR 0.94 MILES IN LENGTH
AND BEING 25.0 FEET RIGHT AND 25.0 FEET LEFT OF THE ABOVE PLATTED
SURVEY OF CENTERLINE:



I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED
FROM FIELD NOTES OF AN ACTUAL SURVEY AND
MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND
SURVEYS AS SPECIFIED BY THIS STATE.

John W. West
JOHN W. WEST, N.M. P.E. & S. No. 676
TEXAS P.L.S. No. 1138
RONALD J. EIDSON, N.M. L.S. No. 3239
TEXAS P.L.S. No. 1883
GARY L. JONES N.M. P.S. No. 5877

PRESTON FED. #9, FLOWLINE

CONOCO INC.

PROPOSED FLOWLINE LINE LOCATED IN SECTION 35
TOWNSHIP 20 SOUTH, RANGE 24 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

JOHN W. WEST ENGINEERING COMPANY
CONSULTING ENGINEERS & SURVEYORS - HOBBS, NEW MEXICO

Survey Date: 5/13/93

W.O. Number: 93-11-0797

Date: 5/25/93

DISK: JLP#80

EXHIBIT C.2

CON0797B

Scale: 1"=1000'

27 26 25

15+12.3 END OF LINE
14+08.6 DEFL. RT. 90°00'

8+90 HIGH BANK
8+85 FLOW LINE
7+95 FLOW LINE
7+46 HIGH BANK

4+55 @ 20' CALICHE ROAD
2+40 VALVE & RISER 25' RIGHT
2+16 BURIED PIPELINE
0+00 BEGIN LINE

N 00°14' E 1971.8'
S 89°17' E 2104.2'
N 56°52' E 103.7'
N 33°08' W 1408.6'
S 89°17' E 1416.1'

PROPOSED CONOCO WELL LOCATION PRESTON FEDERAL NO. 9
PROPOSED ELEC. LINE

34 35 36

6

SCALE: 1" = 1000'

EXHIBIT C.3

STANDARD RIG LAYOUT

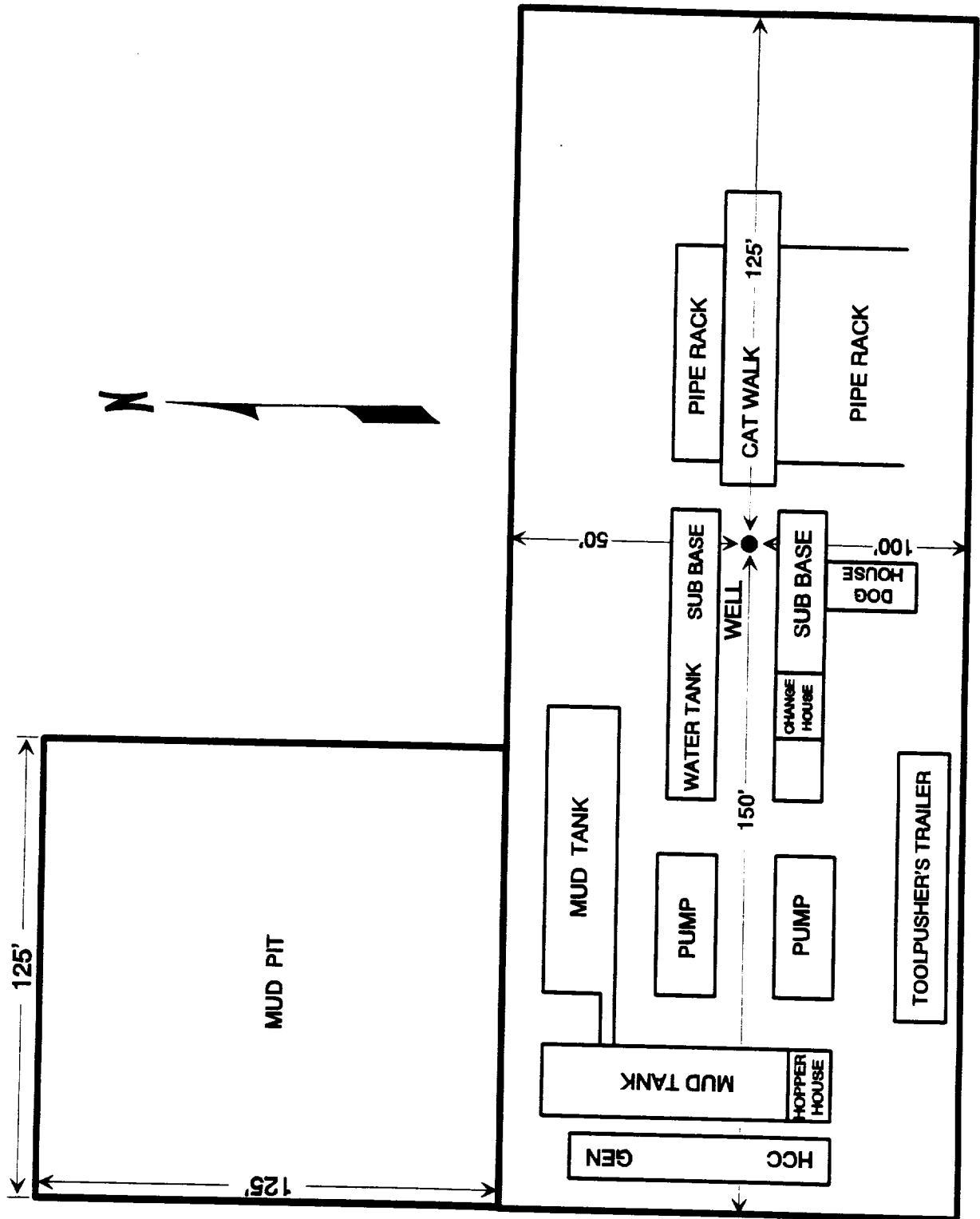
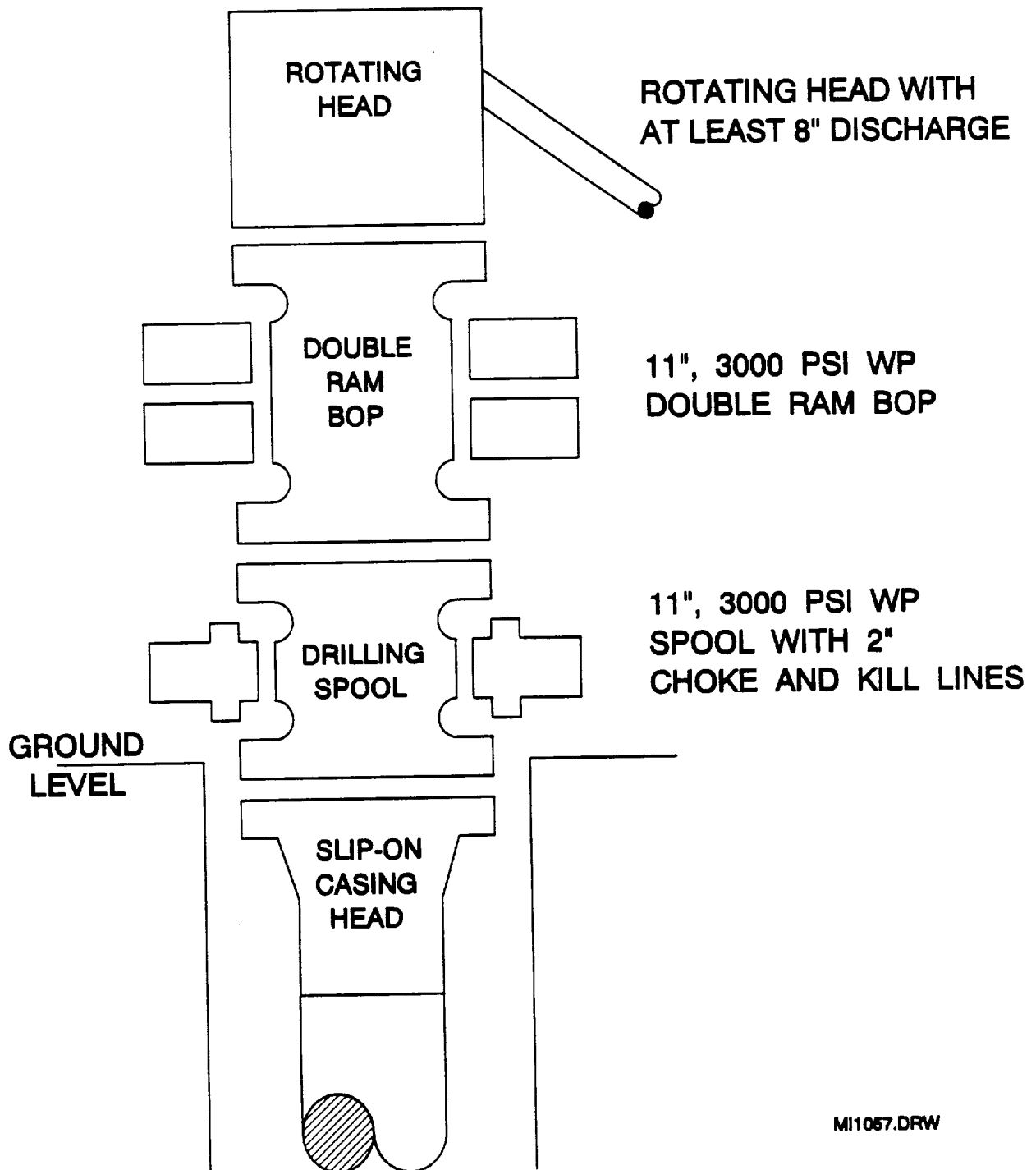


EXHIBIT D

BOP SPECIFICATIONS



MI1057.DRW

DRILLING OPERATIONS PLAN

PRESTON FED. NO. 9

I. Hydrogen Sulfide Training

All contractors and subcontractors employed by Conoco will receive or have received training from a qualified instructor within the last twelve months in the following areas prior to commencing drilling operations on this well.

1. The hazards and characteristics of hydrogen sulfide (H₂S)
2. Safety precautions
3. Operations of safety equipment and life support systems.

In addition, contractor supervisory personnel will be trained or prepared in the following areas:

1. The effect of H₂S on metal components in the system, especially high tensile strength tubulars are to be used.
2. Corrective action and shut-down procedures when drilling or reworking a well, blowout prevention and well control procedures, if the nature of work performed involves these items.
3. The contents and requirements of the contingency plan when such plan is required.

All personnel will be required to carry documentation of the above training on their person.

II. H₂S EQUIPMENT AND SYSTEMS

1. Safety Equipment

The following safety equipment will be on location:

- A. Wind direction indicators as seen in attached diagram.
- B. Automatic H₂S detection alarm equipment (both audio and visual).
- C. Clearly visible warning signs as seen on the attached diagram. Signs will use the words "POISON GAS" and "CAUTION" with a strong color contrast.
- D. Protective breathing equipment will be located in the dog house and at briefing areas as seen in the attached diagram.

2. Well Control Systems

A. Blowout Prevention Equipment

Equipment includes but is not limited to:

- a. pipe rams to accomodate all pipe sizes
- b. blind rams
- c. choke manifold
- d. closing unit
- e. flare line and means of ignition

B. Communication

The rig contractor will be required to have two-way communication capability. Conoco will have either land-line or mobile telephone capabilities.

C. Mud Program

The mud program has been designed to minimize the volume of H₂S circulated to surface. Proper mud weight, safe drilling practices, and the use of H₂S scavengers when appropriate will minimize hazards when penetrating H₂S bearing zones.

D. Drill Stem Tests

There are no drill stem tests proposed for this well.

III. WELL SITE DIAGRAM

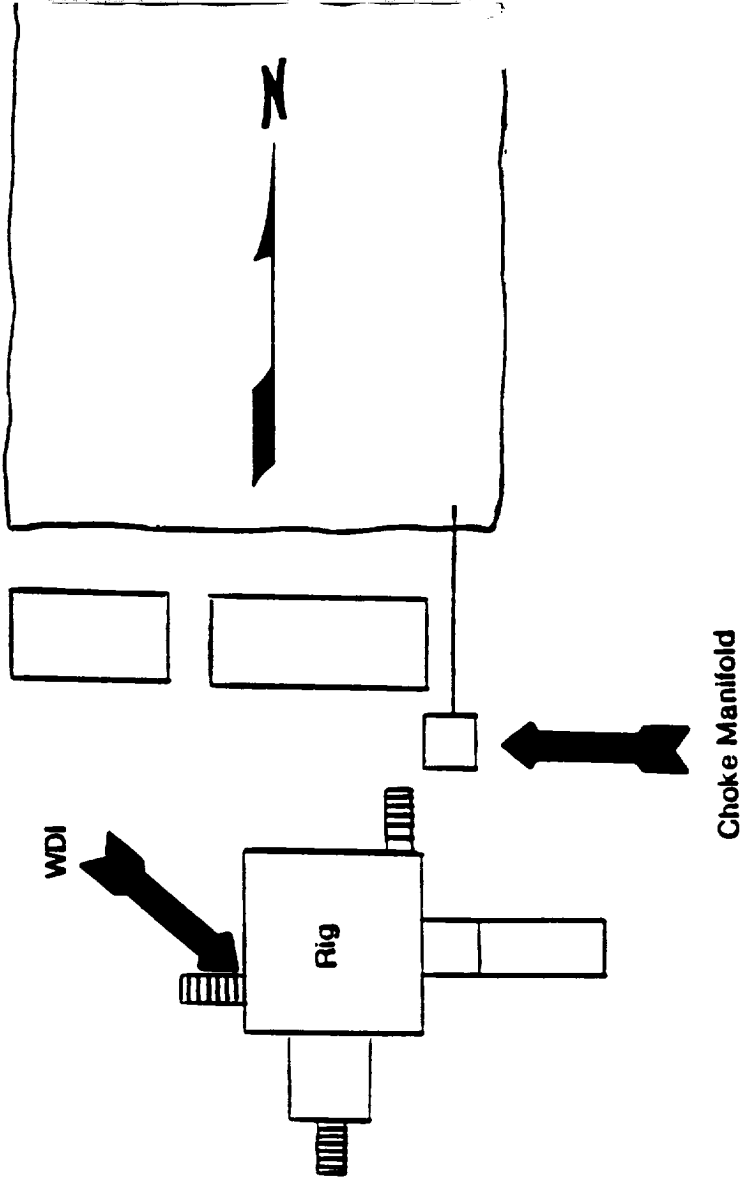
A complete well site diagram including the following information is attached:

1. Rig orientation
2. Terrain
3. Briefing areas
4. Ingress and egress
5. Pits and flare lines
6. Caution and danger signs
7. Wind indicators and prevailing wind direction

WDI



Terrain is flat, and covered with native grasses
Two of the three WDI (wind direction indicator) locations will be utilized
(Prevailing winds are SW to NE)



Muster Area No. 2
WDI

