

N. M. O. C. C. COPY
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPPLICATE*

(Other ins. on reverse)

Form approved.
Budget Bureau No. 42-R1425.

30-015-20809

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK
 DRILL ☐ DEEPEN ☒ PLUG BACK ☐

2. TYPE OF WELL
 OIL WELL ☐ GAS WELL ☒ OTHER *Re-Entry* SINGLE ZONE ☒ MULTIPLE ZONE ☐

3. NAME OF OPERATOR
 Estoril Producing Corporation

4. ADDRESS OF OPERATOR
 1120 Vaughn Building, Midland, Texas 79701

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface
 2970' FNL, 1980' FWL

6. At proposed prod. zone
 same

7. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Nine (9) miles northwest of Carlsbad

8. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
 (Also to nearest drlg. unit line, if any) 686'

9. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 None

10. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3320.7 GL

11. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48	450	450
12 1/4"	8 5/8"	28	2800	1000
7 7/8"	4 1/2"	11.6	10500	500

Presently well is at total depth of 8300' with 2800' of 8 5/8" casing set and cemented with 1000 sx of cement. Propose to deepen well to a total depth of 10,500' and set 10,500' of 4 1/2" 11.6 pipe and cement with approximately 500 sx. Blowout preventer will be used in all stages.

*Formerly
Texacoil & Gas Corp. South Springs
#1-K- to 8300 P+A approved 7-9-73*

RECEIVED
OCT 2 1973

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.

SIGNED *Ronald F. Harkley* TITLE President DATE 24 Sept. 1973

(This space for Federal or State office use)

APPROVED
OCT 9 1973
H. L. BEEKMAN
ACTING DISTRICT ENGINEER

THIS APPROVAL IS RESCINDED IF OPERATIONS
ARE NOT COMMENCED WITHIN 3 MONTHS.
EXPIRES JAN 9 1974

APPROVAL DATE _____
SUBJECT TO ATTACHED DEEP WELL CONTROL REQUIREMENTS DATED JUN 22 1973

*See Instructions On Reverse Side



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U
Artesia, New Mexico 88210

June 22, 1973

NOTICE


DRILLING WELL CONTROL REQUIREMENTS FOR DEEP WELLS DRILLED ON FEDERAL OIL AND GAS LEASES IN THE ARTESIA DISTRICT

The following requirements are established in accordance with 30 CFR 221.24, 221.36, and 221.37. Blowout preventer equipment, choke equipment, drilling fluid characteristics, drilling fluid monitors, and the conduct of drilling procedures shall be such as are necessary to prevent the blowout of any well. In addition to all other applicable rules, regulations, and accepted good operating practices, drilling shall be in accordance with the following safety requirements:

1. ~~After setting the casing string and before drilling into the formation,~~ *Before drilling out all the cement plugs* the blowout preventers and related control equipment shall be pressure tested to rated working pressures by an independent service company. Any equipment failing to test satisfactorily shall be repaired or replaced. This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report. In addition, the pipe rams and bag-type preventer shall be actuated at least once each 24 hours and the blind rams each time the drill pipe is out of the hole.
2. Accumulators shall maintain a pressure capacity reserve at all times to provide for repeated operation of hydraulic preventers.
3. A drill string safety valve in the open position shall be maintained on the rig floor at all times while drilling operations are being conducted.
4. Blowout prevention drills shall be conducted as necessary to insure that each drilling crew is properly trained to carry out emergency duties.
5. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before

drilling ~~into the~~ Out all the cement plugs
and used until production casing is run and cemented. Monitoring
equipment shall consist of the following:

- (1) A recording pit level indicator to determine pit volume gains and losses.
 - (2) A mud volume measuring device for accurately determining mud volume necessary to fill the hole on trips.
 - (3) A flow sensor on the flow-line to warn of any abnormal mud returns from the well.
6. When coming out of the hole with drill pipe, the annulus shall be filled with mud before the mud level drops below 150 feet. The volume of mud required to fill the hole shall be watched, and any time there is an indication of swabbing, or influx of formation fluids, proper blowout prevention precautions must be taken. The mud shall not be circulated and conditioned except on or near bottom, unless well conditions prevent running the pipe to bottom.
7. A copy of these requirements shall be posted on the rig floor or in the dog house during the drilling of the well.


James A. Knauf
District Engineer

Lease No. NIM 14899
Well No. 1 - South Springs
Drillsite 2970'N 1980'W 4-213-25E
Depth DEEPEN FROM 8300' TO 10500'
Approved OCTOBER 9, 1973

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 ESTORIL PRODUCING COMPANY			Lease SOUTH SPRINGS WELL		Well No. 1
Unit Letter K	Section 4	Township 21S	Range 25E	County EDDY	
Actual Footage Location of Well: 2970 feet from the NORTH line and 1980 feet from the WEST line					
Ground Level Elev. 3320.7'	Producing Formation Morrow	Foot <i>2nd River Hills</i> Springs (Upper Perm) San		Dedicated Acreage: 320 Acres	

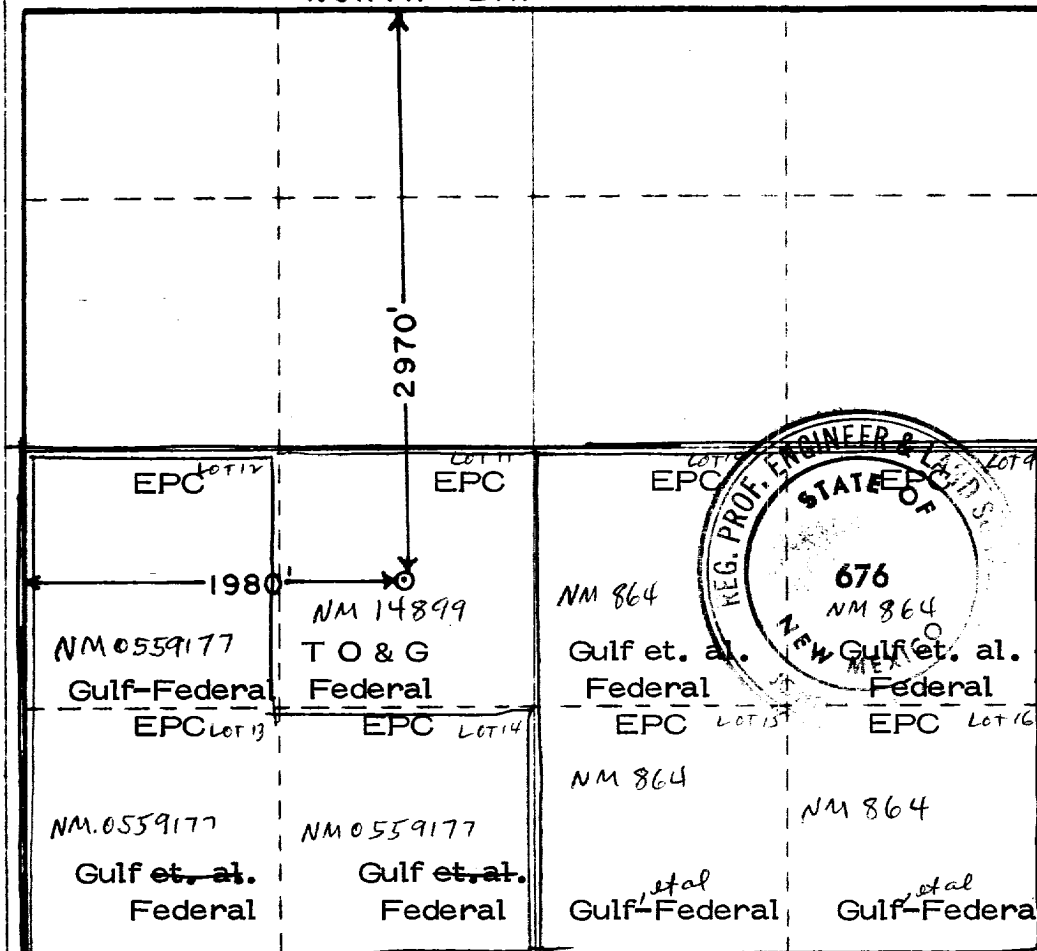
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. (**RED**)
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). (**BLUE**)
3. If more than one lease of different 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.) Federal leases will be pooled upon completion of well.

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.

NORTH LINE SECTION 4



CERTIFICATION

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

Richard L. Daily

Name
Richard L. Daily
 Position
President
 Company
Estoril Producing Corp.

Date
27 September 1973

I hereby certify that the well location shown on this plat was plotted in the 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 12, 1972
 Registered Professional Engineer and/or Land Surveyor

John W. West
 Certificate No. **676**



ESTORIL PRODUCING CORPORATION

PRODUCERS OF OIL & GAS

SUITE 1120 VAUGHN BUILDING

MIDLAND, TEXAS 79701

(A. C. 915) 683-6101

FRED M. ALLISON
CHAIRMAN OF THE BOARD

RICHARD L. DAILY
PRESIDENT

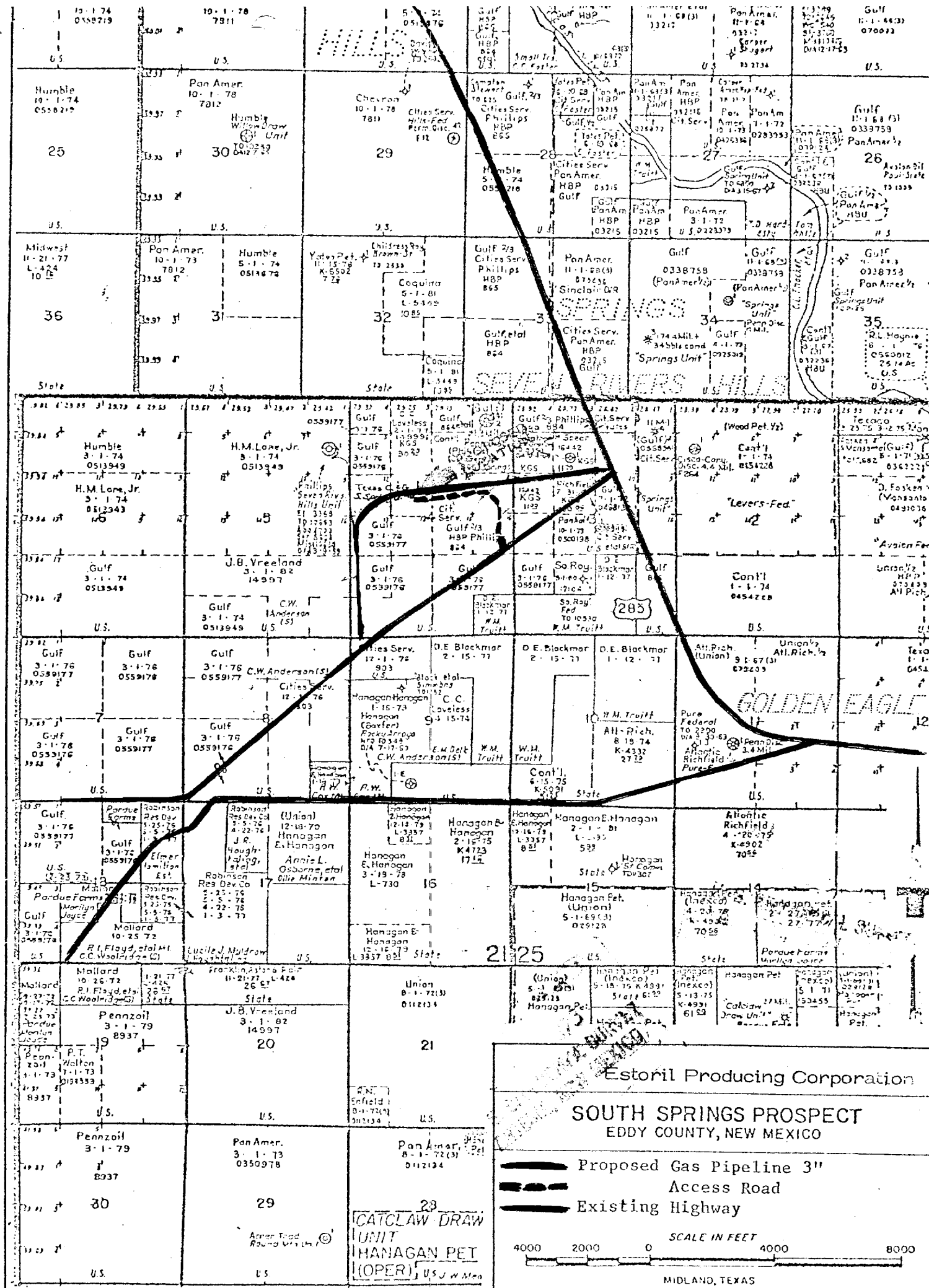
FREDDY ALLISON
EXECUTIVE VICE PRESIDENT

24 September 1973

SURFACE USE CHECK LIST
SOUTH SPRINGS UNIT NO. 1
SECTION 4 - 21 SOUTH - 25 EAST
EDDY COUNTY, NEW MEXICO

1. Existing roads are indicated in green on the attached map.
2. No new construction of access roads planned. Will use existing roads to location.
3. All existing wells and our planned location are indicated on the attached map.
4. No lateral roads are planned.
5. The TB or surface equipment to serve this well will be located on the drilling pad. A planned 3 inch gas pipeline to tie in to existing gathering lines is indicated in blue on the attached map.
6. Drilling water will be purchased from existing commercial supplies and will be trucked in to the location.
7. Waste disposal will be handled by appropriate approved means at such time as it becomes necessary. No need for waste disposal is currently anticipated.
8. No camps are planned.
9. No airstrips will be constructed. If necessary, the Carlsbad Municipal Airport, approximately 20 miles south of this location, will be used.
10. Location layout is attached.
11. Surface will be restored level and all pits covered.
12. Do not anticipate any activities that have detrimental effects on the environment.

RECEIVED
SOUTH SPRINGS UNIT NO. 1
EDDY COUNTY, NEW MEXICO
SEP 27 1973



Estoril Producing Corporation

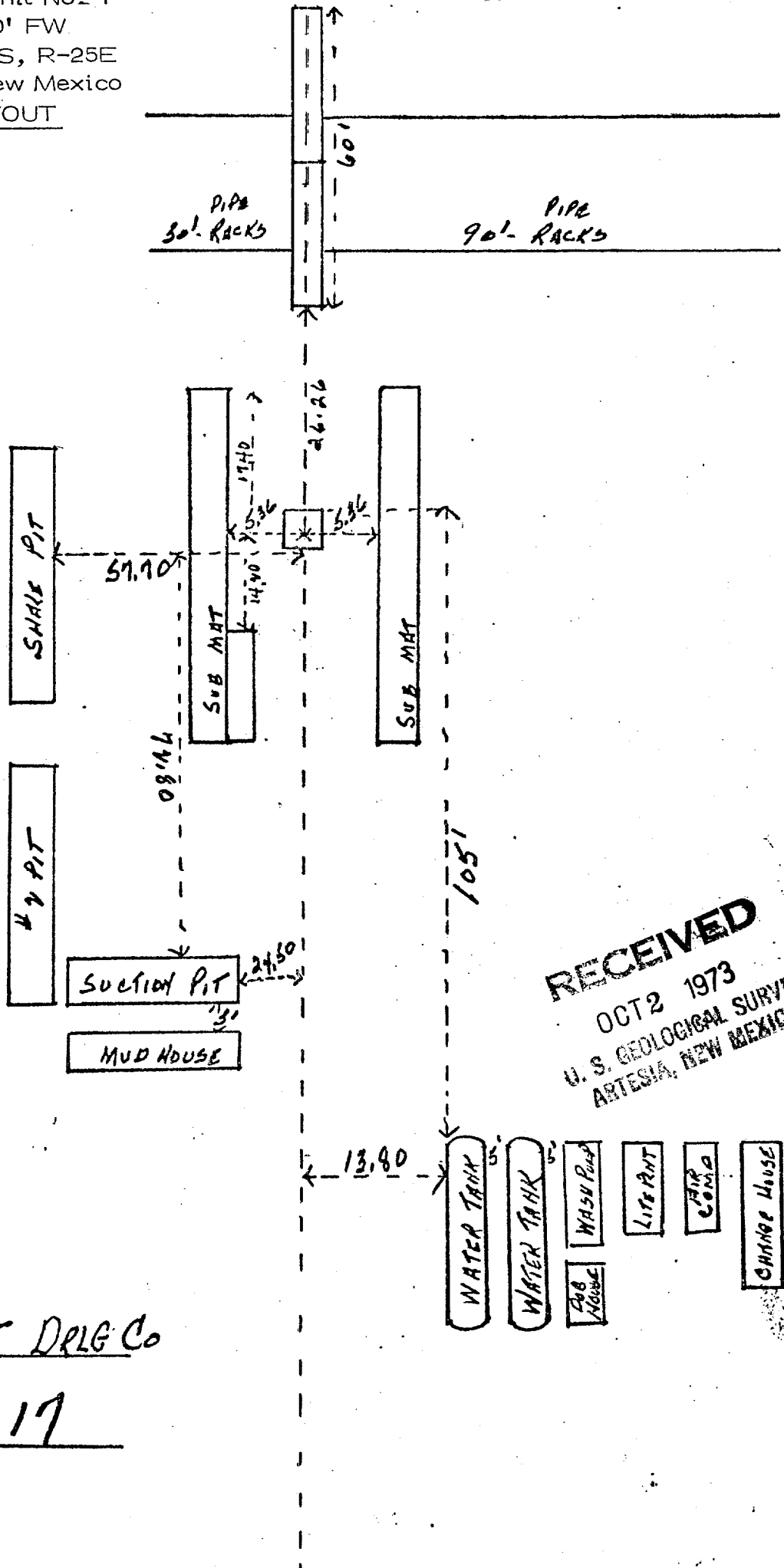
SOUTH SPRINGS PROSPECT
EDDY COUNTY, NEW MEXICO

Proposed Gas Pipeline 3"
Access Road
Existing Highway

SCALE IN FEET
4000 2000 0 4000 8000

MIDLAND, TEXAS

South Springs Unit No. 1
 2970' FNL, 1980' FW
 Section 4, T-21S, R-25E
 Eddy County, New Mexico
LOCATION LAYOUT



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 ARTESIA, NEW MEXICO

Big West Drilling Co

Rig # 17



ESTORIL PRODUCING CORPORATION

PRODUCERS OF OIL & GAS

SUITE 1120 VAUGHN BUILDING

MIDLAND, TEXAS 79701

(A. C. 915) 683-6101

FRED M. ALLISON
CHAIRMAN OF THE BOARD

RICHARD L. DAILY
PRESIDENT

FREDDY ALLISON
EXECUTIVE VICE PRESIDENT

ESTORIL PRODUCING CORPORATION
SOUTH SPRINGS UNIT NO. 1
2970' FNL and 1980' FWL
SECTION 4, T-21S, R-25E
EDDY COUNTY, NEW MEXICO

DRILLING FLUID PROGRAM

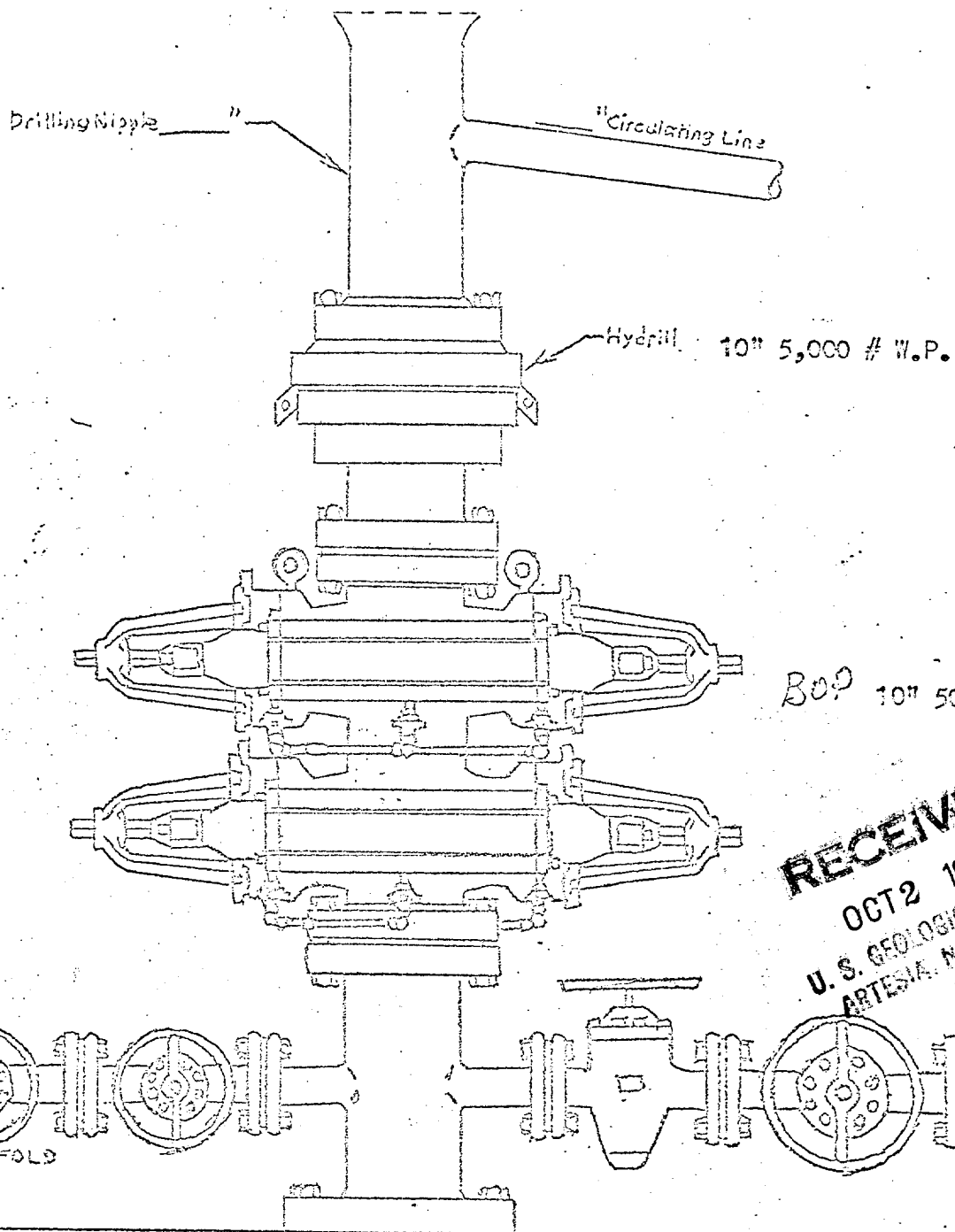
1. Drill out plugs to present total depth of 8300' with water.
2. Drill from 8300' to 9700' with fresh water with 2 percent KCL added, weight 8.8#, viscosity 40, water loss 10-15cc.
3. Drill from 9700' to 10,500' with fresh water with 2 percent KCL added, weight 9.2#, viscosity 40-45, water loss 4 cc. Use asbestos, flo-sal, drispak, starch to control viscosity.

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ARTESIA, NEW MEXICO

WELL NAME: Estoril Producing Corporation, South Springs Unit No. 1

LOCATION: 2970' FNL and 1980' FWL, Section 4,

T-21S, R-25E, Eddy County, New Mexico



WELL HEAD BOP
5,000 # W.P.

☐ Manual
☒ Hydraulic

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLI
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 42-R1424.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	5. LEASE DESIGNATION AND SERIAL NO. NM 14899
2. NAME OF OPERATOR Texas Oil & Gas Corp.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR P. O. Box 634, Midland, Texas 79701	7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 2970' FNL, 1980' FWL	8. FARM OR LEASE NAME South Springs
14. PERMIT NO.	9. WELL NO. 1
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 3321 GL	10. FIELD AND POOL, OR WILDCAT Wildcat
	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 4-21S-25E
	12. COUNTY OR PARISH Eddy
	13. STATE New Mexico

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐

FRACTURE TREAT ☐

SHOOT OR ACIDIZE ☐

REPAIR WELL ☐

(Other) ☐

PULL OR ALTER CASING ☐

MULTIPLE COMPLETE ☐

ABANDON* ☐

CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐

FRACTURE TREATMENT ☐

SHOOTING OR ACIDIZING ☐

(Other) ☐

REPAIRING WELL ☐

ALTERING CASING ☐

ABANDONMENT* ☒

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

3-9-73: Drilled to TD of 8300' and found well dry. Set 35 sx plugs in following intervals: 7750-7650, 6100-6000, 4100-4000, 2865-2765, 20' surface plug and regulation marker.

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MAR 19 1973

U.S. GEOLOGICAL SURVEY
NEW MEXICO

18. I hereby certify that the foregoing is true and correct

SIGNED

J. R. Colter

TITLE

Petroleum Engineer

DATE

3-13-73

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

J. I. Baker

*See Instructions on Reverse Side