



CITIES SERVICE OIL COMPANY

Box 4906
Midland, Texas 79701
Telephone: 915 684-7131

March 20, 1974

United States Department of the Interior
Geological Survey
Artesia, New Mexico 88210

Re: Application for Permit to
Drill Elizondo Federal A
No. 2, Eddy County, New
Mexico

Gentlemen:

Cities Service Oil Company respectfully requests permission to drill Well No. 2 on the Elizondo Federal A lease located 1980' FSL, 1780' FWL, Section 21-21S-27E, Eddy County, New Mexico.

In support of this application, the following data is submitted:

1. Form 9-331C, Application for Permit to Drill.
2. Form C-102, Well Location and Acreage Dedication Plat.
3. Designation of Operator.
4. Copy of request to the New Mexico Oil Conservation Commission for an exception to the well location requirements of their Rule 104.
5. Development plan which includes the following information:
 - a. Plat of area showing existing roads, proposed access road and relation of proposed location to nearby wells.
 - b. Plat showing location layout including position of the rig, mud tanks, reserve pits, etc.
 - c. Blowout preventer diagram showing arrangement and components of BOP stack.
 - d. Schematic diagram showing hookup of BOP's, choke manifold and mud/gas separator.
 - e. Schematic diagram of casing program.
 - f. Summary of mud program.

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The regular location was staked 1980' FSL, 1980' FWL of Section 21-21S-27E. This location was not drillable since it fell only 57'



LTR



Job separation sheet

March 20, 1974

west of a N-S high tension electric transmission line belonging to Southwestern Public Service Company. An alternate location was then staked 200' west or 1980' FSL, 1780' FWL of Section 21-21S-27E. A rig will fit nicely in this additional area and your approval of this alternate location is requested.

The No. 2 Elizondo Federal A is located one-half mile north of Cities Service Oil Company's recently completed Elizondo Federal A No. 1, a Morrow Sand producer in the La Huerta Pool. Projected TD is 11,800'. The primary objective is the Morrow Sand. Secondary objectives are Wolfcamp, Canyon and Strawn.

Mr. J. D. Spears, Box 1017, Carlsbad, New Mexico 88220, telephone no. 505/885-6641 has a Federal grazing lease on the location and 1980' of our proposed access road. Mr. Spears has been notified of our intent to drill.

The nearest inhabited dwelling is the trailer house of Jess W. Lamon approximately one mile south of the Elizondo Federal A No. 2.

The reserve pit will be lined when it is built. Upon completion of the well, the pits will be backfilled and levelled and debris removed.

If the well is completed as a producer, production equipment will be set no closer than 150' from the well with tanks set to collect both oil and water which will be trucked to sale or disposal. The gas purchaser will install necessary gas measuring equipment and pipeline.

If it is a dry hole, the well will be plugged according to USGS requirements.

The proposed casing program consists of:

13-3/8" set at 400' with cement circulated to surface.

9-5/8" set at 3100' with cement circulated to surface.

5-1/2" set at 11,800' with sufficient cement to fill annular space from TD to 9000'.

In addition to the blow out preventer equipment shown on the attached plat, the following equipment will be in use before drilling out from under the 9-5/8" intermediate casing.

1. Swaco adjustable choke.
2. Pit volume totalizer.
3. Flow line sensor.
4. Degasser.

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