

Application for Permit to Drill Ives "A" No. 1

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June 3, 1975

Ives "A" No. 1 is located midway between Canal Street and the AT&SF railroad that runs north and south through La Huerta. It is 400' east of T. O. Ives fresh water loading dock that fronts on Canal Street.

Mr. T. O. Ives is the landowner. He has been notified of our intention to drill and has given his approval of the drilling site. We are currently negotiating a damage settlement with Mr. Ives. His Carlsbad address is 1521 Mission Avenue and his telephone No. is 505/885-6192.

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 in accordance with New Mexico Oil Conservation Commission requirements.

The proposed casing program consists of:

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

9-5/8" casing set at 3000' with cement circulated to surface.

5-1/2" casing set at TD 11,650' and cemented with sufficient volume to fill the annular space from TD to 8000'.

In addition to the blowout 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.