

Application for Permit to Drill Elizondo-Federal "A" No. 3

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August 18, 1976

15. Anticipated starting date is one week after this Application for Permit to Drill is approved by the Geological Survey. It should take approximately 40 days to drill the well to T.D. and another 7-21 days to complete.
16. Designation of Operator from Flag-Redfern Oil Company and Pioneer Production Corporation (attached).
17. If the District Engineer requires additional information to support Form 9-331C, please contact me at the above address.

II. Multi Point Surface Use and Operations Plan

1. Existing roads.

A county road map is attached which shows the relation of the proposed well to the City of Carlsbad.

2. Planned access roads.

A larger scale map is also attached which shows the new location, nearby surrounding wells, the existing road system (in black) and the proposed 12' wide access road (shown in red).

Except for the West/2 of the SW/4 of Section 21 which is owned by Ralph Barron, Rt. 2, Box 77, Englewood, Tennessee 37329, the road and location will be on the Simpson Ranch whose administrator is Mrs. Frankie Laman, P. O. Box 791, Carlsbad, New Mexico 88220.

Attached are copies of letter agreements with both these parties outlining the settlement between these people and Cities Service Oil Company for damage to the surface.

The new road will be built due west from the existing road or the north side of the section lines until we are even with location. At that point it will turn north and come into the drilling pad at the southeast corner. It will be necessary to install two (2) cattleguards in Mr. Barron's existing fence and a low-water crossing will have to be built across some gullies in the S/2 of the SE/4 of Section 20.

Sweatt Construction Company of Hobbs and Artesia will be the dirt contractor.

3. Location of Existing Wells.

Shown on access road plat. All deep wells shown are operated by Cities Service Oil Company and are within the boundary of our Magruder Unit. We do not operate the shallow wells.