

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 MEADCO PROPERTIES LTD		Lease Hudson Fed		Well No. 2
Unit Letter E	Section 4	Township 21 South	Range 29 East	County Eddy
Actual Footage Location of Well: 1832 feet from the North line and 660 feet from the West line				
Ground Level Elev. 3438.2	Producing Formation Delaware Sand	Pool Undesignated Delaware	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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?

RECEIVED

MAR 26 1980

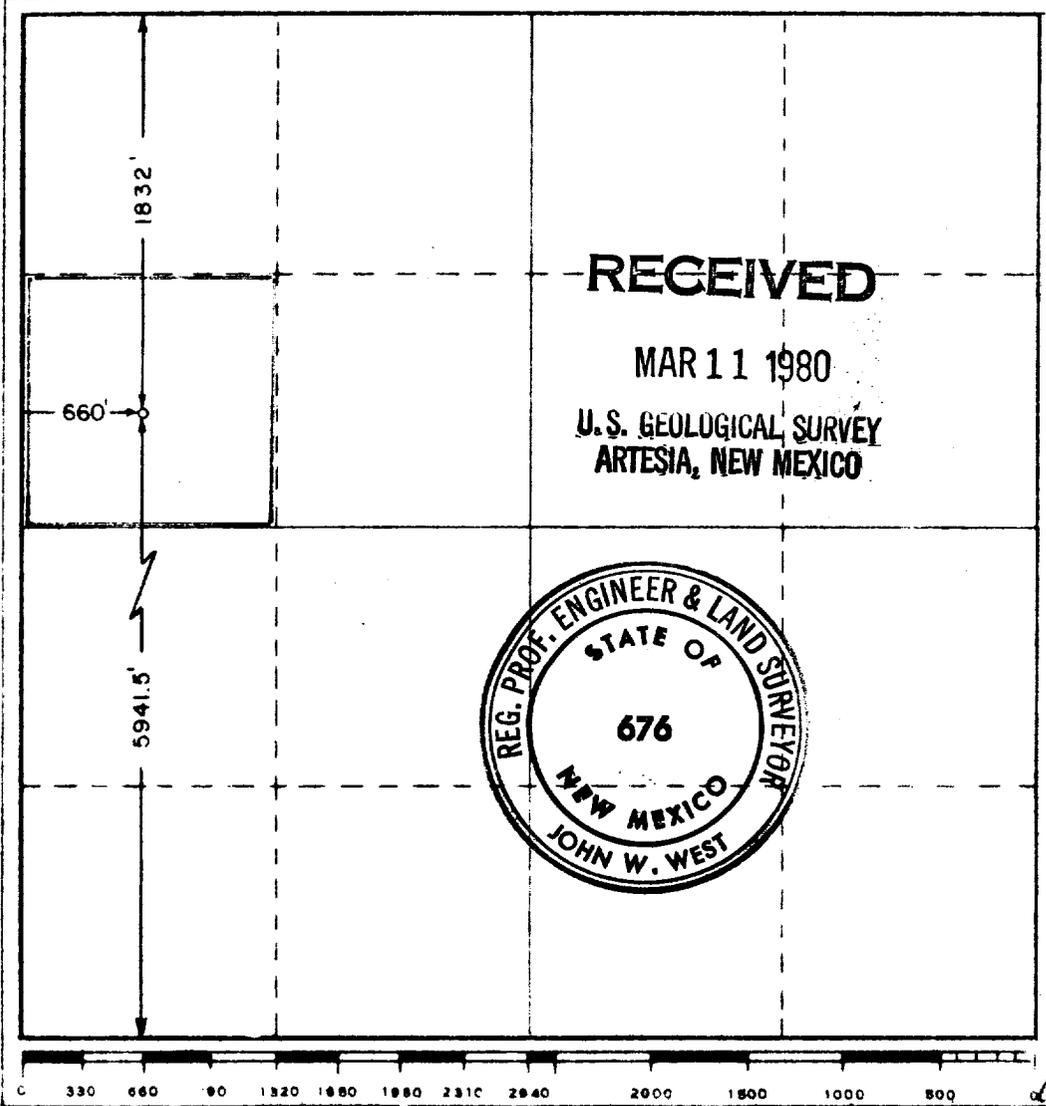
O. C. D.

ARTESIA, OFFICE

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.) _____

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.



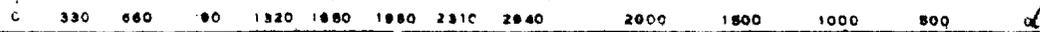
CERTIFICATION

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

Name: *Bill Carter*
 Position: **Owner**
 Company: **Meadco Properties, Ltd.**
 Date: **2/26/80**

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: **November 19, 1979**
 Registered Professional Engineer and/or Land Surveyor:
John W. West
 Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6663
RONALD J. ELLIOTT 3239



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-23250
5. LEASE DESIGNATION AND SERIAL NO.
LC 070286
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME
Hudson Federal
9. WELL NO.
2
10. FIELD AND POOL, OR WILDCAT
Undesignated
11. SEC. T, R, M, OR BLDK. AND SURVEY OR AREA
U.L.E. Sec. 4, T-21-S, R-29-E
12. COUNTY OR PARISH
Eddy
13. STATE
NM
16. NO. OF ACRES IN LEASE
320
17. NO. OF ACRES ASSIGNED TO THIS WELL
40
19. PROPOSED DEPTH
4400'
20. ROTARY OR CABLE TOOLS
Rotary
22. APPROX. DATE WORK WILL START*
April 15, 1980
QUANTITY OF CEMENT
225 C Circulate
887 C Circulate - 2 stages

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Meadco Properties, Ltd. O.C.D. ARTESIA OFFICE

3. ADDRESS OF OPERATOR
P. O. Box 2236, Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
1832' FNL & 660' FWL, Sec. 4, T-21-S, R-29-E
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 20 miles East of Carlsbad, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. line, if any)
660'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
4400'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3438.2 GR

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24#	550'	225 C Circulate
7 7/8"	4 1/2"	10.50#	4400'	887 C Circulate - 2 stages

Operations are expected to be completed 10 days after spud.

R-111-A casing and cementing exception has been granted by Order No. R-6263 by NMOCC dated 2/7/80. Order is attached.

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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 B. C. Carter TITLE Owner DATE 2/26/80

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 3-21-80

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:



United States Department of the Interior

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GEOLOGICAL SURVEY

P. O. Box 26124

Albuquerque, New Mexico 87125

MAR 26 1980

O. C. D.
ARTESIA, OFFICE

MAR 21 1980

Meadco Properties, Ltd.
P. O. Box 2236
Midland, Texas 79702

Gentlemen:

MEADCO PROPERTIES, LTD Hudson Fed No. 2 1832 FNL 660 FWL Sec. 4 T.21S R.29E Eddy County Lease No. LC 070286
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Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well in the Secretary's Oil-Potash Area to a depth of 4,400 feet to test the Delaware is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the attached General Requirements for Oil and Gas Operations on Federal Leases, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the Surface Use Plan and these Conditions of Approval including the attached General Requirements.
3. All access roads will be limited to a 12 foot wide driving surface, excluding turnarounds. Surface disturbance associated with road construction will be limited to 20 feet in width.
4. Submit a Daily Report of Operations from spud date until the well is completed and the Well Completion Report (form 9-330) is filed. The report should not be less than 8" x 5" in size and each page should identify the well.
5. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Guidelines. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
6. Notify the Survey by telephone 24 hours prior to spudding well.
7. Notify the Survey in sufficient time to witness the cementing of the 4-1/2" casing.

8. Cement behind the 8-5/8" and 4-1/2" casing must be circulated.
9. It is required that a Gamma-Ray-neutron Log be run in open hole from the base of Salado to the surface at a speed not to exceed 30 feet per minute.
10. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

[Handwritten signature]

FOR James W. Sutherland
Oil and Gas Supervisor, SRMA

Enclosure

cc:

Regional Manager, Denver
Mining Branch (2)
BLM, Roswell (w/cy Notice)
NMOCD, Artesia (2) (w/2 cys Notice)
Artesia
Roswell (w/cy Notice)
Area (potash)
Area (chrono.)
District (potash)
District (chrono)

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING.
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6793
Order No. R-6263

APPLICATION OF MEADCO PROPERTIES,
LTD. FOR AN EXCEPTION TO ORDER
NO. R-111-A, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 16, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 7th day of February, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Meadco Properties, Ltd., seeks an exception to the casing-cementing rules for the Oil-Potash Area as promulgated by Order No. R-111-A, to permit a proposed well located in Unit E of Section 4, Township 21 South, Range 29 East, Eddy County, New Mexico, to be completed by setting surface casing at 550 feet and production casing at a total depth of approximately 4500 feet and cementing both casing strings to the surface.

(3) That no potash operator objected to the proposed casing-cementing program for the subject well and it is assumed that the proposed method of completion will not result in endangerment of potash resources nor operations.

(4) That the applicant should report the following both to the district office of the Division and the U.S.G.S.:

- (a) Any water flows encountered; and
- (b) The top of the cement around the production casing as determined by temperature survey if such cement does not circulate.

(5) That the applicant may be required to re-cement the production casing if the cement on said string fails to circulate to the surface.

(6) That approval of the subject application will protect correlative rights, will prevent waste and will not cause the waste of potash.

(7) The application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Meadco Properties, Ltd., is hereby authorized an exception to the casing-cementing rules for the Oil-Potash Area as promulgated by Order No. R-111-A to permit a proposed well in Unit E of Section 4, Township 21 South, Range 29 East, to be completed by setting surface casing at 550 feet and production casing at a total depth of approximately 4500 feet and cementing both casing strings to the surface.

PROVIDED HOWEVER, that the applicant shall report the following, both to the district office of the Division and the U.S.G.S.:

- (a) Any water flows encountered; and
- (b) The top of the cement around the production casing as determined by temperature survey if such cement does not circulate.

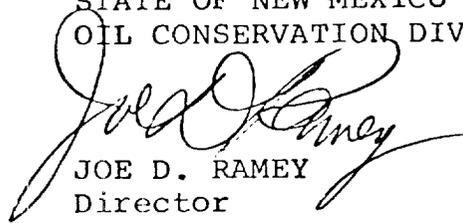
PROVIDED FURTHER, that the applicant may be required to re-cement the production casing to the surface if cement on said casing did not circulate to the surface.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-3-
Case No. 679
Order No. R-6263

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



Handwritten signature of Joe D. Ramey in cursive script, overlapping the typed name and title.

JOE D. RAMEY
Director

S E A L

fa/

MEADCO PROPERTIES, LTD.
No. 2 Hudson Federal
Eddy County, New Mexico

Casing and Cementing Program

Surface Casing:

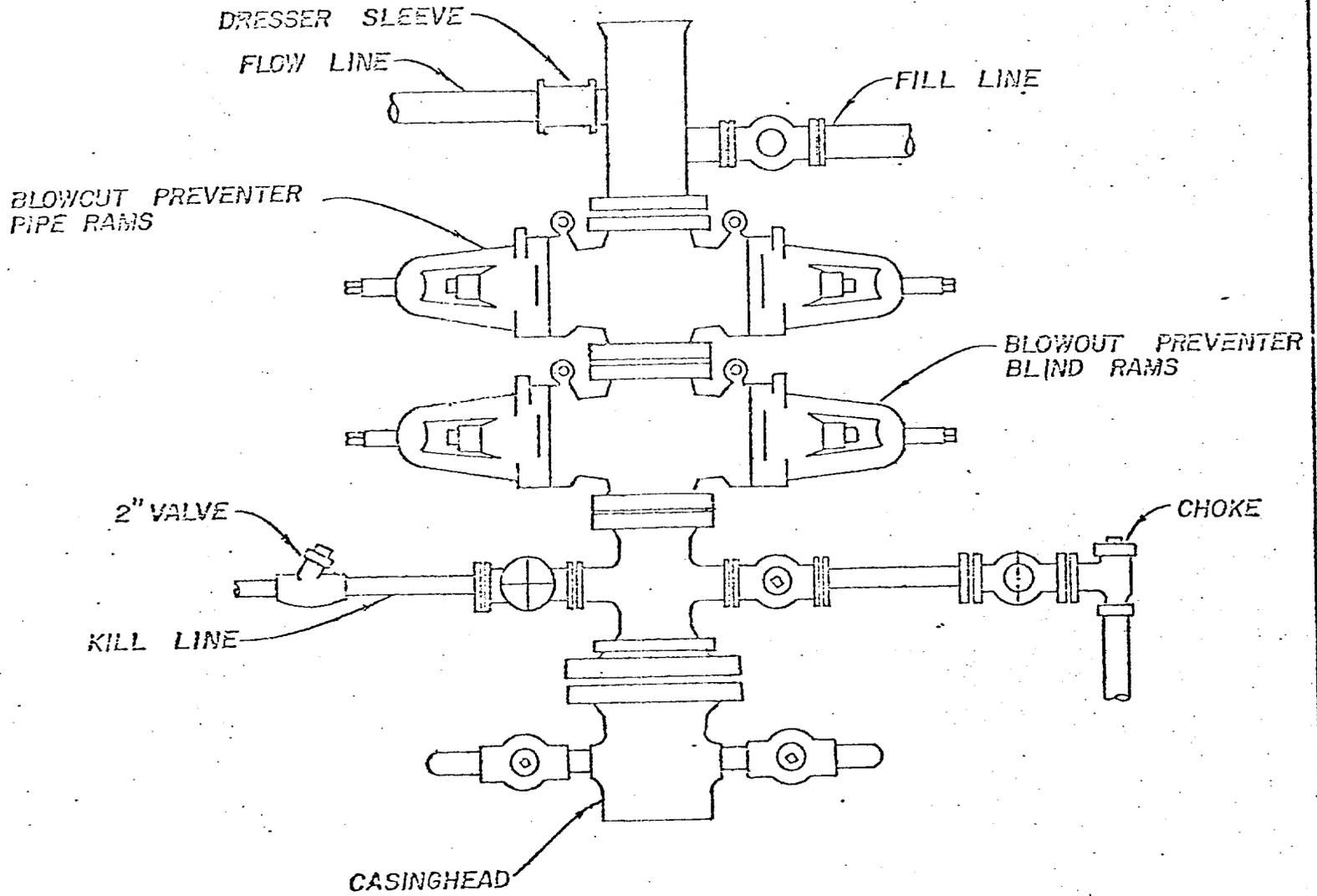
11" hole size: set approximately 550' of 8 5/8" 24#, K-55 casing using 225 sacks class "C" cement w/2% calcium chloride.

Production String:

7 7/8" hole size: set approximately 4500' 4 1/2" 10.50#, K-55, 8R LTC casing, cmt to surface using DV tool at 1650'. The first stage will be 354 sx Halliburton light cmt containing 5# Gilsonite and 1/4# flocele per sx, salt sat. with 100 sx 50-50 class "C" Posmix A w/8# salt per sx. The second stage cmt will be 383 sx Halliburton light w/5# Gilsonite and 1/4# flocele per sx, salt sat. Tail in w/50 sx class "C" w/2% calcium chloride.

BLOWOUT PREVENTER HOOK-UP

2000 PSI WORKING PRESSURE



Meadco Properties, LTD.
No. 2 Hudson Federal
1832' FNL & 660' FWL
Sec. 4, T21S-R29E
Eddy Co., New Mexico

BLOWOUT PREVENTER OPERATING AND TESTING PROCEDURE

Prior to installation, all blowout preventer equipment will be inspected by operator's representative. This inspection will include visual inspection of ring grooves, bonnet seals, connecting rods and body bore and pressure testing of the opening and closing chambers to pressure limits approved by manufacturer.

The Ram type preventer will be pressure tested to 200-300 psi and casing working pressure upon installation. The full blowout preventer stock will be pressure tested weekly and after each Ram change to 200-300 psi and to the lower of the following maximums:

1. Required working pressure on Ram type preventer.
2. Wellhead working pressure.
3. Casing working pressure.

An operational test of the blowout preventer will be performed on each round trip but no more than one (1) each day. The pipe Ram preventer will be closed on pipe and the blind Rams closed while out of the hole. A drilling crew proficiency test to perform the well shut in procedure will be performed at least once each week with each drilling crew.

ph

Meadco Properties, LTD.
No. 2 Hudson Federal
1832' FNL & 660' FWL
Sec. 4, T21S-R29E
Eddy Co., New Mexico