

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

Fortson Oil Company ✓

(817) 335-5641

3. ADDRESS OF OPERATOR

3000 Texas American Bank Bldg. Fort Worth, Texas

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

76102

At surface

1980' FNL & 467' FWL, SW/4 NW/4, Unit E

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

14 air miles Northeast of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

467'

16. NO. OF ACRES IN LEASE

588.28

17. NO. OF ACRES ASSIGNED

TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

193'

19. PROPOSED DEPTH

4000' ±

20. ROTARY OR CABLE TOOLS

Rotary

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

3263' GR

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM Secretary's Potash / R-111-P Potash

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26.0"	20.0"	94.0#	500'	500 sx(Circ)
17 1/2"	13 3/8"	48 & 54.5#	1400'	750 sx(Circ)
12 1/4"	9 5/8"	36.0#	3250'	900 sx(tie back)
8 3/4"	7.0"	23 & 26.0"	4000'	500 sx(tie back)

Part FD-1
3-15-91
New Loc &
API

Operator proposes to drill to the Delaware formation to test for possible commercial production of oil and gas.

Attachments:

- A. Supplemental Drilling Data
- B. Surface Use Plan: Exhibits A-D
- C. Directional Map
- D. B.O.P. diagram
- E. Pertinent Lease Data

RECEIVED
JAN 24 1 13 PM '91

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

Jersey W. Franklin

TITLE

Agent

DATE 1/23/91

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

3-5-91

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO

GENERAL REQUIREMENTS AND

SPECIAL STIPULATIONS

ATTACHED

*See Instructions On Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Fortson Oil Company

3. Address and Telephone No.

(817)335-5641

3000 Texas American Bank Bldg., Fort Worth, Tx 76102

4. Location of Well (Footage, Sec., T. R. M., or Survey Description)

1980' FNL & 467' FWL, Sec. 6, T20S, R30E

5. Lease Designation and Serial No.

NM--84721

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Sylvite Fed. No. 2

9. API Well No.

10. Field and Pool, or Exploratory Area

Und. Parkway-Del

11. County or Parish, State

Eddy Co., N.M.

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☒ Altering Casing
☐ Other
- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

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

13. 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.)*

Operator proposes to change casing program as follows:

17 1/2" hole, 13 3/8", 48.0#, H-40, ST&C casing, set to 500'. Circulate cement to surface with 400 sx cement.

12 1/4" hole, 9 5/8", 36.0#, J-55, ST&C casing, set to 1400'. Circulate cement to surface with 600 sx cement.

8 3/4" hole, 7.0", 20.0#, J-55, ST&C casing. Tie cement in to 9 5/8" casing, set to 3200'.

6 1/4" hole, 4 1/2", 11.60#, J-55, ST&C casing, set to 4000'. Cement to isolate all oil, gas and water zones.

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

Signed Terry W. Franklin

Title Agent

Date 2/28/91

(This space for Federal or State office use)

Approved by

Title

Date

3/5/91

Conditions of approval, if any:

**NEW 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.

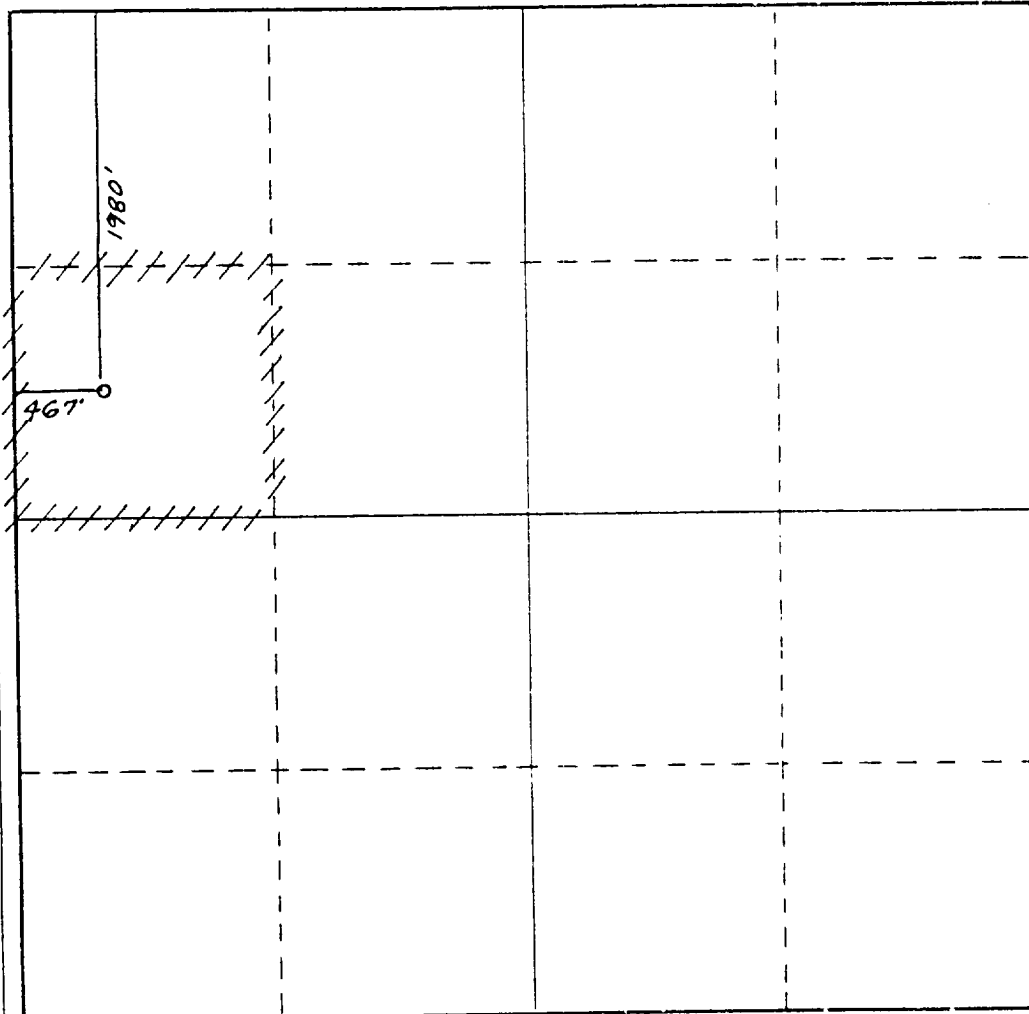
Operator FORTSON OIL COMPANY			Lease SYLVITE FEDERAL		Well No. 2
Unit Letter E	Section 6	Township 20 South	Range 30 East	County Eddy County, N.M.	
Actual Footage Location of Well: 1980 feet from the North line and 467 feet from the West line					
Ground Level Elev. 3263.	Producing Formation Delware		Pool Undesignated Parkway/Delaware	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
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).
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.) _____

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.

Terry Franklin

Name

Terry Franklin

Position

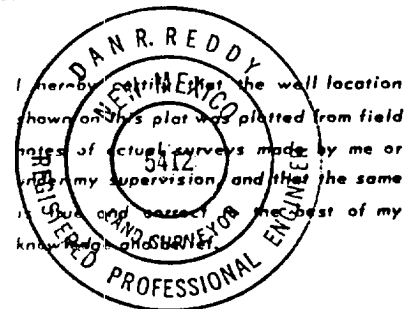
Agent

Company

Fortson Oil Company

Date

January 24, 1991



Date Surveyed

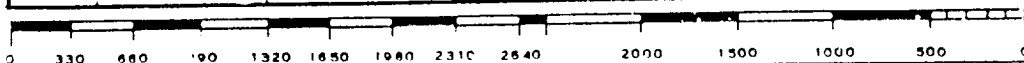
January 22, 1991

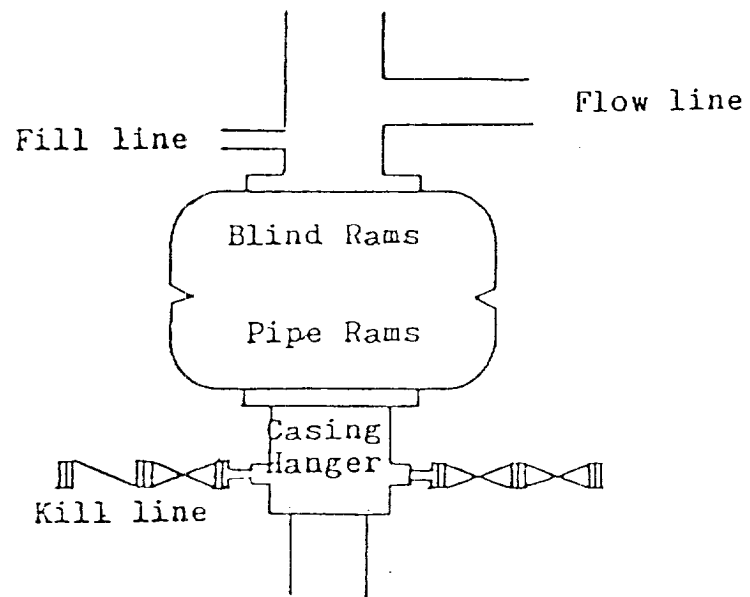
Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy

Certificate No.

NM PE&PS NO. 5412





Blowout Preventer
3000 psi working pressure

PERTINENT LEASE DATA

FORTSON OIL COMPANY
SYLVITE FEDERAL NO. 2
1980' FNL & 467' FWL
Sec. 6, T20S, R30E
Eddy County, N.M.

Located: 14 air miles Northeast of Carlsbad, N.M.

Lease Number: NM-84721

Record Lessee: Collins & Ware, Inc.

Bond Coverage: \$25,000.00 Statewide Bond-Fortson Oil Co.

Acres in Lease: 588.280

Surface Ownership: Federal

Pool Rules: General Statewide Rules

Exhibits: A. Land Plat
B. B.O.P. diagram
C. Directional Highway Map
D. Topographic Map
E. Wellsite Plat

SUPPLEMENTAL DRILLING DATA

FORTSON OIL COMPANY
SYLVITE FEDERAL NO. 2
1980' FNL & 467' FWL
Sec. 6, T20S, R30E
Eddy County, N.M.

The following information is filed in accordance with "Onshore Oil and Gas Order" No.s 1 & 2:

1. Geologic Name of Surface Formation: Permian age

2. Estimated Geological Marker Tops:

Rustler	280'	Yates	1410'
T/Salt	400'	7 Rivers	1530'
B/Salt	1320'	Delaware	3500'

3. Estimated Depths to Water, Oil and Gas:

Water: above Rustler formation at 150'+
Oil & Gas: Delaware formation below 3500'

4. Proposed Casing and Cement Program:

Surface Csg: 20", 94.0#, H-40, ST&C casing. Cement with 500 sx Class 'C' with 2% CaCl. Circulate cement to surface.

First Inter: 13 3/8", 48 & 54.5", H-40, ST&C casing. Cement with 500 sx 50-50 pozmix followed by 250 sx Class 'C' with 2% CaCl. Circulate cement to surface.

Second Inter: 9 5/8", 36.0#, J-55, ST&C casing. Cement with 900 sx 35-65 pozmix. Tie cement to 13 3/8" casing.

Prod. Casing: 7.0", 23 & 26.0#, J-55, ST&C casing. Cement with 500 sx Class 'C' with 1% CaCl. Cement to isolate all oil, gas and water zones.

5. Mud Program:

- 0 - 500': Fresh water spud mud. Fresh water lime and gel. 8.5-8.8#/gal, 30-33 viscosity
- 500 - 1400': Brine water with salt gel and lost circulation material as required. 9.3-9.5#/gal, 28-30 viscosity
- 1400 - 3250': Fresh water system. Control pH with lime, 8.3-8.5#/gal, viscosity 28-30, pH 9-10
- 3250 - 4000': Drill out with existing brine system circulating reserve pit. Control pH with lime. 9.2-9.4#/gal, viscosity 28-32, pH 9-10

6. Pressure Control Equipment: 3000 p.s.i. working pressure, double ram blowout preventor will be installed from 500' to total depth.

7. Proposed Testing, Logging and Coring Programs:

- Testing: No DST's anticipated
- Logging: DLL, Compensated Neutron, Gamma Ray. Possible mud logging unit from 1400' to total depth
- Coring : possible Delaware core

8. Auxiliary Equipment: Kelly cock, Full Opening Stabbing Valve.
9. Abnormal Pressures or Temperature Zones: Possible lost circulation in the Artesia group and Capitan Reef. No high pressure zones are anticipated.
10. Anticipated Starting Date: Commence drilling operations upon approval of the Permit to Drill.

SURFACE USE PLAN

FORTSON OIL COMPANY
SYLVITE FEDERAL NO. 2
1980' FNL & 467' FWL
Sec. 6, T20S, R30E
Eddy County, N.M.

1. Location of Proposed Well:
 - A. Exhibit 'A' is a portion of a highway map displaying the location as staked. Proposed location is situated approximately 14 air miles northeast of Carlsbad, New Mexico.
2. Access Roads to be Constructed or Reconstructed:
 - A. Exhibit 'B' displays the existing roads. No new access roads will be necessary.
 - B. Existing access roads to the proposed wellsite will be used in their present state. Off lease access approval executed under Sylvite Federal No. 1 location.
3. Location of Existing Wells:
 - A. Exhibit 'C' displays the existing wells in the immediate area.
4. Location of Proposed Production Facilities:
 - A. Necessary production equipment will be constructed on the well pad.
5. Location and Type of Water Supply:
 - A. Eddy County Potash's surface disposal lake is located approximately 1 1/8 miles east of proposed location.
 - B. Water necessary for drilling operations will be purchased from a nearby commercial source and trucked to the drillsite.
6. Construction Materials:
 - A. Surfacing materials will be caliche and will be purchased from a Federal pit located in the SW/4 NE/4, Sec. 3, T20S, R30E.

7. Methods for Handling Waste Disposal:
 - A. Drill cuttings will be disposed in the reserve pits.
 - B. Drilling fluids will evaporate in the reserve pits until dry.
 - C. Water produced during tests will be disposed in the reserve pits.
 - D. All trash will be buried in a separate pit and covered with a minimum of 36" of dirt.
 - E. The location will be cleaned of all debris as soon as drilling operations are completed.
8. Ancillary Facilities:
 - A. None anticipated
9. Well Site Layout:
 - A. Exhibit 'D' displays the well site and rig layout.
10. Plans for Restoration of the Surface:
 - A. After completion of operations, all materials not needed for producing the well will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite in good condition.
 - B. Any unguarded pits containing fluids will be fenced until dry.
 - C. If the test well results in a non-commercial test, the well pad will be rehabilitated to BLM requirements.
11. Surface Ownership:
 - A. The surface is Federal.
12. Other Information:
 - A. Topography: Proposed location is situated approximately 30' west of the Sylvite Fed. No. 1 well pad.
 - B. Vegetation: Yucca, mesquite, gramma grasses.
 - C. Surface use is for grazing.
 - D. An archeological survey conducted on well pad 1/24/91,

by Archaeological Survey Consultants, Roswell, N.M.
No cultural sites present.

13. Operator's Representative:

John Tittl
Fortson Oil Company
3000 Texas American Bank Building
Fort Worth, Texas 76102
(817)335-5641

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations herein will be performed by FORTSON OIL COMPANY and its contractos and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

1/23/91
Date

Terry W. Franklin
Terry W. Franklin-
Agent

DIRECTIONS TO LOCATION

FORTSON OIL COMPANY
SYLVITE FEDERAL NO. 2
1980' FNL & 467' FWL
Sec. 6, T20S, R30E
Eddy County, N.M.

Starting point being Pecos River Bridge, Carlsbad, New Mexico:

- 00.00 From Carlsbad, travel northeast on highway 62-180 for 13.6 miles(4/10 miles past mile marker 49);
- 13.60 Turn north on County Road 238 for 2.1 miles;
- 15.70 Continue north on oilfield road for 4.1 miles;
- 19.80 Turn east and proceed east for a total of 2.6 miles(will travel past Siete Oil & Gas-Osage Federal tank battery at 1.0 miles east, east to Santa Fe Energy-Parkway '36' State Well No. 4 tank battery, then east to Fred Pool-Ronadero Federal No. 4 well;
- 22.40 Turn south at Fred Pool-Ronadero tank battery for 2/10 miles to Ronadero Federal No. 4 well;
- 22.60 Continue south to for 2/10 miles;
- 22.80 Turn southeast for 3/10 miles;
- 23.10 Location

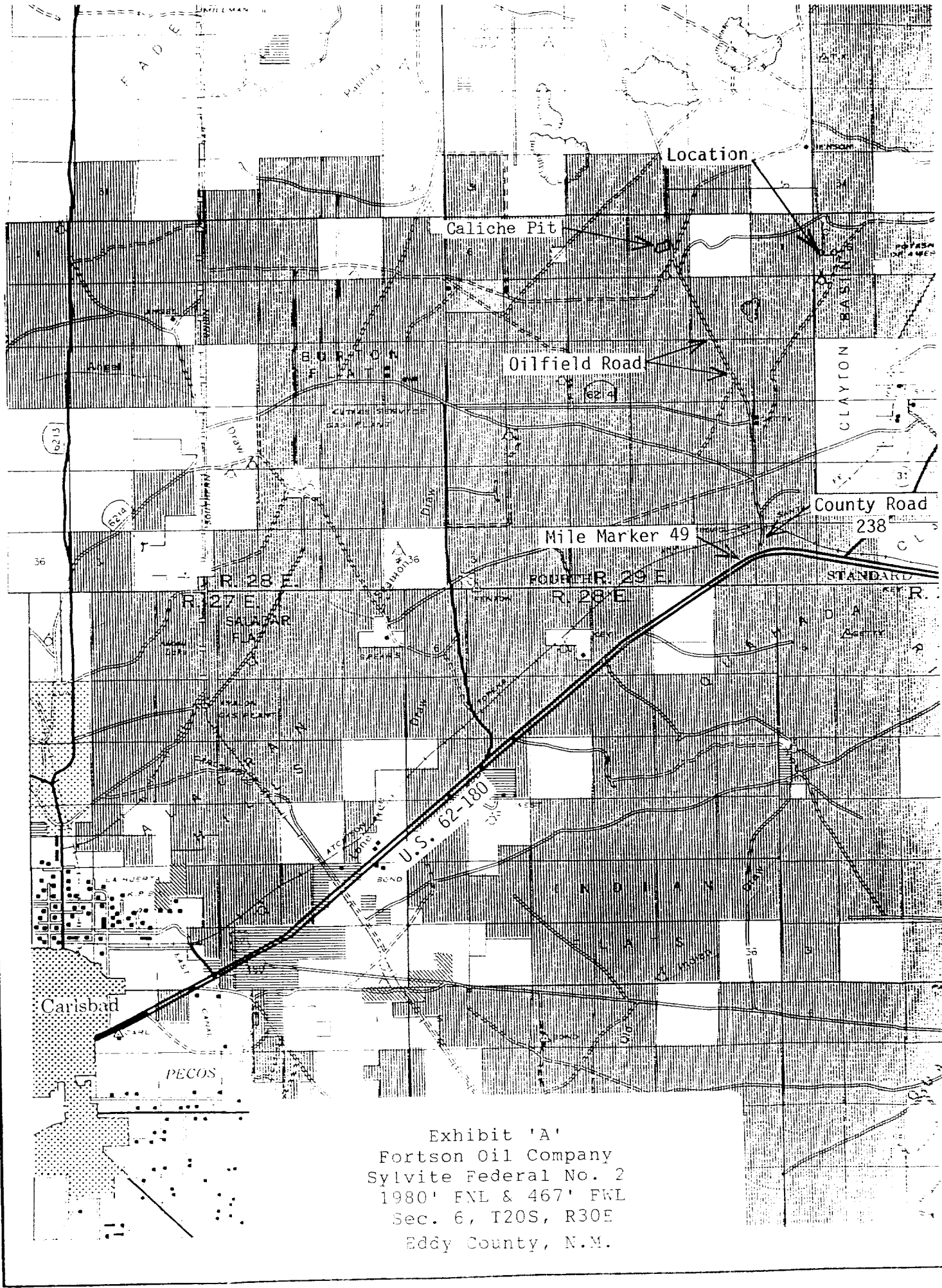


Exhibit 'A'
Fortson Oil Company
Sylvite Federal No. 2
1980' FNL & 467' FWL
Sec. 6, T20S, R30E
Eddy County, N.M.

SCALE: 1" = 1 MILE

Exhibit 'B'

Fortson Oil Company

Sylvite Federal No. 2

1980' FNL & 467' FWL

Sec. 6, T20S, R30E

681' County, N.Y.

Exhibit 'B'
Fortson Oil Company
Sylvite Federal No. 2
1980' ENL & 467' FWL
Sec. 5, T20S, R30E
Tad. County, W.V.

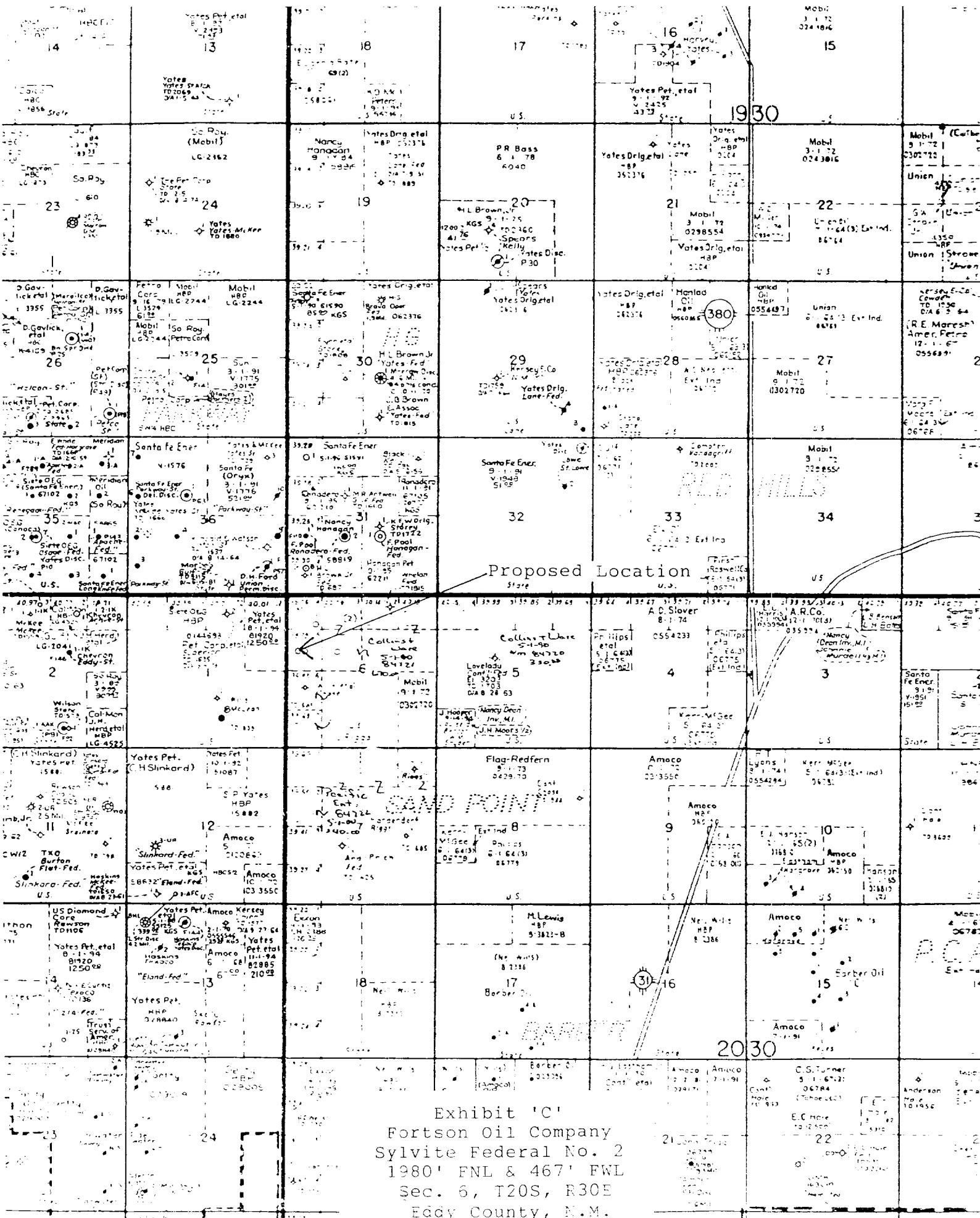


Exhibit 'C'
Fortson Oil Company
Sylvite Federal No. 2
1980' FNL & 467' FWL
Sec. 6, T20S, R30E
Eddy County, N.M.

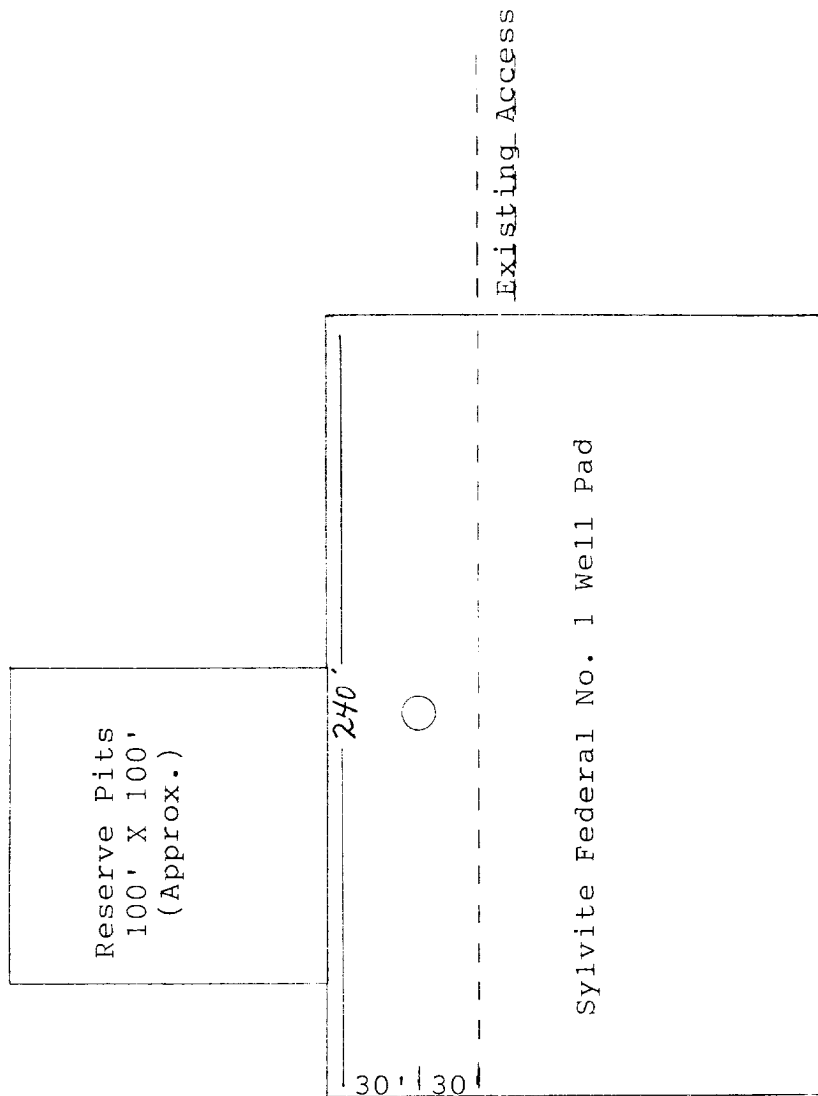


Exhibit 'D'
 Fortson Oil Company
 Sylvite Federal No. 2
 1980' FNL & 467' FWL
 Sec. 6, T20S, R30E
 Eddy County, N.M.