Form 3160-3 (July 1992).

FORM APPROVED OMB NO. 1004-0136

***	DEDARTACAL	T OF THE I	ARTESIA, NW. 48	Expires: February 28, 1995			
	DEPARTMEN	I OF THE IT LAND MANAG		5. LEASE DESIGNATION AND SERIAL NO.			
	NM 0331649(A)						
APPL	ICATION FOR P	ERMIT TO D	RILL OR DEEPEN	6. IF INDIAN, ALLOTTEE OR TRIBE NAME			
1a. TYPE OF WORK	V						
	RILL 🖺	DEEPEN [] .	7. UNIT AGREEMENT NAME			
b. TYPE OF WELL	3A8 🗀		TINALE AT MANAGEMENT				
WELL	WELL OTHER		SINGLE A MULT ZONE ZONE	8. FARM OR LEASE NAME WELL NO.			
2. NAME OF OPERATOR	_ /			Ram Ewe Fed.#3			
Collins & War				9. AT WELL NO 30-015-27737			
	3. ADDRESS AND TELEPHONE NO.						
303 W. Wall, St	e. 2200, Midlan	d, TX 79701		10. FIELD AND POOL, OR WILDCAT			
4. LOCATION OF WELL (I	Happy Valley Delaware						
700 FSL & 1				11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA			
At proposed prod. zo	_{ne} Same						
14				O , Sec. 33, T22S, R26E			
	AND DIRECTION FROM NEA	REST TOWN OR POST	OFFICE*	12. COUNTY OR PARISH 18. STATE			
miles SW/ Carl				Eddy NM			
15. DISTANCE FROM PROP LOCATION TO NEARES	T		16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL			
PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 470' 160 40							
18. DISTANCE FROM PROPERTY OF NEAREST WELL, I	POSED LOCATION® DRILLING, COMPLETED,		19. PROPOSED DEPTH	20. ROTARY OR CABLE TOOLS			
OR APPLIED FOR, ON TH	IIB LEASE, FT. 20	000'	5100	Rotary			
21. ELEVATIONS (Show wh	ether DF, RT, GR, etc.)			22. APPROX. DATE WORK WILL START*			
33 O GL				Upon approval			
23.		PROPOSED CASIN	G AND CEMENTING PROGRA	AM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOO	OT SETTING DEPTH	QUANTITY OF CEMENT			
17 1/2	13 3/8 K55	54.5#	350 500'E13	400 SX CIRCULATE			
11	8 5/8 J55	24#	1650	425 SX CIRCULATE			
7.875	5 1/2 K55	15.5#	5100	800 SX (TIEBACK INTO 85/6 CSC			
	1	I		,			

Operator proposes to drill the Delaware formation to test for possible commercial production of oil and gas. If productive, production csg. will be set to TD. If non-productive, the well will be P&A'd in a manner consistent with Federal and State

regulations and according to good engineering Onshore Oil and Gas Order #1 are outlined in	practice. Specific progr	came according to
 Well location and acreage dedication plat. Drilling Program Exhibit #1: BOP and choke manifold Surface Use and Operating Plan Exhibit #2: existing roads Exhibit #2A: planned access roads 		drilling rig layout production facilities layout
Exhibit #3: one-mile radius map with lease Exhibit #3A: well status IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give deepen directionally, give pertinent data on subsurface locations and measured and true ve	data on present productive zone and account	JO~) 1+19-93 Nid API w productive zone. If proposal is to drill or
24.	Regulatory Mgr.	DATE 10-14-93
(This space for Federal or State office use) PERMIT NO. Application approval does not warrant or certify that the applicant holds legal or equitable CONDITIONS OF APPROVAL, IF ANY:	APPROVAL DATE	APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS thereon. ATTACHED
		DATE
	O- P Side	DATE

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Actual Footage Location of Well: 1980 feet from the EAST line and 700 feet from the SOUTH line Producting Formation Footage Location of Well: 1980 Deducated Acreage: 1 Outline the acreage deducated to the subject well by colored pencil or hardrum emrits on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the convership thereof (both as to working interest and mysalty). 3. If more than one lease of different convership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, forte-pooling, etc? Yes If answer is "ore" list the owners and tract descriptions which have actually been consolidated. (Use reverse aide of this form if necessary. No allowable will be assigned to the well unit interests have been approved by the Division. OPERATOR CERTIFICATION for a consolidation of the plat was plotted from field in actual surveys made by me of usual part was plotted from field in actual surveys made by me of usual part was plotted from field in actual surveys made the met description of the plat was plotted from field in actual surveys made by me of usual part was plotted from field in actual surveys made by me of usual part was plotted from field in actual surveys made by me of usual part was plotted from field in actual surveys made by me of usual part was plotted from field in actual surveys made by me of usual part was plotted from field in actual surveys made by me of usual part was plotted from field in actual surveys made by me of usual part was plotted from field in actual surveys made by me of usual part was plotted from field in actual surveys made by me of usual part was plotted from field in actual surveys made by me of usual part was plotted from field in actual surveys made by me of usual part was plotted from field in actual surveys made by me of usual part was plotted from field in actual surveys made by me of usual part was plotted from field in actual surveys made by the produced part was plotted	Operator					Lease				Well No.	
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DRILLING PROGRAM

COLLINS & WARE, INC. RAM EWE FEDERAL # 3 700' FSL & 1980' FEL, UNLTR O, Sec. 33, T22S, R26E EDDY COUNTY,NM

The following information is filed in accordance with Bureau Of Land Management Rules and Regulations:

1.SURFACE FORMATION: Quaternary

2.ESTIMATED TOPS OF GEOLOGIC MARKERS:

Delaware 1680' Cherry Canyon 2550' Bone Springs 4950'

3.ESTIMATED DEPTH TO FRESH WATER:

Possible fresh water 100'-300'

ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Delaware (below 1700')
No other formations are anticipated to give up commercial quantities of hydrocarbons.

The fresh water sands will be protected by setting 13 3/8" casing at 350 and circulating cement back to surface. First intermediate 8 5/8" casing will be set at 1650 and cement circulated back to surface. The 5 1/2" production string will be set at 5100 and cement circulated back to surface.

4.PROPOSED CASING AND CEMENTING PROGRAM:

Hole Size **500'**17.5" 0-**350'** 13 3/8" 54.5#, K-55, ST&C, New & Used 11.0" 0-1650' 8.5/8" 24#, J-55, ST&C, New 7.875" 0-5100' 5 1/2" 15.5#,K-55,LT&C,New

Interval Casing OD WT., Grade, Joint, Condition

Cement:

Casing

13 3/8" Surface Csg.: Cemented with 400 sacks of Class "C" with 2% CaCl. Circulate cement.

8 5/8" First Intermediate: Cemented with 425 sacks of 50-50 Pozmix cement tailed in with 225 sacks of Class "C" with 2% CaCl. Cement to circulate.

5 1/2" Prod. Csg.: Cement 1st stage with 350 sacks of 50/50 POZ 'H' cement, w/ DV tool @ 3300' +-. Cement 2nd stage with 450 sacks of 50/50 POZ 'H'; circulate to surface.

Page 2- Drilling Program
Collins & Ware, Inc., Ram Ewe Fed. #3

5.PRESSURE CONTROL EQUIPMENT:

Blowout prevention equipment, while drilling below surface casing will be a 3000 psi working pressure BOP stack. The BOP sketch is shown as Exhibit 1.

500 6.CIRCULATING MEDIUM:

Surface to 550: Fresh water spud mud: viscosity 30 to 33 as required for hole cleaning, 8.5-8.8#/gal.

to 1650': Fresh water with lost circulation material as required, 28-30 viscosity, pH 9-10, weight 8.5-8.8#/gal.

1650'to TD: Cut brine system circulating reserve pit. Weight 8.6-9#, ph 9-10, viscosity 28-32, with mud sweeps as required. Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the well site at all times.

7.AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

A. An upper kelly cock will be used.

- B. The drilling fluids system will be visually monitored at all times.
- C. A mud-logging unit will monitor drilling penetration rate and hydrocarbon shows from somewhere below the intermediate casing. (tentative)

8.TESTING, LOGGING, AND CORING PROGRAMS:

- A. No drill stem tests are planned.
- B. Compensated Neutron/LDT Log GR and Dual Laterolog w/ MSFL.

The Gamma Ray Log will be continued back to surface.

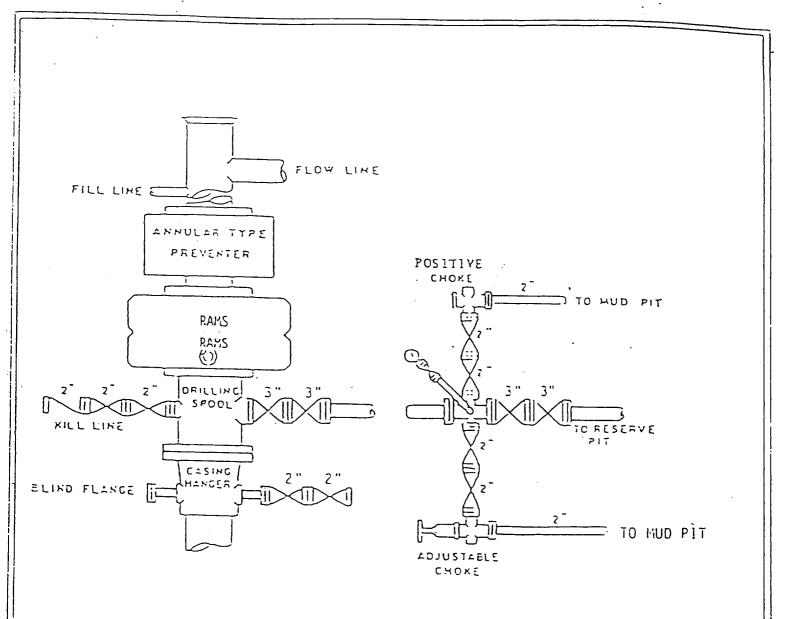
- C. Mud-logging unit will be used below 1650'.
- D. A set of sidewall cores is anticipated.
- E. Other testing procedures may be used after the production casing has been set depending on shows and other testing indicators.

9.ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES, & POTENTIAL HAZARDS:

No abnormal pressures or temperatures are anticipated. The estimated bottom-hole temperature (BHT) at TD is 90F and the estimated maximum bottom hole pressure (BHP) is about 1400 psi. No hydrogen sulphide (H2S) or other hazardous fluids are known to exist at this depth and area. No lost circulation zones are anticipated.

10.ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

It is planned that operations will commence shortly after approval of this application, with drilling and completion operations lasting about 30 days. A decision as to design and installation of permanent facilities will be made after adequate testing.



BOP STACK

3000 PSI WORKING PRESSURE

IN USE WHILE DRILLING BELOW 8-5/8" CASING SEAT

Exhibit No. IA BOP ARRANGEMENT

SURFACE USE AND OPERATIONS PLAN FOR COLLINS & WARE, INC. RAM EWE FEDERAL WELL NO. 3 700' FSL & 1980' FEL, **Q**, Sec. 33, T22S, R26E EDDY COUNTY NM

LOCATED: 3.9 miles SW of Carlsbad, NM.

FEDERAL LEASE NUMBER: NM-34247

ACRES IN LEASE: 160

TERM: HBP

LESSEE: Collins & Ware, Inc.

SURFACE OWNERSHIP: Federal

GRAZING PERMITEE: Bill Gillock 159 Gillock Rd. Carlsbad, NM 88220

POOL: Happy Valley (Delaware)

POOL RULES: SWR: 40 acre spacing for oil.

EXHIBITS: 2. Existing roads

2A. Planned access roads

- 3. One-Mile Radius Map showing lease boundary and wells
- 3A. Well Status
- 4. Drilling Rig Layout
- 5. Production Facilities Layout

Page 4 - Surface use and operations plan Collins & Ware, Ram Ewe Fed. # 3

12.OWNER'S REPRESENTATIVE:

Max Guerry Collins & Ware, Inc. 303 W. Wall, Ste. 2200 Midland, TX 79701 Tel: 915-687-3435

13.CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently 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 proposed herein will be performed by Collins & Ware, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of U. S. C. 1001 for the filing of a false statement.

Date: 10-14-93

Max Guerry

Regulatory Manager

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- E. Trash, waste paper, garbage and junk will be stored in a covered, above-ground container. All waste material will be contained to prevent scattering by the wind. Location of the trash container is shown on Exhibit #4. No toxic waste or hazardous chemicals will be produced by this operation. The container will be emptied when full and taken to an authorized disposal facility.
- F. All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations. No adverse materials will be left on location. The unused portion of the well site will be leveled and restored to BLM specifications. Only that part of the pad required for production facilities will be kept in use. In the event of a dry hole, only a dry hole marker will remain.
- G. If required, a portable, chemical toilet will be provided on the location for human waste during the drilling and completion operations.
- 8. ANCILLARY FACILITIES:
- A. No airstrip, campsite, or other facilities will be built as a result of the operations of this well.

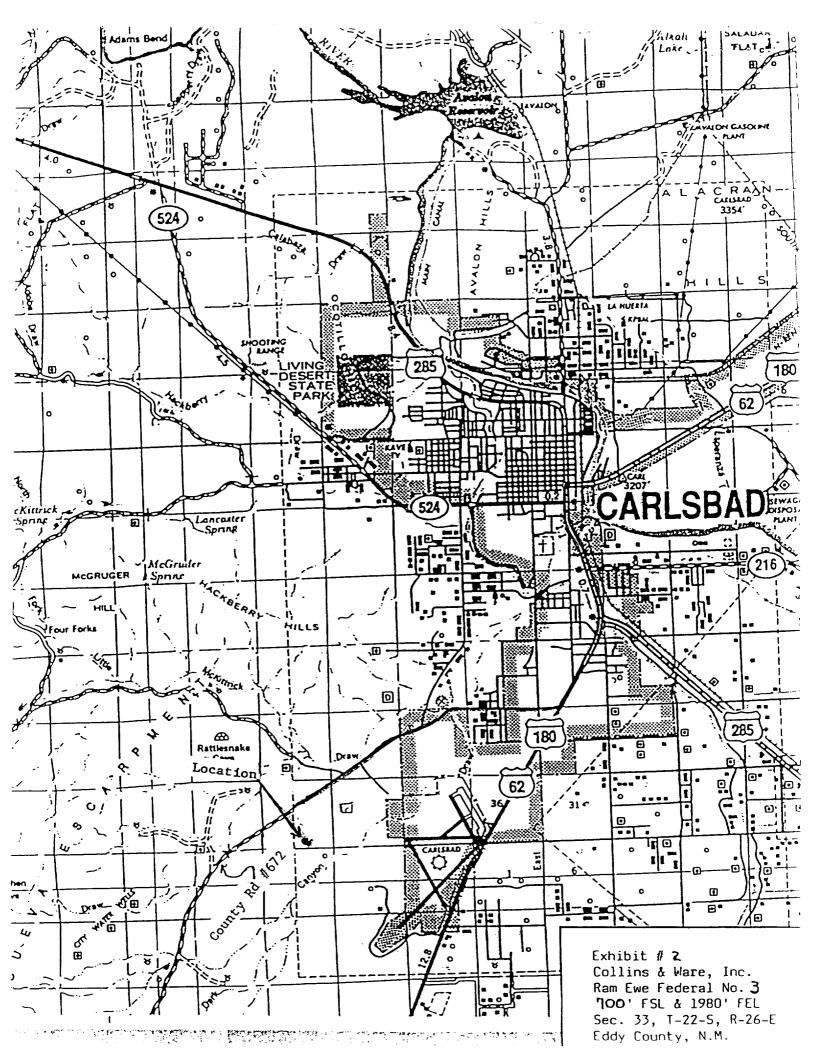
 9. WELL SITE LAYOUT:
- A. Exhibit #4 shows the relative location and dimensions of the well pad, mud pits, reserve pit, and the location and orientation of major drilling rig components. No permanent living facilities are planned, but a temporary foreman/toolpusher's trailer will be on location during the drilling and completion operations.
- B. Clearing and leveling of the well site will be required. Top soil, if available, will be stockpiled per BLM specifications as determined at the on-site inspection. No major cuts will be required.
 - C. The pad and pit area are staked and flagged.
- 10.PLANS FOR RESTORATION OF THE SURFACE:
- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed from the well site. The location will also be levelled and cleaned of all trash and junk, to leave the well site in an as aesthetically pleasing condition as possible. Any part of the pad not needed for production facilities will have the top soil replaced and reseeded.
 - B. Unguarded pits containing fluids, if any, will be fenced.
- C. After abandonment, all equipment, trash, and junk will be removed and the well site will be cleaned. Any special rehabilitation requirements of the surface management agency will be complied with and accomplished as rapidly as possible.

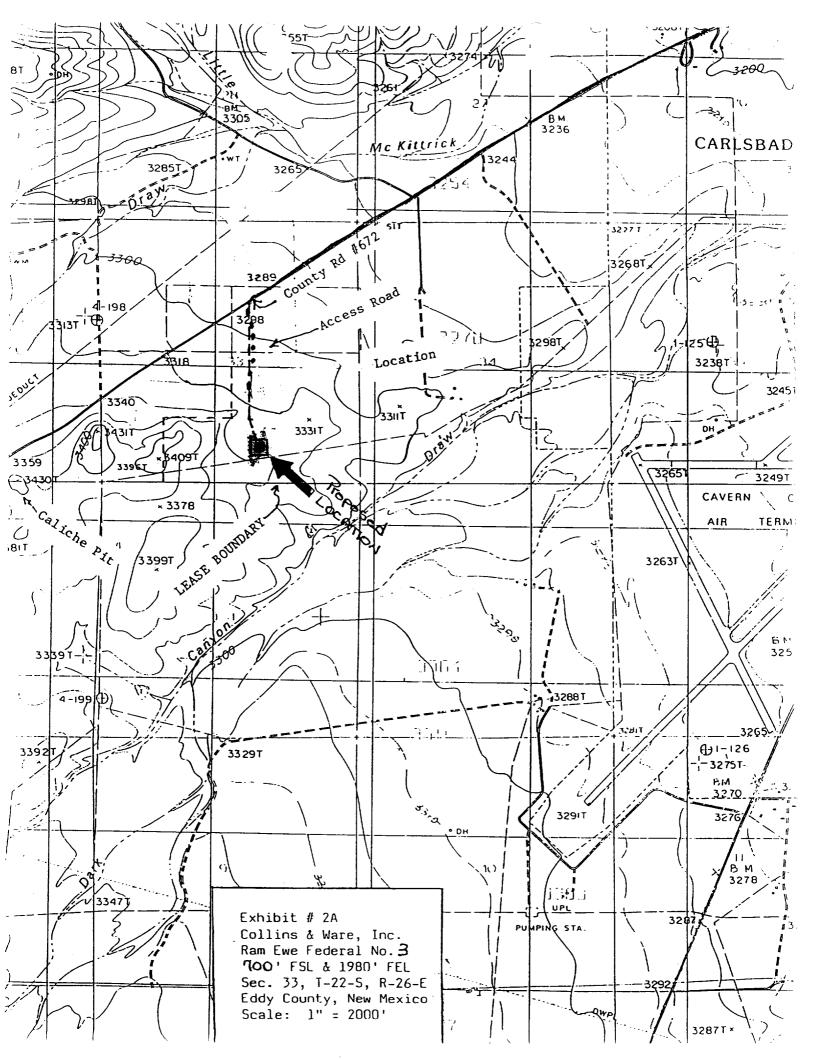
 11.OTHER INFORMATION:
- A. Topography The land surface in the area is fairly level.
- In the immediate area of the well site, land slope is gentle down to the east.
 - B. Soil Top soil at the well site is a loamy sand with some minor dune development.
- C. Flora and Fauna The vegetation cover is medium and includes mesquite, shinnery oak, sand sage, plains yucca, various weeds, and range grasses. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.
 - D. Ponds and streams No lakes, ponds, or streams are in the area.
- E. Residences and other structures There are no occupied dwellings or other structures, other than oil field related equipment, within a mile of the proposed well site.
- F. Archaeological, historical, and cultural sites None observed. However, an archaeological reconnaissance will be done and a report furnished.
 - G. Land use Oil and gas production, grazing and wildlife habitat.
 - H. Surface ownership Federal with a grazing lease.

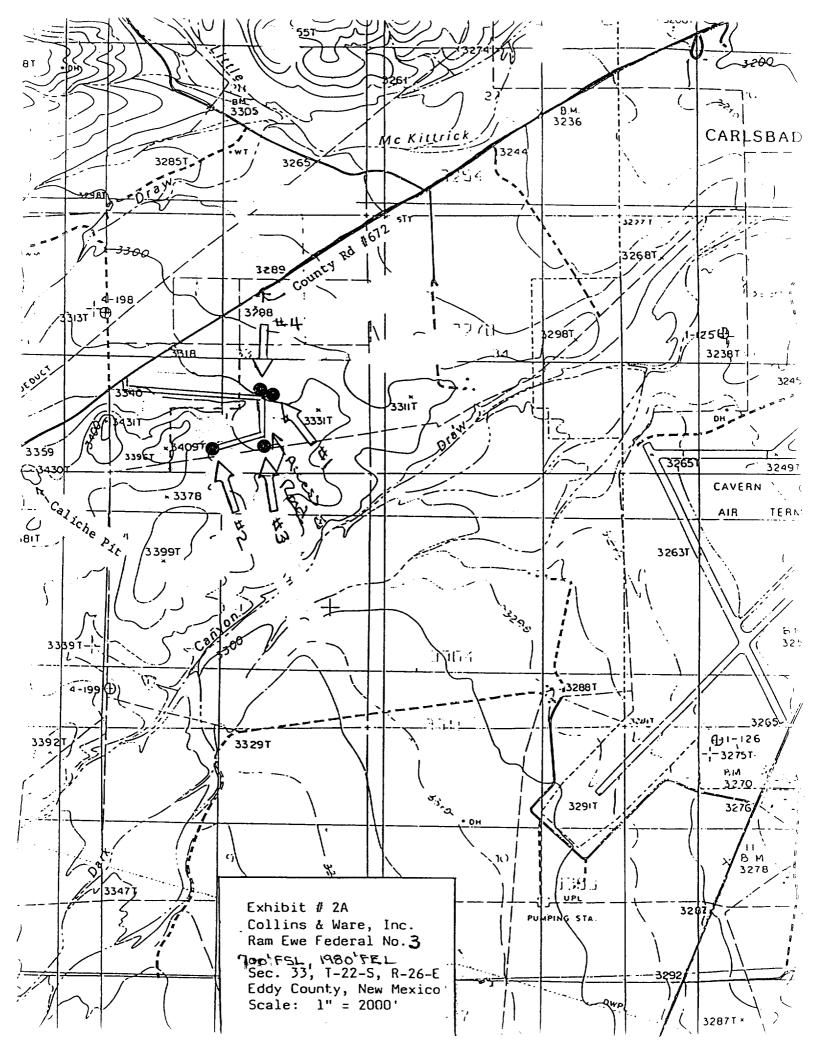
Page 2 - Surface use and operations plan Collins & Ware, Ram Ewe Fed. #3

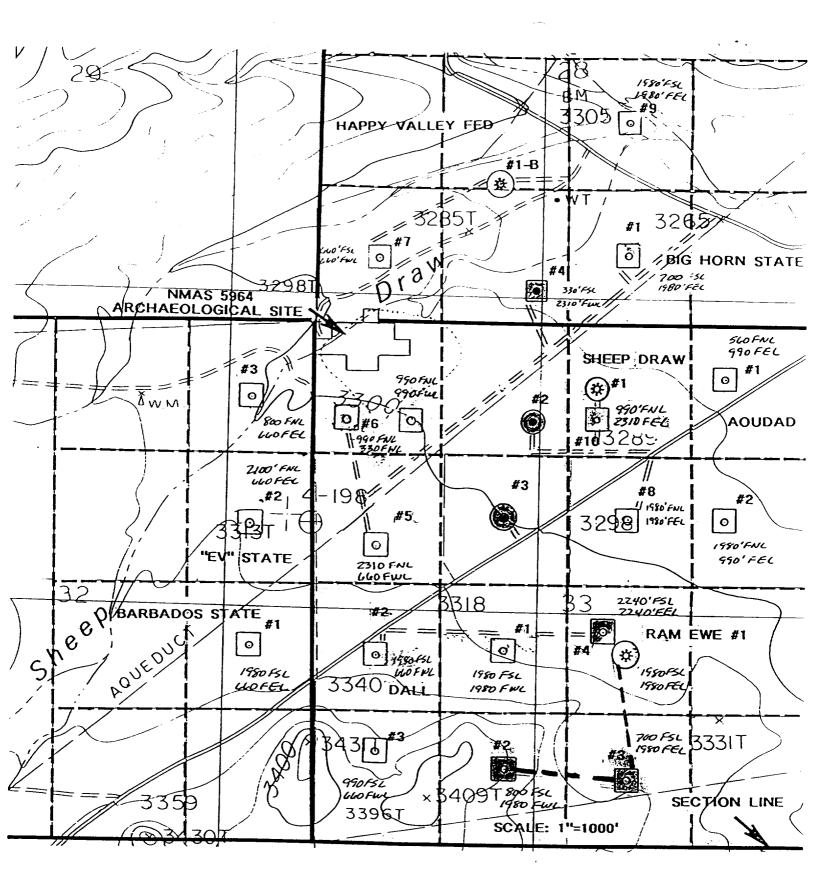
1. EXISTING ROADS:

- A. Exhibit #2 is a portion of a map showing the location of the proposed well as staked.
- B. Exhibit #2A is a topo map showing existing pertinent roads in the vicinity of the proposed well site.
- 2. PLANNED ACCESS ROAD:
- A. Length and Width: The lease road to be constructed will be about 700' +- long and about 12' wide.
 - B. Surfacing Material: Caliche, watered, compacted and graded.
 - C. Maximum Grade: Less than one per cent (1%).
 - D. Turnouts: None necessary.
 - E. Drainage Design: Any new road will be crowned with drainage to the side.
 - F. Culverts: None needed.
 - G. Gates and Cattleguards: None will be necessary.
 - H. Cuts and Fills: Very little necessary.
- I. Existing access roads to the proposed wellsite will be used in their present state. Off-lease access approval will be executed under the Dall Fed. # 1 location.
- 3. LOCATION OF EXISTING WELLS:
- A. Existing wells within a one-mile radius are shown on Exhibit #3. There are no disposal, injection, and/or observation wells.
- 4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:
 - A. Necessary production facilities for this proposed well is shown in Exhibit #5.
- 5. LOCATION AND TYPE OF WATER SUPPLY:
- A. It is not planned that a water supply well will be drilled. Water necessary for drilling operations will be purchased from the city of Carlsbad, and will be moved to the well site by temporary pipeline laid on the ground along-side existing and proposed roads.
- 6. SOURCE OF CONSTRUCTION MATERIALS:
- A. Caliche needed for construction work will be taken from commercial sources located in the area.
- 7. METHODS OF HANDLING WASTE MATERIAL:
 - A. Drill cuttings will be disposed of in the drilling pits.
 - B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. After the well is permanently placed on production, produced water will be collected in fiberglass or steel tanks until hauled by transport to an approved disposal system.
 - D. Oil produced during tests will be stored in test tanks until sold.









Ram Ewe Fed. # 3 700' FSL; 1980'FEL

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EXHIBIT NO. 3A

STATUS OF WELLS WITHIN ONE-MILE RADIUS Collins & Ware Ram Ewe Federal No. 3 Well Sec. 33, T22S, R26E, Eddy County, NM

T22S, R26E

Sec. 28

Exxon Happy Valley"B" Fed. #1, 11692'TD, 1471'FS & 1908'FW, Morrow Prod

Collins & Ware Sheep Draw #1, 11735'TD, 660'FN & 2310'FE, Strn Prod.

Sec. 34

Amoco Federal "L" #1, 11856'TD, 1980'FS & 1980'FW, Morrow Prod.
"P" #1, 463'TD, 1980'FS & 1980'FE, Dry Hole
Getty "34" #1, 11930'TD, 2110'FN & 1980'FE, Mor. & Brus. Can. Prod.

T23S, R34E

Sec. 4

Union Federal "4" #1, 3508'TD, 660'FN & 660'FW, Dry Hole

