

Application for Permit to Drill Tracy "B" No. 1

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November 8, 1974

All provisions of the City of Carlsbad's newly enacted ordinance 748, Section 3.B have been fulfilled and the City of Carlsbad's Permit to Drill the well was issued 10-8-74.

The hearing before the New Mexico Oil Conservation Commission for Compulsory Pooling (Case #5324) and directional drilling of the well (Case #5325) was held on September 18, 1974. Approval of both requests was issued 10-9-74.

Additional supporting information is hereby submitted:

1. Blow out preventer and schematic showing arrangement and components of BOP stack.
2. Schematic diagram showing hookup of BOP's, choke manifold and mud/gas separator.
3. Plat of location layout showing land usage necessary for the drilling pad, mud tanks and reserve pit.

The Tracy "B" No. 1 location is 500' south of the Big Sky Drive Inn theatre, 503.71' west of the El Paso highway, 808.09' north-west of the nearest building, 940.75' northeast of a school building, 1190' northeast of a church, 1103' east of the nearest house on Davis Street and 200' east of the west bank of the USRS Southern Canal.

Mr. Francis G. Tracy, Jr., 1601 N. Guadalupe Street, Carlsbad, New Mexico, telephone No. 505/885-4857 owns the land under our location and access road. Mr. Tracy has been notified of our intent to drill and has approved the proposal.

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. Surface equipment will be fenced and beautified to comply with requirements of the City of Carlsbad's Ordinance No. 748.

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: