

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

(When instructions on reverse side)

30-015-22661

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

Orla Petco, Inc. ✓

3. ADDRESS OF OPERATOR

P.O. Box 953, Midland, Texas 79702

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

At surface

2310 FSL & 1650 FEL of Section 31, T-22S, R-28E

At proposed prod. zone

Same

O. C. C.

Sec. 31, T-22S, R-28E

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

3 miles East of Otis

ARTESIA, OFFICE

12. COUNTY OR PARISH

Eddy

13. STATE

N.M.

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1650'

16. NO. OF ACRES IN LEASE

47.00 160

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.

1320'

19. PROPOSED DEPTH

2600'

20. ROTARY OR CABLE TOOLS

Cable Tools

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

3068' GR

22. APPROX. DATE WORK WILL START*

July 30, 1978

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
10"	8 5/8"	23#	350'	250 sx Class "C" 2% CaCl
8"	4 1/2"	9.5#	2600'	500 sx

Surface Formation: Quaternary terrace deposits.

Cable Tool Drilling Rig: Blind Ram Cable Tool Control Head Blowout Preventer.

Estimated Geological Tops: Base of Salt-2125', Delaware Sand-2420', Top Delaware Lime-2357'.

Pressure Control Equipment specification: Blind Ram Cable Tool Control Head.

Estimate will encounter water between 75-100'-Estimate will encounter oil at 2450'.

Logging: Gamma-Ray Log, no coring and no drillstem tests.

Anticipate no abnormal pressures and no anticipation of Hydrogen Sulfide gas.

Anticipated starting date: July 30, 1978.

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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

James M. C. Rill Jr.

TITLE

Field Manager

DATE

July 26, 1978

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

8-10-78

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

WELL LOCATION AND ACREAGE DEDICATION PLAT

Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

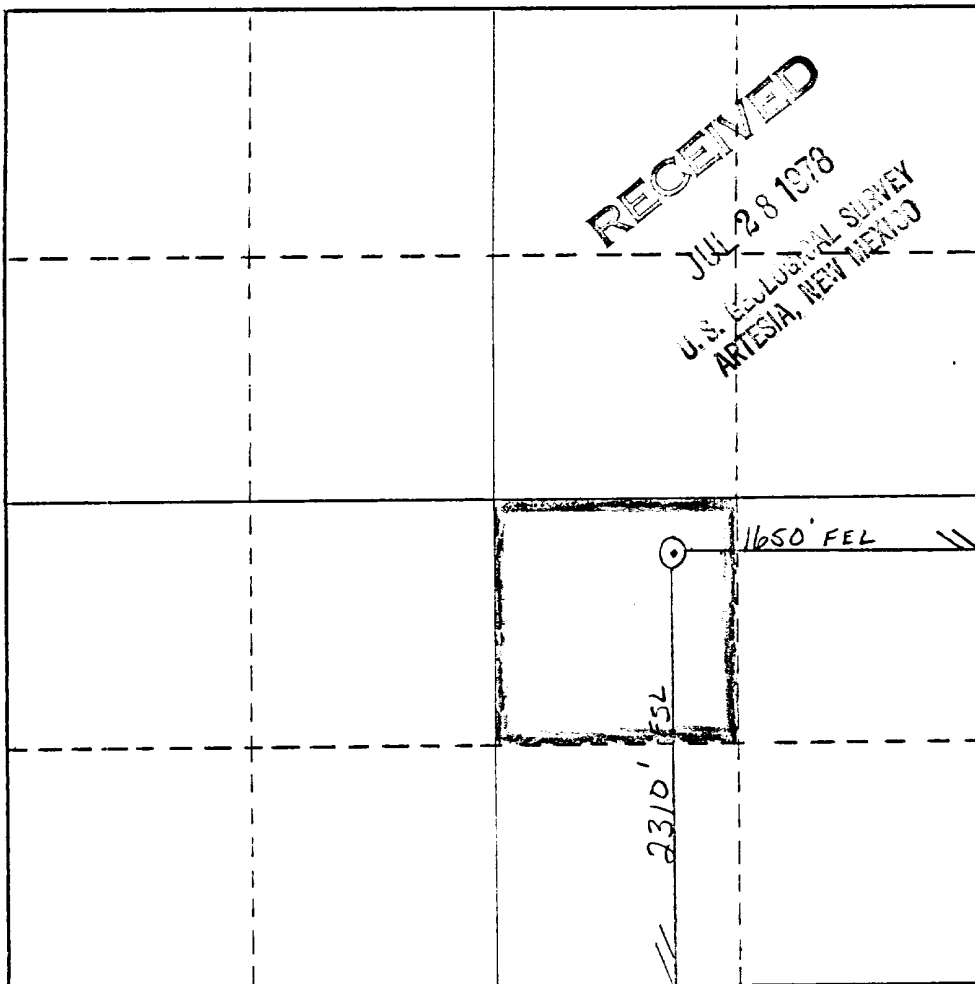
Operator Orla Petco, Inc.			Lease Gourley-Federal		Well No. 4
Unit Letter J	Section 31	Township 22-S	Range 28E	County Eddy County	
Actual Footage Location of Well:					
2310 feet from the South line and		1650 feet from the East line			
Ground Level Elev. 3068	Producing Formation Delaware Sand	Pool Herradura Bend (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.

James M.C. Ritchie, Jr.
Name

James M.C. Ritchie, Jr.
Position

Field Manager
Company

Orla Petco, Inc.
Date

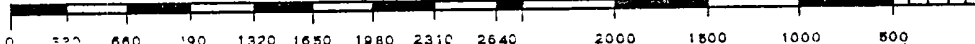
July 26, 1978

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.

7-24-78
Date Surveyed

[Signature]
Registered Professional Engineer
and/or Land Surveyor

7-24-78
Certificate No.





United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Drawer U
Artesia, New Mexico 88210

NMOCC COP

August 10, 1978

Orla Petco, Inc.
P. O. Box 953
Midland, Texas 79702

Orla Petco Inc. Gourley Federal No. 4 2310 FSL 1650 FEL Sec. 31, T22S, R28E Eddy County Lease No. NM-26684 Above Data Required on Well Sign

Gentlemen:

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 2,600 feet to test the Delaware Formation 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 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 his approval including the GENERAL REQUIREMENTS.
3. Submit a Daily Report of Operations from spud date until the Well Completion Report (form 9-330) is filed. The progress report should be not less than 8" x 5" in size and each page should identify the well.
4. All above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate sandstone brown (Federal Standard Color #595A, color 20318 or 30318).

Sincerely yours,

(Orig. Sgd.) ALBERT R. STALL

Albert R. Stall
Acting District Engineer

S U R F A C E U S E P L A N

ORLA PETCO, INC.

Gourley-Federal No. 4, Lease No. ~~30-00000000~~ NW-26624
2310' FSL & 1650' FEL of Sec. 31, T-22S,
R-28E, N.M.P.M., Eddy County, New Mexico

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS: See Exhibit 1 for the location of the existing roads in the vicinity of the proposed drilling location.

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2. PLANNED ACCESS ROADS:

A. Length and Width:

The length of the new access road to the location will be approximately 1500' long and 12' wide. See Exhibit 3 for plat showing approximate location of access road.

B. Turnouts:

There will be no turnouts on the new proposed access road to the location of the well.

C. Culverts:

There will be no culverts in the area of the proposed well.

D. Cuts and Fills:

There will be no cuts and fills when the access road is built.

E. Gates, Cattleguards:

There is a cattleguard placed on the south end of the lease road. See Exhibit 5 for the location of the cattleguard.

3. LOCATION OF EXISTING WELLS:

See Exhibit No. 2 for the location of the existing wells in a one mile radius of the proposed drilling location.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

See Exhibit 3 for a plat showing the proposed location of the tank battery and flowlines associated with the proposed well in the event of production.

See Exhibit 5 for the plat showing the proposed location of power line poles needed to electrify the wells.

5. LOCATION AND TYPE OF WATER SUPPLY:

Type of Water Supply: City of Carlsbad water.

Location of supply: B & E Truck Lines yard, water will be stored at water tank (Exhibit 4) at wellsite. Very little water needed (approx. 140 bbls. total), for a Cable Tool Rig.

Transport Method: Truck

Transport Route: Access road to drillsite (Exhibit 3), for access road and proposed road. Proposed road to be used is marked in yellow.

6. SOURCE OF CONSTRUCTION MATERIALS:

Caliche for surfacing the road and well pad will be obtained from an existing pit in the SW/4 NW/4, Sec 5, T-23S, R-28E, The pit is owned by Julius Roberson. Location of the pit is shown on Exhibit 1.

7. METHODS OF HANDLING WASTE DISPOSAL:

Cuttings: Cuttings will be covered when the plastic lined slush pit is leveled. Pit will be covered a minimum of 24" of topsoil.

Garbage and Trash: To be buried in slush pit, small paper waste will be placed in barrel containers and hauled off of location.

Additional Requirements for Waste Disposal: The small amount of drilling fluids needed will be allowed to evaporate in the slush pit.

8. ANCILLARY FACILITIES:

None Required.

9. WELLSITE LAYOUT:

Exhibit 4 shows the relative location and dimensions of the well pad, mud pits, reserve pits, and location of major rig components. The drilling pad will be constructed using compacted crushed caliche rock, if needed.

10. PLANS FOR RESTORATION OF THE SURFACE:

Stockpiling Topsoil: The topsoil covering the drillsite will be stockpiled when the drilling pad and slush pit are constructed and will be replaced upon completion of operations.

Leveling: Upon completion of drilling operations, the slush pit will be leveled and covered with the original topsoil at least 24" deep. All trash will be cleaned off location.

Reseeding: Because vegetation consists of random clumps of grass and mesquite bushes, reseeding of the drillsite will not be attempted.

Seed Mixture: Not applicable.

11. OTHER INFORMATION:

A. **Topography:** Land surface is undulating to gently rolling and dunny. From an elevation of feet at wellsite, the land surface slopes gently toward the south at about 25 ft/mile.

B. **Soil:** Terrace Gravel

C. **Flora and Fauna:** Creosote bushes, Sage, Broom snakeweed, Crown of thorns.

D. **Ponds and Streams:** There are no streams or ponds in the area.

E. **Residences and Other Structures:**

The nearest dwelling is a ranch house approximately 1/2 mi. SE of the wellsite.

F. **Land Use:** Grazing

G. **Surface Ownership:** Wellsite is on Federal Surface.

12. OPERATOR'S REPRESENTATIVE:

The field representatives responsible for assuring compliance with the approved surface use and operations plan are as follows:

Harry R. Sindorf
1002 N. Mesa St., Vista del Sol Apts. #16
Carlsbad, New Mexico 88220
Home Phone: 505 885-9978

Bucky Ritchie
403 Oil & Gas Bldg.
Midland, Texas 79701
Office Phone: 915 684-4762
Home Phone: 915 684-8797

13. 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 proposed herein will be performed by Orla Petco, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date July 25, 1978

Name

Field Manager

Title

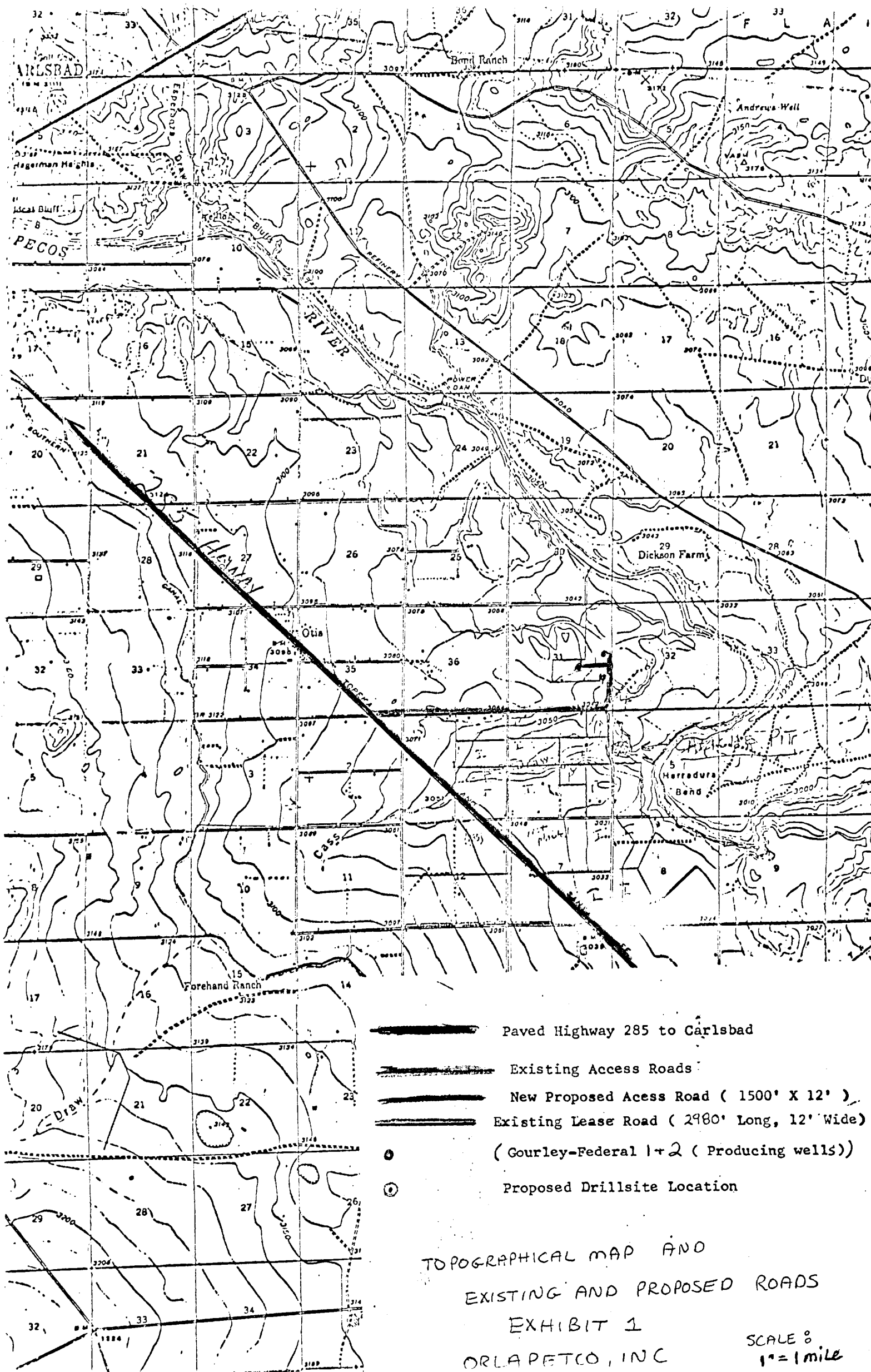


EXHIBIT NO. 2

LAND MAP

Existing Wells - 1 mile
radius

GOURLEY FEDERAL LEASE

E/2 NE/4 N/2 SE/4

T-22-S, R-28-E, Sec 31

EDDY COUNTY, N.M.

160 acres

1" = 2000'

22 2

26

25

30

29

35

36

31

32

← OTIS
(3 miles)

ORLA
PETCO
INC.
GOURLEY FEDERAL

PROPOSED
LOCATION
(DEVELOPMENT WELL)

2

1

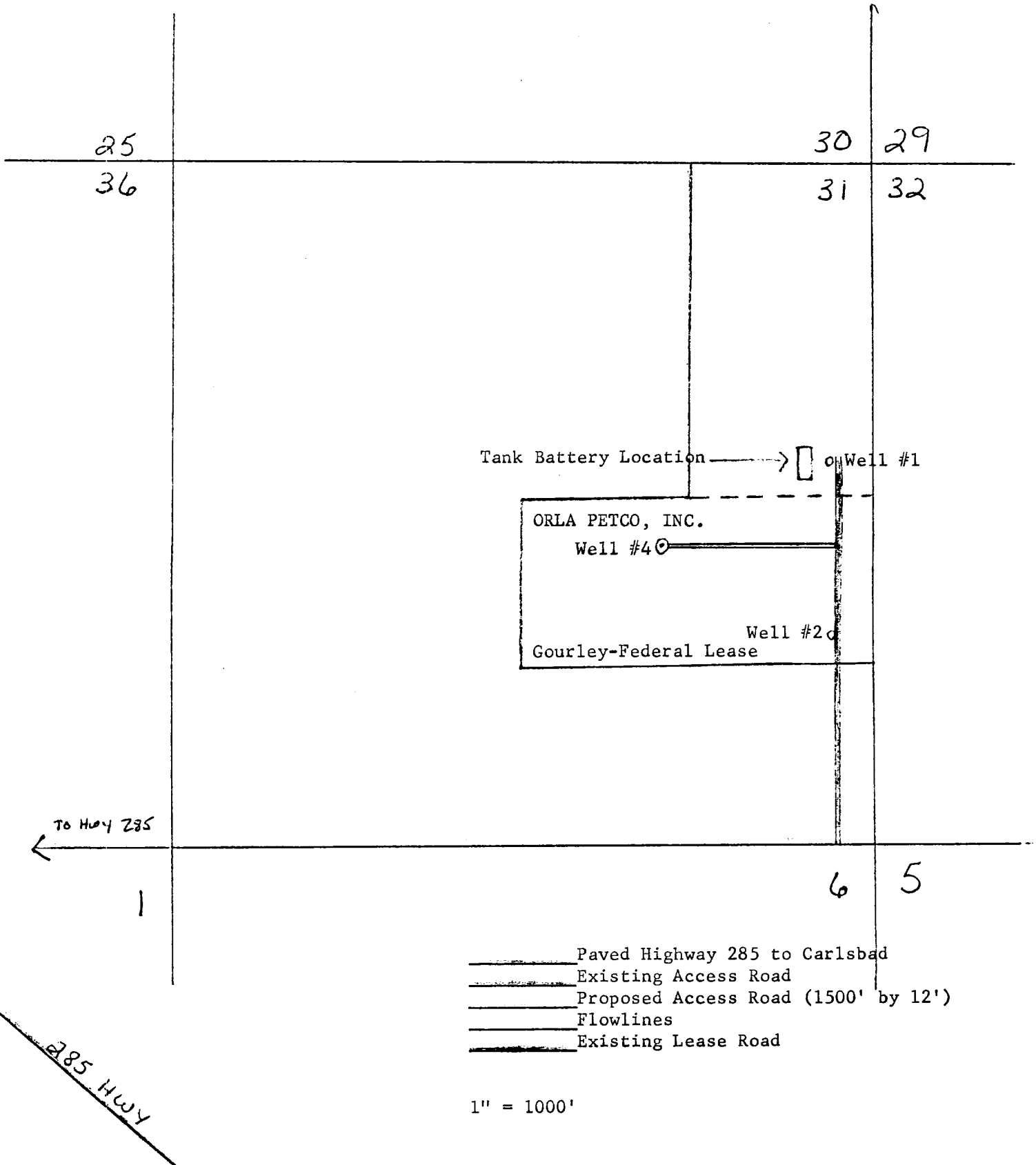
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LOVING

ROAD LOCATION &
TANK BATTERY LOCATION

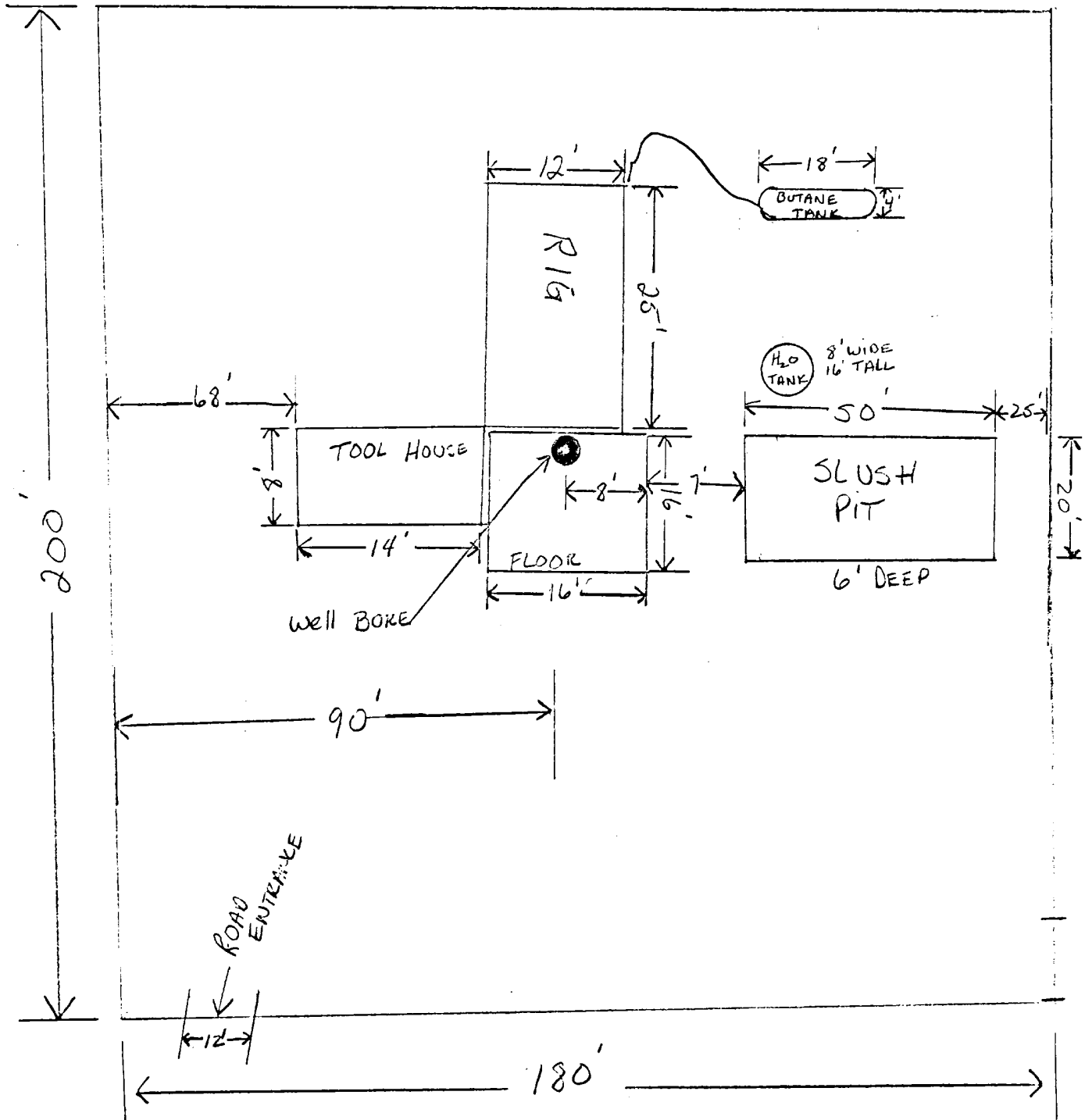
EXHIBIT 3



ENGINEER 4

RIG LAYOUT

GOURLEY-FEDERAL No. 2
ORLA PETCO, INC.







FOOTAGE IS APPROXIMATE

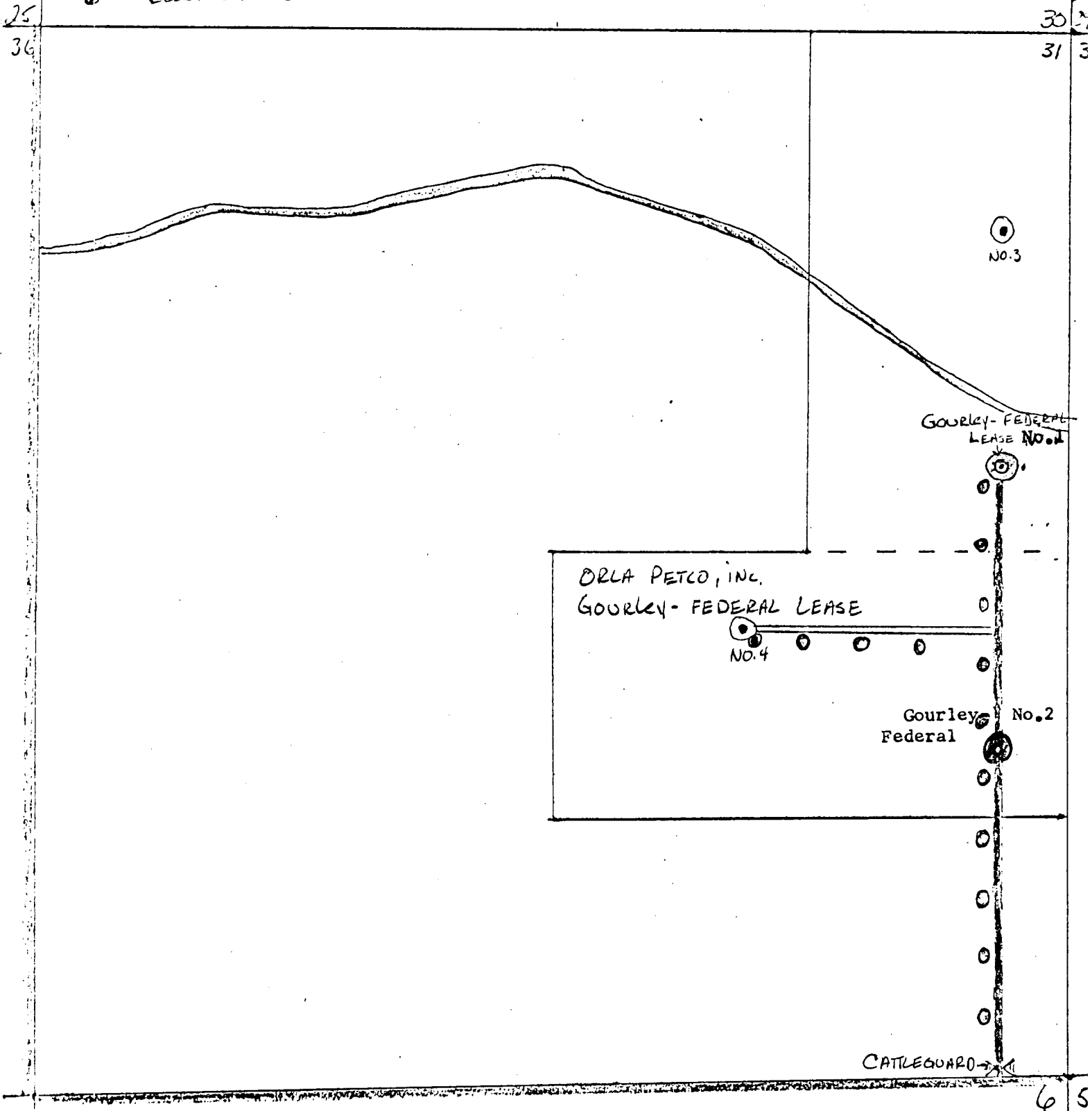
Proposed New Road

Eddy County, New Mexico

EXHIBIT 5

-  PAVED HIGHWAY 235 TO CARLSBAD
-  EXISTING ACCESS ROAD
-  PROPOSED NEW ROAD (2980' Long, 12' wide)
-  PRESENT C.I.D ROAD BEING USED

① ELECTRIC POLES



Scale = 1" = 660ft.