

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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. - *Hopi Drilling Co.*

3. ADDRESS OF OPERATOR

P.O. Box 1383, Midland, Texas 79702

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

At surface

1650' FEL & 330' FSL of Sec. 31, T-22S, R-28E

At proposed prod. zone

Same

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

3 Miles East of Otis, N.M.

15. DISTANCE FROM PROPOSED*

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

330'

16. NO. OF ACRES IN LEASE

80 ac.

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40 ac.

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

First Well

19. PROPOSED DEPTH

2600'

20. ROTARY OR CABLE TOOLS

Cable Tools

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

3051.9' Ground Level

22. APPROX. DATE WORK WILL START*

November 1, 1979

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 cement 2% CaCl |
| 8" | 4 1/2" | 9.5# | 2600' | 500 sx 50/50 pozmix cement |

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' Delaware Lime- 2360'.

Pressure Control Equipment: Blind Ram Cable Tool Control Head.

Estimate will encounter water between 75-100'- Estimate will encounter oil at 2420'.

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

Anticipated starting date: November 1, 1979

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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. Ritchie, Jr.

TITLE

Field Superintendent

DATE

October 3, 1979

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

10-19-79

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NE MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-128
Supersedes C-128
Effective 1-1-75

All distances must be from the outer boundaries of the Section

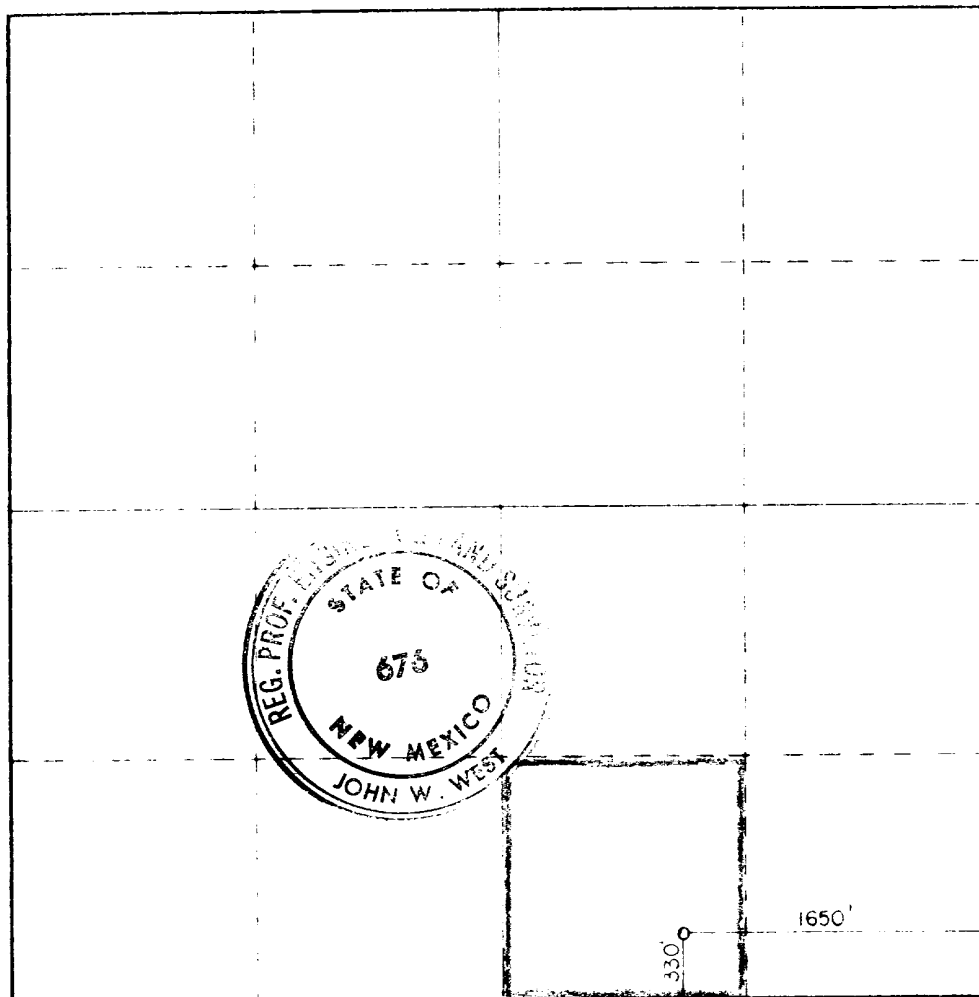
| | | | | | |
|-----------------------------------|---------------|---|---------|------|--|
| Orla PETCO Inc - Hopi Drilling Co | | Lease C-S Federal FED | | A-1 | |
| O | 31 | 22 South | 28 East | Eddy | |
| 1650 feet from the East | | 330 feet from the South | | | |
| 3051.9 | Delaware Sand | Herradura Bend (Delaware) | | 40 | |

- 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?

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☐ 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.

O. C. C.
ARTESIA, OFFICE



CERTIFICATION

I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief.
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Vice-President

Orla Petco, Inc.

October 3, 1979

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.

September 26, 1979

John W. West

Certificate No. John W. West 676
Ronald J. Eidson 3239

330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600 6930 7260 7590 7920 8250 8580 8910 9240 9570 9900



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U
Artesia, New Mexico 88210

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O. C. C.
ARTESIA, OFFICE

October 19, 1979

Orla Petco, Inc.
P. O. Box 1383
Midland, Texas 79702

Gentlemen:

ORLA PETCO, INC
C-S Federal No. 1
330 FSL 1650 FEL Sec. 31 T.22S R.28E
Eddy County Lease NM 26684

Above Data Required on Well Sign

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 this 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 permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
5. Cement behind the 8-5/8" casing must be circulated.
6. 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.

In regard to surface use the Bureau of Land Management road must be used for access.

Sincerely yours,

George H. Stewart
Acting District Engineer



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

~~C-S~~ Orla Petco, Inc. - *Hopi Drilling Co*
~~C-S~~ Federal No. ~~7~~ *21*
1650' FEL & 330' FSL 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 proposed access road to the location will be approximately ~~1250~~ 1350' long and 12' wide. See Exhibit 3 for the plat showing approximate location of access road.

B. Turnouts:

There will be no turnouts on the 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 or fills when the access road is built.

E. Gates, Cattleguards:

There are ~~no~~ cattleguards or gates to be used on the access road.

3. LOCATION OF EXISTING WELLS:

See Exhibit 2 for the location of the existing wells within a one mile radius of the proposed drilling location.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

See Exhibit 3 for the 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 140bbls. total) for a Cable Tool Drilling Rig.

Transport Method: Truck

Transport Route: Access road to drillsite (Exhibit 3). 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 caliche 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 the 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

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 the 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 of 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 3051.9' at wellsite, the land surface slopes gently toward the south at about 25'/mile.

B. Soil: Terrace Gravel

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

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

E. Residences and Other Structures: The nearest dwelling is a house approximately 1/2 mile East 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 Sindorf
1002 N. Mesa St.
Vista del Sol Apartments # 16
Carlsbad, New Mexico 88220
Home Phone: (505) 885-9978

Bucky Ritchie
One Marienfeld Place, Suite 155
Midland, Texas 79702
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 October 3, 1979

James H. C. Ritchie Jr. (Bucky)
Name

Vice-President
Title

Topographical Map and Existing and Proposed Roads.

Paved Highway 285 _____

Existing Access Roads _____

New Proposed Access Road (350' X 12') _____

Existing Lease Road. _____

Proposed Drillsite •

Scale: 1" = 1 mile

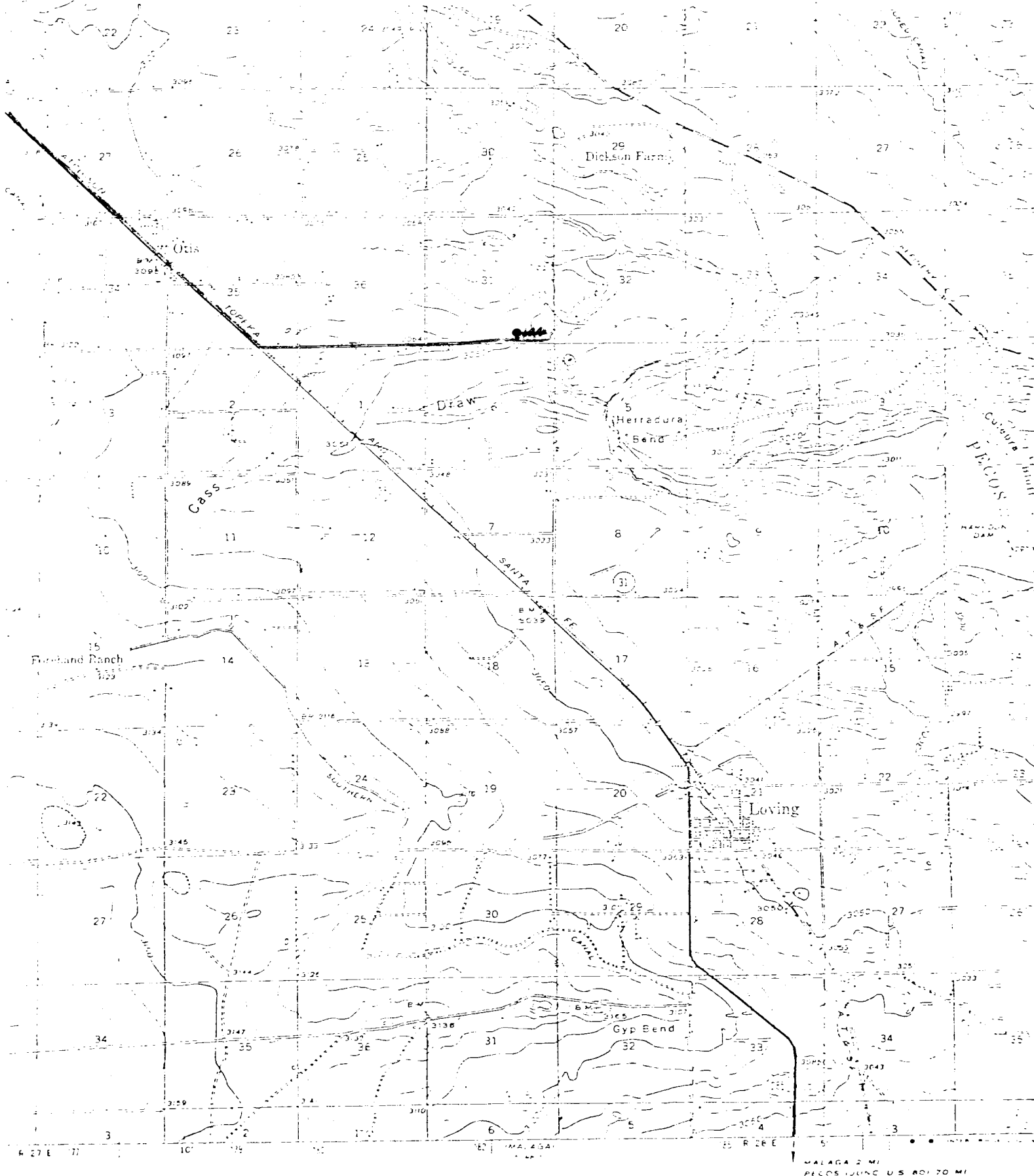


EXHIBIT No. 2

Land Map
Existing Wells- 1 mile
radius

22 28

29

25

30

Pan Am

Yates
I-HV

Coq

I-B

I-A

I-A

36

31

32

I-C

2-A

Proposed Location

OPI

5

6

2

Amoco

12

7

8

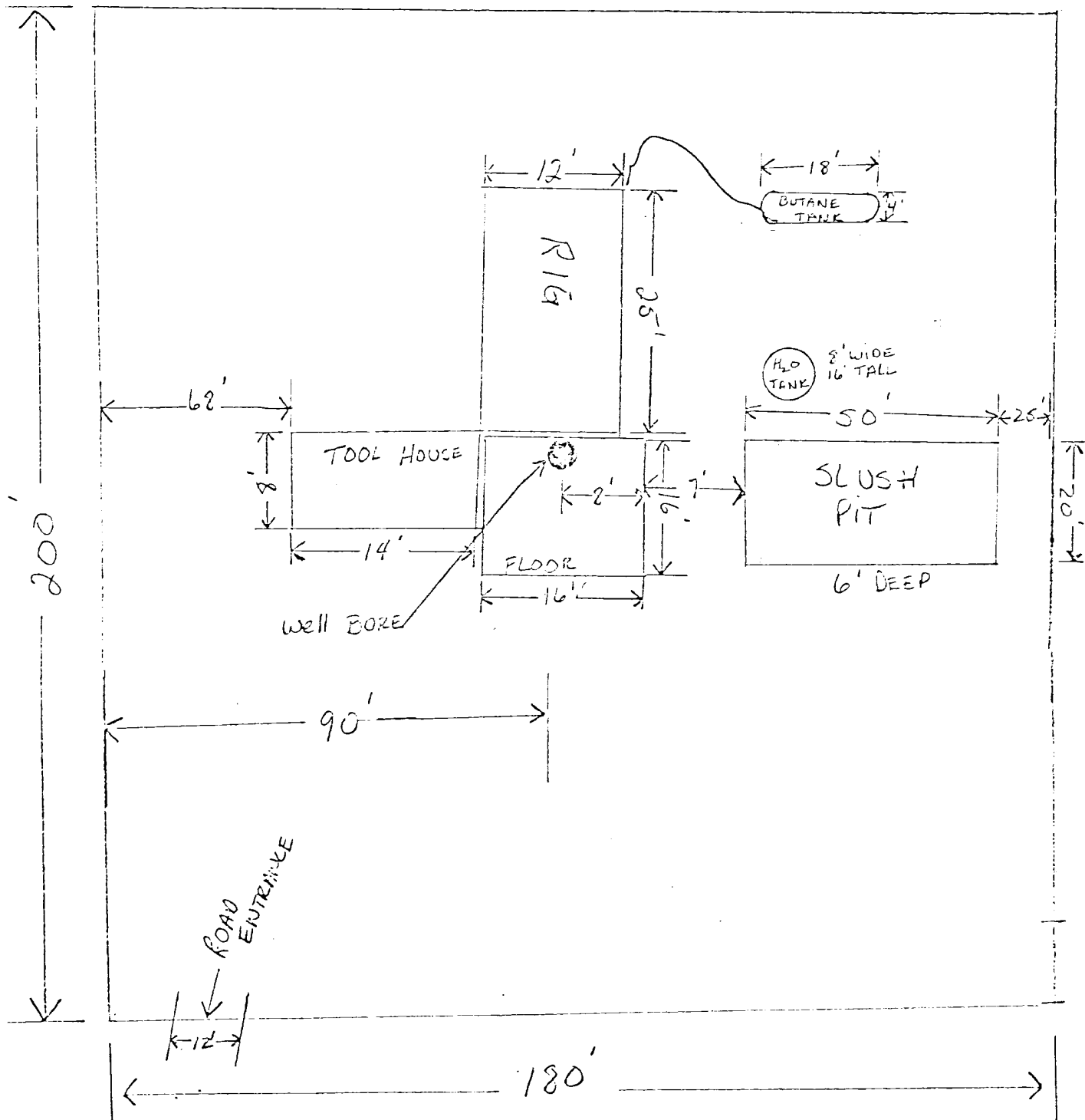
| | | |
|----|----|----|
| 25 | 30 | 29 |
| 36 | 31 | 32 |

A hand-drawn map on a grid background. The map shows a rectangular area labeled "ORLA PETCO, INC." with an arrow pointing to a "WELL LOCATION" marked with a dot. Below the well location is a "TANK BATTERY" represented by a small rectangle. A dashed line runs horizontally across the bottom of the map, labeled "CS FEDERAL LEASE". The map is oriented with North at the top.

| | | |
|---|---|---|
| 1 | 6 | 5 |
|---|---|---|

- $$1'' = 1000'$$

EXHIBIT No. 4



FOOTAGE IS APPROXIMATE

EXHIBIT No. 5
POWER LINE POLES

