

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Case No. 6646
9-2-79

RECEIVED

5. LEASE DESIGNATION AND SERIAL NO.
OK 1077-28 1979

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
ARTESIA, OFFICE
James Ranch

8. FARM OR LEASE NAME
James Ranch Unit

9. WELL NO.
10

10. FIELD AND POOL, OR WILDCAT
Los Madanos Marrow-2200

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 1, T. 28N, R. 30E

12. COUNTY OR PARISH
Lddy

13. STATE
New Mexico

17. NO. OF ACRES ASSIGNED TO THIS WELL
110.24

20. ROTARY OR CABLE TOOLS
Rotary

22. APPROX. DATE WORK WILL START*
Nov. 15, 1979

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
SELCO ENTERPRISES CORPORATION

3. ADDRESS OF OPERATOR
10,000 Old Katy Road - Suite 100, Houston, Texas 77055

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
660' TRL, 1980' TRL
At proposed prod. zone
Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
16.5 mi NE of Lovina, New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
660'

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
1800' SW

19. PROPOSED DEPTH
14,400

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3279 Gr.

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U.S. GEOLOGICAL SURVEY
NO. OF ACRES IN LEASE
ARTESIA, NEW MEXICO
110.24

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
10"	16" New	94#	300'	1000 sacks
11-1/4"	9-5/8" New	36#	4000'	2100 sacks
8-3/4"	7" New	29#	12000'	700 sacks
6"	5" New liner	18#	14400'	400 sacks

- The formation @ surface is Quaternary Alluvium, mainly sand dunes.
- Est. formation tops: Dolores 3900', Wolfcamp 11,050', Strawn 11,600', Atoka 12,240';.
- Possible oil shows in Dolores, gas in Atoka, some gas in Strawn.
- Casing design: new casing as shown above.
- WSP Program: 3 WSP 10000'; 1 Hydrill, 1 pipe run, 1 blind run for shallow depths & deep depths. Tested upon installation & periodically tested; operated daily. (see attached schematic)
- WSP Program: 0-300' fresh; 300'-1000'-brine 10.0; 1000-11,600' cut brine 9.0; 11,600-14,400 non-dispersed 13.0.
- Auxiliary: Rotating stripper head below intermediate; lower Kelly cock valve; choke manifold, drillstring safety valve on floor.
- Drillstem testings as required; logging: AVL, Guard Ferro.
- Possible high pressure in main section, Wolfcamp, Strawn & Atoka.
- Anticipated startup November 15, 1979.

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 Lee J. Young TITLE Administrative Geologist DATE 9-15-79

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 11-21-79

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NEW MEXICO OIL CONSERVATION COMMISSION NMOCD
 WELL LOCATION AND ACREAGE DEDICATION PLAT Case No. 6646
 9-5-79

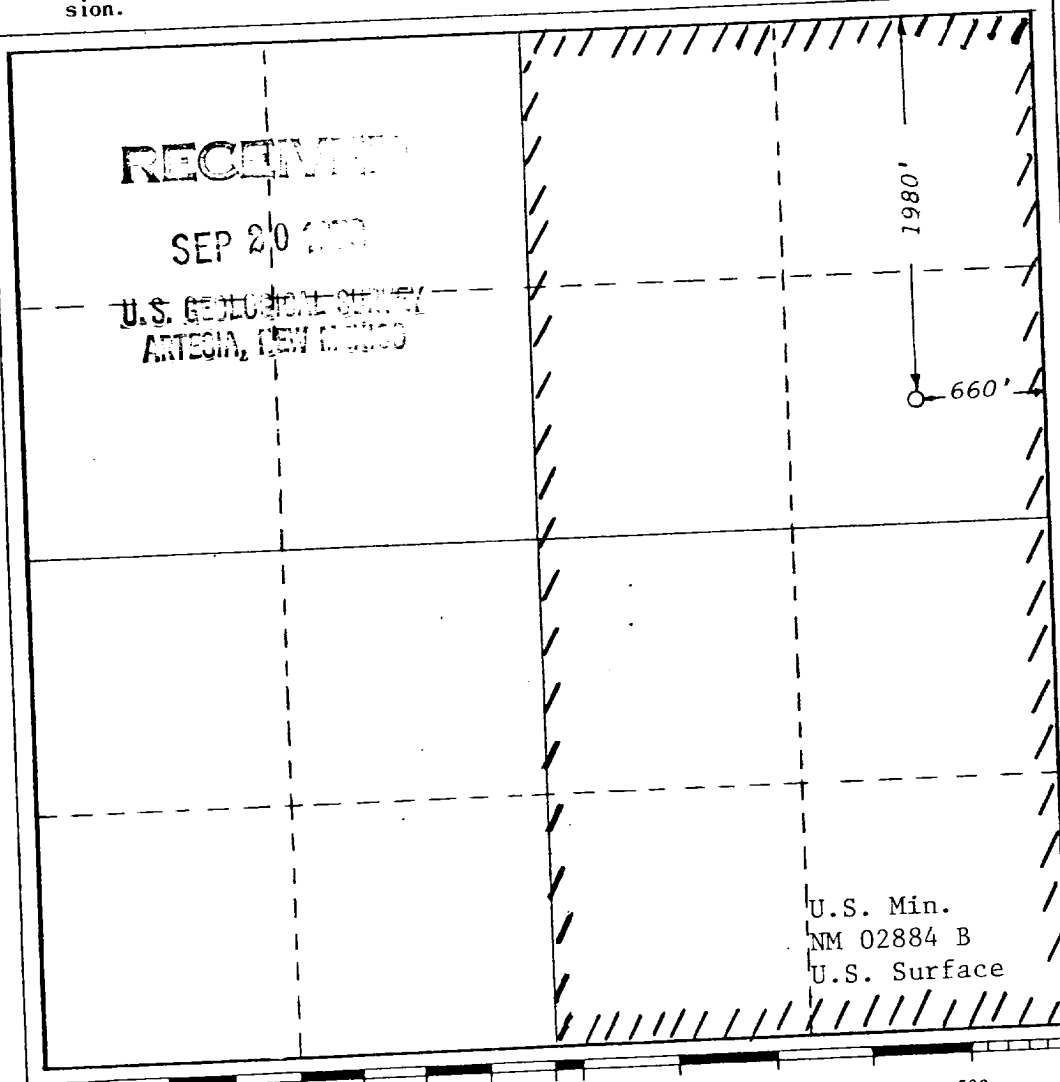
Form C-102
 Supersedes C-128
 Effective 1-1-65

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

Operator BELCO PETROLEUM CORPORATION		Lease JAMES RANCH <i>Tract</i>		Well No. 10
Unit Letter H	Section 1	Township T-23-S	Range R-30-E	County EDDY
Actual Footage Location of Well: 1980		North		East
feet from the		line and		line
660		660		
Ground Level Elev. 3299	Producing Formation Morrow	Pool Los Medanos	Dedicated Acreage: 320.24 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.

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NOV 26 1979
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ARTESIA OFFICE



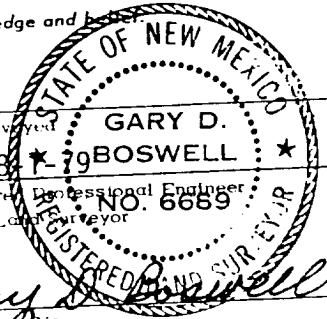
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Lee G. Nering
 Name
Lee G. Nering
 Position
Administrative Geologist
 Company
Belco Petroleum Corporation
 Date
September 18, 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.

Date Surveyed
8 * 79
GARY D. BOSWELL
 Registered Professional Engineer and/or Land Surveyor
 NO. 6689
Gary D. Boswell
 Certificate No.
6689



U.S. Min.
 NM 02884 B
 U.S. Surface



United States Department of the Interior

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GEOLOGICAL SURVEY

P. O. Box 26124
Albuquerque, New Mexico 87125

NOV 26 1979

O. C. C.
ARTESIA, OFFICE

NOV 21 1979

Belco Petroleum Corporation
10,000 Old Katy Road
Suite 100
Houston, Texas 77055

BELCO PETROLEUM CORPORATION
James Ranch Unit Well No. 10
660 FEL 1980 FNL Sec. 1 T.23S R.30E
Eddy County Lease NM 02884-B

Gentlemen:

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well in the Secretary's Oil-Potash Area to a depth of 14,400 feet to test the Morrow 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 attached 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 these Conditions of Approval including the attached General Requirements.
3. Submit a Daily Report of Operations from spud date until the well is completed and the Well Completion Report (form 9-330) is filed. The report should not be 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 Guidelines. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
5. Before drilling below the 9-5/8" casing, the blowout preventer assembly will consist of a minimum of one annular type and two ram type preventers.
6. A kelly cock will be installed and maintained in operable condition.



7. After setting the 9-5/8" casing string and before drilling into the Wolfcamp formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures by an independent service company. Any equipment failing to test satisfactorily shall be repaired or replaced. This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report.
8. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before drilling into the Wolfcamp formation and used until production casing is run and cemented. Monitoring equipment shall consist of the following:
 - (1) A recording pit level indicator to determine pit volume gains and losses.
 - (2) A mud volume measuring device for accurately determining mud volume necessary to fill the hole on trips.
 - (3) A flow sensor on the flow-line to warn of any abnormal mud returns from the well.
9. Notify the Survey in sufficient time to witness the cementing of the 16" and 9-5/8" casing.
10. Cement behind the 16" and 9-5/8" casing must be circulated.
11. It is required that a Gamma-Ray-Neutron Log be run in open hole from the base of Salado to the surface at a speed not to exceed 30 feet per minute.
12. Do not disturb witness marker or fence on the north side of the caliche pit located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$, Section 1, T. 23S., R. 30E. while obtaining caliche to build the pad and road.
13. 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.

Sincerely yours,

(ORIG. SCD.) JAMES W. SUTHERLAND

Area Oil and Gas Supervisor

Enclosure

cc:

Regional Manager, Denver

Mining Branch (2)

BLM, Roswell (w/cy Notice)

NMOCD, Artesia (2) (w/2 cys Notice)

Artesia

Roswell (w/cy Notice)

Area (potash)

Area (chrono.)

District (potash)

District (chrono)