

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.

NM- 38631

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

LaVerna- Federal

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Sulphur Draw Below

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec. 29, T-24S, R-27-E

12. COUNTY OR PARISH

13. STATE

Eddy

N.M.

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40 acres

20. ROTARY OR CABLE TOOLS

Cable Tools

22. APPROX. DATE WORK WILL START*

November 1, 1980

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

Box 953, Midland, Tx 79702

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

At surface 1980' FSL & 1980' FEL of Section 29

At proposed prod. zone

1980' FSL & 1980' FEL of Section 29

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

1 1/2 miles Southeast of Black River

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

1980'

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

NONE

16. NO. OF ACRES IN LEASE

320

19. PROPOSED DEPTH

2800'

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

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	8 5/8"	23# LTC	350'	250 sx Class C Cement 2% CaCl
8"	4 1/2"	9.5#	2800'	600 sx Cement

Surface Formation: See Archaeological Report By NMAS. (enclosed)
Cable Tool Drilling Rig: Blind Ram Cable Tool Control Head Blowout Preventer.
Estimated Geological Tops: Base of Salt- 2025', Delaware Lime- 2075', Delaware Sand- 2275'.
Pressure Equipment: Cable Tool Blind Ram Control Head.
Estimate will encounter water between 100-175'. Encouneter oil at 2275 or lower.
Logging: Gamma-Ray Log, no coring or drillstem testing.
Anticipated starting date: November 1, 1980.

ACCEPTED FOR RECORD

OCT 16 1980

U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

RECEIVED

OCT 16 1980

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

19. 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.

SIGNED James M. C. Ritchie, Jr. TITLE Vice-President

DATE October 1, 1980

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

(Orig. Sgd.) GEORGE H. STEWART

ACTING DISTRICT ENGINEER

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

DATE OCT 31 1980

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All distances must be from the outer boundaries of the Section

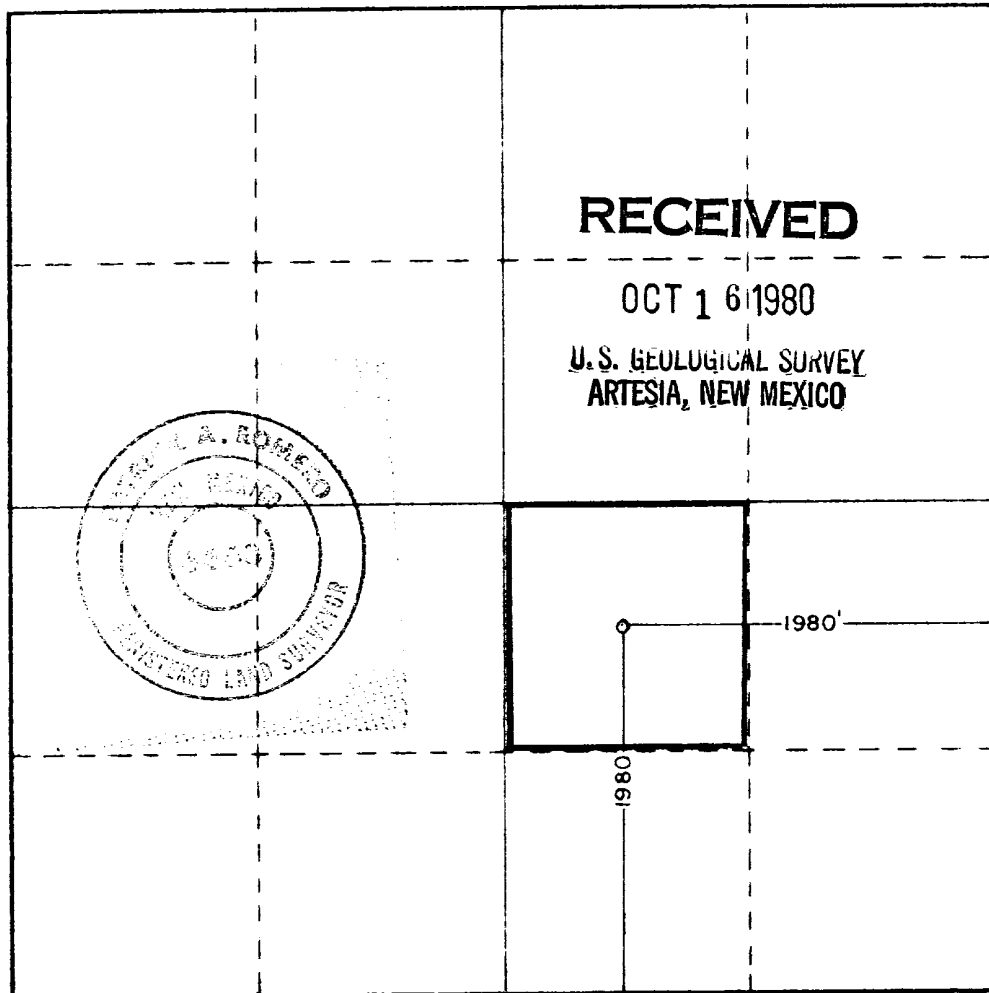
Operator Orla Petco.		Lease La Verna Federal		Well No. 1
Tract Letter J	Section 29	Township 24 South	Range 27 East	County Eddy
Actual Placement Location of Well: 1980 feet from the south line and 1980 feet from the east line				
Ground Level Elev. 3373.6	Producing Formation Delaware	Pool Sulphate Draw Del.	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.

Paul R. Hutchins

Name

AGENT

Position

ORLA PETCO, INC.

Company

10-1-80

Date

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.

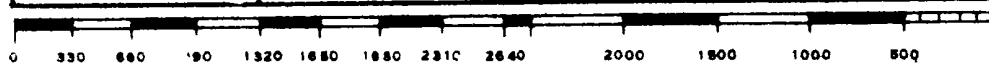
Date Surveyed

9-24-80

Registered Professional Engineer and/or Land Surveyor

Patrick A. Romero

Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6883
Ronald J. Eidson 3239





United States Department of the Interior

GEOLOGICAL SURVEY

SPECIAL APPROVAL STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN:

ORLA PETCO

LaVerna Fed No. 1

NW 1/4 Sec. 29 T. 24S R. 27E

Eddy County New Mexico

Lease No. NM-38631

THE SPECIAL STIPULATIONS CHECK MARKED BELOW ARE APPLICABLE TO THE ABOVE-DESCRIBED WELL AND APPROVAL OF THIS APPLICATION TO DRILL IS CONDITIONED UPON COMPLIANCE WITH SUCH STIPULATIONS. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE SPECIAL STIPULATIONS PURSUANT TO TITLE 30 CFR 290.

☒ A. 8 5/8" surface casing should be set in the Rustler Anhydrite formation and cement circulated to the surface. If surface casing is set at a lesser depth, the _____ casing must be cemented from the casing shoe to the surface or cemented to the surface through a stage tool set at least 50 feet below the top of the Rustler after cementing around the shoe with sufficient cement to fill to the base of the salt section.

CABLE TOOLS
☐ B. Before drilling below the _____ casing, the blowout preventer assembly will consist of a minimum of one annular type and two ram type preventers.

☐ C. Casing protectors will be run on drill pipe while drilling through the _____ casing. Protectors will be of sufficient number and of sufficient outside diameter to protect the casing.

☐ D. Minimum required fill of cement behind the _____ casing is to _____

CABLE TOOLS
☐ E. After setting the _____ casing string and before drilling into the _____ 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.

☐ F. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before drilling into the _____ 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.

☒ G. All pits containing toxic liquids will be fenced and covered with a fine mesh netting, if necessary for the protection of livestock or wildlife.

☒ H. Above ground permanent structures and equipment shall be painted in accordance with the Painting Guidelines. The paint color is to simulate:

☒ Sandstone Brown, Fed. Std. 595-20318 or 30318

OR ☒ Sagebrush Gray, Fed. Std. 595-26357 or 36357

☐

- ☐ I. A kelly cock will be installed and maintained in operable condition.
- ☒ J. The ARTESIA Sub-District Office is to be notified in sufficient time for a representative to witness:
- (a) Spudding ☒
- (b) Cementing casing
- _____ inch
- _____ inch
- _____ inch
- (c) BOP tests
- ☐ K. A Communitization Agreement covering the acreage dedicated to the well must be filed for approval with the U. S. Geological Survey, P. O. Box 26124, Albuquerque, New Mexico 87125. The effective date of the agreement must be prior to any sales.
- ☐ L. A Gamma Ray-Compensated Neutron log is required from the base of the salt section to the surface with cable speed not to exceed 30 feet per minute.
- ☒ M. At least one working day prior to constructing the well pad, access roads and/or related facilities, the operator or dirt contractor shall notify the authorized officer (Bureau of Land Management, CARLSBAD area). He shall also notify the Authorized Officer within two working days after completion of earth-moving activities.
- ☒ N. All access roads constructed in conjunction with the drilling permit (APD) will be limited to a 12 foot wide driving surface, excluding turn-arounds. Surface disturbance associated with construction and/or use of the road will be limited to 20 feet in width. If well is a producer, all roads will be adequately drained to control runoff and soil erosion. Drainage facilities may include ditches, water bars, culverts and/or any other measures deemed necessary by the authorized officer of the BLM. The following is a general guide for the spacing of water bars:
- % Slope
- | | |
|--------------|---------|
| less than 2% | 200 ft. |
| 2% to 4% | 100 ft. |
| 4% to 5% | 75 ft. |
| more than 5% | 50 ft. |
- ☒ O. Other special stipulations

Any permanent pit containing waste oil must be fenced and covered with mesh wire.

(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN 1963
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM- 38631	
2. NAME OF OPERATOR Orla Petco, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR P.O. Box 953, Midland, Texas 79702		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1980' FSL & 1980' FEL of Section 29		8. FARM OR LEASE NAME LaVerne-Federal	
14. PERMIT NO.		9. WELL NO. 1	
15. ELEVATIONS (Show whether DF, RT, OR, etc.) 3373.6' Ground Level		10. FIELD AND POOL, OR WILDCAT Sageate Draw D-1	
		11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA Sec. 29, T-24S, R-27W	
		12. COUNTY OR PARISH Eddy	
		13. STATE N.M.	

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐
FRACTURE TREAT ☐
SHOOT OR ACIDIZE ☐
REPAIR WELL ☐
(Other) ☐

PULL OR ALTER CASING ☐
MULTIPLE COMPLETE ☐
ABANDON* ☐
CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

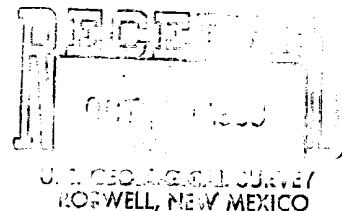
WATER SHUT-OFF ☐
FRACTURE TREATMENT ☐
SHOOTING OR ACIDIZING ☐
(Other) Change Access Road

REPAIRING WELL ☐
ALTERING CASING ☐
ABANDONMENT* ☐

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

10/22/80 - Change Exhibit 3 on Surface Use Plan. Amended plat shows shortest route possible to get to location.



18. I hereby certify that the foregoing is true and correct

SIGNED

TITLE

Vice-President

DATE

10/28/80

(This space for Federal or State office use)

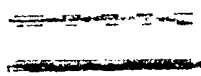
APPROVED BY

TITLE

DATE

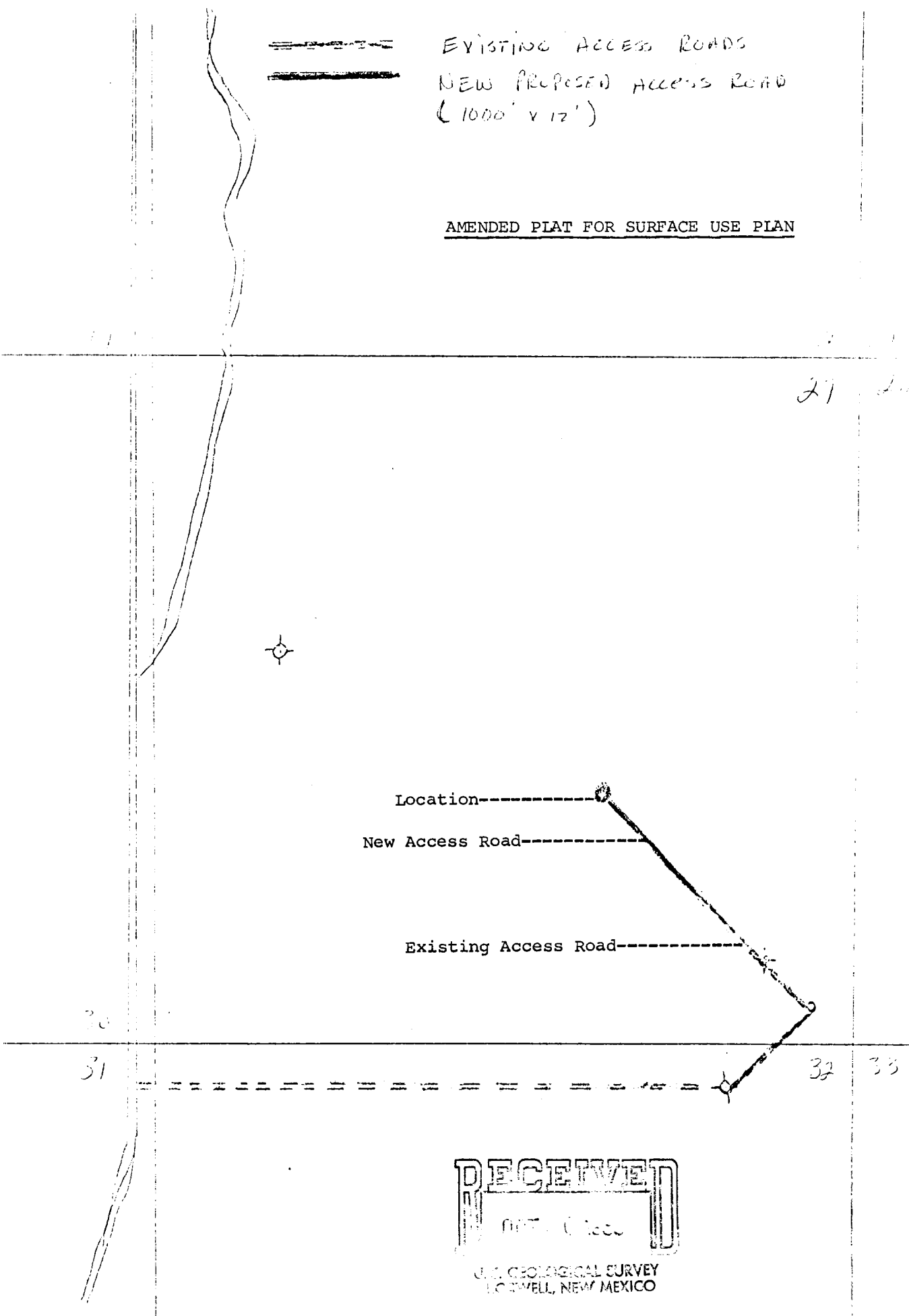
OCT 31 1980

CONDITIONS OF APPROVAL, IF ANY:



EXISTING ACCESS ROADS
NEW PROPOSED ACCESS ROAD
(1000' x 12')

AMENDED PLAT FOR SURFACE USE PLAN



RECEIVED
OCT. 1960

U.S. GEOLOGICAL SURVEY
LOWELL, NEW MEXICO

EXHIBIT 1

LOVING ? ? Mr

EXISTING ROADS

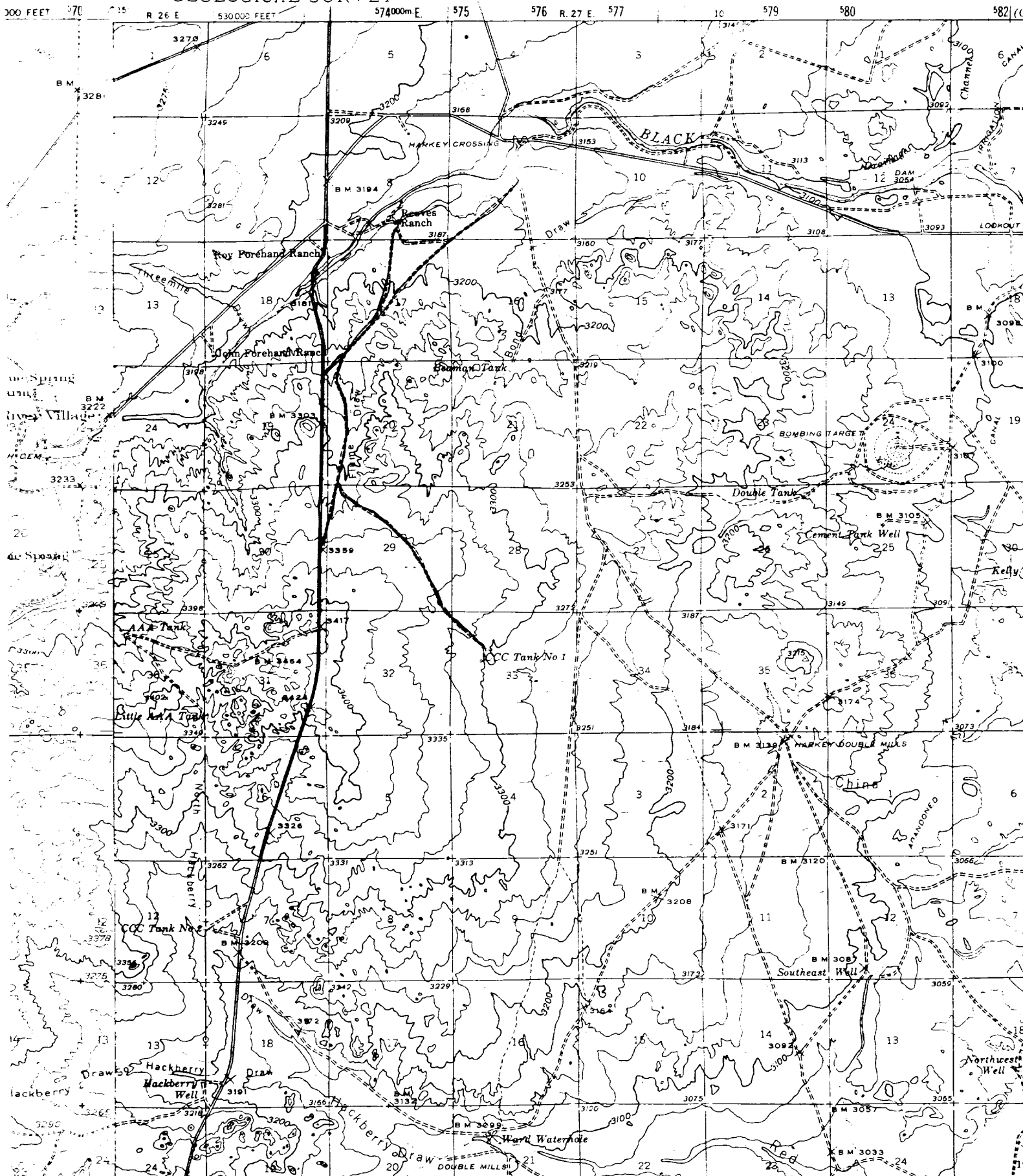
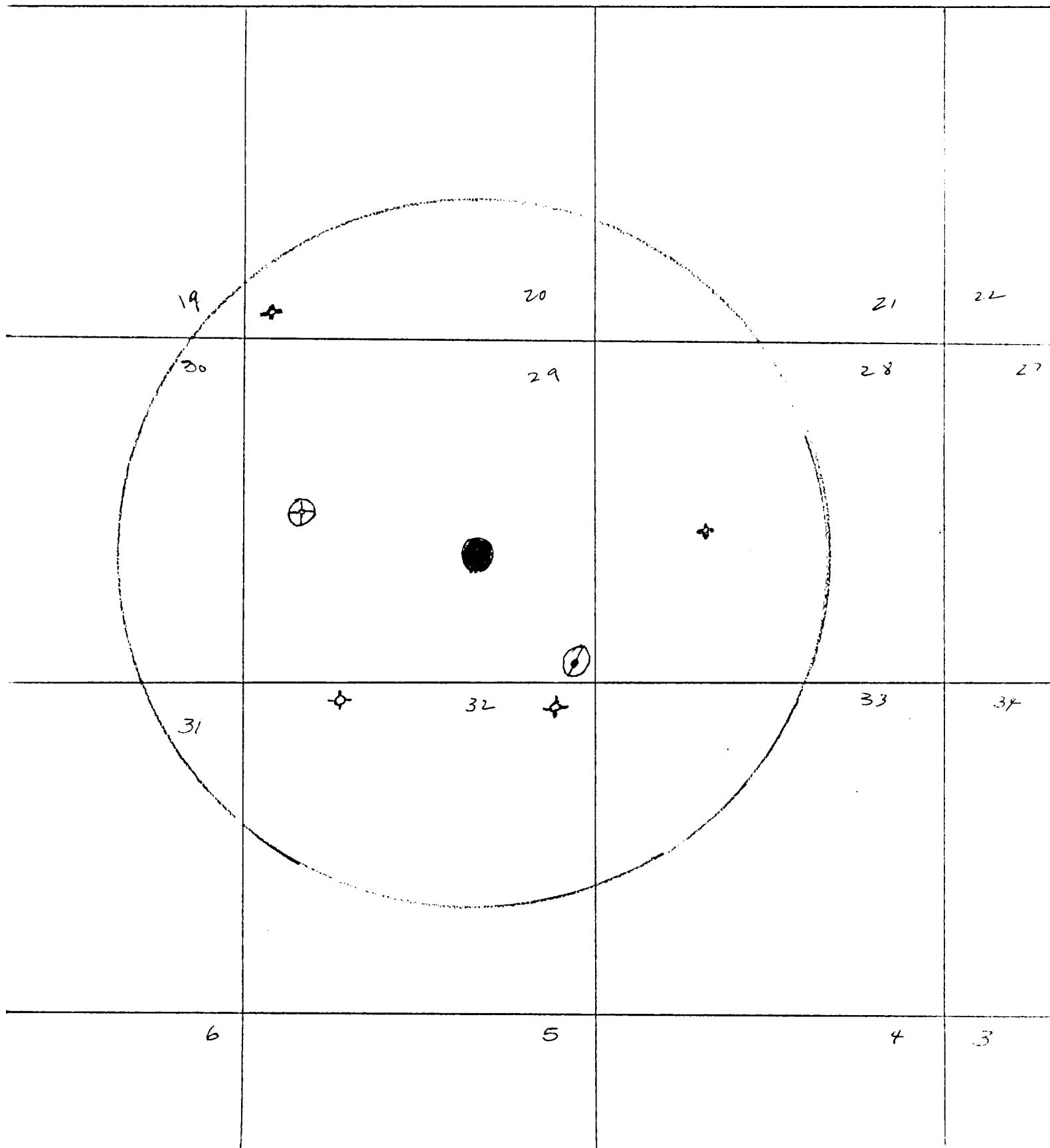


EXHIBIT 2

LAND MAP EXISTING WELLS - 1 mile radius
Laverna-Federal No. 1 Lease
Section 29, T-24-S, R-27-E, Eddy Co., New Mexico
1" = 2000'



Road Location &

Tank Battery Location

EXHIBIT 3

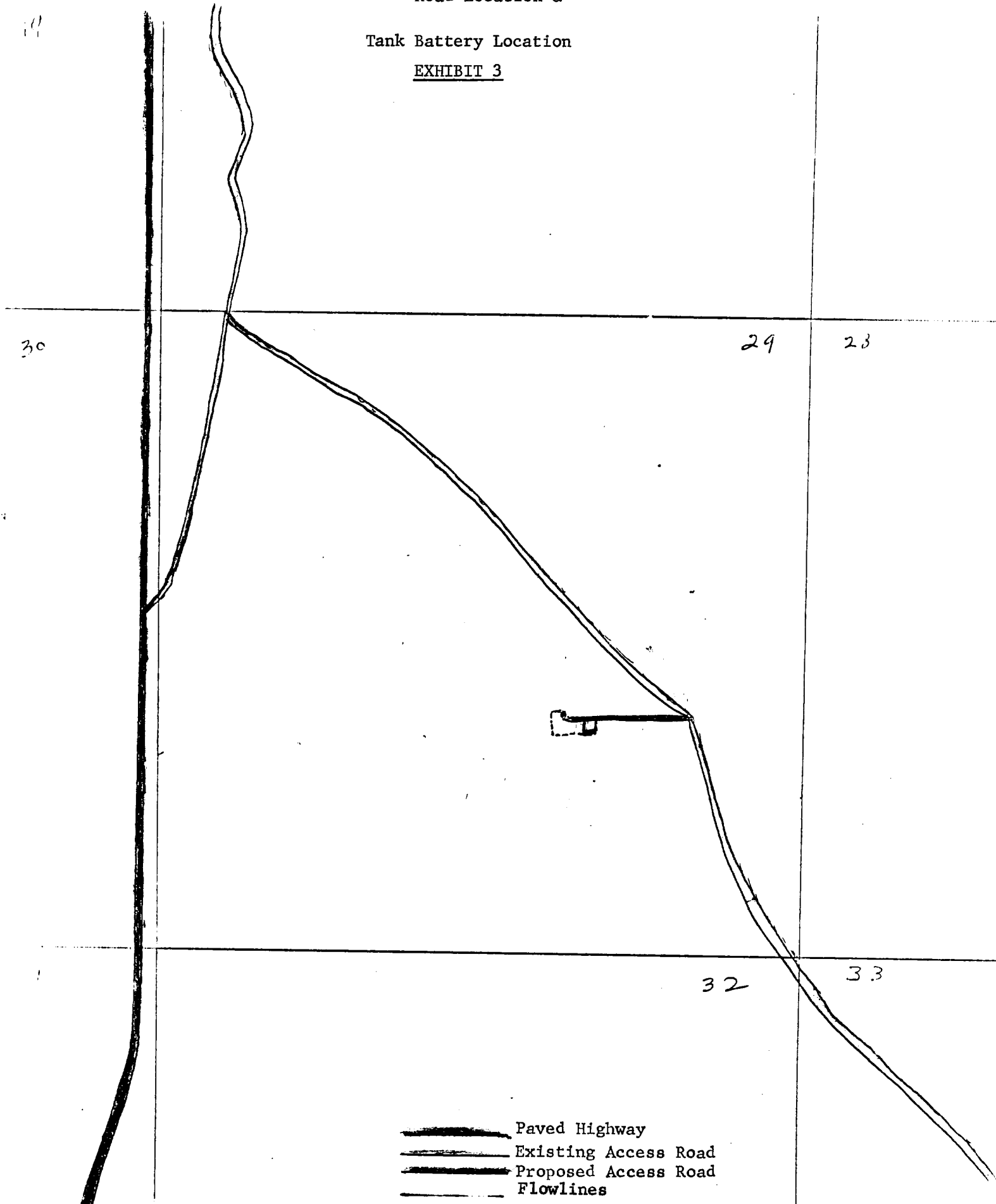
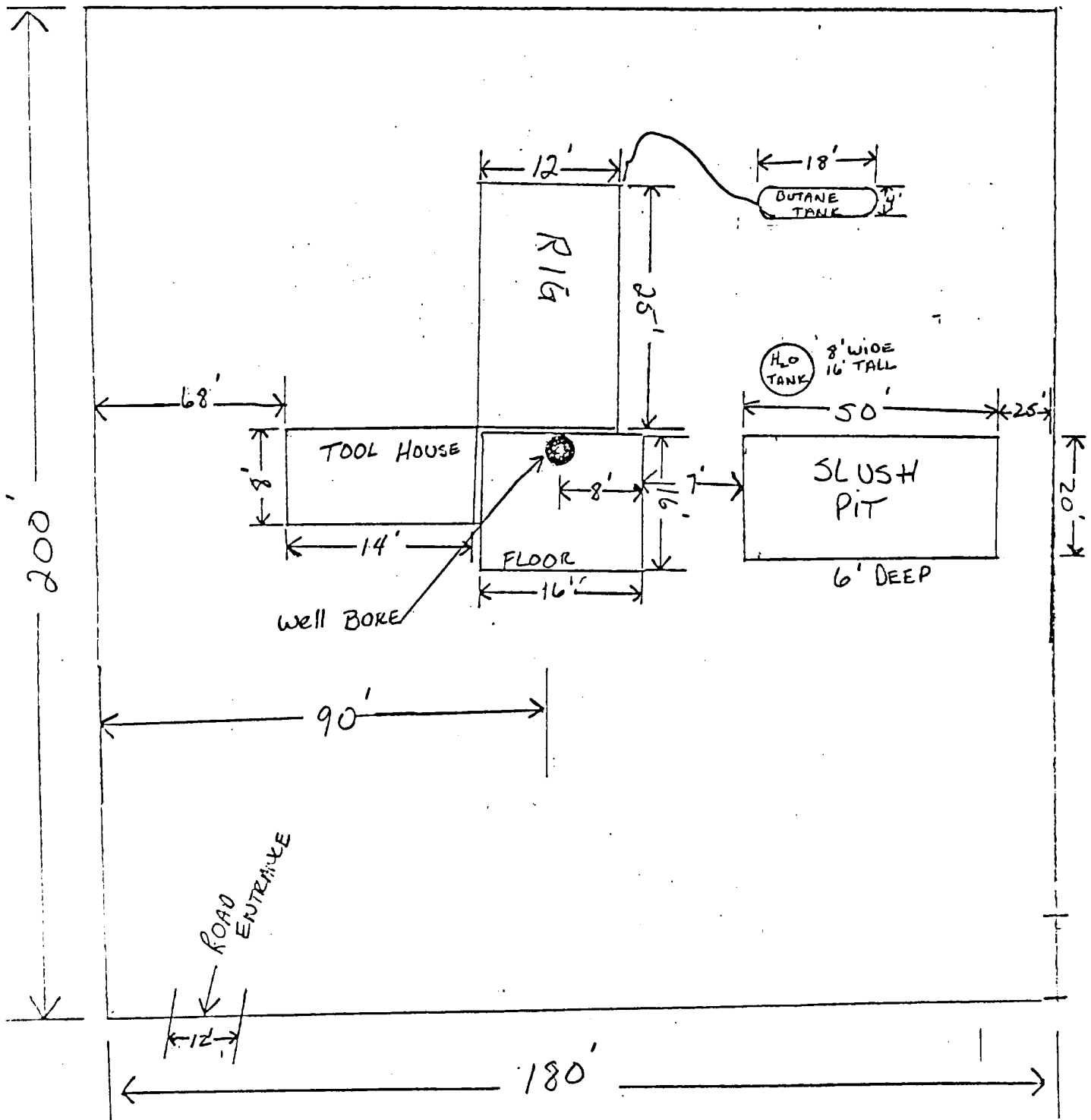


Exhibit 4
Rig LAYOUT



FOOTAGE IS APPROXIMATE

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

ORLA PETCO, INC.
LAVERNA-FEDERAL NO. 1, LEASE NO. NM-
1980' FSL & 1980 FEL of Sec. 29, T-24S,
R-27-E, Eddy County, New Mexico, N.M.P.M.

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.

RECEIVED

OCT 16 1980

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

2. PLANNED ACCESS ROADS:

A. Length and Width:

The length of the new access road to the location will be approximately 3170 feet and 20 feet 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 will be no gates or cattleguards.

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 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 well.~~

ELECTRIC POLES NOT APPLICABLE.

5. LOCATION AND TYPE OF WATER SUPPLY:

<u>Type of Water Supply:</u>	City of Carlsbad water
<u>Location of Supply:</u>	B & E Truck Lines yard, water will be stored at water tank (Exhibit 4) at wellsite. Very little water needed (approx. 140 bbls.) for a Cable Tool Rig.
<u>Transport Method:</u>	Truck
<u>Transport Route</u>	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:

N/A

7. METHODS OF HANDLING WASTE DISPOSAL:

Cuttings: Cuttings will be covered when the plastic lined slush pit is leveled. Pit will be covered with a minimum of 24" 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 pit, 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 coveing 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 a minimum of 24" of the original topsoil. All trash will be leaned 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: Archaeological Clearance Report Attached

B. Soil: Archaeological Clearance Report Attached

C. Flora and Fauna: Archaeological Clearance Report Attached

D. Ponds and Streams: Archaeological Clearance Report Attached

E. Residences and Other Structures: No Residences or Other Structures

F. Land Use: Grazing

G. Surface Ownership: The surface is owned by the Federal Government.

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. Apt. 16
Vista del Sol Apartments
Carlsbad, New Mexico 88220
(505) 885-9978

or

Bucky Ritchie
One Marienfeld Place
Suite 155
Midland, Texas 79701
(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 _____ and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date 10/8/80


Name

Vice President

Title