

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

CONTACT GIVING  
OFFICE FOR NUMBER  
OF COPIES REQUIRED  
(Other instructions on  
reverse side)

30-015-26991 d/s  
BIM Roswell District  
Modified Form No.  
NM060-3160-2

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 ☐

2. NAME OF OPERATOR

Strata Production Company

3. ADDRESS OF OPERATOR

P. O. Box 1030, Roswell, New Mexico 88202-1030

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

At surface

860' FNL & 2210' FEL

At proposed prod. zone

Delaware

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

9.5 miles east of Loving, NM

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any) NM0556859

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED, 1850' from  
OR APPLIED FOR, ON THIS LEASE, FT.

Nash Unit #4 well

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

2994 GL

Controlled Water Basin

23.

PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2	13 3/8	48#	H-40	STC	300'	Circ to surface
12 1/4	8 5/8	24#	J-55	STC	3000'	Circ to surface
7 7/8	5 1/2	15.5 or 17	J-55	LTC	7000'	Tie back 600' above base of 8 5/8" casing

A. Will drill well to a depth sufficient to test Delaware formation

B. Mud Program: 0 - 330 - Native Mud  
330 - 3000 - Brine  
3000 - 4600 - Cut Brine, 70-80K chloride  
4600 - TD - Cut Brine and starch WL 15-20, Visc 31

C. BOP will be installed - See Exhibit "D"

D. Logs to be run: CNL-LDT, DLL-RXO

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

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

Rosalia Finley

TITLE Production Records Mgr. DATE 2/13/92

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

4-14-92

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

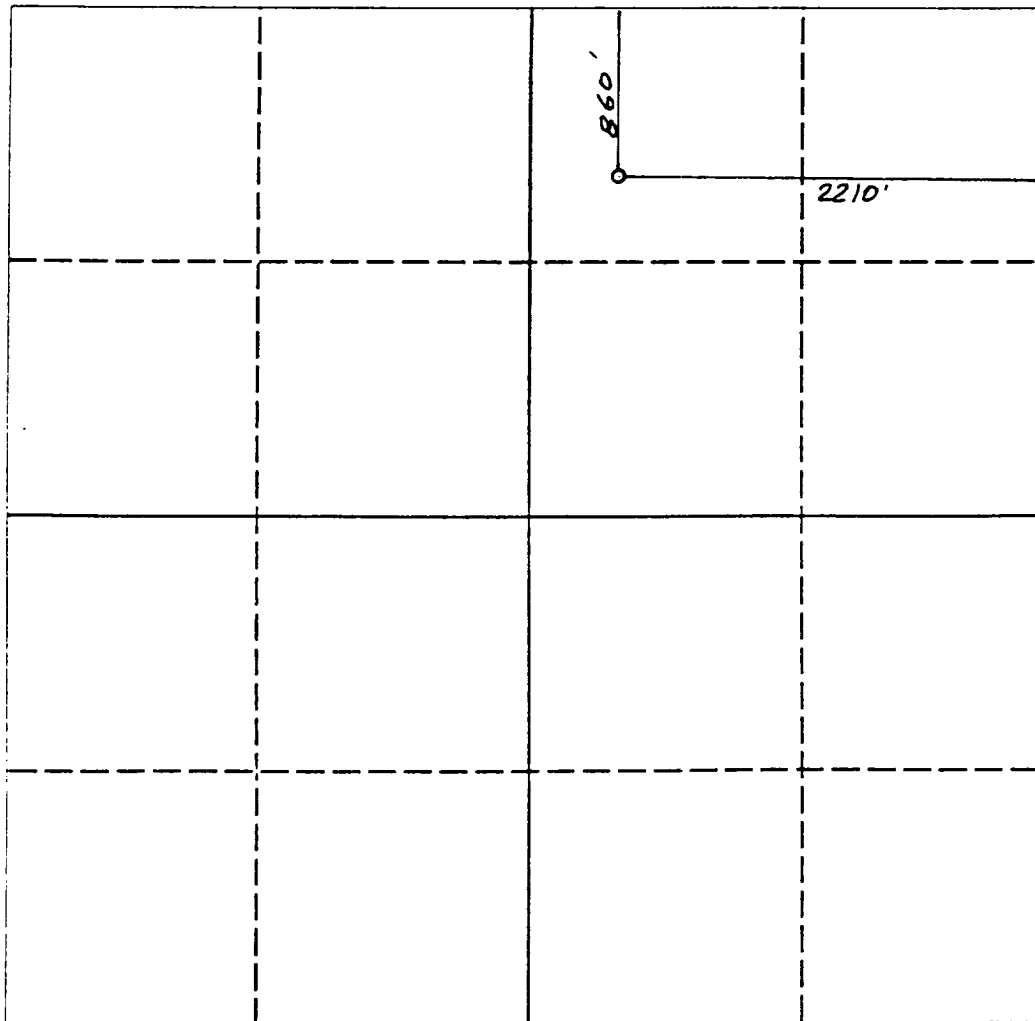
1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator <b>STRATA PRODUCTION</b>			Lease <b>NASH DRAW UNIT</b>		Well No. <b>9</b>
Unit Letter <b>B</b>	Section <b>13</b>	Township <b>23 SOUTH</b>	Range <b>29 EAST</b>	County <b>EDDY COUNTY, NM</b>	
Actual Footage Location of Well: <b>860</b> feet from the <b>NORTH</b> line and <b>2210</b> feet from the <b>EAST</b> line					
Ground level Elev. <b>2994.</b>	Producing Formation <b>Delaware</b>	Pool <b>Nash Draw</b>		Dedicated Acreage: <b>40</b> 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 interest 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 interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

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

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Regina Finley

Position \_\_\_\_\_

Production Records/Land Mgr.

Company \_\_\_\_\_

Strata Production Company

Date \_\_\_\_\_

December 28, 1991

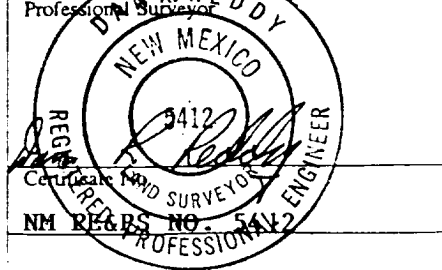
**SURVEYOR CERTIFICATION**

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 \_\_\_\_\_

DECEMBER 23, 1991

Signature & Seal of Professional Surveyor \_\_\_\_\_



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

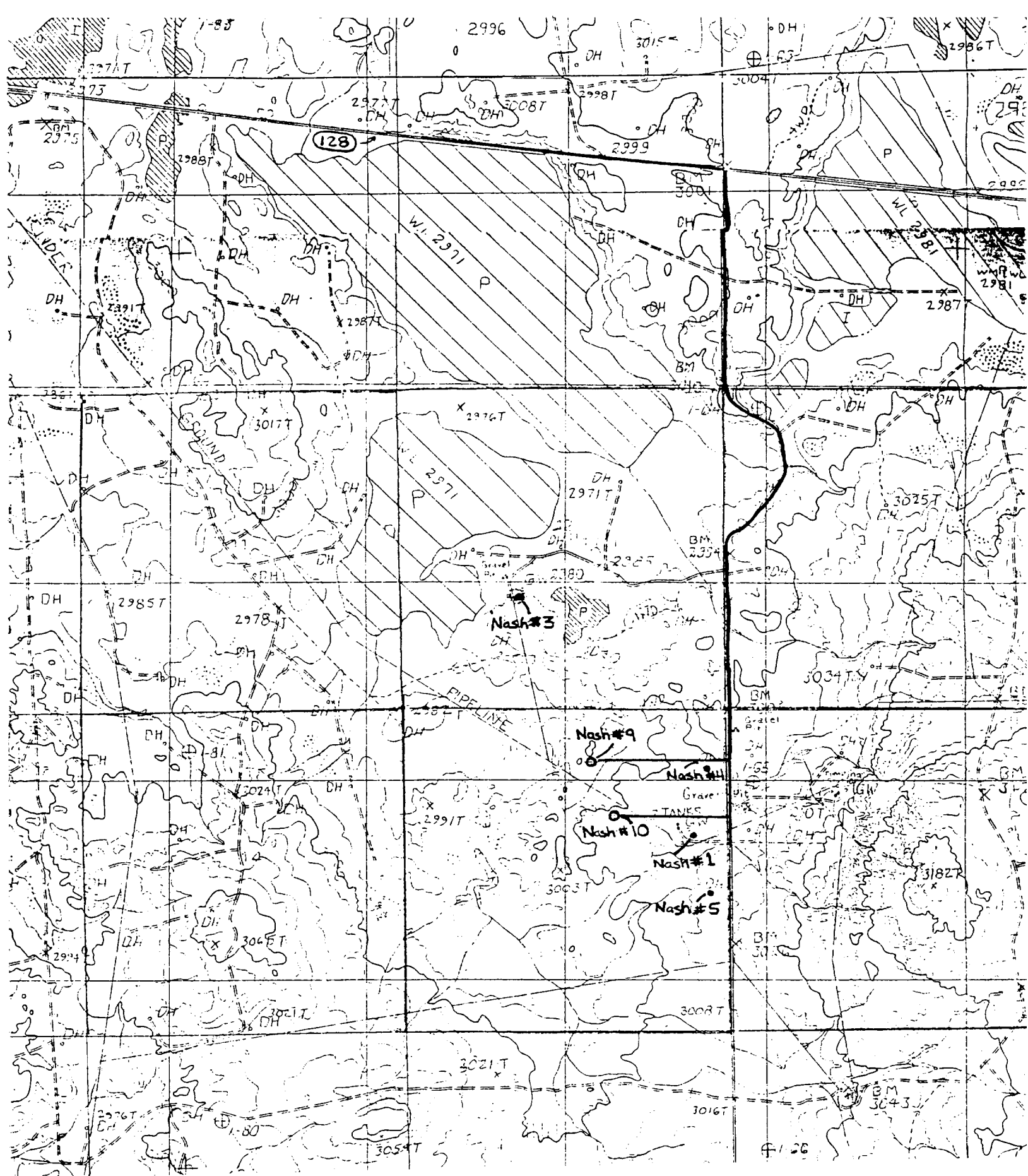


EXHIBIT "A"

Existing Roads - —

Existing wells - ●

Permit Location - ○

HOLE PROPOSAL  
APPLICATION FOR PERMIT TO DRILL  
STRATA PRODUCTION COMPANY  
NASH FEDERAL UNIT #9 WELL  
860' FNL & 2210' FEL  
Sec. 13, T23S, R29E

In conjunction with form 3160-3, Application for Permit to Drill, Strata Production Company submits the following items in accordance with Unshore Oil and Gas Order Numbers 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is of Permian Age.
2. Estimated tops of geologic markers are as follows:

Rustler	Surface	Bone Spring	6990'
Top of Salt	350'	T.D.	7000'
Base of Salt	2820'		
Lamar	3180'		

3. The estimated depths at which water, oil or gas formations are expected to be encountered are:

\*Water: None - Located near salt lake  
 \*\*Oil or Gas: Delaware 3180' - 6990'

- \* NOTE: Groundwater to be protected by 13 3/8" surface casing with cement circulated to the surface.  
 \*\*NOTE: Potentially productive horizons to be protected by 5 1/2" production casing with cement tied back to intermediate casing.

4. Casing Program: (See Form 3160-3)
5. Pressure Control Equipment: See Exhibit "D", BOP diagram.
6. Mud Program: See Application to Drill 3160-3.
7. Auxiliary Equipment: None required.
8. Testing, Logging, and Coring Program:

Two (2) man Mudlogging unit from top of Delaware to TD  
 DLL-MSFL, CNL-Density, Gamma Ray, Caliper.

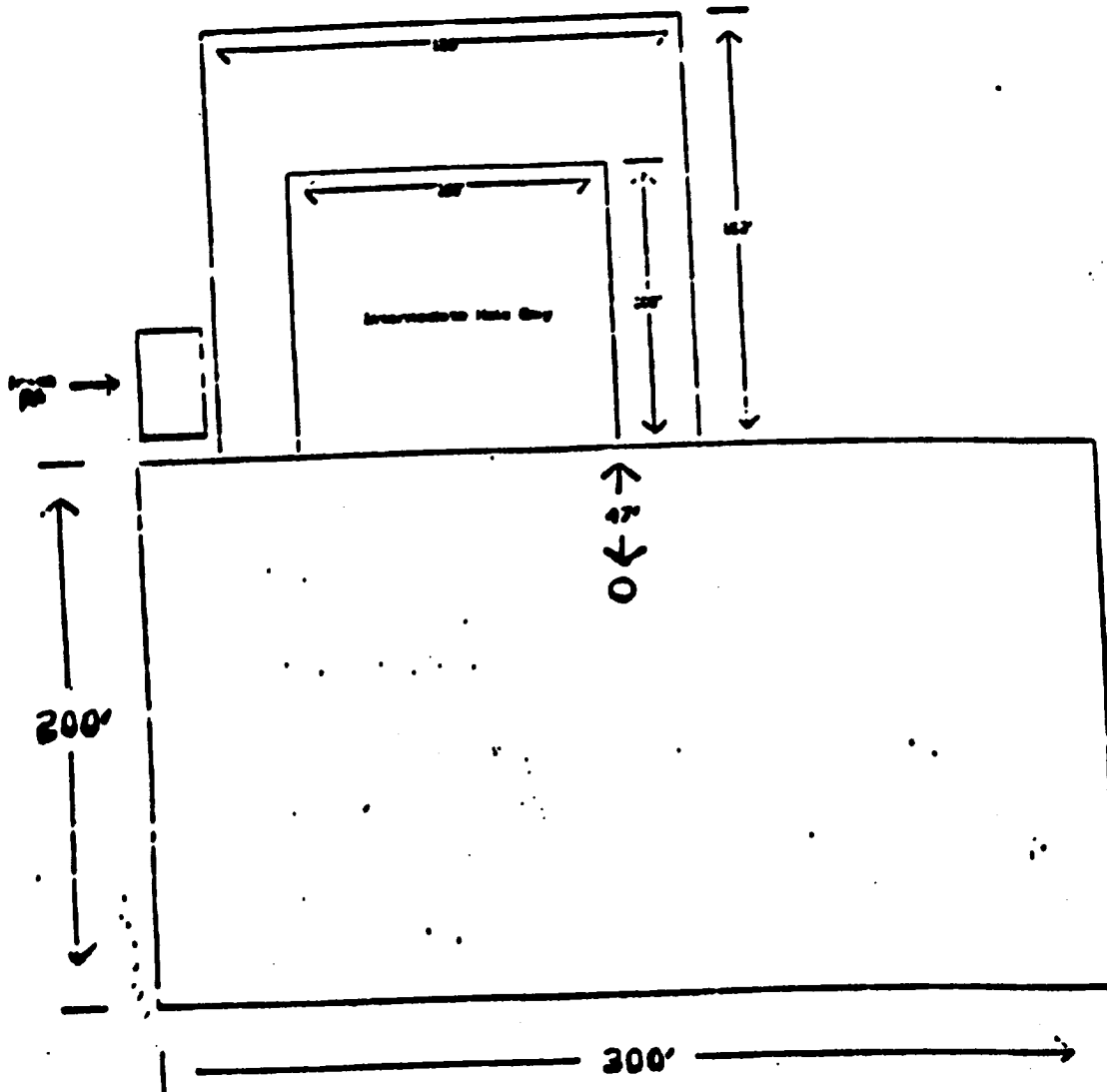
9. Abnormal Pressures, Temperature, or other hazards:

Loss of circulation is possible in the Delaware section of the hole, however, no loss was seen on the recent drilling or offsetting wells.

10. Anticipated starting date: April 20, 1992

Forecasted duration of operations:  
 Drilling: 20 days  
 Completion: 14 days

Exhibit 'B'  
Well Pad Layout



STRATA PRODUCTION COMPANY

SURFACE USE PLAN  
APPLICATION FOR PERMIT TO DRILL  
STRATA PRODUCTION COMPANY  
NASH FEDERAL UNIT #9 WELL  
860' FNL & 2210' FEL  
SEC. 13, T23S, R29E

This plan is submitted with form 3160-3, Application For Permit to Drill, covering the above captioned well. The purpose of this plan is to describe the location, the proposed construction activities and operations plan, the surface disturbance involved, and the rehabilitation of the surface after completion of said well so that an appraisal can be made of the environment affected by this well.

1. Existing Roads:

- A. Area Map Exhibit "A" is a map showing the existing and proposed roads to the proposed location. All roads shall be maintained in a condition equal to that which existed prior to the start of construction.
- B. Directions: From Loving, New Mexico, the well is located approximately 9 miles to the east off State Highway 128.

2. Planned access roads: Approximately 400' of new road will be built from the existing North Road, south to the proposed location.

- A. Exhibit "B" is a plat showing the wellsite layout.
- B. Construction: Gradient on all roads will be less than 5%.
- C. No turnouts will be necessary.
- D. If needed, road across pad will be surfaced with a minimum of 4" of caliche. This material will be obtained from a local source.
- E. No culverts are required.
- F. No gates or cattle guards will be required.

3. Location of existing wells:

- A. Water wells: None known.
- B. Disposal wells: None known.
- C. Oil and Gas wells: Location of existing wells within a two (2) mile radius of the location are shown on Exhibit "C", Land Status Map.

4. Location of Existing and/or Proposed Facilities:

- A. If the well proves to be a producer, Strata Production Company will furnish maps or plats showing On Well pad facilities and Off Well pad facilities (if needed) on 72-hour notice before construction of these facilities starts.

5. Location and type of water supply: Water will be  
\*\* purchased locally from a private source and trucked over the  
access roads.

\*\*ALTERNATIVE WATER SOURCE: Would be to use water from the Laguna Quatro Salt Lake. Necessary water analysis would be taken to assure compatibility with drilling procedures. Should compatibilities, government regulations, and permits be approved, Strata Production would set a pump with fast line to the reserve pit. Strata anticipates approximately 1700 barrels of fluid to be used from the lake. There would be approximately 3000' of temporary right-of-way from the Laguna Quatro to a location of 860' FNL & 2210' FEL of Section 13, T23S, R29E.

6. Source of Construction Materials:  
A. If needed, caliche for surfacing the road and location will be obtained from the nearest source.
7. Methods of Handling Waste Disposal:  
A. Drill cuttings will be disposed of in the reserve pits.  
B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.  
C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.  
D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to BLM for approval.  
E. Current laws and regulations pertaining to the disposal of human waste will be complied with.  
F. Oil produced during operations will be stored in tanks until sold.  
G. Will set trash trailer for trash & debris.  
H. All trash and debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations.
8. Ancillary Facilities:  
A. None required.
9. Wellsite Layout:  
A. Exhibit "B" shows the dimension of the well pad and reserve pits.

10. Surface Restoration Plan:

- A. After completion of drilling and/or completion operations all equipment and other materials not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the BLM will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. Other information:

- A. The topography is of rolling terrain with vegetation of sagebrush and native grass.
- B. Soil: The soils are clayey sand over caliche base.
- C. Flora and Fauna: The vegetation cover consists of prairie grasses and flowers. Wildlife in the area probably includes those typical of semi-arid desert land.
- D. Ponds and Streams: Salt lake approximately 3000' northwest of location.
- E. Residences and Other Structures: None
- F. Land Use: Grazing
- G. Surface Ownership: The proposed location and access road are on Federally owned surface.
- H. An archaeological study has been conducted for the location and new access road. The report has been submitted separately.



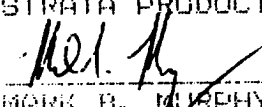
12. Operators Representative:

RONNIE WILLIS  
3705 NORTH GARDEN  
ROSWELL, NEW MEXICO 88201  
PHONE NUMBER: (505) 622-1127---OFFICE  
(505) 393-7771 OD 02088---MOBILE  
626-7387 CELLULAR

13. Certification:

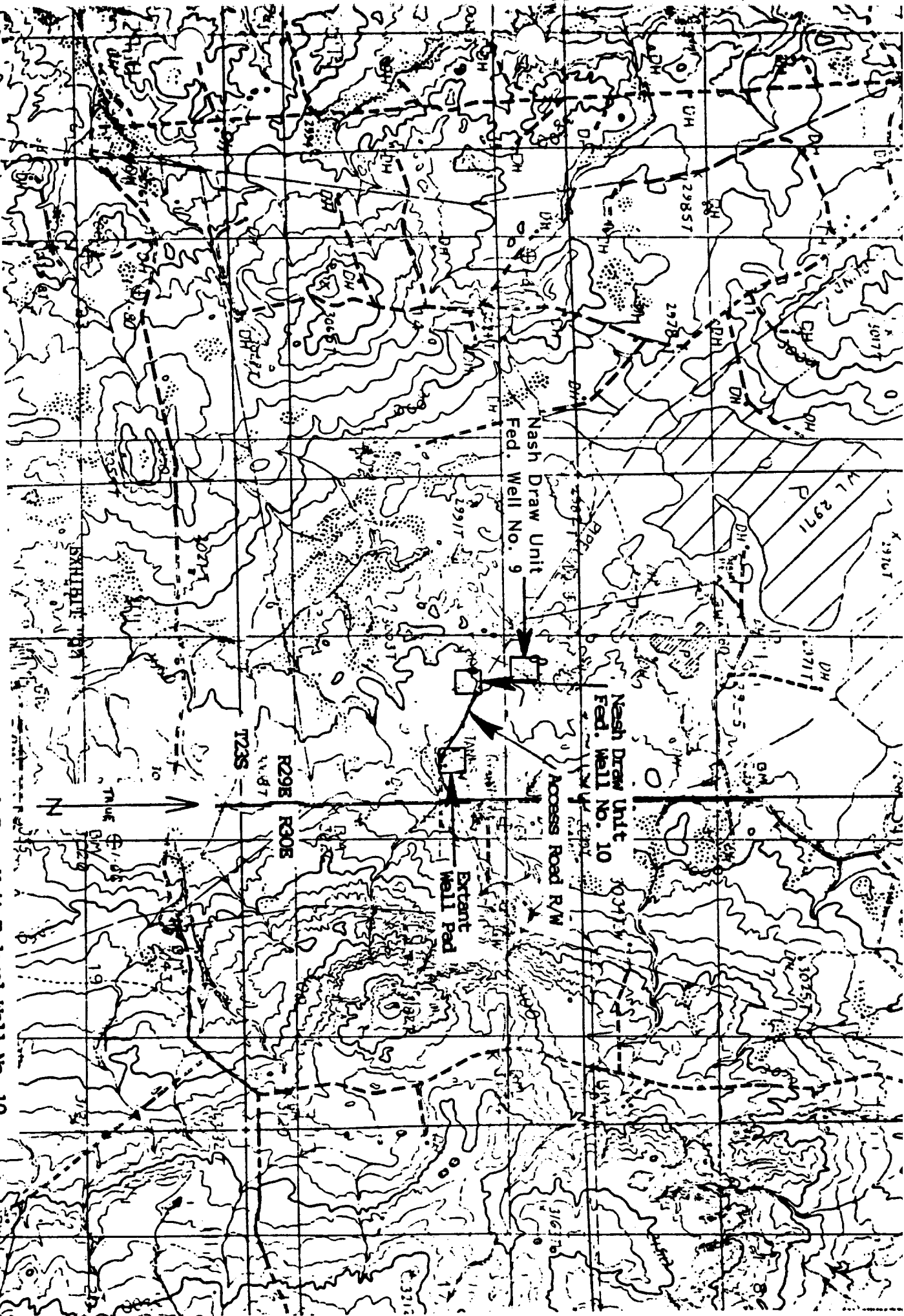
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site which currently exists; that the statements made in this plan are to the best of my knowledge, true and correct; that the work associated with the operations proposed herein will be performed by Strata Production Company and its contractors/sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 USC 1001 for the filing of a false statement.

STRATA PRODUCTION COMPANY

  
MARK B. MURPHY, PRESIDENT

DATE: 3/25/92

Map showing the location of the Strata Production Company Nash Draw Unit Federal Well No. 10 and Access Road R/W. T23S, R29E, Section 13, Eddy County, New Mexico [BLM, Roswell District, Carlsbad Resource Area, New Mexico]. Squares show locations of well pads; solid line shows location of access road R/W. U.S.G.S. 7.5 minute series, REMUDA BASIN, NEW MEXICO, 1985. ASC Project 91-219.



**EXHIBIT "D"**

equipment" should be at least 1,000 psi WP or higher unless otherwise specified.

**Bell nipple.**

**Hydril bag type preventer**

Ram type pressure operated blowout preventer with blind rams.

Flanged spool with one 1-inch and one 2-inch (minimum) outlet.

2-inch (minimum) flanged plug or gate valve.

2-inch by 2-inch by 2-inch (minimum) flanged tee.

3-inch gate valve.

Ram type pressure operated blowout preventer with pipe rams.

Flanged type casing head with one side outlet.

2-inch threaded (or flanged) plug or gate valve.

Flanged on 5000# WP, threaded on 3000# WP or less.

3-inch flanged spacer spool.

3-inch by 2-inch by 2-inch by 2-inch flanged cross.

2-inch flanged plug or gate valve.

2-inch flanged adjustable choke.

2-inch threaded flange.

2-inch XOM nipple.

2-inch forged steel 90° Ell.

Cameron (or equal.) threaded pressure gage.

Threaded flange.

2-inch flanged tee.

2-inch flanged plug or gate valve.

2½-inch pipe, 300' to pit, anchored.

2½-inch SE valve.

2½-inch line to steel pit or separator.

**ES:**

Items 3, 4 and 8 may be replaced with double ram type preventer with side outlets between the rams.

The two valves next to the stack on the fill and kill line to be closed unless drill string is being pulled.

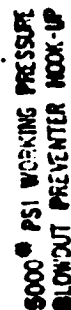
Kill line is for emergency use only. This connection shall not be used for filling.

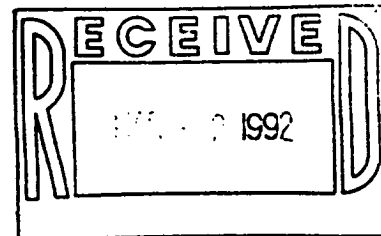
Replacement pipe rams and blind ram shall be on location at all times.

Only type U, LSW and QHC ram type preventers with secondary seals are acceptable for 5000 psi WP and higher BOP stacks.

Type E ram-type BOP's with factory modified side outlets may be used on 3000 psi or lower WP BOP stacks.

ADDITIONS - DELETIONS - CHANGES SPECIFY	

[illegible][illegible]



February 26, 1992

Ms. Regina Finley  
Production Records/Land Manager  
Strata Production Company  
P. O. Drawer 1030  
Roswell, NM 88202-1030

RE: Application to Drill in Potash Area  
Nash Draw Unit Well #9  
Section 13, T23S, R29E, NMPM  
Eddy County, New Mexico

Dear Ms. Finley:

Thank you for notifying us of your intention to drill this well to 7000' at a location 860' FNL and 2210' FEL on Section 13. Although IMCF does not hold the lease on this captioned land, we do hold a lease within 1 mile. This proposed location is slightly outside a 1/2 mile buffer around our Life of Mine Reserves.

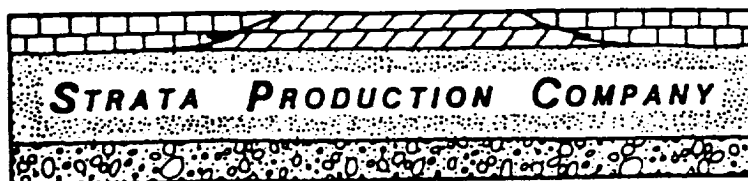
IMCF agrees to this location. Your diligence in complying with OCD's R-111-P rules is greatly appreciated.

Sincerely,

Dan Morehouse  
Mine Manager

DM:tmh

POST OFFICE DRAWER 1030  
ROSWELL, NM 88202-1030

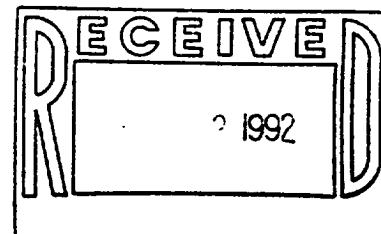


200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700  
ROSWELL, NEW MEXICO 88201

February 11, 1992

TELEPHONE (505) 622-1127  
FACSIMILE (505) 623-3533

Mr. Morris Worley  
Western Ag Minerals  
Post Office Box 511  
Carlsbad, New Mexico 88220



Re: Application to Drill in Potash Area  
Nash Draw Unit Well #9  
Section 13, T23S, R29E, NMPM  
Eddy County, New Mexico

Dear Mr. Worley:

In accordance with the State of New Mexico's Oil Conservation Division Rule R-111-P C (2) (3), we enclose the following for your review and further action:

- 1) Copy of Form 3160-3 Application for Permit to Drill, (has not been filed with BLM at this time)
- 2) Surface Location Plat of area

State of New Mexico Public Land records reflect Western Ag Minerals Corporation as the potash lessee covering the captioned lands. Strata Production Company, a New Mexico corporation, wishes to advise you of its intention to drill a well to 7000' at a location 860' FNL and 2210' FEL of Section 13. If you are in agreement that drilling at this location will not interfere with your potash operations, please sign and return a copy of this letter in the enclosed envelope within 20 days of receipt of same.

Should you have any questions or require additional information from this office, please advise.

Very truly yours,

*Regina Finley*  
Regina Finley  
Production Records/Land Manager

AGREED TO AND ACCEPTED THIS 27 DAY OF FEBRUARY, 1992.

BY: *Bob Jensen*

TITLE: *Mine Manager*

DATE: *2/27/92*

NRF/mrs  
Enclosures

cc: Oil Conservation Division, Hobbs, NM  
Bureau of Land Management, Carlsbad, NM

**PLEASE EXECUTE AND  
RETURN THIS COPY**