

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

20-015-20591

5. LEASE DESIGNATION AND SERIAL NO.
NM-6708

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Verse Federal 7

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. SEC., T., R., M., OR ELS.
AND SURVEY OR AREA
Sec. 7, T-25S, R-22E

12. COUNTY OR PARISH
Eddy

13. STATE
N.M.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

2. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

3. NAME OF OPERATOR
Union Oil Company of California

4. ADDRESS OF OPERATOR
P.O. Box 671 - Midland, Texas 79701

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
760' FNL & 2230' FWL
At proposed prod. zone

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
50 miles SW of Carlsbad, N.M.

7. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest oil/g. unit line, if any)
2230'

8. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL DRILLING, COMPLETED, OR ABANDONED FOR, ON THIS LEASE, FT.
6600'

9. ELEVATIONS (Show whether DP, RT, CR, etc.)
5909.7 GR

10. APPROX. DATE WORK WILL START*
On approval

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17"	13-3/8"	48#	700'	Circ. to surface
12 1/2"	8-5/8"	24#	1500'	Circ. to surface
7-7/8"	5 1/2"	15.5#	6600'	Determine from logs

3000# Hyd. B.O.P.

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ALBUQUERQUE, NEW MEXICO

11. ABOVE PROPOSED CASING AND CEMENTING 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 prevention program, if any.

12. SIGNATURE OF OPERATOR
TITLE District Drilling Supt. DATE Nov. 29, 1972

(This space for Federal or State office use)

13. PERMIT NO. *Subject to approval of Commercialization agreement prior to producing this well!*

14. APPROVED BY *1972*
CONDITIONS OF APPROVAL, IF ANY:

15. TITLE *DECLARED WATER BASIN* DATE *1-3-73*

16. THIS APPLICATION IS VALID FOR *12 MONTHS*

17. EXPIRES *MAR 22 1973* *See Instructions On Reverse Side

18. CASING MUST BE CIRCULATED

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED
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MAR 26 1972

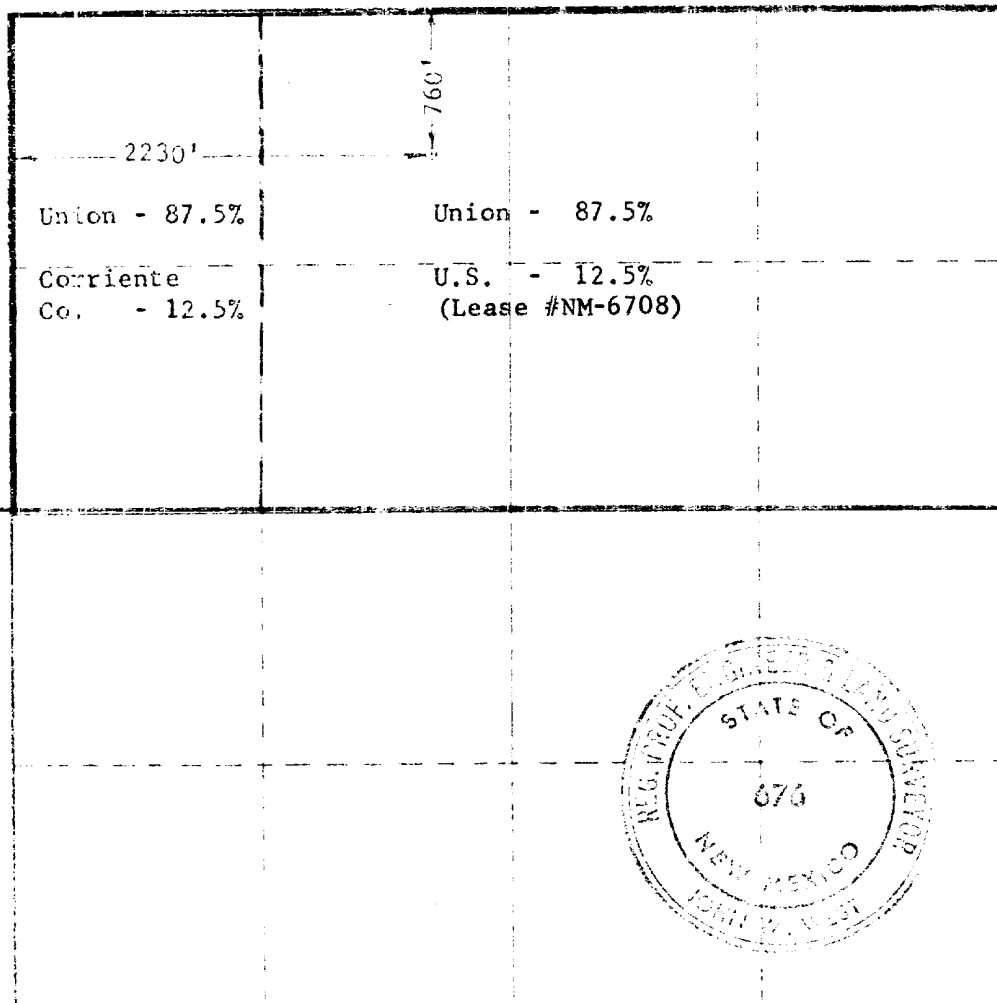
ALL INFORMATION MUST BE FROM THE OFFICE OF LAND SURVEY

UNION OIL CO OF CALIF		Verse Federal 7		Section 1	
C	7	25 SOUTH	12 EAST	Eddy	
NORTH		2030		WEST	
50 1/2 7	Mississippian		Wildcat		320

- Outline the acreage dedicated to the subject well by colored pencil or hashire marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 their descriptions which have actually been consolidated (if any) on the back of this form if necessary.
W/2 of RW/4 Fee Land - remainder Federal. Royalty int. to be communitized if productive.
 No allowable will be assigned to the well until all interests have been consolidated by communitization, unitization, force-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.

 District Operations Manager

Union Oil Co. of California

December 5, 1972

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my supervision and that the same is true and correct to the best of my knowledge and belief.

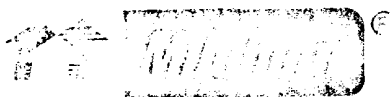
MARCH 1, 1972

 676

UNION OIL COMPANY OF CALIFORNIA
"12 Point Surface Use Plan"
Verse Prospect
VERSE FEDERAL 7 WELL NO. 1
Eddy County, New Mexico

1. Existing roads including location of the exit from the main highway - SEE EXHIBITS I & II.
2. Planned access roads - SEE EXHIBITS I, II & III. Approximately 3/8 mile of location road will be built 12' wide leading from the Forest Service road to the location.
3. Location of wells - SEE EXHIBITS I & II. Only one well is planned at this time.
4. Lateral roads to well location - SEE EXHIBITS I & II. No other lateral roads extend to the proposed well.
5. In the even the subject well is capable of producing oil or gas, necessary production facilities including flow line and tanks will be located in accordance with applicable requirements of the U.S. Forestry Service through the direction of the Guadalupe Ranger District, Lincoln National Forest.
6. Locations and types of water supply - SEE EXHIBIT II. Water for the subject well will be trucked 13-1/2 miles from a water supply well with adjoining tank on the X-Bar Ranch, Kenneth Hogg, Foreman.
7. Methods for handling waste disposal - Incendiary material will be burned on location with written approval by the Forest officer in charge. Liquid waste will be trucked to a state approved disposal well or site.
8. Location of camps - No camps are anticipated.
9. Location of airstrips - No airstrips will be built for drilling of the subject well. An airstrip is available for use near Queen in case of emergency. SEE EXHIBIT II.
10. Location layout - SEE EXHIBIT III.
11. Plans for restoration of the surface - SEE ATTACHED MULTIPLE USE SURVEY.
12. Any other information - SEE ATTACHED MULTIPLE USE SURVEY.

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ARTESIA, NEW MEXICO



Drilling Fluids Division

Drilling Fluid Recommendations

Date November 30, 1972

Prepared for Mr. John Gray Company Union Oil of California

Address Midland, Texas 79701

Well Name Verse Federal #7 Well #1 Proposed Depth 6,600 ft.

Location Section 7 - T25S - R22E County Eddy State New Mexico

CASING PROGRAM

Surface 13-3/8 in. @ 700 ft. Intermediate 8-5/8 in. @ 1,500 ft. Other in @ _____ ft.

RECOMMENDED DRILLING FLUID PROPERTIES

Depth ft	Mud Weight PPG	Viscosity sec/qt	API Filtrate ml	LCM	Oil - %
0-700	8.6-9.0	40-45	No Control	As Needed	
Spud mud. Super-Col, Mil-Lime, Cottonseed Hulls, and Mil-Fiber.					
700-1,500	Water	Air			
Super-Col, LCM as needed.					
1,500-3,100	Water	Air			
Super-Col, LCM as needed for loss.					
3,100-6,600	8.6-9.0*	32-40	15 ml	As Needed	2-4 *
Super-Col, Mil-Flo, Caustic.					
Materials Estimated:					
	Super-Col	- 500	Cottonseed Hulls	- 100	
	Mil-Flo	- 60	Mil-Fiber	- 200	
	Caustic	- 50			

Estimated Drilling Fluid Cost \$ 4,300.00

Estimated Days 30

Possible Drilling Problems:

*Oil could be used as needed for weight control.

References:

Prepared by Clarence O. Hill Title Technical Advisor
District Office Midland, Texas Telephone: A/C 915, 684-6606
Warehouse Hobbs, New Mexico Telephone: A/C 505, 393-7545

150-0792-6-69

Indemnity Clause On Reverse Side

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H. B. GLOVER, JR.

UNION OIL COMPANY OF CALIFORNIA
DISTRICT OFFICE - MIDLAND, TEXAS

DRILLING PROGRAM

Field: Verse Prospect

Location: 2230' FWL & 760' FNL of
Section 7, T-25-S, R-22-E, Eddy
County, New Mexico.

Well Name: VERSE FEDERAL 7 WELL NO. 1

Estimated Total Depth: 6600'

Drilling Data: Geolograph from surface to total depth.
Five-foot drilling time from surface to total depth.

Samples: Ten-foot samples from surface to total depth.

Estimated Formation Tops: Spud in Queen - Grayburg Contact
Tubb 2600'
Abo 3100'
Cisco 4500'
Morrow 6000'
Chester 6400'

Logs: Dual Induction Laterolog 8 Mud logger from 3500' to total depth.
BHC Density & GR
Four Arm Tape Dipmeter is warranted

DSTs: Two (2) Cisco & Morrow

Cores: None

Deviation: Five degrees maximum with rate of change not to exceed one degree per 100' of interval.

Casing & Mud Program:

Depth	Size Hole	Casing	Cement	W.O.C.	Mud		
					Wt.	Vis.	W.L.
0' to 700'	17"	13-3/8"	Circulate*	18	Air or water		
700' to 1500'	12-1/4"	8-5/8"	Circulate**	18	Air or water		
1500' to 3100'	7-7/8"	-	-	-	Air or water		
3100' to T.D.	7-7/8"	5-1/2"	***	6	9-10#	38	<15

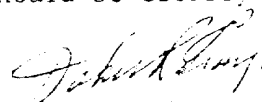
Rig to be released after nipping up 5-1/2" casing.

*13-5/8" casing cement to be determined depending on circulation problems. **RECEIVED**
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8-5/8" casing cement to be determined depending on circulation problems. **U. S. GEOLOGICAL SURVEY
MIDLAND, TEXAS

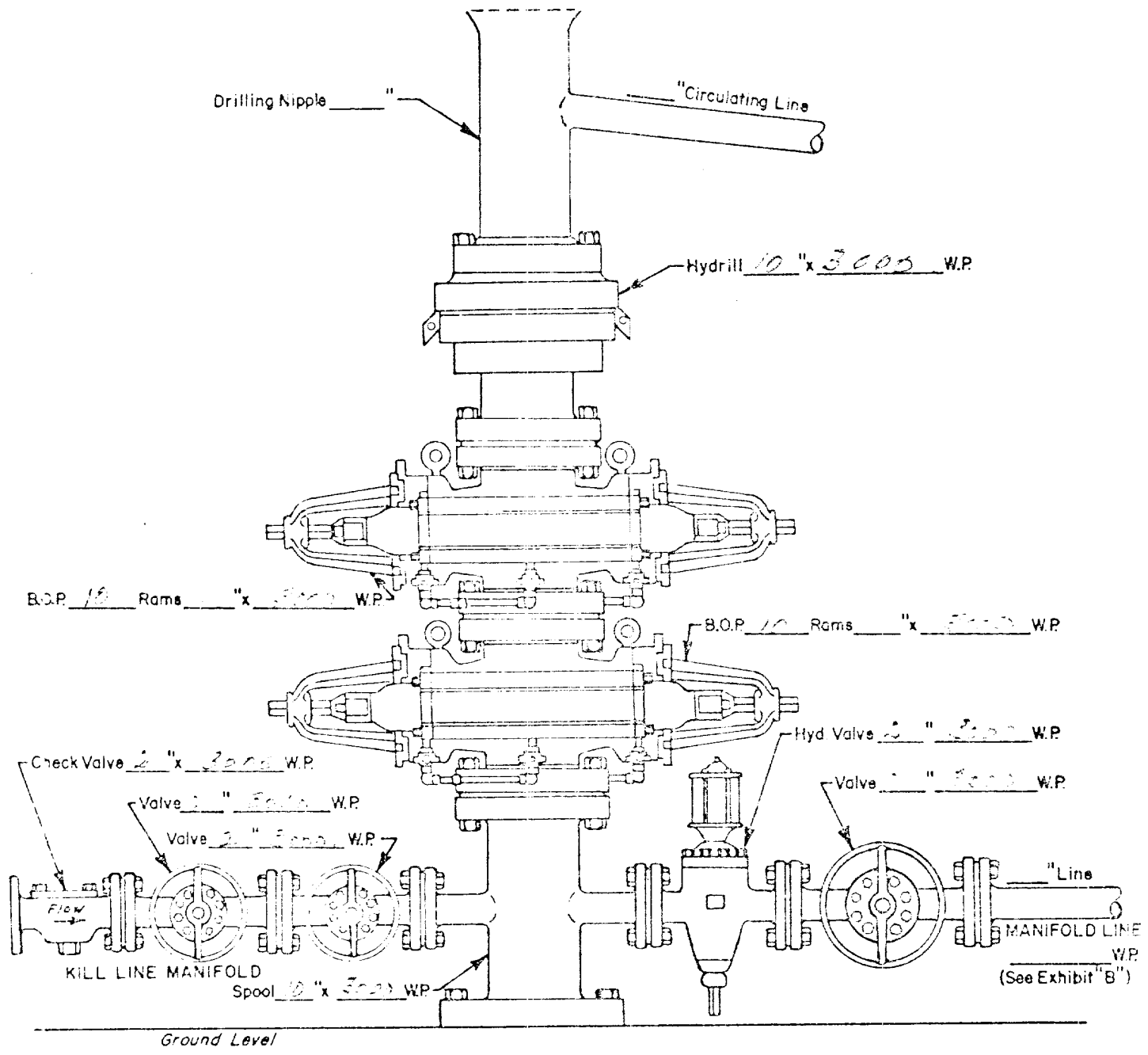
***5-1/2" casing cement to be determined from logs.

NOTE: Changes in the above program will be at the direction of a qualified Union Oil Company of California representative and should be clearly indicated on the program posted at the rig.


John R. Gray
District Drilling Superintendent

UNION OIL COMPANY OF CALIFORNIA
EXHIBIT A-__

WELL NAME: Vaca Federal 71 No.1
LOCATION: 5230' W. 1/4 740' E. 1/4 Sec. 7
Twp. 12 N. R. 31 E. Eddy County, New Mexico



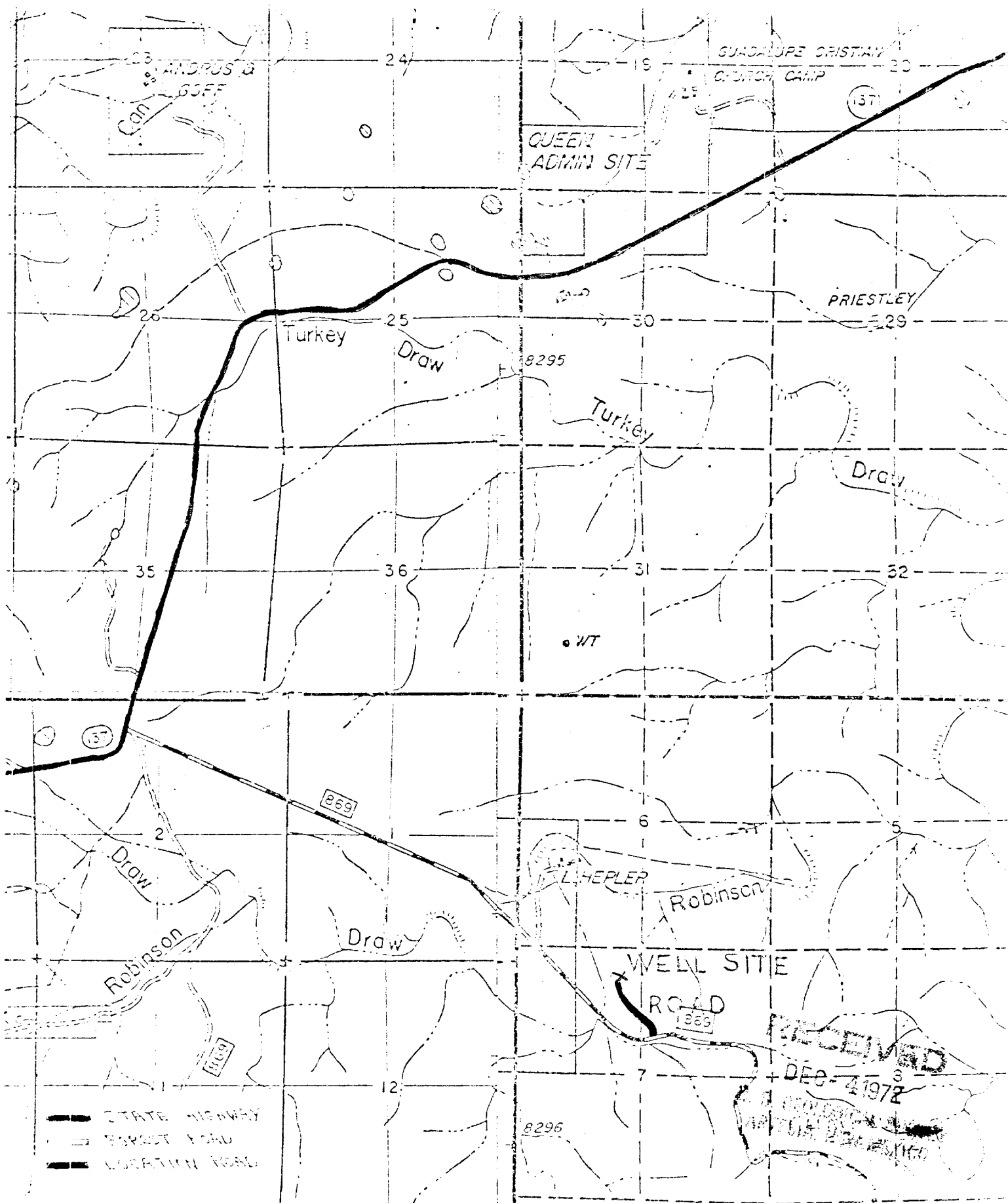
WELL HEAD B.O.P.
3000 #W.P.

- ☐ Manual
- ☒ Hydraulic

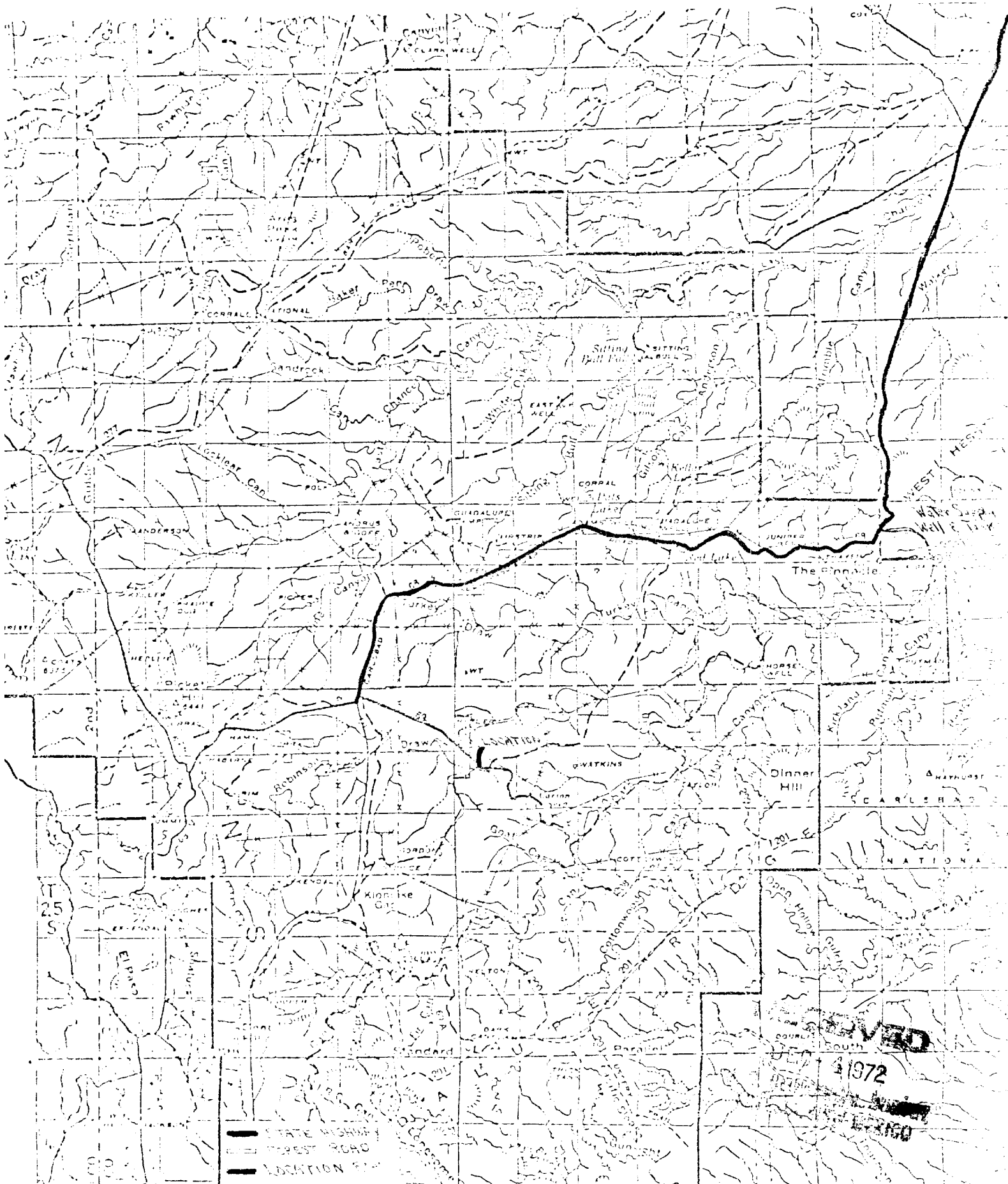
*In pit lower indicator w/ 100' down and blind system
with no indicator 3' down*

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WYOMING

U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO



Exhibits III

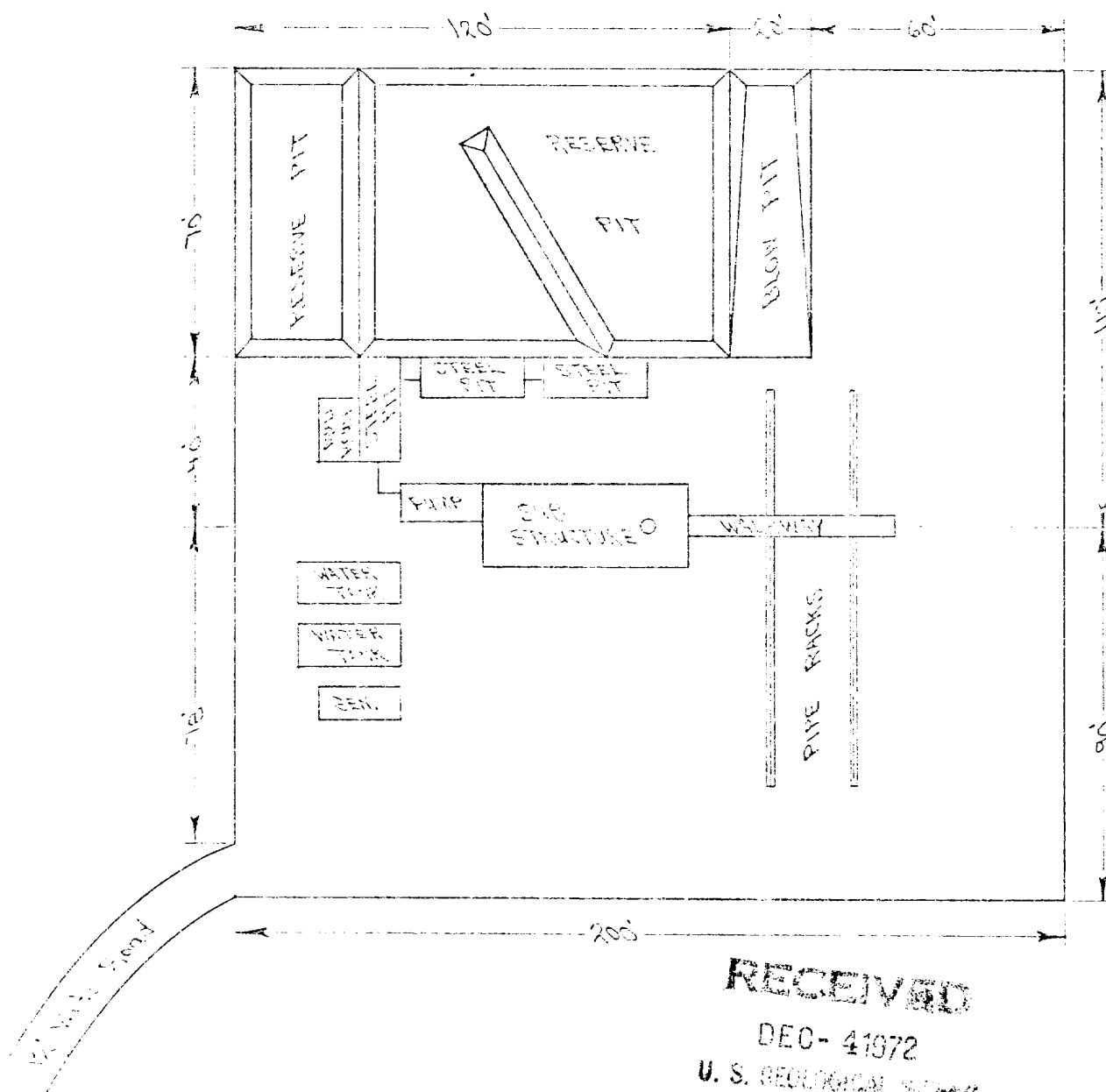


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Exhibit III

Location: 760 FWL & 2230 FWL
Sec. 7, T-25-S, R-22-E
Essey County, New Mexico

LOCATION LAOCH



UNION OIL COMPANY
INTERNATIONAL W. L. L. C.
UNION OIL COMPANY
CHADWICK LAKE DISTRICT
LINCOLN NATIONAL FOREST

Approved by

William F. Hulse
District Manager

Date 3-20-72

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U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

1. Introduction.

Union Oil Company has made application to drill a gas and oil exploration well to a depth of 500 feet in the NE 1/4 of Section 7, T. 75 N., R. 92 E.

The site is located on top of a ridge overlooking Robinson Draw. Vegetation is scattered pinon-juniper, with an understory of grass and mesquite.

The operation will require a well approximately 1 acre in size and a 12 foot wide road 3/4 mile in length. The site is located on National Forest land. There is private land within 1/2 mile, and a residence approximately 1/2 mile from the site.

A general location map is attached.

2. Analysis of Project on Other Resources and Land Use.

1. Natural Resources. The project will involve clearing and leveling approximately 1 acre of land for the well. A limited amount of pinon-juniper will need to be cleared, and a cut of approximately 12 inches will be needed to level the ground for the equipment. Unless properly laid out and treated after construction, the well will stand out from the air. Revegetation will be difficult due to the thin soil and compacted conditions.

The road can be located along a narrow bench and will require only a 6 to 12 inch cut on the upper side to obtain a level bed. Considerable rock is exposed and material will need to be hauled in to provide a suitable road surface.

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WATER RESOURCES DIVISION

Portions of the road will be visible from the Park Canyon-Carson Loop road. A white surfaced road will present a scenic distraction.

- F. Range. The well site will be located in a wide water land. The operation will not restrict cattle movement, however, protection in the form of fencing the mud pit will be needed.
- G. Soil. The soil is quite thin and following this operation, revegetation will be extremely difficult unless suitable soil is hauled in and spread over the area.
- H. Water. In the event the well is a non-producer, and water is available, it could be used to supplement the well on private land, and also provide an additional water for range use. The well on private land is deep and occasionally does not keep up with the demand. The land owner has expressed interest in obtaining a permit for use of this hole if it does not produce gas or oil.

A possibility of contamination of the water table exists unless provisions are taken to case the well to a sufficient depth below the water bearing strata.

- I. Fire. The drilling operations will be conducted during fire season, and this will create a risk. An adequate fire plan will be needed.
- J. Transportation. The heavy equipment will be traveling over State, County,

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ARIZONA REGION

and Forest roads. Three cattle guards on Forest Road 160 will be crossed. It is doubtful whether these guards will support the weight of the equipment.

III. Recommendations.

Recommend the project be approved subject to the following requirements:

- A. Shape the clearing to present a undulating outline rather than a square.
- B. Terminate all clearing to be done prior to earth work. Cut stumps at ground level.
- C. Load and scatter all brush from the road clearing, and stack the brush from the road area adjacent to the clearing.
- D. Upon completion of the operations, stack brush in center of clearing, for future burning by the Forest Service.
- E. Limit loading area to that actually needed for the rig, wire rack, and mud pits.
- F. Fill material needed for the road construction will be hauled from the existing borrow pits.
- G. Upon completion of the operation, haul in and spread at least 2 inches of top soil over the roadway and drilling pad. In the event the well is a producer, this requirement will be modified to fit future needs of

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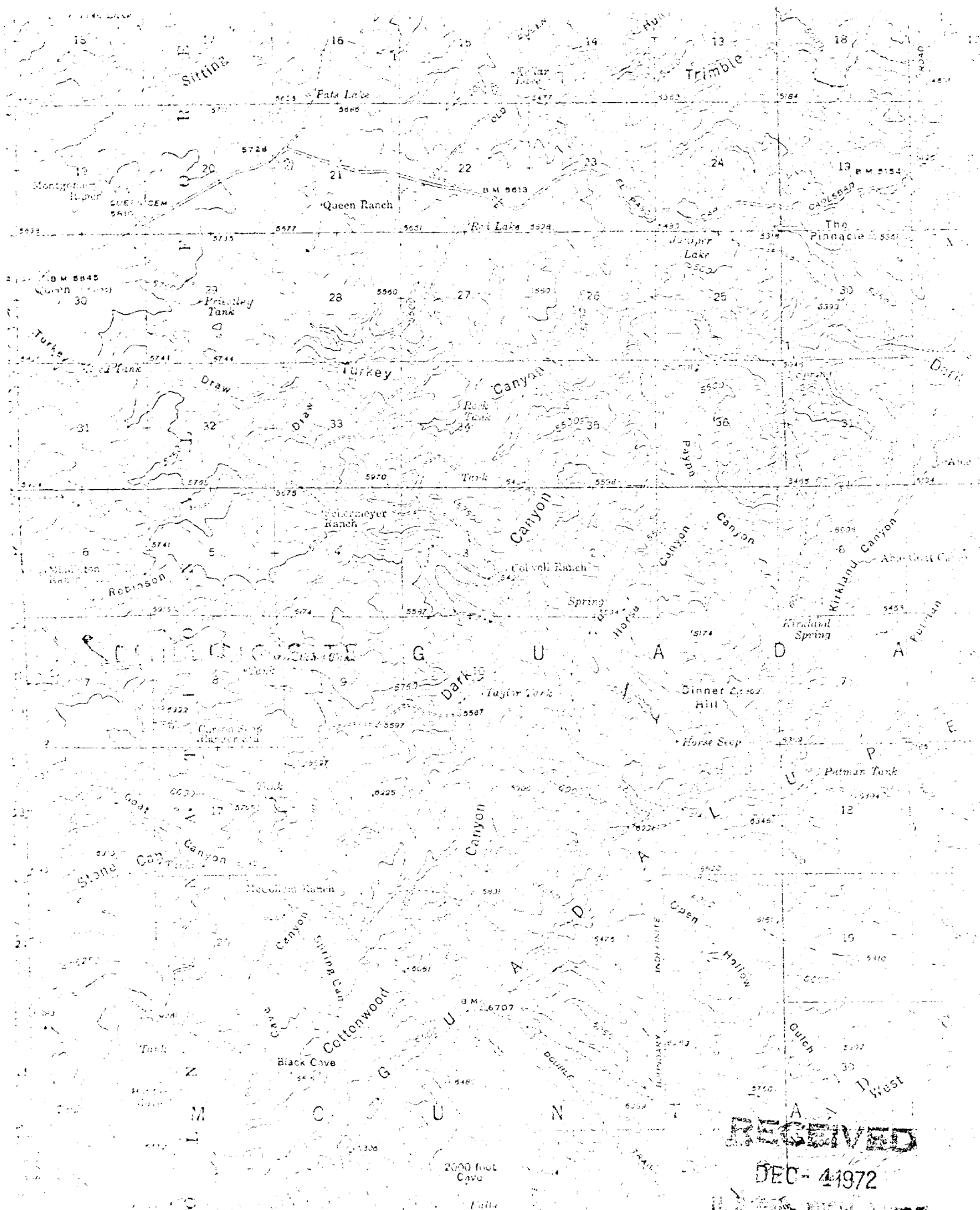
the company in utilizing the gas or oil. Soil will be hauled from the old lake bed located between Queen and Conchagua California; the County used for a borrow pit.

- H. After the top soil is spread, rip to a sufficient depth to loosen up compacted subsoil.
- I. Seed area with a mixture of Poor lovegrass, side-oats grama and blue grama. The Forest Service will do the seeding.
- J. Fence and tank with steel posts and 4 strands of barb wire to exclude livestock.
- K. Require casing to a sufficient depth below water bearing strata to prevent contamination of the water table.
- L. Attempt to obtain legal right to use the well for future water development if it is a non-gas or oil producer.
- M. Prepare a fire plan to cover all phases of the operation.
- N. Require that the present cattle guards be replaced with ones that meet Forest Service standards in the event the existing ones are too light to handle the heavy equipment.

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ARTERIA, NEW MEXICO



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ALBUQUERQUE, NEW MEXICO

FIRE PREVENTION PLAN
VERSE FEDERAL 7 WELL #1
UNION OIL COMPANY

Prepared by *W. S. H. A.* Date 3-21-72
Guadalupe District Ranger

Approved by *W. S. H. A.* Date 3-23-72
Union Oil Company

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ASTORIA, OREGON

I. Prevention Measures.

A. Smoking.

1. Smoking shall be permitted only in cleared area at least 20 feet from edge of pad.

B. Fire Tools.

1. The following tools will be provided by the company, and maintained in a separate box located on the site. The tools will not be used except for Fire Suppression.
 - a. 3 shovels.
 - b. 3 axes.
 - c. 3 pulaskis.

C. Equipment.

1. All internal combustion engines will be equipped with an approved spark arrestor or muffler. Turbo charged equipment will not require a spark arrestor.
2. Each truck will be equipped with a shovel and a fire extinguisher of not less than 1-quart capacity, Type B-C.
3. A Type B-C chemical fire extinguisher of at least 15 lb. capacity will be located at the drilling rig.

D. Open Fires.

No open fires will be permitted unless approved in writing by the Forest Officer in charge.

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E. Forest Closures.

The company and their employees will comply with any closure which may be placed in effect on the Forest.

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