Form 9-331C
(May 1963)

N. M. O. C. C. COPY

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-015-21916

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: LC-068282-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Hanson Federal

9. WELL NO.: #15

10. FIELD AND POOL, OR WILDCAT: ~~North~~ Mason Delaware ~~North~~

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 25, 26-S, R-31E

12. COUNTY OR PARISH: Eddy | 13. STATE: N.M.

1a. TYPE OF WORK: DRILL [XX] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [XX] GAS WELL [ ] OTHER — SINGLE ZONE [ ] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: Hanson Oil Corporation

3. ADDRESS OF OPERATOR: P.O. Box 1515, Roswell, New Mexico 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 990' FNL & 2600 FWL
At proposed prod. zone: Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 18 miles from northeast of Orla, Texas

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
990'	640	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
950'	4300'	0-4300' Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3268 G.L.

22. APPROX. DATE WORK WILL START*: August 15, 1976

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12¼"	8-5/8"	24#	450'	~~150 sx., circ.~~
7-7/8"	4½"	9.5#	4300'	175 sx.

It is proposed to drill the above captioned well from surface to 4300' with a rotary rig. From 4190-4290' will then be cored with rotary to a sufficient depth to test the Delaware Sand. If commercial oil or gas is found the above casing program will be followed. Blow out preventors will be used during drilling and completion operations.

RECEIVED
SEP 16 1976
O. C. C.
ARTESIA, OFFICE

RECEIVED
AUG 9 1976
U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

NSL
R-5237
7-14-76

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 Kay Wells TITLE Vice President/Production DATE August 3, 197

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
SEP 15 1976
/s/ LEON G. REAMES
ACTING DISTRICT ENGINEER

THIS APPROVAL IS RESCINDED IF OPERATIONS ARE NOT COMMENCED WITHIN 3 MONTHS
EXPIRES DEC 15 1976

*See Instructions On Reverse Side

NE MEXICO OIL CONSERVATION COMMISSI

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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AUG 04 1976
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

All distances must be from the outer boundaries of the Section

Operator	Lease	Well No.
HANSON OIL CORP.	Hanson-Federal	15

Unit Letter	Section	Township	Range	County
C	25	26 South	31 East	Eddy

Actual Footage Location of Well:
2600 feet from the West line and 990 feet from the north line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3155.4	Deleware	Mason Deleware North	40

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

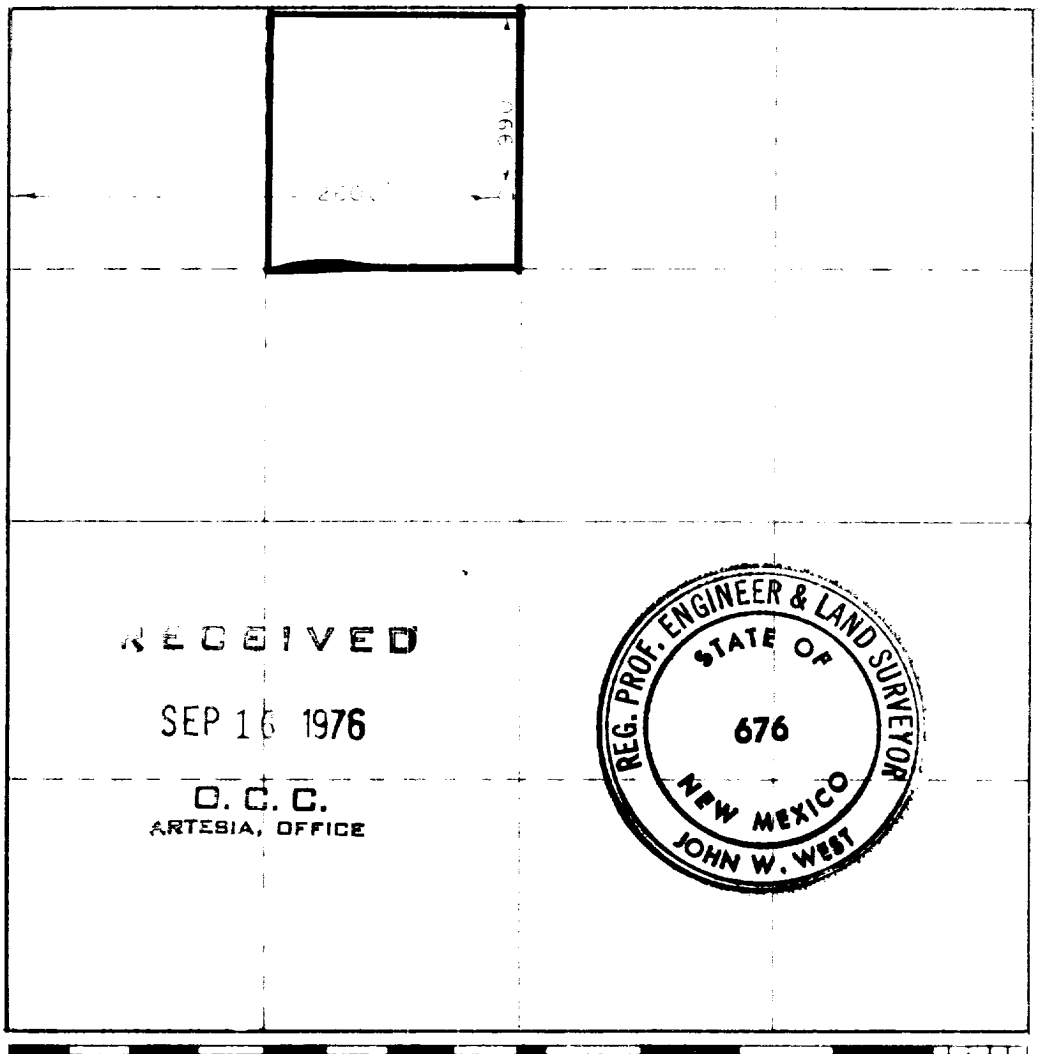
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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?

☐ 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.



RECEIVED
SEP 16 1976
O. C. C.
ARTESIA, OFFICE

REG. PROF. ENGINEER & LAND SURVEYOR
STATE OF NEW MEXICO
676
JOHN W. WEST

CERTIFICATION

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

Name: Ray Mills

Position: Vice President/Production

Company: Hanson Oil Corporation

Date: August 2, 1976

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: July 20, 1976

Registered Professional Engineer and/or Land Surveyor

Certificate No. 676

APPLICATION FOR DRILLING

HANSON OIL CORPORATION HANSON FEDERAL #15

EDDY COUNTY, NEW MEXICO

In conjunction with permitting subject well for drilling in Section 25, Township 26 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, Hanson Oil Corporation submits the following ten points of pertinent information in accordance with U. S. G. S. letter of July 1, 1976:

1. The geologic surface formation is Aluvium sand.

2. The estimated tops of geologic markers are as follows:

Rustler:	1,560'
Top Salt:	1,990'
Base Salt:	3,800'
Top Delaware Lime:	4,170'
Top Delaware Sand:	4,200'

3. The depth at which water, oil or gas are expected to be encountered is:

   4,170'

4. Casing Program:

   8-5/8" 24# K55 to 450' (used) Cement w/150 sx.
   4-1/2" 9.5# K55 to 4,300' (new) Cement w/175 sx.

5. Blowout Preventers:

   Ram type Series 900 with double hydraulic rams. This is a Schaffer blowout preventer (2000# working pressure, 4000# Test) with a Payne closing unit. The fill, kill and choke lines are indicated on the blowout preventer specification sheet Exhibit #5.

6. Circulating Medium:

   Earthen pits will be used to hold mud and cuttings and the drilling fluid as follows:

   0-4100' Native, supplemented with aqua gel and lime or Quick-Gel

   4100'-4300' Mud up when indicated for hole conditions as follows:

   Bring WT. to 8.9#
   Bring Vis. to 38
   Lower Water Loss to 10

APPLICATION FOR DRILLING (Continued)

HANSON OIL CORPORATION HANSON FEDERAL #15

EDDY COUNTY, NEW MEXICO

7. Auxiliary equipment, kelly cocks or floats at the bit will not be used in drilling the subject well. The mud system (pit level) will be monitored visually by the rig crew. A sub with a full opening valve for stabbing into drill pipe when the kelly is not in the string will be available on the rig floor at all times.

8. No drillstem test will be taken. Cores are planned from 4190'-4290' in the Delaware Lime and Delaware Sand. GammaRay caliper and Formation Density logs will be run from the base of the surface to total depth.

9. Anticipated bottom hole pressure (open) BHP

   Based on offsetting BHP data, the BHP in subject well is anticipated to be approximately 2,500 PSI

10. Anticipated starting date is September 25, 1976, with completion of drilling operations on October 15, 1976. Perforating and stimulating of subject well will be immediately after drilling operations are finished.

SURFACE USE AND OPERATIONS PLAN - HANSON OIL CORPORATION HANSON FEDERAL #15

The following information and plan is submitted for the subject well by Hanson Oil Corporation:

1. Existing roads in the vicinity of planned well are shown on the attached Exhibit #1. As shown, the planned well is approximately 47 miles Southeast of Carlsbad, New Mexico. To reach subject well from Carlsbad, New Mexico, go South on U. S. Highway 285; follow this highway southeasterly for 6 miles; turn East on State Highway 128; follow said highway 27 miles; turn South on County highway towards Orla, Texas; continue South for 14 miles; turn West on lease road; continue on lease road approximately 1 mile; turn North on said lease road passing by Hanson Federal #9; continue in a northeasterly direction past old gravel pit to Hanson Federal #13; turn West and continue westerly for 1/4 mile to location.

2. The planned access road is shown on attached Exhibits #1 and #6. Only grading will be necessary on existing lease road. Terrain where the road is planned is relatively flat. No culverts will be necessary as only insignificant widely dispersed drainage could occur across the proposed route.

3. Location of existing wells in a three-mile radius are shown on attached Exhibit #2.

4. There is production equipment on this least at present. If production is established from this well, we will use existing tank battery for new production.

5. It is planned to drill the proposed well with a brine water system. Water will be from the disposal system currently in use for this lease. Additional storage will be at drillsite in the form of two 500 barrel tanks. Water will be pumped from salt water disposal to location.

6. All construction materials will be of local origin and no surface materials will be disturbed except those necessary for the actual grading of the road and drilling site.

7. Drill cuttings will be accumulated in the earthen reserve pit and after the pit has dried will be bladed into the bottom of the pit and buried. Trash and garbage will be contained in an earthen pit and be buried following drilling operations. The drilling fluid will be left in the reserve pit and allowed to evaporate after any oil accumulation on the pit has been removed and hauled to the production facility for recovery. Drilling fluid residue (bentonite, drill solids, etc.) will be buried in the reserve pit after drilling operations and evaporation of water in the drilling fluid. Sewage will be collected in a pit at least 6' deep below an outside latrine, suitable chemical will be added to aid decomposition of the waste material and then back filled following completion of the well.

SURFACE USE AND OPERATIONS PLAN - HANSON OIL CORPORATION HANSON FEDERAL #15 (Continued)

8. No ancillary facilities will be constructed.

9. Rig layout and cross section of the planned drilling site are shown on attached Exhibits #3 and #4. Plans are to line the earthen reserve pit with polyethylene.

10. Following completion of drilling operations, all pits will be filled (after they dry up) and area surrounding the location leveled. We will then reseed using as much top soil as possible and utilizing seed types and quantities as recommended for this area by agronomist and the Bureau of Land Management. Top soil will be stored when the location is graded. Unused portions of the location will be reseeded. If the well is non-productive, the entire location and access road will be graded to conform with original topography, top soil spread and the entire location reseeded. All reseeding will be done with reasonable effort to establish a more attractive soil stabilizing growth of vegetation than what previously existed at the site. Reseeding will take place at the first opportunity following completion of operations in accordance with the recommended seasonal seeding periods.

11. The area around the drilling site has a gradual sloping trend to the southwest. There are no large draws or hills near the location. Drainage is to the southwest. The surface supports a sparse growth of grass. The surface at the location is Federally owned.

12. The Hanson Oil Corporation representative conducting this drilling operation is:

Mr. Ray Willis
Post Office Box 1515
Roswell, New Mexico
88201

Phone: (505) 622-7330 OFFICE
(505) 622-7765 HOME

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 work associated with the operations proposed herein will be performed by Hanson Oil Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

8-3-76
(Date)

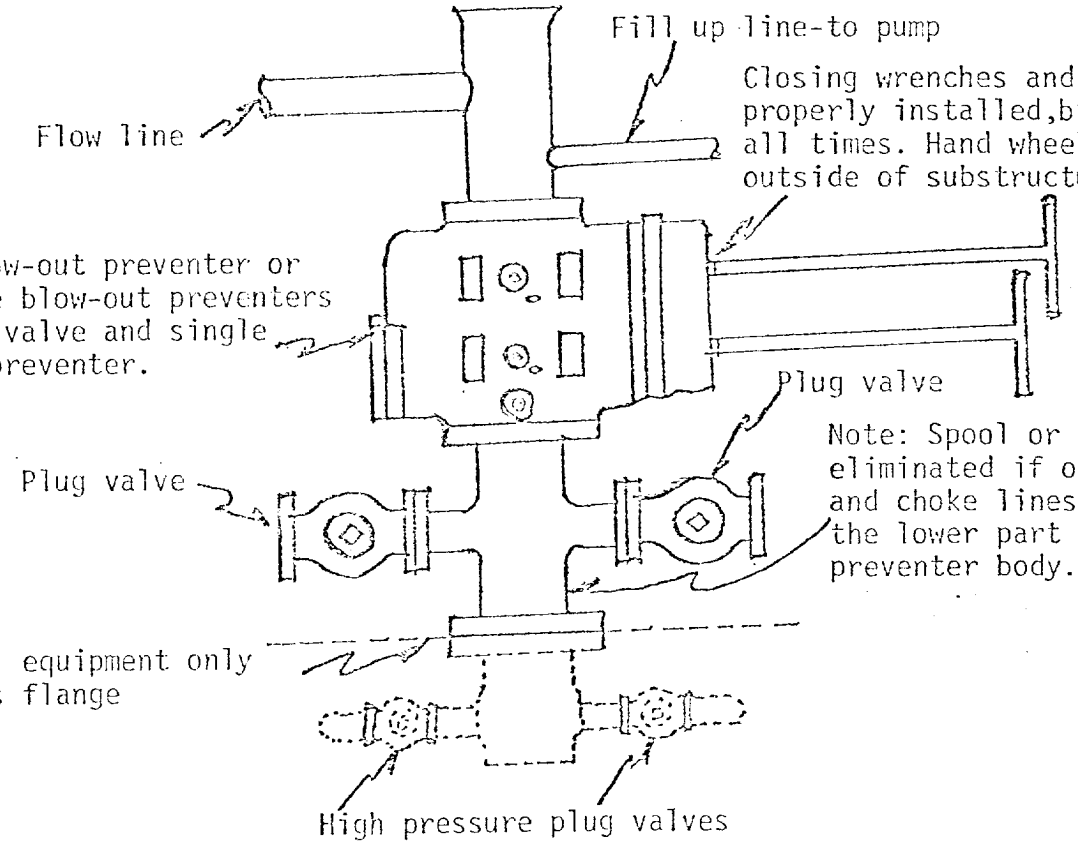
Ray Willis
Vice-President, Production

HANSON OIL CORPORATION

MINIMUM BLOW-OUT PREVENTER REQUIREMENTS

EXHIBIT "5"

Drilling nipple to be so constructed that it can be removed, without use of a welder, through rotary table opening



NOTE:

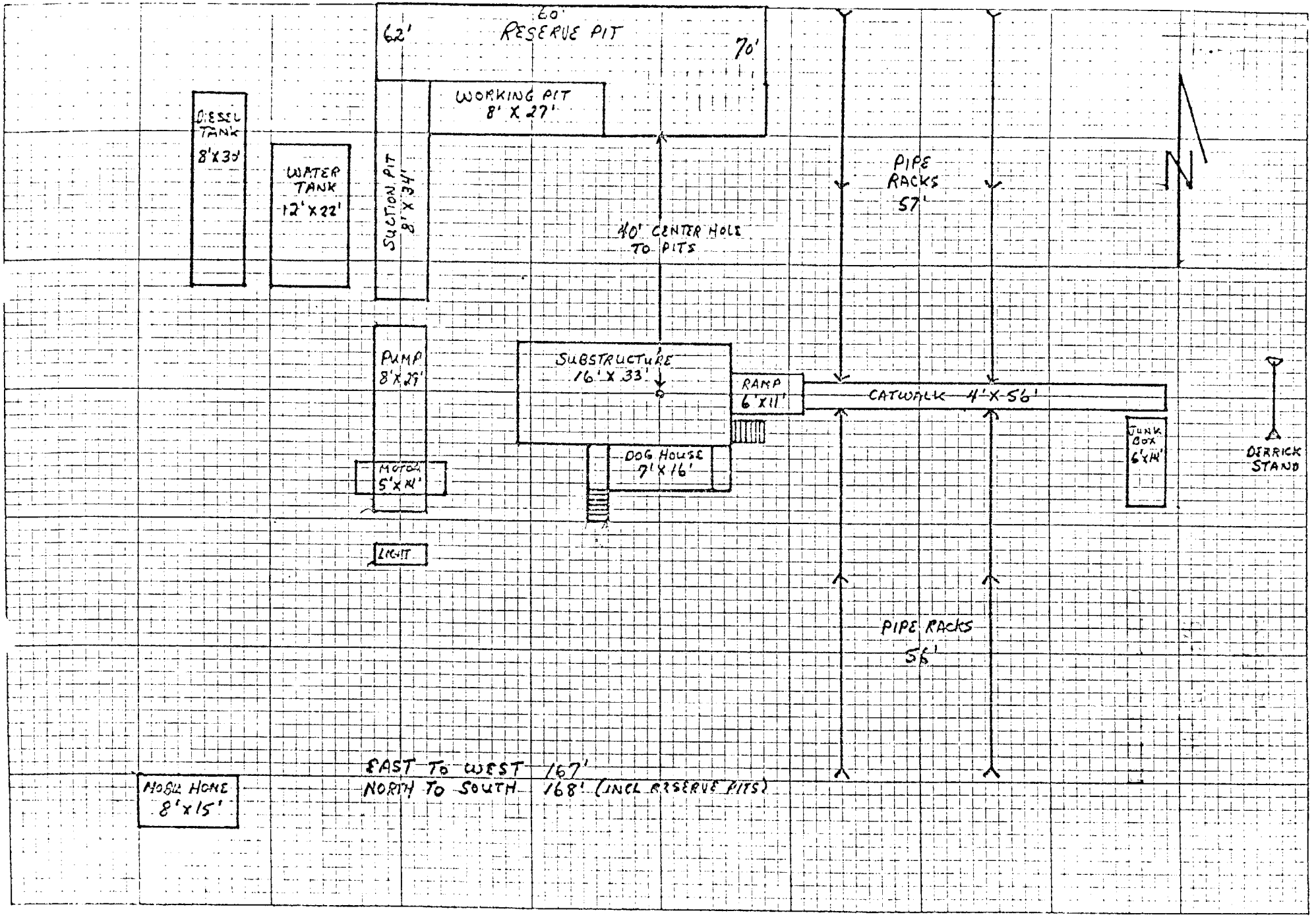
When drilling use:
Top Preventer-Blind rams or master valve
Bottom Preventer-Drill pipe rams

When running casing use:
Top Preventer-Casing rams
Bottom Preventer-Blind rams or master valve

NOTE:

1. Blow-out preventers,master valve an all fittings must be in good condit 2,000#W.P.(4,000 P.S.I.test)minimum
2. Equipment through which bit must pa shall be as large as inside diamete of the casing that is being drilled through.
3. Nipple above blow-out preventer sha be same size as casing being drille through.
4. All fittings to be flanged.
5. Safety Valve (2" minimum opening)wi sub or connection to drill pipe on floor at all times.

Exhibit H/4


60'
62'
RESERVE PIT
70'
WORKING PIT
8' X 27'
DIESEL TANK
8'X30'
WATER TANK
12'X22'
SUCTION PIT
8'X34'
40' CENTER HOLE TO PITS
PIPE RACKS
57'
PUMP
8'X25'
SUBSTRUCTURE
16'X33'
RAMP
6'X11'
CATWALK 4'X56'
JUNK BOX
6'X4'
DERRICK STAND
MOTOR
5'X4'
DOG HOUSE
7'X16'
LIGHT
PIPE RACKS
56'
MOBIL HOME
8'X15'
EAST TO WEST 167'
NORTH TO SOUTH 168' (INCL RESERVE PITS)