

Form 9-331 c
(May 1964)SUBMIT IN TRIPLICATE,
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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

Orla Petco, Inc. ✓

3. ADDRESS OF OPERATOR

P.O. Box 1383, Midland, Texas 79702

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

At surface

2310' FNL & 1980' FWL of Sec. 3, T-26S, R-26E

At proposed prod. zone

Same

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

6 1/2 miles SE of White City, N.M.

15. DISTANCE FROM PROPOSED*

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

1980'

16. NO. OF ACRES IN LEASE

240 ac.

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

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

NONE

19. PROPOSED DEPTH

2100'

20. ROTARY OR CABLE TOOLS

Cable Tools

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

3388.4' Ground Level

22. APPROX. DATE WORK WILL START*

September 10, 1980

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	23#	300'	250 sx Class C, 2% CaCl ₂ CIRCULATE
8 "	4 1/2"	9.5#	2100'	400 sx Class H cement

Surface Formation: Quaternary terrace deposits.

Cable Tool Drilling Rig: Blind Ram Cable Tool Control Head, Blowout Preventer.

Estimated Geological Depths: Top Delaware: 1830', Top Delaware Sd- 1870', Top Ramsey- 1885'.

Pressure Equipment: Blind Ram Cable Tool Control Head.

Estimate will encounter water between 100-150'. Encounter oil between 2080-2100'.

Logging: Gamma-Ray Log. No coring or drillstem testing.

Anticipated starting date: September 10, 1980.

RECEIVED

OCT 7 1980

O. C. D.
ARTESIA, OFFICE

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

James M. C. Ruhl, Jr.

TITLE Vice-President

DATE August 29, 1980

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY (Orig. Sgd.) PETER W. CHESTER

TITLE ACTING DISTRICT ENGINEER

DATE SEP 24 1980

CONDITIONS OF APPROVAL, IF ANY:

*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 Petroleum Co., Inc			Lease Sundance Federal		Well No. 1
Unit Letter F	Section 3	Township 26 South	Range 26 East	County Eddy	
Actual Footage Location of Well: 2310 feet from the north line and 1980 feet from the west line					
Ground Level Elev. 3388.4	Producing Formation Delaware Sand	Pool Wildcat		Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 _____

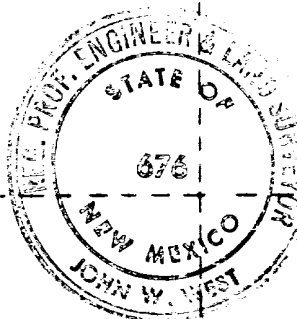
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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 9 1980

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO



CERTIFICATION

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

Name James M.C. Ritchie, Jr.

Position Vice-President

Company Orla Petco, Inc.

Date September 4, 1980

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 August 29, 1980

Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. JOHN W. WEST 676
PATRICK A. ROMERO 6688
Ronald J. Eiden 3239

0 330 660 990 1320 1650 1980 2310 2640 2970 3300



United States Department of the Interior

GEOLOGICAL SURVEY

SPECIAL APPROVAL STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN:

OPERATOR	WELL DESIGNATION
S-T-R	COUNTY
LEASE NO.	

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. 85 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 45 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.



- 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 _____



- 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

☐ 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.

☒

II. 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:

3. 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.

RECEIVED

OCT 7 1980

O. C. D.

ARTESIA, OFFICE

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

RECEIVED

SEP 9 1980

Orla Petco, Inc.
Sundance-Federal No. 1
2310' FNL & 1980' FWL of Sec. 3, T-26S, R-26E,
Eddy County, New Mexico N.M.P.M.

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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 roads in the vicinity of the proposed drillsite.

2. PLANNED ACCESS ROADS:

A. Length and Width:

The length of the proposed access road to the location will be approximately 500' long and 12' wide. See Exhibit 3 for the plat showing approximate location of access road.

B. Turnouts:

There will be no turnouts on the proposed access road to the location of the well.

C. Culverts:

There will be no culverts in the area of the 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 cattleguards or gates used on the proposed access road.

3. LOCATION OF EXISTING WELLS:

See Exhibit 2 for the location of the existing wells within a one mile radius of the proposed drilling location. There are no existing wells within a one mile radius of the well.

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.

5. LOCATION AND TYPE OF WATER SUPPLY:

<u>TYPE OF WATER SUPPLY:</u>	City of Carlsbad water,
<u>LOCATION OF WATER:</u>	B & E Truck Lines yard, water will be stored at water tank (Exhibit 4) at wellsite. Very little water needed (approx. 280 bbls.) for Cable Tool Drilling Rig.
<u>TRANSPORT METHOD:</u>	Truck
<u>TRANSPORT ROUTE:</u>	See Exhibit 3 for the location of the access road to be used for transport route.

6. SOURCE OF CONSTRUCTION MATERIALS:

Caliche (if needed) will be brought in from an existing caliche pit in the area of the well.

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" of topsoil.

GARBAGE AND TRASH: To be buried in the slush pit, small paper waste will be placed in barrel containers and hauled off 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:

See Exhibit 4 for the relative location and dimensions of the rig, well pad, mud pits, and the location of major rig components. The drilling pad will be constructed of compacted crushed caliche (if needed).

10. PLANS FOR RESTORATION OF THE SURFACE:

Stockpiling the Topsoil: The topsoil covering the drillsite will be stockpiled when the drilling pad and slush pits are constructed and will be replaced when operations are completed.

Leveling: Upon completion of the drilling operations, the slush pit will be leveled and covered with a minimum of 24" of topsoil. All trash will be cleaned 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: See Archaeological Report by NMAS (enclosed)

B. Soil: See Archaeological Report by NMAS (enclosed)

C. Flora and Fauna: See Archaeological Report by NMAS (enclosed)

D. Ponds and Streams: There are no ponds or streams in the immediate area.

E. Residences and Other Structures: There are no residences in the immediate area of the drilling location.

F. Land Use: The land is used for grazing.

G. Surface Ownership: 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:

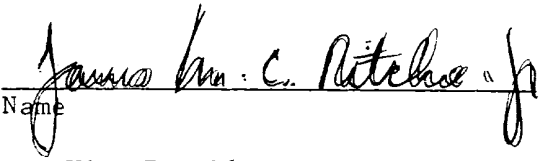
Bucky Ritchie
2003 W. Indiana Ave.
Midland, Texas 79701
(915) 684-8797 Home
(915) 684-4762 Office

Harry R. Sindorf
1002 N. Mesa
Vista del Sol Apartments #16
Carlsbad, New Mexico 88220
(505) 885-9978

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 Orla Petco, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date August 29, 1980


Name
Vice-President
Title

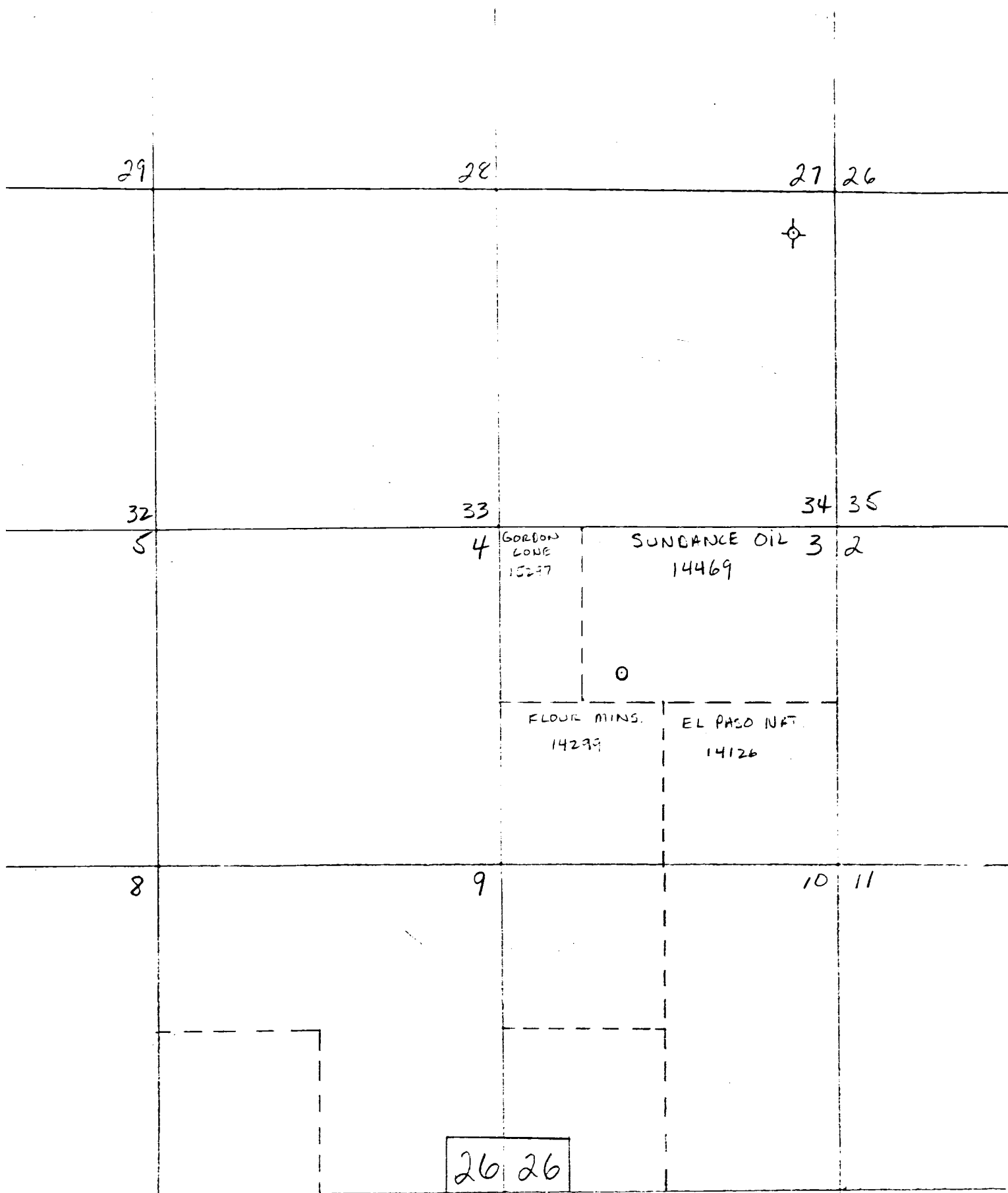
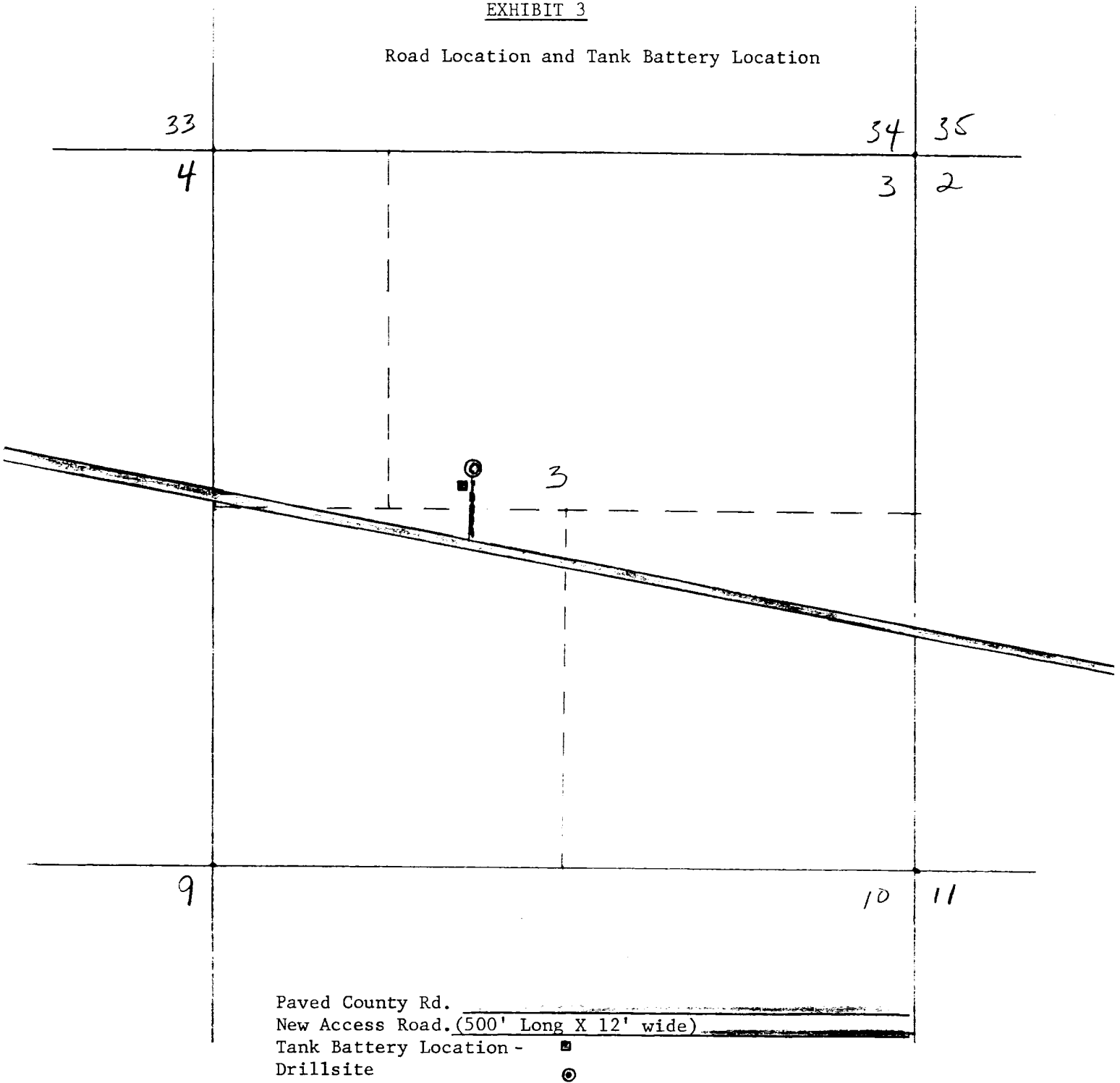


EXHIBIT 2

Land Map & Existing Wells - 1 mile radius.

EXHIBIT 3

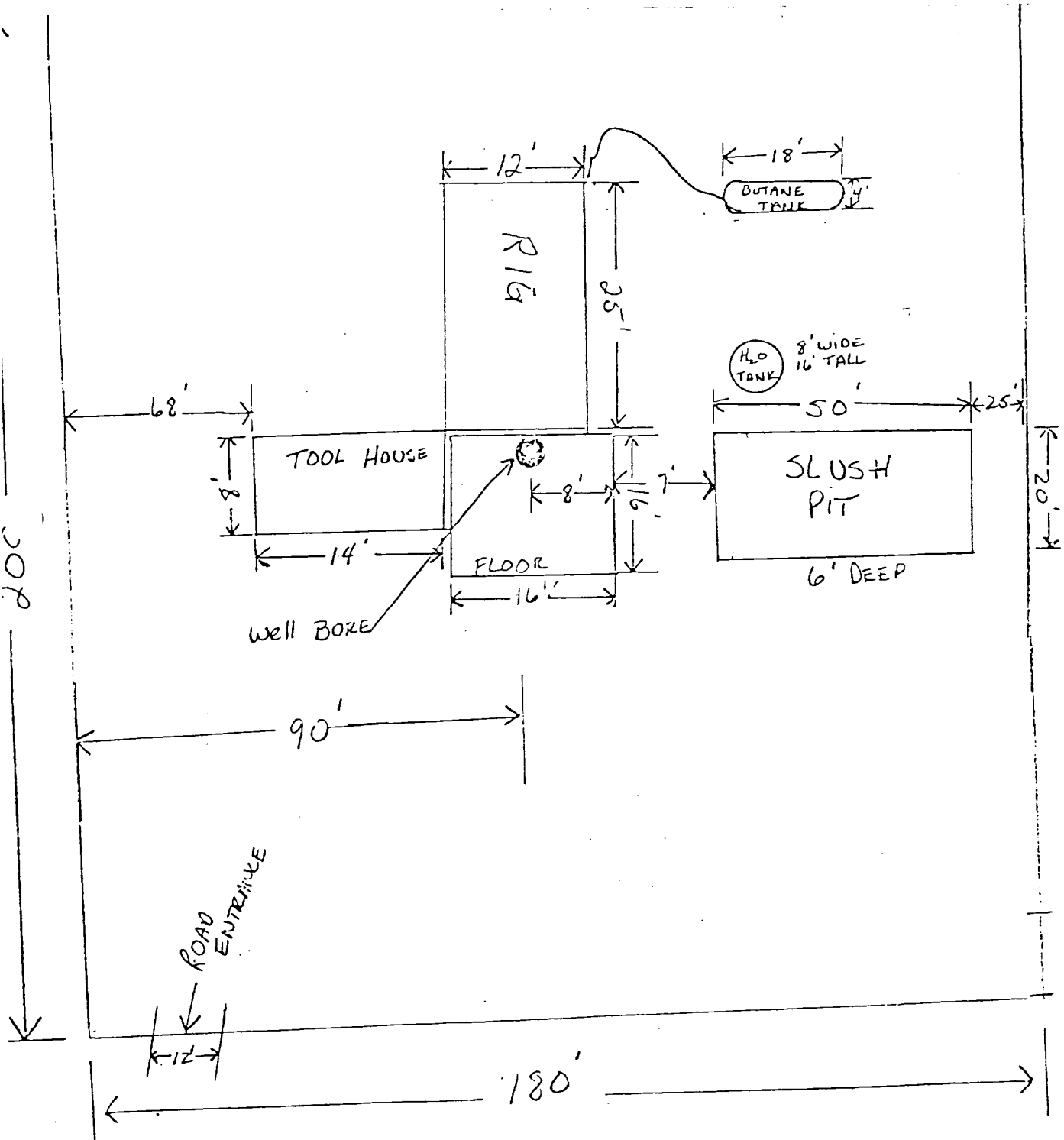
Road Location and Tank Battery Location



Scale: 1" = 1 mile

EXHIBIT 4

Rig Layout



FOOTAGE IS APPROXIMATE