Form 9-331 C
(May 1963)

N.M.O.C.D. COPY

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-015-23940

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## GEOLOGICAL SURVEY

# APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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

b. TYPE OF WELL
OIL WELL [X] GAS WELL [ ] OTHER SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR
DAMCO Energy Corporation ✓

3. ADDRESS OF OPERATOR
360 Gibraltar Savings Center, Midland, Tx. 79701

RECEIVED
SEP 25 1981
O. C. D.
ARTESIA, OFFICE

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
1780' ~~1880'~~ FNL & 1980' FWL
At proposed prod. zone
1780' ~~1880'~~ FNL & 1980' FWL

5. LEASE DESIGNATION AND SERIAL NO.
NM-14478

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Mobil Federal

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Wildcat Bone Springs

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 25 T-26-S
Unit F R-28-E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
13 miles South of Malaga, New Mexico

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

| 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 |
|---|---|---|
| 1880' | 640 | 80 |
| **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** |
| None | 8,000' | Rotary |

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
GR 2,930.8

22. APPROX. DATE WORK WILL START*

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|---|---|---|---|---|
| 17½" | 13-3/8" | 48 | 475' | 550 sacks CIRCULATE |
| 11" | 8-5/8" | 24 | 2,500' | 1,100 sacks CIRCULATE |
| 7-7/8" | 4-1/2" | 10.5 & 11.6 | 8,000' | 700 sacks |

Proposal is to drill a well to adequately test the Bone Springs formation. Cement will be circulated to surface on 8-5/8" casing.
B.O.P. stack will be 3M-11"-Rd.
Mud Program: Fresh water to 475'
Brine to 2,500'
Fresh water to 8,000'

RECEIVED
AUG 18 1981
OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

Posted ID-1
API + NL Book
10-2-81

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 [signature] TITLE OPERATIONS MANAGER DATE 8/12/81

(This space for Federal or State office use)

APPROVED
(U. S. G. S.) GEORGE H. STEWART

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY SEP 18 1981 TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

JAMES A. GILLHAM
DISTRICT SUPERVISOR

*See Instructions On Reverse Side

NE EXICO OIL CONSERVATION COMMISSI

# 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 | Lease | Well No. |
|---|---|---|
| Damco Energy Corp. | Mobil Fed. | 1 |

| Unit Letter | Section | Township | Range | County |
|---|---|---|---|---|
| F | 25 | 26South | 28East | Eddy |

Actual Footage Location of Well:
1780 feet from the North line and 1980 feet from the West line

| Ground Level Elev. | Producing Formation | Pool | Dedicated Acreage: |
|---|---|---|---|
| 2930.8' | BONE SPRINGS | WILDCAT Bone Spring | ~~80~~ 40 Acres |

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

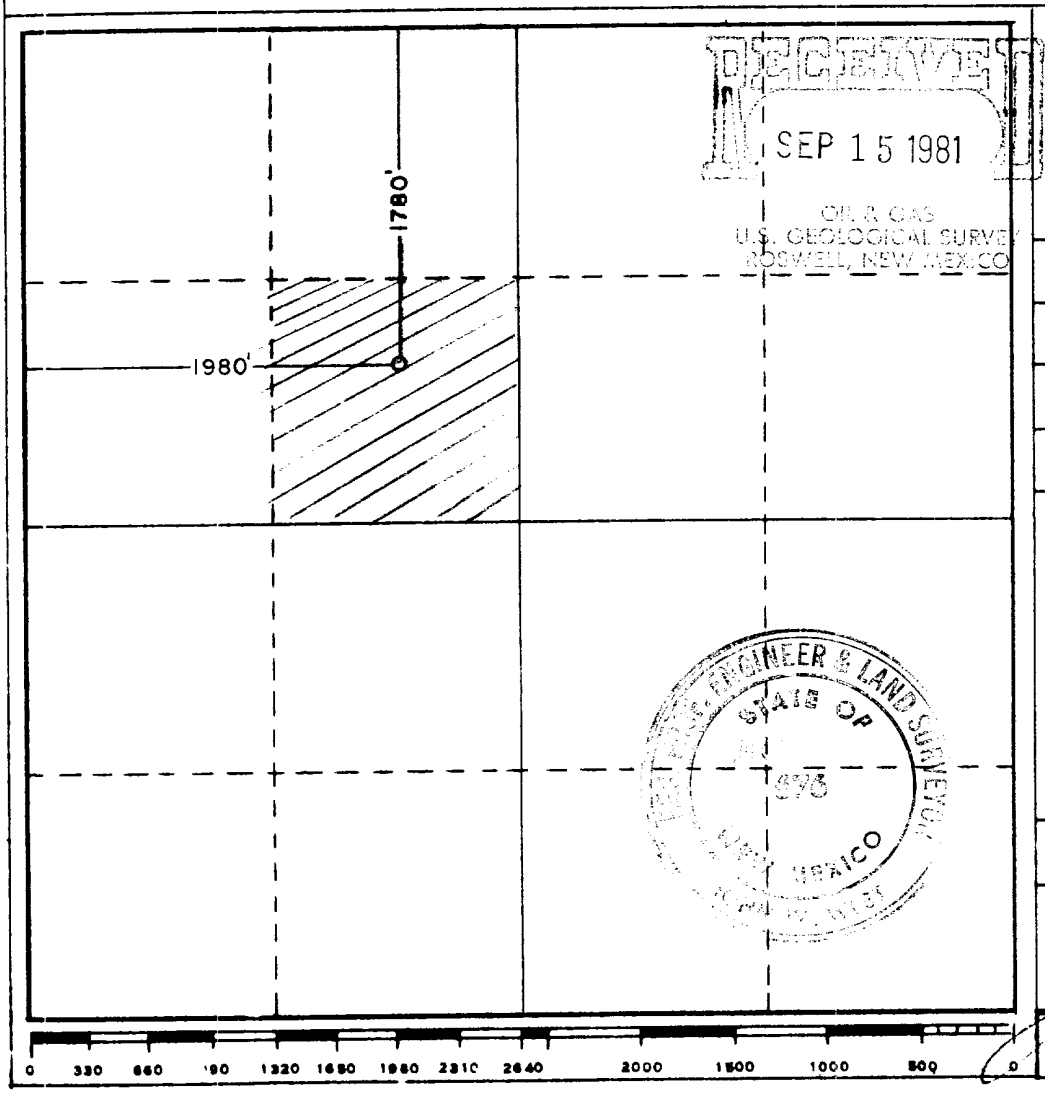
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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.*

Name

Position

Company

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
Sept. 2, 1981

Registered Professional Engineer and/or Land Surveyor

Certificate No. JOHN W. WEST 676
PATRICK A. ROMERO 6663
Ronald J. Eidson 3239

DAMCO ENERGY CORPORATION

*Oil & Gas Operations*

(915) 682-2984
SUITE 360
GIBRALTAR SAVINGS CENTER
MIDLAND, TEXAS 79701



September 9, 1981

District Oil & Gas Engineer
U.S.G.S. Conservation Division
P.O. Drawer U
Artesia, New Mexico 88210

RE: DAMCO Energy Corporation
Mobil Federal No. 1
1,880' FNL & 1,980' FWL,
Section 25, T-26-S, R-28-E
Eddy County, New Mexico

Dear Sir:

Attached are five (5) copies of form C-102 New Mexico Oil Conservation Commission well location and Acreage Dedication Plat. This revised Plat supersedes the above referred to location and moves the location 100' north. This location move was requested by the Bureau of Land Management.

The new location is Mobil Federal No. 1, 1,780' FNL & 1,980 FWL, Section 25-26S-28E, Eddy County, New Mexico.

Very truly yours,

J.E. Lunday
Operations Manager

JEL/aeb
Attachments

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 | Lease | Well No. |
|---|---|---|
| Damco Energy Corp. | Mobil Fed | 1 |

| Unit Letter | Section | Township | Range | County |
|---|---|---|---|---|
| F | 25 | 26S | 28E | Eddy |

Actual Footage Location of Well:
1880 feet from the NORTH line and 1980 feet from the WEST line

| Ground Level Elev. | Producing Formation | Pool | Dedicated Acreage: |
|---|---|---|---|
| 2930.8 | | | Acres |

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

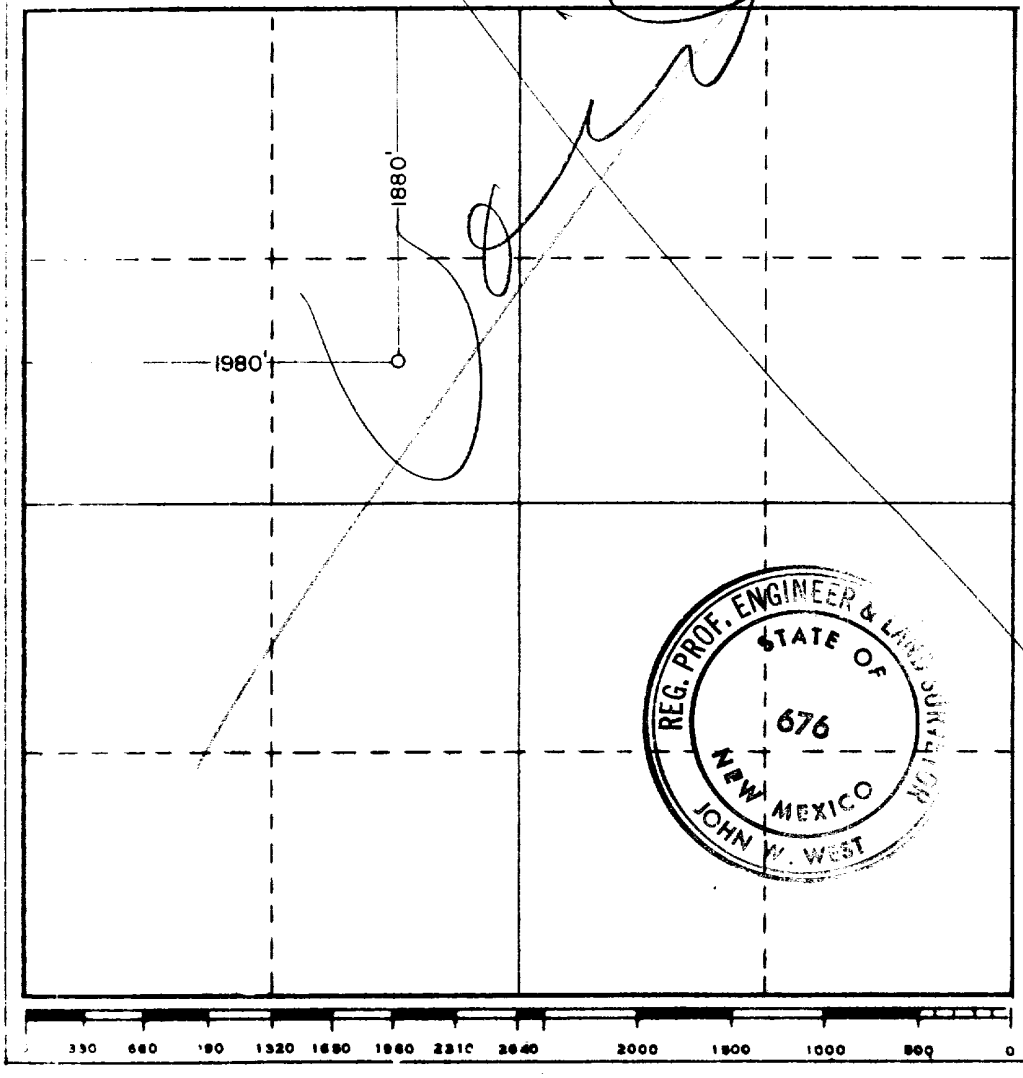
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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.*

Name

Position

Company

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.*

6-25-81

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. JOHN W. WEST 676
PATRICK A. ROMERO 6668
Ronald J. Eidson 3239

DAMCO ENERGY CORPORATION

(915) 682-2984
SUITE 360
GIBRALTAR SAVINGS CENTER

*Oil & Gas Operations*

MIDLAND, TEXAS 79701

APPLICATION FOR DRILLING
DAMCO ENERGY CORPORATION
MOBIL FEDERAL NO. 1
EDDY COUNTY, NEW MEXICO

In conjunction with permitting the captioned well for drilling in Section 25, T-26-S, R-28-E, Eddy County, New Mexico, DAMCO Energy Corporation submitts the following information in accordance with U.S.G.S. (NTL-6) letter dated July 1, 1976.

1. The surface formation is Rustler Anhydrite and Dolomite

2. Estimated tops of geologic markers as follows:
   Lamar Lime 2,500'
   Deleware Sand 2,550'

3. Casing program (all casing is new):

   13-3/8", 48#, H-40, ST&C, Set @ 475'. Cement w/ 550 sacks Class "C", 2% Cacl

   8-5/8", 24#, J-55, ST&C, Set @ 2,500'. Cement w/ 1,100 sacks Class "C", 2% Cacl

   4-1/2", 10.5 & 11.6#, K-55, Set @ 8,000'. Cement w/ 700 sacks Class "H"

4. Circulating Medium:
   An earthen pit will be used to hold cuttings. The drilling mud program will be native mud with Aquagel added for stabilization.

5. Electrical and resistivety logs will be run from total depth to the base of the surface casing. Compensated Density Neutron log will be run over prospective intervals.

6. No abnormal temperatures or additional hazards are expected to be encountered.

7. The anticipated starting date is September 10, 1981.

DAMCO ENERGY CORPORATION

(915) 682-2984
SUITE 360
GIBRALTAR SAVINGS CENTER

*Oil & Gas Operations*

MIDLAND, TEXAS 79701



# MULTI-POINT SURFACE USE AND OPERATIONAL PLAN
## DAMCO ENERGY CORPORATION
## MOBIL FEDERAL NO. 1
## 1880' FNL - 1980' FWL, Sec. 25, T-26-S R-28-E
## EDDY COUNTY, NEW MEXICO
## (EXPLORATORY WELL)

This plan is submitted with the Application for Permission to Drill the captioned well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operation plan, the magnitude of necessary surface disturbance involved and the proceedures to be followed in rehabilitating the surface after completion of drilling operations.

1. Existing Roads:
   Existing roads in the vicintiy of the planned well are shown on Exhibit "A" attached. The well is located 13 miles south of Malaga, New Mexico. No additional improvement or maintenance of existing roads will be required.

2. Planned Access Roads:
   An access road will be constructed from Highway 285 northeast to the location. The road will be constructed 12' wide of native rock and gravel. A cattle guard and turnout will be located at the exit of Highway 285 and constructed to comply with New Mexico State Highway Department standards. The road will be approximately 700' in length. The center line of the access road has been staked and flagged.

3. Location of Existing wells:
   There are no producing or drilling wells in the immediate area. See attached offset operators plat, Exhibit "C".

4. Location of Existing and/or Proposed Facilities:
   There are no existing facilities on the lease at present. If production is established, producing facilities and a tank battery will be constructed on the drilling pad and no additional surface distrubance will be required.

5. Location and Type of Water Supply:
   Water used in the drilling of the well will be purchased and trucked to the wellsite over existing roads as shown on Exhibit "A".

6. Source of Construction Materials:
The location will be cut from undulating hills with native rock and gravel on location used for compaction.

7. Method of Handling Waste Disposal:

A. Drill cuttings will be disposed of in the drill cutting pit.
B. Drilling fluids will be allowed to evaporate in the drilling pit. Oil produced during test will be stored in steel tanks until sold. Water produced during test will be disposed of in the drilling pit.
C. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24' of dirt. All waste material will be contained to prevent scattering by the wind. Location of trash pit is shown on Exhibit "D".
D. All trash and debris will be buried or removed from the wellsite within 30 days after cessation of drilling or completion operations.

8. Ancillary Facilities:
None required.

9. Wellsite Layout:
A. Exhibit "D" shows the relative location and deminsions of the well pad, drill cuttings pit, trash pit and major rig components.
B. Only minor levelling of the wellsite will be required. No significant cuts and fills will be necessary.
C. The reserve pit will be plastic lined.
D. The pad and pit area has been staked and flagged.

10. Plans for Restoration of the Surface:

A. After completion of drilling and/or completion operations all equipment or other material not needed for operations will be removed. Pits will be filled and location cleaned of all trash and junk.
B. Any unguarded pits containing fluid will be fenced until they are filled.
C. After abandonment, any special rehabilitation and/or revegetation requirements of the Surface Management Agency will be completed with and accomplished as expeditiously as possible.

11. Other Information:

A. Terrain:
The proposed location will be situated on a somewhat undulating landform lying due west of the Pecos River. Locally this landform is distinguished by the occurence of occasional limestone mantled eminences. Drainage, moving as a results of minor arroyos and hills is tributary to an ephemeral water course which in turn discharges into the Pecos River to the east. Soil individuals are moderately compacted and are composed of calcarous, silt loams and salty clay loams

belonging to the Typic Calciorthid Subgroup. Inclusions consist of Limestones and Quartzite gravels and Cobbles.

B. Floristics:
Locally, the Floral community's overstory dominated by Larrea Tridentata, Prosopis Juliflora, Condalia Erieoides, Flourensia Cernua, Acaeia Constriota, Yucca Elata, and Opuntia Macrocentra. Principal forbs include Lepiduim Sp., Gutierrezia Sarothrae, Perezia Nana., Grotan Sp., Circium Sp., Lesquerella Sp., and Verbena Sp. The Graminede is represented by Aristida Sp., Hilaria Mutica Muhlenbergia Porteri, and Tridens Pulchellus.

C. Ponds and Streams:
The Delaware River is located approximately 3/4 mile northeast of the proposed location.

D. Occupied Dwellings:
There are no occupied dwellings in the immediate area.

E. Cultural Resources:
No cultural resources were observed in the area.

F. Land Use:
Grazing and hunting in season.

G. Surface Ownership:
Wellsite is on Federal Surface.

12. Operators Representative:

J.E. Lunday
360 Gibraltar Savings Center
Midland, Texas 79701
Office Telephone: 915-682-2984
Home Telephone: 915-697-3326

13. Certification:

I hereby certify that I or persons under my direct supervision have inspected the proposed drillsite and access road; 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 operation proposed herein will be performed by DAMCO Energy Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions underwhich it is approved.

AUGUST 14, 1981
Date

J. E. LUNDAY
OPERATIONS MANAGER
DAMCO ENERGY CORPORATION

DAMCO ENERGY COR RATION
Oil & Gas Operations
SUITE 360
GIBRALTAR SAVINGS CENTER
MIDLAND, TEXAS 79701

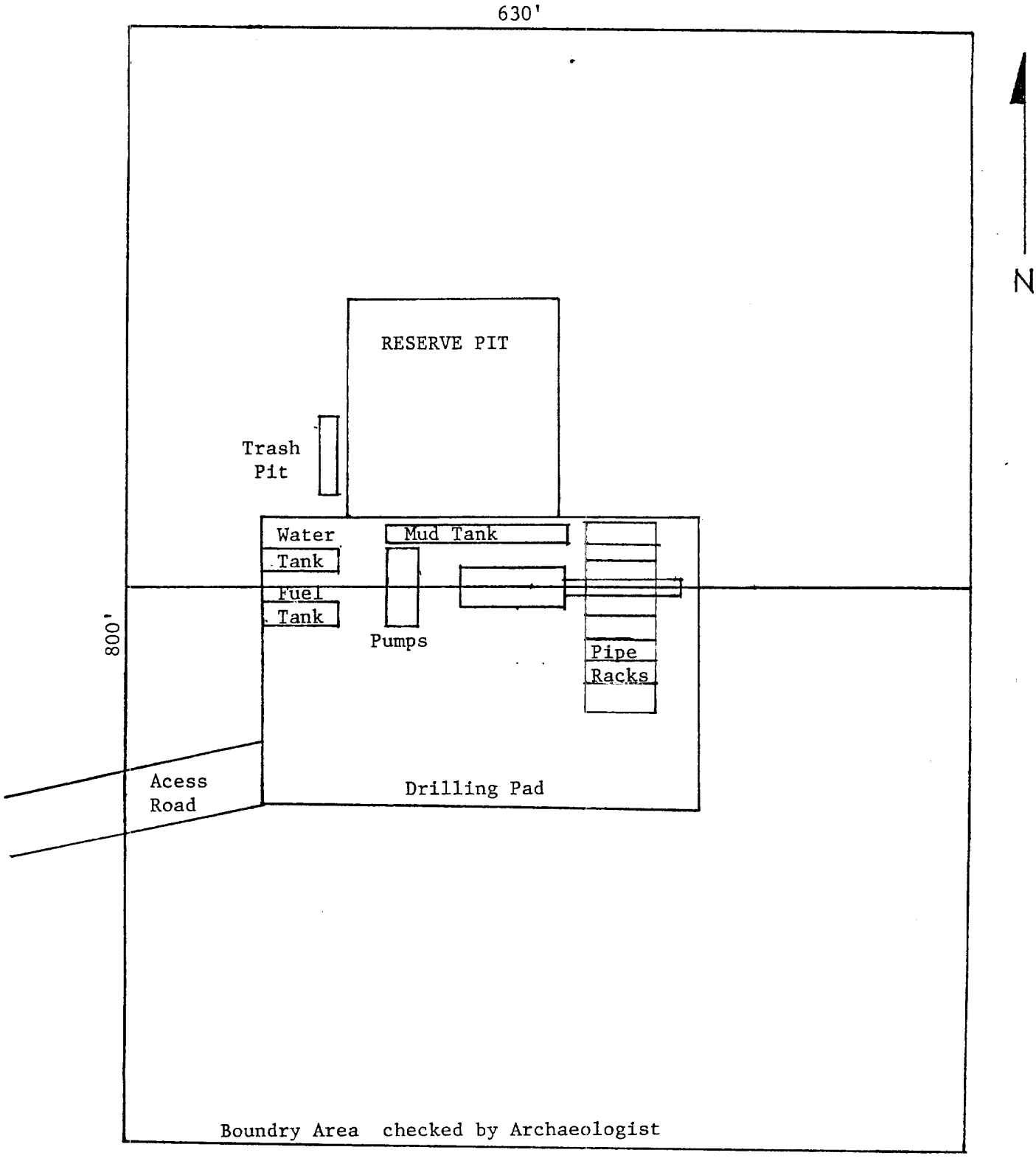
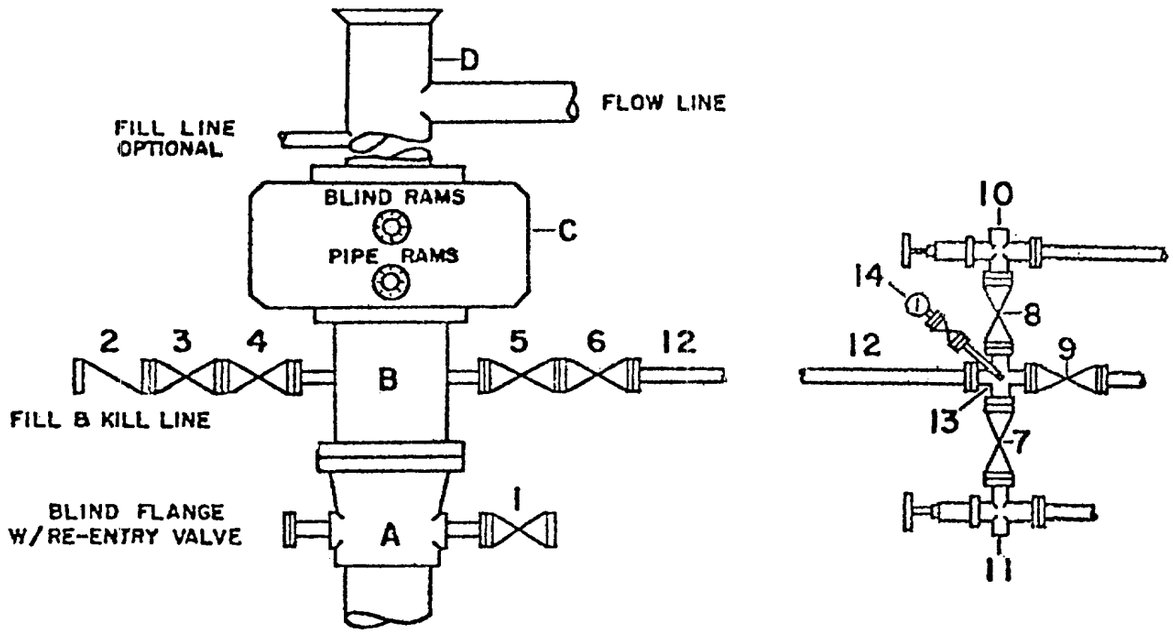



EXHIBIT "D"

DAMCO Energy Corporation
Mobil Federal No.1
1880' FNL & 1980' FWL,
Sec. 25, T-26-S R-28-E
Eddy County, New Mexico

# DRILLING CONTROL

# CONDITION II-3000 PSI WP




DRILLING CONTROL

MATERIAL LIST - CONDITION II

| | |
|---|---|
| A | DAMCO Wellhead |
| B | 3000# W.P. drilling spool with a 2" minimum flanged outlet for kill-line and 3" minimum flanged outlet for choke line |
| C | 3000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 3000# W.P. control lines (where sub-structure height is adequate, 2-3000# W.P. single ram type preventers may be utilized.) |
| D | Bell nipple with flowline and fill-up outlets. (Kill line may also be used for fill-up line.) |
| 1,3,4, 7,8 | 2" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 2 | 2" minimum 3000# W.P. back pressure valve |
| 5,6,9 | 3" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 12 | 3" minimum schedule 80, Grade "B", seamless line pipe |
| 13 | 2" minimum x 3" minimum 3000# W.P. flanged cross |
| 10, 11 | 2" minimum 3000# W.P. adjustable choke bodies |
| 14 | Cameron Mud Gauge or equivalent (location optional in choke line.) |

| SCALE: | DATE | EST. NO. | DRG. NO. |
|---|---|---|---|
| DRAWN BY | | | |
| CHECKED BY | | | |
| APPROVED BY | | | |

DAMCO ENERGY CORPORATION
360 GIBRALTAR SAVINGS CENTER
MIDLAND, TEXAS 79701

**EXHIBIT B**