

30-015-25579 C/SF

NM OIL CONS. COMM. ON

Form 3160-3, Paper DD
(November 1983)
(formerly 9-A)

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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
LaRue and Muncey

3. ADDRESS OF OPERATOR
P.O. Box 196, Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
330' FNL and 330' FWL of Section 18
At proposed prod. zone

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FEB 27 1986
O.C.D.
ARTESIA, OFFICE
W.D.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
18 miles south/southeast of Malaga, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 330'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. 2895

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3035.5

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2	13 3/8	54#	650 (top of Rustler)	Circulate to surface
12 1/4	9 5/8	36#	3100'	300 sks
8 3/4	7	26#	6500'	Sufficient to fill to 2400' ±

Actual production casing setting depth to be determined after logging operations are evaluated. Equivalent or adequate weights and grades of casing may be substituted at time casing is run. Producing zones will be perforated and stimulated as necessary.

Mud Program: F.W. Gel/LCM to 650'; Brine to 3100'; Cut brine to T.D.

BOF:3000# W.P., Double ran type preventer will be in use while drilling below intermediate casing. See Exhibit "E".

Posted API,
NL, ID-1
3-7-86

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 Craig Heber TITLE Agent DATE 2/13/86

(This space for Federal or State office use)

PERMIT NO. 18 APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE 2-25-86

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

*See Instructions On Reverse Side

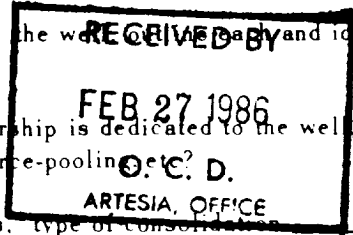
**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator LaRue & Muncy		Lease Bedona Federal			Well No. 2
Tract Letter D	Section 18	Township 26 South	Range 30 East	County Eddy County	
Actual Footage Location of Well: 330 feet from the North line and 330 feet from the West line					
Ground Level Elev. 3035.5	Producing Formation Delaware	Pool Brushy Mountain Delaware	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, or otherwise?
☐ Yes ☐ No If answer is "yes," type of consolidation: **O.C. D.**



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.

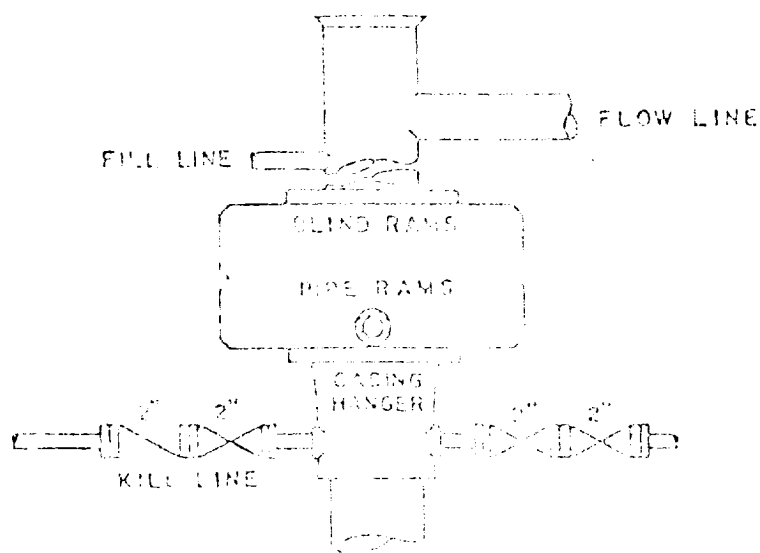
CERTIFICATION

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

Name: **Boonin**
 Position: **Co-owner**
 Date: **Jan 20, 1986**
 By: **E. LaRue and B.N. Muncy, Jr.**

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: **January 17, 1986**
 Registered Professional Engineer and/or Land Surveyor:
John W. West
 Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239



BOP STACK

3000 PSI WORKING PRESSURE

DEPTH INTERVAL

FROM 4 5/8" CASING SET TO TOTAL DEPTH

Exhibit B

BOP ARRANGEMENT

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: Santa Fe, New Mexico
SERIAL NO.: NM-16814

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FEB 27 1986

O. C. D.
ARTESIA, OFFICE

and hereby designates

NAME: Blanco Engineering, Inc.
ADDRESS: 116 North First Street, Artesia, New Mexico 88210

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

T-26-S, R-30-E, N.M.P.M., Eddy County, New Mexico

Section 18: Lots 1,2,3,4, SE/4 NW/4, E/2 SW/4 from the surface down to 100' below the total depth drilled or the base of the Bone Spring formation, whichever is lesser.

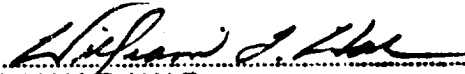
It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

AMOCO PRODUCTION COMPANY

APPROVED


WILLIAM T. HALK (Signature of lessee)
Attorney-in-Fact

APRIL 15, 1985
(Date)

P.O. Box 3092, Houston, Texas 77352
(Address)

LARUE & MUNCY
Bedena Federal #2
330' FNL and 330' FWL
Sec. 18, T-26S, R-30E
Eddy County, New Mexico

In Conjunction with Form 3160-3, Application for Permit to Drill subject well, Challenger Energy, Inc. submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geologic surface formation is sandy alluvium.
2. The estimated tops of geologic markers are as follows:

Rustler Anhydrite	650'
Base Castile	3270'
Delaware Sand	3300'
Cherry Canyon	4440'
Brushy Canyon	5860'

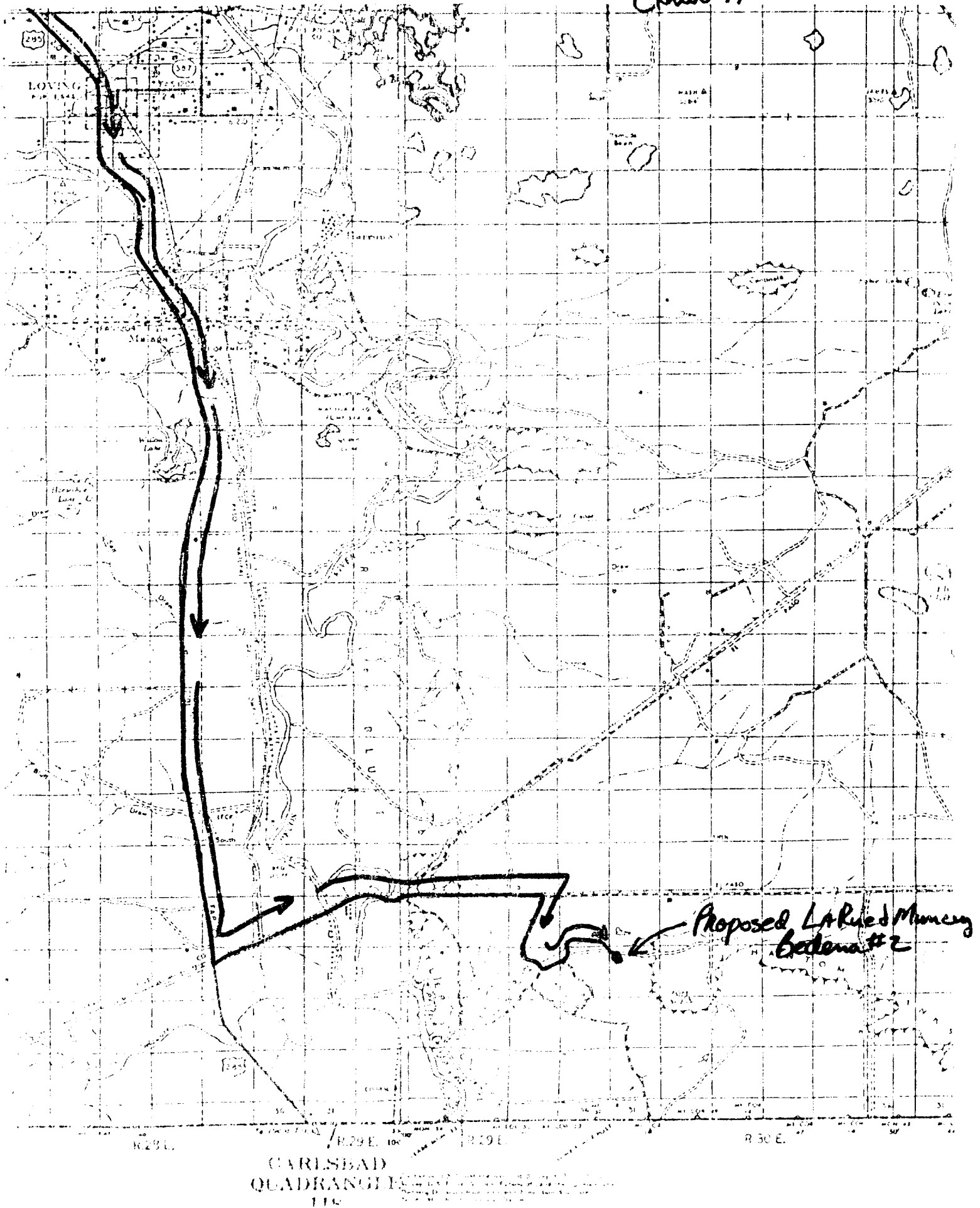
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

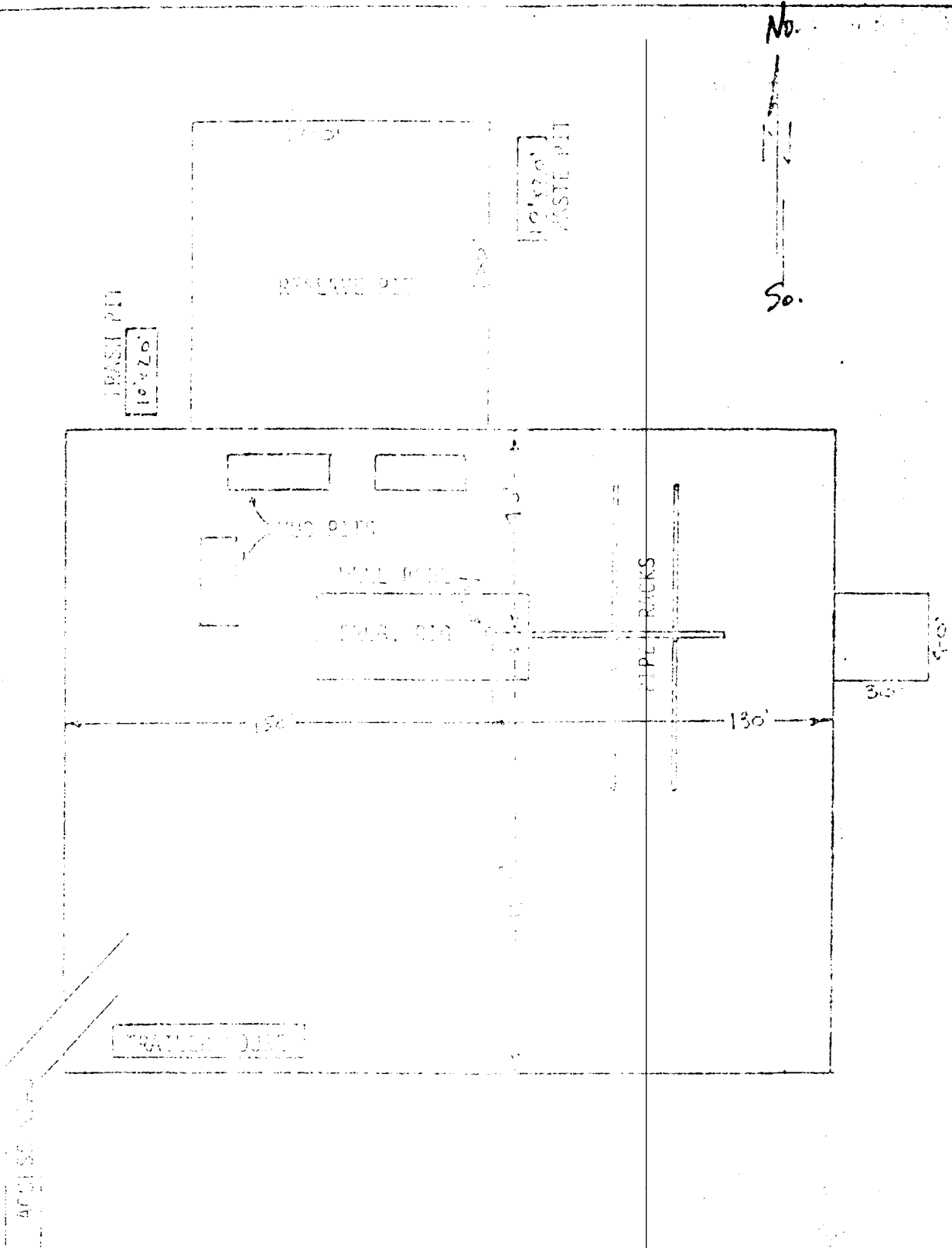
Oil: 3270', 5400', 6100'

4. Proposed Casing Program: See Form 3160-3
5. Pressure Control Equipment: See Form 3160-3 and Exhibit B
6. Mud Program: See Form 3160-3
7. Auxiliary Equipment: Sub with full-opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:

Samples: 3270' - 6500'
DST's: As Warranted.
Coring: None.
Logging: GND TD to 3100', DLL TD to 3100', and Gamma Ray TD to Surface.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated Starting date: As soon as possible after approval. (Prior to March 1, 1986)

Exhibit A





Only Rig Plat

EXHIBIT "C"