

Form 3160-3
(November 1983)
(formerly 9-331C)

NM Oil Cons-Commission

Drawer DD

Artesia, NM 88210

SUBMIT IN DUPLICATE*

(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 ☒ Re-entry DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Bill Fenn, Inc.

3. ADDRESS OF OPERATOR

P. O. Drawer 569

Giddings, Texas 78942

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

At surface

990' FSL & 990' FEL

At proposed prod. zone

Same

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

12 miles SE of Hagerman, NM

16. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT. 990'

(Also to nearest drig. unit line, if any)

17. NO. OF ACRES IN LEASE

160

18. NO. OF ACRES ASSIGNED

TO THIS WELL 160 (320)

19. DISTANCE FROM PROPOSED LOCATION*

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

20. PROPOSED DEPTH

8286'

21. ROTARY OR CABLE TOOLS

Rotary

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

3445' GL

23. APPROX. DATE WORK WILL START*

Oct. 30, 1989

24.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	12 3/4"	34#	344'	Existing circulated
12 1/4"	8 5/8"	24#	1450'	Existing, unknown 351 1450
7 7/8"	4 1/2"	11.6#	8286'	2 stage circ. 2005 sx HL&P Stage 1-750 sx HL + 230 sx Prem. Stage 2-875 sx HL + 150 Sx Prem.

Well originally drilled by Read & Stevens, Inc. and was plugged and abandoned 7-2-70, with plug tops at: 10', 301', 1402', 2662', 4804', 6156', 7541'. Will drill out plugs to 1402' and pressure test 8 5/8" casing to cut off point of 351'. If excessive leak-off in 7' gap between 8 5/8" and 12 3/4", will squeeze off before drilling the 1402' base plug.

Mud Program: 0' - 1402' Drill out cement plugs shown above.

1402' - 8286' Will drill out remaining cement plugs with cut brine, then mud up to Vis. 38+, with 9.3 cc W/L control.

BOP Program: Will install and test daily a 2000# wp double hydraulic BOP, which is more than adequate for the expected pressures.

Gas not dedicated.

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.

Agent for:

Oct. 6, 1989

SIGNED

Bill Fenn, Inc.

TITLE

Bill Fenn, Inc.

DATE

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

S/Phil Kirk

Area Manager

OCT 30 1989

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT IN ADVANCE.

Section 1901 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States a false statement or to withhold information.

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

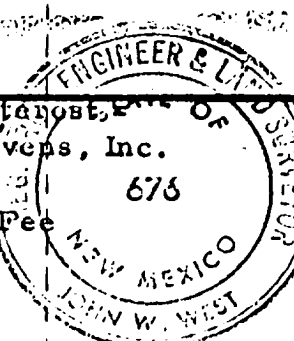
Operator READ & STEVENS, INC.			Lease DERRICK		Well No. 1
Unit Letter P	Section 34	Township 14 SOUTH	Range 27 EAST	County CHAVES	
Actual Footage Location of Well:					
990 feet from the SOUTH line and		990 feet from the EAST line			
Ground Level Elev. Unknown <i>3445' 6"</i>	Producing Formation Atoka	Pool Buffalo Valley	Dedicated Acreage: 320.00 Acres		

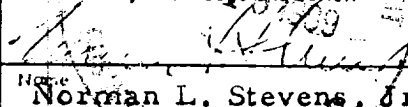
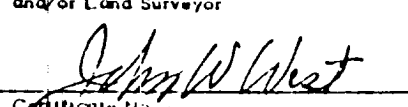
- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

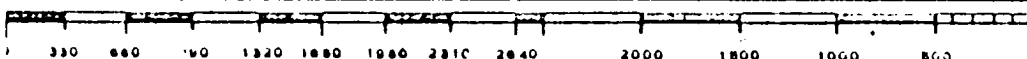
☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

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

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.

	
Working Interest, Royalty Read & Stevens, Inc. Royalty = Fee Bill Fenn	NM-53965 Bill Fenn
Working Interest = Read & Stevens, Inc. Royalty = U.S. Government NM-81917 Bill Fenn	Working Interest = Read & Stevens, Inc. Royalty = U.S. Government

CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. 	
Name Norman L. Stevens, Jr.	
Position Agent	
Company Read & Stevens, Inc.	
Date 5/29/70	
RECEIVED I hereby certify that the 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. MAY 29 1970	
Date Surveyed MAY 20, 1970	
Registered Professional Engineer and/or Land Surveyor 	
Certificate No. 676	



APPLICATION FOR DRILLING

BILL FENN, INC.
Derrick Federal Com., Well No. 1
990' FSL & 990' FEL, Sec. 34-T14S-R27E
Chaves County, New Mexico
Lease No.: NM-53965
(Re-entry Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Bill Fenn, Inc. submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.

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

Queen	746'	Cisco	6770'
Grayburg	1096'	Canyon	7086'
San Andres	1406'	Atoka	7890'
Glorieta	2500'	Mississippi L/S	8210'
Tubb	4126'	T. D.	8286'
Abo	4908'		
Wolfcamp	6012'		

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

Water: Surface water between 100' - 350'.

Oil: None expected.

Gas: Atoka below 7950'.

4. Proposed Casing Program: See Form 3160-3.
5. Proposed Control Equipment: See Form 3160-3 and Exhibit "E".
6. Mud Program: See Form 3160-3.

7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock, pit level monitor, flow sensors and stabbing valve.

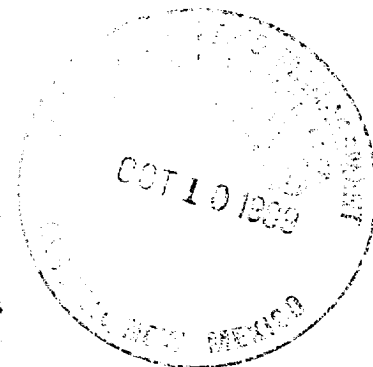
8. Testing, Logging, and Coring Program:

Drill Stem Tests: None.

Logging: T.D. to intermediate casing: GR-CNL-LDT, RFT and DLL w/Rxo,

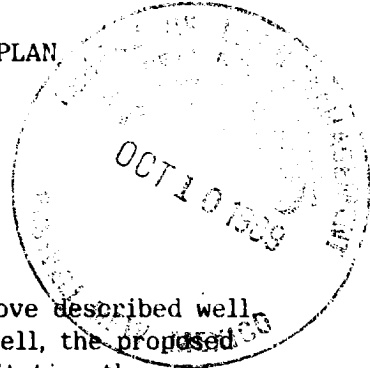
Coring: None planned.

9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight.
10. Anticipated starting date: October 30, 1989.
Anticipated completion of drilling operations: Approximately 35 days.



MULTI POINT SURFACE USE AND OPERATIONS PLAN

BILL FENN, INC.
Derrick Federal Com., Well No. 1
990' FSL & 990' FEL, Sec. 34-T14S-R27E
Chaves County, New Mexico
(Re-entry Development Well)



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, to be followed in rehabilitating the surface environmental effects associated with the operations.

1. EXISTING ROADS:

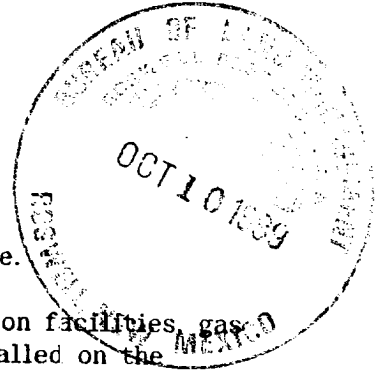
- A. Exhibit "A" is a portion of a BLM Topographic Roswell Quadrangle map showing the location of the proposed well as staked. The well site location is approximately 12 road miles southeast of Hagerman, New Mexico. There will be approximately 8 miles of paved highway and 4 miles of gravel county and ranch/oilfield roads.
- B. Directions: Travel East from Hagerman, NM on New Mexico Highway 31 for 7.8 miles to the gravel Chaves County road No. 257 (Harriet Rd.), which turns south at the Transwestern Pipeline crossing of State Road #31. Continue south on Harriet Rd. for 3 miles then turn right (west) onto another county road for approximately .9 mile to a dry hole marker 300 feet south of the road. This is the Derrick Fed. Com., Well No. 1 to be re-entered.

2. PLANNED ACCESS ROAD;

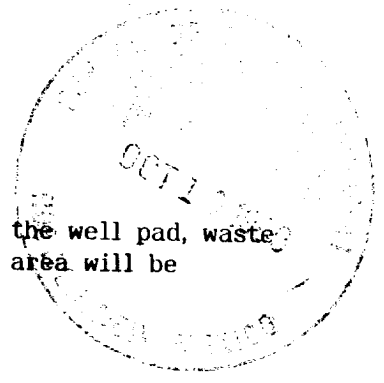
- A. Length and Width: There will be approximately 150 feet of existing access road 12 feet wide (24' Max.), and .9 mile of county road to be upgraded. The Chaves County Rd. No. 3-36 will be upgraded with the cooperation of the county road department. The proposed and existing roads are color coded on Exhibits "A" and "B".
- B. Construction: The existing access road will be upgraded by grading and topping with compacted caliche. The surface will be properly drained with water bars.
- C. Turnouts: No turnouts are planned at this time.
- D. Culverts: None planned. Low water crossings at several points will be used.
- E. Cuts and Fills: None required except to patch and level rough spots on existing road.
- F. Gates, Cattleguards: None required.
- G. Off Lease R/W: None required. The existing access road is all on county maintained road.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a two mile radius are shown on Exhibit "C".



4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:
 - A. There are no production facilities on the lease at this time.
 - B. If the well proves to be commercial, the necessary production facilities, gas separation-process equipment and tank battery will be installed on the drilling pad.
5. LOCATION AND TYPE OF WATER SUPPLY:
 - A. It is planned to drill the proposed well with fresh water that will be obtained from private or commercial sources and will be transported over the existing and proposed access roads.
6. SOURCE OF CONSTRUCTION MATERIALS:
 - A. Caliche for surfacing the existing access road and well site pad will be obtained from an approved Federal pit in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 13-T15S-R278E. Some caliche will be obtained from the Tanner Fed. #1 well pad located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Sec. 35-T14S-R27E. The topsoil from the location will be stockpiled near the location for future rehabilitation use. No surface materials will be disturbed except those necessary for actual grading and leveling of the drill site and access road.
7. METHODS OF HANDLING WASTE DISPOSAL:
 - A. Drill cuttings will be disposed of in the reserve pits.
 - B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
 - C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.
 - D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to the BLM for approval.
 - E. Oil produced during operations will be stored in tanks until sold.
 - F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
 - G. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.
 - H. All trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completion operations.
8. ANCILLARY FACILITIES:
 - A. None required.



9. WELL SITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, waste pits, and major rig components. The existing pad and pit area will be scraped and upgraded for use with a work over rig.
- B. Mat Size: 150' X 150', including waste pits.
- C. Cut & Fill: None required except a possible filling in of a washed out ravine area on the southwest corner of the pad.
- D. The surface will be topped with compacted caliche, if needed, and the waste pits will be plastic lined.

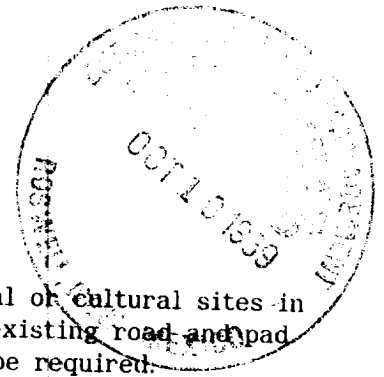
10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in an aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION:

- A. Topography: The existing well site and access road are located in the breaks east of Buffalo Valley with hill slopes of 30 to 50 per cent surrounding the location from an elevation of 3445'.
- B. Soil: The topsoil at the well site is a loamy sand and caliche, some of which was probably brought in during the original construction. The surrounding undisturbed soil is of the Holloman-Gypsum land complex series with exposed siltstone, shale and gypsum rock outcrops on the surrounding hillsides.
- C. Flora and Fauna: The vegetation cover is a fair grass cover of sand dropseed, blue, black & side oats grama, fluffgrass, blue stem, sacaton and three-awn, along with plants of mesquite, yucca, snake bropmweed, croton, cacti, salt cedar, thistle, goldenrod and miscellaneous weeds and wildflowers. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: None in the immediate vicinity.
- E. Residences and Other Structures: None in the immediate area.
- F. Land Use: Cattle grazing.
- G. Surface Ownership: The proposed (existing) well site and the access road is on Federal surface and minerals.

Bill Fenn, Inc.
Derrick Federal Com., Well No. 1
Page 4



11. OTHER INFORMATION; cont.....

- H. There is no evidence of any archaeological, historical or cultural sites in the area. There will be no disturbance outside the existing road and pad area. No additional archeological clearance should be required.

OPERATOR'S REPRESENTATIVE:

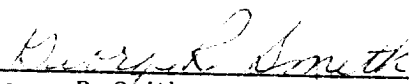
- A. The field representative for assuring compliance with the approved surface use and operations plan is as follows:

Danny Brown
Bill Fenn, Inc.
P. O. Box 569
Giddings, Texas 78942
Office Phone: (409) 542-9631
Home Phone: (512) 446-7143

13. CERTIFICATION:

I hereby certify that I have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in the 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 Bran Oil Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

October 9, 1989



George R. Smith
Agent for: Bill Fenn, Inc.

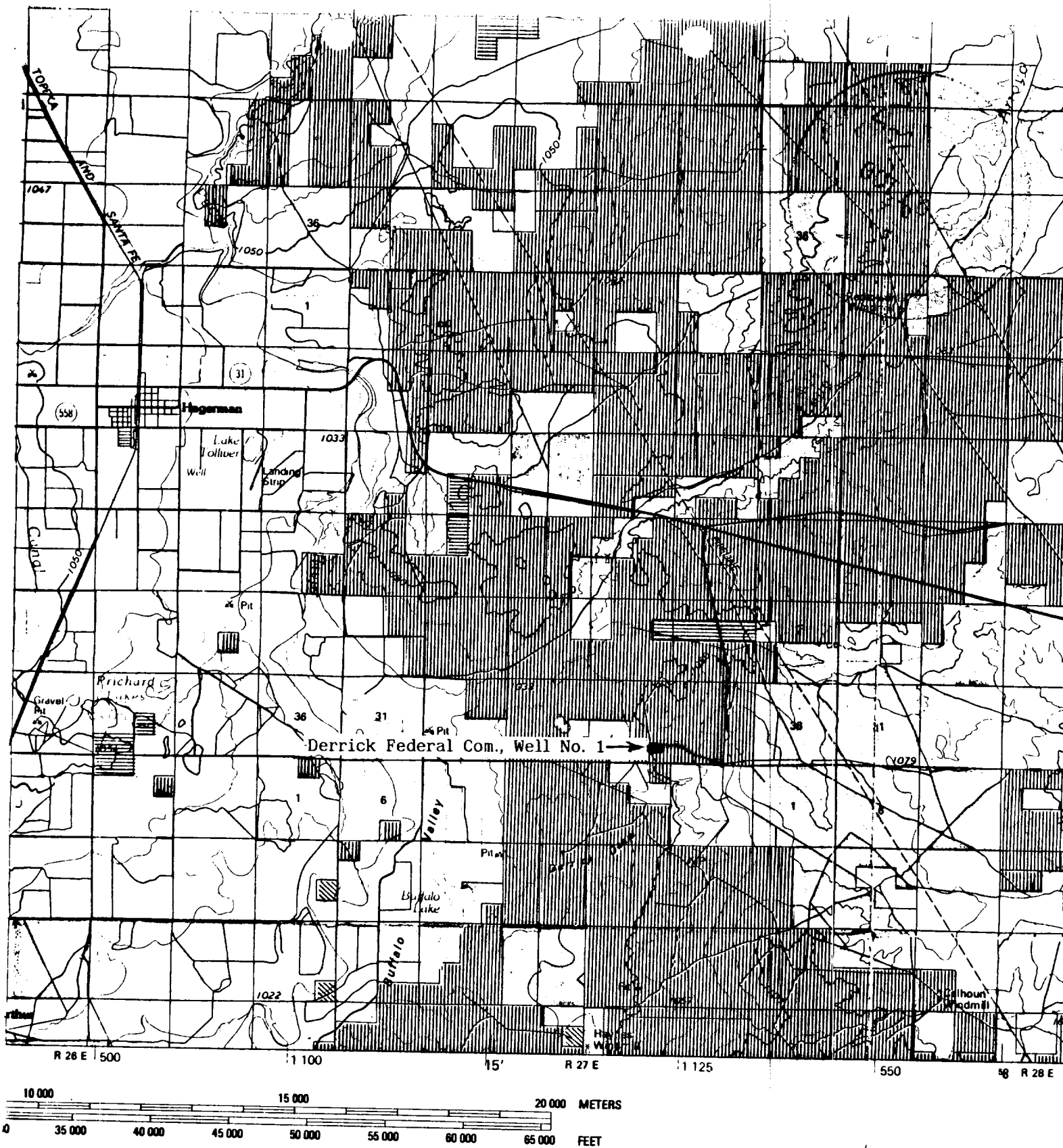
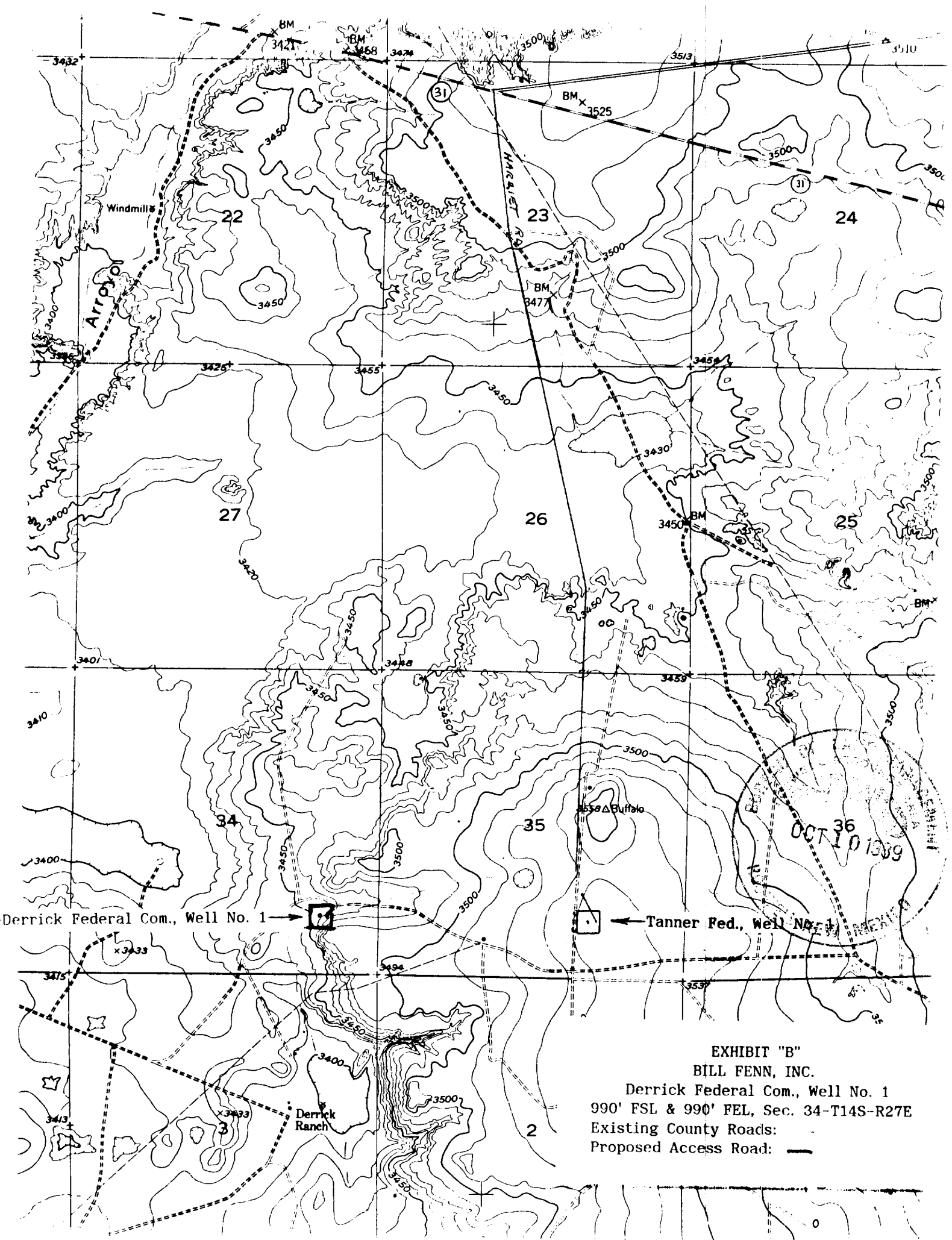


EXHIBIT 'A'
BILL FENN, INC.

Derrick Federal Com., Well No. 1 (re-entry)
990' FSL & 990' FEL, Sec. 34-T14S-R27E
Existing Access Roads:
Proposed Access Road: None

- [] State, County, City, Wildlife,
Park and Outdoor Recreation Areas.
- [] Acquired Lands
(By Administering Agency)
- []
- []



Derrick Federal Com., Well No. 1 →

← Tanner Fed., Well No. 1

EXHIBIT "B"
BILL FENN, INC.
Derrick Federal Com., Well No. 1
990' FSL & 990' FEL, Sec. 34-T14S-R27E
Existing County Roads: —
Proposed Access Road: - - -

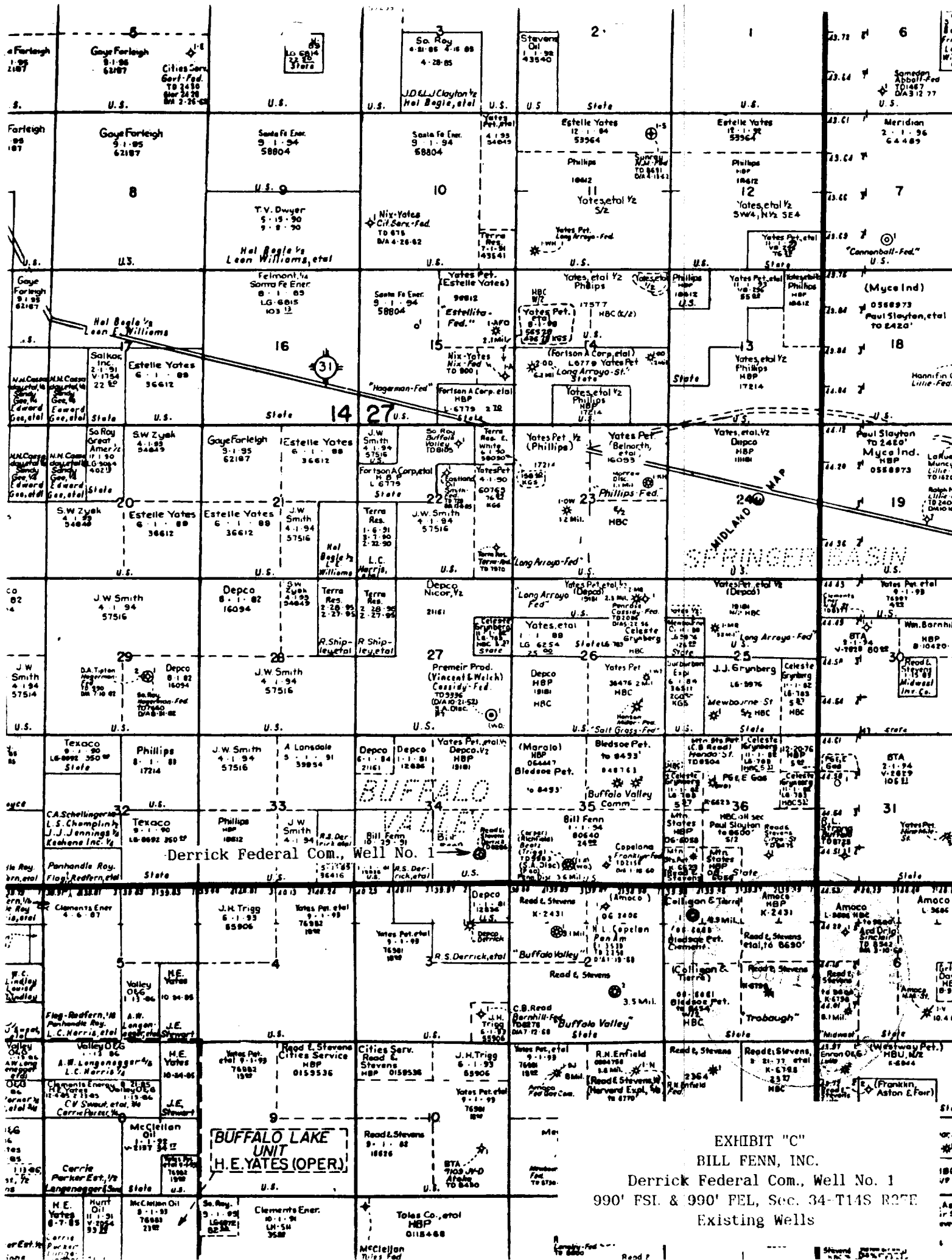


EXHIBIT "C"
BILL FENN, INC.

Derrick Federal Com., Well No. 1
990' FSL & 990' FEL, Sec. 34-T14S R27E
Existing Wells

DA&S Oil Well Servicing, Inc.
Unit #648
Re-Entry Location Pad

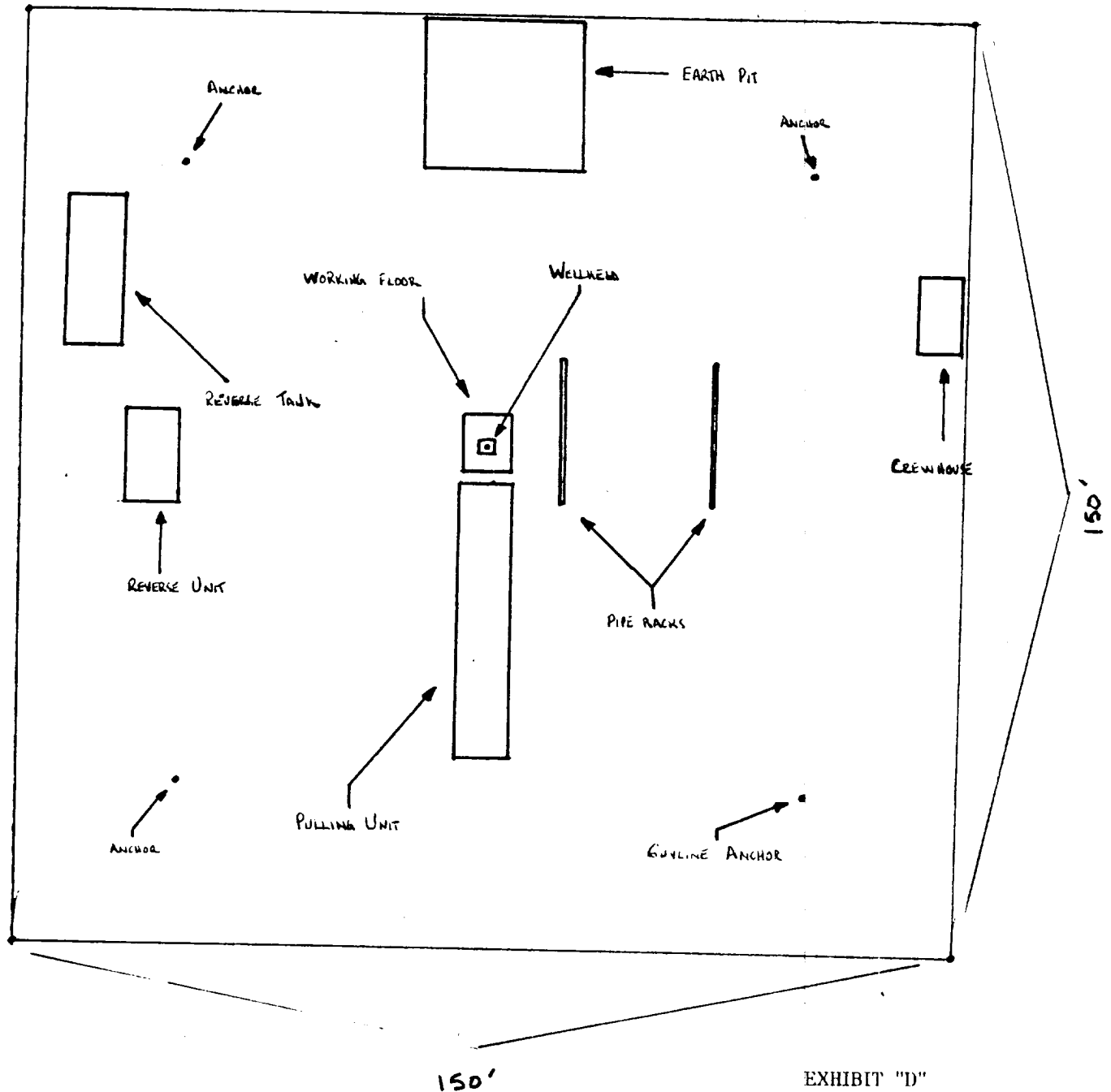
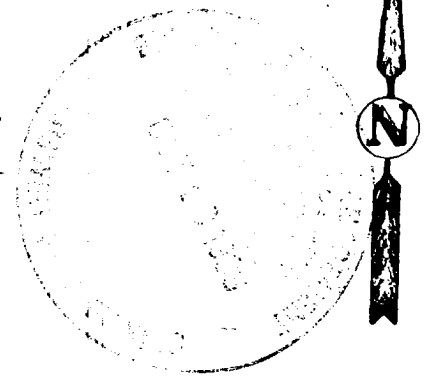
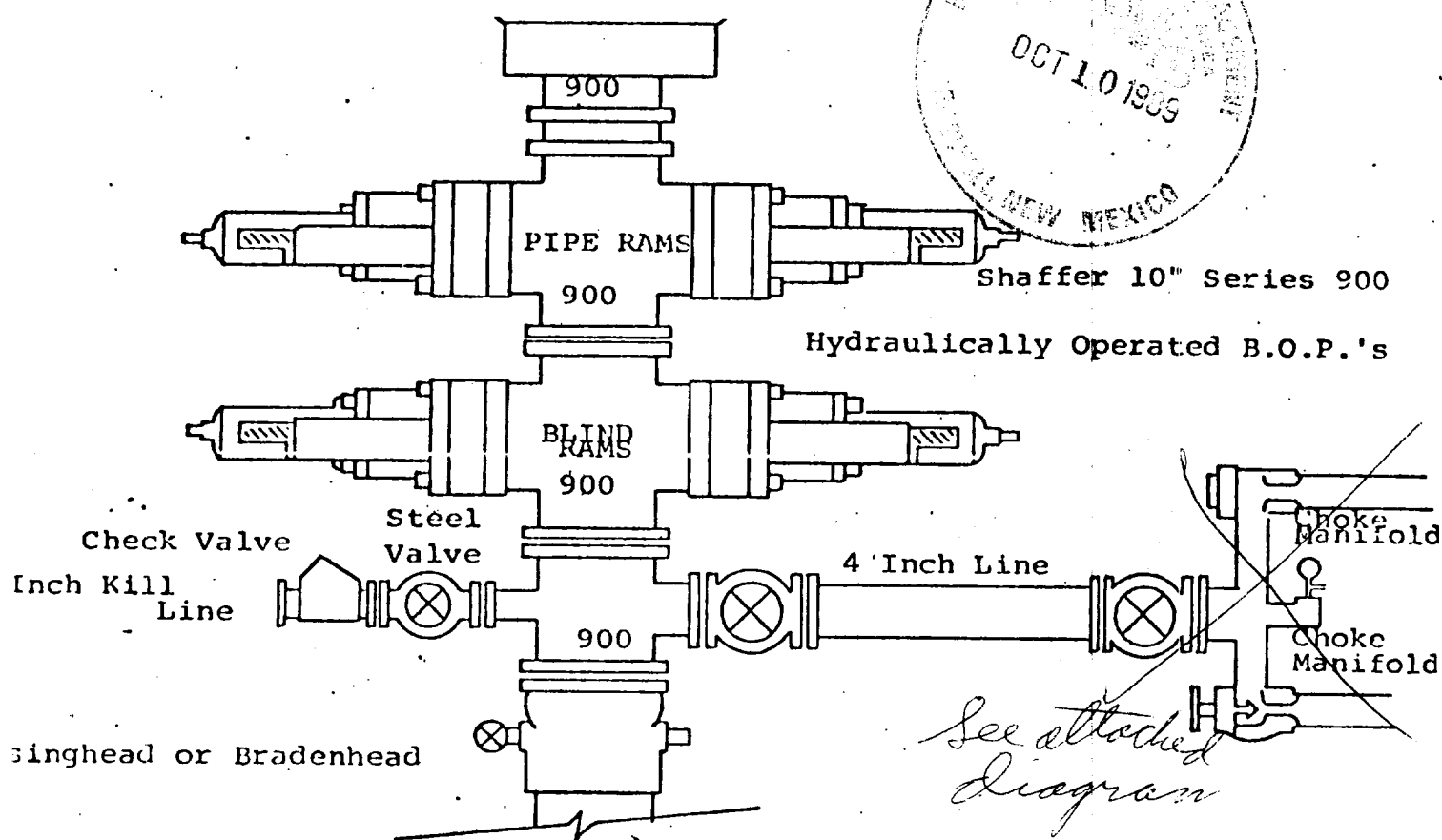
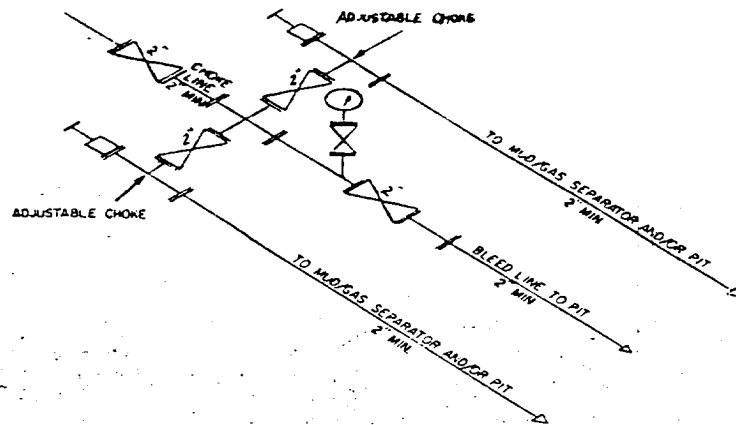


EXHIBIT "D"
BILL FENN, INC.
Derrick Federal Com., Well No. 1
Pad & Pit Layout

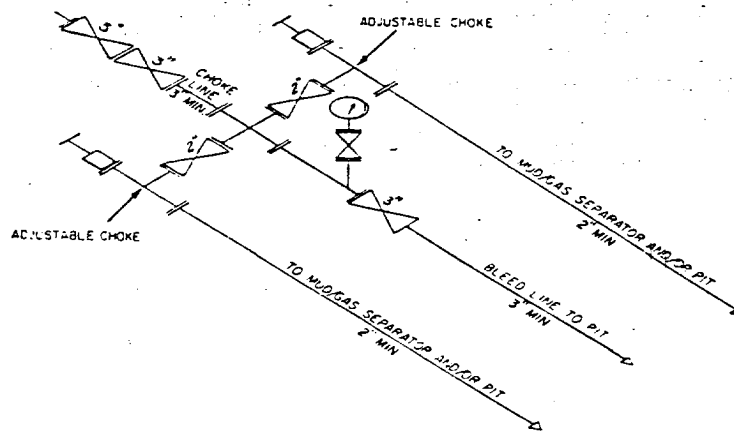


THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

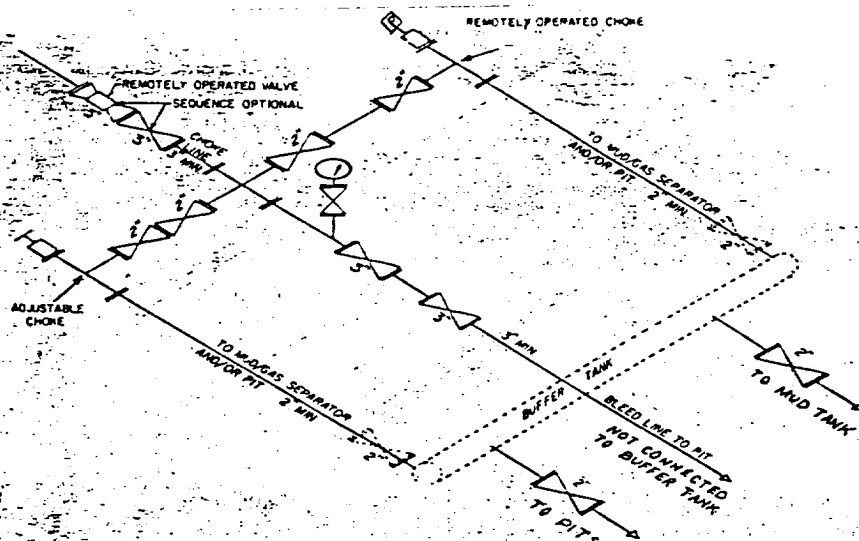
- All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
- Choke outlet to be a minimum of 4" diameter.
- Kill line to be of all steel construction of 2" minimum diameter.
- All connections from operating manifolds to preventers to be all steel.
- hole or tube a minimum of one inch in diameter.
- The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
- All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
- Inside blowout preventer to be available on rig floor.
- Operating controls located a safe distance from the rig floor.
- Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
- D. P. float must be installed and used below zone of first gas intrusion.



2M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY



3M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY



5M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

Although not required for any of the choke manifold systems, buffer tanks are sometimes installed downstream of the choke assemblies for the purpose of manifolding the bleed lines together. When buffer tanks are employed, valves shall be installed upstream to isolate a failure or malfunction without interrupting flow control. Though not shown on 2M, 3M, 10M, or 15M drawings, it would also be applicable to those situations.