N.M.O.C.D. COPY

RECEIVED

Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

JUN 11 1980
O. C. D.
ARTESIA, OFFICE

30-005-60723

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]	5. LEASE DESIGNATION AND SERIAL NO.: NM 10273
b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER — SINGLE ZONE [ ] MULTIPLE ZONE [ ]	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: MGF Oil Corporation	7. UNIT AGREEMENT NAME:
3. ADDRESS OF OPERATOR: P. O. Box 5027 Midaland, Texas 79701	8. FARM OR LEASE NAME: Bikar-Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface: 660' FSL and 1980' FEL	9. WELL NO.: 2
At proposed prod. zone: Same	10. FIELD AND POOL, OR WILDCAT: Wildcat
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 35 miles East of Roswell, New Mexico	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 11, T10S, R29E
	12. COUNTY OR PARISH: Chaves — 13. STATE: New Mexico

RECEIVED
MAY 13 1980
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 660'	16. NO. OF ACRES IN LEASE: 960	17. NO. OF ACRES ASSIGNED TO THIS WELL: 320	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 2,640'	19. PROPOSED DEPTH: 9,800'	20. ROTARY OR CABLE TOOLS: Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3,979.3		22. APPROX. DATE WORK WILL START*: July 15, 1980	

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"	48#	350'	300 Sx-Class "C"--Circulate
12-1/4"	8-5/8"	32#	2850'	900 Sx-Halib. Lite + 200 Sx."C" circulated.
7-7/8"	4-1/2"	11.6#	9800'	350 Sx Class "H"

Mud Program:

0-350': Drill with fresh water spud mud 8.5-10.0 #/gal.
350-3800': Drill with fresh water, M.W. 8.7 - 9.0 #/gal., Vis. 28-34. Possible addition of loss circulation material.
3800-9800': Drill with KCL water, M.W. 8.7 - 9.5 #/gal., Vis. 30-35, Fluid loss 12-20 cc.

BOP Program: At 2850', install and test to 3000#, pipe rams, blind rams (middle), bag-type preventer and choke manifold. BOP accumulator volume will be sufficient to operate the bag preventer and blind rams with a snap-action through the close, open, close sequence.

Gas sales are dedicated to El Paso Natural Gas Co.

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 Agent for: MGF Oil Corporation DATE May 12, 1980

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NE MEXICO OIL CONSERVATION COMMISSI

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form ...
Supersedes C-128
Effective ...

All distances must be from the outer boundaries of the Section

Operator	Lease	Well No.
M-G-F Oil Corp.	Bikar Federal	2

Unit Letter	Section	Township	Range	County
O	11	10 South	29 East	Chaves

Actual Footage Location of Well:
660 feet from the South line and 1980 feet from the East line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3979.3	Morrow	Undesignated Morrow	320 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?

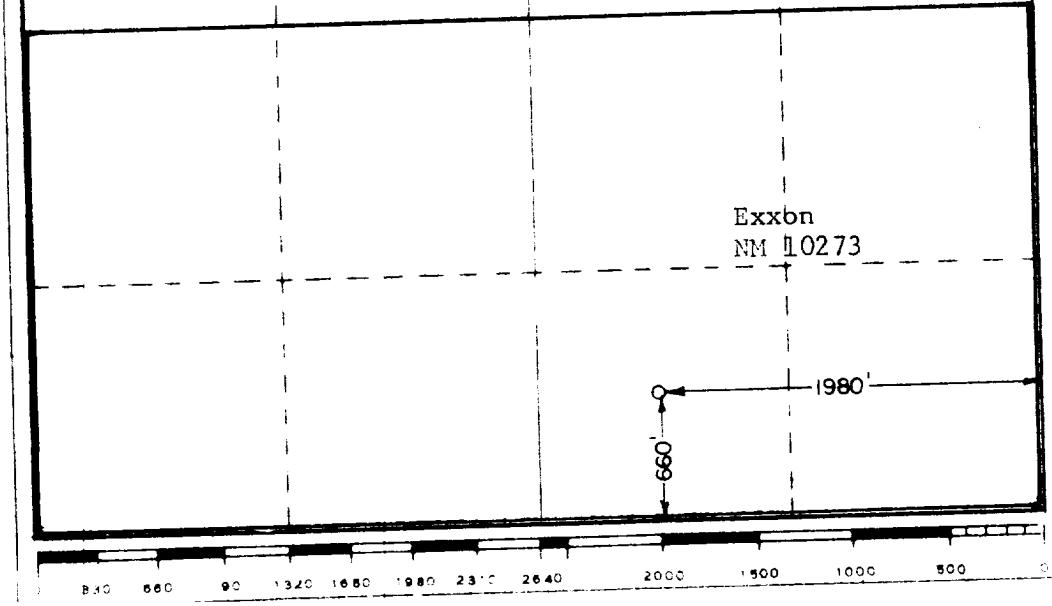
☐ Yes ☐ No If answer is "yes," type of consolidation _____

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.

RECEIVED
MAY 13 1980
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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.

George R. Smith

Name: George R. Smith

Position: Agent for:

Company: MGF Oil Corporation

Date: May 9, 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: April 29, 1980

Registered Professional Engineer and/or Land Surveyor

John W. West

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

N.M.O.C.D. COPY

United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Drawer U
Artesia, New Mexico 88210

RECEIVED
JUN 11 1980
O. C. D.
ARTESIA, OFFICE

June 10, 1980

MGF Oil Corporation
P. O. Box 5027
Midland, Texas 79701

MGF OIL CORPORATION
Bikar Fed No. 2
660 FSL 1980 FEL Sec. 11 T.10S R.29E
Chaves County Lease No. NM-10273
Above Data Required on Well Sign

Gentlemen:

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 9,800 feet to test the Morrow is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the attached General Requirements for Oil and Gas Operations on Federal Leases, dated July 1, 1978.

2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the Surface Use Plan and these Conditions of Approval including the attached General Requirements.

3. All access roads will be limited to a 12 foot wide driving surface, excluding turnarounds. Surface disturbance associated with road construction will be limited to 50 feet in width.

4. Submit a Daily Report of Operations from spud date until the well is completed and the Well Completion Report (form 9-330) is filed. The report should not be less than 8" x 5" in size and each page should identify the well.

5. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Guidelines. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).

6. Before drilling below the 8-5/8" casing, the blowout preventer assembly will consist of a minimum of one annular type and two ram type preventers.

7. A kelly cock will be installed and maintained in operable condition.

8. After setting the 8-5/8" casing string and before drilling into the Wolfcamp 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.

9. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before drilling into the Wolfcamp 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.

10. Notify the Survey by telephone 24 hours prior to spudding well.

11. Cement behind the 13-3/8" casing must be circulated.

12. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

(Orig. Sgd.) GEORGE H. STEWART

George H. Stewart
Acting District Engineer

APPLICATION FOR DRILLING

MGF OIL CORPORATION
Bikar Federal Well No. 2
660' FSL & 1980' FEL, Sec. 11, T10S, R29E
Chaves County, New Mexico
Lease No: NM 10273
(Development Well)

In conjunction with Form 9-331C, Application for Permit to Drill subject well, MGF Oil Corporation submits the following items of pertinent information in accordance with USGS requirements:

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

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

Yates	1295'	Canyon	8115'
San Andres	2610'	Strawn	8594'
Glorieta	3895'	Atoka	9014'
Tubb	5385'	Morrow	9164'
Abo	6230'	Mississippian Lm.	9389'
Wolfcamp	7110'	Total Depth	9800'

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

   Water: At approximately 100' to 300'.

   Oil and/or Gas: Abo at approximately 7000'-7050'.
   Atoka at approximately 9120'-9140'.
   Morrow at approximately 9220'-9320'.
   Mississippian Lm. at approx. 9350'-9700'.

4. Proposed Casing Program: See Form 9-331C.

5. Pressure Control Equipment: See Form 9-331C and Exhibit "D".

6. Mud Program: See Form 9-331C.

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: One possible test in each of the following:

Abo:	7000'-7050'
Atoka:	9120'-9140'
Morrow:	9220'-9320'
Miss. Lime	9350'-9700'

   Logging: GR-Dual Laterolog-RxO-Cal — Int. Csg to T. D.
   Gr-FDC-CNL-CAL — Int. Csg. to T. D.

   Coring: None.

9. No abnormal pressures or temperatures are anticipated, but will set up a preventative program in case any abnormal pressures are encountered.

10. Anticipated starting date: July 15, 1980.
    Anticipated completion of drilling operations: Approx. 60 days.

MULTI-POINT SURFACE USE AND OPERATIONAL PLAN

MGF Oil Corporation
Bikar Federal Well No. 2
1980' FEL & 660' FSL, Sec. 11, T10S, R29E
Chaves County, New Mexico
Lease No.: NM 10273
(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 after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operations.

1. EXISTING ROADS:

   A. Exhibit "A" is a portion of a New Mexico State Highway map showing the well as staked. The well is approximately 36.4 miles east of Roswell on U. S. Highway 380. The 36.4 miles consists of 33.2 miles of U.S. Highway 380, 1.8 miles of county maintained ranch road to the turnoff for the Bikar Federal Well No. 1. It is .9 mile from the turnoff to the Bikar Federal Well No. 1. The proposed new access road will start from the northeast corner of the Bikar Fed No. 1 wellsite and will travel north 2,640' to the new location.

   B. Directions: Travel east of the junction of U. S. Highway 380 and 70 in Roswell, 33.2 miles on U. S. Highway 380. Approximately .2 mile west of the old Oasis store and just past mileage marker 187, turn north on the county/ranch road to the Sand Ranch (sign at turnoff). Travel north .3 mile and turn right at "Y", proceeding 1.5 miles toward the ranch headquarters. Turn left (north) just before reaching the headquarter. Travel .9 mile northeast to wellsite for Bikar Federal Well No. 1. The proposed access road will start in the northeast corner of the well site running north for 2,640'.

2. PLANNED ACCESS ROAD:

   A. Length and Width: The new access road will be 12 feet wide (20' ROW) and approximately 2,640 feet long, from the point of origin at the Bikar Federal No. 1 wellsite, to the southeast edge of the drilling pad. The new access road is labeled and color coded red on Exhibit "A" and "B". The road has been staked and flagged.

   B. Construction: The new road will be constructed by grading and topping with compacted caliche. The surface will be properly drained.

   C. Turnouts: There will be at least two turnouts, which will increase the road width to 20 feet for passing.

   D. Culverts: None required.

   E. Cuts and Fills: Some cuts and fills will be required because of the 3 - 8 feet high sand dunes.

   F. Gates, Cattleguards: One gate will be added to the fenced area around the wellsite of the Bikar Federal No. 1 in the NE corner.

3. LOCATION OF EXISTING WELLS:

A. Existing wells within a one-mile radius are shown on Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. Location of the existing tank battery and flow line from well No. 1 are shown on Exhibit "C". The flow line will not be buried and will be used to handle any water being produced. At the present time no condensate is being produced.

B. If the proposed well proves to be commercial, the necessary production facilities, gas separation-process equipment and a new flow line to the existing tank battery will be installed, as shown on Exhibit "C". The line will not be buried, and will run beside the new access road. No additional surface disturbance will occur.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. It is planned to drill the proposed well with both fresh and brine water. The water will obtained from commercial sources or from surface tanks on the Glenn Ranch one mile northwest of the wellsite.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche for surfacing the road and the well site pad will be obtained from an existing pit in the SW ¼ of Sec. 22, T10S, R29E, which is on private surface and Federal minerals and will be purchased by the dirt contractor. An agreement has been made with the surface owner. Top soil from the location will be stockpiled near the location for future rehabilitation use. No surface materials will be disturbed except for 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 material 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 separate disposal application will be submitted to the USGS 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.

7. METHODS OF HANDLING WAST DISPOSAL cont.:

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 wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

A. None required.

9. WELLSITE LAYOUT:

A. Exhibit "E" shows the relative location and diminsions of the well pad, reserve pits, and major rig components. The pad and pit area has been staked and flagged.

B. There will be some extra cutting and filling of the wellsite because of the 3' to 8' sand dunes. The general slope of the surface will be fairly level once the dunes are leveled.

C. The reserve pit 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 location cleaned of all trash and junk to leave the wellsite 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 and the United States Geological Survey 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 land surface in the vicinity of the wellsite consists of rolling sand dunes up to 8 feet high.

B. Soil: The topsoil at the wellsite is deep fine with caliche.

C. Flora and Fauna: The vegetative cover consists of very sparse miscellaneous grasses, sunflowers, shinnery oak, bear grass yucca, sage brush and other miscellaneous desert flowers and weeds. The only wildlife observed were lizards, jackrabbits, snakes, coyote and quail, but it is likely that other typical semi-arid desert wildlife inhabit the area, which is used for cattle grazing.

7. OTHER INFORMATION cont.:

D. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area, however there are several ranch tanks as shown on Exhibit "B".

E. Residences and other Structures: There is a ranch house 1.4 miles south of the well site (Sand Ranch) and a ranch house 1.2 miles northwest of the well site (Glenn Ranch). Ranch tanks are also at both locations.

F. Land Use: Cattle Grazing.

G. There is no evidence of any archaeological, historical or cultural sites in the area. An archaeological survey has been conducted by New Mexico Archaeological Services, Inc., P. O. Box 1341, Carlsbad, New Mexico 88220, and their report has been submitted to the appropriate government agencies.

12. OPERATOR'S REPRESENTATIVE:

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

Hugh Boyt
MGF Oil Corporation
P. O. Box 5027
Midland, Texas 79701
(915) 684-7121/Office
(915) 697-4768/Home

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 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 MGF Oil Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

May 12, 1980
Date

George R. Smith
Agent for MGF Oil Corporation

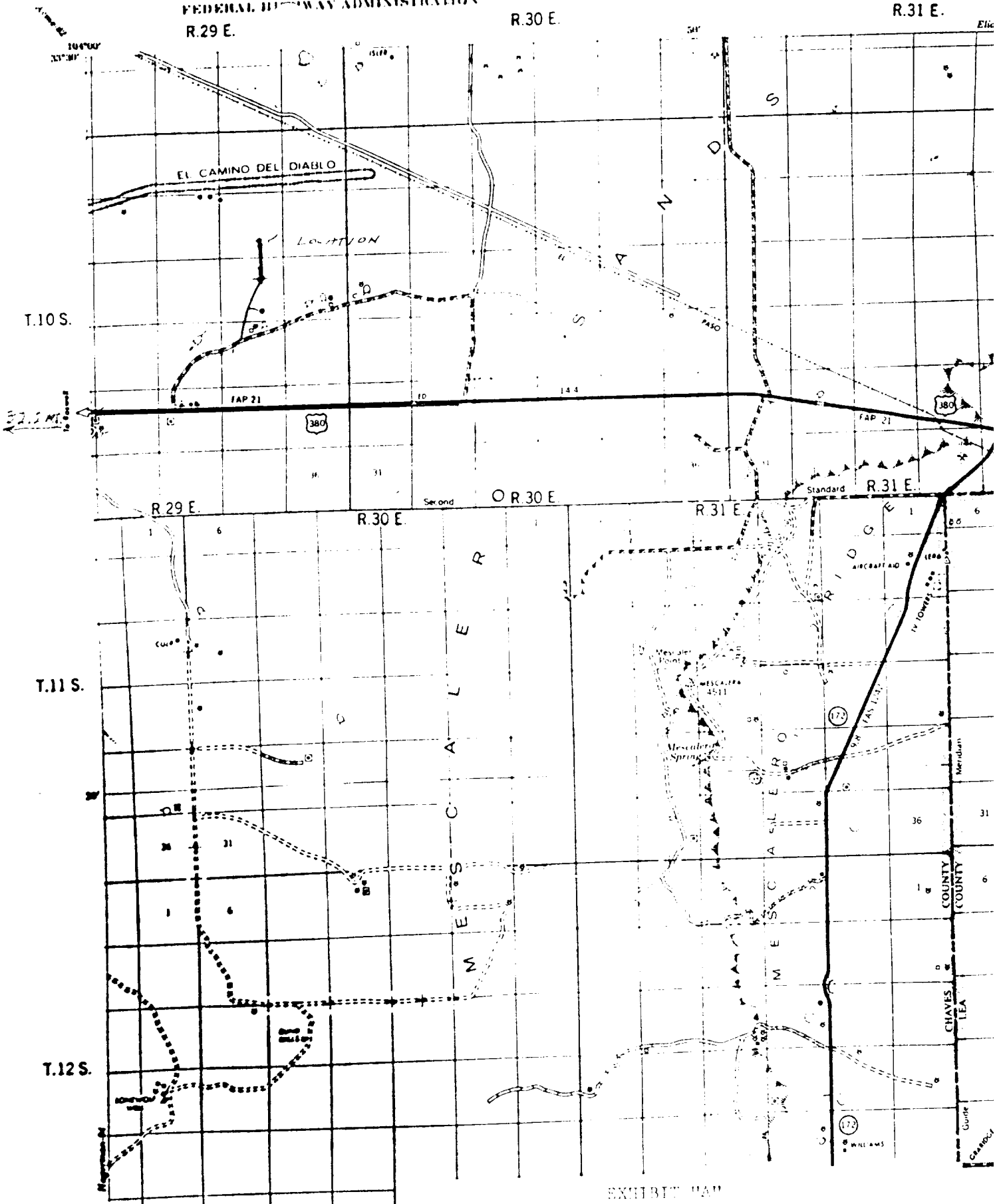


EXHIBIT "A"
MGF OIL CORPORATION
Pikar Federal Well No. 2
1980' FEL & 660' FSL, Sec. 11, T10S, R29E
Paved Highway:
Existing Access Roads:
Proposed New Road:
Scale: 1" = 1 mi.

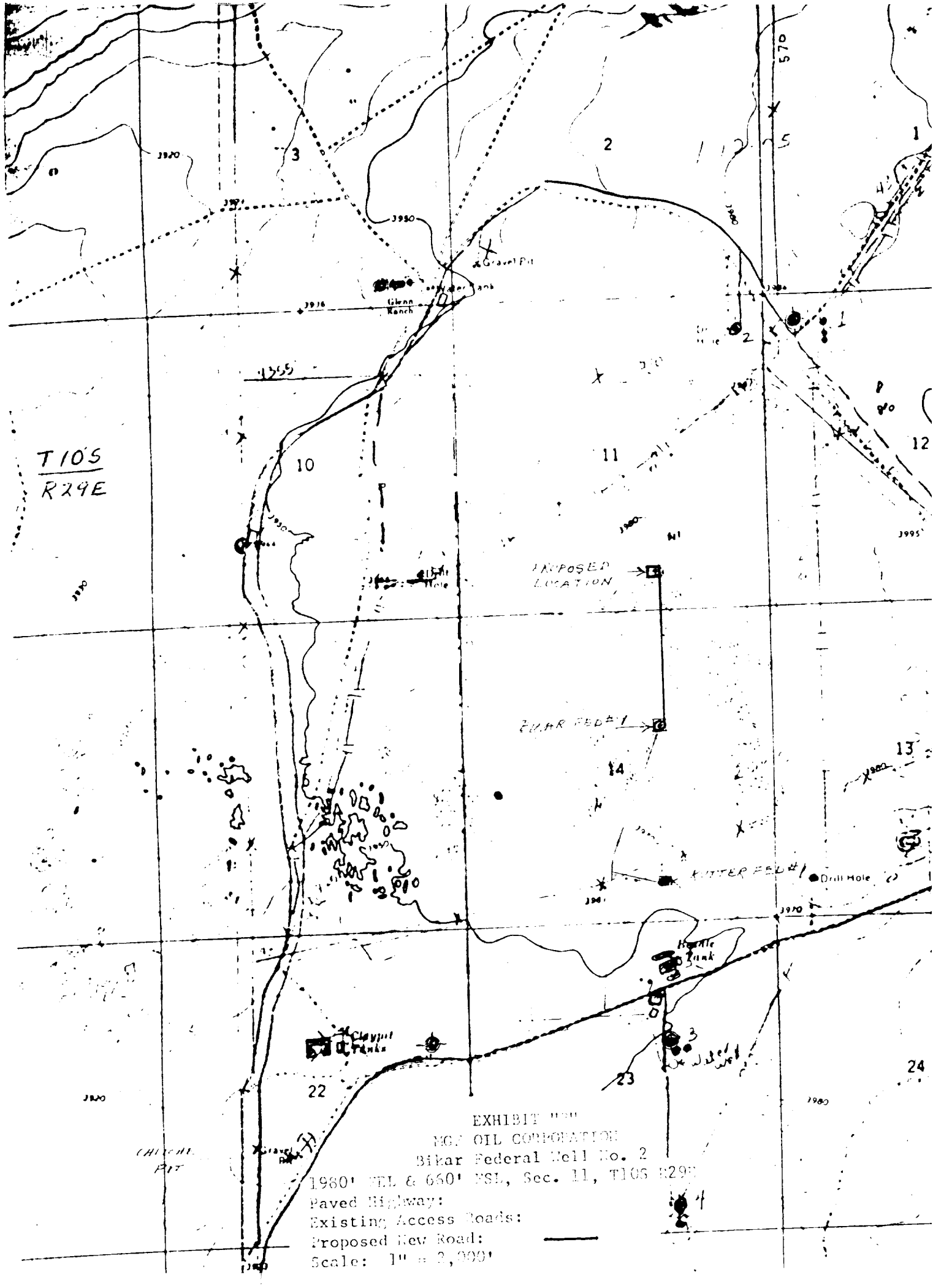


EXHIBIT "B"
MGF OIL CORPORATION
Bikar Federal Well No. 2
1980' FEL & 660' FSL, Sec. 11, T10S R29E
Paved Highway:
Existing Access Roads:
Proposed New Road: ——
Scale: 1" = 2,000'

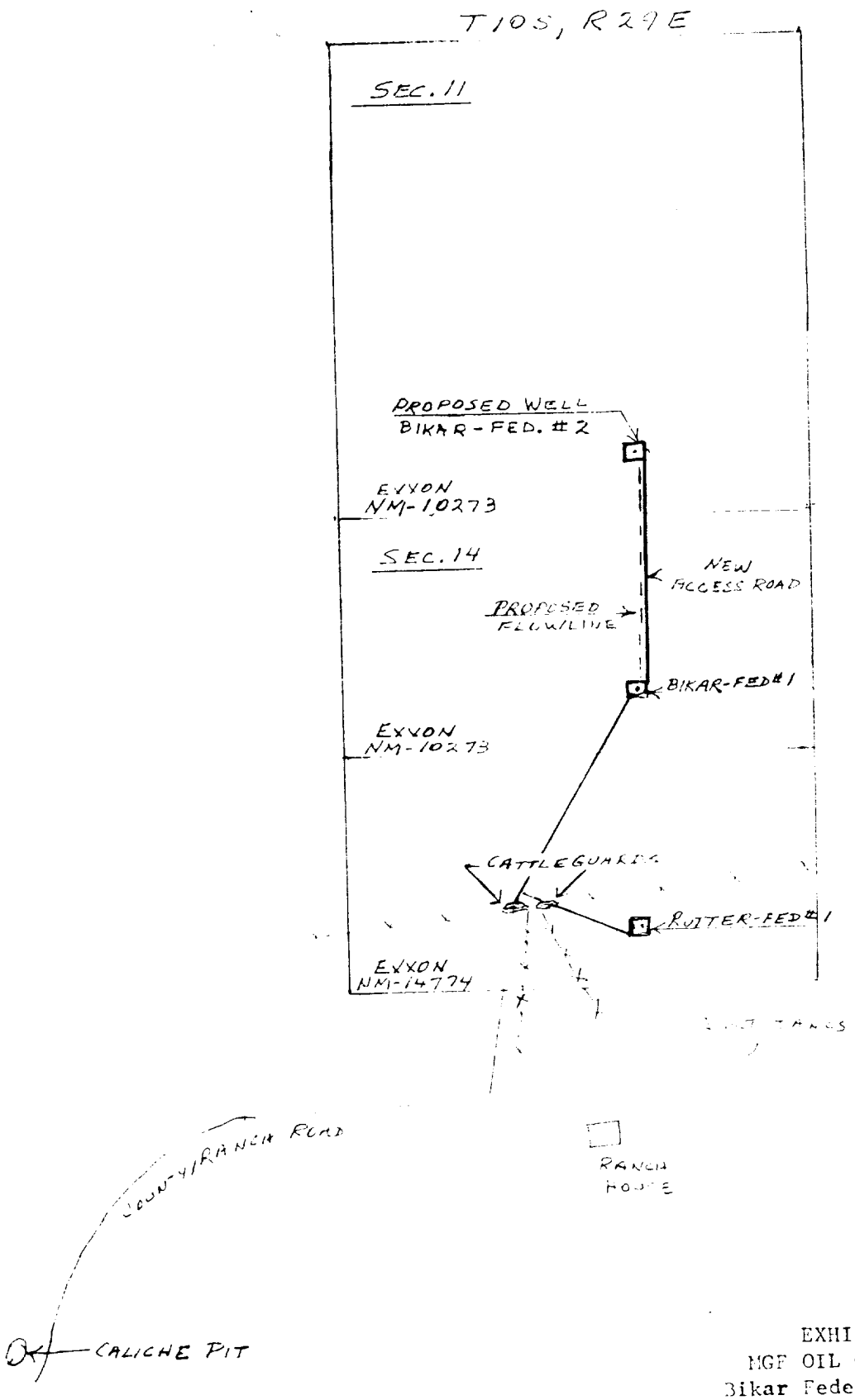


EXHIBIT "C"
MGF OIL CORPORATION
Bikar Federal Well No. 2
Scale: 3" = 1 mile

WEK DRILLING CO., INC. - Rig 2

BLOWOUT PREVENTER SPECIFICATION

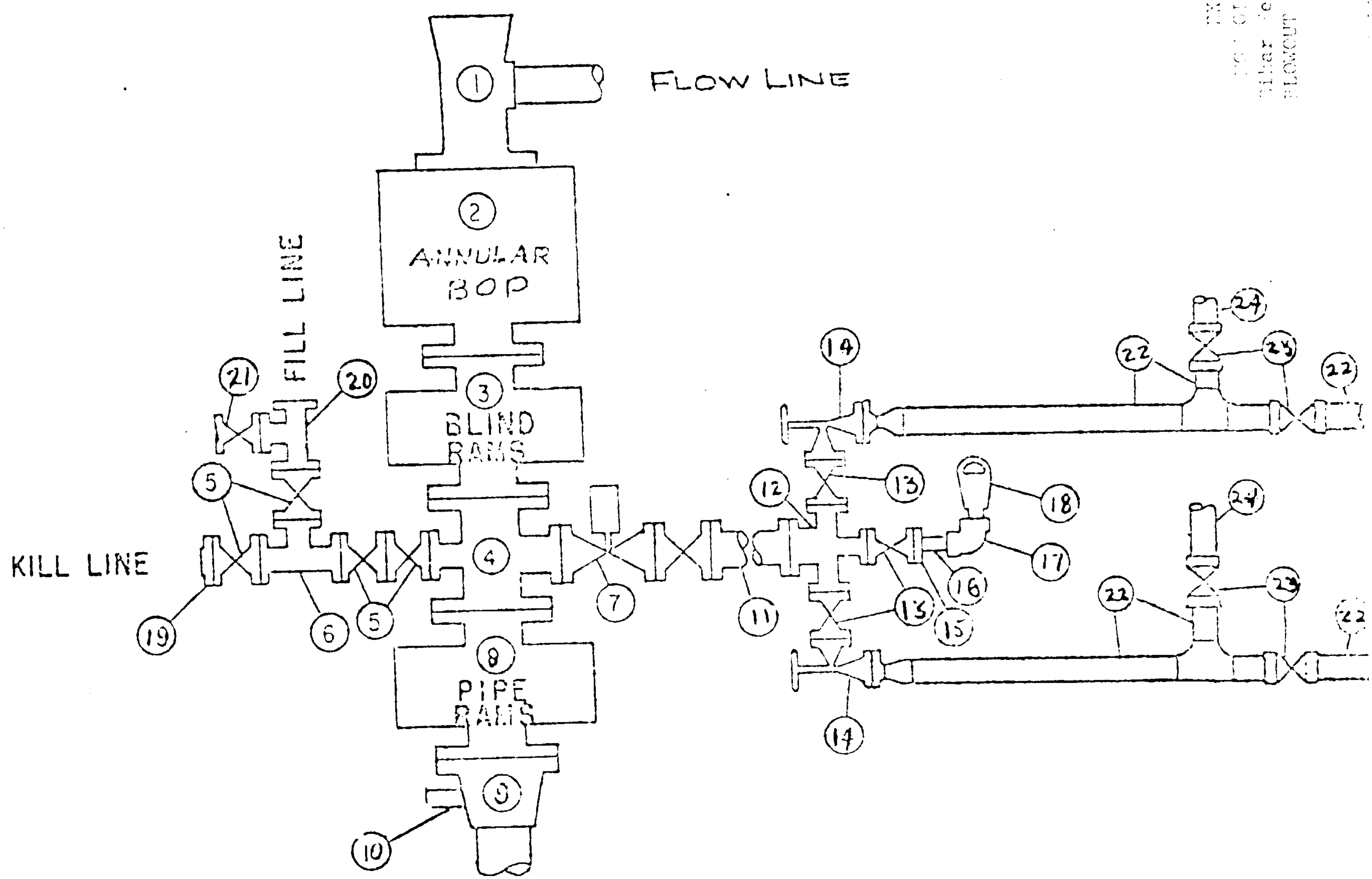


EXHIBIT "B"
OIL CORPORATION
Tihar Federal Well No. 2
BLOWOUT PREVENTER SPEC.

10/15/74

WE RILLING CO., INC. - RIG 2

EQUIPMENT DESCRIPTION

All equipment should be at least 3,000 psi WP or higher unless otherwise specified.

1. Bell nipple.
2. Hydril bag type preventer
3. Ram type pressure operated blowout preventer with blind rams.
4. Flanged spool with one 3-inch and one 2-inch (minimum) outlet.
5. 2-inch (minimum) flanged plug or gate valve.
6. 2-inch by 2-inch by 2-inch (minimum) flanged tee.
7. 3-inch gate valve.
8. Ram type pressure operated blowout preventer with pipe rams.
9. Flanged type casing head with one side outlet.
0. 2-inch threaded (or flanged) plug or gate valve.
   Flanged on 5000# WP, threaded on 3000# WP or less.
1. 3-inch flanged spacer spool.
2. 3-inch by 2-inch by 2-inch by 2-inch flanged cross.
3. 2-inch flanged plug or gate valve.
4. 2-inch flanged adjustable choke.
5. 2-inch threaded flange.
6. 2-inch XXH nipple.
7. 2-inch forged steel 90° Ell.
8. Cameron (or equal.) threaded pressure gage.
9. Threaded flange.
0. 2-inch flanged tee.
1. 2-inch flanged plug or gate valve.
2. 2½-inch pipe, 300' to pit, anchored.
3. 2½-inch SE valve.
4. 2½-inch line to steel pit or separator.

NOTES:

1. Items 3, 4 and 8 may be replaced with double ram type preventer with side outlets between the rams.

2. The two valves next to the stack on the fill and kill line to be closed unless drill string is being pulled.

3. Kill line is for emergency use only. This connection shall not be used for filling.

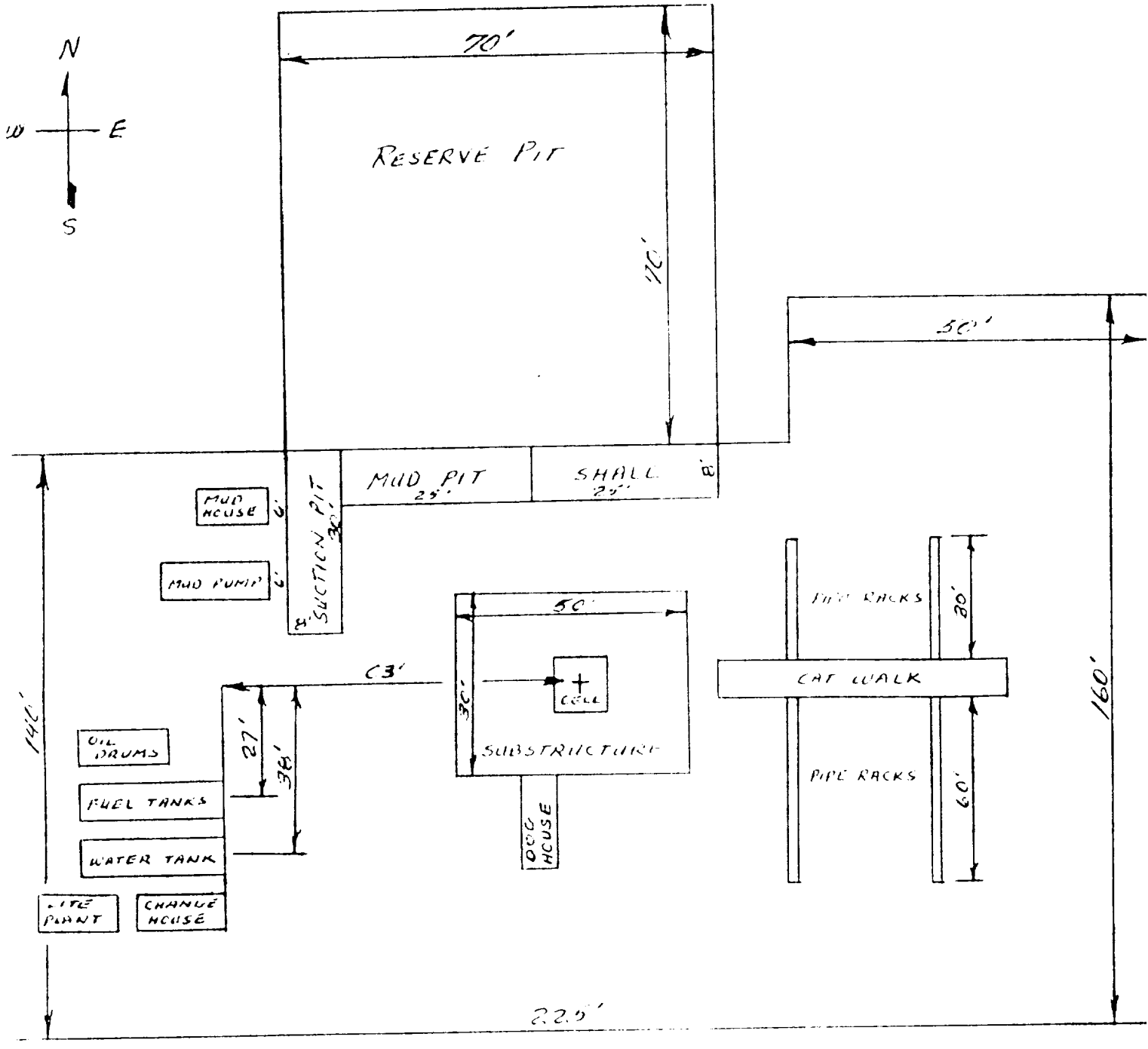
4. Replacement pipe rams and blind rams shall be on location at all times.

5. Only type U, LWS and GHC ram type preventers with secondary seals are acceptable for 5000 psi WP and higher BOP stacks.

6. Type E ram-type BOP's with factory modified side outlets may be used on 3000 psi or lower WP BOP stacks.

EXHIBIT "D" cont.
[illegible] OIL CORPORATION
[illegible]ghar Federal Well No. 2

PLOT LAYOUT FOR RIG



CELLAR

THIS RIG IS EQUIPTED WITH SHAFFER LWS SERIES 900 DOUBLE BOP HYDRAULIC OPERATED - WITH BLANKS 4" AND 4¼" WITH SIDE CONNECTIONS -

MAINTAIN 3' SPACING BETWEEN OIL DRUMS, FUEL TANKS, WATER TANK AND CHANGE HOUSE -

PUT CASING TOOLS ON NORTH SIDE OF RIG

EXHIBIT NO.
LC OIL CORPORATION
RIG LAYOUT
Silver Federal Well No. 2
1980' FEL & 660' FSL, Sec. 11, T-19S, R-29E