Form 9-331 C
(May 1963)

NM OIL CONS. COMMISSION
Drawer DD
Artesia, NEW MEXICO 88210

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-005-61084

DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: NM 23264

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

RECEIVED
AUG 20 1981
O. C. D.
ARTESIA, OFFICE

7. UNIT AGREEMENT NAME:

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

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

8. FARM OR LEASE NAME: SALT FEDERAL

2. NAME OF OPERATOR: MESA PETROLEUM CO.

9. WELL NO.: 7

3. ADDRESS OF OPERATOR: 1000 VAUGHN BUILDING/MIDLAND, TEXAS 79701

10. FIELD AND POOL, OR WILDCAT: UNDESIGNATED ABO

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1980' FSL & 660' FWL
AUG 14 1981
At proposed prod. zone: SAME

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SEC 3, T8S, R23E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 20 MILES NORTH OF ROSWELL

12. COUNTY OR PARISH: CHAVES

13. STATE: NEW MEXICO

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
1980'/660'	2562.87	160
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**
2640'	3550'	ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3952.7' GR

22. APPROX. DATE WORK WILL START*: SEPTEMBER 1, 1981

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"	24#	1400'	SURFACE
7 7/8"	4 1/2"	10.5#	3550'	ISOLATE WTR, O&G

Propose to drill 12 1/4" hole to approximately 1400' to set 8 5/8" surface casing and cement to surface. Will nipple up ram type BOP's and reduce hole to 7 7/8" to drill to total depth. Drilling medium will be air, foam, or mud as required. After log evaluation, 4 1/2" casing may be run and cemented with sufficient kinds and amounts to isolate and seal off any fresh water, oil, or gas zones encountered.

Gas Sales Are 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.

SIGNED R. L. Martin TITLE Regulatory Coordinator DATE August 13, 1981

APPROVED
(Orig. Sgd.) GEORGE H. STEWART
AUG 19 1981
FOR
JAMES A. GILLHAM
DISTRICT SUPERVISOR

(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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

Mesa Petroleum Co.		Galt Federal	7
Unit Letter L	Section 3	Township 8South	Range 23East	County Chaves
Actual Footage Location 1980	South	660	West
Ground Level Elev. 3662.7'	Producing Formation ABO	Pool UNDESIGNATED Abo	Dedicated Acreage SW/4 160

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

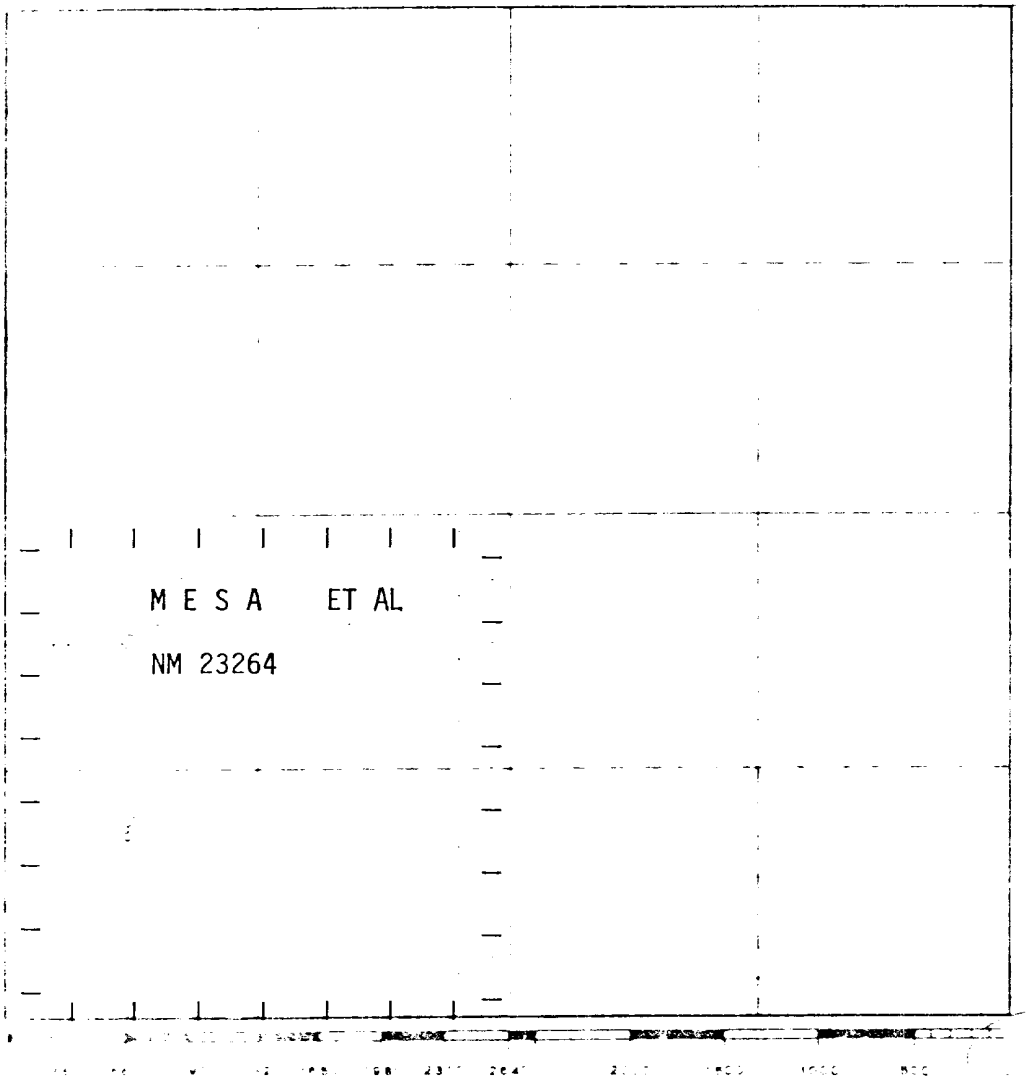
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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.

R. E. Mathis

R. E. MATHIS

REGULATORY COORDINATOR

MESA PETROLEUM CO.

AUGUST 13, 1981

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.

June 26, 1981

JOHN W. WEST
PATRICK A. ROMERO
Registered Professional Engineers

APPLICATION FOR DRILLING

MESA PETROLEUM CO.
SALT FEDERAL #7
1980' FSL & 660' FWL, SEC 3, T8S, R23E
CHAVES COUNTY, NEW MEXICO

LEASE NO: NM 23264

In conjunction with Form 9331-C, Application For Permit to Drill subject well, the following additional information is provided:

1. Applicable portions of the GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL LEASES, Roswell District, Geological Survey of September 1, 1980 will be adhered to.

2. Geological markers are estimated as follows:

SAN ANDRES	SURFACE
GLORIETA	653'
YESO	817'
TUBB	2238'
ABO	2890'

3. Hydrocarbon bearing strata may occur in the Abo formation(s). No fresh water is expected to be encountered below 1000'.

4. The Casing and Blowout Preventer Program will be determined by hole conditions as encountered. (See Exhibit VI) Anticipate drilling with air or foam using ram type preventer and rotating head for well control. The 8 5/8" casing will be set at approximately 1400' to protect any fresh water zones and cemented to the surface. The 4 1/2" production casing will be set at total depth or shallower depending upon the depth of the deepest commercial hydrocarbon bearing strata encountered. Sufficient amounts and kinds of cement would be used to ensure any water, gas, or oil zones encountered are isolated and shut off down to the casing point, if run.

5. No drill stem tests or coring program is planned. The logging program may consist of a GR-CNL from surface to total depth and FDC from casing point to total depth.

6. Anticipated drilling time is ten days with completion operations to follow as soon as a completion unit is available.

MULTI-POINT SURFACE USE AND OPE PLAN

MESA PETROLEUM CO.
SALT FEDERAL #7
1980' FSL & 660' FWL, SEC 3. '3E
CHAVES COUNTY, NEW MEX

LEASE NO: NM 232

This plan is submitted n the Application for Permi the above described well. purpose of this plan is t the location of the prope ell, the proposed construct ities and operational plan in b e actual and post drillin n operations.

1. Existing Roads:

A. Exhibit I i rtion of a highway map sh location of the prop ell as staked. The propos approx- mately 20 mi North of Roswell, New Mexic

B. Directions: Take US Highway 285 North of Ro r approximately 12 miles and turn West at Mile Marker 127 on co d for 3 miles then turn North 1/4 mile then turn West 3/4 mile to the on.

2. Planned Access Road:

A. Length and width: The new access road will b ide (20' ROW) and approximately 1 mile in length from count

(See Exhibit II)

B. Construction: The new road will be construct rading and topping with compacted caliche. The surface crowned, with drainage on both sides. (See Exhibit II

C. Culverts, Gates and Cattleguards: One shallow crossing.

D. Cut and Fill: In order for the location to b , approxi- mately 3' will be moved from the North to the for fill.

3. Location of Existing Wells:

Existing wells within a one-mile radius are depi Exhibit IV.

4. Location of Exi nd/or Proposed Facilities:

If the well pr e commercial, the necessa duction facilities, ga ion process equipment and battery, will be installed lling pad.

5. Location and S ter Supply:

It is planned the proposed well with air f needed, water will be obtai ommercial sources and wi trucked to the wellsite existing roads and propose ess road shown on Exhib II or piped in from a nea source.

6. Source of Cons Materials:

Caliche for su he road and wellsite pad w be obtained by the dirt co from an approved pit. Pro e pit is located: SE/4, SEC 2, T8

7. Methods of Handl ste Disposal:

A. Drill cutti ll be disposed of in the reserve pits.

B. Drilling fl ill be allowed to evaporate in the reserve pits until ts are dry.

C. All pits wi fenced with normal fencing material to prevent livestock tering the area.

D. Water produ ring operations will be collected in tanks until haule n approved disposal system, or separate disposal ap ion will be submitted to the USGS for approval.

E. Current law regulations pertaining to the disposal of human waste be complied with.

F. Trash, wast r, garbage and junk will be buried in a separate t t and covered with a minimum of 24 inches of dirt. All material will be contained to prevent scattering wind.

G. All trash a ris will be buried or removed from the wellsite within 30 d ter finished and/or completion operations.

8. Ancillary Facil None required.

9. Wellsite Layout:

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

B. Some leveling of the wellsite may be required. See Exhibit III for additional details.

C. The reserve pit will not 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, if drying conditions permit.

11. Other Information:

A. Topography: The land surface in the vicinity of the wellsite is karst in nature with typical arrid errosion patterns present.

B. Soil: The topsoil at the wellsite is sandy loam.

C. Flora and Fauna: See the Archaeological Report filed by NMAS, Inc. for a description of vegetative types.

D. Ponds and Streams: Hackberry Draw is 1/4 mile to the North.

E. Residences and Other Structures: None.

F. Land Use: Grazing.

G. Surface Ownership: The wellsite is on Federal surface.

H. There is no evidence of any major archaeological, historical, or cultural sites in the area. NMAS, Inc. has conducted an archaeological study of this site and provides this report to interested parties.

12. Operator's Representatives:

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

J. James
P. O. Box 298
Roswell, New Mexico
(505-622-0992) - Office
(505-622-0234) - Home

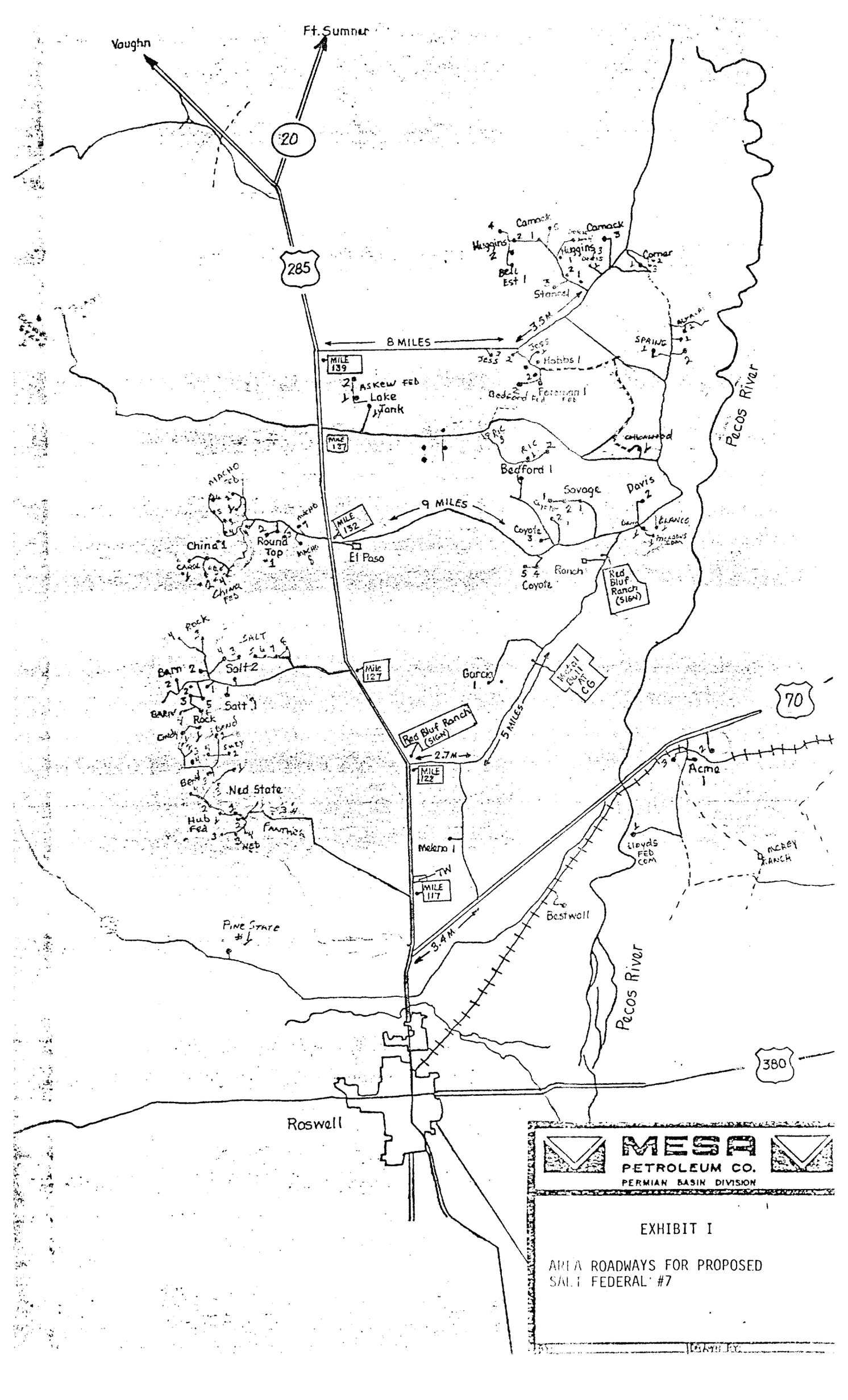
W. R. Miertschin
1000 Vaughn Building
Midland, Texas 79701
(915-683-5391) - Office
(915-682-6535) - Home

13. Certification:

I hereby certify that I, or person 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 Mesa Petroleum Co. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

August 13, 1981
DATE

Michael P. Houston
MICHAEL P. HOUSTON
OPERATIONS MANAGER



MESA PETROLEUM CO.
PERMIAN BASIN DIVISION

EXHIBIT I

AREA ROADWAYS FOR PROPOSED
SALT FEDERAL #7

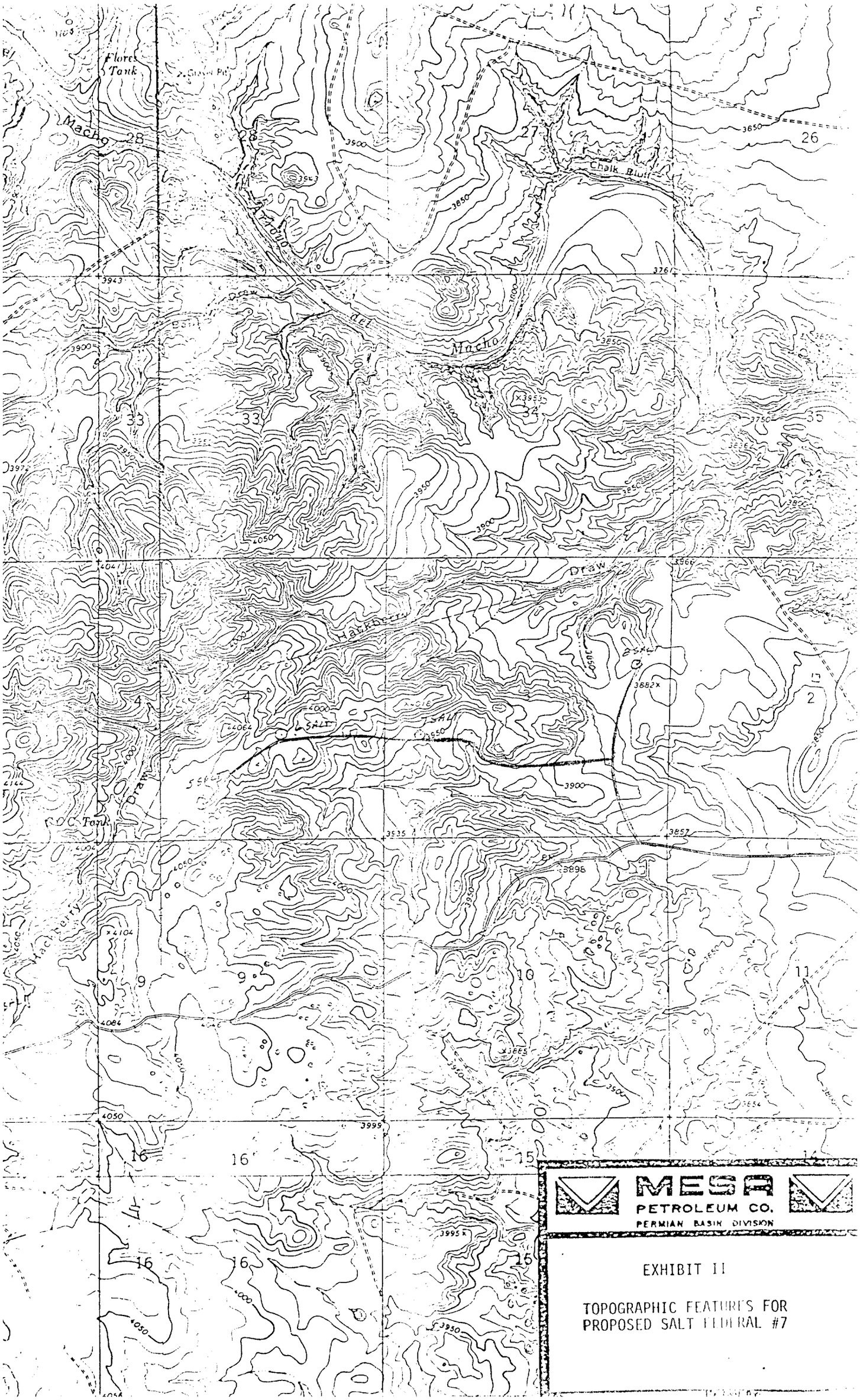
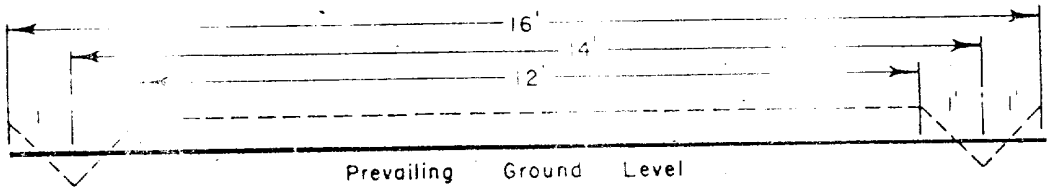


EXHIBIT II

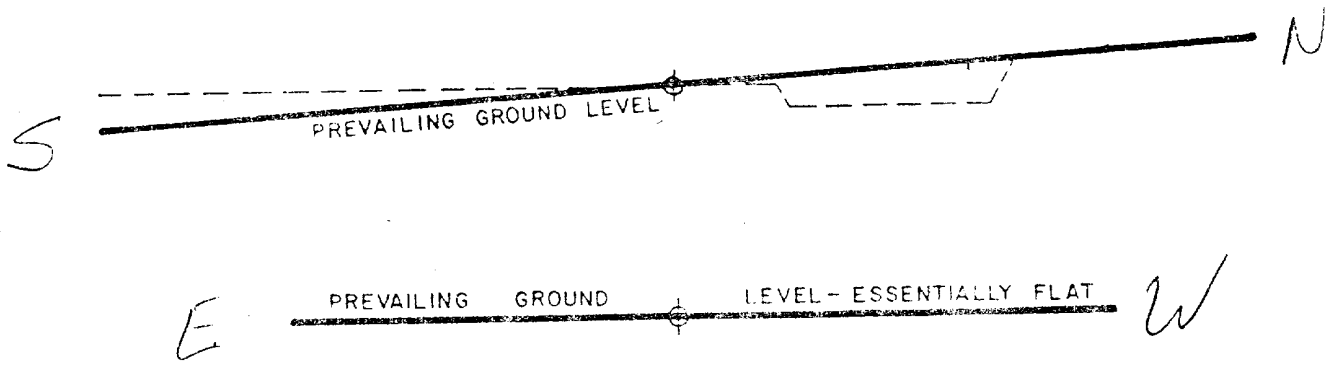
TOPOGRAPHIC FEATURES FOR
PROPOSED SALT FEDERAL #7

R - O - W 16'



ROADWAY CROSS SECTION

Horizontal Scale 1" = 3'



LOCATION CROSS SECTION

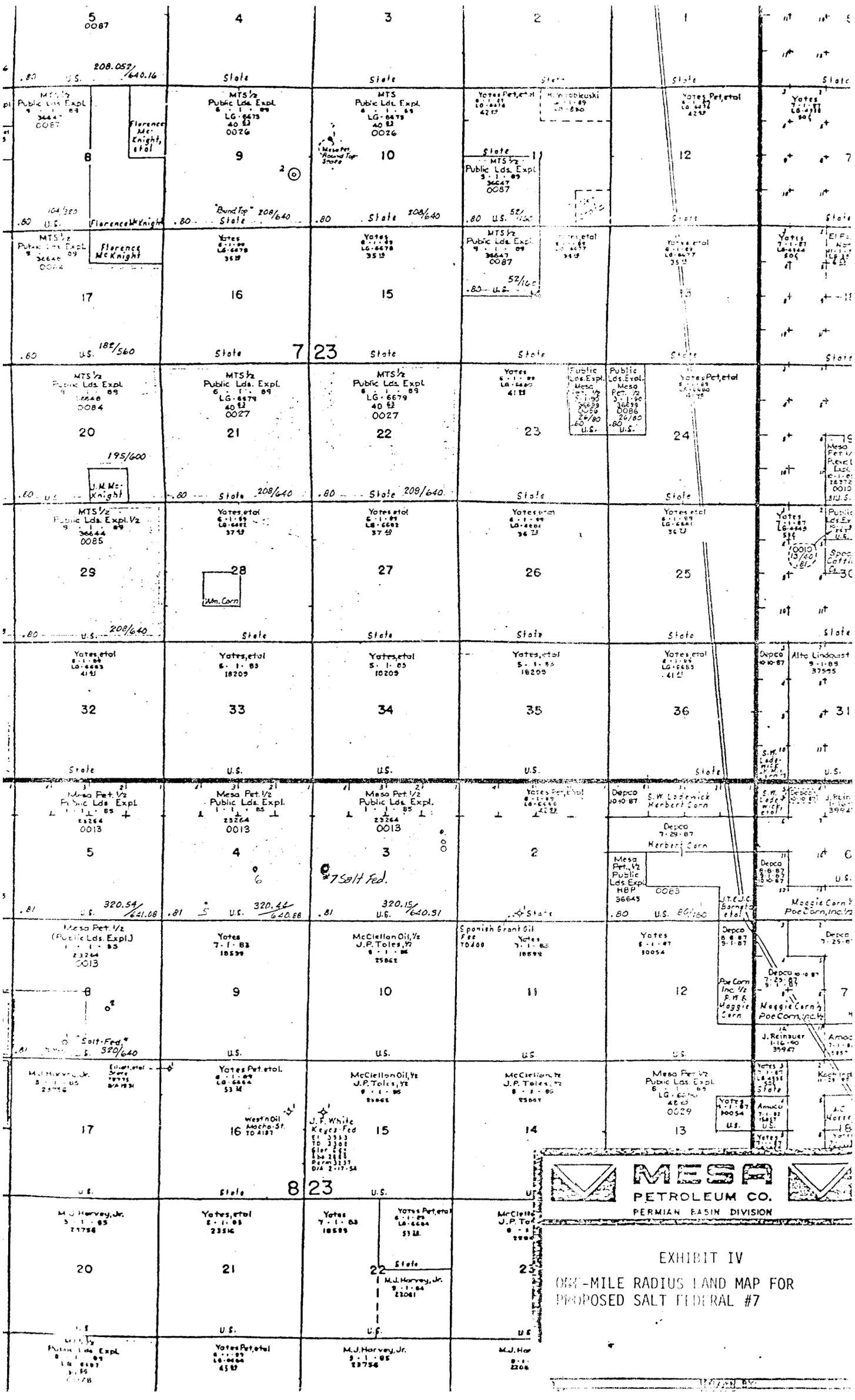
Horizontal Scale 1" = 50'

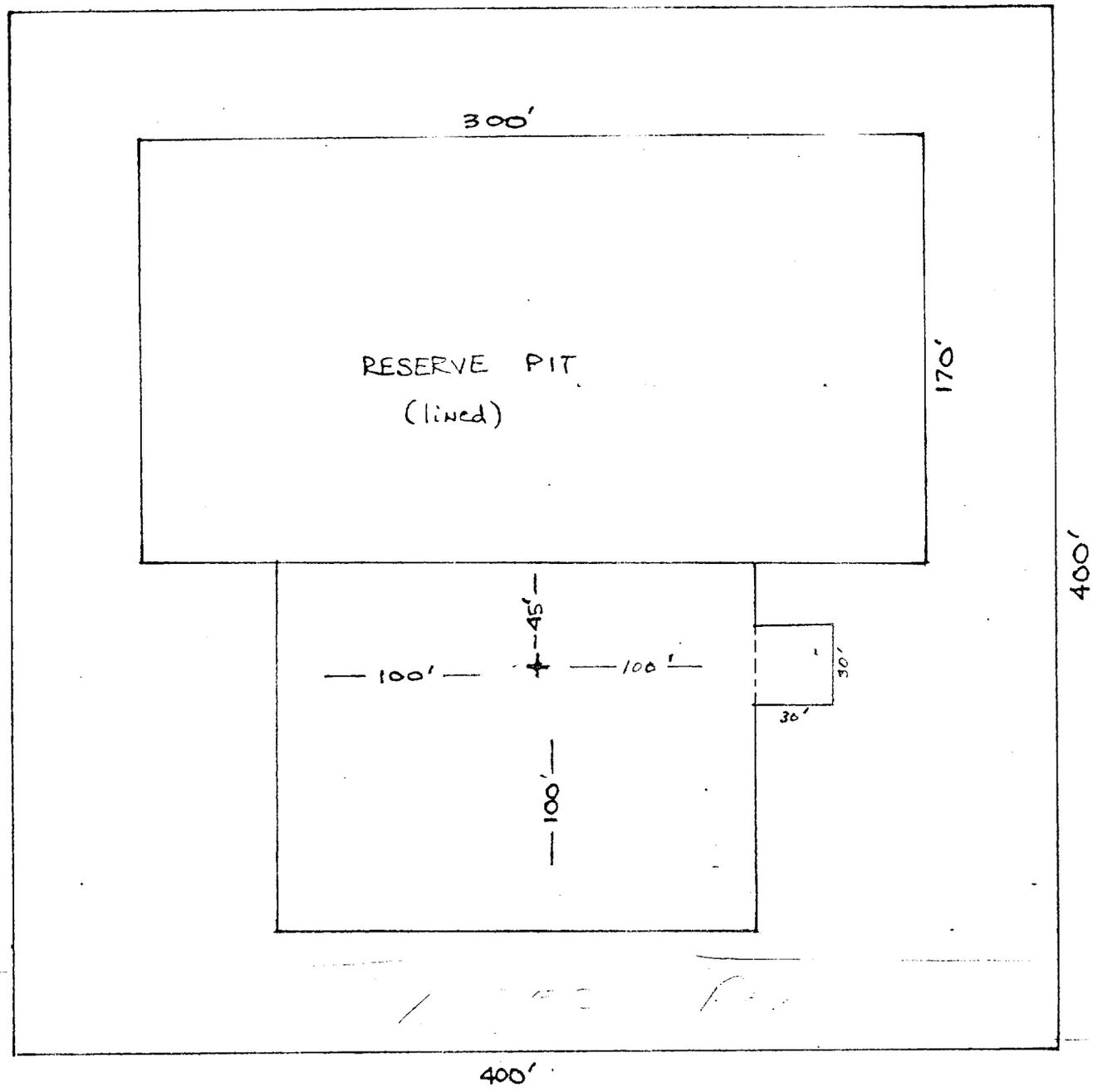
MESA PETROLEUM CO.
PERMIAN BASIN DIVISION

EXHIBIT III

LOCATION CONSTRUCTION

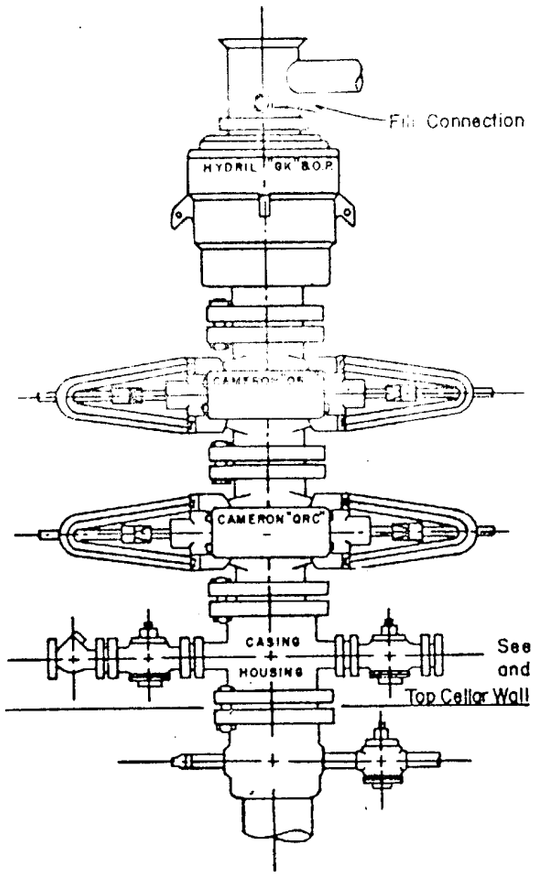
DRAWN BY: M.L.P.
SCALE AS NOTED


MESA
PETROLEUM CO.
PERMIAN BASIN DIVISION
EXHIBIT IV
ONE-MILE RADIUS LAND MAP FOR
PROPOSED SALT FEDERAL #7

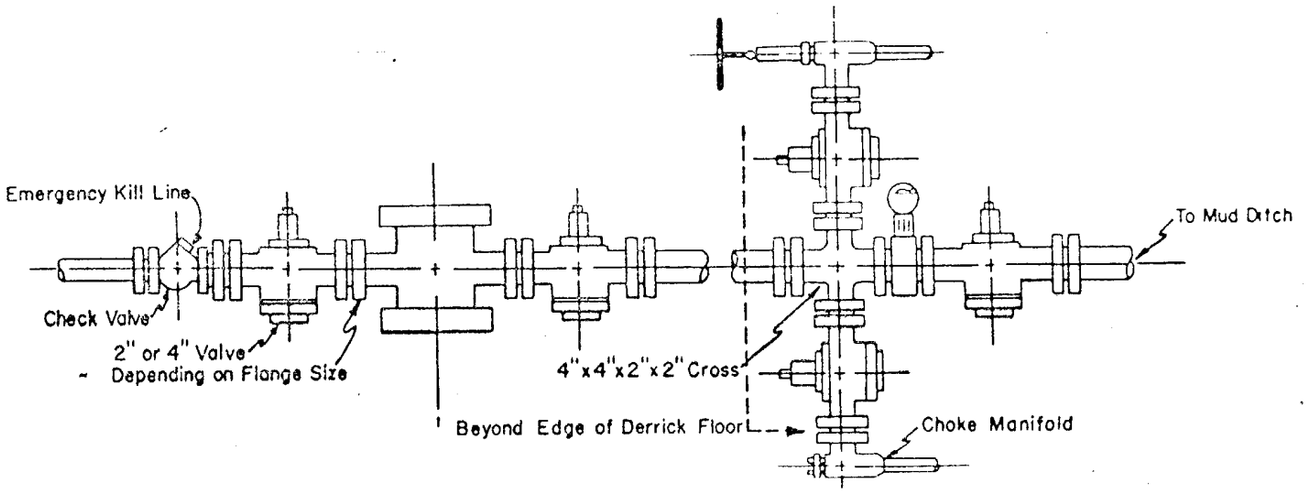


MESA
PETROLEUM CO.
PERMIAN BASIN DIVISION

Blow-out Preventers hydril and choke manifold are all 900 Series



3,000 PSI WORKING PRESSURE
BLOW-OUT PREVENTER HOOK-UP



3,000 PSI WORKING PRESSURE
KILL, CHOKE, AND FILL CONNECTIONS

DETAIL OF 4" FLOW LINE CHOKE ASSEMBLY

Minimum assembly for 3,000 PSI working pressure will consist of three preventers. The bottom and middle preventers may be Cameron.

NOTE: HYDRIL not installed on shallow-low pressure wells. RAM type BOPs are API 10" X 3000 PSI.

MESA PETROLEUM CO.
PERMIAN BASIN DIVISION

E X H I B I T

V I