

NM CONS. COMMISSION
Drilling DD
ARTESIAN AND SPRINGS
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYSUBMIT IN PLICATE*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.30-005-61438
RECEIVED
NM 38343
MAR - 1 1982C/SF
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION NM 38343
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME MAR - 1 1982
2. NAME OF OPERATOR SANDERS PETROLEUM CORPORATION ✓		7. UNIT AGREEMENT NAME O. C. D.
3. ADDRESS OF OPERATOR 11000-D Spain Rd. N.E., Albuquerque, N.M. 87111		8. FARM OR LEASE NAME Michael ERIC
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At surface 1980'/S 1980'/E Sec.22-7S-26E At proposed prod. zone Same		9. WELL NO. 4
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 25 miles northeast of Roswell, New Mexico		10. FIELD AND POOL, OR WILDCAT Undesignated Abo
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1980'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec.22-7S-26E
16. NO. OF ACRES IN LEASE 640		12. COUNTY OR PARISH Chaves
17. NO. OF ACRES ASSIGNED TO THIS WELL 160		13. STATE N.M.
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2640'		14. ROTARY OR CABLE TOOLS Rotary
19. PROPOSED DEPTH 4600' ABO		22. APPROX. DATE WORK WILL START* February 10, 1982
20. ELEVATIONS (Show whether DF, RT, GR, etc.) 3767' GL		

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"	24.0# J-55	840'±	600 sx (Circulate)
7 7/8"	4 1/2"	9.5# J-55	TD	900 sx - Sufficient to isolate water, oil and gas zones

Propose to drill to approximately 4600' to test Abo and intermediate formations.

See attached "Supplemental Drilling Information" and BOP diagram.

RECEIVED
FEB 1 1982

Gas is not dedicated to a pipeline.

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.

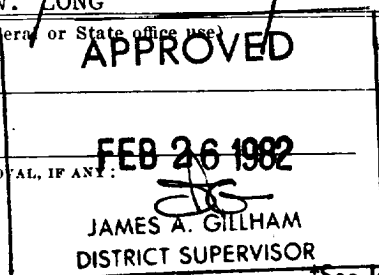
24. SIGNED Jerry W. Long TITLE Agent DATE February 1, 1982

(This space for Federal or State office use)

PERMIT NO. _____

APPROVED BY _____

CONDITIONS OF APPROVAL, IF ANY: _____

APPROVAL DATE _____
APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

*See Instructions On Reverse Side

All distances must be from the outer boundaries of the Section

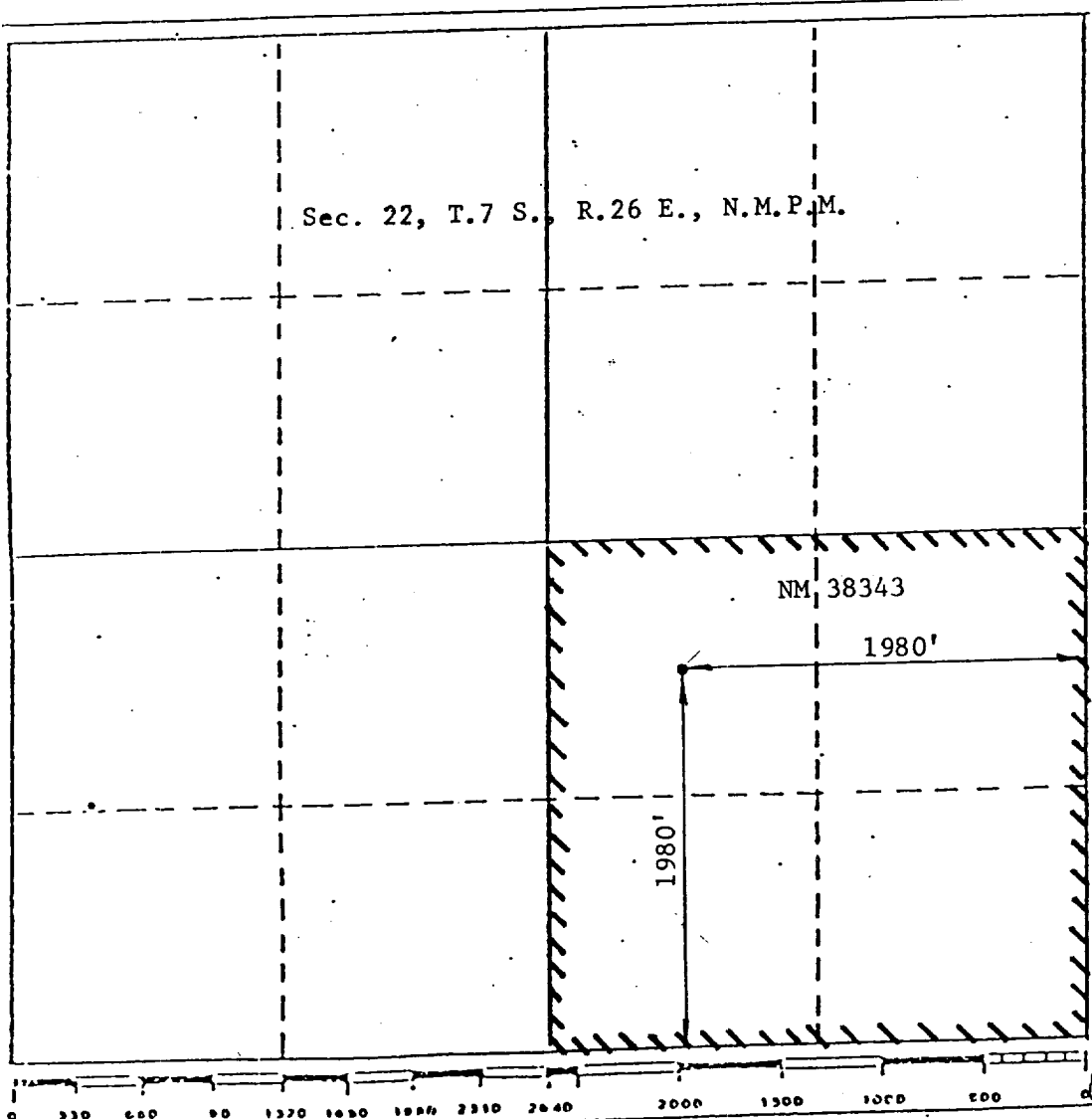
Operator Sanders Petroleum Corp.		Lease Michael Eric		Well No. #4
Unit Letter J	Section 22	Township 7 South	Range 26 East	County chaves
Actual Postage Location of Well: 1980 feet from the South line and 1980 feet from the East line				
Ground Level Elev. 3767	Producing Formation Abo	Pool Undesignated Abo	Dedicated Acreage: 160 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). Single Lease
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 Division.



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	JERRY W. LONG
Position	Agent
Company	SANDERS PETROLEUM CORPORATION
Date	February 1, 1982
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 28, 1982
Registered Professional Engineer and/or Land Surveyor	
John D. Jaquess, P.E. & L.S.	
Certificate No.	6290

SUPPLEMENTAL DRILLING DATA

SANDERS PETROLEUM CORPORATION
No.4 Michael Eric
1980'/S 1980'/E Sec.22-7S-26E
Chaves County, N.M.

NM 38343

The following items supplement Form 9-331C in accordance with NTL-6 instructions.

1. SURFACE FORMATION: Artesia Group of the Permian System.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Artesia Group	- Surface	San Andres	- 750'
Salt	- 200'	Glorieta	- 1800'
Queen	- 500'	Tubb	- 3300'
Penrose	- 600'	Abo	- 3980'

3. ESTIMATED DEPTH TO WATER, OIL OR GAS:

Fresh water	- In surface formations
Salt water	- In San Andres below 750'
Gas	- In Abo formation below 4000'

4. PRIMARY OBJECTIVE:

Gas from Abo formation.
No fresh water expected below 200'.

5. CASING AND CEMENTING PROGRAM:

Surface: 840' of 8 5/8", 24#, J-55, ST&C casing cemented with 400 sx HLW + 1/4# flocele + 2% CaCl mixed to 12.4 ppg. Tail in with 200 sx Class "C" + 4% CaCl mixed to 14.8 ppg. Cement will be circulated to the surface. If necessary, cement will be circulated to the surface using 1" pipe down the annulus. If severe lost circulation has been encountered while drilling the 12 1/4" hole, the cementing job will be preceded with 200 sx thick-set cement mixed to 14.8 ppg. Install 8 5/8"X10" API 3000# casinghead. Nipple up 10" API 3000# WP double-ram BOP to drill 7 7/8" hole to total depth. Choke, kill, and fill lines will be installed. The BOP system and casing will be tested to 1500 psi before drilling out the 8 5/8" casing. A full opening safety valve, to fit the drill pipe in use, will be kept available on the rig floor. Working condition of BOP rams will be checked at least daily. See Exhibit "D" for BOP diagram.

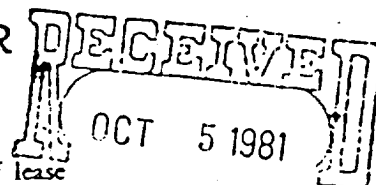
Production: 4600' of 4 1/2", 9.5#, K-55, ST&C casing will be cemented with 500 sx HLW + 1.4% flocele + 10# salt mixed to 12.7 ppg. Tail in with 400 sx 50/50 POZ + 2% gel + 8# salt + 3/10% CFR-2 mixed to 14.1 ppg, to raise cement to at least 150' above top of Abo. Run temperature log to confirm top of cement.

6. CIRCULATING MEDIUM:

- 0' - 750' Use fresh water spud mud with fresh water gel and soda ash or lime. Treat with lost circulation material as recommended by mud contractor. If total lost circulation occurs, mix 2 or 3 viscous slugs with LCM and attempt to regain circulation. If unsuccessful, will attempt drilling without returns to casing point and spot about 150 barrels viscous slug treated with LCM on bottom before running pipe.
- 750' - 3300' Drill out 8 5/8" casing with fresh water. Add caustic soda for ph 9.0-9.5 and chemicals for corrosion control. Add LCM as needed to control lost circulation or to sweep the hole.
- 3300' - TD Maintain mud weight less than 10 ppg with additions of fresh water while keeping chloride ion concentration of 40,000-50,000 ppm and KCL at 3%. At top of Abo mud up with starch and soda ash to control water loss to 20-25cc to TD. Salt Water Gel will be added to clean hole to log and run casing.

7. CORING, TESTING AND LOGGING: No coring or testing is planned for this well. It is proposed to run a Gamma Ray log from TD to surface and a Compensated Neutron-Density-Caliper log from the 8 5/8" casing shoe to TD.
8. SUBSURFACE HAZARDS: Maximum bottom hole pressure is expected to be about 1500 psi. Mud weight required to offset this pressure would be 9.0 ppg. Bottom hole temperature should not exceed 120°F. No sour gas is expected.
9. ANTICIPATED STARTING DATE: Anticipated spud date is February 17, 1982. Drilling should be completed in about 10 days. Completions operations will follow the drilling operations as soon as a unit is available. Completion will consist of normal perforating, stimulating and swabbing.

DESIGNATION OF OPERATOR



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

DISTRICT LAND OFFICE: New Mexico
SERIAL No. NM-38343

OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

and hereby designates

NAME: Sanders Petroleum Corporation
ADDRESS: 11,000-D Spain NE
Albuquerque, New Mexico 87111

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):

All of Section 22, Township 7 South, Range 26, East, N.M.P.M.
Chaves County, New Mexico

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.

SUN OIL COMPANY (DELAWARE)

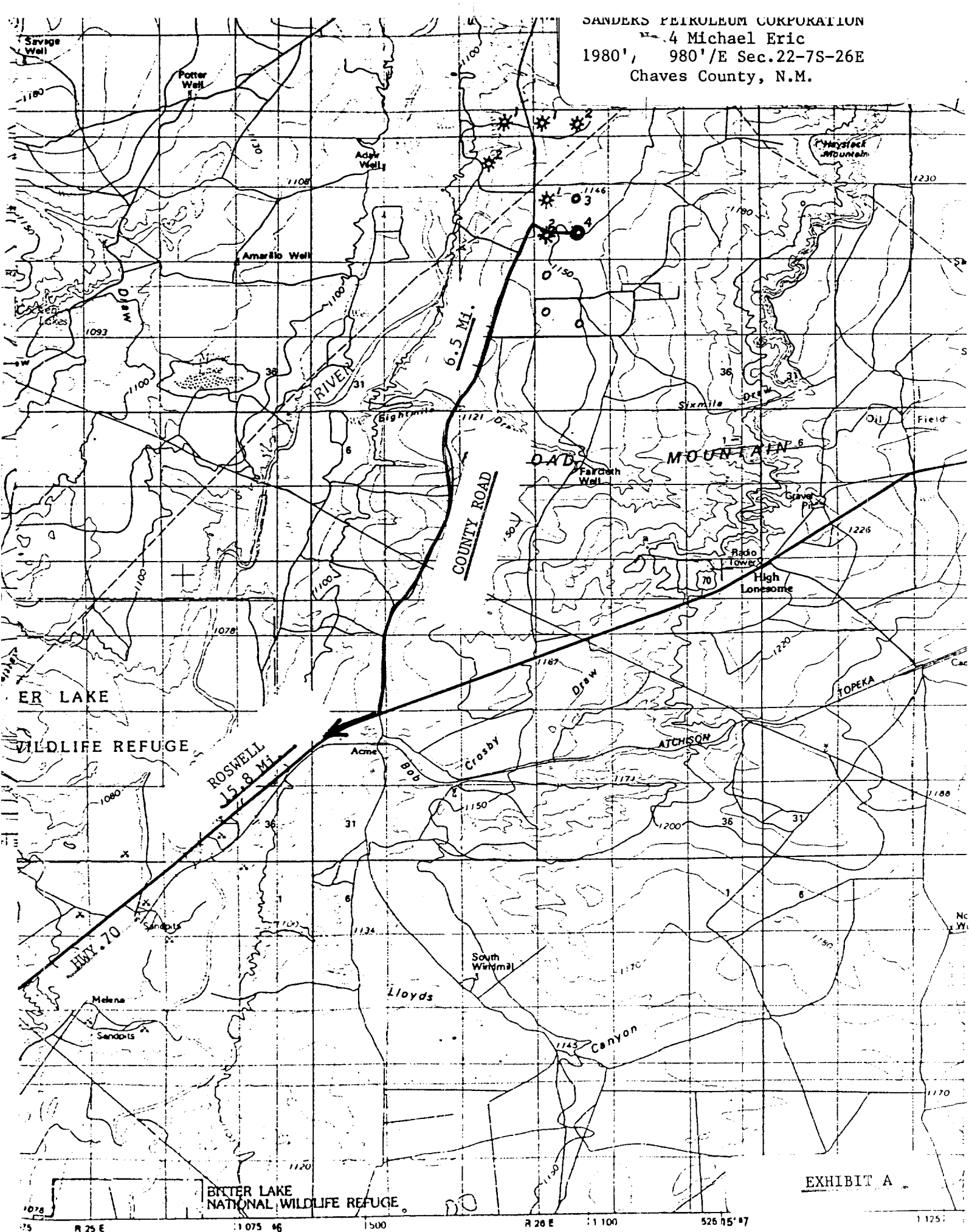
(Signature of Lessee)

Wallace B. Langston
Regional Manager - Northern Region
P. O. Box 340184, Dallas, TX 75234

(Address)

Sept 30 1981
(Date)

SANDERS PETROLEUM CORPORATION
4 Michael Eric
1980', 980'/E Sec.22-7S-26E
Chaves County, N.M.



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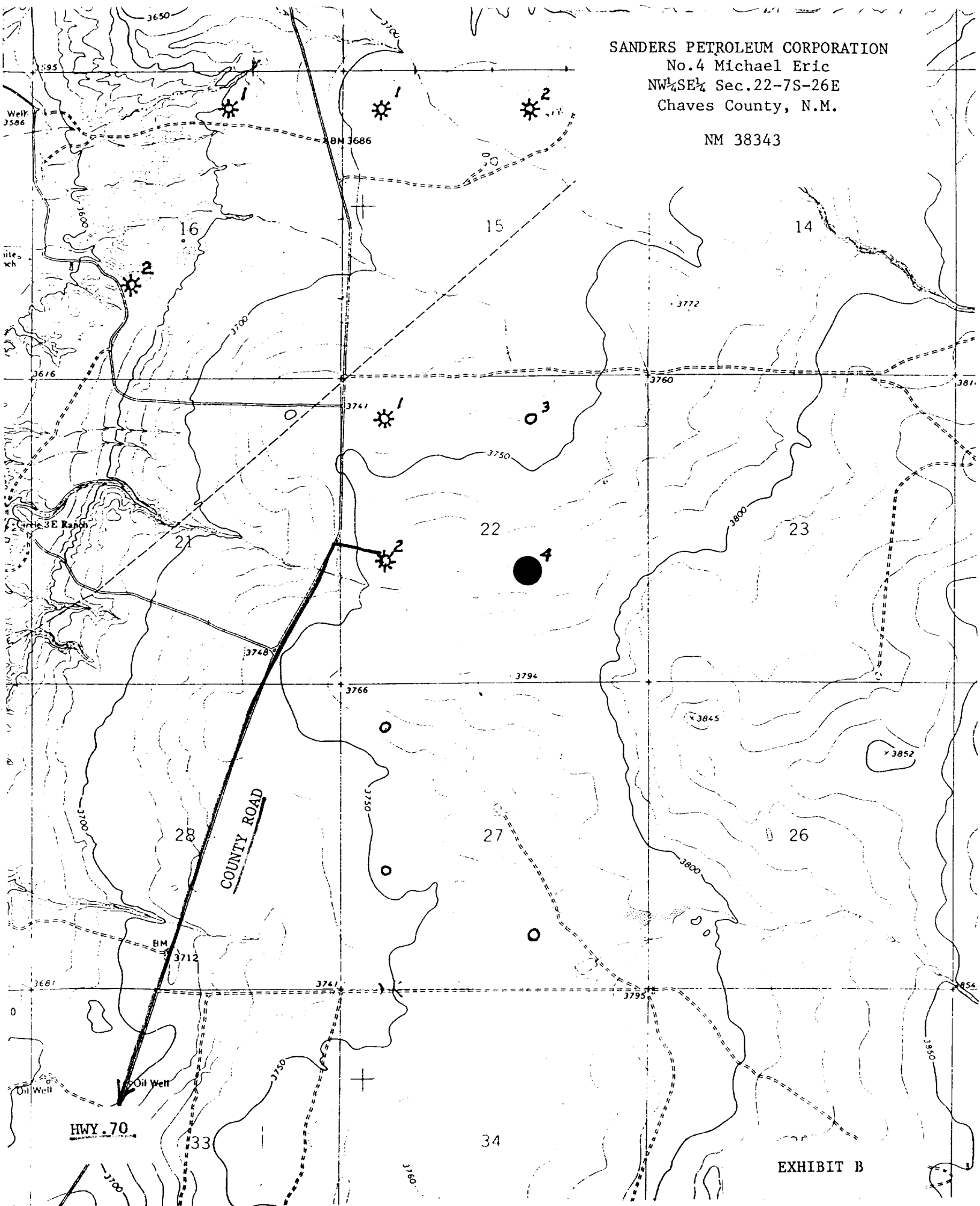
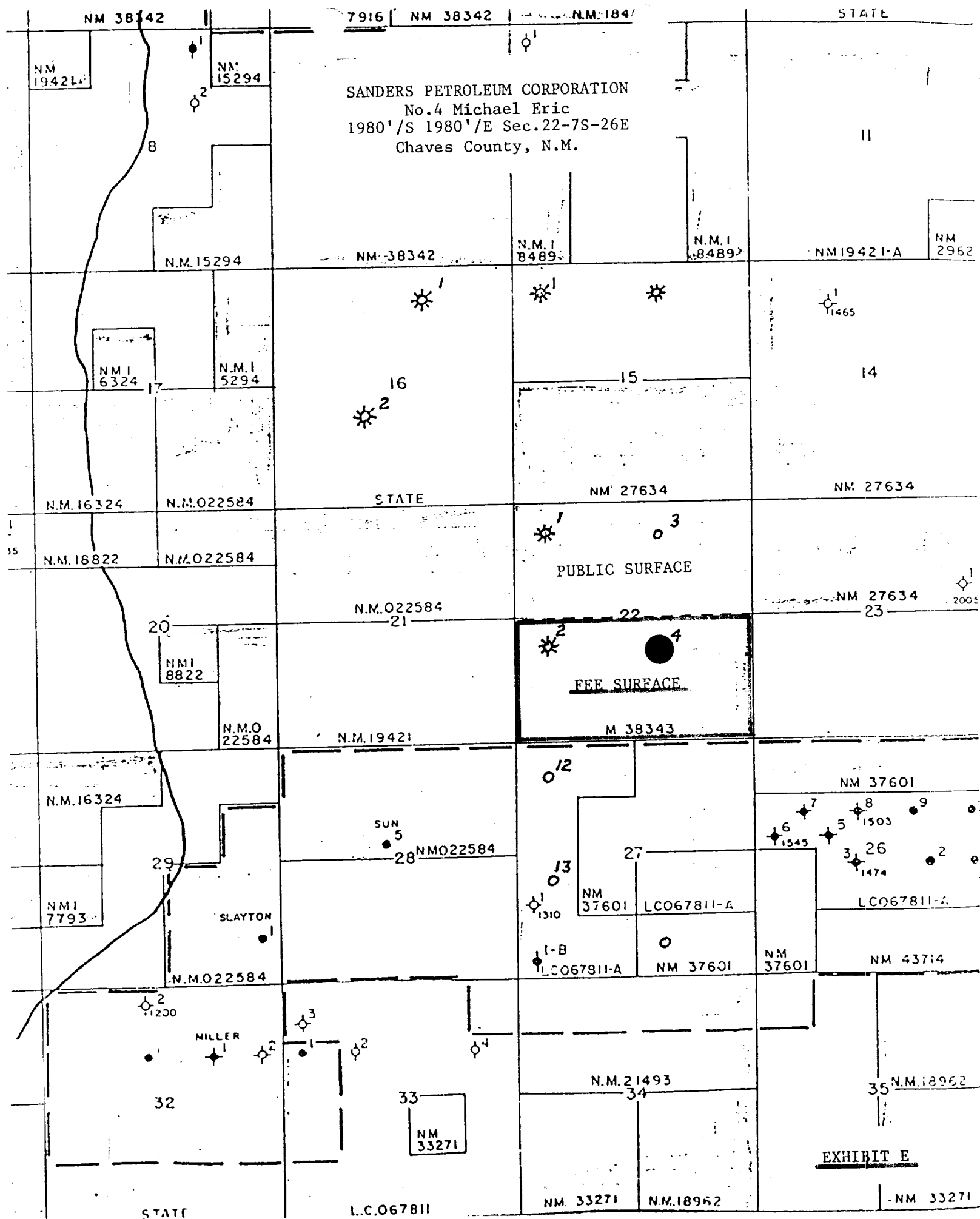
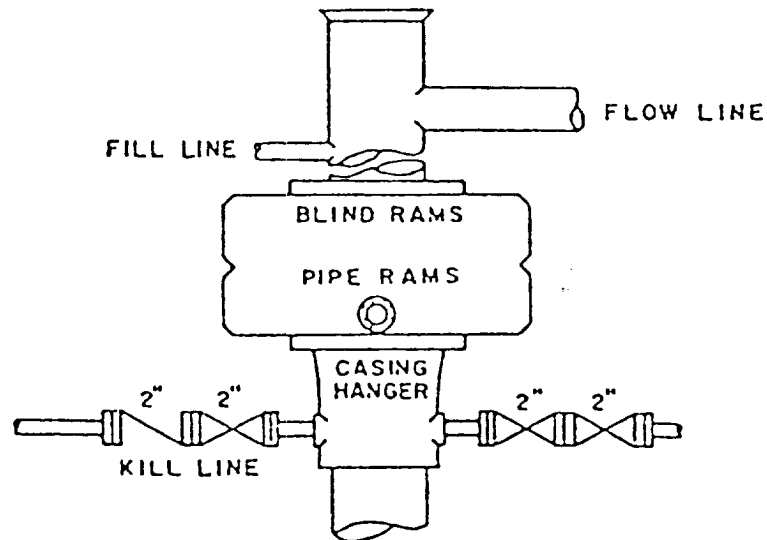


EXHIBIT B



SANDERS PETROLEUM CORPORATION
No.4 Michael Eric
NW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec.22-7S-26E
Chaves County, N.M.

NM 38343



BOP STACK

3000 PSI WORKING PRESSURE
RAMS WILL BE OPERATED DAILY