

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYSUBMIT IN TRIPPLICATE*
(Other ins. to be filed on reverse side)Form approved.
Budget Bureau No. 42-R1425.

30-015-22681

5. LEASE DESIGNATION AND SERIAL NO.

NM-8034

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

El Paso Federal

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Unnamed Delaware

11. SEC., T., E., M., OR BLK.
AND SURVEY OR AREA

Sec. 12, T-24S, T-31-E

12. COUNTY OR PARISH

Eddy

New Mexico

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

Coquina Oil Corporation ✓

3. ADDRESS OF OPERATOR

P. O. Drawer 2960, Midland, Texas 79702

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

At surface

660' FWL & 660' FSL of Sec. 12

At proposed prod. zone Same

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

24 miles S. E. of Loving, N.M.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

660'

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

1,867'

16. NO. OF ACRES IN LEASE

760.44 120

19. PROPOSED DEPTH

4,700'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3,553' GL

22. APPROX. DATE WORK WILL START*

9-5-78

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#	375	275 sxs; Circ to surface
7-7/8"	4-1/2"	10.5#	4,700	250 sxs

We will drill a 12-1/4" hole to a depth of 375' using a gel/lime slurry of 31-33 viscosity. Run new 8-5/8" OD casing and cement with approximately 275 sxs of cement and circulate cement to surface. WOC 12 hrs. Drill out in 8-5/8" hole using fresh water as the circulating medium to the top of the salt section approximately 1,600'. At this depth the circulating medium will be brine water to a depth of 4,300' at which depth we will "mud up" with salt water system with the following properties: Wt. 9.8 ppg, Vis. 35 sec., WL 3 - 4" cc. We plan to core the Delaware sand with this system, run a DST, run IES and GR/N surveys, and if indicated, set and cement 4-1/2" O.D. casing at TD 4,700'.

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

Leland Franz

TITLE

Drilling Manager

DATE

8-10-78

(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



United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Box 26124
Albuquerque, New Mexico 87125

AUG 31 1978

Coquina Oil Corporation
Attention: Mr. Leland Frans
Post Office Drawer 2960
Midland, Texas 79702

Coquina Oil Corporation
El Paso Federal Well No. 2
660 FWL 660 FWL Sec. 12, T24S, R31E
Eddy County Lease No. MM-8034

Above Data Required on Well Sign

Gentlemen:

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 4,700 feet to test the Delaware formation 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 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 his approval including the GENERAL REQUIREMENTS.
3. Submit a Daily Report of Operations from spud date until the Well Completion Report (form 9-330) is filed. The progress report should be not less than 8" x 5" in size and each page should identify the well.
4. All above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate sandstone brown (Federal Standard Color #595A, color 20318 or 30318).

Sincerely yours,

cc:

Regional Manager, Denver

Mining Branch (2)

BLM, Roswell (w/cy Notice)

✓ NMOC, Artesia (2) (w/2 cys Notice) Area Oil and Gas Supervisor

Artesia (w/cy Notice)

Roswell (w/cy Notice)

Area (potash)

Area (Chrono.)

(ORIG. SGD.) JAMES W. SUTHERLAND

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.

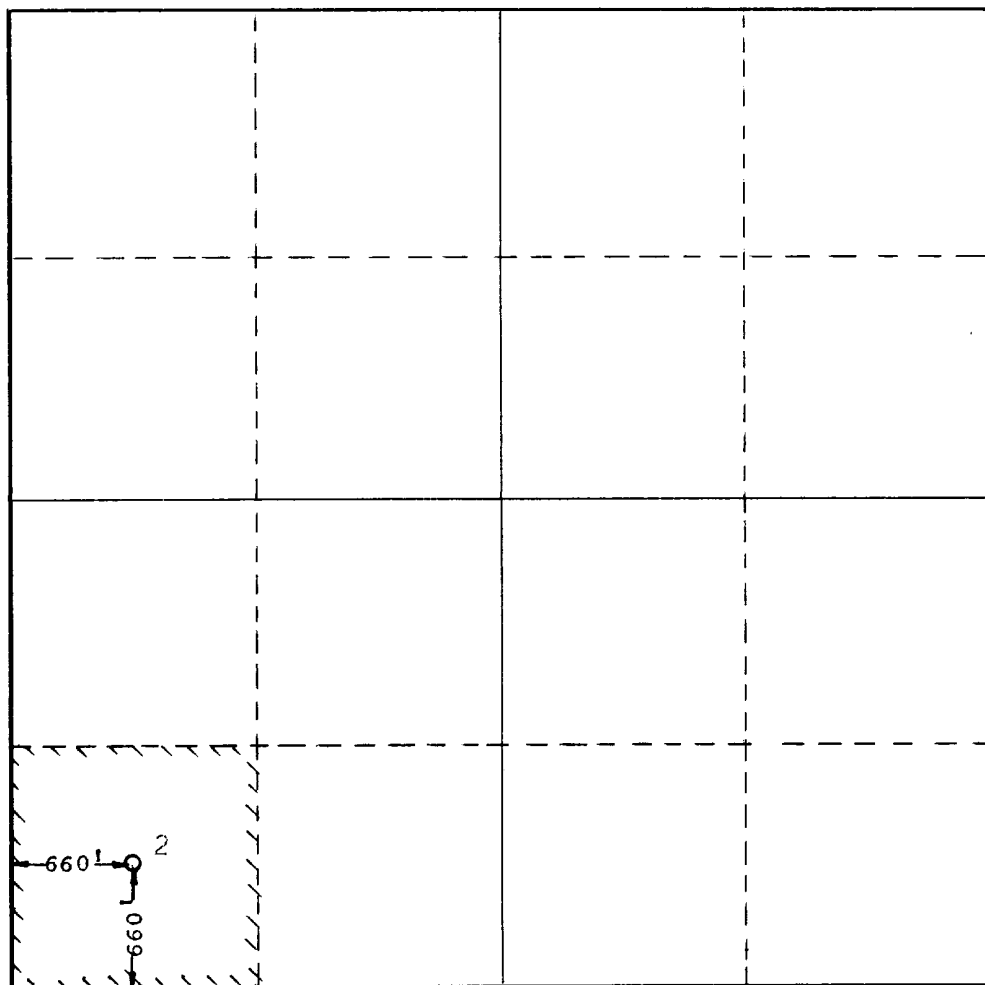
Operator COQUINA OIL CORPORATION			Lease EL PASO FEDERAL		Well No. 2
Unit Letter M	Section 12	Township 24-S	Range 31-E	County EDDY	
Actual Footage Location of Well: 660 feet from the SOUTH line and 660 feet from the WEST line					
Ground Level Elev. 3553	Producing Formation Sale		Pool und. Delaware		Dedicated Acreage: 40 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.



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ARTESIA, NEW MEXICO

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

J. B. Taylor

Name
J. B. Taylor
Position
Vice Pres
Company
Coquina Oil Corp.
Date
July 31, 1978

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
July 28, 1978
Registered Professional Engineer and/or Land Surveyor
Mal E. Shours
Certificate No.
2189

APPLICATION FOR DRILLING

COQUINA OIL CORPORATION
EL PASO FEDERAL NO. 2
660' FSL & 660' FWL
Sec. 12, T-24-S, R-31-E
EDDY COUNTY, NEW MEXICO

In conjunction with Form 9-331, Application for Permit to Drill the above described well, Coquina Oil Corporation submits the following ten items of pertinent information in accordance with U.S.G.S. requirements. Exhibit A is a well location and acreage dedication plat for the proposed well.

1. The Geologic surface formation is the Quaternary Alluvium.

2. The estimated Geologic tops are as follows:

Rustler	827'
Delaware	4,538'
Delaware Sand	4,565'
Ford Shale	4,595'
Olds Sand	4,605'

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

Water: Possible fresh water at approximately 350' - 400'.

Oil: Delaware 4,574' - 4,594'.

4. Proposed casing program: See form 9-331C

5. Pressure Control Equipment:

See Exhibit "D"

6. Mud Program: See form 9-331C

7. Auxiliary Equipment:

A. Kelly cock in kelly

B. Floats at the bit

C. A sub on the floor with a full opening valve to be stabbed into the drill pipe when the kelly is not in the string.

8. Testing, Logging, and Coring Program:

A. DST's in each formation which have sufficient hydrocarbon shows.

B. Logs: An induction Electric Log Survey from the base of surface pipe to TD and a Gamma Ray Neutron Log over selected intervals.

C. Cores: At this time it is anticipated that the Delaware Sd will be cored.

9. Sufficient material to increase mud weight to 9.8 - 10.0 ppg will be kept at location and will be adequate to handle any pressures expected to be encountered. No abnormal pressured zones are anticipated.
10. The anticipated starting date is around September 5, 1978.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

COQUINA OIL CORPORATION
EL PASO FEDERAL WELL NO. 2
660' FSL & 660' FWL Sec. 12-T24S-R31E
EDDY COUNTY, NEW MEXICO

This plan is submitted with Form 9-331C, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures 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 operation.

1. EXISTING ROADS:

- A. Exhibit "B" is a portion of a county map showing the route to the proposed location and the surrounding area. Exhibit "C" is a portion of a U.S.G.S. topographic map on a scale of one inch equal to 2,000 feet, showing elevations, area, and roads in the immediate vicinity of the proposed location. The location is approximately 24 miles south and east of Loving, New Mexico, just off of State Highway 128.

DIRECTIONS:

From Loving, New Mexico east on Highway 128 approximately 23 miles, turn southwest on gravel road for approximately 1/2 mile of a mile to dirt road going in northwest direction. Travel on this road for .3 mile to Well No. 1, turn south-southwest direction for .3 mile to location.

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ARTESIA, NEW MEXICO

2. PLANNED ACCESS ROAD:

- A. The New Access Road will be approximately 1,867' in length from the point of origin to the edge of the drilling pad. The road will lie in a southwest direction.
B. The road will be 12' in width (16' ROW).
C. The new road will be covered with the necessary depth of caliche. The surface will be crowned with drainage on both sides.

3. LOCATION OF EXISTING WELLS:

- A. There is one producing well located in the same section, the El Paso Federal No. 1, located in the NE/4, SW/4 of Sec. 12, 1,867' NE of the proposed location of Well No. 2.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. In the event this well is productive of oil, production facilities will be shared with Well No. 1. It is expected that artificial lift will be needed.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill this well with fresh and brine water systems. The water will be obtained from commercial sources and hauled to the location by trucks over the existing and proposed roads shown in Exhibits "B" & "C".

6. SOURCES OF CONSTRUCTION MATERIAL:

- A. There is an existing caliche pit located within approximately one mile of this proposed location on Federal owned surface.

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 dry.
- C. Water produced during operations will be hauled to an approved disposal system or a separate disposal application will be submitted to the U.S.G.S. for appropriate study.
- D. Oil produced during operations will be sold to approved trucking companies until such time as sufficient quantities are developed to justify the installation of a crude oil pipe line.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. Trash, waste paper, garbage, and junk will be collected and buried in a separate trash pit and covered with 24 inches of dirt. All waste materials will be collected in such a manner as to prevent scattering by the wind.

8. ANCILLARY FACILITIES

- A. None required.

9. WELLSITE LAYOUT

- A. Exhibit "E" shows the dimensions of the well pad and the location of the major drilling components.
- B. The ground surface at the drillsite is flat and sandy. No cutting will be needed to level the pad area, and approximately six inches of caliche fill will be used.
- C. The reserve pits will be plastic lined.
- D. The drillsite has been staked.

10. RESTORATION OF THE SURFACE:

- A. After all drilling and/or completion operations, excess or unnecessary equipment will be removed. The location will be cleared and cleaned to leave it in as aesthetically pleasing a condition as possible.
- B. If the proposed well is non-productive, all rehilibation and vegetation requirements of the BLM & USGS will be complied with as expeditiously as possible.

11. TOPOGRAPHY (EXHIBIT "C")

- A. The wellsite and access road are located in a flat area of blown dune type sand.
- B. The top soil at the wellsite is moderately compacted blown sand, and the vegetation cover is sparse.
- C. No wildlife was observed but it is felt that the area is inhabited by typical desert wildlife.
- D. There are no ponds, lakes, streams, or rivers within several miles of the wellsite.
- E. There are no dwellings in the vicinity of the wellsite.
- F. The wellsite is located on federal surface.
- G. An archaeological investigation report of the site is submitted herewith.

12. OPERATORS REPRESENTATIVES:

- A. The company representatives responsible for compliance with drilling standards and surface use plans are:

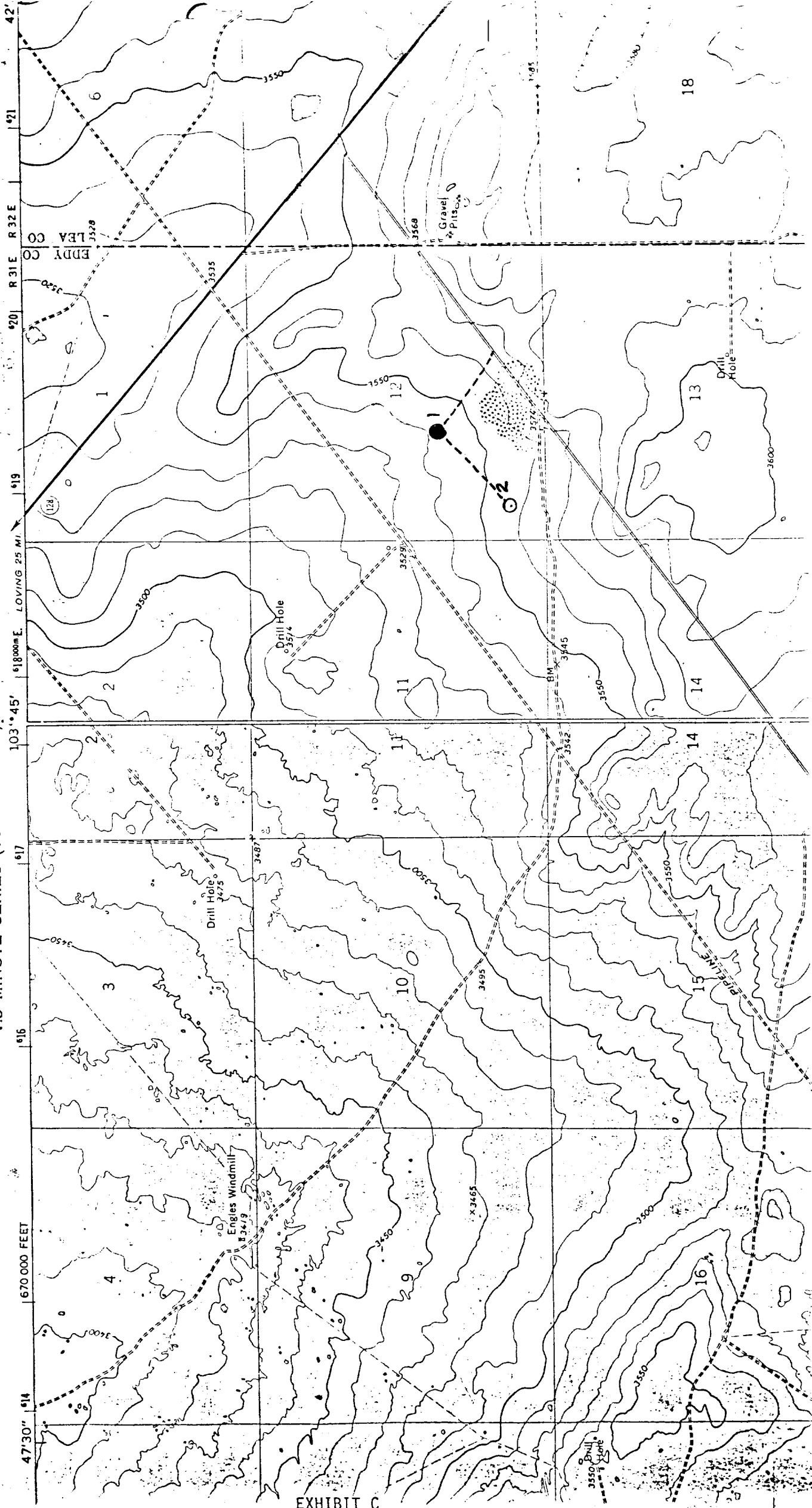
Leland Franz
Drilling Manager
P. O. Drawer 2960
Midland, Texas 79702
915/682-6271

LeRoy Collins
Field Foreman
905 West Avenue F
Lovington, New Mexico
505/386-2613

BIG SINKS QUADRANGLE
NEW MEXICO—EDDY CO.

7.5 MINUTE SERIES (TOPOGRAPHIC)

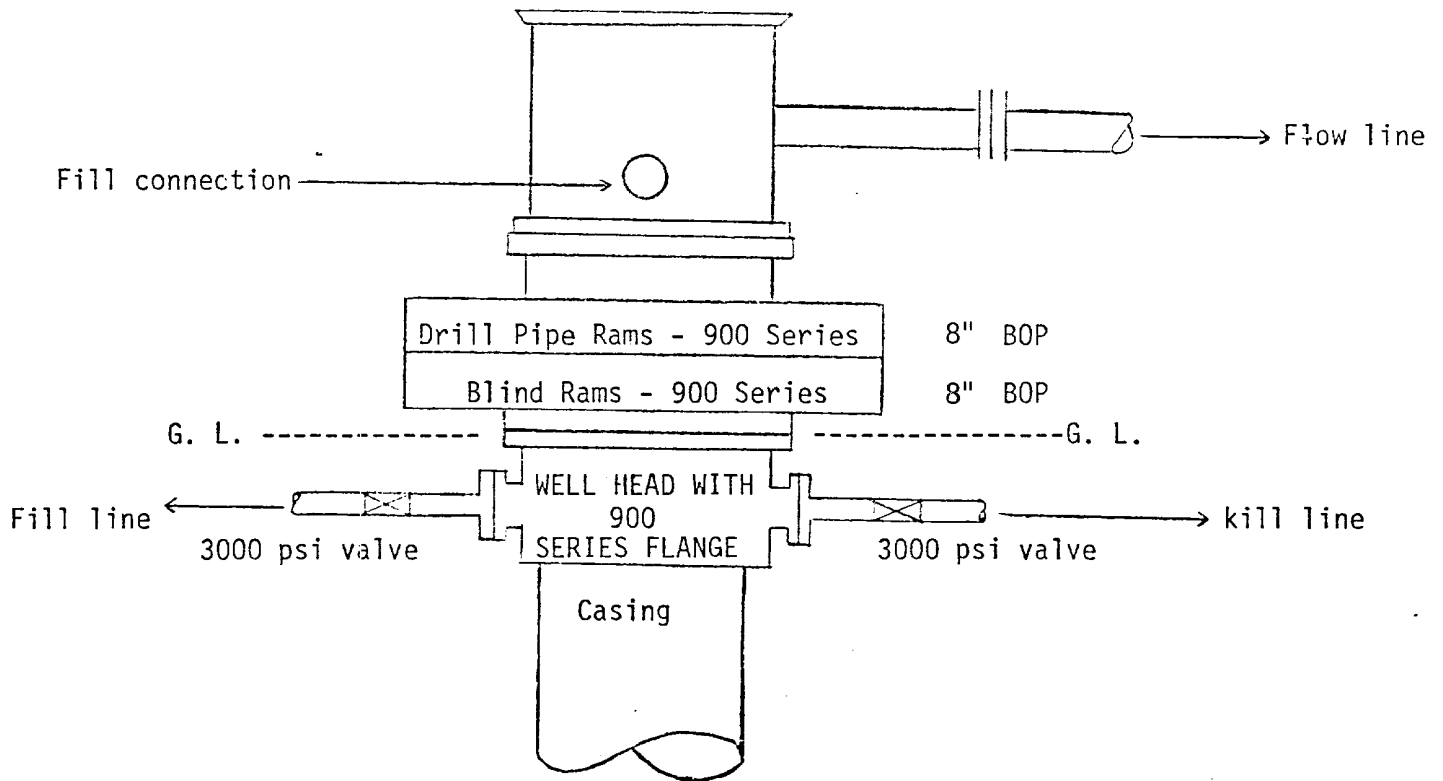
UNITED STATES
DEPARTMENT OF THE INTERIOR
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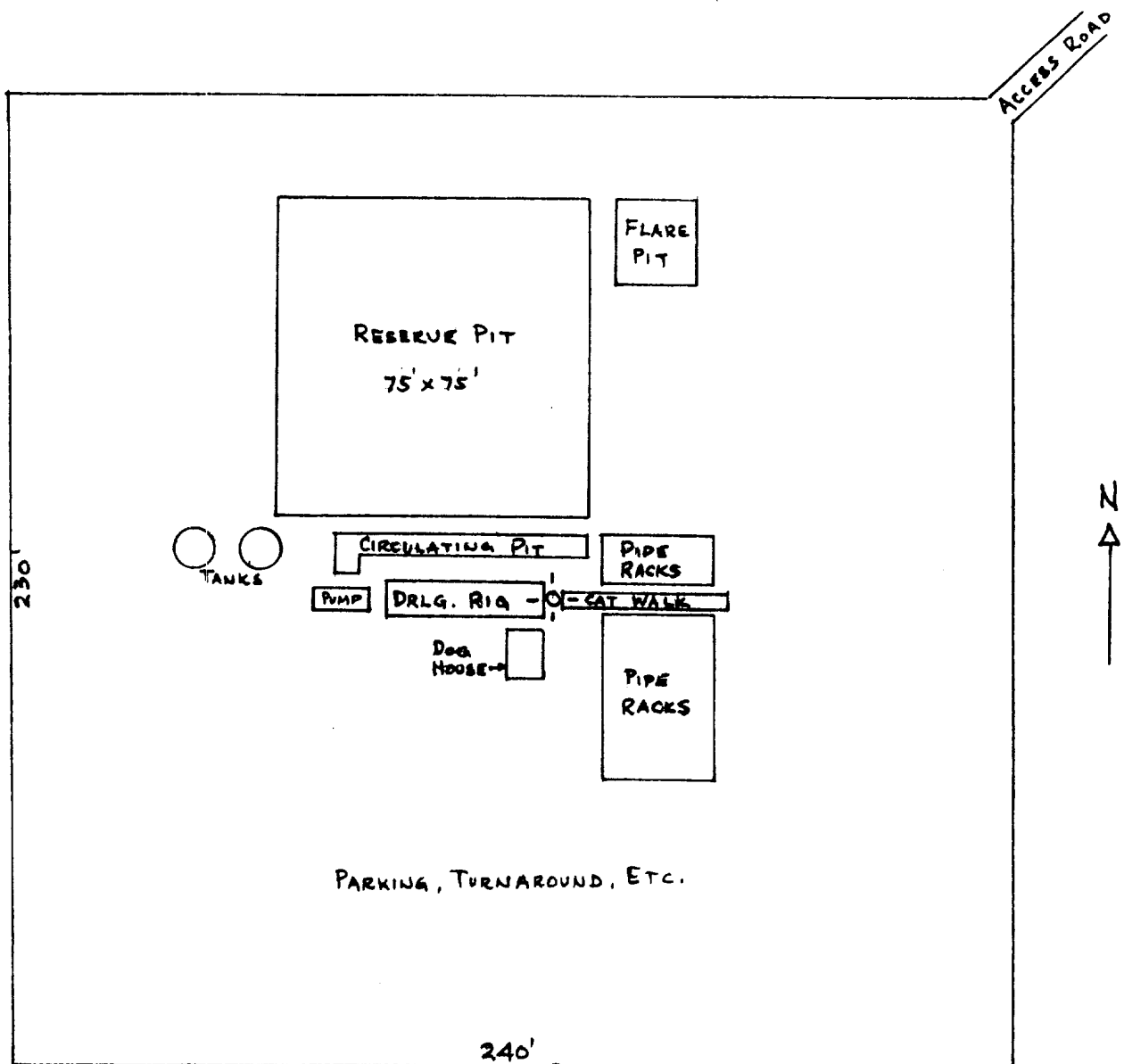
COQUINA OIL CORPORATION

EL PASO FEDERAL NO. 2
SEC. 12-T24S-R31E
EDDY COUNTY, NEW MEXICO

PRESSURE CONTROL
EQUIPMENT SCHEMATIC
DIAGRAM



BOP stack to be tested to 2000 psi upon installation. Pipe rams are to be operated daily & blind rams are to be operated on trips. BOP stack to be pressure tested to 2000 psi each 30 days.



COQUINA OIL CORPORATION
EL PASO FEDERAL WELL NO.2

DRILLSITE LAYOUT

Scale 1 = 40'

EXHIBIT "E"

Archaeological Clearance Report
for
Coquina Oil Company

Union Texas Federal #1
El Paso Federal #2
El Paso Federal #3
Sup - Federal #1

by

Rodrick MacLennan

Edited and Submitted by

Scott C. Schermer
Acting Director
Agency for Conservation Archaeology
Eastern New Mexico University
Portales

6 August 1978

INTRODUCTION

An archaeological reconnaissance was recently completed by the Agency for Conservation Archaeology, National Forest Service, Bland, Portales, or the Coquina Oil Company in Eddy County, New Mexico. The area will be impacted by the construction of four well paths and their access roads. This project was completed under Forest Plan Project No. 73-NF-014. The project was administered by Mr. Leroy Collins of Coquina Oil Company and Scott C. Schermer, Acting Director, ACA. The reconnaissance was completed by Rodrick MacLennan, archaeologist, on 3 August 1978.

SURVEY TECHNIQUE

The archaeologist accomplished the survey by walking the length and breadth of each access road in a zigzag pattern and a series of wide zigzag transects in an east to west direction across each pad. This technique allowed for maximal coverage of areas of primary and secondary impact.

Union Texas Federal No. 1

LOCATION

The proposed pad and access are just below NM 128 and near the Eddy - Lea County line. The pad measures 300 X 300 ft and the access road measures 25 X 1340 ft. The access right-of-way is located in the:

NE1/4SW1/4, Section 12, T24N, R31E, NMPM, Eddy County, New Mexico (BLM)
SE1/4SW1/4, Section 12, T24N, R31E, NMPM, Eddy County, New Mexico (BLM)

The pad is located in the center of the:

SE1/4SW1/4, Section 12, T24N, R31E, NMPM, Eddy County, New Mexico (BLM)

Map Reference: USGS Paduca Breaks NW Quadrangle, 7.5 minute series, 1973.

TERRAIN

The pad and access roads lie in an area of coppice stabilized sand dunes on a plain. The gradient in this area does not exceed 5%. Local soils belong to the Kermit-Berino association and are composed of a reddish brown deep sandy clay of aeolian origin. Occasional areas of unconsolidated but stabilized dunes and almost level sands do occur. These soil individuals (a fine sandy loam) belong to the Typic Torripsamment association.

FLORISTICS

The local plant community is stabilizing unconsolidated dunes. The floral cover is dense and is primarily composed of Prosopis juliflora, Quercus havardii, Yucca spp., Opuntia spp., Cirsium undulatum, Thermilleu tenusecta, Solanum eleaegnifolium, Bouteloua spp., and Muhlenbergia spp.

CULTURAL RESOURCES

ACA encountered no archaeological sites, or isolated manifestations, within the survey or adjacent areas.

RECOMMENDATIONS

ACA recommends clearance for the proposed pad and access road and suggests that construction be allowed to proceed as currently planned.

El Paso Federal No. 2

LOCATION

The proposed well pad measures 300 X 300 ft and is located in the:

SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 12, T24S, R31E, NMPM, Eddy County, New Mexico (BLM)
This well will have two access roads. The first road measures 25 X 1340

LOCATION (continued)

ft and runs between El Paso Federal No. 2 and Union Texas Federal No. 1 passing through the:

SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 12, T24S, R31E, NMPM, Eddy County, New Mexico (BLM)
SE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 12, T24S, R31E, NMPM, Eddy County, New Mexico (BLM)

The second access road measures 25 X 1880 ft and runs between El Paso Federal No. 2 and the existing El Paso Federal No. 1-12, passing through the:

SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 12, T24S, R31E, NMPM, Eddy County, New Mexico (BLM)
SE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 12, T24S, R31E, NMPM, Eddy County, New Mexico (BLM)
NW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 12, T24S, R31E, NMPM, Eddy County, New Mexico (BLM)
NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 12, T24S, R31E, NMPM, Eddy County, New Mexico (BLM)

Map Reference: USGS Paduca Breaks NW Quadrangle, 7.5 minute series, 1973.

TERRAIN

The pad and access roads lie in an area of coppice stabilized sand dunes on a plain. The gradient in this area does not exceed 5%. Local soils belong to the Kermit-Berino association and are composed of a reddish brown deep sandy clay of aeolian origin. Occasional areas of unconsolidated but stabilized dunes and almost level sands do occur. These soil individuals (a fine sandy loam) belong to the Typic Torripsamment association.

FLORISTICS

The local plant community is stabilizing unconsolidated dunes. The floral cover is dense and is primarily composed of Prosopis juliflora, Quercus havardii, Yucca spp., Opuntia spp., Cirsium undulatum, Ibermilluea tenuisecta, Solanum eleagnifolium, Bouteloua spp., and Muhlenbergia spp.

CULTURAL RESOURCES

ACA did not encounter any archaeological sites, or isolated manifestations, within or near the proposed locations.

RECOMMENDATIONS

ACA recommends clearance for the proposed pad and access roads and suggests that construction be allowed to proceed without modification of current plans.

El Paso Federal No. 3

LOCATION

The proposed access road measures 25 X 1340 ft and the proposed pad measures 300 X 300 ft. The access road is located in the:

NW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 12, T24S, R31E, NMPM, Eddy County, New Mexico (BLM)
NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 12, T24S, R31E, NMPM, Eddy County, New Mexico (BLM)

The pad is located in the center of the:

NW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 12, T24S, R31E, NMPM, Eddy County, New Mexico (BLM)

Map Reference: USGS Paduca Breaks NW Quadrangle, 7.5 minute series, 1973.

TERRAIN

The pad and access road lie in an area of coppice stabilized sand dunes on a plain. The gradient in this area does not exceed 5%. Local soils belong to the Kermit-Berino association and are composed of a reddish brown deep sandy clay of aeolian origin. Occasional areas of unconsolidated but stabilized dunes and almost level sands do occur. These soil individuals (a fine sandy loam) belong to the Typic Torripsamment association.

FLORISTICS

The local plant community is stabilizing unconsolidated dunes. The floral cover is dense and is primarily composed of Prosopis juliflora, Quercus havardii, Yucca spp., Opuntia spp., Cirsium undulatum, Ibermilleu tenusecta, Solanum eleaegnifolium, Bouteloua spp., and Muhlenbergia spp.

CULTURAL RESOURCES

ACA encountered no archaeological sites or isolated manifestations within or adjacent to the surveyed area.

RECOMMENDATIONS

ACA recommends clearance for this location and access road and suggests that construction be allowed to proceed as currently planned.

Sup - Federal No. 1

LOCATION

The location is marked as Federal 5-12 on the center stake. The access measures 25 X 75 ft and the pad measures 300 X 300 ft.

The access road is located in the:

NW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 12, T24S, R31E, NMPM, Eddy County, New Mexico (BLM)

The pad is located in the center of the:

NW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 12, T24S, R31E, NMPM, Eddy County, New Mexico (BLM)

Map Reference: USGS Paduca Breaks NW Quadrangle, 7.5 minute series, 1973.

TERRAIN

The pad and access road lie in an area of coppice stabilized sand dunes on a plain. The gradient in this area does not exceed 5%. Local soils belong to the Kermit-Berino association and are composed of a reddish brown deep sandy clay of aeolian origin. Occasional areas of

TERRAIN (continued)

unconsolidated but stabilized dunes and almost level sands do occur. These soil individuals (a fine sandy loam) belong to the Typic Torripsamment association.

FLORISTICS

The local plant community is stabilizing unconsolidated dunes. The floral cover is dense and is primarily composed of Prosopis juliflora, Quercus havardii, Yucca spp., Opuntia spp., Cirsium undulatum, Ibermilleu tenusecta, Solanum eleaegnifolium, Bouteloua spp., and Muhlenbergia spp.

CULTURAL RESOURCES

ACA encountered no archaeological sites or isolated manifestations within or adjacent to this survey area.

RECOMMENDATIONS

ACA recommends clearance for this pad and access road, and suggests that construction be allowed to proceed as currently planned.