

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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

Hanson Oil Corporation ✓

3. ADDRESS OF OPERATOR

P. O. Box 1515, Roswell, New Mexico 88201

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

At surface

1650' FSL & 990' FEL, NE/4 SE/4 Sec. 26, T.18S, R.30E

At proposed prod. zone

1650' FSL & 990' FEL

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

6 miles south of Loco Hills, New Mexico

15. DISTANCE FROM PROPOSED*

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

330'

16. NO. OF ACRES IN LEASE

800'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

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

740'

19. PROPOSED DEPTH

3600'

20. ROTARY OR CABLE TOOLS

Rotary

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

3446.2' G.L.

22. APPROX. DATE WORK WILL START*

Rig Availability

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8"	24#	710'	200 sx circ.
7-7/8"	5-1/2"	14#	3600'	200 sx CIRCULATE

It is proposed to drill the above captioned well to a depth of 3600' or a depth sufficient to test the Grayburg formation. If oil or gas in commercial quantities is found, the well will be perforated and stimulated as conditions require. B.O.P. will be used during drilling and completion operations.

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ARTESIA, NEW MEXICO

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 sub-surface locations and measured and true vertical depths. Give blowout prevention program, if any.

24.

SIGNED

A. J. Deane

TITLE

Vice-Pres, Drilling & Prod. DATE October 16, 1980

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY

South Central Region
P. O. Box 26124
Albuquerque, New Mexico 87125

DEC 05 1980

Hanson Oil Corporation
P. O. Box 1515
Roswell, New Mexico 88201

Gentlemen:

Your Application for Permit to Drill well No. 19-Ginsberg Federal in the NE 1/4 sec. 26, T. 18S., R. 30E., Eddy County, New Mexico, lease New Mexico 025503, to a depth of 3,600 feet to test the Grayburg formation in the oil-potash area, is hereby approved as amended by stipulations attached to the application.

One copy of the application is returned herewith. Please notify the District Supervisor, Geological Survey, Roswell, New Mexico, in sufficient time for a representative to witness all cementing operations.

Sincerely yours,

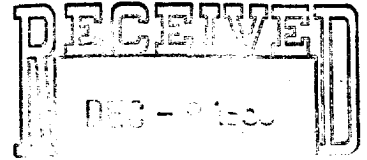
(ORIG. SGD.) GENE F. DANIEL

Acting Deputy Conservation Manager
Oil and Gas

Enclosure

cc:
NMOCD, Artesia (2) ~~XXXX~~ This Copy for
Conservation Manager, SCR
DCM-Mining (2)
Roswell District Office (2)
Artesia Subdistrict
File
ARC
Roswell chrono

GHStewart:jmb:11-21-80



U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-122
Supersedes C-128
Effective 1-4-65

All distances must be from the outer boundaries of the Section

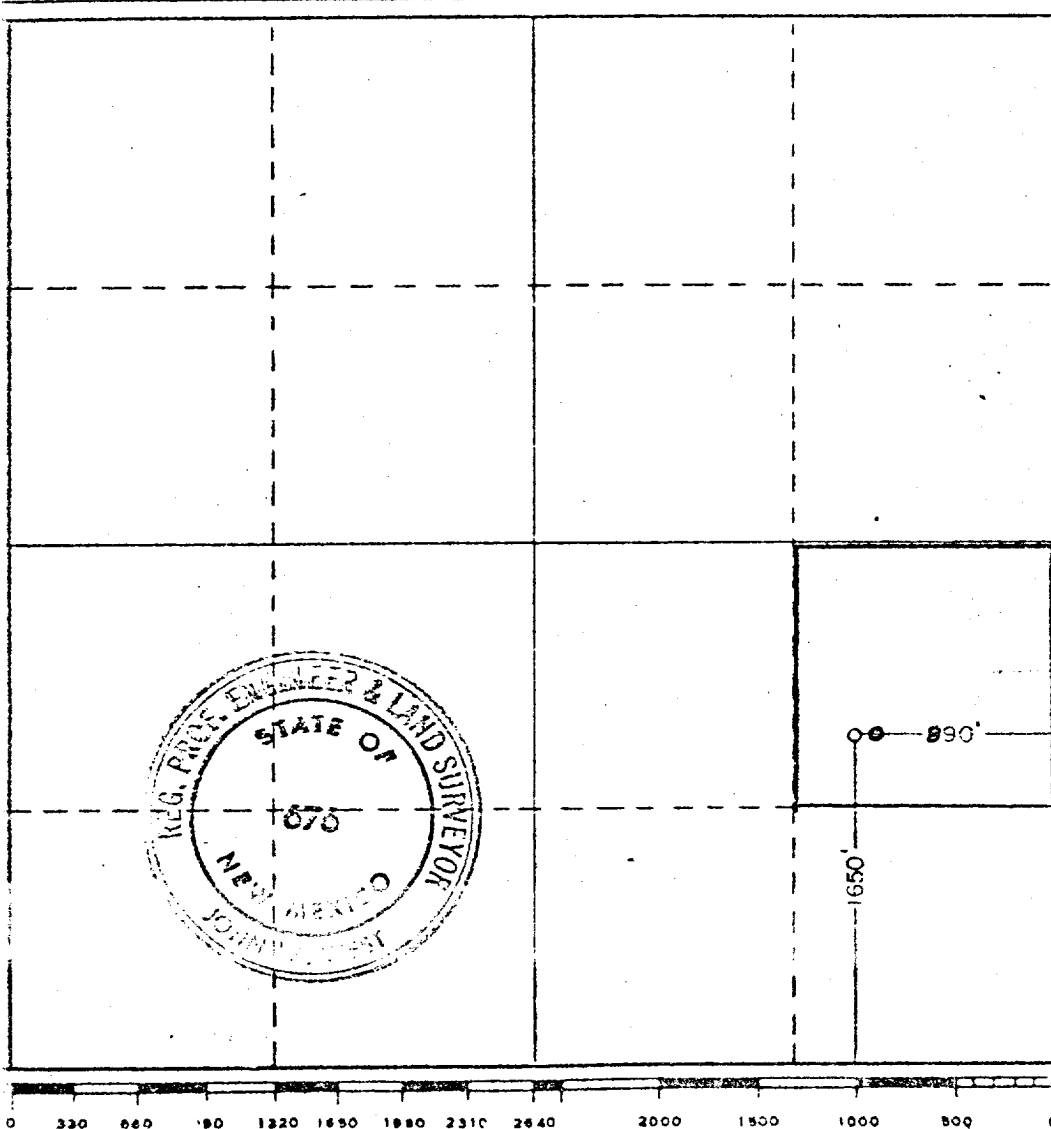
Operator Hanson Oil Corp.		Lease Ginsburg Federal		Well No. 19
Tract Letter I	Section 26	Township 18 South	Range 30 East	County Eddy
Actual Footage Location of Well: 1650 feet from the South line and 890 feet from the East line				
Ground Level Elev. 3446.2	Producing Formation Grayburg	Pool Shugart	Dedicated 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.



CERTIFICATION

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

Name

A. J. Deans

Position

Vice-Pres., Drilling & Prod.

Company

Hanson Oil Corporation

Date

October 16, 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

9-18-80

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. **JOHN W. WEST 878**
PATRICK A. ROMERO 6883
Ronald J. Eidson 3239

N.M.O.C.D. COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYSUBMIT IN THE MANNER INDICATED
(Other Instructions on reverse side)Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

NM-025503

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Ginsberg Federal

9. WELL NO.

#19-

10. FIELD AND POOL, OR WILDCAT

X Shugart

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

Sec. 26, T.18S, R.30E

12. COUNTY OR PARISH

Eddy

13. STATE

N.M.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

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1. OIL WELL ☒ GAS WELL ☐ OTHER

2. NAME OF OPERATOR

Hanson Oil Corporation

3. ADDRESS OF OPERATOR

P. O. Box 1515, Roswell, New Mexico 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface

1650' FSL & 890' FEL, NE/4 SE/4 Sec. 26, T.18S, R.30E

14. PERMIT NO.

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

3446.2' G.L.

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

X

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

This is notification of Hanson Oil Corporation's intention to move well location 100' East (See C-102 attached) and to change Exhibit #2 on the NTL-6 as requested by your Bureau of Land Management.

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ARTESIA, NEW MEXICO

18. I hereby certify that the foregoing is true and correct

SIGNED

A. J. Deane

TITLE

Vice-President, Drilling & Production

DATE

11-12-80

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

N MEXICO OIL CONSERVATION COMMISS
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

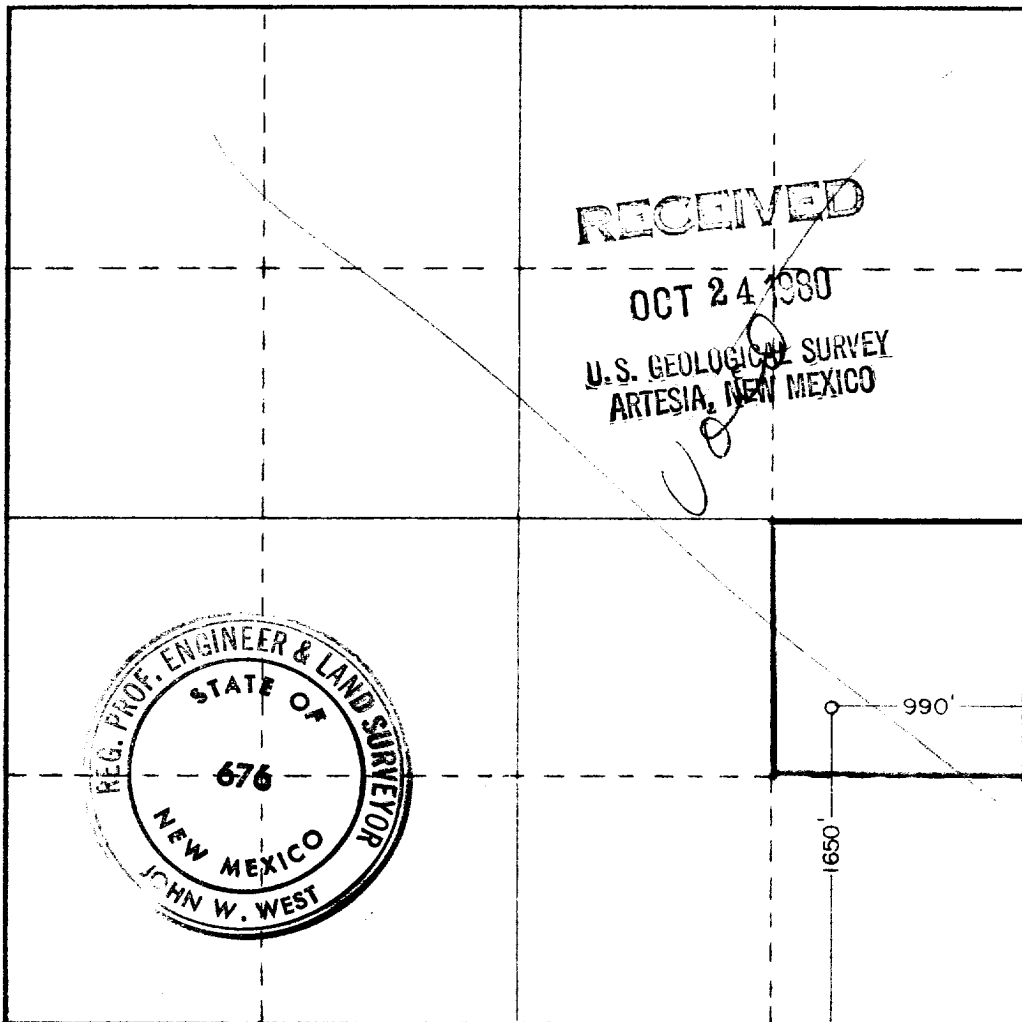
Operator Hanson Oil Co.			Lease Ginsburg Federal		Well No. 19
Unit Letter I	Section 26	Township 18 South	Range 30 East	County Eddy	
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☐ Yes ☐ No If answer is "yes," type of consolidation _____

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.

Name *A. J. Deans*
A. J. Deans
 Position
Vice-Pres., Drilling & Prod.
 Company
Hanson Oil Corporation
 Date
October 16, 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
9-18-80
 Registered Professional Engineer and/or Land Surveyor

John W. West
 Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6665
Ronald J. Eidson 3239

APPLICATION FOR DRILLING

GINSBERG FEDERAL #19

EDDY COUNTY, NEW MEXICO

In conjunction with permitting subject well for drilling in Section 26, T.18S, R.30E, Hanson Oil Corporation submits the following 10-points of pertinent information in accordance with United States Geological Survey letter of July 1, 1976:

1. The surface formation is Pleistocene and Holocene.
2. The estimated tops geologic markers are as follows:

Anhydrite	499'
Salt	669'
Base of Salt	1667'
Yates	1867'
Queen	2903'
Penrose	3117'
Grayburg	3316'
T.D.	3600'

3. The depth at which water is expected to be encountered is at 235'.
The depth at which oil and gas is expected to be encountered is at 1867'.

4. Casing Program:

24# K-55, 8-5/8" to 710' (New)
14# K-55, 5-1/2" to 3600' (New)

5. Blowout preventer: Ram type, series 900 with double hydraulic 12' rams. This is a Schaffer blowout preventer (300# working pressure) with a Hydrill closing unit. The fill, kill and choke lines are indicated on the blowout preventer specifications sheet Exhibit #5.

6. Circulating Medium: Earthen pits will be used to hold mud and cuttings and the drilling fluid as follows:

SURFACE: (1-710')

Drill and set surface casing with a Hydrogel - Lime slurry (40 - 50 Sec./Qt. viscosity).

OPEN HOLE: (710' - T.D.)

Drill out from under surface casing with brine water to minimize leeching Salt Section. We suggest circulating the reserve pit to minimize solids build-up. At Top of Queen we suggest coming back into working pits and mudding up with Brinegel and Loid for a mud with the following properties:

Weight	10.1 - 10.3	ppg
Viscosity	34 - 36	sec
Fluid loss	10 - 12	ml

A fluid with the above properties should be adequate to provide safe logging and casing operations.

APPLICATION FOR DRILLING (Continued)

GINSBERG FEDERAL #19

EDDY COUNTY, NEW MEXICO

7. Auxiliary Equipment: Kelly cocks and flats at the bit will not be used in drilling the subject well. The mud system (pit levels) will be monitored visually by the rig crew. A sub with a full opening valve in good working order for stabbing into the drill pipe will be available on the drilling rig floor.
8. Testing and Logging Program: No D.S.T.'s will be taken. No cores are planned. Gamma-Ray Caliper and Formation Density Logs will be run from base of surface to T.D.
9. No abnormal bottom hole pressure (BHP) is anticipated. Based on off-setting BHP data, the BHP in the subject well is anticipated to be 1404# at 3600'. This is equivalent to a pressure gradient of .39 lbs. per foot of depth.
10. The anticipated starting date is per rig availability. Stimulating and completion of well would be immediately after drilling operations are finished.

SURFACE USE AND OPERATIONS PLAN

GINSBERG FEDERAL #19

EDDY COUNTY, NEW MEXICO

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U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

The following multipoint requirements and surface use plan is submitted for the subject well by Hanson Oil Corporation:

1. Existing Roads

- A. Proposed well as staked. See Surveyor's Plat.
- B. As shown, the planned well is approximately six (6) miles South of Loco Hills, New Mexico. To reach the planned well take Highway 82 East from Artesia, New Mexico to where Road 31 intersects Highway 82; turn South on Road 31 for 6.7 miles; turn West and continue over existing caliche road for $3\frac{1}{2}$ miles in a Westerly direction; turn North before cattleguard and continue North on existing road half way between Ginsberg #10 and Ginsberg #11, turn left approximately 900' to location.
- C. Existing Roads: See Exhibit #1
- D. See Exhibit #1
- E. Not applicable
- F. Existing roads will be bladed and watered as is necessary to maintain a useable road.

2. Planned access roads: See Exhibit #1

- 1. Width: See Exhibit #3
- 2. Maximum grades: See Exhibit #3
- 3. Turnouts: See Exhibit #1
- 4. Drainage Design: See Exhibit #3
- 5. No culverts will be necessary as only insignificant, widely dispursed drainage could accur the proposed route. No major cuts or fills will be necessary.
- 6. Surfacing Material: All construction materials will be of local origin and no surface material will be disturbed except for the grading of the actual access road and location.
- 7. Gates are not necessary; cattleguards: See Exhibit #1; no fence cut will be made.
- 8. Planned access road has been centered-line flagged.

SURFACE USE AND OPERATIONS PLAN (Continued)

GINSBERG FEDERAL #19

EDDY COUNTY, NEW MEXICO

3. Location of existing wells in a one-mile radius are shown on Exhibit #1.

- (1) Water Wells: None
- (2) Abandoned Wells: Section 35 - See Exhibit #1
- (3) Temporarily abandoned wells: None
- (4) Disposal wells: None
- (5) Drilling wells: None
- (6) Producing wells: Sections 25, 26, 35, 36 - See Exhibit #1
- (7) Shut-in wells: None
- (8) Injection wells: None
- (9) Monitoring or observation wells for other resources: None

4. Location of existing and/or proposed facilities:

- A. There are existing facilities within a one-mile radius from location owned or controlled by Hanson Oil Corporation - See Exhibit #1.
- B. In the event production is established, Hanson Oil Corporation will use existing Tank Battery #2 in SE/4 NE/4 SE/4 of Section 26.
- C. Rehabilitation of disturbed areas:

If production is established, following completion of necessary well producing equipment, etc., all pits with the exception of a flare pit, will be filled (after they dry dup) and the surrounding location leveled. Disturbed area no longer needed for operations will then be reseeded using as much topsoil as possible and utilizing seed types and quantities as recommended for this area by agronomist and the Bureau of Land Management. All reseeded will be done with a reasonable effort to establish a more attractive soil stabilizing growth of vegetation than what previously existed at the site. Reseeding will take place at the first opportunity following completion of well in accordance with the recommended seasonal periods (late Spring). The unused disturbed area then will be fenced from time of reseeded until grass is established.

5. Location and Type of Water Supply:

- A. Water to be used in drilling the proposed well will be hauled from producing wells in Section 29, T.18S, R.31E.
- B. Said water will be transported by truck over improved and proposed access road shown on Exhibit #1.
- C. No water wells are planned to be drilled on the lease in connection with the drilling of the proposed well.

SURFACE USE AND OPERATIONS PLAN (Continued)

GINSBERG FEDERAL #19

EDDY COUNTY, NEW MEXICO

6. Source of Construction Materials:

- A. All construction material will be of local origin and no surface areas will be disturbed except for the actual grading of the road and drilling site.
- B. No construction material will be moved from Federal and Indian land.
- C. Materials such as sand, gravel and stone, if used, will be moved from a private source.
- D. See Exhibit #1.

7. Methods for handling Waste Disposal:

- (1) Cuttings: Drill cuttings will be accumulated in the earthen reserve pit and after the pit has dried will be bladed into the bottom of the pit and buried.
- (2) Drilling fluids: The drilling fluids will be pumped out of the reserve pit and disposed of in a more suitable pit, after any oil accumulation in the pit has been removed and hauled to the production facility for recovery.
- (3) Produced Fluids (oil, water): If production is established, oil will be trucked by the purchaser over access road shown on Exhibit #1. Water will be trucked to an approved water disposal system over the same road.
- (4) Sewage: Sewage will be contained in a chemical latrine.
- (5) Trash and garbage will be contained in an earthen pit. See Exhibit #2, and buried following drilling operations. Said pit to be fenced with small mesh wire to prevent wind from scattering trash before being burned and buried.
- (6) Following completion of drilling operations, all pits will be filled (after they dry up) and area surrounding the location leveled.

8. Ancillary Facilities:

No Auxilliary facilities will be constructed.

SURFACE USE AND OPERATIONS PLAN (Continued)

GINSBERG FEDERAL #19

EDDY COUNTY, NEW MEXICO

9. Well Site Layout:

- (1) Cross sections of drill pad - See Exhibit #4
- (2) See Exhibit #2
- (3) See Exhibit #2
- (4) Statement as to whether pits are to be lined or unlined:
Pits will be unlined.

10. Plans for Restoration of Surface:

- (1) Following completion of drilling operations, any oil accumulation in pits will be removed and hauled to a production facility to be recovered. All pits will be filled (after they dry up) and the area surrounding the location leveled. The location will be graded to conform with the original topography and contours made as are necessary to achieve the same. All waste material will be buried in an earthen pit following completion of operations.
- (2) Reseeding of the drillsite, including access roads, will take place at the first opportunity following completion of operations in accordance with the recommended seasonal seeding periods. All reseeded will be as recommended for this area by agronomist and the Bureau of Land Management.
- (3) Prior to rig release, pits will be fenced and so maintained until clean-up operations are complete. After the location has been leveled and all pits backfilled, said location will be fenced from time of reseeded until grass is established.
- (4) Any oil accumulations in pits shall be removed and hauled to production facility for recovery. In the event it becomes necessary to leave oil in any pit for any reason, we will install overhead flagging.
- (5) Commencement of rehabilitation operations shall begin immediately after rig release and shall continue in a good and workmanlike manner until complete.

11. Other Information:

- (1) The area around the drilling site is small sand dunes. The surface supports a sparse growth of grass with a few clumps of cactus.
- (2) There are no other surface use activities planned. The surface at the location is Federally owned.

SURFACE USE AND OPERATIONS PLAN (Continued)

GINSBERG FEDERAL #19

EDDY COUNTY, NEW MEXICO

11. Other Information (Continued):

(3) There are no fresh water wells near the proposed location. No lakes, streams, no occupied dwellings, no known archaeological historical or cultural sites in the general area of the location.

12. The Hanson Oil Corporation representative conducting this drilling operation is:

Mr. A. J. Deans
P. O. Box 1515
Roswell, New Mexico

Phone No: (505) 622-7330 - Office
(505) 623-7364 - Home

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 this plan are to the best of my knowledge true and correct; and that work associated with the operations proposed herein will be performed by Hanson Oil Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

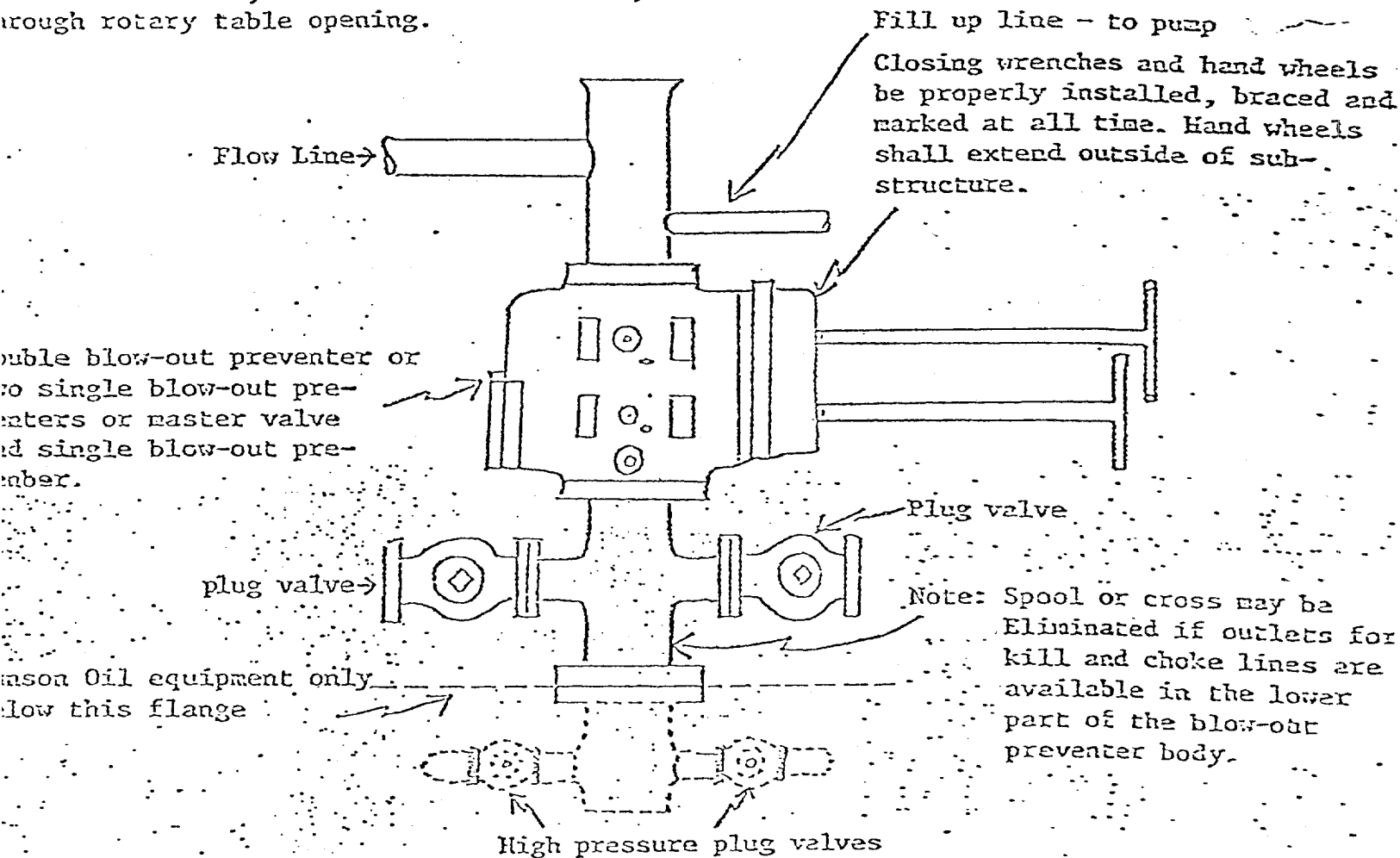
10-16-80
(Date)

A. J. Deans
A. J. Deans
Vice-President, Drilling & Production

MINIMUM BLOW-OUT PREVENTER REQUIREMENTS

EXHIBIT #5

filling nipple to be so constructed that it can be removed, without use of a welder, through rotary table opening.



NOTE:

When drilling use:
 Top Preventer-Blind rams or master valve
 Bottom Preventer-Drill pipe rams

When running casing use:
 Top Preventer-Casing rams
 Bottom Preventer-Blind rams or master valve

NOTE:

1. Blow-out preventers, master valve and all fittings must be in good condition 2,000# W.P. (4,000 P.S.I. test) minimum
2. Equipment through which bit must pass shall be as large as inside diameter of the casing that is being drilled through
3. Nipple above blow-out preventer shall be same size as casing being drilled through
4. All fittings to be flanged.
5. Safety Valve (2" minimum opening) with sub or connection to drill pipe on rig floor at all times.

Additional Stipulations

- A) This well location is approved at 1650' FSL and 890' FEL, Section 26, T. 18S., R. 30E.
- B) The well pad layout will be constructed as shown on the attached sketch map.
- C) The well pad will be constructed to the dimensions shown on the attached sketch map. These dimensions were agreed to By A.J. Deans on 6 November 1980.
- D) A temporary two-strand smooth wire fence will be constructed along the northeast perimeter of the well pad as illustrated on the attached sketch map.
- E) Caliche, if utilized, will be hauled from a pit located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 26, T. 18S., R. 30E. The use of this pit was agreed to by A.J. Deans on 6 November 1980.

