

N.M.O.G.D. COPY
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYSUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1423.

30-015-23822

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

H & S OIL COMPANY

3. ADDRESS OF OPERATOR

216 American Home Bldg.-Artesia, New Mexico 88210

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

At surface

1980' FNL 1980' FWL Section 18, T17S, R28E JUN 11 1981

At proposed prod. zone

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

O. C. D.
ARTESIA OFFICE

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

331.60

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.

19. PROPOSED DEPTH

1800'

20. ROTARY OR CABLE TOOLS

Rotary

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

GR 3545.6

22. APPROX. DATE WORK WILL START*

Rig availability

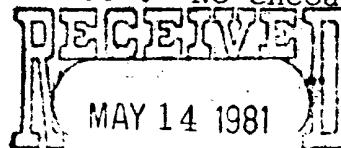
23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11 1/4"	8 5/8"	20#	350'	250 sacks GRANULATE
7 7/8"	5 1/2"	15#	1800	300 sacks

Estimated formation tops: Seven Rivers 500', Queen 1000', Grayburg 1430', San Andres 1750'. Drilling fluid will be water with small amounts of mud additive from 1700' to assist in sample clarity. Well will be logged open hole with Gamma Ray Neutron. No abnormal pressures or hazards have been encountered in this field, however, BOP will be Shaffer 10" 900 Double. Oil or gas expected between 1200' and 1800'. No encounter or water is anticipated.

GAS SALES 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 true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Herbert R. Spencer

TITLE

Partner

DATE

5/5/81

(This space for Federal or State office use.)

PERMIT NO.

APPROVED

APPROVAL DATE

APPROVED BY

JUN 9 1981

TITLE

DATE

FOR
JAMES A. GILLHAM
DISTRICT SUPERVISOR

*See Instructions On Reverse Side

NL 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.

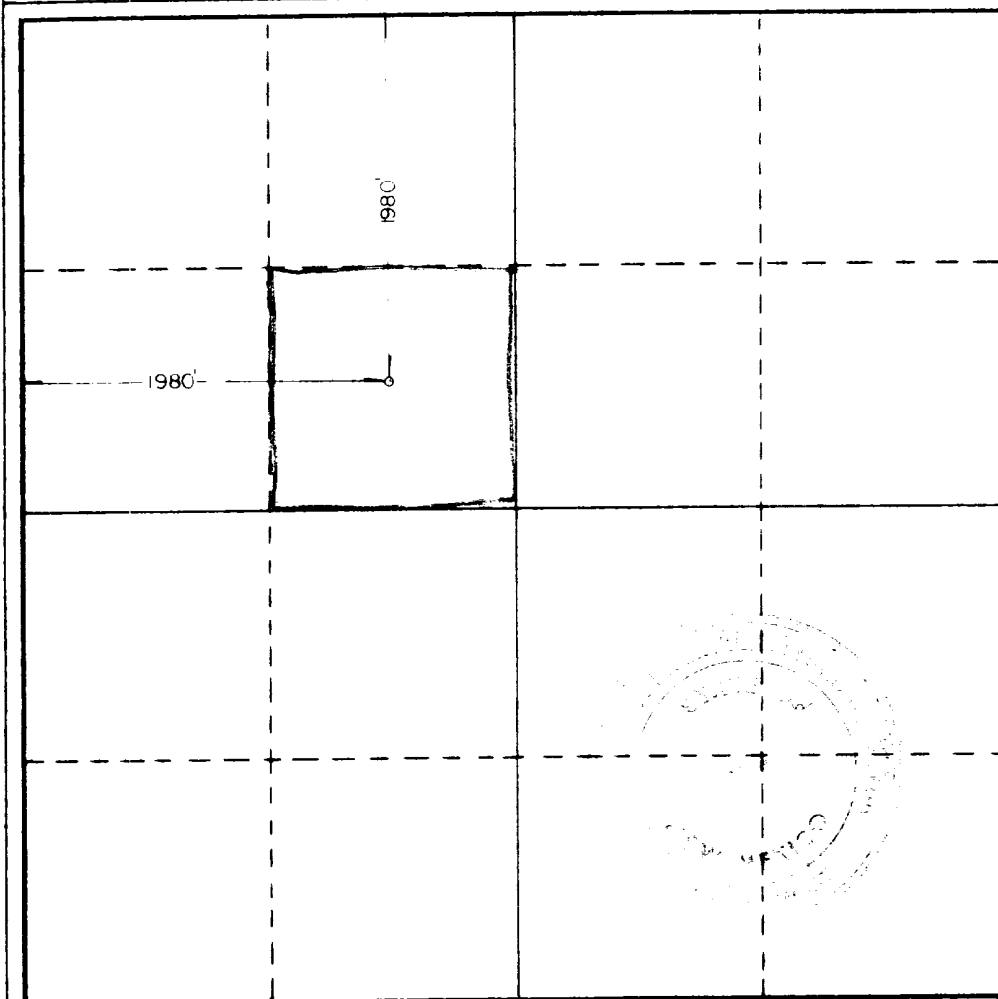
Operator H & S OIL COMPANY			Lease HASTIE		Well No. 22
Unit Letter F	Section 18	Township 17 SOUTH	Range 28 EAST	County EDDY	
Actual Footage Location of Well: 1980 feet from the NORTH line and 1980 feet from the WEST line					
Ground Level Elev. 3545.6	Producing Formation Queen, Grayburg, S.A.		Pool Red Lake S - G - SA	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 *Herbert R. Spencer*

Position
Partner

Company
H & S OIL COMPANY

Date
5/5/81

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 21, 1981

Registered Professional Engineer
 and/or Land Surveyor

John W. West
 Certificate No. **JOHN W. WEST 678**
PATRICK A. ROMERO 6883
Ronald J. Eidson 3239

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

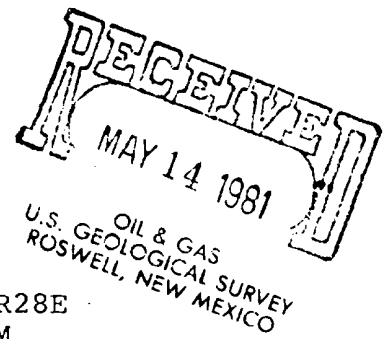
SURFACE USE PLAN

H & S OIL COMPANY

Hastie No. 22

1980' FNL 1980' FWL of Section 18, T17S, R28E
Lease No. LC 045818(a), Eddy County, N.M.

Field Well



1. EXISTING ROADS: Attached are two maps showing drillsite location in relation to a town or known point, Exhibit B (land ownership map), Exhibit C (topographic map with roads). Ten miles east of Artesia on Highway 82 (orange) turn north on bladed maintained road for approximately 1 1/2 miles then turn more northeast for approximately 1/8 mile then turn north and veer northeast for approximately 1/2 mile, Then turn due north for 1/4 mile then back east for 1/16 mile (blue) then due north for approximately 150' to wellsite (red).
2. PLANNED ACCESS ROADS: We would like to have permission to drive out the 150' road to the wellsite. We have found from experience in this area that blading causes more damage than just driving out the road needed. If denied, we will construct the road 12 feet wide by blading since there is caliche within a few inches from surface.
3. LOCATION OF EXISTING WELLS: All existing wells within a one mile radius are shown on Exhibit B.
4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES: In the event production is established, a central tank battery has been approved in the center of the NW/4 of Section 18-T17S-R28E. Surface lines will be laid to this tank battery as shown on Exhibit C. See Exhibit D for approved tank pad layout.
5. LOCATION AND TYPE OF WATER SUPPLY: All drilling water will be trucked to location from Oasis Water Station, 4 miles east of Artesia by trucking contractor over existing & proposed roads.
6. SOURCE OF CONSTRUCTION MATERIALS: Little surfacing will be required on any access road or pad as caliche is within a few inches of surface. What material is needed will be taken from mud pits when they are constructed, and from caliche pit noted on Exhibit C. All roads used to haul water or construction material will be on Federal lands.
7. METHODS OF HANDLING WASTE DISPOSAL:
 - (a). Drill cuttings will be disposed of in reserve pit.
 - (b). Drilling fluids will be allowed to evaporate in reserve pit until pit is dried up.
 - (c). Water produced during testing will be disposed of by allowing to evaporate in pit. Oil produced during testing will be stored in test tank until sold.
 - (d). Disposal of human wastes will be complied with as to current laws and regulations.
 - (e). Trash, garbage and junk will be kept and later buried in pit (labeled trash pit on Exhibit A) with a minimum of 24 inches of dirt. All waste materials will be contained to prevent scattering by the wind.
 - (f). All trash and debris will be buried or removed from the well-site within 30 days after finishing operations and/or well completion.

8. ANCILLARY FACILITIES: None required.
9. WELLSITE LAYOUT:
- (a). Exhibit A shows the relative location and dimensions of the drilling pad, reserve pit, trash and mud pits. Drilling rig V-Door to the East.
 - (b). Wellsite will require only grading, no cuts or fills will be necessary.
 - (c). Due to existing soil, no pit will have plastic lining.
10. PLANS FOR RESTORATION OF THE SURFACE:
- (a). If well is productive, pits will be filled and leveled as soon as fluid is dry.
 - (b). Trash pit will be filled at completion of drilling.
 - (c). If well is non-productive, pad and roads will be ripped and USGS or BLM stipulations will be complied with at time pits are dried and ready to cover.
11. OTHER INFORMATION: All surface is Federal ownership. Vegetation is very sparse, consisting of weeds in some areas, and nothing in most of total area. Area is fairly flat with almost no topsoil as caliche and rock surfaces on almost all the area. There are no surface waters within 4 miles and no windmills or water wells in the same distance. Two deserted buildings from previous oil production are located on the lease. Land has extremely limited grazing use and is in an extremely low environmental risk area with very minimal effect created by drilling and producing this and other wells on the lease.
12. OPERATORS REPRESENTATIVE: The representative responsible for assuring compliance with the surface and operation plan is:
- H. R. Spencer
216 American Home Building
Artesia, New Mexico 88210
Office Telephone (505) 746-6658
Home Telephone (505) 746-2495
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 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 H & S Oil Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

H & S OIL COMPANY

Date: 5/5/81

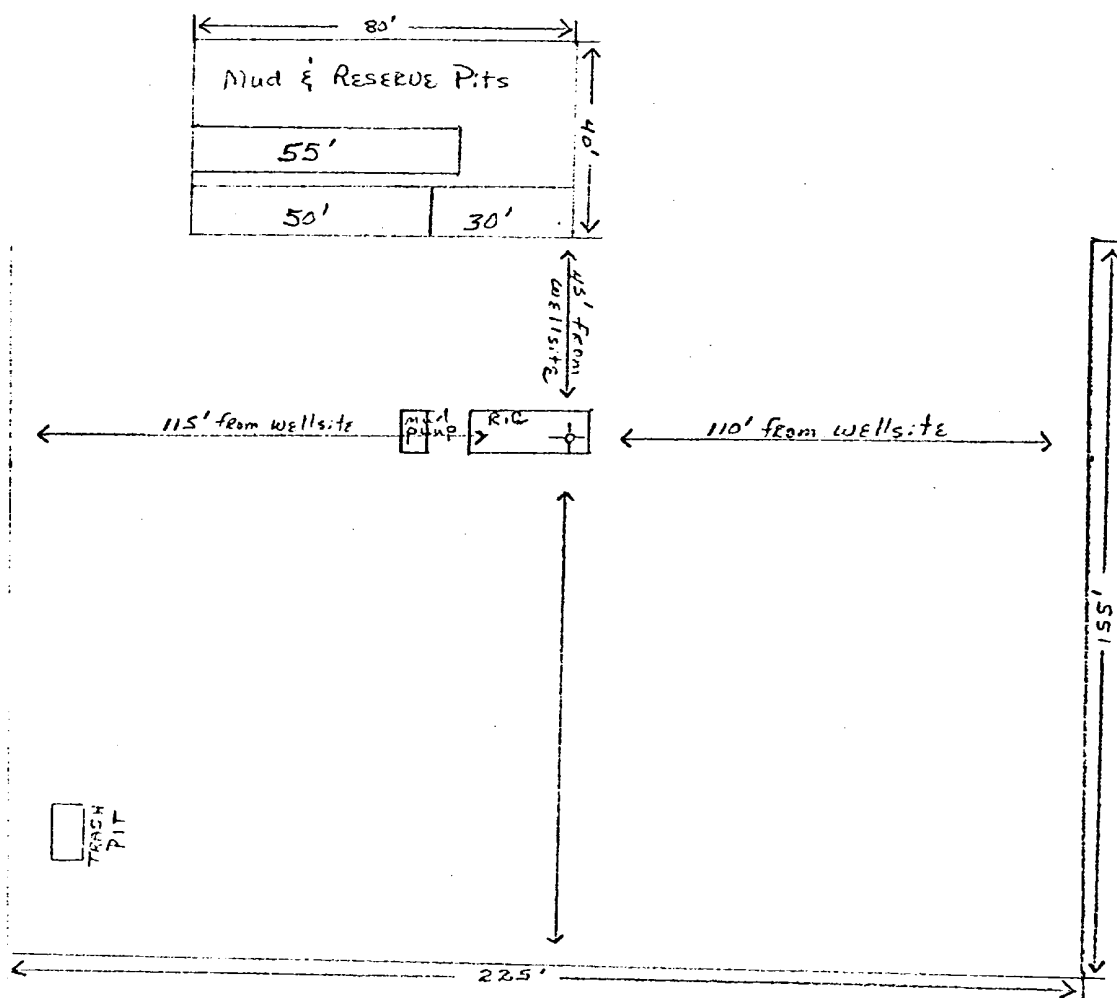
H. R. Spencer

H & S OIL COMPANY
216 American Home Building
Artesia, New Mexico 88210

HASTIE NO. 22
1980'FNL 1980'FWL Section 18-T17S-R28E
Lease No. LC 045818(a)
Eddy County, New Mexico

EXHIBIT A

Scale $\frac{1}{2}" = 20'$



DRILLING PAD - LEVELED AND CALICED

PITS WILL BE DUG TO COVER GARBAGE AND TRASH, WHICH WILL BE KEPT IN CONTAINERS UNTIL WELL IS COMPLETED.

