	<b>\$</b>		— <b>-</b>	
Form 9-331 C (May 1963)	<u>N.</u>	M.O.C.D. SUBMIT IN TRI	U ATE*	Form approved. Budget Bureau No. 42-R1425.
	UNITED STATES	NM OTH reverse sid	de)	30-015-23994
		NTERIORrawer DD Artesia, NM	88210 5	LEASE DESIGNATION AND SEELAL NO.
· · · · · · · · · · · · · · · · · · ·	EOLOGICAL SURVE	. 1		NM-025503 IF INDIAN, ALLOTTER OR TRIBE NAME
APPLICATION FOR PERM	AIT TO DRILL, D	EEPEN, OR PLUG B	ACK °	. IF INDIAN, ALLOFITER OR TRIBE NAME
13. TYPE OF WORK DRILL X	DEEPEN [	PLUGRECE	IVED 7	UNIT AGREEMENT NAME
OIL GAS	TER	ZONE ZONE ZONE		. FARM OR LEASE NAME
2. NAME OF OPERATOR		NOV 2 :	3 1981	Ginsberg Federal
Hanson Oil Corpora	tion 🖌	·		. WELL NO. #18
3. ADDRESS OF OPERATOR	11 N N- 1	O. C.	1.1	TIG.
P. O. BOX 1515, RC 4. LOCATION OF WELL (Report location clear	SWell, New Mex1	CO 88201 ARTESIA	OFFICE	Shugart y_=4.0
At surface 2.210'			<u>1</u>	1. SEC., T., B., M., OR BLK.
<del>2310 </del> FNL & 990 F	EL, SE/4 NE/4 S	ec. 26, T.18S, R.30	)E :	AND SURVEY OR AREA
At proposed prod, zone 2210! ENI & QQQ!	FEI			Sec. 26, T.18S, R.30E
2310' FNL & 990' 14. DISTANCE IN MILES AND DIRECTION FRO			1	2. COUNTY OR PARISH 13. STATE
6 miles south of	Loco Hills, New	Mexico 16. NO. OF ACRES IN LEASE	117 80 08	Eddy New Mexico
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.	330'	- 800'	TO THIS	
(Also to nearest drig, unit line, if any 18. DISTANCE FROM PROPOSED LOCATION*	, 330	19. PROPOSED DEPTH	20. ROTARY	OB CABLE TOOLS
TO NEAREST WELL, DRILLING, COMPLETI OR APPLIED FOR, ON THIS LEASE, FT.	<sup>,</sup> 740'	3600'		Rotary
21. ELEVATIONS (Show whether DF, RT, GR,				22. APPBOX. DATE WORK WILL START*
	3441	.5' G.L.		Rig Availability
23.	PROPOSED CASIN	G AND CEMENTING PROGRA	AM T	
SIZE OF HOLE SIZE OF CASE	NG WEIGHT PER FO	OOT SETTING DEPTH		QUANTITY OF CEMENT
]]" 8-5/8'	24#	710'		l sx circ.
7-7/8" 5-1/2	14#	3600 '	200	SXCIRCULATE
It is proposed to dril sufficient to test the is found, the well wil will be used during dr	e Grayburg forma 1 be perforated	tion. If oil or ga and stimulated as	as in com	mercial quantities ons require. B.O.P.
			ECEIV Oct 24	5-31
		· · ·		1000
		AR	GEOLOGICA Tesia, New	MEXICO
IN ABOVE SPACE DESCRIBE PROPOSED PROGR	M: If proposal is to deep rectionally, give pertinent	en or plug back, give data on p	resent produc	tive zone and proposed new productive

proventer program, if any.

spence af. Deans				<u>October 16,</u> 1980
(This space for Federal or State office use)				
PERMIT NO		PPROVAL DATE	9-81	
APPROVED BY CONDITIONS OF APPROVAL, CANY 1			DATE	
TZ-6587	)			

# NE IEXICO OIL CONSERVATION COMMISSI 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	
<sup>Dperator</sup> Hanson Oil C	~~~	Lease		Well No.
nit Letter Section	Township	GINSD Range	urg Federal	18
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2310 22/0 teet from the	North time and	T	t from the East	line
ound Level Elev. Producing F 3441.5		Poe!	garty-se-QG	licated Acreage;
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<ol> <li>If more than one lease is interest and royalty).</li> </ol>		-		
3. If more than one lease of dated by communitization,			have the interests of all	owners been consoli
Yes No If	answer is "yes," type o	of consolidation		
If answer is "no," list the this form if necessary.)	owners and tract desc	riptions which have a	ctually been consolidated	. (Use reverse side o
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			Company	
1				Corporation
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South Central Region P.O. Roy 26124 Albuquarque. New Medico 97125

ADV 1 - 1961

RECEIVED

:

NOV 2 3 1981

Hanson Oil Corporation P. 0. Bex 1515 Roswell, NM 86201

O. C. D. ARTESIA, OFFICE

Gentlement

Your spulication for Permit to Drill well Ho. 13 Ginsberg Federal in the SEWER sec. 26, T. 18 S., B. 30 E., Eddy County, New Mexico, lease #1-025503, to a depth of 3,600 feet to test the Grayburg formation in the oll-potash area, is hareby approved as emended by stipulations attached to the application.

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

> Sincerely yours, (ORIG. SGD.) MICHAEL F. REITZ

FOR & Game F. Daniel Deputy Conservation Manager 011 and Cas

Enclosure

cc: MNMOCD (2) BLM-Carlsbad CM, SCR DCM-Mining (2) Regional Files (2) **H**rtesia Roswell. ARF RCF

#### APPLICATION FOR DRILLING

#### GINSBERG FEDERAL #18

### 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 <b>'</b>
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: (0-710')

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 #18

### 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.



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 3½ miles in a Westerly direction; turn North before the cattleguard and continue North on existing road past Ginsberg #11 & turn left before Ginsberg #10 and continue in a northwesterly direction for approximately 1/3 mile on existing road; turn right 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 occur across 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.
  - Gates are not necessary; cattleguards: See Exhibit #1; no fence cut will be made.
  - 8. Planned access road has been centered-line flagged.

#### Page -2-

#### SURFACE USE AND OPERATIONS PLAN (Continued)

### GINSBERG FEDERAL #18

### 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 up) 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 reseeding 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 reseeding 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.

#### Page -3-

### SURFACE USE AND OPERATIONS PLAN (Continued)

#### GINSBERG FEDERAL #18

### 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) <u>Cuttings</u>: 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) <u>Drilling Fluids</u>: 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.

Page -4-

#### SURFACE USE AND OPERATIONS PLAN (Continued)

#### GINSBERG FEDERAL #18

#### 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:
  - 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 then 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 reseeding 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 cleanup operations are complete. After the location has been leveled and all pits backfilled, said location will be fenced from time of reseeding 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:
  - 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.

#### Page -5-

### SURFACE USE AND OPERATIONS PLAN (Continued)

### GINSBERG FEDERAL #18

### 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
 Phone No:
 (505)
 622-7330 - Office

 P. O. Box 1515
 (505)
 623-7364 - Home

 Roswell, New Mexico
 88201

### 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.

(Date)

J./Deans

Vice-President, Drilling & Production

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	1 570-2	Hole Nor To 2270	etal HSP   etal HBP OS40353 DS60353	Ginsberg F		1773
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#### MININUM BLOW-OUT PREVENTER REQUIREMELLS

### HIBIT #5

filling nipple to be so constructed that : can be removed, without use of a welder, Fill up line - to puzp wough rotary table opening. Closing wrenches and hand wheels be properly installed, braced and marked at all time. Hand wheels shall extend outside of sub-· Flow Line> structure.  $\odot$ puble blow-out preventer or to single blow-out pre-Π 0 enters or master valve id single blow-out pre- $\bigcirc$ enber. Plug valve plug valve) Note: Spool or cross may be Eliminated if outlets for kill and choke lines are inson Oil equipment only available in the lower low this flange part of the blow-out preventer body\_ High pressure plug valves NOTE: )TE: 1. Blow-out preventers, master value and ien drilling use: all fittings must be in good condition op Preventer-Blind rams or master valve 2,000# W.P. (4,000 P.S.I. test) minimum otton Preventer-Drill pipe rans Equipment through which bit must pase 2. uen running casing use: shall be as large as inside diameter of pp Preventer-Casing rams the casing that is being drilled through ottom Preventer-Blind rams or master valve Ripple above blow-out preventer shall b 3. same size as casing being drilled throu All fittings to be flanged. 4. Safety Valve (2" minimum opening) with 5. sub or connection to drill pipe on rig floor at all times.

### STATE OF NEW MEXICO TRGY AND MINERALS DEPARTM T OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 7136 Order No. R-6587

APPLICATION OF HANSON OIL CORPORATION FOR THE CONTRACTION OF THE POTASH-OIL AREA, OR IN THE ALTERNATIVE, AN EXCEPTION TO THE CASING-CEMENTING RULES OF R-111-A, EDDY COUNTY, NEW MEXICO.

### ORDER OF THE DIVISION

### BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 28, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of February, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

#### FINDS:

1.141

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Hanson Oil Corporation, seeks the contraction of the Potash-Oil Area as defined by Order No. R-111-A, as amended, by the deletion of the NE/4 of Section 26, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico, or, in the alternative, applicant seeks an exception to the casing-cementing rules prescribed by Order No. R-111-A for wells it proposes to drill in the NE/4 of said Section 26 to permit it to set surface casing at at least 600 feet and production casing at total depth in the Grayburg formation, circulating cement to the surface on both strings. -2-Case No. 7136 Order No. R-656

(3) That while the evidence presented indicates that there are no present potash mining operations nor probable remaining deposits of commercial potash ore in the subject area, there is insufficient geological and engineering data available in the record of this case to justify deletion of the subject lands from the Potash-Oil Area, and the application for such deletion should be denied.

(4) That the proposed method of completion for shallowzone wells in the subject area should be safe and should not result in endangerment of potash resources or operations, provided however,

(5) That the production casing should be cemented with a volume of cement sufficient to circulate back to the surface.

(6) That the applicant should report the following both to the district office of the Division and the U.S.G.S. and may be required to circulate cement to the surface around the production casing:

(a) Any water flows encountered:

(b) The top of the cement around the production casing as determined by temperature survey if such cement does not circulate.

(7) That approval of the subject application will protect correlative rights, will prevent waste and will not cause the waste of potash.

(8) The application should be approved.

### IT IS THEREFORE ORDERED:

(1) That the applicant, Hanson Oil Corporation, is hereby authorized an exception to the casing-cementing rules for the Oil-Potash Area as promulgated by Order No. R-111-A to permit the completion of several wells in the NE/4 of Section 26, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico, by setting surface casing at a depth of at least 600 feet and production casing at total depth with a volume of cement calculated to be sufficient to circulate back to the surface.

PROVIDED HOWEVER, that the applicant shall report the following, both to the district office of the Division and the U.S.G.S.:

Case No. 7136 Order No. R-65 7

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- (a) Any water flows encountered; and
- (b) The top of the cement around the production casing as determined by temperature survey if such cement does not circulate.

<u>PROVIDED FURTHER</u>, that the applicant may be required to re-cement the production casing to the surface if cement on said casing did not circulate to the surface.

(2) That the application to delete certain lands from the Potash-Oil Area is hereby denied.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO **QIL CONSERVATION DIVISION** RAMEY, JOE D. Director

### SEAL