

OCT 15 '90

30-015-26504

BLM Roswell District
Modified Form No.
NMO60-3160-2

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 ☐

2. NAME OF OPERATOR
Fortson Oil Company

3a. Area Code & Phone No.
(817)335-5641

3. ADDRESS OF OPERATOR
3000 Texas American Bank Building, Fort Worth, Texas 76102

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 330' FNL & 330' FWL, NW/4 NW/4, Unit letter *** D**
At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
14 air miles Northeast of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 330'

16. NO. OF ACRES IN LEASE 588.28

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. 1650'

19. PROPOSED DEPTH 6,000'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3320' GR

22. APPROX. DATE WORK WILL START* ASAP

PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
22.0"	16.0"	75.0#	J-55	ST&C	350'	500 sx(Circ)
15.0"	11 3/4"	42.0#	J-55	ST&C	1260'	750 sx(Circ)
9 7/8"	7.0"	23.0#	J-55	ST&C	3250'	900 sx
7 7/8"	4 1/2"	10.5#	K-55	ST&C	6000'	500 sx

Operator proposes to drill to the Delaware formation and test for possible commercial production of oil and gas.

Attachments:

- A. Supplemental Drilling Data
- B. Surface Use Plan: Exhibits A-D
- C. Directional Map
- D. B.O.P. diagram
- E. Pertinent Lease Data

Post ID-1
10-19-90
New Loc & API

RECEIVED

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. Frankler TITLE Agent DATE 9/15/90
(This space for Federal or State office use)

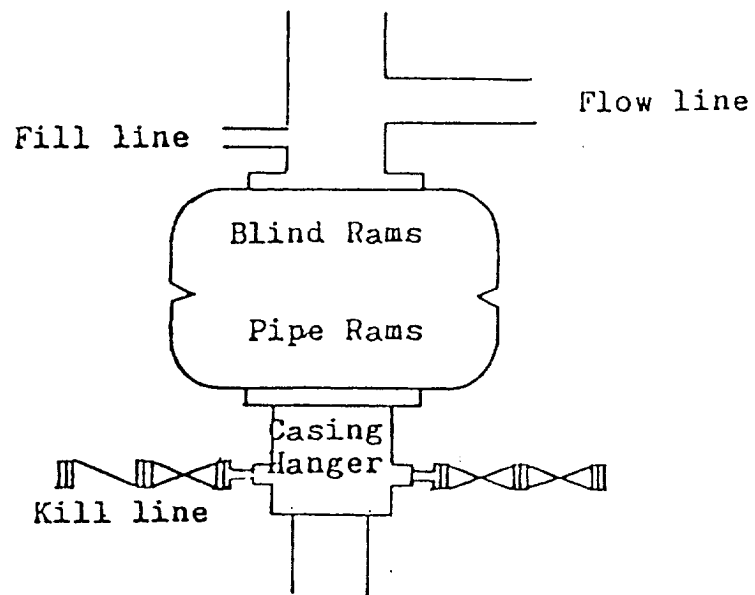
PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE 9-11-90

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

*See Instructions On Reverse Side



Blowout Preventer
3000 psi working pressure

**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.

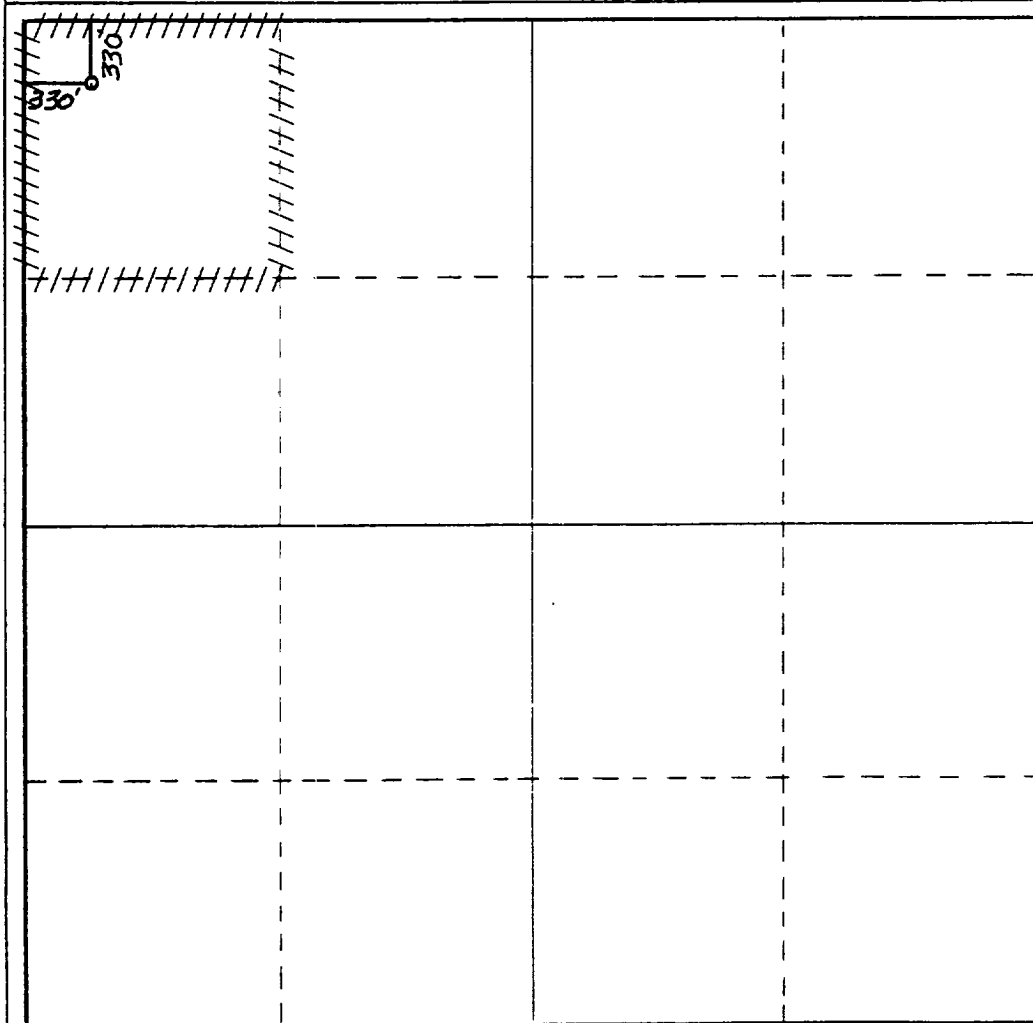
Operator FORTSON OIL COMPANY			Lease Sylvite Federal		Well No. 2
Unit Letter D	Section 6	Township 20 South	Range 30 East	County Eddy County, N.M.	
Actual Footage Location of Well: 330 feet from the North line and 330 feet from the West line					
Ground Level Elev. 3320.	Producing Formation Delaware		Pool Und. Parkway 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.



CERTIFICATION

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

Terry W. Franklin

Name

Terry W. Franklin

Position

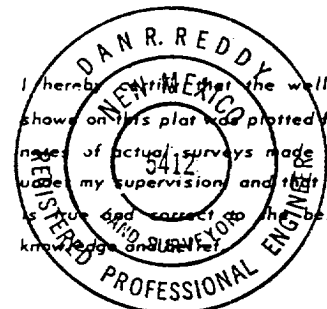
Agent

Company

Fortson Oil Company

Date

9/17/90



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

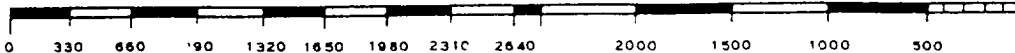
September 6, 1990

Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy

Certificate No.

NM PE&PS NO. 5412



PERTINENT LEASE DATA

FORTSON OIL COMPANY
SYLVITE FEDERAL NO. 2
330' FNL & 330' FWL
Sec. 6, T20S, R30E
Eddy County, N.M.

Located: 14 air miles Northeast of Carlsbad, New Mexico

Lease Number: NM-84721

Record Lessee: Collins & Ware, Inc.

Bond Coverage: \$10,000.00 Lease Bond-Fortson Oil Company

Acres in Lease: 588.280

Surface Ownership: Federal

Pool Rules: General Statewide Rules

Exhibits:

- A. Land Plat
- B. B.O.P. Diagram
- C. Directional Highway Map
- D. Topographic Map
- E. Wellsite Plat

SUPPLEMENTAL DRILLING DATA

FORTSON OIL COMPANY
SYLVITE FEDERAL NO. 2
330' FNL & 330' FWL
Sec. 6, T20S, R30E
Eddy County, N.M.

The following information is filed in accordance with "Onshore Oil and Gas Order" No.s 1 & 2:

1. Geologic Name of Surface Formation: Permian age
2. Estimated Geological Marker Tops:

Rustler	280'	Yates	1400'
T/Salt	380'	Seven Rivers	1495'
B/Salt	1270'	Delaware	3575'

3. Estimated Depths to Water, Oil and Gas:

Water: above Rustler formation at 170'[±]
Oil : Delaware formation below 3600'
Gas : None

4. Proposed Casing and Cement Program:

Surface Csg: 16.0", 75.0#, J-55, ST&C casing. Cement with 500 sx Class 'C' with 2% CaCl. Circulate to surface.
First Inter: 11 3/4", 42.0#, J-55, ST&C casing. Cement with 500 sx 50-50 pozmix followed by 250 sx Class 'C' with 2% CaCl. Circulate cement to surface.
Second Inter: 7.0", 23.0#, J-55, ST&C casing. Cement with 900 sx 35-65 pozmix. Tie back into 11 3/4" casing.
Prod. Casing: 4 1/2", 10.5#, K-55, ST&C casing. Cement with 500 sx Class 'C' with 1% CaCl. Cement to isolate all oil, gas and water zones.

5. Mud Program:

- 0 - 350': Fresh water spud mud. Fresh water lime and gel. 8.5-8.8#/gal, 30-33 viscosity
- 350 - 1260': Brine water with salt gel and lost circulation material as required. 9.3-9.5#/gal, 28-30 viscosity
- 1260 - 3250': Fresh water system. Control pH with lime, 8.3-8.4#/gal, viscosity 28-30 pH 9-10
- 3260 - 6000': Drill out with existing brine water system circulating reserve pit. Control pH with lime. 9.2-9.4#/gal, viscosity 28-32, pH 9-10

6. Pressure Control Equipment: 3000 p.s.i. working pressure, double ram blowout preventor will be installed from 350' to total depth.

7. Proposed Testing, Logging and Coring Programs:

- Testing: No DST's anticipated
- Logging: Dual Laterolog, Compensated Neutron, Gamma Ray
Possible mud logging unit from 1260' to total depth
- Coring : None anticipated

8. Auxiliary Equipment: Kelly cock, Full opening stabbing valve.

9. Abnormal Pressures or Temperature Zones: Possible loss circulation in the Artesia group and Capitan Reef. No high pressure zones are anticipated.

10. Anticipated Starting Date: Commence drilling operations upon approval of the Permit to Drill.

SURFACE USE PLAN

FORTSON OIL COMPANY
SYLVITE FEDERAL NO. 2
330' FNL & 330' FWL
Sec. 6, T20S, R30E
Eddy County, N.M.

1. Location of Proposed Well:

- A. Exhibit 'A' is a portion of a highway map displaying the location as staked. Proposed location is situated approximately 14 air miles Northeast of Carlsbad, New Mexico.

2. Access Roads to be Constructed and Reconstructed:

- A. Exhibit 'B' displays the existing roads and also the planned access roads.
- B. Proposed new access road will be 14' wide by approximately 990' in length. The new access road will enter the Northeast corner of the location as displayed on Exhibit 'B'.
- C. Existing access roads to the proposed wellsite will be used in their present state. An "off lease" access road right-of-way will be required to the proposed location. Proposed "off lease" access road map and check is enclosed with the Permit to Drill.
- D. One cattleguard will be required and is displayed on Exhibit 'B'.

3. Location of Existing Wells:

- A. Exhibit 'C' displays the existing wells in the immediate area.

4. Location of Existing and/or Proposed Production Facilities:

- A. Necessary production equipment will be constructed on the well pad.

5. Location and Type of Water Supply:

- A. Eddy County Potash's surface disposal lake is located approximately 1 1/4 miles east-southeast of the proposed location.
- B. Water necessary for drilling operations will be purchased from a nearby commercial source and trucked to the drillsite.

6. Construction Materials:

- A. Surfacing materials will be caliche and will be purchased from a Federal pit located in the SW/4 NE/4, Sec. 3, T20S, R29E.

7. Methods for Handling Waste Disposal:

- A. Drill cuttings will be disposed in the reserve pits.
- B. Drilling fluids will evaporate in the reserve pits until dry.
- C. Water produced during tests will be disposed in the reserve pits.
- D. All trash will be buried in a separate pit and covered with a minimum 36" of dirt.
- E. The location will be cleaned of all debris as soon as drilling operations are completed.

8. Ancillary Facilities:

- A. None anticipated.

9. Well Site Layout:

- A. Exhibit 'D' displays the well site and rig layout.

10. Plans for Restoration of the Surface:

- A. After completion of operations, all materials not needed for producing the well will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in good condition.
- B. Any unguarded pits containing fluids will be fenced until dry.
- C. If the test well results in a non-commercial test, the well pad and new access road will be rehabilitated to BLM requirements.

11. Surface Ownership:

- A. The surface is Federal.

12. Other Information:

- A. Topography: Proposed location is situated on a relatively flat and stable surface.
- B. Vegetation: Yucca, mesquite, various types of gramma grasses.
- C. Surface use is for minimal grazing.
- D. An archeological survey on proposed new access road and location conducted by Archaeological Survey Consultants, September 6, 1990. No cultural sites present.

13. Operator's Representative:

John Tittl
Fortson Oil Company
3000 Texas American Bank Building
Fort Worth, Texas 76102
(817)335-5641

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 herein will be performed by FORTSON OIL COMPANY and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

9-17-90
Date

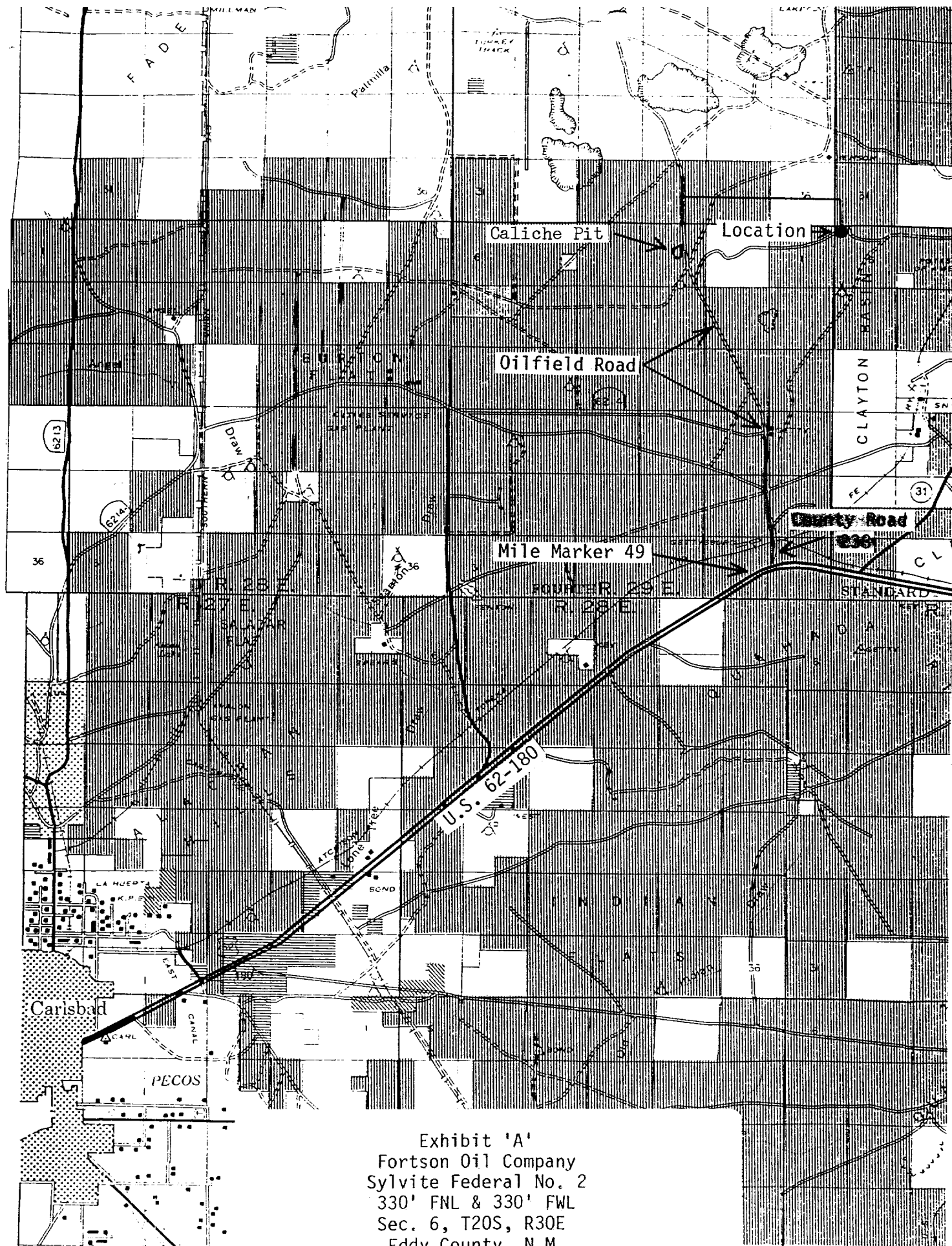
Terry W. Franklin
Terry W. Franklin
Agent

DIRECTIONS TO LOCATION

FORTSON OIL COMPANY
SYLVITE FEDERAL NO. 2
330' FNL & 330' FWL
Sec. 6, T20S, R30E
Eddy County, N.M.

Starting point being Pecos River Bridge, Carlsbad, New Mexico:

- 00.00 From Carlsbad, travel northeast on highway 62-180 for 13.6 miles;
(4/10 mile past mile marker 49)
- 13.60 Turn north on County Road 238 for 2.1 miles;
- 15.70 Continue north on oilfield road for 4.1 miles;
- 19.80 Turn east and proceed east for a total of 2.6 miles(will travel
past Siete Oil & Gas-Osage Federal tank battery at 1.0 miles east,
east to Santa Fe Energy-Parkway '36' State Well No. 4 tank battery,
then east to Fred Pool-Ronadero Federal tank battery-total 2.6 miles
east);
- 22.40 Turn south at Fred Pool-Ronadero tank battery for 2/10 mile to
Ronadero Federal No. 4 well;
- 22.60 Continue south for 2/10 mile;
- 22.80 Location



SCALE: 1/2" = 1 MILE

This topographic map, titled "Exhibit 'B' Fortson Oil Company Sylvite Federal No. 2 330' FNL & 330' FWL Sec. 6, T20S, R30E Eddy County, N.M.", depicts a rugged terrain with numerous contour lines indicating elevation. The map is overlaid with a grid system, with section numbers 1 through 18 visible. Key features include:

- Proposed Cattle Guard:** A dashed line with arrows indicating its path across the terrain, specifically crossing a ridge near section 12 and 13.
- Existing Access:** A solid line with arrows showing a path through the landscape, likely connecting different areas of the oil field.
- Topographic Details:** Contour lines are labeled with elevations such as 3200, 3250, 3300, and 3350 feet. Various points are marked with alphanumeric codes (e.g., 3329T, 3331T, 3327T) and symbols (e.g., DH, BM).
- Geographic Labels:** The name "CLAYTON BASIN" is written vertically along the right edge of the map.
- Map Orientation:** The map includes a scale bar at the top right indicating "600000 FEET" and a north arrow pointing towards the top right corner.

This topographic map, titled "Exhibit 'B' Fortson Oil Company Sylvite Federal No. 2 330' FNL & 330' FWL Sec. 6, T20S, R30E Eddy County, N.M.", depicts a rugged terrain with numerous contour lines indicating elevation. The map is overlaid with a grid system, with section numbers 1 through 18 visible. Key features include:

- Proposed Cattle Guard:** A dashed line with arrows indicating its path across the landscape.
- Existing Access:** A solid line with arrows showing a route through the terrain.
- Topographic Details:** Contour lines are labeled with values such as 3200, 3250, 3300, 3350, and 3400. Various points are marked with codes like 3329T, 3330T, 3331T, 3332T, 3333T, 3334T, 3335T, 3336T, 3337T, 3338T, 3339T, 3340T, 3341T, 3342T, 3343T, 3344T, 3345T, 3346T, 3347T, 3348T, 3349T, 3350T, 3351T, 3352T, 3353T, 3354T, 3355T, 3356T, 3357T, 3358T, 3359T, 3360T, 3361T, 3362T, 3363T, 3364T, 3365T, 3366T, 3367T, 3368T, 3369T, 3370T, 3371T, 3372T, 3373T, 3374T, 3375T, 3376T, 3377T, 3378T, 3379T, 3380T, 3381T, 3382T, 3383T, 3384T, 3385T, 3386T, 3387T, 3388T, 3389T, 3390T, 3391T, 3392T, 3393T, 3394T, 3395T, 3396T, 3397T, 3398T, 3399T, 3400T, 3401T, 3402T, 3403T, 3404T, 3405T, 3406T, 3407T, 3408T, 3409T, 3410T, 3411T, 3412T, 3413T, 3414T, 3415T, 3416T, 3417T, 3418T, 3419T, 3420T, 3421T, 3422T, 3423T, 3424T, 3425T, 3426T, 3427T, 3428T, 3429T, 3430T, 3431T, 3432T, 3433T, 3434T, 3435T, 3436T, 3437T, 3438T, 3439T, 3440T, 3441T, 3442T, 3443T, 3444T, 3445T, 3446T, 3447T, 3448T, 3449T, 3450T, 3451T, 3452T, 3453T, 3454T, 3455T, 3456T, 3457T, 3458T, 3459T, 3460T, 3461T, 3462T, 3463T, 3464T, 3465T, 3466T, 3467T, 3468T, 3469T, 3470T, 3471T, 3472T, 3473T, 3474T, 3475T, 3476T, 3477T, 3478T, 3479T, 3480T, 3481T, 3482T, 3483T, 3484T, 3485T, 3486T, 3487T, 3488T, 3489T, 3490T, 3491T, 3492T, 3493T, 3494T, 3495T, 3496T, 3497T, 3498T, 3499T, 3500T, 3501T, 3502T, 3503T, 3504T, 3505T, 3506T, 3507T, 3508T, 3509T, 3510T, 3511T, 3512T, 3513T, 3514T, 3515T, 3516T, 3517T, 3518T, 3519T, 3520T, 3521T, 3522T, 3523T, 3524T, 3525T, 3526T, 3527T, 3528T, 3529T, 3530T, 3531T, 3532T, 3533T, 3534T, 3535T, 3536T, 3537T, 3538T, 3539T, 3540T, 3541T, 3542T, 3543T, 3544T, 3545T, 3546T, 3547T, 3548T, 3549T, 3550T, 3551T, 3552T, 3553T, 3554T, 3555T, 3556T, 3557T, 3558T, 3559T, 3560T, 3561T, 3562T, 3563T, 3564T, 3565T, 3566T, 3567T, 3568T, 3569T, 3570T, 3571T, 3572T, 3573T, 3574T, 3575T, 3576T, 3577T, 3578T, 3579T, 3580T, 3581T, 3582T, 3583T, 3584T, 3585T, 3586T, 3587T, 3588T, 3589T, 3590T, 3591T, 3592T, 3593T, 3594T, 3595T, 3596T, 3597T, 3598T, 3599T, 3600T, 3601T, 3602T, 3603T, 3604T, 3605T, 3606T, 3607T, 3608T, 3609T, 3610T, 3611T, 3612T, 3613T, 3614T, 3615T, 3616T, 3617T, 3618T, 3619T, 3620T, 3621T, 3622T, 3623T, 3624T, 3625T, 3626T, 3627T, 3628T, 3629T, 3630T, 3631T, 3632T, 3633T, 3634T, 3635T, 3636T, 3637T, 3638T, 3639T, 3640T, 3641T, 3642T, 3643T, 3644T, 3645T, 3646T, 3647T, 3648T, 3649T, 3650T, 3651T, 3652T, 3653T, 3654T, 3655T, 3656T, 3657T, 3658T, 3659T, 3660T, 3661T, 3662T, 3663T, 3664T, 3665T, 3666T, 3667T, 3668T, 3669T, 3670T, 3671T, 3672T, 3673T, 3674T, 3675T, 3676T, 3677T, 3678T, 3679T, 3680T, 3681T, 3682T, 3683T, 3684T, 3685T, 3686T, 3687T, 3688T, 3689T, 3690T, 3691T, 3692T, 3693T, 3694T, 3695T, 3696T, 3697T, 3698T, 3699T, 3700T, 3701T, 3702T, 3703T, 3704T, 3705T, 3706T, 3707T, 3708T, 3709T, 3710T, 3711T, 3712T, 3713T, 3714T, 3715T, 3716T, 3717T, 3718T, 3719T, 3720T, 3721T, 3722T, 3723T, 3724T, 3725T, 3726T, 3727T, 3728T, 3729T, 3730T, 3731T, 3732T, 3733T, 3734T, 3735T, 3736T, 3737T, 3738T, 3739T, 3740T, 3741T, 3742T, 3743T, 3744T, 3745T, 3746T, 3747T, 3748T, 3749T, 3750T, 3751T, 3752T, 3753T, 3754T, 3755T, 3756T, 3757T, 3758T, 3759T, 3760T, 3761T, 3762T, 3763T, 3764T, 3765T, 3766T, 3767T, 3768T, 3769T, 3770T, 3771T, 3772T, 3773T, 3774T, 3775T, 3776T, 3777T, 3778T, 3779T, 3780T, 3781T, 3782T, 3783T, 3784T, 3785T, 3786T, 3787T, 3788T, 3789T, 3790T, 3791T, 3792T, 3793T, 3794T, 3795T, 3796T, 3797T, 3798T, 3799T, 3800T, 3801T, 3802T, 3803T, 3804T, 3805T, 3806T, 3807T, 3808T, 3809T, 3810T, 3811T, 3812T, 3813T, 3814T, 3815T, 3816T, 3817T, 3818T, 3819T, 3820T, 3821T, 3822T, 3823T, 3824T, 3825T, 3826T, 3827T, 3828T, 3829T, 3830T, 3831T, 3832T, 3833T, 3834T, 3835T, 3836T, 3837T, 3838T, 3839T, 3840T, 3841T, 3842T, 3843T, 3844T, 3845T, 3846T, 3847T, 3848T, 3849T, 3850T, 3851T, 3852T, 3853T, 3854T, 3855T, 3856T, 3857T, 3858T, 3859T, 3860T, 3861T, 3862T, 3863T, 3864T, 3865T, 3866T, 3867T, 3868T, 3869T, 3870T, 3871T, 3872T, 3873T, 3874T, 3875T, 3876T, 3877T, 3878T, 3879

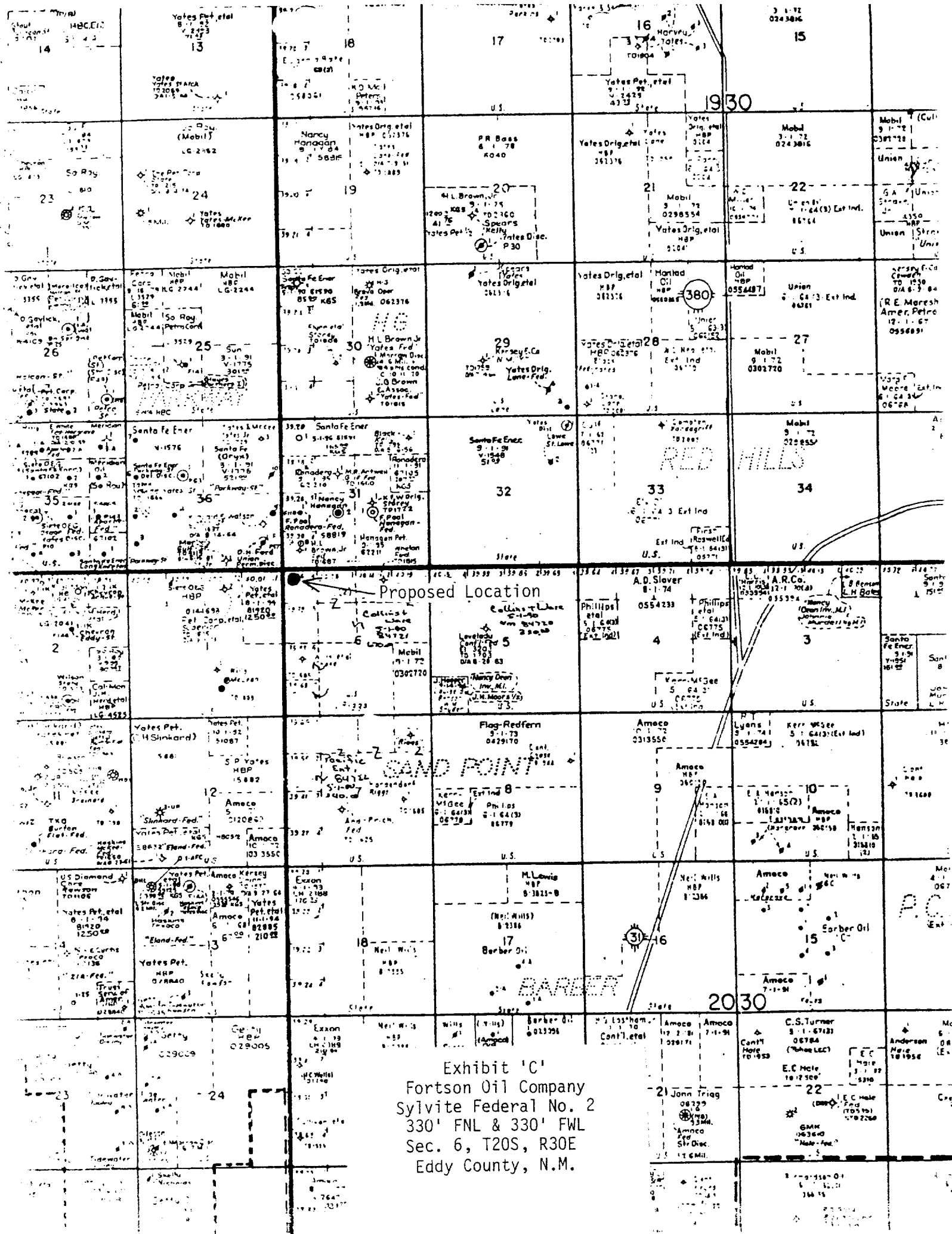
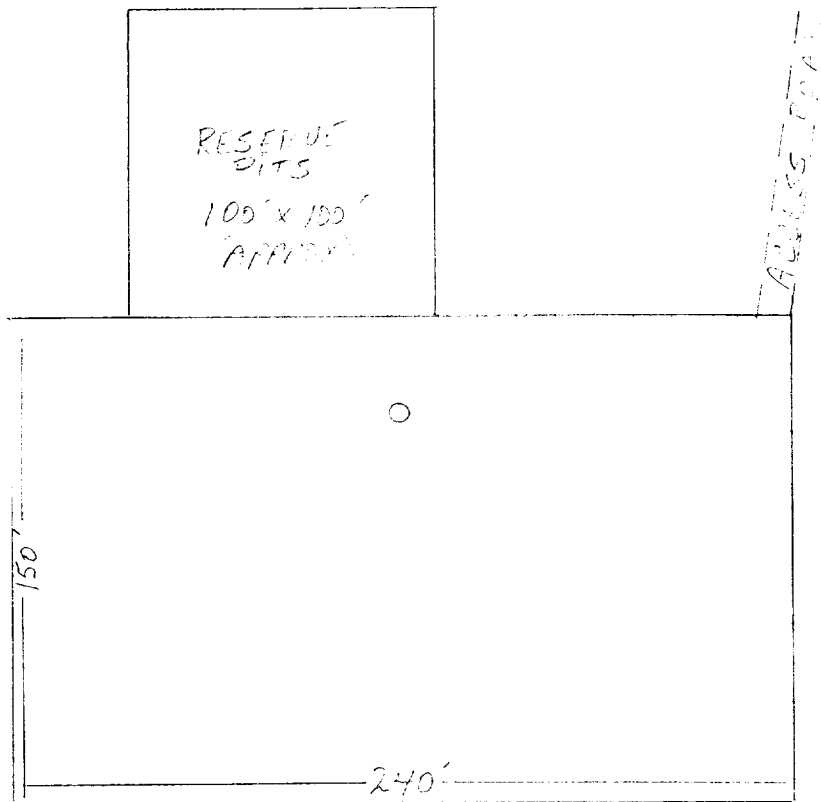


Exhibit 'C'
Fortson Oil Company
Sylvite Federal No. 2
330' FNL & 330' FWL
Sec. 6, T20S, R30E
Eddy County, N.M.



SCALE 1" = 60'

Exhibit 'D'
Fortson Oil Company
Sylvite Federal No. 2
330' FNL & 330' FWL
Sec. 6, T20S, R30E
Eddy County, N.M.