

Release April 1, 1985

By DEC

EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND, TEXAS 79702-1600

March 8, 1985

PRODUCTION DEPARTMENT
MIDCONTINENT DIVISION

*NSL-2014
RUE-104FL*

Unorthodox Location
Nasser Federal #1
Section 1-T21S-R21E
Eddy County, NM

*Dedicated Acreage - 320
w/2 Section 1-T2S-21E*

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, NM 87501

Dear Mr. Stamets:

Exxon Corporation requests administrative approval of an unorthodox location for the subject well based upon topographic conditions. This well will be located nearer than 1980' from the nearest end boundary of the proration unit. This location was chosen because of the rough terrain.

By copy (certified mail) of this letter, we are notifying all offset operators of our application to permit this well as an unorthodox location. If as an offset operator, you have no objections to this application, we request that you execute the attached waiver and forward a copy to Mr. Richard L. Stamets, Director, Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501, and return one copy to this office.

The offset operators as shown on the attached plat are:

J. Cleo Thompson, 4500 Republic National Bank Tower, Dallas, Texas 75201
Rio Pecos Corporation, 401 W. Texas, Midland, Texas 79701
Eagle Oil & Gas Company, 510 Hamilton Building, Wichita Falls, Texas 76301

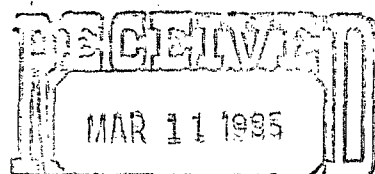
Please grant administrative approval to drill this well as an unorthodox location. If you need additional information, please call me at 915 686-4406.

Sincerely,

Melba Knipling

Melba Knipling
Unit Head
NGPA and Permits

MK:dc
encl



OIL CONSERVATION DIVISION
SANTA FE

W A I V E R

Mr. Richar L. Stamets
Director, Oil Conservation Division
State of New Mexico
Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87501

This is to advise that the undersigned has been given due notice that Exxon Corporation has made application for administrative approval of an unorthodox location for Nasser Federal #1, Undesignated Little Box Canyon-Morrow Field.

We hereby waive any objections to the granting of the application for the above well which will be located:

1880' FNL and 1980' FWL of Section 1-T21S-R21E, Eddy County, New Mexico

Executed this _____ day of _____ 1985:

Company _____

By _____

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

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Exxon Corporation

3. ADDRESS OF OPERATOR

P. O. Box 1600, Midland, Texas 79702

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

1880' FNL and 1980' FWL of Sec. (SE NW)
At proposed prod. zone

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

21 miles south of Hope

15. DISTANCE FROM PROPOSED*

660'

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

959.84

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

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

None

19. PROPOSED DEPTH

8700'

20. ROTARY OR CABLE TOOLS

Rotary

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

4512' GR

22. APPROX. DATE WORK WILL START*

6-15-85

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54 1/2#	350'	250 cu. ft.
12 1/4"	8 5/8"	24#	1650'	700 cu. ft.
7 7/8"	5 1/2"	14, 15.5 & 17#	TD	1250 cu. ft.

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

Melba Kriplinger

TITLE

Unit Head

DATE

3-8-85

(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

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Exxon Lse. No. _____ NEW MEXICO OIL CONSERVATION COMMISSION
State Lse. No. NM-27451 WELL LOCATION AND ACREAGE DEDICATION PLAT
Federal Lse. No. _____ All distances must be from the outer boundaries of the Section.

Form C-102
Supersedes C-128
Effective 1-1-65

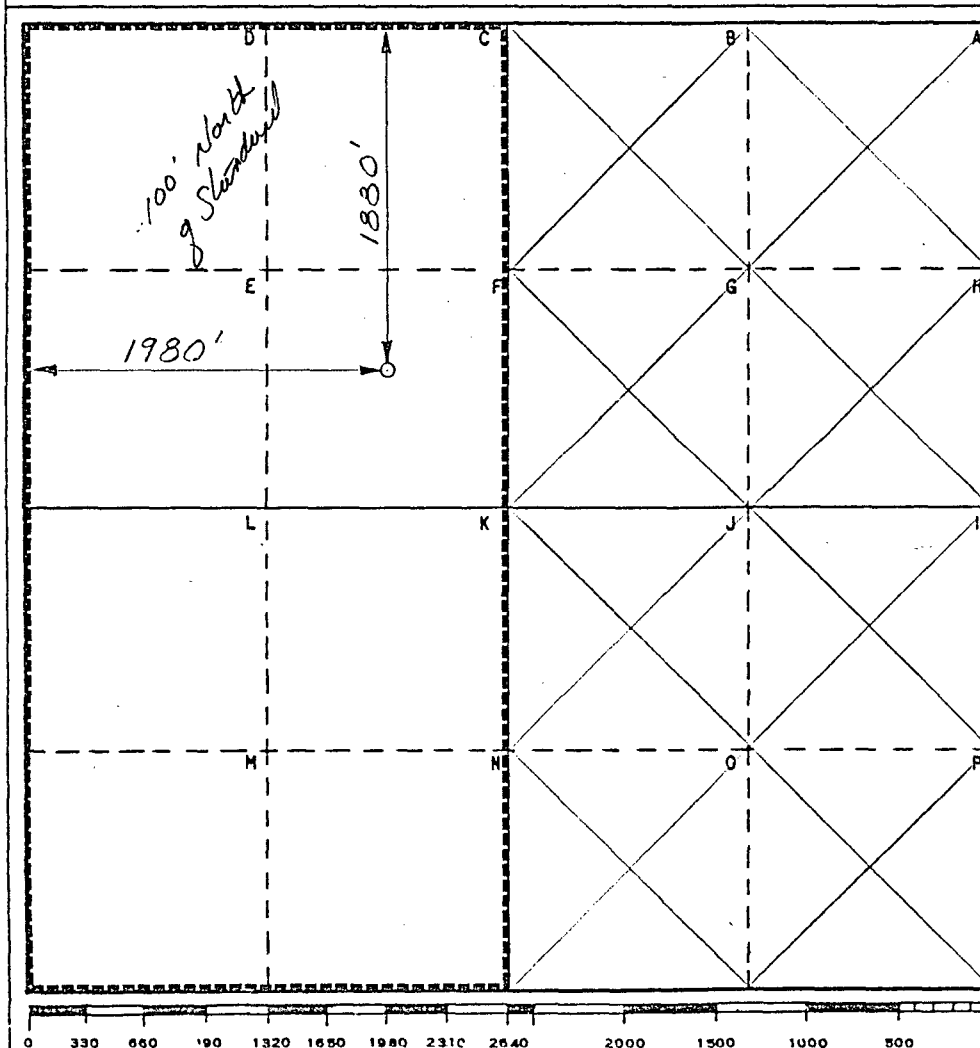
Operator Exxon Corporation		Lease <u>NASSER FEDERAL</u>		Well No. <u>1</u>	
Unit Letter	Section <u>1</u>	Township <u>21 S</u>	Range <u>21 E</u>	County <u>EDDY</u>	
Actual Footage Location of Well: <u>1880</u> feet from the <u>NORTH</u> line and <u>1980</u> feet from the <u>WEST</u> line					
Ground Level Elev. <u>4512'</u>	Producing Formation <u>MORROW</u>		Pool <u>LITTLE BOX CANYON UND.</u>	Dedicated Acreage: <u>320</u> 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
Melba Kripling
Position
UNIT HEAD

Company Exxon Corporation
Box 1600 Midland, Texas

Date
3-5-85

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
1-31-85

Registered Professional Engineer
and/or Land Surveyor

Bruce R. Pennell
Certificate No.

9062

21 Miles SO. of HOPE, New Mexico

C.E. Sec. File No. WA-8791

DRILLING PLAN
Nasser Federal #1
Section 1 , T-21-S, R-21-E
Eddy County, New Mexico

1. Estimated tops of important geological markers:

Abo	:	3,460'
Wolfcamp:		4,800'
Morrow	:	7,750'
Chester	:	8,050'

2. Estimated depths at which the top of anticipated water, oil, gas or other mineral-bearing formations are expected to be encountered and the plan for protecting such resources.

	<u>Depth</u>	<u>Protection</u>
Deepest FW:	1,100'	Casing and Cement
Gas-Morrow:	7,750'	Casing and Cement

3. Minimum specifications for pressure control equipment:

- A. Wellhead Equipment: Flange type, 3000 psi x 5000 psi WP for 13-3/8" x 8-5/8" x 5-1/2" casing program with 2-7/8" tubing hanger.
- B. Blowout Preventers: Refer to attached drawings and lists of equipment titled "Type RRA" for description of BOP stacks and choke manifold.
- C. BOP Control Unit : Unit will be hydraulically operated and have two control systems.
- D. Testing : Upon installation, the Type RRA BOPs for the 13-3/8" surface casing will be tested to a low pressure (200-300 psi) and to a high pressure of 2000 psi. Casing rams will be tested in a like manner. An operational test of the blowout preventers will be performed on each round trip (but not more than once each day); the annular and pipe ram preventers will be closed on drill pipe and the blind rams will be closed while pipe is out of the hole.

4. Supplementary drilling equipment information:

- A. Kelly Cocks : Upper and lower installed on kelly.
- B. Safety Valve : Full opening ball type to fit each type and size of drill pipe in use will be available on rig floor at all times. The valves will be in the open position for stabbing into drill pipe when kelly is not in the string.
- C. Trip Tank : Will be installed after setting surface casing to insure that the hole is full of fluid and that the hole takes the proper amount of fluid on trips.
- D. Mud System Monitor: Monitoring equipment and floats at the pit will not be used unless conditions dictate. A flow rate indicator will be installed after surface casing has been set.

5. Type and anticipated characteristics of drilling fluid:

<u>Depth Interval</u>	<u>Mud Type</u>	<u>Weight</u>	<u>Funnel Visc</u>	<u>WL</u>	<u>ph</u>
0'-1,650'	FW	8.4 - 8.8	25-30	-	10.5+
1,650'-7,700'	Cut BW	9.0 - 9.5	30-32	-	10.5+
7,700'-TD	KCL Mud or CBW Mud	9.3 - 9.7	35-40	6-10	9.5-10

6. Testing, Logging and Coring:

- A. Logging : 1,650'-TD: Mud Logger
1,650'-TD: LDT-CNL
1,650'-TD: DLL-MSFL

7. Abnormal pressure and other possible hazards:

- A. Bottom hole pressure is expected to be less than 4000 psi.
- B. No abnormal pressure is anticipated.
- C. H₂S is not expected in sufficient quantities to require an H₂S contingency plan.

8. Any other facets of the proposed operation:

No special drilling operations are expected.

COMPONENT SPECIFICATIONS

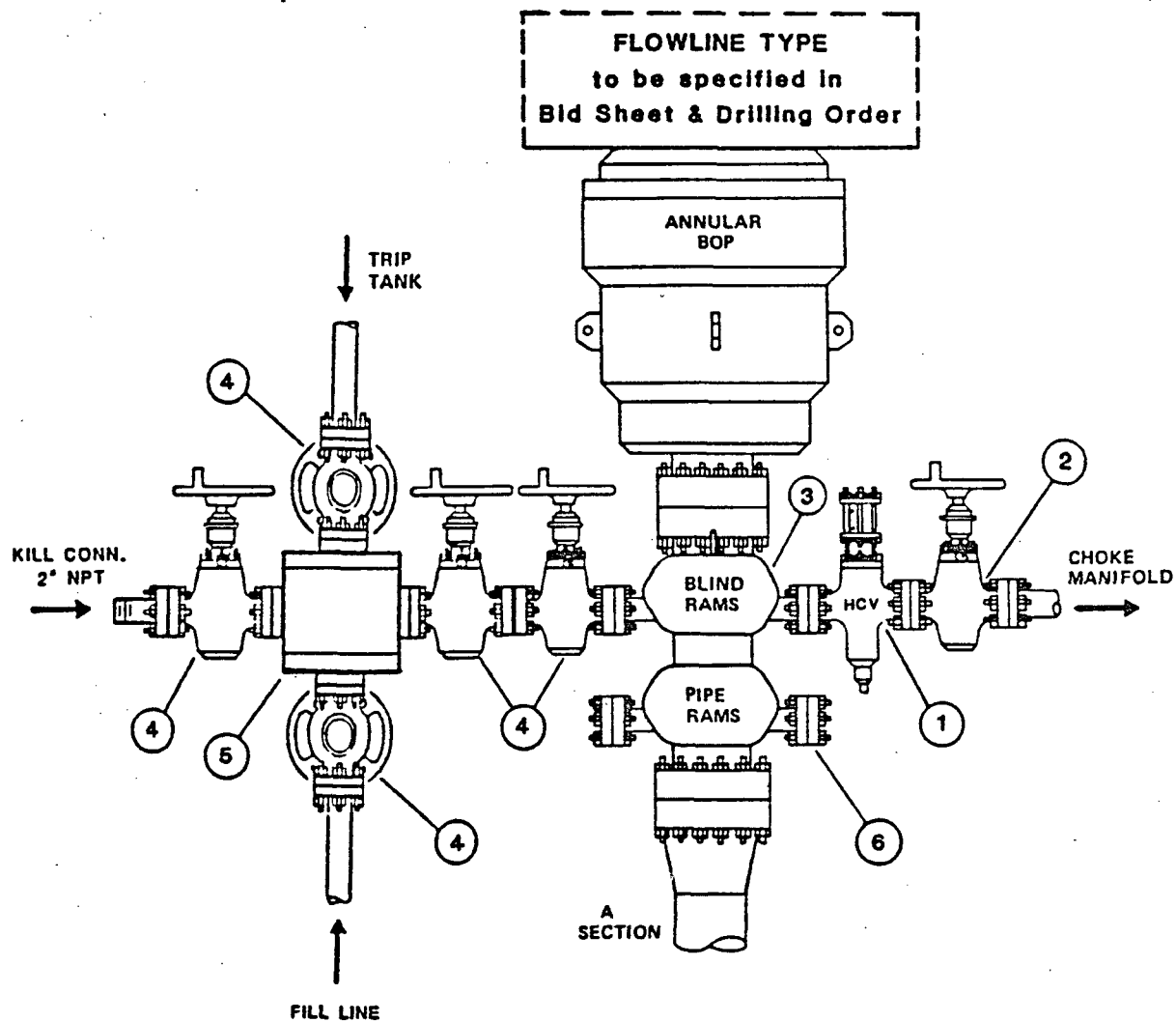
Type RR BOP Stack

1. Flanged hydraulically controlled gate valve -- 3" minimum nominal diameter -- same working pressure as BOP stack.
2. Flanged plug or gate valve -- 3" minimum nominal diameter -- same working pressure as BOP stack.
3. BOP outlets must be 2" minimum nominal diameter for kill line and 3" minimum diameter for choke line.
4. Flanged plug or gate valve -- 2" minimum nominal diameter -- same working pressure as BOP stack.
5. Flanged Tee.
6. Any BOP side outlet flange, located below the bottom ram, must be equipped with a blind flange.

NOTE: Each BOP stack must have separate side outlet connections for kill and choke lines, unless specific approval for a single side-outlet is obtained from the Exxon Division Drilling Manager prior to rig-up. Such approval will not be granted unless the equipment arrangement conforms to the specifications shown on pages 14 and 15 of this Section.

TYPE RRA BOP STACK

THREE PREVENTERS



COMPONENT SPECIFICATIONS

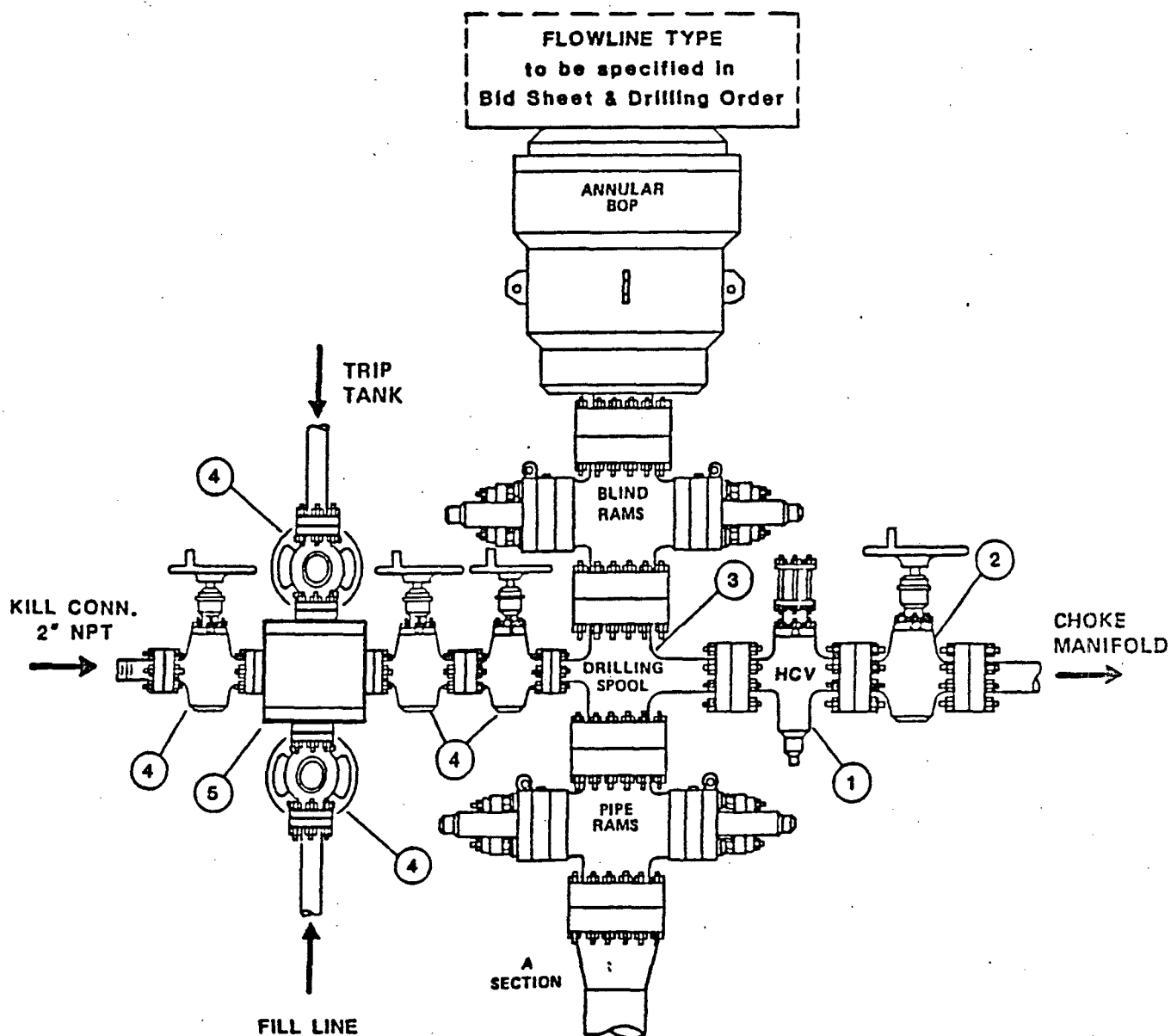
Type RRA BOP Stack

1. Flanged hydraulically controlled gate valve -- 3" minimum nominal diameter -- same working pressure as BOP stack.
2. Flanged plug gate valve -- 3" minimum nominal diameter -- same working pressure as BOP stack.
3. BOP outlets must be 2" minimum nominal diameter for kill line and 3" minimum diameter for choke line.
4. Flanged plug or gate valve -- 2" minimum nominal diameter -- same working pressure as BOP stack.
5. Flanged cross or two (2) flanged tees.
6. Any BOP side outlet flange, located below the bottom ram, must be equipped with a blind flange.

NOTE: Each BOP stack must have separate side outlet connections for kill and choke lines, unless specific approval for a single side-outlet is obtained from the Exxon Division Drilling Manager prior to rig-up. Such approval will not be granted unless the equipment arrangement conforms to the specifications shown on pages 14 and 15 of this Section.

TYPE RSRA BOP STACK

THREE PREVENTERS



SURFACE USE PLAN

Exxon Corporation
Nasser Federal No. 1
1880' FNL, 1980' FWL, Section 1, T21S, R21E, N.M.P.M.
Lease No. NM-27451
Eddy County, New Mexico

1. EXISTING ROADS - Area map, Exhibit "A" is a reproduction of the Strychnine Draw, Texas Hill, Box Canyon Ranch and Cawley Draw U.S.G.S. 7.5' quadrangles. Existing roads are shown on this map.
 - A. Exhibit "A" shows the proposed location as staked.
 - B. From Carlsbad, New Mexico, go north 20.0 miles on U.S. Hwy. 285 to Eddy County Road #23. Travel west 18.6 miles to Eddy County Road #12. Turn left and go south 5.9 miles to existing access road to P & A'd Exxon well. Turn left and travel 1000' on access road to old location. Follow new access road south and travel 8250' to new location.
 - C. The existing roads within a one mile radius are shown on Exhibit "A". The roads that will be used are all county roads and are maintained by the county.
2. PLANNED ACCESS ROADS - As shown on Exhibit "A", 8250' access road will be constructed.
 - A. The cleared width of the road will be 18'. The road will be surfaced with caliche to a width of 12'.
 - B. The road has a short section of 7 percent grade at the existing access road just off of County Road 12.
 - C. Turnouts measuring 12' x 100' will be placed as needed with a transition length of 25' on each end. Each turnout will be surfaced with caliche and maintained in equal condition as the access road.
 - D. Drainage structures will not be necessary.
 - E. Culverts will be installed where needed. Cattleguards will not be needed.
 - F. No major cuts or fills will be needed.
 - G. New road centerline has been flagged.

3. LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS

- A. Water wells - None known.
- B. Abandoned wells - Yates Pet., El Paso Federal as shown on Exhibit "C".
- C. Temporarily abandoned wells - None known.
- D. Disposal Wells - None known.
- E. Drilling wells - None known.
- F. Producing Wells - None known.
- G. Shut-In Wells - None known.
- H. Injection Wells - None known.
- I. Monitoring or Observation Wells for other Resources - None known.

4. LOCATIONS OF EXISTING AND/OR PROPOSED FACILITIES

- A. The location of production facilities will be submitted by Sundry Notice when the well is completed.

5. LOCATION AND TYPE OF WATER SUPPLY

- A. Water will be purchased locally and will be either piped in lines laid on top of the ground or hauled over existing and proposed access routes to the location. No new roads will be built to haul water.

6. SOURCE OF CONSTRUCTION MATERIALS

- A. Caliche will be used for location and road construction. It will be obtained from a Federal pit located in the SE 1/4 of the NE 1/4 of Section 26, T20S, R21E. This caliche pit has archaeology clearance and the cleared perimeter has been staked.
- B. Caliche will be hauled down the existing road and proposed access routes.

7. WASTE DISPOSAL

- A. Waste materials will be contained and disposed of as follows:
 - (1) Drill cuttings will be disposed of in the reserve pit.
 - (2) Trash, waste paper, and garbage will be contained in a trash pit, fenced with small mesh wire to prevent wind-scattering during storage and then burned; this pit is shown on the rig layout.

Residue in the pit after completion of operations will be buried either within the pit or in the reserve pit by at least a 24" cover. When the rig moves out, all trash and debris left at the site will be contained to prevent scattering and will be either burned in the trash pit or buried at least 24" deep within 30 days unless ground freeze prevents burial.

- (3) Salts that are not used in the drilling fluid will be removed from the location by the supplier.
 - (4) Sewage from trailer houses will drain into holes at least 10' deep, which will be covered until backfilled. An outdoor toilet will be provided for the rig crews and this area will be backfilled during clean up after the rig move-out.
 - (5) Chemicals that are not used in the drilling and the completion of the well will be removed from the location by the supplier.
- B. Drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for backfilling. Water produced during tests will be disposed of in the reserve pit. Oil produced during tests will be stored in test tanks until sold, at which time it will be hauled from the site. In the event fluids in the pit do not evaporate in a reasonable period, fluid will be hauled by tank truck to an approved disposal site.

8. ANCILLARY FACILITIES

- A. No camps, airstrips, etcetera will be constructed.

9. WELL SITE LAYOUT

- A. Exhibit "B" (Scale 1" = 50') shows the proposed well site layout.
- B. This exhibit indicates proposed location of mud, reserve, and trash pits; pipe racks and other major rig components; living facilities; parking area, and turn-in from the access road.
- C. Mud pits in the active circulating system will be steel pits and the reserve pit is proposed to be unlined unless subsurface conditions encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- (1) If pit is lined, the material is a carbon black 6 mil low density polyethylene film. The material is run at 90° to the dike center and is double folded and stapled together. The edges are buried 12" deep along the top of the outside dikes, with sand bags placed to hold the interior of the liner in place.

10. RESTORATION OF SURFACE

- A. Upon Completion of the operation and disposal of any trash and debris as discussed earlier, pits will be backfilled and leveled or contoured as soon as practical after drying time. Drillsite soil will be distributed to extent available. Prior to leaving the drillsite upon rig move-out, any pit that is to remain open for drying will be fenced and so maintained until backfilled and reshaped.
- B. Exxon will rehabilitate road as per BLM recommendations.
- C. Revegetation of the drill pad will comply with BLM requirements.
- D. Any oil on pits will be removed or otherwise disposed of to BLM approval.
- E. Rehabilitation operations will start in a timely manner after completion and will be completed as soon as is practical to BLM specifications.

11. OTHER INFORMATION

- A. The site is located on an arid, sloping hillside. The vegetation is native brush and grasses. Soil is sandy clay over a rock and caliche base.
- B. Surface use is grazing and is BLM administered. It is leased to Kap Kelley, Rt. 1, Box 229T, Roswell, New Mexico 88201. Phone number: (505) 484-3362.
- C. An archaeology search of the location area, access road and caliche pit is being conducted and the report will be forwarded to the BLM.
- D. There are no buildings of any kind in the area.
- E. Federal lease NM-27451 consists of the following: Lots 1-4, the south 1/2 of the north 1/2, and the south 1/2 of Section 1, and the north 1/2 of Section 11, T21S, R21E.

12. OPERATOR'S REPRESENTATIVE - Exxon's field representative for contact regarding compliance with the Surface Use Plan is:

M. C. Welborn
P. O. Box 10488
Midland, TX 79702
(915) 686-4428

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 Exxon Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. A copy of this plan will be posted at the well site during the drilling of the well for reference by all contractors and subcontractors.

3-7-85
Date

M. C. Welborn
M. C. Welborn

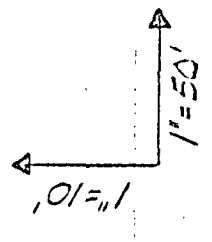
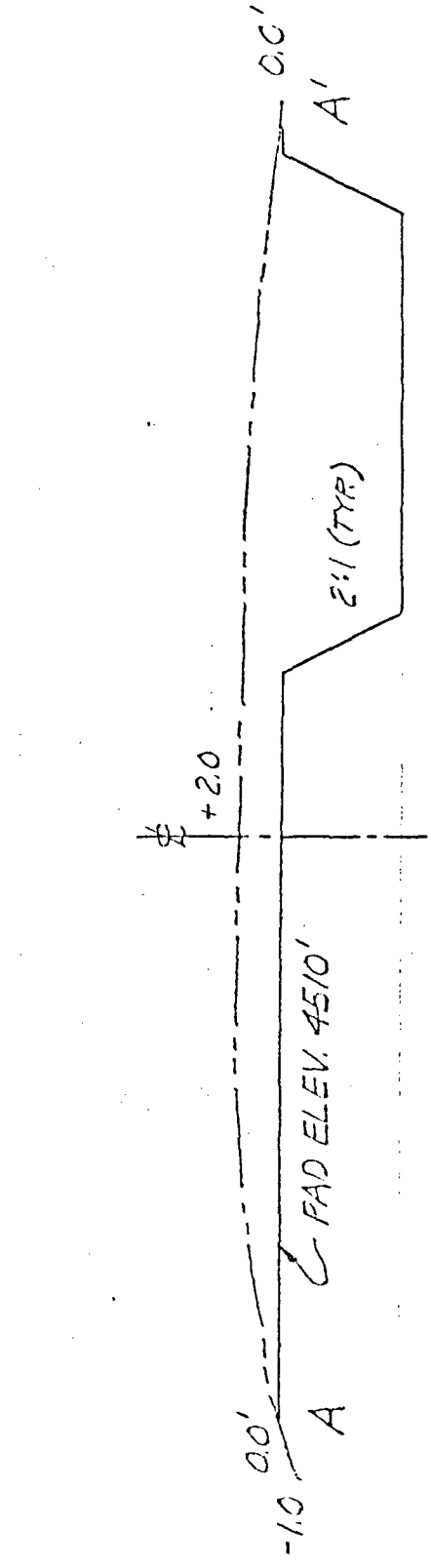
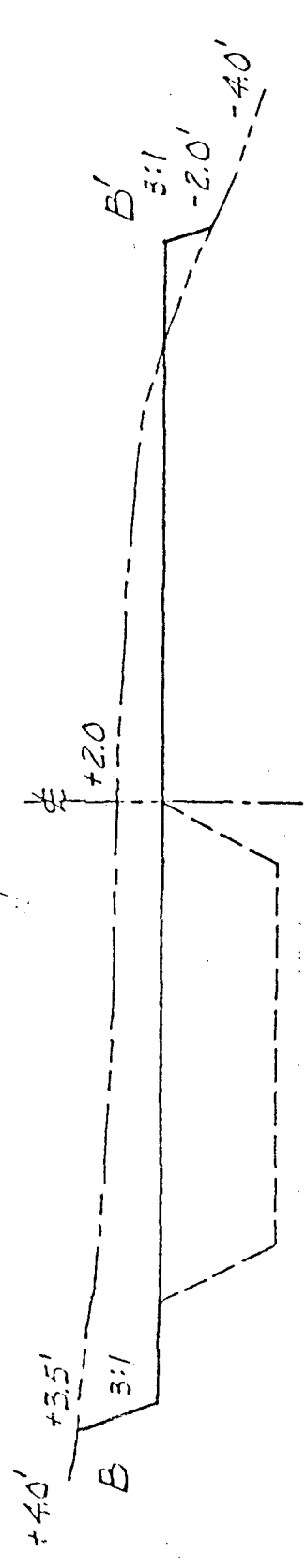
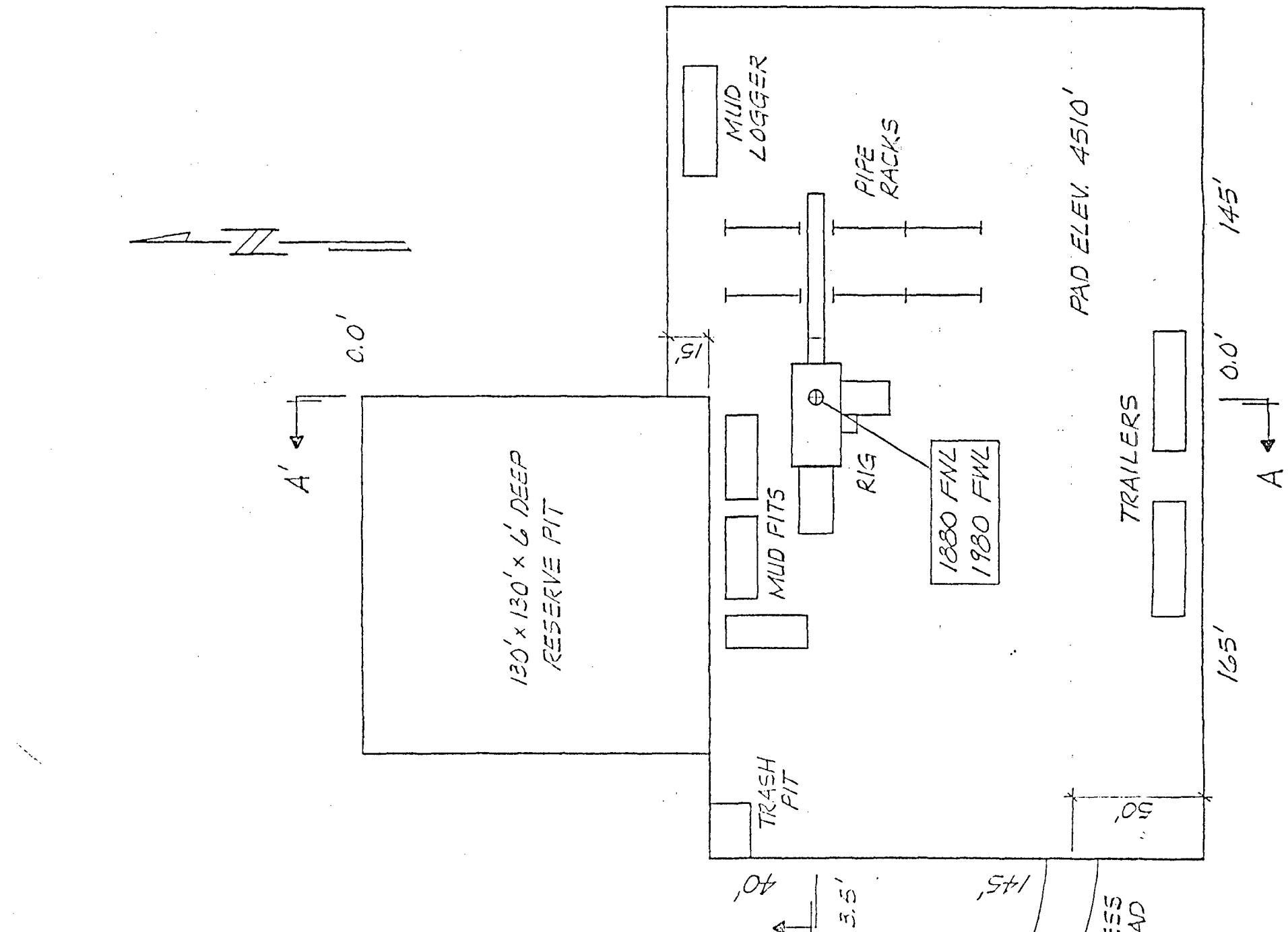


EXHIBIT "B"



EXXON COMPANY, U.S.A. (a division of Exxon Corporation) PRODUCTION DEPARTMENT		DATE 3-4-85 SCALE 1"=50'	JOB NO. _____ FILE NO. WB-1796
NASSER FEDERAL NO. 1 SECTION 1, T-21-S, R-21-E EDDY CO., NEW MEXICO		ENGR. SECTION _____ CHECKED _____ APPROVED _____	REVISED _____ APPROVED _____
DRAWN AV CHECKED _____			

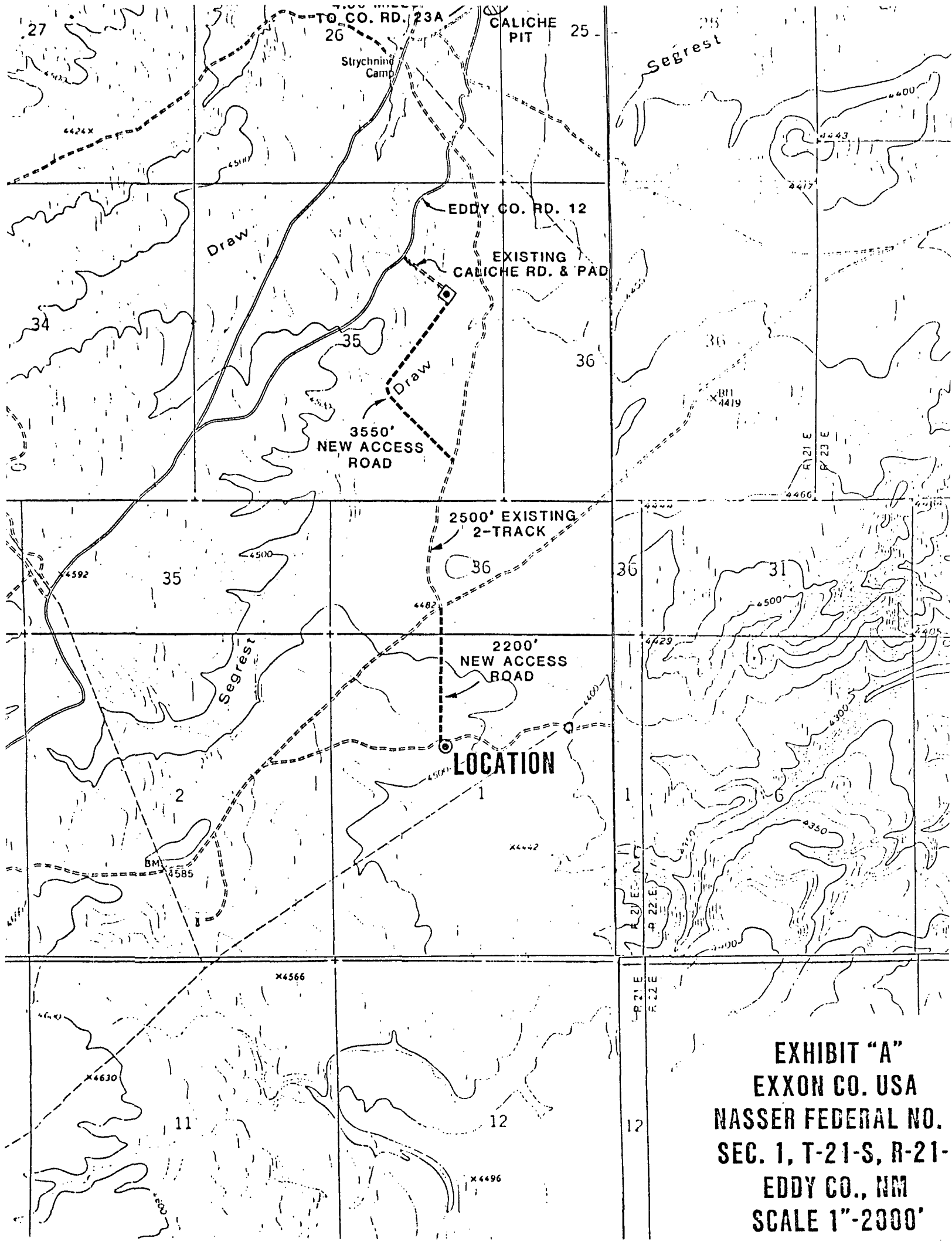


EXHIBIT "A"
EXXON CO. USA
NASSER FEDERAL NO.
SEC. 1, T-21-S, R-21-
EDDY CO., NM
SCALE 1"-2000'

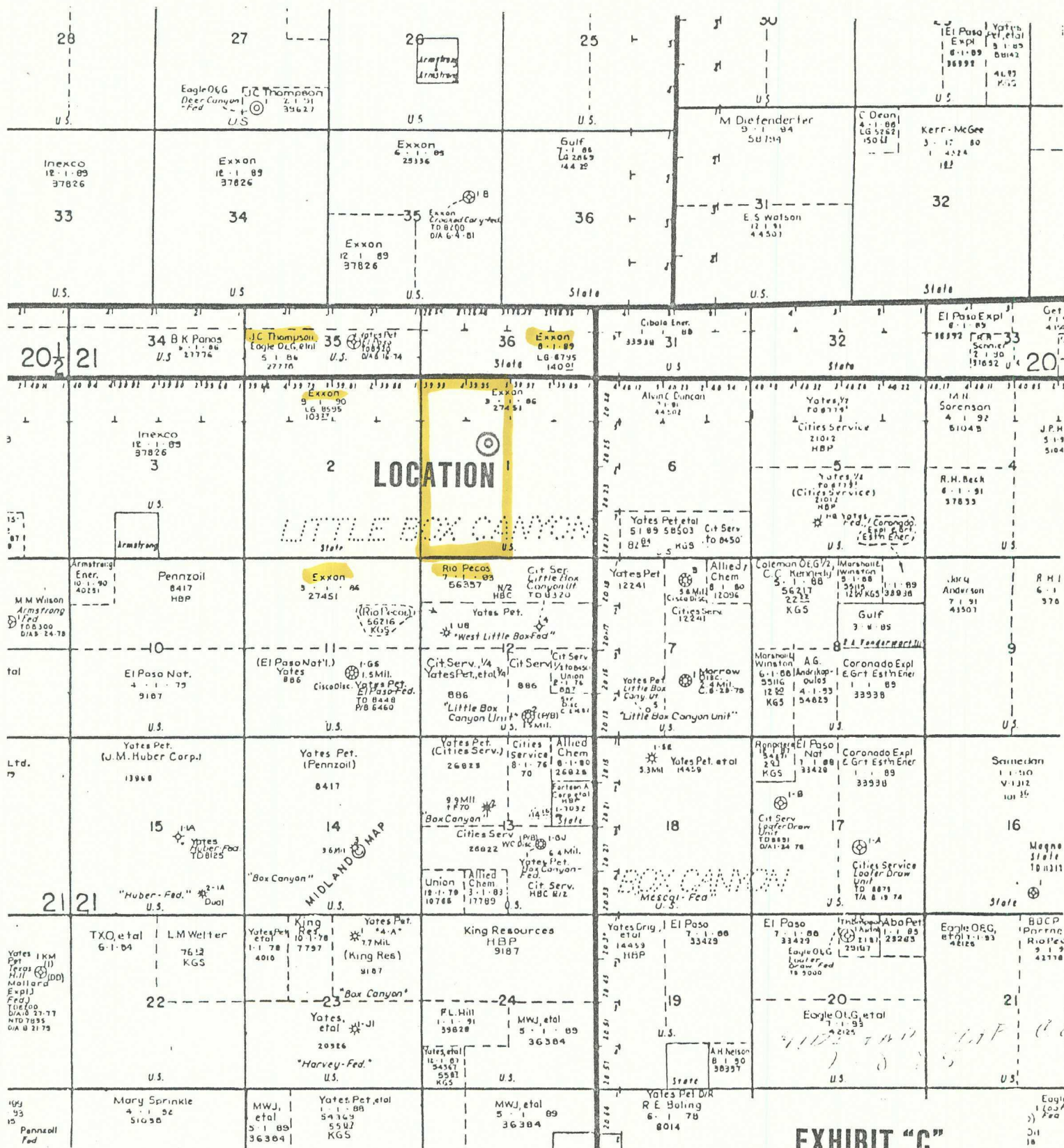
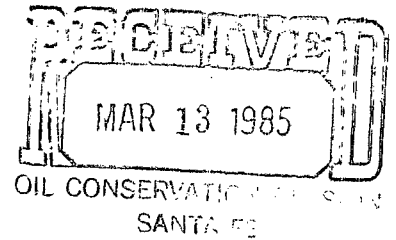


EXHIBIT "C"
EXXON CO. USA
NASSER FEDERAL NO. 1
SEC. 1, T-21-S, R-21-E
EDDY CO., NM
SCALE 1"-4000'

WA-8791 A

W A I V E R



Mr. Richar L. Stamets
Director, Oil Conservation Division
State of New Mexico
Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87501

This is to advise that the undersigned has been given due notice that Exxon Corporation has made application for administrative approval of an unorthodox location for Nasser Federal #1, Undesignated Little Box Canyon-Morrow Field.

We hereby waive any objections to the granting of the application for the above well which will be located:

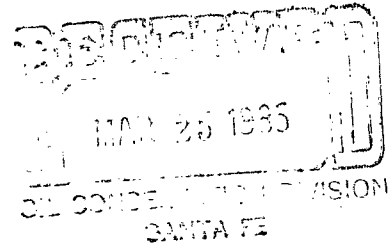
1880' FNL and 1980' FWL of Section 1-T21S-R21E, Eddy County, New Mexico

Executed this 11th day of March 1985.

Company Eagle Oil & Gas Co.

By Stanley T. Ayres
Partner

W A I V E R



Mr. Richar L. Stamets
Director, Oil Conservation Division
State of New Mexico
Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87501

This is to advise that the undersigned has been given due notice that Exxon Corporation has made application for administrative approval of an unorthodox location for Nasser Federal #1, Undesignated Little Box Canyon-Morrow Field.

We hereby waive any objections to the granting of the application for the above well which will be located:

1880' FNL and 1980' FWL of Section 1-T21S-R21E, Eddy County, New Mexico

We waive any objections subject to the following condition: Exxon Corporation will not protest any unorthodox location that another Operator may wish to drill in directly or diagonally offsetting proration units.
Executed this 21st day of March 1985.

Company RIO PECOS CORPORATION

By Scott E. Wilson
Scott E. Wilson, Vice President