SIGNED P. E. Market

SIGNED P. E. Market

TITLE REGULATORY COORDINATOR

DATE OCTOBER 5, 198

(This space for Federal or State office use)

PERMIT NO.

APPROVED

PERMIT NO.

APPROVED BY

CONDITIONS OF PERMALA, 3 ANSI

FOR

JAMES A. GILHAM

MISCHEL SUPERVISOR

*See Instructions On Reverse Side

STATE OF NEW MEXICO

P. O. BOX 2008

| ENERGY AND MINERALS | MEXICO DEPARTMEN | r SAN | TA FE, NEW MEXI | CO 87501 | A | Revised 10-1-78 |
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| | | _ - - | MESA ET AL | 660' | notes of actual | Market Contract Contr |
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APPLICATION FOR PERMIT

MESA PETROLEUM CO. SAVAGE FEDERAL #3 1980' FSL & 660' FEL, SEC 4, T7S, R25E CHAVES COUNTY. NEW MEXICO

LEASE NO: NM 14993

In conjunction with Form 9331-C, Application For Permit to Drill subject well, the following additional information is provided:

- 1. Applicable portions of the <u>GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL LEASES</u>, Roswell District, <u>Geological Survey of September 1</u>, 1980 will be adhered to.
- Geological markers are estimated as follows:

| SEVEN RIVERS | SURFA Œ |
|--------------|---------|
| SAN ANDRES | 500' |
| GLORIETA | 1386' |
| TUBB | 2926' |
| ABO | 35891 |

- 3. Hydrocarbon bearing strata may occur in the Abo formation(s). No fresh water is expected to be encountered below 900'.
- 4. The Casing and Blowout Preventer Program will be determined by hole conditions as encountered. (See Exhibit VI) Anticipate drilling with air or foam using ram type preventer and rotating head for well control. The 13 3/8" casing will be set at approximately 900' to protect any fresh water zones and cemented to the surface. The 8 5/8" casing will be set at approximately 1600' if water zones have been encountered or omitted if not and ram type preventers installed. Sufficient amounts and kinds of cement would be used to ensure any water, gas, or oil zones encountered are isolated and shut off down to the casing point if run. The 4 1/2" production casing will be set at total depth or shallower depending upon the depth of the deepest commercial hydrocarbon bearing strata encountered.
- 5. No drill stem tests or coring program is planned. The logging program may consist of a GR-CNL from surface total depth and FDC from casing point to total depth.
- 6. Anticipated drilling time is fifteen days with completion operations to follow as soon as a completion unit is available.

MULTI-POINT SURFACE USE AND OPERATION PLAN

MESA PETROLEUM CO. SAVAGE FEDERAL #3

1980' FSL & 660' FEL, SEC 4, T7S, R25E CHAVES COUNTY, NEW MEXICO OIL & GAS U.S. GEOLOGICAL SURVEY ROSWELL, NEW MEXICO

LEASE NO: NM 14993

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operational plan in both the actual and post drilling completion operations.

1. Existing Roads:

- A. Exhibit I is a portion of a highway map showing the location of the proposed well as staked. The proposed well is approxmately 21 miles Northeast of Roswell, New Mexico.
- B. Directions: From Roswell travel North on US Highway 285 to mile marker 132 and turn East thru El Paso Natural Gas gate then take left fork and continue East for 11 miles then North 1 1/2 miles to the location.

2. Planned Access Road:

A. Length and width: The new access road will be 12' wide (20' ROW) and approximately 500' of new road.

(See Exhibit II)

- B. Construction: The new road will be constructed by grading and topping with compacted caliche. The surface will be crowned, with drainage on both sides. (See Exhibit III)
- C. Culverts, Gates and Cattleguards: None.
- D. Cut and Fill: In order for the location to be level, approximately 3' of cut from the South will be moved to the North for fill.

Location of Existing Wells:

Existing wells within a one-mile radius are depicted by Exhibit IV.

Multi-Point Surface Use and Operation Plan

Page 2

4. Location of Existing and/or Proposed Facilities:

If the well proves to be commercial, the necessary production facilities, gas separation process equipment and tank battery, will be installed on the drilling pad.

5. Location and Type of Water Supply:

It is planned to drill the proposed well with air. If needed, water will be obtained from commercial sources and will be trucked to the wellsite over the existing roads and proposed access road shown on Exhibits I and II.

6. Source of Construction Materials:

Caliche for surfacing the road and wellsite pad will be obtained by the dirt contractor from an approved pit. Probable pit is located: Unknown.

7. Methods of Handling Waste Disposal:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. All pits will be fenced with normal fencing material to prevent livestock from entering the area.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted to the USGS for approval.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.
- G. All trash and debris will be buried or removed from the wellsite within 30 days after finished and/or completion operations.

8. Ancillary Facilities: None required.

Multi-Point Surface Use and Operation Plan

Page 3

9. Wellsite Layout:

- A. Exhibit V shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area has been staked and flagged.
- B. Some leveling of the wellsite may be required. See Exhibit III for additional details.
- C. The reserve pit will unlined.

10. Plans for Restoration of the Surface:

- A. After completion of drilling and/or completion operations all equipment and other material not needed for operations will be removed. Pits will be filled and location cleaned of all trash and junk to leave the wellsite in an aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management and the United States Geological Survey will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment, if drying conditions permit.

11. Other Information:

- A. Topography: See NMAS, Inc. Report.
- B. Soil: The topsoil at the wellsite is sandy loam.
- C. Flora and Fauna: See NMAS, Inc. Archaeological Report for vegetative types.
- D. Ponds and Streams: Five Mile Draw is 1 mile to the Northeast.
- E. Residences and Other Structures: There are three completed wells with production platforms within 1/4 mile of the location.

Multi-Point Surface Use and Operation Plan

Page 4

- F. Land Use: Grazing.
- G. Surface Ownership: The wellsite is on Federal Surface.
- H. NMAS, Inc. has conducted an archaeological study of this site and provides this report to interested parties.

12. Operator's Representatives:

A. The field representatives responsible for assuring compliance with the approved surface use and operations plan are as follows:

| J. | Jan | nes | | | | |
|-----|------|-------|------|------|------|------|
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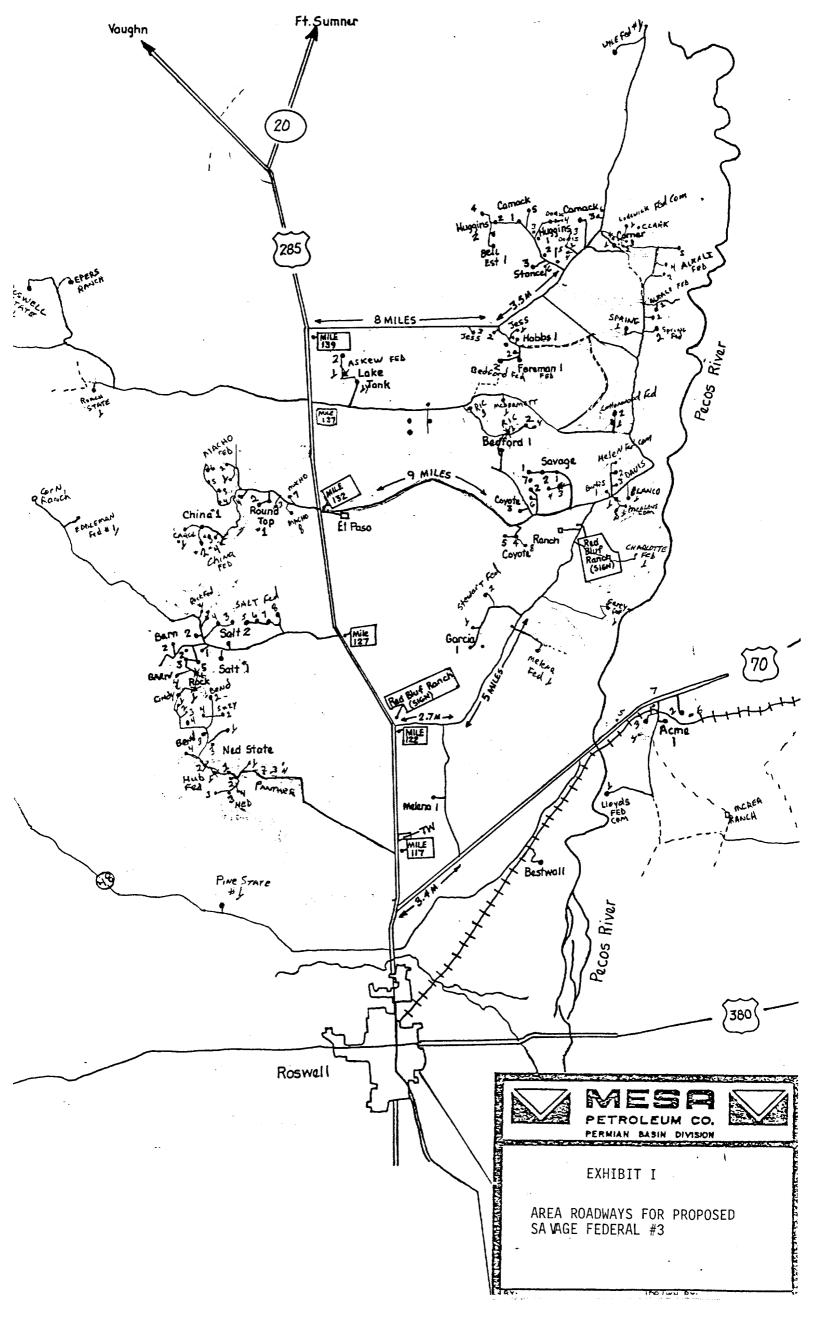
W. R. Miertschin 1000 Vaughn Building Midland, Texas 79701 (915-683-5391) - Office (915-682-6535) - Home

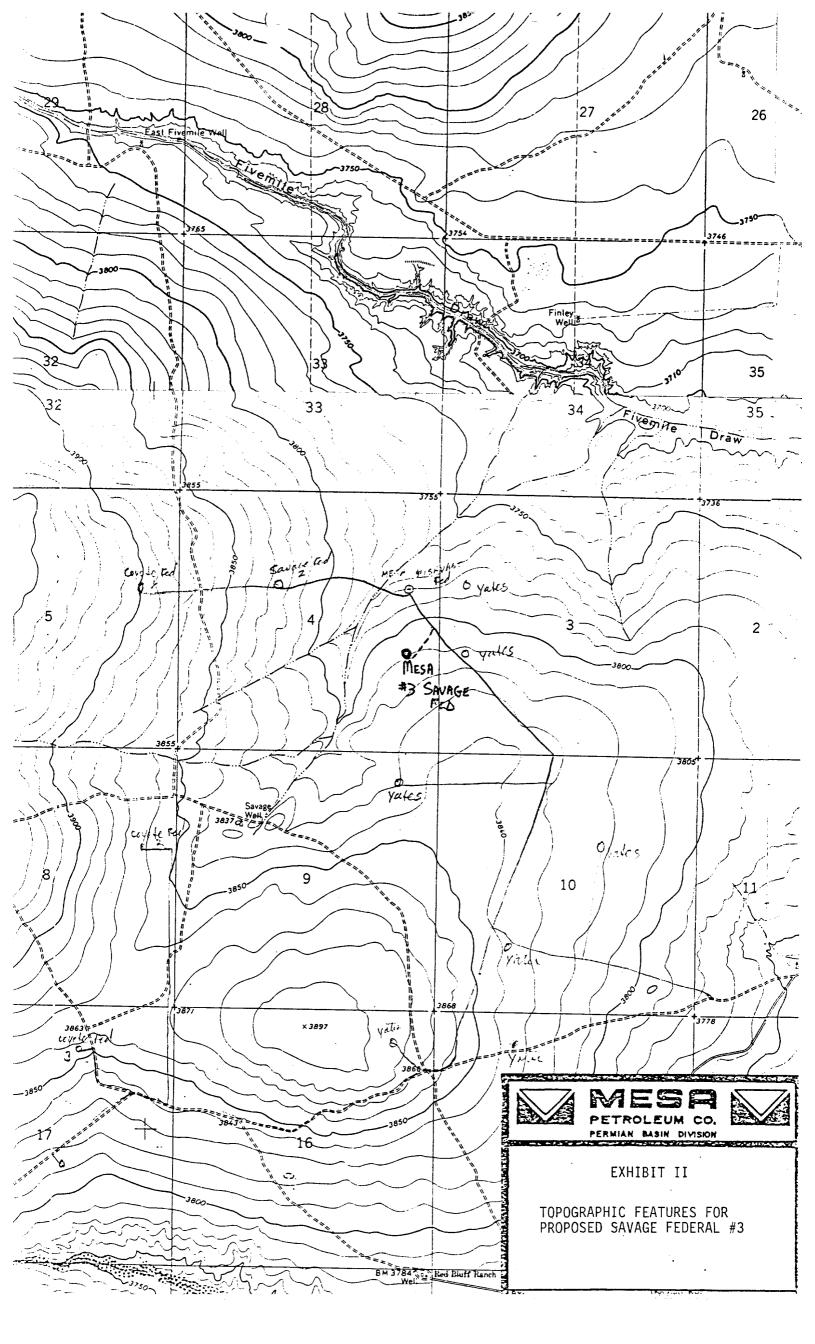
13. Certification:

I hereby certify that I, or person 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 Mesa Petroleum Co. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

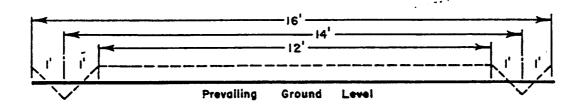
October 5, 1981 DATE

MICHAEL P. HOUSTON OPERATIONS MANAGER





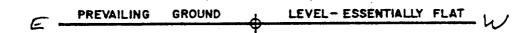
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ROADWAY CROSS SECTION

Horizontal Scale 1" = 3'





LOCATION CROSS SECTION

Horizontal Scale 1" = 50'



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