

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEYSEE INSTRUCTIONS  
ON REVERSE  
OF FORMForm approved  
Budget Bureau No. 42 R1425

30-005-61245

5. LEASE DESIGNATION AND SERIAL NO.

NM 38343

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

7. UNIT AGREEMENT NAME

b. TYPE OF WELL

OIL

WELL ☐

GAS

WELL ☒OTHER ☐SINGLE  
ZONE ☒MULTIPLE  
ZONE ☐

8. FARM OR LEASE NAME

Michael Eric

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Undesignated

11. SEC., T., R., M., OR BLK.  
AND SURVEY OR AREA

Sec. 22-7S-26E

12. COUNTY OR PARISH

Chaves

13. STATE

N.M.

2. NAME OF OPERATOR

SANDERS PETROLEUM CORPORATION

3. ADDRESS OF OPERATOR

11000-D Spain Rd., N.E., Albuquerque, N.M. 87111

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

At surface

1980' /S

660' /W

Sec. 22

At proposed prod. zone

Same

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

25 Miles Northeast of Roswell, N.M.

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

160

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

2640'

19. PROPOSED DEPTH

4950' ABO

20. ROTARY OR CABLE TOOLS

Rotary

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

3753' GL

22. APPROX. DATE WORK WILL START\*

November 27, 1981

23.

## PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8, 5/8"	24.0# J55	200' - 200'	600 sx - Circulate
7 7/8"	4 1/2"	9.5# J55	TD 4950' ±	900 sx - To isolate water, oil and gas zones

Propose to drill to approximately 4950' to test Abo and intermediate formations.

See attached "Supplemental Drilling Information".

Gas is not dedicated to a pipeline.

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. LONG

TITLE

Agent

DATE

November 23, 1981

(This space for Federal or State use)

APPROVED

PERMIT NO.

AS AMENDED

APPROVAL DATE

APPROVED BY

NOV 25 1981

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY

JAMES A. GILLHAM  
DISTRICT SUPERVISOR

\*See Instructions On Reverse Side

All distances must be from the outer boundaries of the Section.

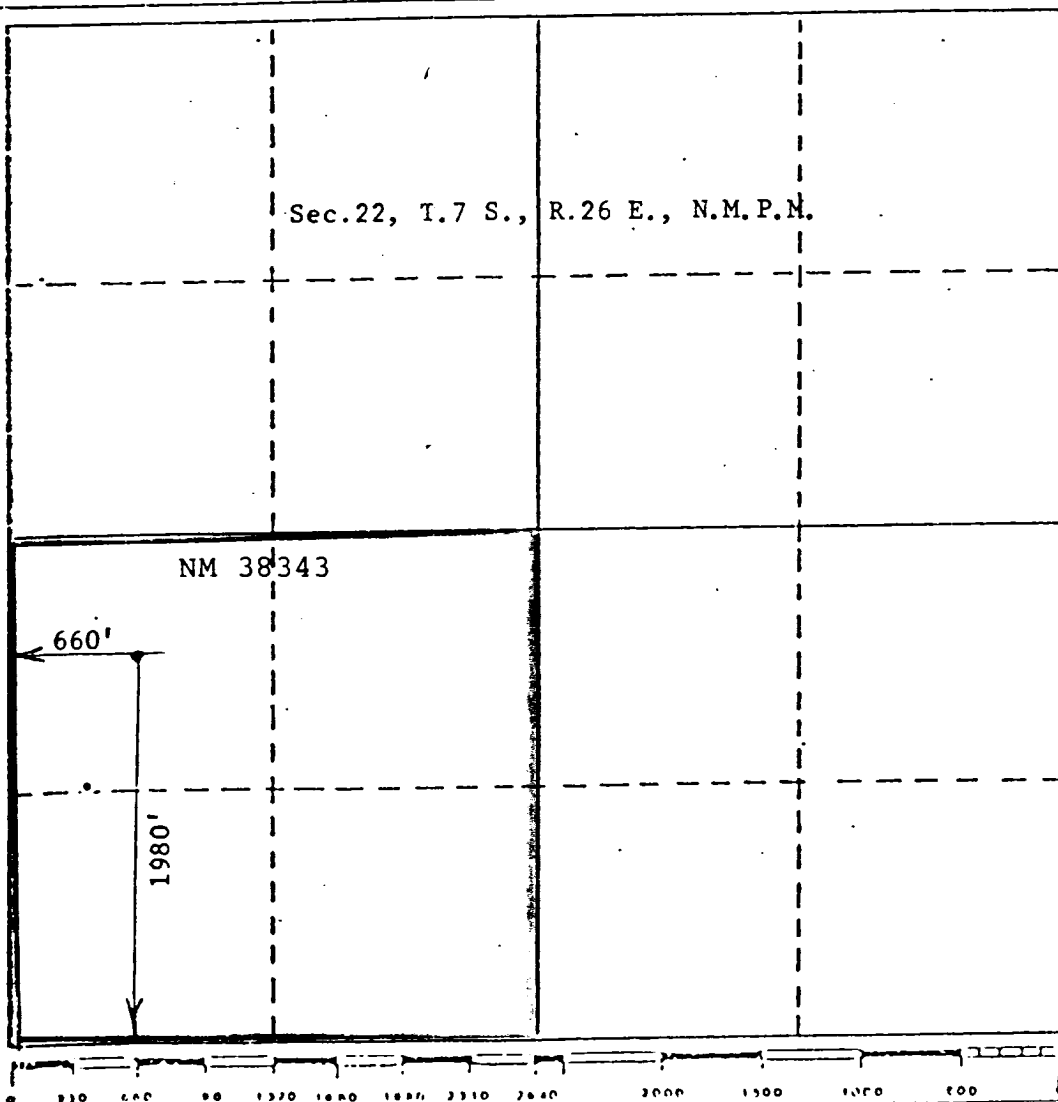
Operator <b>Sanders Petroleum Corp.</b>		Lease <b>Michael Eric</b>		Well No. <b># 2</b>
Unit Letter <b>L</b>	Section <b>22</b>	Township <b>7 South</b>	Range <b>26 East</b>	County <b>Chaves</b>
Actual Postage Location of Well: 1980 feet from the South line and 660 feet from the West line				
Ground Level Elev. <b>3753</b>	Producing Formation <b>Abo</b>	Pool <b>Undesignated Abo</b>	Dedicated Acreage: <b>SW<math>\frac{1}{4}</math> - 160</b> 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). **Single Lease**
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 Division.



CERTIFICATION

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

Name **JERRY W. LONG**

Position  
**Agent**

Company  
**SANDERS PETROLEUM CORP.**

Date  
**November 23, 1981**

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  
**November 17, 1981**

Registered Professional Engineer and/or Land Surveyor

**John D. Jaques, P.E. & L.S.**

Certificate No. **6290**

SUPPLEMENTAL DRILLING DATA

SANDERS PETROLEUM CORPORATION  
No.2 Michael Eric  
NW¼SW¼ Sec.22-7S-26E  
Chaves County, N.M.

NM 38343

The following items supplement Form 9-331C in accordance with NTL-6 instructions.

1. SURFACE FORMATION: Artesia Group of the Permian System.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Artesia Group	- Surface	San Andres	- 1100'
Salt	- 250'	Glorietta	- 2200'
Queen	- 650'	Tubb	- 3700'
Penrose	- 750'	Abo	- 4400'

3. ESTIMATED DEPTH TO WATER, OIL OR GAS:

Fresh water	- In surface formations
Salt water	- In San Andres below 1100'
Gas	- In Abo formation below 4400'

4. PRIMARY OBJECTIVE:

Gas from Abo formation.  
No fresh water expected below 300'.

5. CASING AND CEMENTING PROGRAM:

Surface: 900' of 8 5/8", 24#, J55, ST&C casing cemented with 400 sx HLW + 1/4# flocele + 2% CaCl mixed to 12.4 ppg. Tail in with 200 sx Class "C" + 4% CaCl mixed to 14.8 ppg. Cement will be circulated to the surface. If necessary, cement will be circulated to the surface using 1" pipe down the annulus. If severe lost circulation has been encountered while drilling the 12 1/4" hole, the cementing job will be preceded with 200 sx thick-set cement mixed to 14.8 ppg. Install 8 5/8"x10" API 3000# casinghead. Nipple up 10" API 3000# WP double-ram BOP to drill 7 7/8" hole to total depth. Choke, kill, and fill lines will be installed. The BOP system and casing will be tested to 1500 psi before drilling out the 8 5/8" casing. A full opening safety valve, to fit the drill pipe in use, will be kept available on the rig floor. Working condition of BOP rams will be checked at least daily. See Exhibit "D" for BOP diagram.

Production: 4950' of 4 1/2", 10.5#, K55, ST&C casing will be cemented with 500 sx HLW + 1.4% flocele + 10# salt mixed to 12.7 ppg. Tail in with 400 sx 50/50 POZ + 2% gel + 8# salt + 3/10% CFR-2 mixed to 14.1 ppg, to raise cement to at least 150' above top of Abo. Run temperature log to confirm top of cement.

6. CIRCULATING MEDIUM:

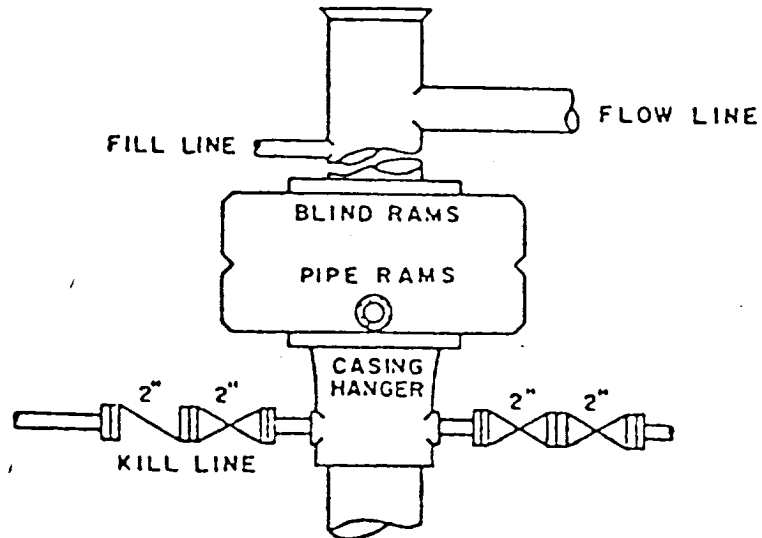
- 0' - 900' Use fresh water spud mud with fresh water gel and soda ash or lime. Treat with lost circulation material as recommended by mud contractor. If total lost circulation occurs, mix 2 or 3 viscous slugs with LCM and attempt to regain circulation. If unsuccessful, will attempt drilling without returns to casing point and spot about 150 barrels viscous slug treated with LCM on bottom before running pipe.
- 900' - 3700' Drill out 8 5/8" casing with fresh water. Add caustic soda for ph 9.0-9.5 and chemicals for corrosion control. Add LCM as needed to control lost circulation or to sweep the hole.
- 3700' - TD Maintain mud weight less than 10 ppg with additions of fresh water while keeping chloride ion concentration of 40,000-50,000 ppm and KCL at 3%. At top of Abo mud up with starch and soda ash to control water loss to 20-25cc to TD. Salt Water Gel will be added to clean hole to log and run casing.

7. CORING, TESTING AND LOGGING: No coring or testing is planned for this well. It is proposed to run a Gamma Ray log from TD to surface and a Compensated Neutron-Density-Caliper log from the 8 5/8" casing shoe to TD.

8. SUBSURFACE HAZARDS: Maximum bottom hole pressure is expected to be about 1500 psi. Mud weight required to offset this pressure would be 9.0 ppg. Bottom hole temperature should not exceed 120°F. No sour gas is expected.

9. ANTICIPATED STARTING DATE: Anticipated spud date is November 27, 1981. Drilling should be completed in about 10 days. Completions operations will follow the drilling operations as soon as a unit is available. Completion will consist of normal perforating, stimulating and swabbing.

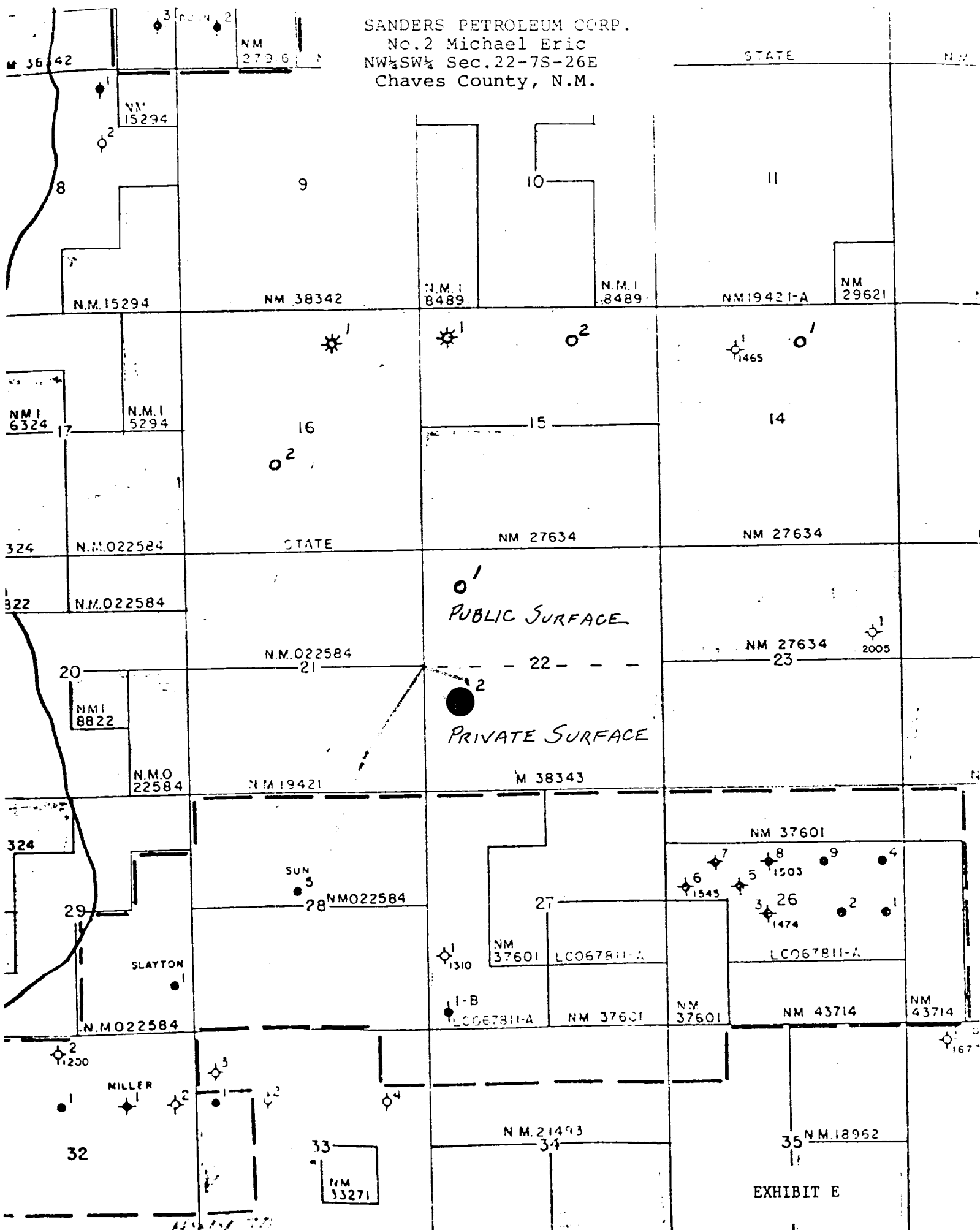
SANDERS PETROLEUM CORPORATION  
No.2 Michael Eric  
NW $\frac{1}{4}$ SW $\frac{1}{4}$  Sec.22-7S-26E  
Chaves County, N.M.



BOP STACK

3000 PSI WORKING PRESSURE

SANDERS PETROLEUM CORP.  
No.2 Michael Eric  
NW¼SW¼ Sec.22-7S-26E  
Chaves County, N.M.



SURFACE OWNER AGREEMENT

For

SANDERS PETROLEUM CORPORATION

No.2 Michael Eric  
NW $\frac{1}{4}$ SW $\frac{1}{4}$  Sec.22-7S-26E  
Chaves County, N.M.

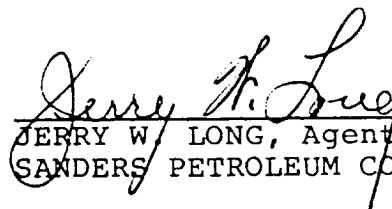
NM 38343

The well pad and access road for the SANDERS PETROLEUM CORPORATION No.2 Michael Eric well, located in the NW $\frac{1}{4}$  SW $\frac{1}{4}$  Sec.22, T.7S., R.26E., Chaves County, New Mexico, on Federal lease NM 38343, is located on land owned by Mr. Bob Marley.

The operator has consummated an oral agreement with Mr. Marley regarding disturbance and restoration of the surface. The agreement provides for construction of the pad and an access road from the middle of the west side of Sec.22 to the location. A cattleguard will be installed where the access road crosses the fence adjacent to the County Road.

Mr. Marley has requested that the road, pad and pit be left intact if the well is plugged, so that he may use the facilities for a water station.

November 23, 1981  
Date:

  
JERRY W. LONG, Agent  
SANDERS PETROLEUM CORPORATION