

N.M.O.C. COPY

SUBMIT IN TI DATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-005-61508
RECEIVED
NM-37601

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

3. ADDRESS OF OPERATOR

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

M-660 FS & WL, Sec. 26, T-7-S, R-26-E
At proposed prod. zone

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

19 miles NE of Roswell, New Mexico

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

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

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

3794 GR

16. NO. OF ACRES IN LEASE

19. PROPOSED DEPTH

4640'

17. NO. OF ACRES ASSIGNED TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

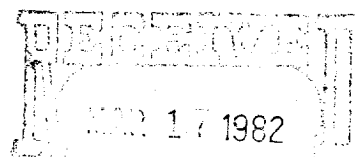
22. APPROX. DATE WORK WILL START*

On approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24#	500'	Circ.
7 7/8"	4 1/2"	10.50#	4640'	500 sq.

Mud Program: See letter from Harris Mud Company
BOP Program: See Exhibit "D"
Gas Production not dedicated



U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

Posted ID-1
API + ML Book
4-2-82

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 R.L. Denney R.L. Denney TITLE Chief Production Clerk DATE 3-10-82

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

(Orig. Sgd.) GEORGE H. STEWART

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY

FOR

JAMES A. GILLIAM
DISTRICT SUPERVISOR

See Instructions On Reverse Side

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

OIL CONSERVATION DIVISION

P. O. BOX 2008

Form C-102

Revised 10-1-78

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

SANTA FE, NEW MEXICO 8750

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

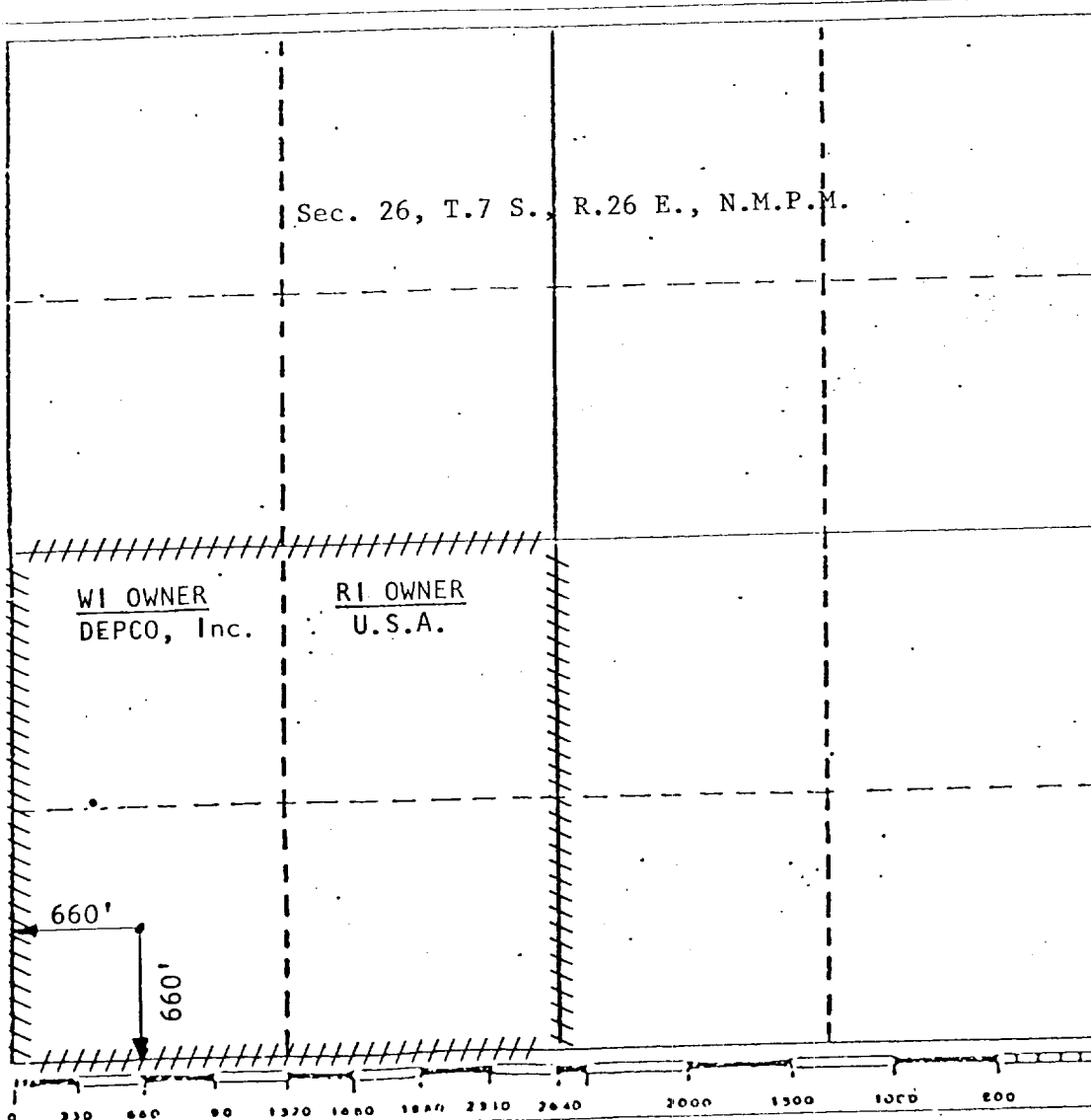
Operator Depco		Lease Vance Federal		Well No. #4 3	
Unit Letter M	Section 26	Township 7 South	Range 26 East	County Chaves	
Actual Postage Location of Well: 660		South	Line and 660	West	Line
Ground Level Elev. 3794	Producing Formation Abo		Pool Und. Abo	Dedicated Acres: 160 Acres	

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).
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

R.L. Denney

Position

Chief Production Clerk

Company

DEPCO, Inc.

Date

3-10-82

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
March 8 1982Registered Professional Engineer
and/or Land Surveyor

John D. Jacques, P.E. & L.S.

Certificate No. 6290

DEPCO, Inc.
800 Central
Odessa, Texas 79761

Application for drilling

DEPCO, Inc.
No. 1 Vance Federal B, Sec. 26, T-7S, R-26E
Chaves County, New Mexico

In conjunction with Form 9-331C, Application for permit to drill, DEPCO, Inc. submits the following items of pertinent information in accordance with USGS requirements.

1. The estimated tops of geologic markers are as follows:

San Andres	815
Glorieta	2000
Abo	4140

2. The depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Approximately 200 feet or less
Gas Abo	4140- 4500'

3. Proposed casing Program: See Form 9-331C
4. Pressure Control Equipment: See Form 9331C and Exhibit D.
5. Mud Program: See Form 9-331C and attached letter from Marrs Mud Company
6. Auxiliary Equipment: Blowout Preventer, Inside Blowout Preventer, Kelley Cock.
7. Testing, Logging and Coring Program:

Drill Stem Test: Abo

10-foot samples from surface casing to TD
Logging: Dual Laterolog and Compensated Neutron/Density
With Gamma Ray and Caliper

8. No abnormal pressures or temperatures are anticipated.
9. Anticipated starting date: As soon as possible.

AC 505
623-5862



AC 505
396-4876

MARRS MUD

a division of
Corral, Inc.

1717 West Second St.
Roswell, New Mexico 88201

Sales Office
1118 West Aspen
Lovington, New Mexico 88260

COMPANY DEPCO, INC.

WELL VANCE FEDERAL 6 I

FIELD

LOCATION SECTION 26 -7-26

COUNTY CHAVES STATE NEW MEXICO

PROPOSED DEPTH 4,500'

PROPOSED MUD PROGRAM

CASING PROGRAM:

8 5/8" Surface @ 600'
4 1/2" Production @ 4500'

SUGGESTED MUD PROPERTIES

<u>DEPTH (FEET)</u>	<u>MUD WEIGHT (PPG)</u>	<u>VISCOSITY (SEC)</u>	<u>FLUID LOSS (ML)</u>
100	8.6 - 8.8	34 - 36	No Control
300	8.6 - 8.8	34 - 36	No Control
800	8.8 - 9.0	34 - 36	No Control
1,000	8.8 - 9.0	34 - 36	No Control
Set 8 5/8" Surface Casing @ 600' . Drill out with Fresh Water.			
1,500	10.0	28	No Control
2,000	10.0	28	No Control
2,500	10.0	28	No Control
3,000	10.0	28	No Control
3,800	10.0 - 10.1	38 - 40	No Control
4,000	10.0 - 10.1	38 - 40	No Control
4,500	10.0 - 10.2	38 - 40	No Control
	10.0 - 10.2	38 - 40	No Control
	10.0 - 10.2	38 - 40	No Control
	10.0 - 10.2	44 - 46	10 - 15
	10.0 - 10.2	44 - 46	10 - 15
	10.0 - 10.2	48 - 50	10 - 15

Set 4 1/2" Production Casing @ 4,500'

PROPOSED MUD PROGRAM BY CASING INTERVAL

SURFACE: 0 - 600'

We suggest spudding with a Gel/Lime slurry having a 34 - 36 Sec/1000cc viscosity. A fluid of this nature should provide adequate cleaning while drilling the shallow, poorly consolidated formations. It is very important to maintain a STABLE viscosity while drilling this interval to help eliminate

AC 505
623 6862



AC 505
396 4876

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Roswell, New Mexico 88201

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1118 West Aspen
Lovington, New Mexico 88260

COMPANY DEPCO, INC.

WELL VANCE FEDERAL B # 1

FIELD

LOCATION SECTION 26-7-26

COUNTY CHAVES STATE NEW MEXICO

PROPOSED DEPTH 4,500'

hole problems when drilling Red Beds.

PRODUCTION: 600 - 4,500'

Drill from below the Surface Casing with Fresh Water circulating the reserve pit. This fluid will become Salt Saturated while drilling the Salt Section. We suggest using Caustic Soda to maintain a 9.0 - 9.5 pH while drilling with Water. This fluid should be adequate to drill to 3,800' or 150' above the Abo formation, where we suggest "mudding up" with a Salt Gel/Oil system having the following properties:

Mud Weight - 10.0 - 10.1 PPG
Viscosity - 38 - 40 Sec/1000cc
Fluid Loss - No Control
Oil Content - 4 - 5%

A fluid with the above properties, with the exception of raising the viscosity as hole conditions dictate, should be adequate to drill to 4,500' where we suggest lowering the fluid loss to 10 - 15 ML. This fluid should be adequate to safely drill, test, and log at total depth.

ESTIMATED MUD COST: \$14,000 - \$16,000

The estimated mud cost is under normal conditions and does not include any extensive loss of circulation, fishing, etc. This cost is also based on a normal drilling rate per day, therefore, any excessive time spent on drilling due to crooked hole, testing, breakdowns, etc., would increase mud cost.

AC 505
623 6862



AC 505
396-4876

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1717 West Second St.
Roswell, New Mexico 88201

Sales Office
1118 West Aspen
Lovington, New Mexico 88260

COMPANY DEPCO, INC.

WELL VANCE FEDERAL B # 1

FIELD _____

LOCATION SECTION 26-7-26

COUNTY CHAVES STATE NEW MEXICO

PROPOSED DEPTH 4,500'

"STOCK POINT"

MARRS MUD

LOVINGTON, N.M.

505/396-2540

505/396-7555

PERSONNEL:

WAYNE MARRS
GENERAL MANAGER
LOVINGTON, N.M.
505/396-4876

SAMMIE "BUD" HOLMES
SALES & SERVICE REP.
HOBBS, N.M.
505/392-3128

JIM BARNETT
SALES & SERVICE REP.
HOBBS, N.M.
505/393-6081

STEVE MARRS
SALES & SERVICE REP.
DENVER CITY, TEXAS
806/592-3163

NORMAN BENTLE
SR. SALES & SERVICE REP.
HOBBS, N.M.
505/392-5616

JIM McNULTY
SALES REP.
MIDLAND, TEXAS
915/684-7218

RICK RIPPY
SALES & SERVICE REP.
HOBBS, N.M.
505/392-3470

MIKE SAMUELS
SALES & SERVICE REP.
ROSWELL, N.M.
505/623-5029

COMMUNICATIONS:

24 HOUR ANSWERING
SERVICE 505/397-3291

WEK DRILLING CO., INC.

RIG #1

LOCATION & MUD PIT SPECS

EXHIBIT C

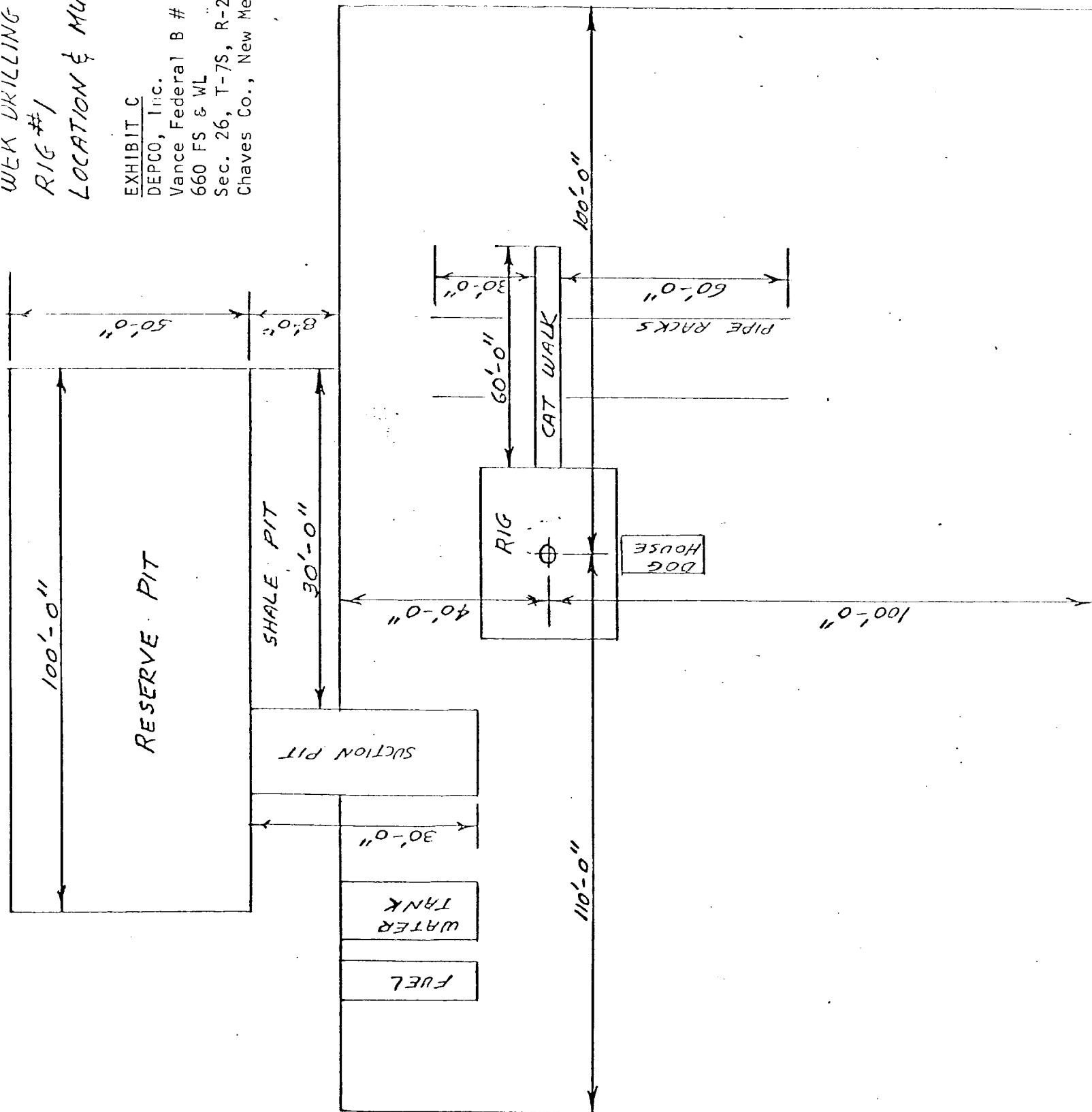
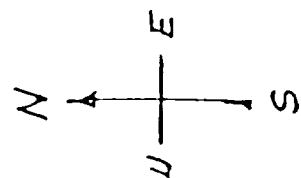
DEPCO, Inc.

Vance Federal B # 1

660 FS & WL

Sec. 26, T-7S, R-26E

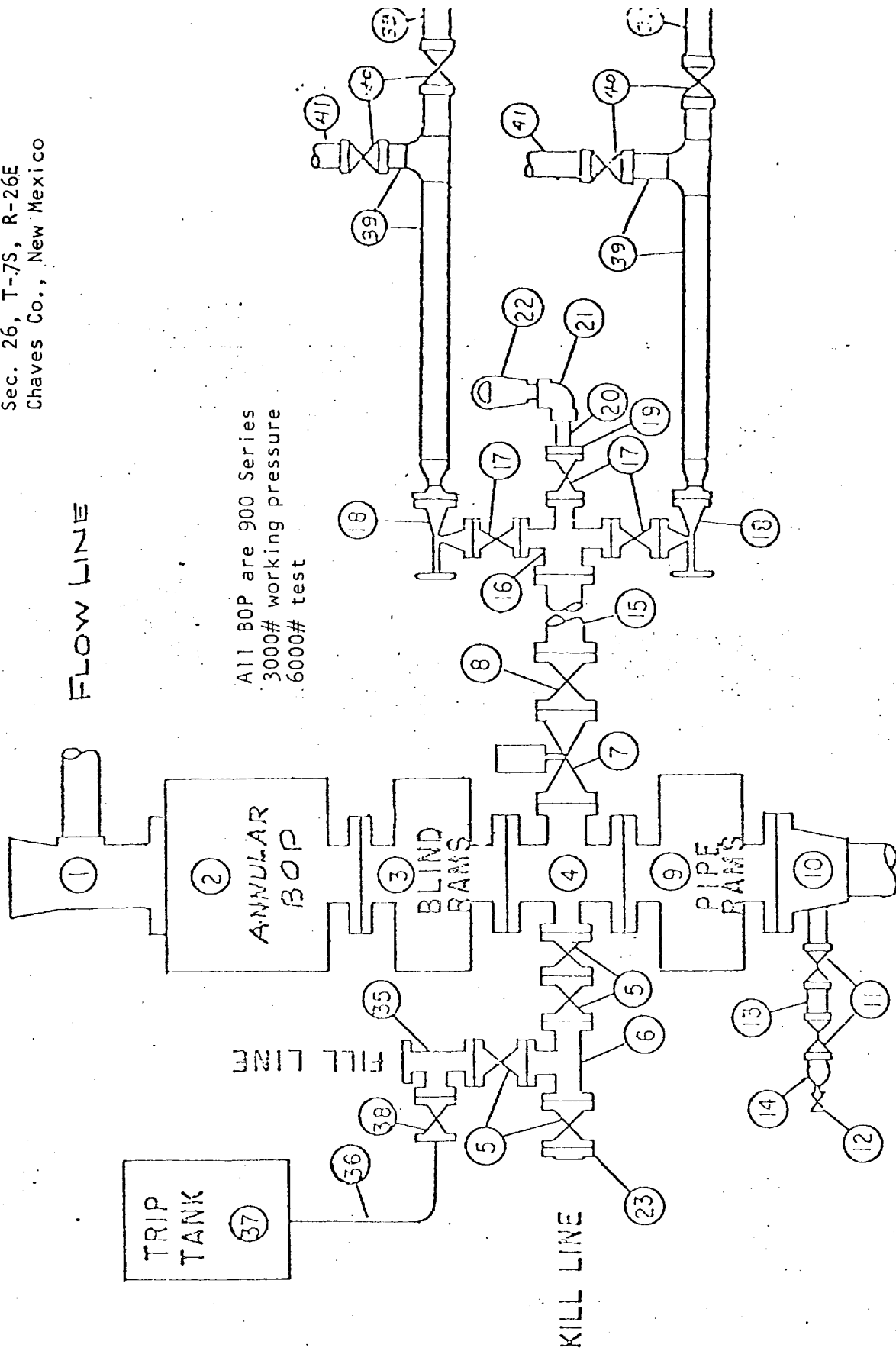
Chaves Co., New Mexico



BLOWOUT PREVENTER SPECIFICATION

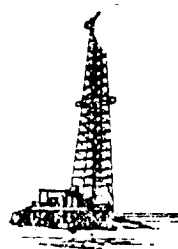
EXHIBIT D

DEPCO, Inc.
Vance Federal B # 1
660 FS & WL
Sec. 26, T-7S, R-26E
Chaves Co., New Mexico



DEPCO, Inc.

Exploration & Production



800 Central
ODESSA, TEXAS 79760

March 10, 1982

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Re: Surface requirements
Vance Federal B #1
660 FS & WL
Sec. 26, T-7-S, R-26-E
Chaves Co., New Mexico

Gentlemen:

The surface owner on the subject well, Gay M. Vance, has been contacted about surface damages and restoration of the surface. She has requested that her brother, Robert Marley, act in her behalf on this project and an agreement has been made as to the damages and restoration of the surface.

Sincerely,

A handwritten signature in cursive script that reads "R. L. Denney".

R. L. Denney
Chief Production Clerk

RLD:vm