

Form 3160-3  
(July 1989)  
(formerly 9-331C)

NM Oil Cons. Commission  
Drawer DD OFFICE R. AMER  
Artesia, NM 88210 COPIES REQUIRED  
ONLY Instructions on  
reverse side)

30-085-62916 c/h  
BLM Roswell District  
Modified Form No.  
NM60-3160-2

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
OCT 15 1992

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

Merit Energy Company

3a. Area Code & Phone No.

(214) 701-8377

3. ADDRESS OF OPERATOR

12221 Merit Dr., Ste. 500 Dallas, TX 72251

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

At surface

2310' FNL & 2310' FEL

At proposed prod. zone

Same

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

15 miles NE of Roswell, NM

10. DISTANCE FROM PROPOSED

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

2310'

16. NO. OF ACRES IN LEASE

1514.68

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.

1650'

19. PROPOSED DEPTH

4800'

20. ROTARY OR CABLE TOOLS

Rotary

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

3754.9' GL

22. APPROX. DATE WORK WILL START

October 15, 1992

23. PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	J-55	LTC	900'	Circ. 500 sx
7 7/8"	4 1/2"	10.5#	J-55	LTC	4800'	300 sx "C"

MUD PROGRAM: 0' - 900': Fresh water spud mud. No. WL control.

900' - 4800': Cut Brine, 8.9-9.5#/gal, Vis. 28-30, WL 20cc or less, oil if required

BOP PROGRAM: A 10" 3000 psi wp Schaffer Type E double hydraulic BOP will be installed on the 8 5/8" casing. Casing and BOP will be tested before drilling out with 7 7/8". The BOP will be used as a 2000 psi wp system and will be tested daily.

Gas is partially dedicated.

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.

Agent for:

Merit Energy Company

Sept. 25, 1992

SIGNED

TITLE

DATE

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR  
CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE  
TITLE TO THOSE RIGHTS IN THE SUBJECT CASE WHICH WOULD  
ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION  
OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION  
OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT  
IN ADVANCE

Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the



**OIL CONSERVATION DIVISION**

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

**DISTRICT I**

P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**

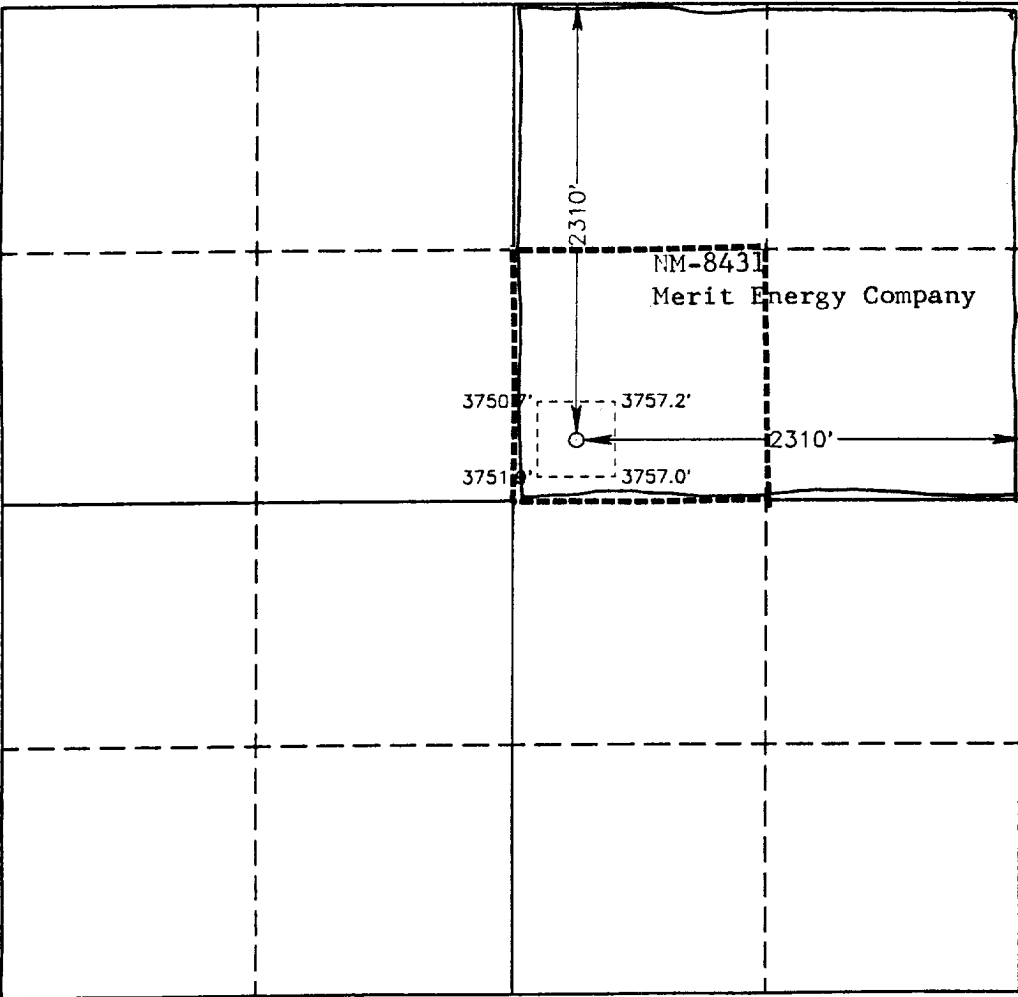
P.O. Drawer DD, Artesia, NM 88210

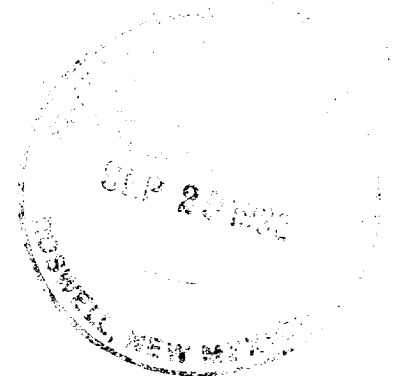
**DISTRICT III**

1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator <b>MERIT ENERGY COMPANY</b>		Lease <b>PENJACK FEDERAL</b>		Well No. <b>9</b>
Unit Letter <b>G</b>	Section <b>6</b>	Township <b>10 SOUTH</b>	Range <b>26 EAST</b> <b>NMPM</b>	County <b>CHAVES</b>
Actual Footage Location of Well:				
2310 feet from the <b>NORTH</b> line and		2310 feet from the <b>EAST</b> line		
Ground Level Elev. <b>3754.9'</b>	Producing Formation <b>ABO</b>	Pool <b>PECOS SLOPE ABO, SOUTH</b>	Dedicated Acreage: <b>160</b> Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</p> <p>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).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary. _____)</p> <p>No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>				
			<b>OPERATOR CERTIFICATION</b>	
			<p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <i>Sheryl J. Carruth</i></p> <p>Printed Name <b>SHERYL J. CARRUTH</b></p> <p>Position <b>REGULATORY MANAGER</b></p> <p>Company <b>MERIT ENERGY COMPANY</b></p> <p>Date <b>9-18-92</b></p>	
			<b>SURVEYOR CERTIFICATION</b>	
			<p>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.</p> <p>Date Surveyed <b>SEPTEMBER 3, 1992</b></p> <p>Signature &amp; Seal of Professional Surveyor <i>Ronald J. Eidson</i></p> <p>Certificate No. <b>JOHN W. WEST, 876</b> <b>RONALD J. EIDSON, 3239</b> <b>GARY L. JONES, 7917</b></p> <p><b>92-11-1262</b></p>	



APPLICATION FOR DRILLING

MERIT ENERGY COMPANY  
Penjack Federal, Well No. 9  
2310' FNL & 2310' FEL. Sec. 6-T10S-R26E  
Chaves County, New Mexico  
Lease No.: NM-8431  
(Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Merit Energy Company submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.

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

San Andres	800'
Glorieta	1915'
Yeso	1995'
Abo	4160'
T.D.	4800'

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

Water: Random fresh water sands from surface to - 300'+/-.

Oil: None expected.

Gas: Possible in the Abo below 4160'.

4. Proposed Casing Program: See Form 3160-3.
5. Proposed Control Equipment: See Form 3160-3 and Exhibit "E".
6. Mud Program: See Form 3160-3.

7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock, pit level monitor, flow sensors and stabbing valve.

8. Testing, Logging, and Coring Program:

Drill Stem Tests: None, unless warranted

Logging: T.D. to surface casing: CNL-LDT, and DLL w/selected RXO.

T.D. to surface: GR-CNL.

Coring: None planned.

9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight. Estimated BHP = 1200 psi with 120°.

H<sub>2</sub>S: None expected. None in the previously drilled wells in vicinity.

10. Anticipated starting date: October 15, 1992.  
Anticipated completion of drilling operations: Approximately 30 days.



## MULTI POINT SURFACE USE AND OPERATIONS PLAN

MERIT ENERGY COMPANY  
Penjack Federal, Well No. 9  
2310' FNL & 2310' FEL, Sec. 6-T10S-R26E  
Chaves County, New Mexico  
Lease No.: NM-8431  
(Development Well)

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, to be followed in rehabilitating the surface environmental effects associated with the operations.

### 1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a BLM Roswell Quadrangle map showing the location of the proposed well as staked, in relation to existing roads and highway. The well site location is approximately 15 road miles east of Roswell, New Mexico. Traveling east from Roswell, there will be approximately 10 miles of paved U.S. Highway 380 and 4 miles of gravel ranch/oilfield roads.
- B. Directions: Travel East from Roswell, NM on U.S. Highway 380 for 10 miles to the Bottomless Lakes turnoff. Turn north on Chaves County road No. 61 for 5 miles, crossing cattle guard, that is approximately 1,500 feet east of the McCrea windmill. Turn right (southeast) to the Penjack Fed. No. 4 well site. Turn northeast for .2 mile to pipeline ROW road. The start of the proposed access road is on the left of the pipeline road and will run east for 700 feet to the southwest corner of the staked location.

### 2. PLANNED ACCESS ROAD:

- A. Length and Width: There will be approximately 700 feet of new access road 12 feet wide (24' Max.), which is color coded red on Exhibit "B".
- B. Construction: The proposed access road will be constructed by grading and topping with compacted caliche. The surface will be properly drained.
- C. Turnouts: None required
- D. Culverts: None required.
- E. Cuts and Fills: None required.
- F. Gates, Cattleguards: None required.
- G. Off Lease R/W: None required.

### 3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a two mile radius are shown on Exhibit "C".





4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES;

- A. There are production facilities on the lease at this time.
- B. 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. A 2 3/8" gas pipeline will be buried a maximum of 24" beside the proposed and existing access road to an existing pipeline at the Penjack Fed. #4 well site.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with fresh water that will be obtained from private or commercial sources and will be transported over the existing and proposed access roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the proposed access road and well site pad will be obtained, as needed, from a private surface and mineral pit in the NE¼NE¼ of Section 30-T9S-R26E. The topsoil from the location will be stockpiled near the location for future rehabilitation use. No surface materials will be disturbed except those necessary for actual grading and leveling of the drill site and access road.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve/mud pit.
- B. Drilling fluids will be allowed to evaporate in the reserve/mud pit until the pit is dry.
- C. All pits will be fenced with normal fencing materials 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 a separate disposal application will be submitted to the BLM for approval.
- E. Oil produced during operations will be stored in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. Trash, waste paper, garbage and junk will be contained in trash bins to prevent scattering and will be removed for deposit in an approved sanitary land fill within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELL SITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, waste pits, and major rig components. The pad and pit area has been staked and flagged, 400' X 400'.
- B. Mat Size: Maximum size: 260' X 185' plus 50' X 100' reserve pit.
- C. Cut & Fill: A 6" cut on the east with fill to the west will be required.
- D. The surface will be topped with compacted caliche.

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 the location cleaned of all trash and junk to leave the well site in an aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced and screened until they are filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment or as soon as the pits are dry enough to work.

11. OTHER INFORMATION:

- A. Topography: The proposed well site is located on a relatively level area with a .5% slope to the west from an elevation of 3754.9' G.L. The proposed access road is located on west slope of 2% The area is part of the uplands east of the Pecos River, which is 2.5 miles to the west.
- B. Soil: The topsoil at the well site is a light tan colored gypsic clay loam with considerable outcrops of gypsum rock showing indicating extensive coverage underlying the surface. This soil is part of the Hollomex-Reeves-Milner complex series.
- C. Flora and Fauna: The vegetation cover is a fair to good grass cover of three-awn, dropseed, grama, tobosa along with plants of mesquite, yucca, cacti, broomweed, thistle and miscellaneous weeds and wildflowers. The wildlife consists of antelope, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: The Pecos River is 2.5 miles to the west.
- E. Residences and Other Structures: The David McCrea ranch house is one mile to the northwest of the location.
- F. Land Use: Cattle grazing.



11. OTHER INFORMATION; cont.....

G. Surface Ownership: The proposed well site and access road is on Federal surface and minerals.

H. There is no evidence of any archaeological, historical or cultural sites in the area. An archaeological survey will be conducted by Archaeological Survey Consultants, P. O. Box D, Roswell, NM 88202, and their report will be submitted to the appropriate government agencies.

12. OPERATOR'S REPRESENTATIVE:

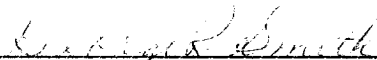
A. The field representative for assuring compliance with the approved surface use and operations plan is as follows:

Mark Hamilton  
Merit Energy Company  
P. O. Drawer 8249  
Roswell, New Mexico 88202  
Home Phone: (505) 622-9062  
Mobil Phone: (505) 625-6135

13. CERTIFICATION:

I hereby certify that I have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in the 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 Merit Energy 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.

September 25, 1992

  
\_\_\_\_\_  
George R. Smith  
Agent for: Merit Energy Company



# NEW MEXICO

R. 24 E. SE-8

R. 25 E.

R. 26 E.

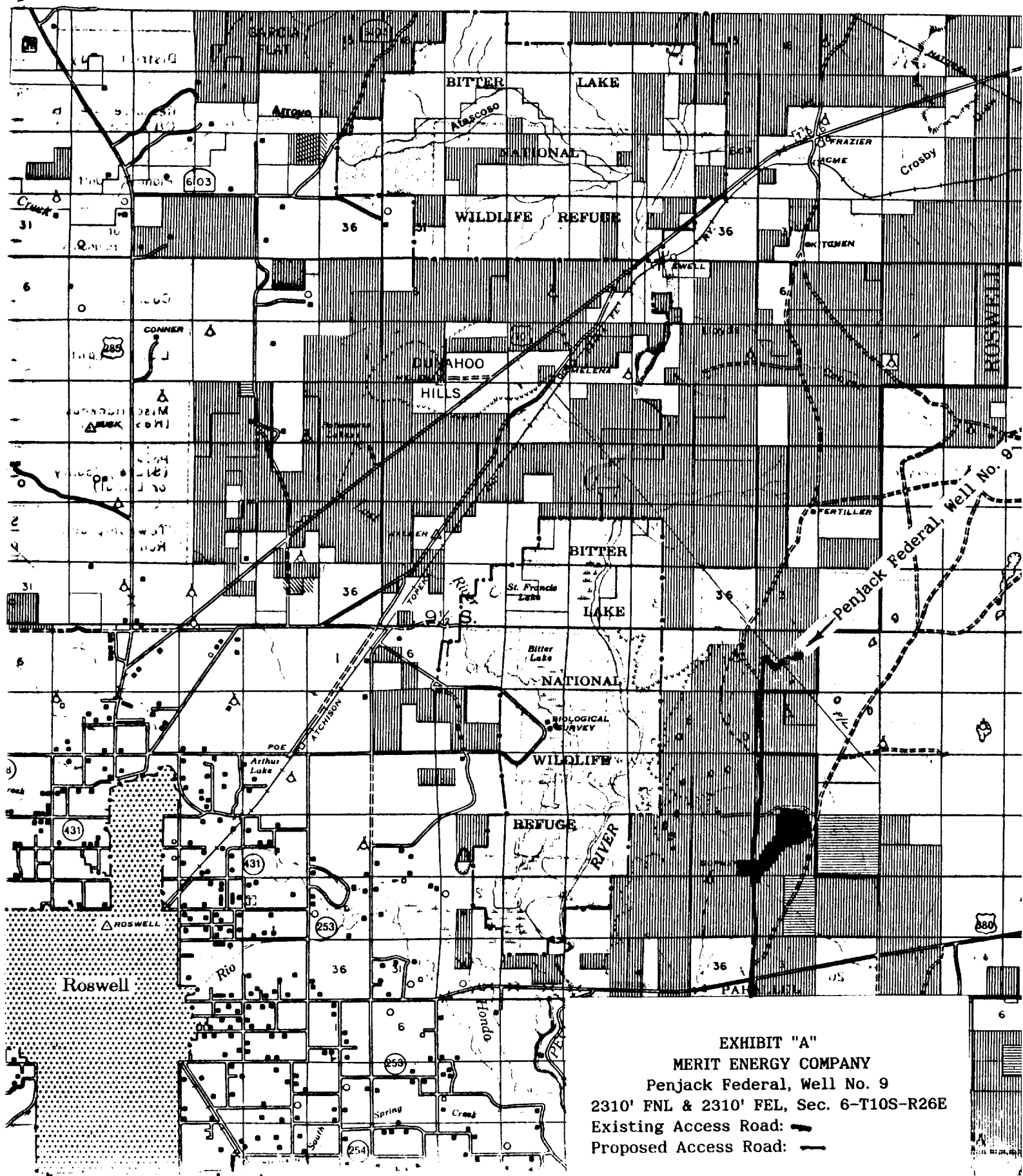


EXHIBIT "A"

MERIT ENERGY COMPANY

Penjack Federal, Well No. 9

2310' FNL & 2310' FEL, Sec. 6-T10S-R26E

Existing Access Road: —

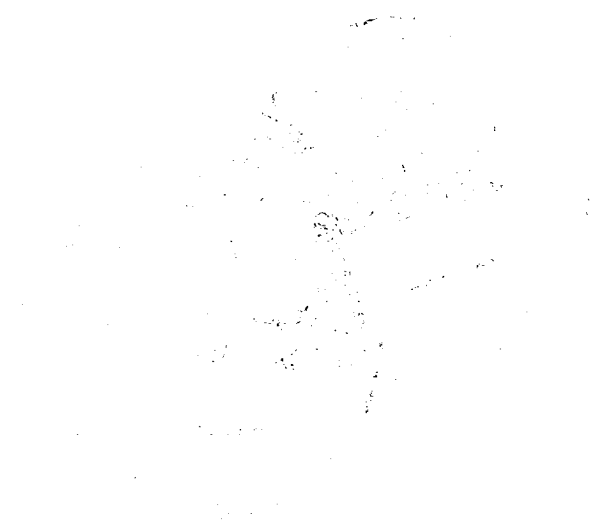
Proposed Access Road: —

5

—

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453

06000mN

T. 9 5

Г. 105

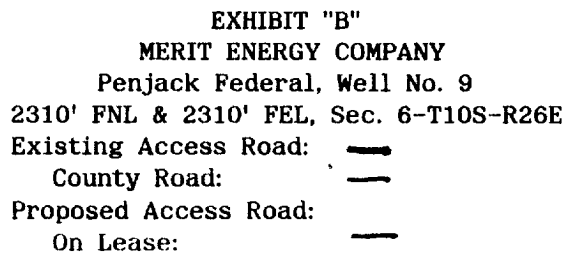
370

370

27'30"

370

371





2

3

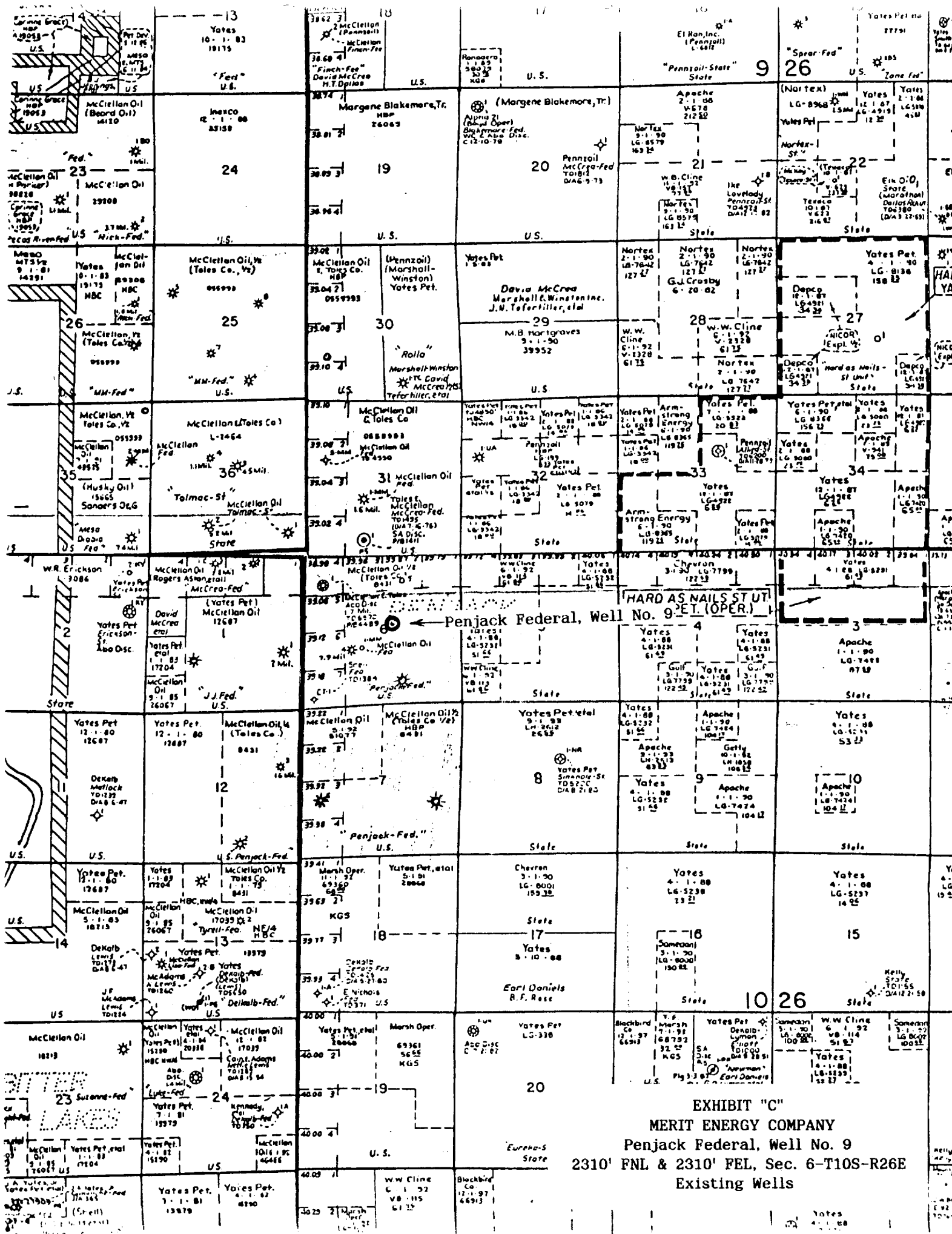
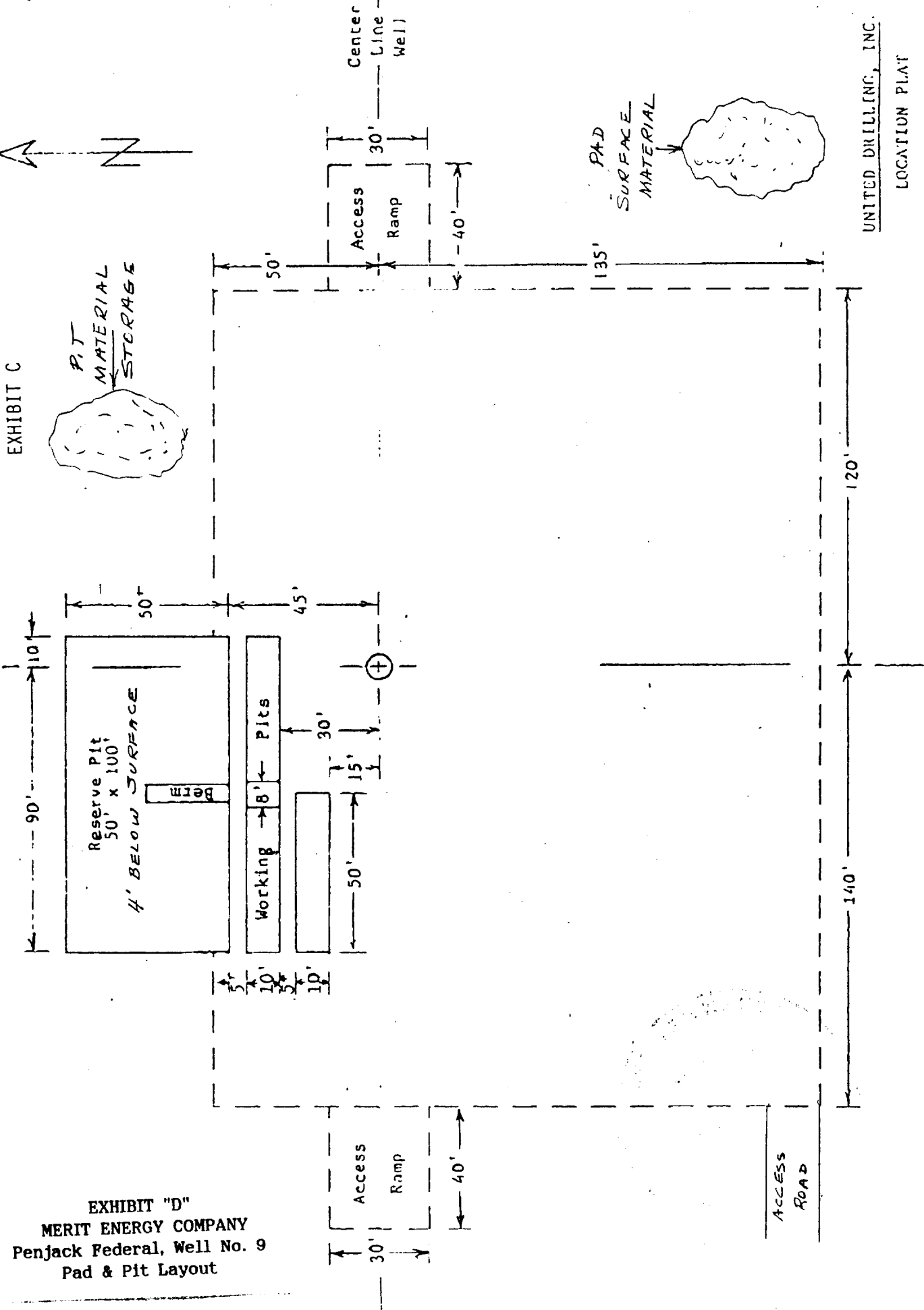


EXHIBIT "C"  
MERIT ENERGY COMPANY  
Penjack Federal, Well No. 9  
2310' FNL & 2310' FEL, Sec. 6-T10S-R26E  
Existing Wells



Center  
Line  
Well

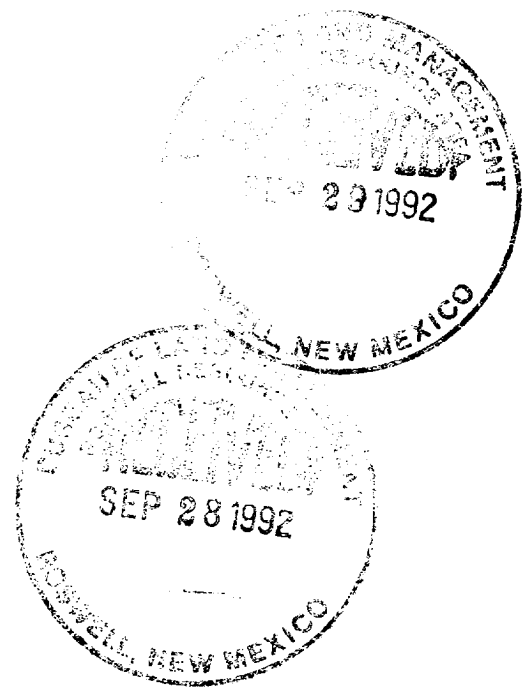


UNITED DRILLING, INC.

LOCATION PLAT

RIG 5

Scale: 1"=40' 1-15-92



## BLOWOUT PREVENTOR ARRANGEMENT

2M SYSTEM

10" SHAFFER TYPE "E", 3000 psi WP

80 GALLON, 4 STATION KOOMEY ACCUMULATOR

3000 psi WP CHOKE MANIFOLD

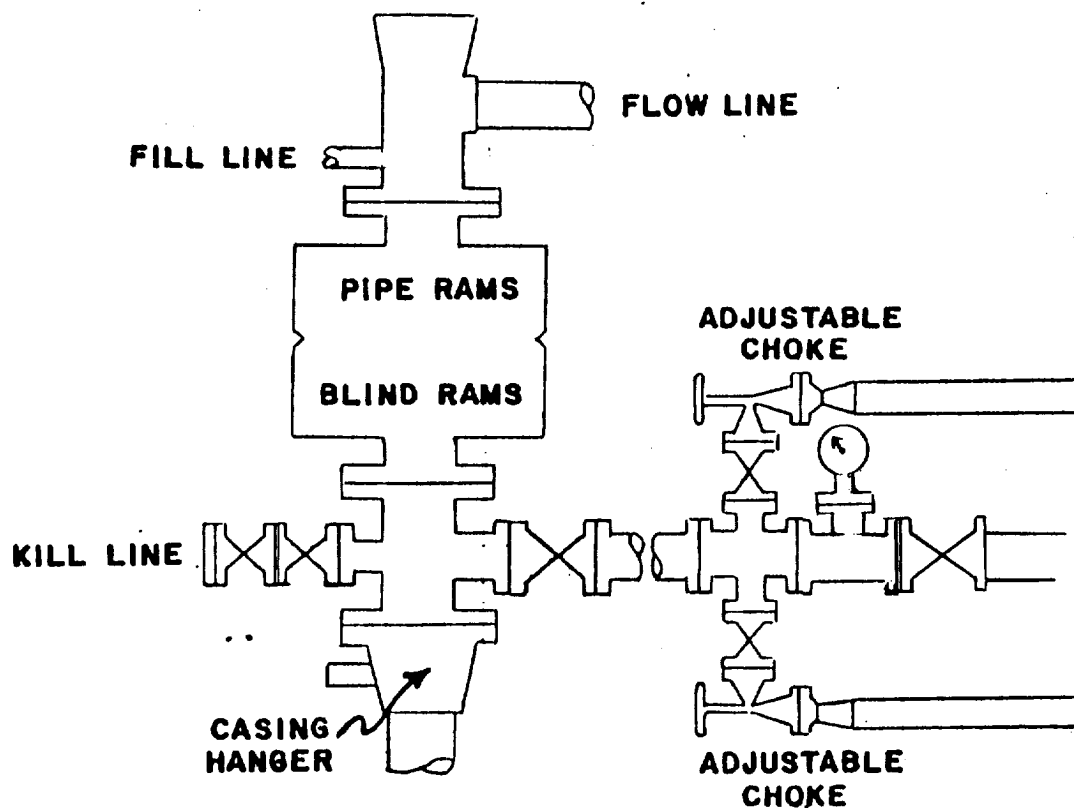


EXHIBIT "E"  
MERIT ENERGY COMPANY  
Penjack Federal, Well No. 9  
BOP Specifications

