

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

30-015-22937

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

|                                                                                                                                                                                                         |  |                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------|
| 1a. TYPE OF WORK<br>DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>                                                                        |  | 5. LEASE DESIGNATION AND SERIAL NO.<br>NM 11814                             |
| b. TYPE OF WELL<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>                                                                        |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME<br>---                                 |
| 2. NAME OF OPERATOR<br>MorOilCo, Inc. ✓                                                                                                                                                                 |  | 7. UNIT AGREEMENT NAME<br>---                                               |
| 3. ADDRESS OF OPERATOR<br>Drawer I, Artesia, N.M. 88210                                                                                                                                                 |  | 8. FARM OR LEASE NAME<br>Duncan Federal                                     |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)<br>At surface 860<br>860 from South line 660 from West line<br>At proposed prod. zone<br>San Andres Unit M |  | 9. WELL NO.<br>#1                                                           |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*<br>7 miles North of Loco Hills, N.M.                                                                                              |  | 10. FIELD AND POOL, OR WILDCAT<br>Henshaw                                   |
| 15. DISTANCE FROM PROPOSED*<br>LOCATION TO NEAREST<br>PROPERTY OR LEASE LINE, FT.<br>(Also to nearest drig. unit line, if any) 660                                                                      |  | 11. SEC., T., R., M., OR BLK.<br>AND SURVEY OR AREA<br>Sec 11 Twn16S Rge30E |
| 16. NO. OF ACRES IN LEASE<br>160                                                                                                                                                                        |  | 12. COUNTY OR PARISH 13. STATE<br>Eddy N.M.                                 |
| 18. DISTANCE FROM PROPOSED LOCATION*<br>TO NEAREST WELL, DRILLING, COMPLETED,<br>OR APPLIED FOR, ON THIS LEASE, FT. none                                                                                |  | 17. NO. OF ACRES ASSIGNED<br>TO THIS WELL<br>200 40                         |
| 19. PROPOSED DEPTH<br>3150                                                                                                                                                                              |  | 20. ROTARY OR CABLE TOOLS<br>Rotary & Cable Tools                           |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.)<br>3868.1' GR                                                                                                                                            |  | 22. APPROX. DATE WORK WILL START*<br>ASAP                                   |

## PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT          |
|--------------|----------------|-----------------|---------------|-----------------------------|
| 11"          | 8 5/8"         | 20#             | 450'          | 300sx. Class C Cement       |
| 7 7/8"       | 4 1/2"         | 9.5#            | 3150'         | 600sx. 50-50 Poz&HOWCO Lite |

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O. C. C.  
ARTESIA, OFFICEDST & logs to evaluate zones of interest  
will be run.BOP will be flanged to 8 5/8" casing and tested  
before drilling out.

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ARTESIA, NEW MEXICOFiled 1 Book  
20-1-79  
6-15-79

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 William J. B. 7/2/79 TITLE Pres. DATE 5-3-79  
(This space for Federal or State office use)PERMIT NO. \_\_\_\_\_ APPROVAL DATE 6-1-79APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

|                                                                                                                          |                                          |                                |                            |                                          |
|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------|----------------------------|------------------------------------------|
| Operator<br><b>MorOilCo, Inc.</b>                                                                                        |                                          | Lease<br><b>Duncan Federal</b> |                            | Well No.<br><b>1</b>                     |
| Section<br><b>M</b>                                                                                                      | Section<br><b>11</b>                     | Township<br><b>16 South</b>    | Range<br><b>30 East</b>    | County<br><b>Eddy</b>                    |
| Approximate Location of Well<br><b>860</b> feet from the <b>South</b> line and <b>660</b> feet from the <b>West</b> line |                                          |                                |                            |                                          |
| Section Elev.<br><b>3868.1</b>                                                                                           | Producing Formation<br><b>San Andres</b> |                                | Pool<br><b>and Henshaw</b> | Dedicated Acreage<br><b>40 200</b> Acres |

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty)
- 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 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.

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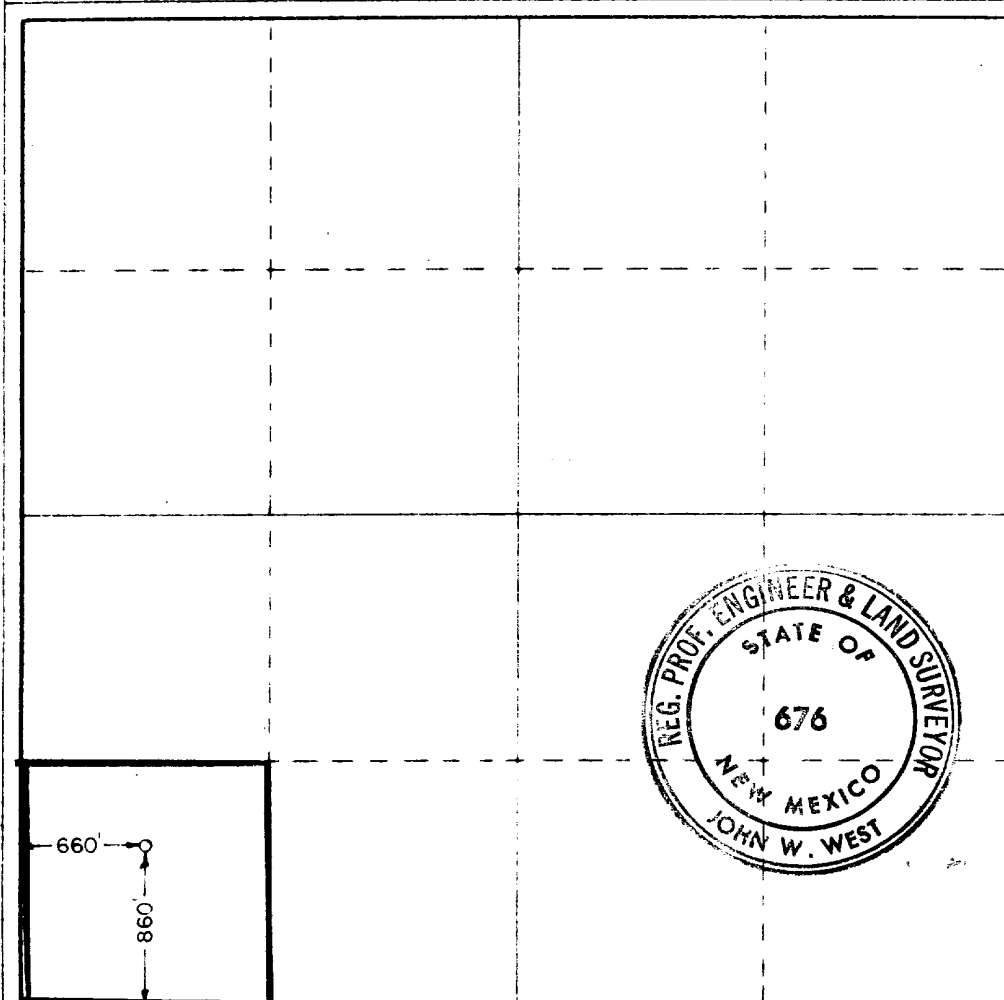
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ARTESIA, NEW MEXICO

JUN 7 1979

O. C. C.  
ARTESIA, OFFICE



CERTIFICATION

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

Name  
*William T. Morgan*  
President  
Pres.

Company  
**MorOilCo, Inc.**

Date  
**5-14-79**

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  
**May 11, 1979**

Registered Professional Engineer and Land Surveyor

*John W. West*

Certificate No. **John W. West 676**  
**Ronald J. Eidson 3239**

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600



N.M.O.C.D. COPY  
United States Department of the Interior

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JUN 7 1979

GEOLOGICAL SURVEY  
P. O. Drawer U  
Artesia, New Mexico 88210

O. C. C.  
ARTESIA, OFFICE

June 1, 1979

MorOilCo, Inc.  
P. O. Drawer I  
Artesia, New Mexico 88210

|                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------|
| MOROILCO, INC.<br>Duncan Federal No. 1<br>860 FSL 660 FWL Sec. 11, T16S, R30E<br>Eddy County Lease No. NM-11814 |
|-----------------------------------------------------------------------------------------------------------------|

Gentlemen:

|                                  |
|----------------------------------|
| Above Data Required on Well Sign |
|----------------------------------|

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 3,150 feet to test the San Andres formation is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL LEASES, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the SURFACE USE PLAN and this approval including the GENERAL REQUIREMENTS.
3. Submit a Daily Report of Operations from spud date until the Well Completion Report (form 9-330) is filed. The progress report should be not less than 8" x 5" in size and each page should identify the well.
4. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate sandstone brown (Federal Standard No. 595A, color 20318 or 30318).
5. Cement behind the 8-5/8" casing must be circulated.
6. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

(Orig. Sgd.) JOE G. LARA

Joe G. Lara  
Acting District Engineer



SURFACE USE

AND OPERATIONS PLAN

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U.S. GEOLOGICAL SURVEY  
ARTESIA, NEW MEXICO

Well Name: Duncan Federal #1

Location: Sec 11 Twn16S Rge30E 860/S 660/W

1. Existing Roads: Go north of Loco Hills 6½ miles, on paved road to Shell Henshaw sign, turn east 2½ miles to MorOilCo, Inc. well, Norman Fed. #1 sign, turn north to Norman location and new road will begin here.
2. Planned Access Roads: Will build north 3960' of new road, 12' wide & 6" thick of compact caliche. Road has been extended to the west to skirt sand hills and then to location.
3. Location of Existing Wells: West Henshaw Premier Unit approximately 1½ mile north. Mobil is operator. One P&A well in unit A of Sec 14 Twn16S Rge 30E.
4. Location of Tank Batteries, Production Facilities, and Production, Gathering, and Service Lines: Will build battery on southwest corner of location if well is productive.
5. Location and Type of Water Supply (rivers, creeks, lakes, ponds, wells): Water, by truck from Loco Hills.
6. Source of Construction Materials: Caliche in Federal pit on South side of main road running east and west. Pit is in unit D of Sec 23 Twn16S Rge30E.
7. Methods of Handling Waste Disposal: Pit will be dug on Northeast corner of pad and trash will be covered 36", on clean up.
8. Ancillary Facilities: none

9. Well Site Layout: See 'Exhibit C'

10. Plans for Restoration of the Surface: If well is plugged, all pits will be closed, pad and road ripped, anchors cut off 36" below surface and marker installed.

11. Other Information: The area of this road and location consists mainly of native grass, mesquite and sand hills. Road was restaked to skirt sand hills on the west side.

12. Lessee's or Operator's Representative:

MorOilCo, Inc.  
William N. Morgan

Business Phone: 748-2194  
Home Phone: 748-2325

13. Certification:

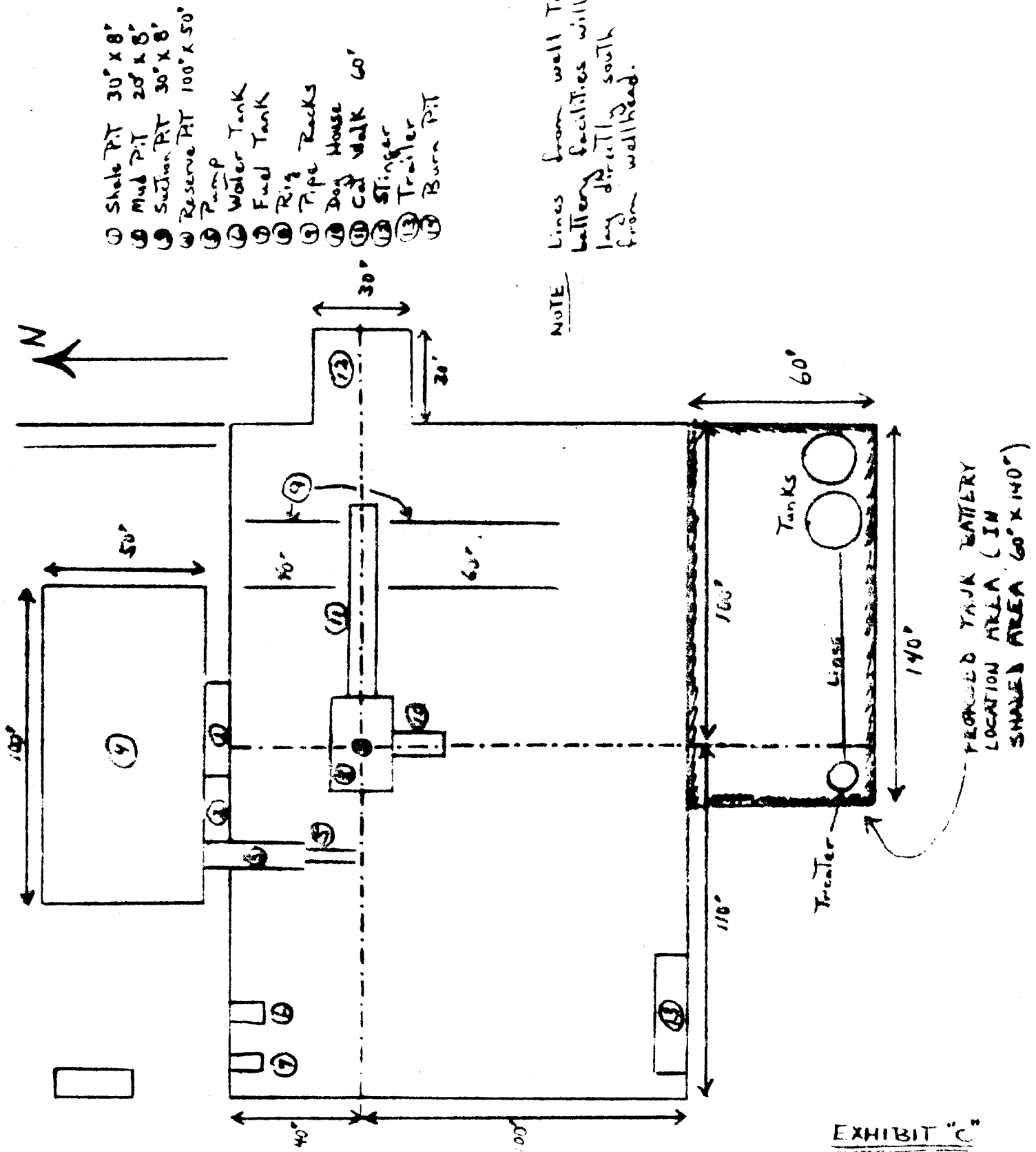
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route: that I am familiar with the conditions which presently exist: that the statements made in this plan are, to the best of my knowledge, true and correct: and, that the work associated with the operations proposed herein will be performed by MorOilCo, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

5-3-79  
Date

William N Morgan  
Company Representative

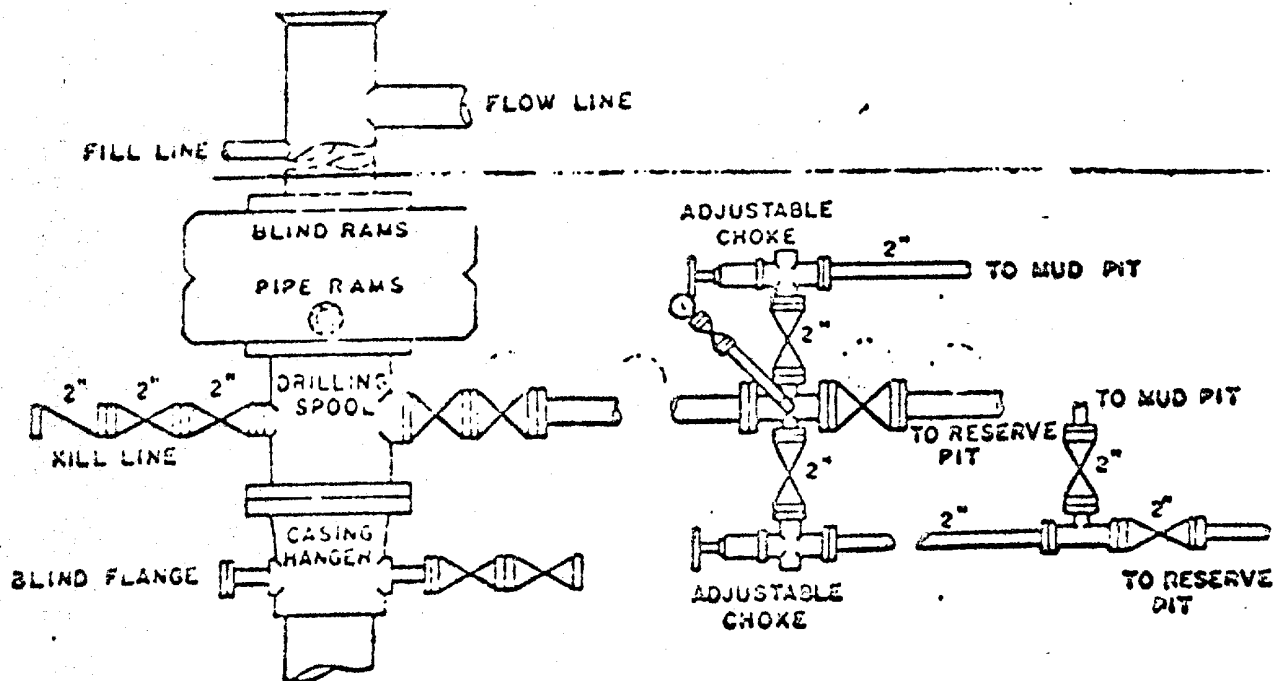
Pres.  
Title

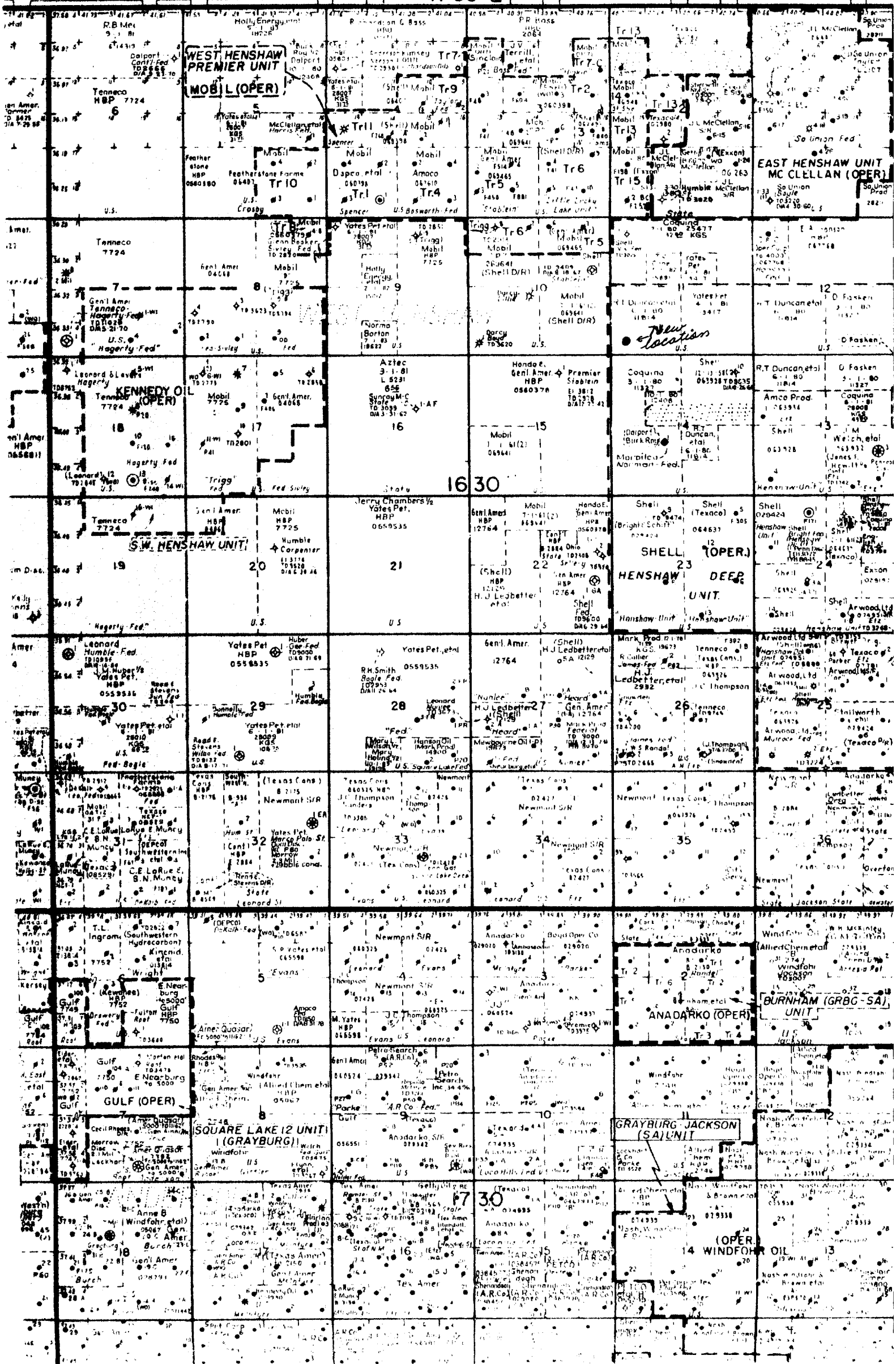
LOCATION, MUD PIT AND  
PROPOSED TANK BATTERY  
AREA SPECIFICATIONS

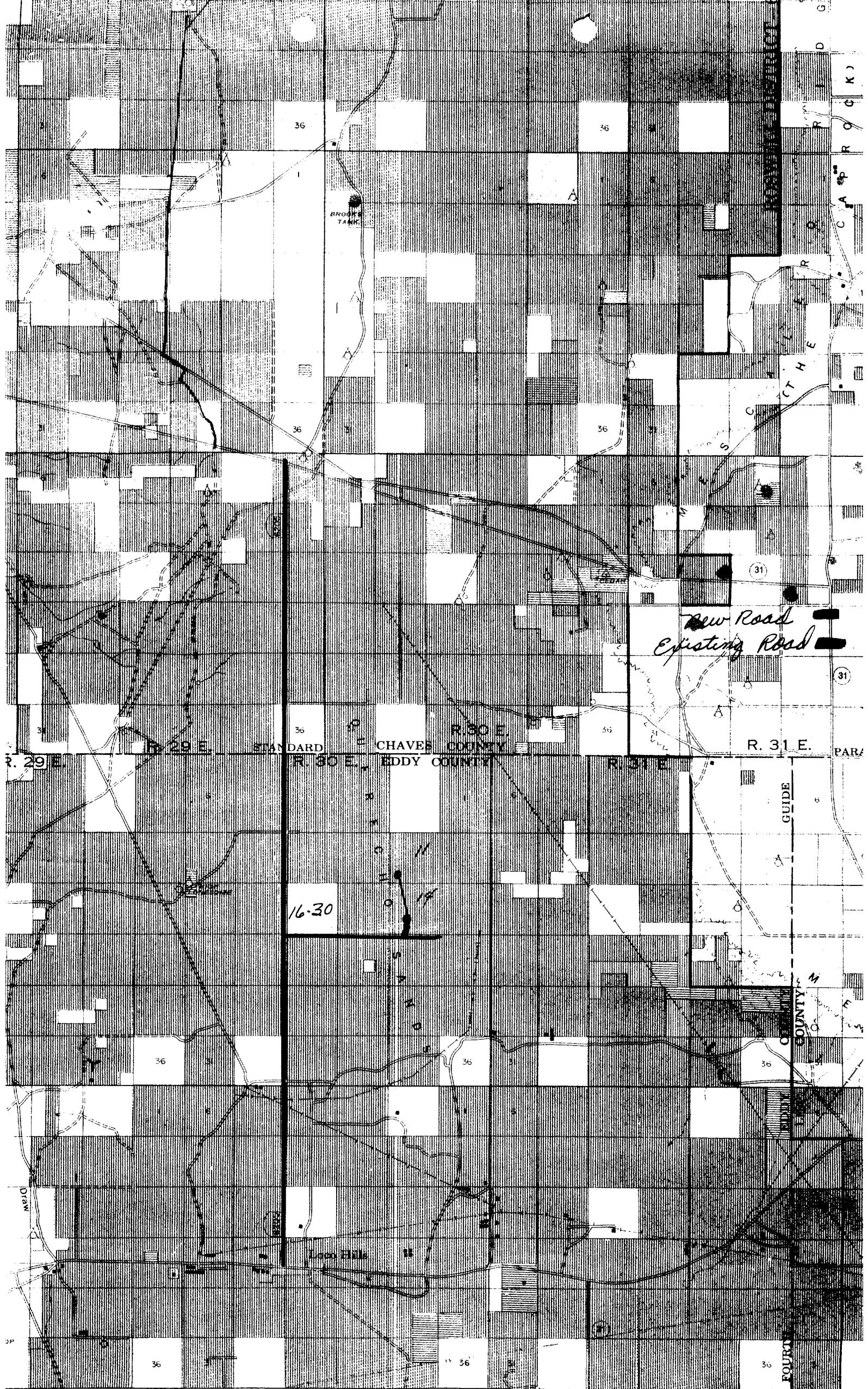


# BLOWOUT PREVENTER + CHOKE MANIFOLD

API 3M-8410-RdS







16-30

New Road  
Existing Road

BROOKS  
TANK

Lemo Hill

GUIDE

CHAVEZ COUNTY  
EDDY COUNTY

R. 29 E. R. 30 E. R. 31 E. PAR

Draw

EDDY COUNTY

FOUR