

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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
ZONEMULTIPLE
ZONE

2. NAME OF OPERATOR

Wainoco, Inc.

3. ADDRESS OF OPERATOR

1306 Gihls Tower West, Midland, Texas 79701

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

At surface

Unit "0" 660' FSL & 1980' FEL, Sec. 28, T-8-S, R-37-E

At proposed prod. zone

Unit "0" 660' FSL & 1980' FEL, Sec. 28, T-8-S, R-37-E

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

13 miles SE of Milensand, N.M.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

660'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1320'

16. NO. OF ACRES IN LEASE

80

19. PROPOSED DEPTH

4950

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

40

20. ROTARY OR CABLE TOOLS

Rotary

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

4017 GL.

22. APPROX. DATE WORK WILL START*

9-1-76

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11	8 5/8	28#	375'	500 sx.
7 7/8	4 1/2	10.5#	4950'	300 sx.

Propose to drill a San Andres well using rotary tools to approximately 4950'. Cement will be circulated on the 8 5/8" casing string. Plan to test significant shows and evaluate w/adequate logging program. Completion or abandonment will be performed in accordance w/prudent practices and regulatory body requirements. A double ram series 900 BOP and choke manifold will be used from 8 5/8" casing to total depth.

SEE ATTACHED BOP SKETCH.

SEE ATTACHED FOR
CONDITIONS OF APPROVALUnless Drilling Operations have
Commenced, this drilling approval
Expires 12-15-76

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

J.W. Mulloy

TITLE

Agent

DATE

8-24-76

(This space for Federal or State office use)

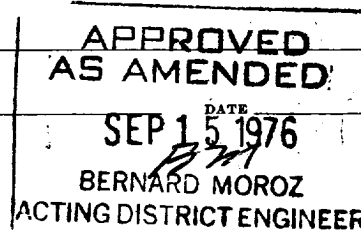
PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:



*See Instructions On Reverse Side

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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.

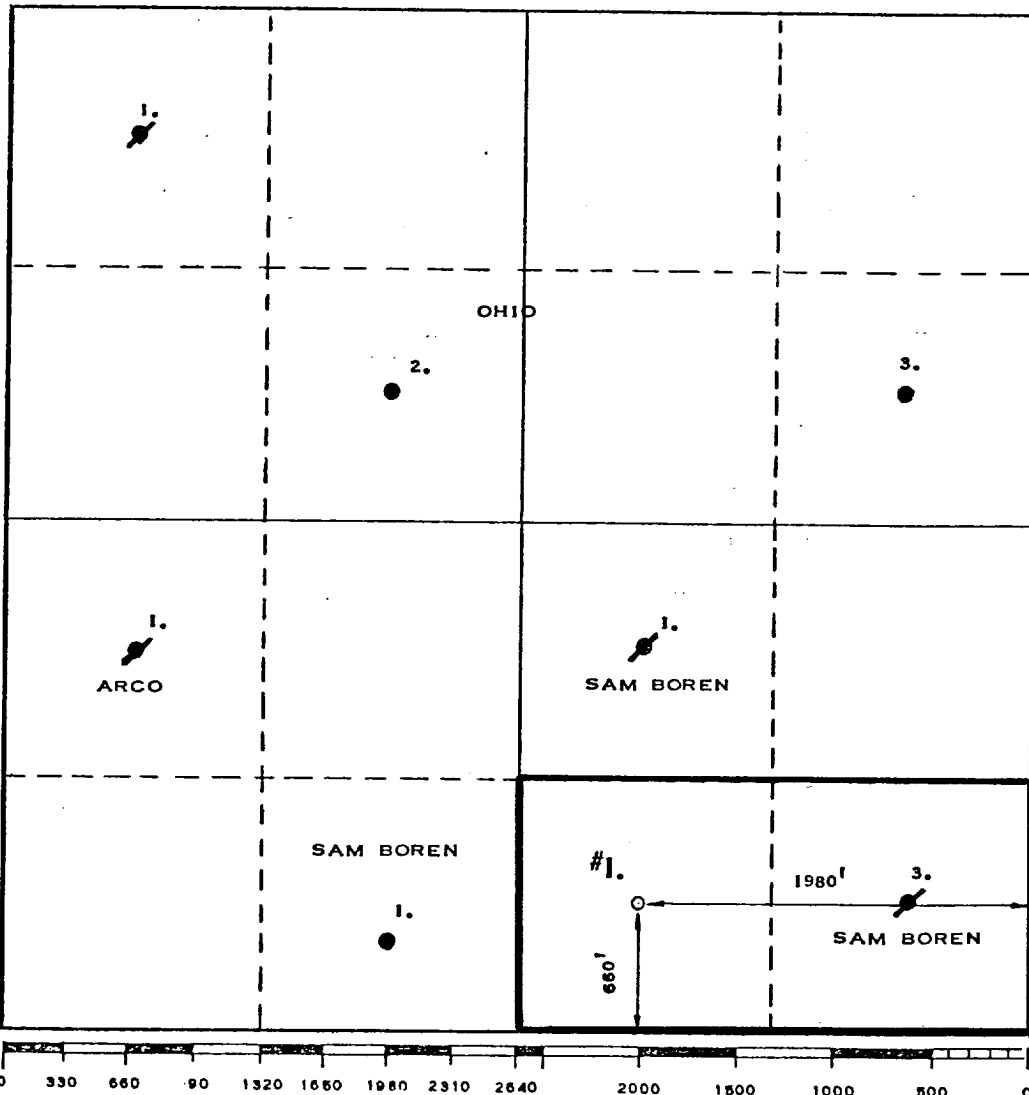
Operator WAINOCO, INC.		Lease INGRAM-FEDERAL "28"		Well No. 1
Unit Letter "O"	Section 28	Township 8-S	Range 37-E	County ROOSEVELT
Actual Footage Location of Well: 660 feet from the SOUTH line and 1980 feet from the EAST line				
Ground Level Elev. 4017	Producing Formation San Andres	Pool Undesignated WC	Dedicated Acreage: 40 00 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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 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 Commission.



CERTIFICATION

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

Name
J. W. Mullen
Position
Agent
Company
Wainoco, Inc.
Date
8-24-76

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
AUGUST 5, 1976
Registered Professional Engineer and/or Land Surveyor
Max A. Schumann Jr.
MAX A. SCHUMANN JR.
Certificate No.
1510

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Application for Drilling
Wainoco, Inc.
Ingram-Federal "28"
Roosevelt County, New Mexico

In conjunction with permitting subject well for drilling, in Sec. 28, Township 8 South, Range 37 East, N.M.P.M. Roosevelt County, New Mexico, Wainoco, Inc., submits the following points of pertinent information in accordance with U.S.G.S. letter of July 1, 1976.

1. The geologic surface formation is Ogallala.
2. The estimated tops of geologic markers are as follows:

Rustler	2290
Salt	2353
Base Salt	2730
San Andres	4065
Pi Marker	4660
3. The depth at which water, oil or gas are expected to be encountered is:

4800'
4. Casing Program:

8 5/8", 28#, K-55, to 375' (used) cement w/500 sx.
4 1/2", 10.5#, J-55 to 4950' (used) cement w/300 sx.
5. Blowout Preventers:

Ram type Series 900 with double Hydraulic rams. This is a Schaeffer blowout preventor (2000# working pressure, 4000# test). The fill, kill and choke lines are indicated on the BOP specification sheet.
6. Circulating Medium

Steel and earthen pits will be used to hold mud and cuttings and the drilling fluid as follows:

Natural mud to 4500', paper to control seepage and reduce filter cake in Santa Rosa. Reduce water loss to 10 and viscosity to 36 from 4500' to T.D. for coring.

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7. The rig will be equipped with safety device such as kelly cock, drill pipe float, full opening stabbing valve, inside drill pipe BOP, etc. Operational tests will be run weekly and results noted on tour sheets.
8. One drill stem test will be conducted at depth to be determined. Cores will be cut from 4810-4915' and 4930-80'.
9. No abnormal pressures or temperatures or potential hazards are expected to be encountered.
10. Anticipated starting date is 9-15-76 with completion of operations expected to be on or about 9-30-76.

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1 - 7 station Koomey Accumulator

1 - Koomey Remote Stand

5000 WP Manifold

1 - 10" Shaeffer Double BOP 900 Series, 3000 WP

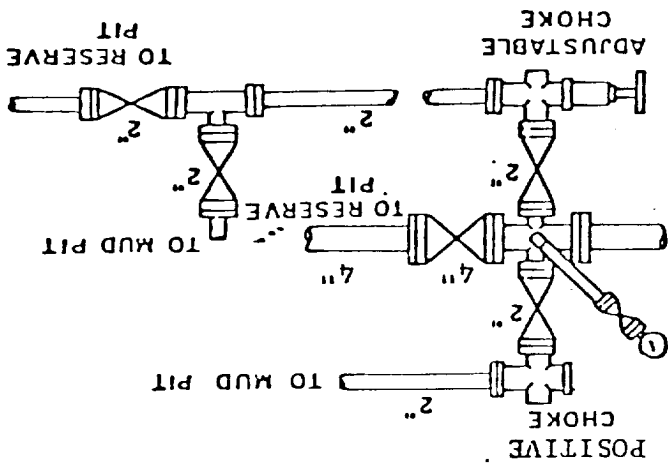
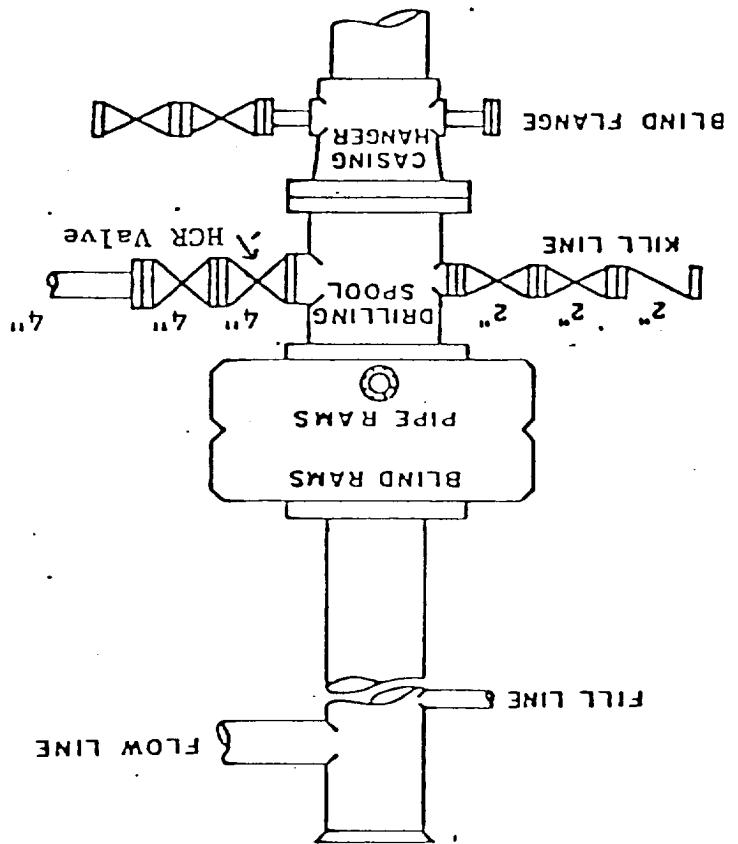


Exhibit "D"
BOP Sketch
Watnoco, Inc.

Well #1 Ingram Federal "28"

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Multipoint Surface Use and Operations Plan

Wainoco, Inc.
Well #1 Ingram-Federal "28"
660' FSL & 1980' FEL Sec. 28, T-8-S, R-37-E
Roosevelt County, New Mexico
Lease New Mexico 02218

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, the magnitude of necessary surface disturbances involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. Existing Roads:

- A. Existing roads in the vicinity of planned well are shown on the attached Exhibit "A". The well is located approximately 12 miles SE of Milensand, N.M. To reach location, go east from Milensand on State Highway 262 for 13 miles, turn south and go 2 miles on county road, then turn west on unimproved road for 1 1/2 miles, then thru cattle guard on left, go 1/8 mile then left again and follow main traveled caliche road for 1 mile, then right 1/8 mile to location on caliche road. This route is marked with red from Highway 262 to location.
- B. An existing caliche road runs to the location. Except for some grading work after moving in, no road repairs will be necessary except for one bad place approximately 600' east of location. It will be necessary to add caliche and grade at this point.

2. Planned access roads:

- A. Since an existing caliche oil field road currently in use runs to the location, no new road construction or reconstruction is planned.

No new gates or cattle guards are required.

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3. Location of Existing Wells

- A. Existing wells within a one-mile radius are shown on Exhibit "B".

4. Location of Existing and/or Proposed Facilities

- A. There is no production equipment on this lease at present. If production is established, a tank battery will be built on the drilling pad and no additional surface disturbance will occur.

5. Location and type of Water Supply

- A. Water will be purchased and trucked to the wellsite over existing roads shown on Exhibit "A".

6. Source of Construction Materials

- A. Caliche for road repair and the well pad will be obtained from an existing pit in the SE 1/4 SE 1/4 Sec. 28, T-8-S, R-35-E. The pit is on land owned by Mr. Arlon E. Perkins and Mr. Alton A. Perkins. Location of the pit is shown on Exhibit "A".

7. Methods of Handling Waste Disposal

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in the test tanks until sold.
- D. Sewage will be collected in a pit at least 6' deep below an outside latrine. Suitable chemical will be added to aid decomposition of the waste material and then back filled following completion of the well.
- E. 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. Location of trash pit is shown on Exhibit "C".

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- F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. Ancillary Facilities

- A. None required

9. Wellsite Layout

- A. Exhibit "C" shows the relative location and dimension of the well pad, mud pits, reserve pit, trash pit and location of major rig components.
- B. Only minor leveling of the wellsite will be required. No significant cuts and fills will be necessary.
- C. The reserve pit will be plastic lined.
- D. The pad and pit area has been staked and flagged.

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 wellsite in an aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. After abandonment of the well, surface restoration will be in accordance with the agreement with the surface owner. Pits will be filled and location will be cleaned. Rehabilitation should be accomplished within 90 days after abandonment.

11. Other Information

A. Topography

Land surface is undulating to gently rolling and dunny. From an elevation of 4017' at the wellsite, the land surface slopes gently toward the southeast at about 20' per mile.

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B. Soil

Soil is a deep fine sand underlain by caliche.

C. Flora and Fauna

The vegetative cover is generally sparse and consist of shinnery oak, yucca and perenial native range grasses. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.

D. Ponds and Streams

There are no rivers, streams, lakes or ponds in the area.

E. Residences and other Structures

The nearest occupied dwelling is a ranch house 1 3/4 miles west of the wellsite. The nearest water well is a windmill 3/4 mile north.

F. Archeological, Historical & Cultural Sites

None observed in the area.

G. Land Use

Grazing and hunting in season.

H. Surface Ownership

Wellsite is on privately owned land.

12. Operators Representative

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

John Mulloy
1306 Gihls Tower West
Midland, Texas 79701
Office Phone: 915/684-7877
Home Phone: 915/682-9642

Bob Schmucker
1306 Gihls Tower West
Midland, Texas 79701
Office Phone: 915/684-7877
Home Phone: 915/683-2316

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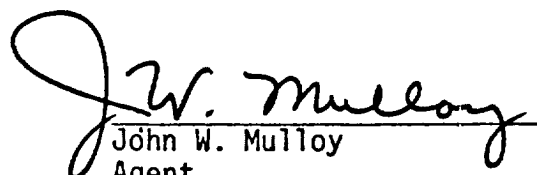
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13. Certification

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 Wainoco, Inc., and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

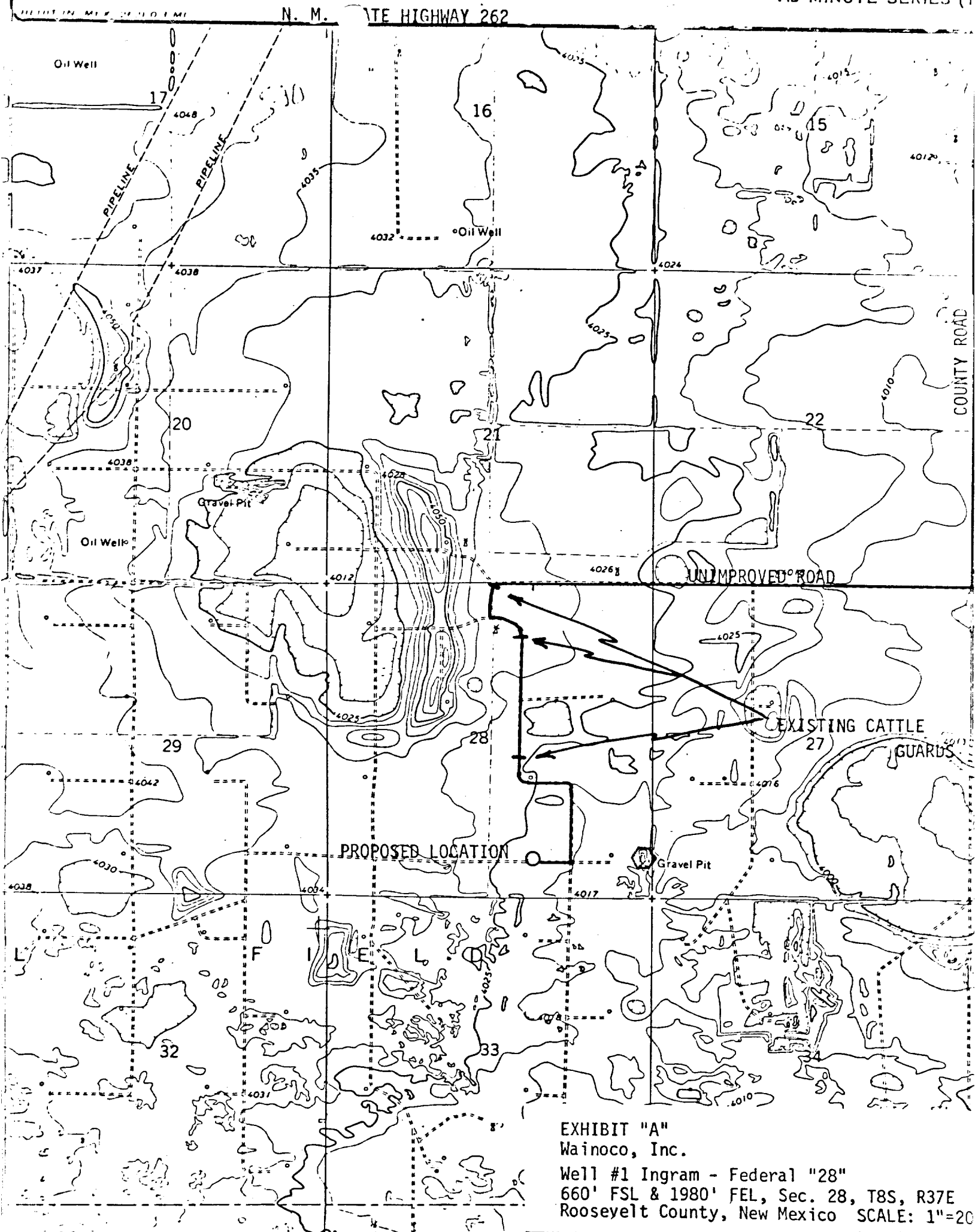
8-24-76
Date


John W. Mulloy
Agent
Wainoco, Inc.

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Scale 1" = 2000'

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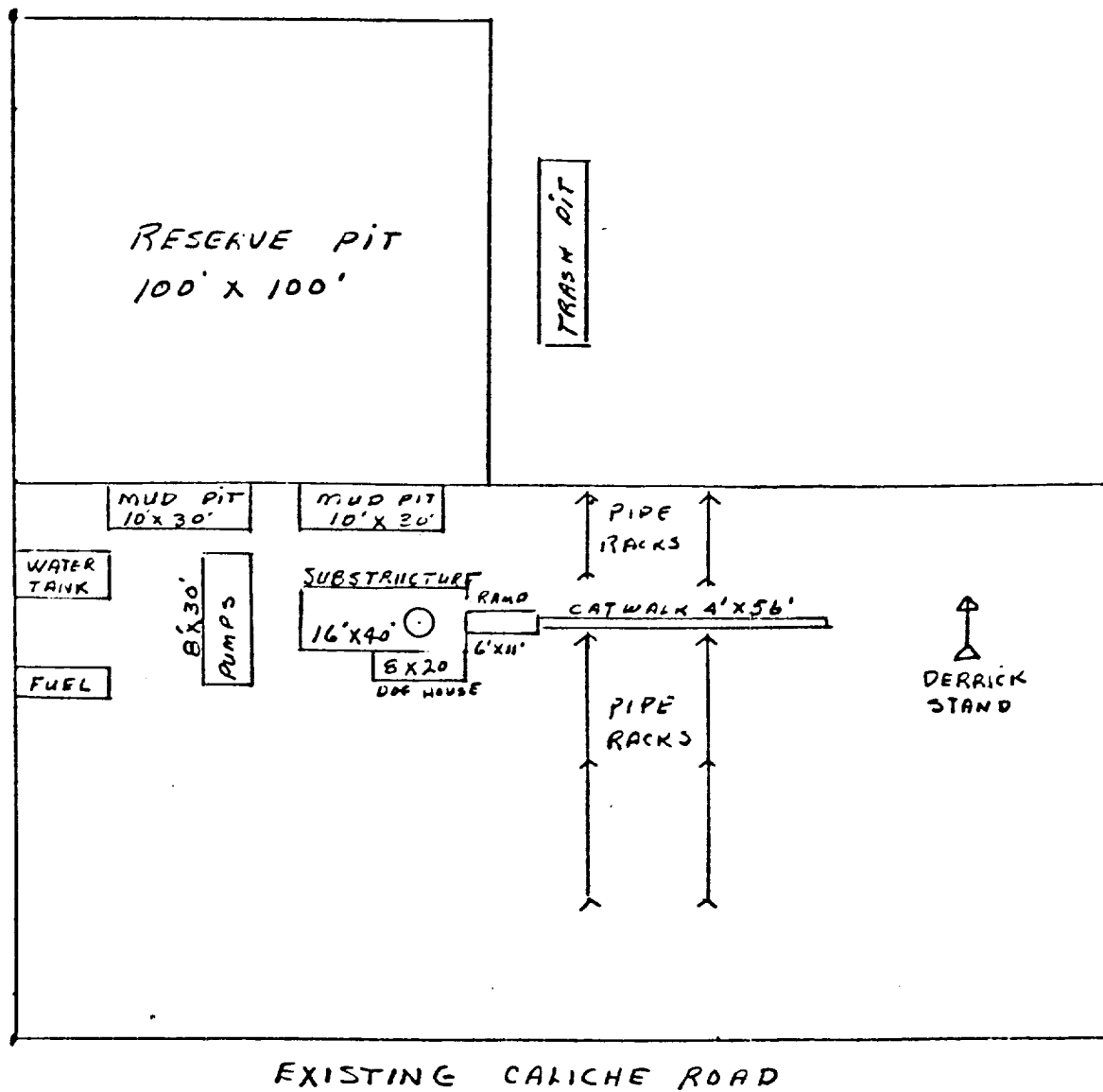


EXHIBIT "C"
Rig Layout
Wainoco, Inc.
Well #1 Ingram-Federal "28"
Scale: 1" = 40'

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Surface Damage Agreement

Wainoco, Inc.
Well #1 Ingram-Federal "28"
660' FSL, 1980' FEL, Sec. 28, T-8-S, R-37-E
Roosevelt Co., New Mexico

Bob Schmucker, Agent for Wainoco, Inc., contacted Mr. Arlon E. Perkins (75%) and Mr. Alton A. Perkins (25%), surface owners of SE/4 of Sec. 28 concerning entry on property and restoration after drilling operations are completed.

An agreement satisfactory to all parties concerned has been reached. Permission for entry on the land was granted. The sum to be paid for surface damages was agreeable to both land owners. The location will be cleaned and the pad and road left in place. As soon as the pits are dry, they will be filled and leveled.

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U. S. GEOLOGICAL SURVEY
P. O. Box 1157
Hobbs, New Mexico 88240

HOBBS DISTRICT

Wainoco, Inc.
No. 1 Ingram-Federal "28"
SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 28-8S-37E
Roosevelt Co., N.M.

Above Data Required on Well Sign

CONDITIONS OF APPROVAL

1. Drilling operations authorized are subject to the attached sheet for general requirements for drilling and producing operations.
2. Notify this office (telephone (505) 393-3612) when the well is spudded and in sufficient time for a representative to witness cementing operations.
3. Immediate notice is required of all blowouts, fires, spills, and accidents involving life-threatening injuries or loss of life.
4. Secure prior approval before changing the approved drilling program or commencing plugging operations, plug-back work, casing repair work, or corrective cementing operations.
5. Blowout prevention equipment is to be installed, tested, and in working order before drilling below the surface casing and shall be maintained ready for use until drilling operations are completed.
6. A kill-line is to be properly installed and is not to be used as a fill-up line.
7. Blowout preventers are to have proper casing rams when running casing.
8. Drill string safety valve(s) to fit all pipe in the drill string to be maintained on the rig floor while drilling operations are in progress.
9. Blowout prevention drills are to be conducted as necessary to assure that equipment is operational and that each crew is properly trained to carry out emergency duties. All BOP tests and drills are to be recorded on the driller's log.
10. Operations must be in compliance with the provisions of the landowner agreement concerning surface disturbance and surface restoration.
11. 8-5/8" surface casing should be set in the Rustler anhydrite formation and cement circulated to the surface. If surface casing is set at a lesser depth the 4 $\frac{1}{2}$ " casing must be cemented from the casing shoe to the surface or cemented to the surface through a stage tool set at least 50 feet below the top of the Rustler, after cementing around the shoe with the required amount of cement.
12. If, during operations, the operator or any person working in his behalf, discover any historic or prehistoric ruin, monument or site, or any object of antiquity subject to the Antiquities Act of June 8, 1906, (34 Stat. 225, 16 U.S.C. Secs. 431-433), and 43 CFR Part 3, then work will be suspended and the discovery promptly reported to the District Manager. The Bureau will then take such action as required under the Act and regulations thereunder. When directed by the District Manager, the operator will obtain, at his expense, a qualified archeologist to examine and, if necessary, excavate or gather such ruins or objects.

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