

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | |
|---|--|---|
| 1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. NM-14154 |
| b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME --- |
| 2. NAME OF OPERATOR Sundance Oil Company | | 7. UNIT AGREEMENT NAME --- |
| 3. ADDRESS OF OPERATOR 1776 Lincoln St., Denver, Colo. 80203 | | 8. FARM OR LEASE NAME Chambers Federal |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 660/S 660/E Unit P At proposed prod. zone San Andres | | 9. WELL NO. #1 |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15 1/2 miles Southeast of Kenna, N.M. | | 10. FIELD AND POOL, OR WILDCAT Wildcat |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660 | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec.30 Twn.7S Rge.32E |
| 16. NO. OF ACRES IN LEASE 320 | | 12. COUNTY OR PARISH Roosevelt |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL 40 | | 13. STATE N.M. |
| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1320 | | 20. ROTARY OR CABLE TOOLS Rotary Tools |
| 19. PROPOSED DEPTH 4350 | | 21. APPROX. DATE WORK WILL START* On Approval |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4436.95' GL | | |

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# | 1750 | 260sx Econ & 100sx Class C |
| 7 7/8 | 4 1/2 | 11.60# & 10.5# | 4350 | 300sx 50/50 Poz. |

Unless Drilling Operations have
Commenced, this drilling approval
Expires 8-13-77Well will be drilled to TD and evaluated, if further evaluation
is required, will log to determine if casing will be run.SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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ARTESIA, NEW MEXICO
S. GEOLOGICAL SURVEY
HOBBS, NEW MEXICO

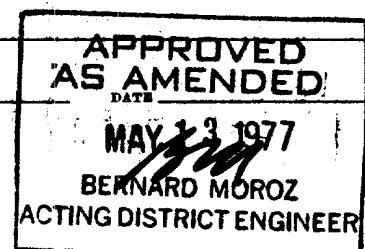
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED William T. Moya TITLE Representative DATE 4-25-77

(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

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-124
Effective 1-1-65

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

| | | | | | |
|-------------------------------|--------------------------------|------------------|--------------------|----------------------|---------------------|
| SUNDANCE OIL COMPANY | | | Lease CHAMBER FED. | | Well No. 1 |
| P | Section 30 | Township 7 South | Range 32 East | County Roosevelt | |
| Actual Well Location of Well: | | | | | |
| 660 | feet from line | South | line and | 660 | feet from line East |
| Acres 4436.95 | Producing Formation San Andres | | Well Wildcat | Estimated Acreage 40 | |

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 been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

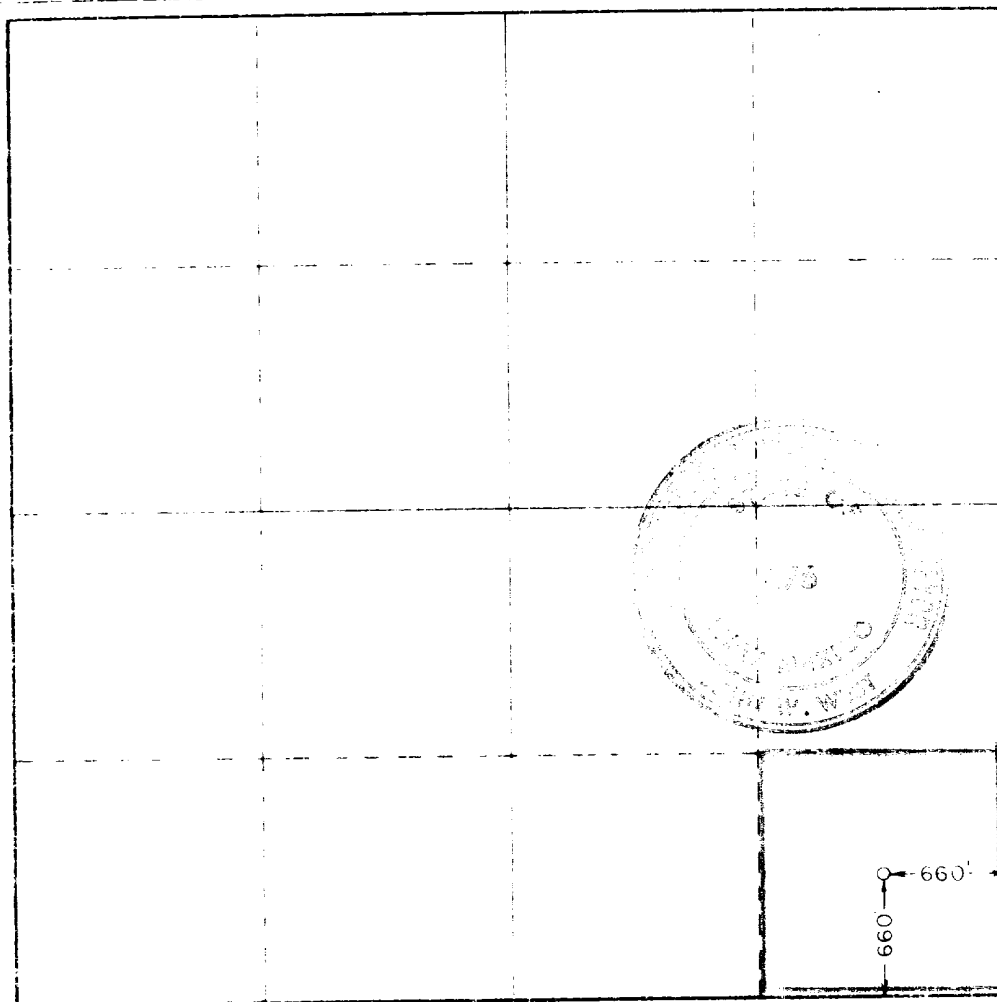
If answer is "no," list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form if necessary) _____

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.

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U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO



CERTIFICATION

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

W.N. Morgan

W. N. Morgan
Representative

Sundance Oil Co.

4-25-77

I hereby certify that the well location shown in 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.

April 20, 1977

Registered Professional Engineer
and Licensed Surveyor

John W. West
April 20, 1977

676

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

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CIVIL RIGHTS DIVISION
U.S. DEPT. OF JUSTICE

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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

All distances must be from the outer boundaries of the Section

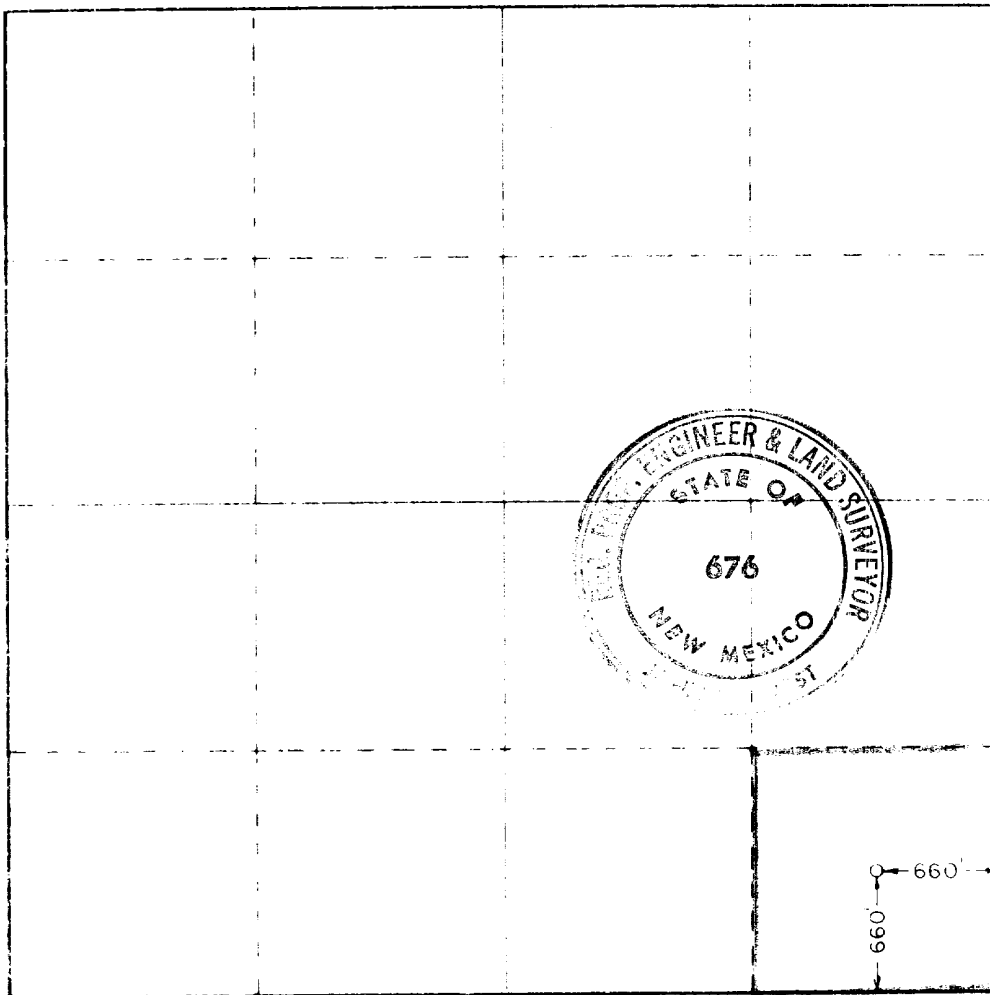
| | | | | | |
|--|-------------------|-------------------------|----------------------|-------------------------|-------------------|
| SUNDANCE OIL COMPANY | | | CHAMBER FED. | | Well No. 1 |
| P | Section 30 | Township 7 South | Range 32 East | County Roosevelt | |
| Location of well: 660 feet from the South line of 660 feet from the East line | | | | | |
| 4436.95 | San Andres | Wildcat | 40 | | |

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



CERTIFICATION

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

W.N. Morgan

Title

Representative

Sundance Oil Co.

4-25-77

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.

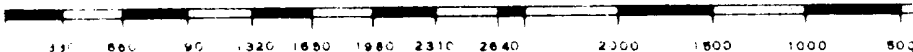
April 20, 1977

Registered Professional Engineer
and Land Surveyor

John W. West

Title

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CL 9-11
HARRIS, L. L. COMM.

Attachment to Form 9-331 C
Application for Permit to Drill

Sundance Oil Company, Chambers Federal No. 1
660' FSL and 660' FEL of Section 30, T. 7S., R. 32E.
Roosevelt County, New Mexico

1. The geologic name of the surface formation is Triassic red beds.
2. The estimated tops of important geologic markers are as follows:

| | |
|------------|--------|
| Rustler | 1,670' |
| Salado | 1,720' |
| Yates | 2,170' |
| San Andres | 3,330' |
| P-1 | 4,040' |
| P-2 | 4,140' |

3. The estimated depths at which anticipated water, oil, gas or other mineral bearing formations will be encountered are as follows:

| | |
|------------|--------------------|
| Ogalala | 150' water |
| Salado | 1,720' salt |
| San Andres | 3,330' Oil and Gas |
| P-1 | 4,040' Oil and Gas |
| P-2 | 4,140' Oil and Gas |

4. The proposed casing program is as follows:

Surface - New 8 5/8", 32 lb/ft., ST&C, Secondary 45 (J&L).
Production - New 4 1/2", 10.5 lb/ft., ST&C, K-55 and 11.6
lb/ft., ST&C, JCW-36 (J&L).

5. A sketch of an API Series 900 Blowout Preventer is attached. Pipe rams and blinds will be checked to 1,000 PSI for 30 minutes when BOP is installed. BOP will be checked when casing string is set and operated daily for checks.
6. The proposed mud program is as follows:

| | | |
|------------|------------|----------------------|
| 0-1750' | spud mud | 8.5 - 9.0 lbs./gal. |
| 1750-4000' | native mud | 9.0 - 9.5 lbs./gal. |
| 4000-TD | salt gel | 9.0 - 10.0 lbs./gal. |

7. The auxilliary equipment to be used is:

- (1) Kelly cocks.
- (2) Floats at the bit.
- (3) Stabbing valve on rig floor with sub to fit drill pipe.

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ROBBS, H. M.

8. It is proposed to run 2" and 5" GR, CNL, FDC, DLL/MLL Logs from TD to 1750'.
9. No abnormal pressures or temperatures are expected to be encountered in this well.
10. The anticipated starting date for this well is May 15, 1977. Estimated duration of drilling operations is 10 to 12 days.

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SURFACE USE PLAN

Sundance Oil Company: Chambers Federal #1
660/S 660/E of Section 30 Twn.7S Rge. 32E
Roosevelt County, New Mexico

This plan is to accompany "Application for Permit to Drill" the subject well which is located approximately 15½ miles SSE of Kenna, New Mexico. The following is a discussion of pertinent information concerning possible effect which the proposed drilling of the well may have on the environment of the well and road sites and surrounding acreage.

1. Existing Roads:

- A. The proposed well site is 660' FSL and 660' FEL of Section 30, T.7S, R.32E, Roosevelt County, New Mexico.
- B. Exhibit "A" is portion of a map showing existing roads with directions to the location from Kenna, New Mexico. The route to the location is marked in red along side of roads to be used, the well location is approximately 15½ miles SSE of Kenna, New Mexico.
C., D., & E., access roads are shown on Exhibit "A".
- F. No improvement or maintenance is anticipated for the existing roads.

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2. Planned Access Roads:

APR 25 1977

- A. No road shall be required.
- B. Turnouts: none
- C. Drainage Design: New road will have a drop of 6 inches from center line on each side.
- D. Culverts, Cuts and Fills: Culverts-none. The location and pits will be constructed as shown on Exhibit C. Maximum cut will be 3' on the East and maximum fill will be 3' on the West of the location, other than leveling sand dunes.
- E. Surfacing Material: Six inches of caliche, bladed, watered and compacted.
- F. Gates, Cattleguards, Fences: none
- G. The proposed road is existing.

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3. Location of Existing Wells:

- A. (see Exhibit B)

100-100000

100-100000

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4. Location of Existing and/or Proposed Facilities:

- A. There are no existing tank batteries, production facilities or lines owned by the lessee/operator on this lease.
- B. If commercial production is established, facilities and lines will be constructed as shown on Exhibit C. Pads for equipment will be made with caliche. Facilities will be fenced and/or covered to protect livestock and wildlife.
- C. All unused areas disturbed by construction will be restored to natural terrain profile after construction is completed.

5. Location and Type of Water Supply:

- A. Water will be obtained from well at Kenna and/or Crossroads.
- B. Water will be transported by truck.

6. Source of Construction Materials:

- A. Caliche will be obtained from a pit in Sec. 7, T.7S, R.32E., Fee minerals owned by F.P. Southard.

7. Methods for Handling Waste Disposal:

- A. Waste Disposal-well cuttings will be disposed in reserve pit. Barrel trash containers to be in accessible locations within drill site area during drilling and completion procedures. All detrimental waste will be hauled away, burned or buried with a minimum cover of 24" of dirt. See Exhibit C for location of pits. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. Any produced water will be collected in tanks until hauled to an approved disposal system, or separate disposal applications will be submitted to the survey for appropriate approval.

8. Ancillary Facilities: none

9. Well Site Layout:

- A. Exhibit C shows the relative location and dimensions of the well pad, mud pit, reserve pit, trash barrel, etc.. The reserve pit will be lined with plastic. The pad and pits are staked.

10. Plans for Restoration of Surface:

- A. Pits will be backfilled and leveled as soon as practical to original condition. Commencement of rehabilitation operations will immediately follow removal of drilling and completion equipment from location and rehabilitation of the surface is planned to be completed within 45 days from commencement.

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11. Other Information:

- A. Terrain: Low rolling sand hills.
- B. Soil: Sandy
- C. Vegetation: Scruboak, beargrass and very sparse vegetation.
- D. Surface Use: Grazing
- E. Ponds and Streams: None within one mile.
- F. Water Wells: 1 mile northwest of location.
- G. Residences and Buildings: 3 miles northwest of location.
- H. Arroyos, Canyons, Etc.: Caprock escarpment approximately one mile west of location.
- I. Well Sign: Sign identifying and locating well will be maintained at drill site with the spudding of the well.
- J. Open Pits: All pits containing mud or other liquids will be fenced.
- K. Archaeological Resources: none observed.

12. Lessee's or Operator's Representative:

W.N. Morgan
Sundance Oil Company
1776 Lincoln, St., Suite 510
Denver, Colorado 80203

Business Phone: (303) 825-7657
Home Phone: (505) 748-2194

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 SUNDANCE OIL COMPANY and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

4-25-77
Date

W.N. Morgan
W.N. Morgan
Representative

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HOBBS, N. M.

April 21, 1977

AGREEMENT

Sundance Oil Co. agrees to pay \$100.00 each time they cut and set a cattle guard in the fence line.

Sundance Oil Co. agrees to pay \$4.00 a rod for new roads and \$750.00 for each well site location, \$250.00 for a tank battery pad built between locations and \$1.00 a rod for pipeline not laid beside road right-of-ways. \$3.00 a rod for pipeline right-of-way that have to be built or made by a tractor or motor grader.

This agreement is payable only to Sec. 30 & 31, Twn. 7S, Rge. 32E, which is Fee surface.

Caliche to be hauled from pit in Sec. 7, Twn. 7S, Rge. 32E. Price on yardage will be paid directly from Sundance Oil Co.

William N. Morgan
William N. Morgan
Representative of
Sundance Oil Co.

Frank P. Southard
Frank P. Southard
Land Owner

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T.4 S.

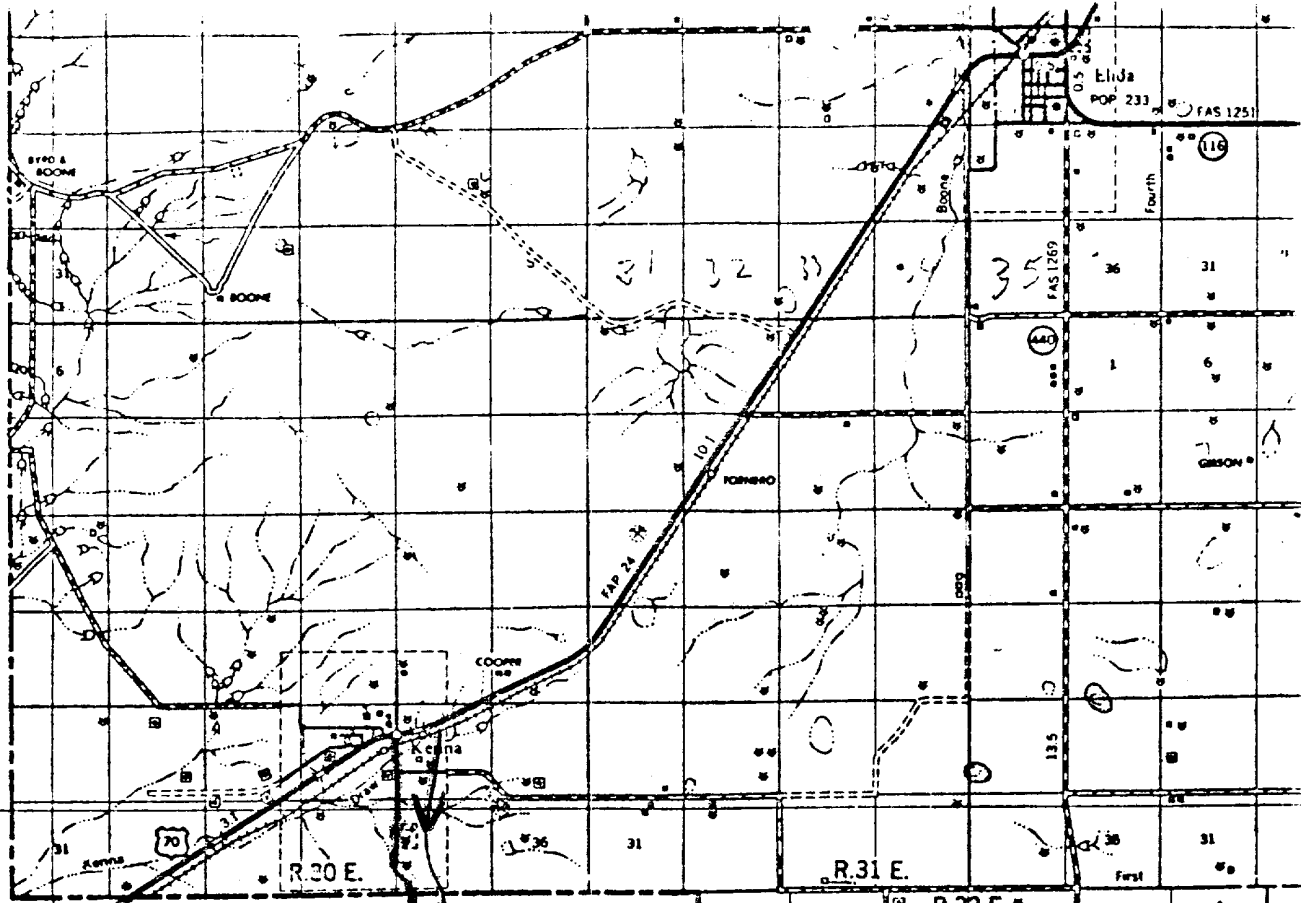
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A

V

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T.5 S.

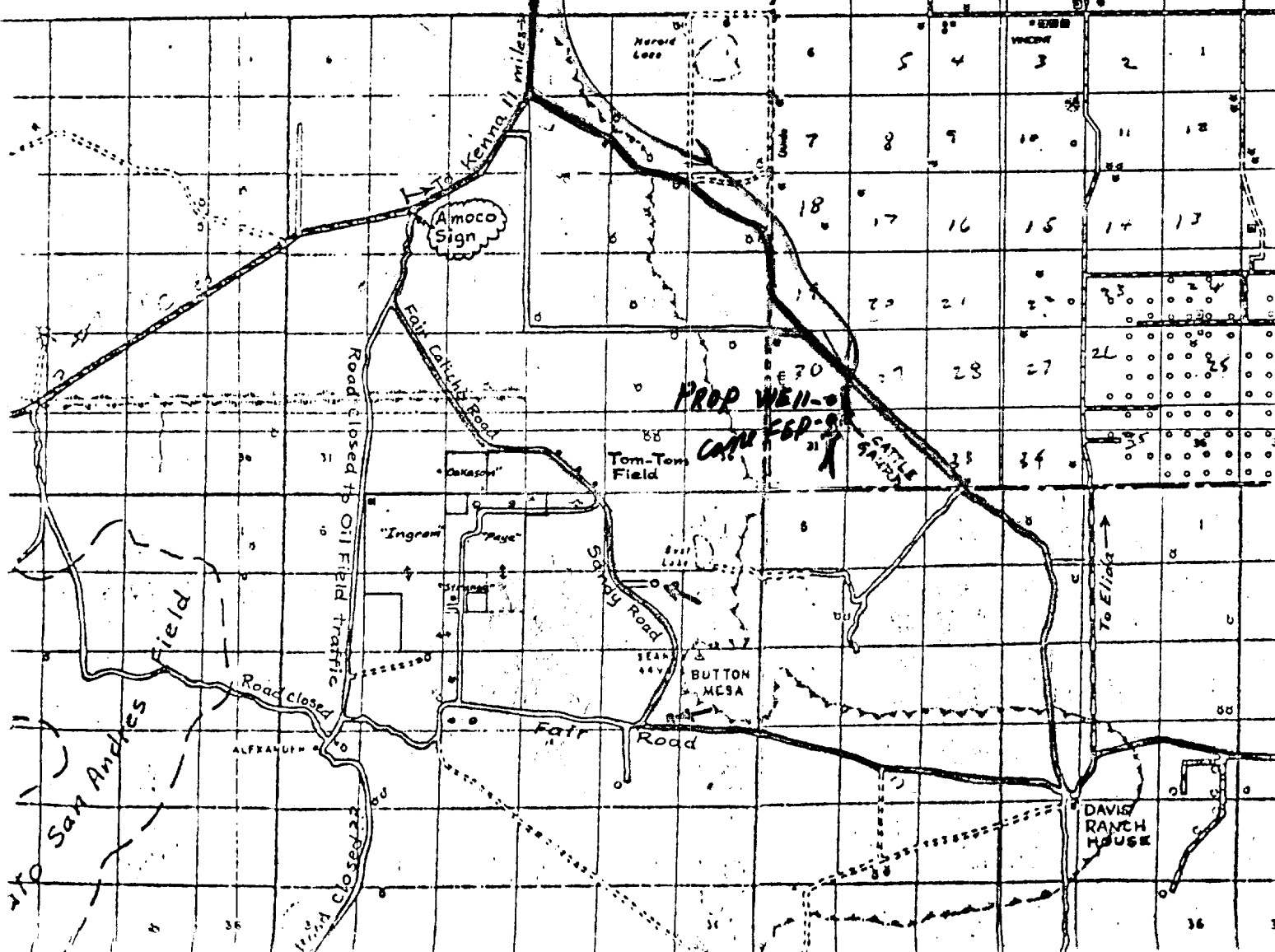


U

- EXISTING CALICHE ROADS
- EXISTING DIRT ROADS
- NEW ROADS

T.6 S.

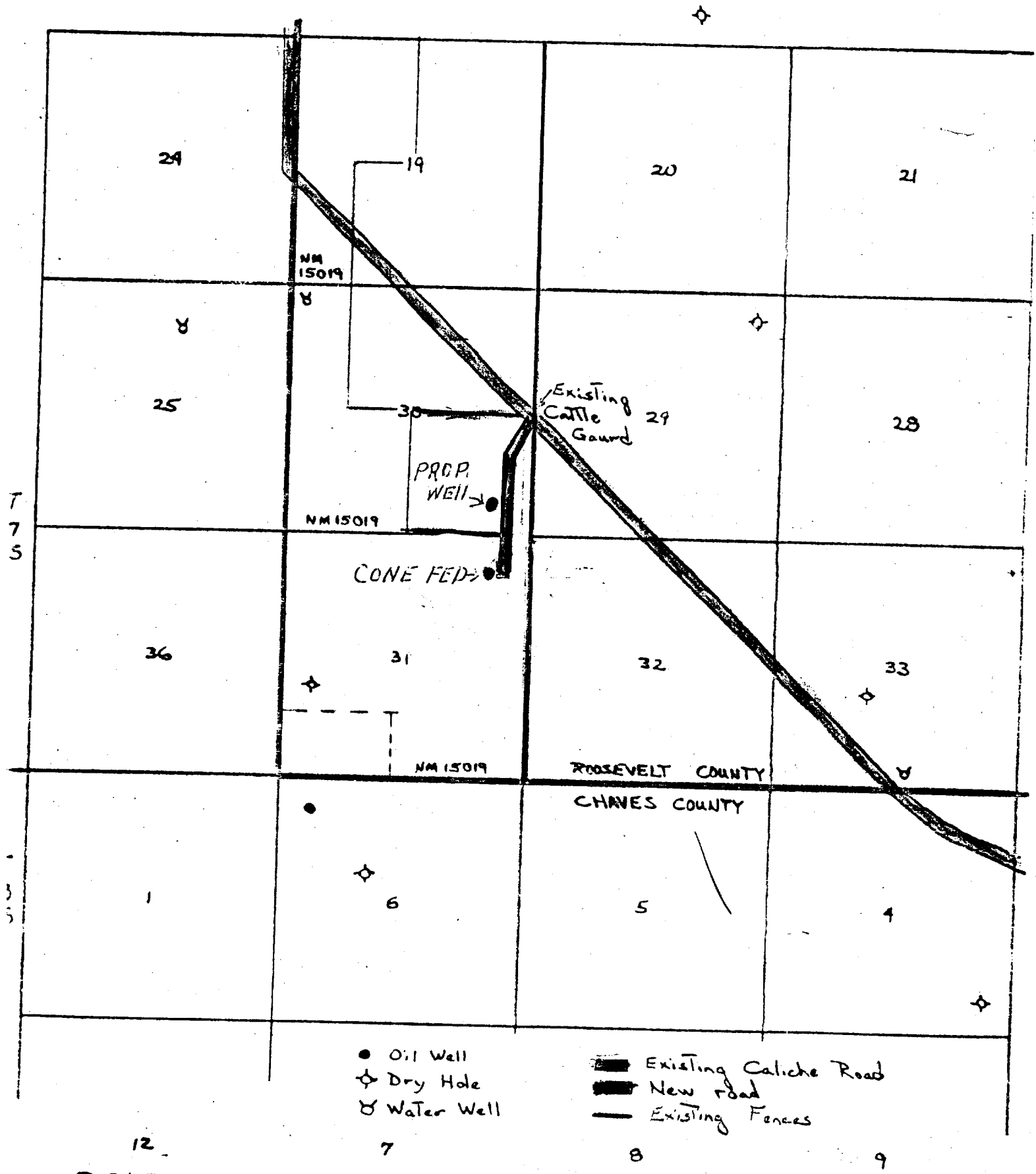
EXHIBIT "A"



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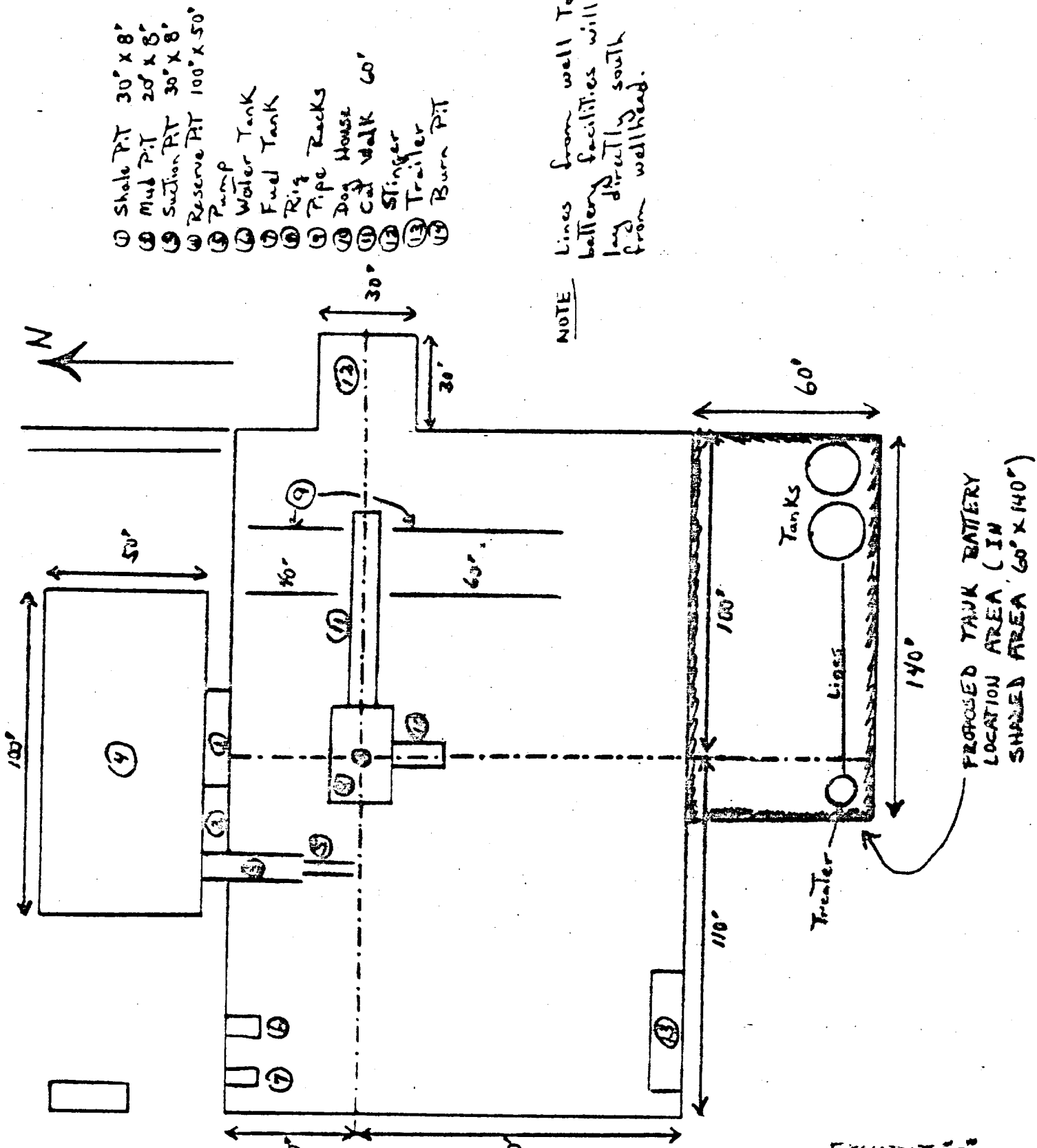
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CHIEF OF STATION COMM.
HOBBS, N. M.

LOCATION, MUD PIT AND
PROPOSED TANK BATTERY
AREA SPECIFICATIONS

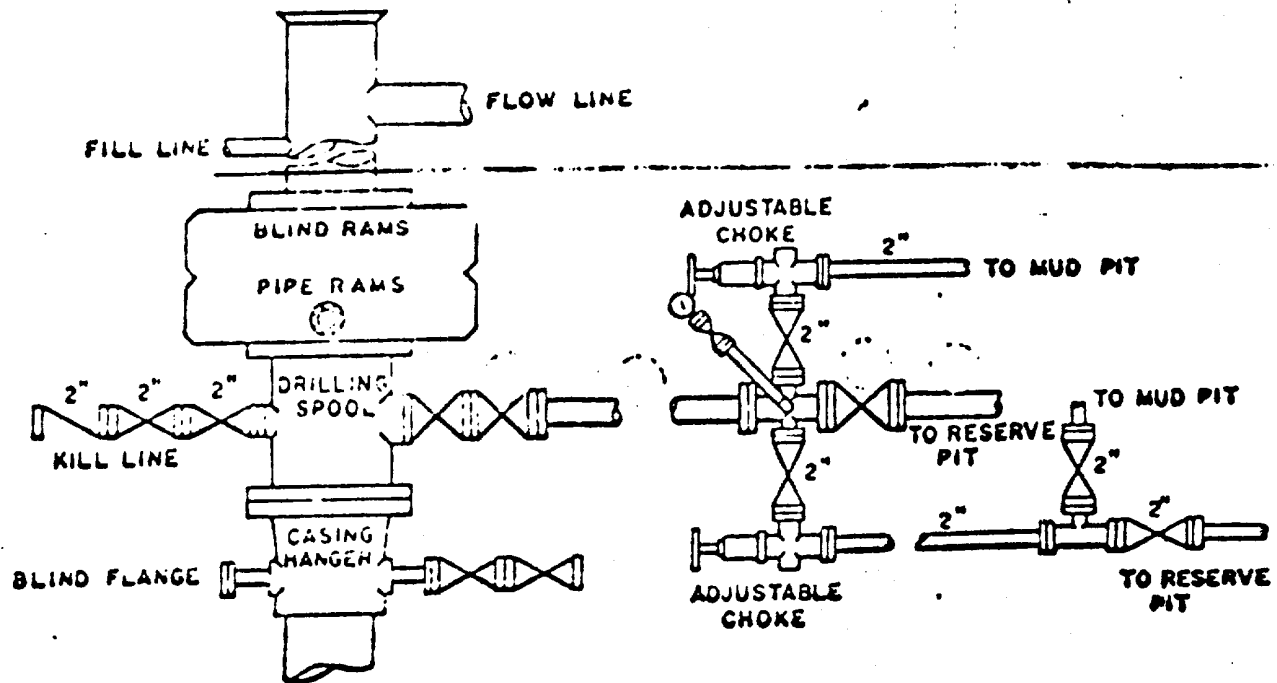


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BLOWOUT PREVENTER A CHOKE MANIFOLD

API 3M-8410-RdS



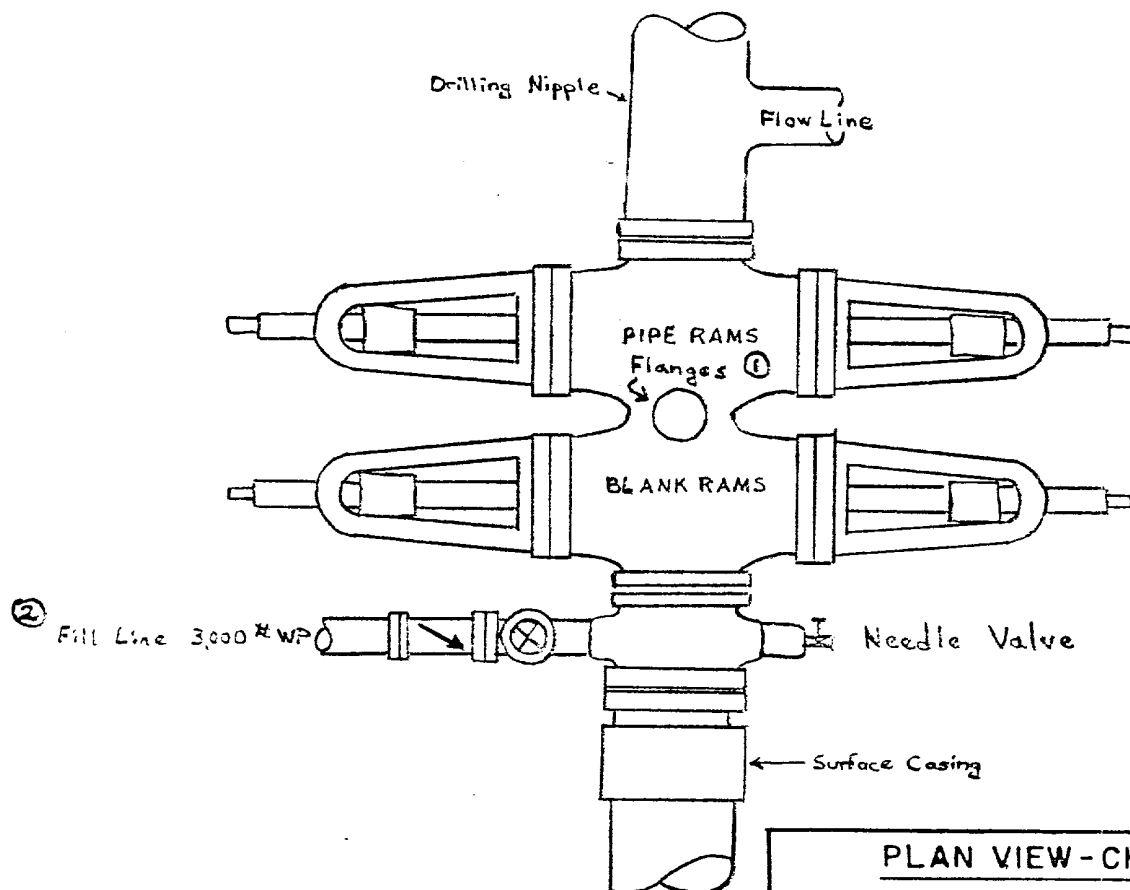
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HOBBS, N. M.

B.O.P. HOOK-UP

Schaeffer Type E 10" Series 900 Hydraulic BOP. (3,000 PSI W.P.)

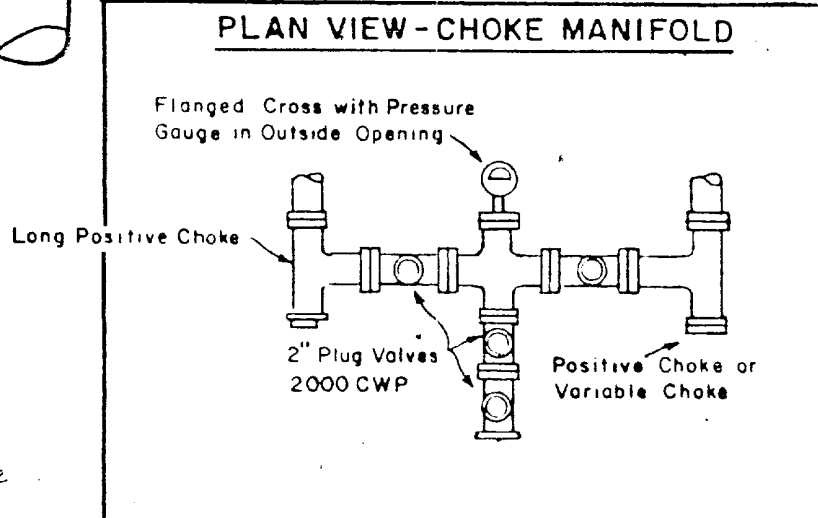


NOTES:

- ① 1 Flange on each side of BOP Stack. Choke Manifold connects To one side. Other side has full opening pipe and valves connected To it. KILL LINES.
- ② Fill line also has valve in it at rig floor level.

BOP Stack will be equipped To operate with both hydraulic and manual controls.

All equipment, piping and valves in BOP arrangement is 900 Series, i.e. 3,000 psi working pressure.



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U.S. DEPT. OF COMMERCE
HOBBS, N. M.

Supplement to Surface Use and Operations Plan
SUNDANCE OIL COMPANY, Chambers Federal #1
SE SE Section 30, T. 7S., R. 32E.
Roosevelt County, New Mexico

The following agreement has been reached with the surface owner on which the subject well will be drilled for the renting of road and restoration of surface.

1. Commencement of rehabilitation operations will commence as soon as practical after drilling operations are completed.
2. Road will remain after completion of drilling operations.
3. Pad will either remain or be ripped up at land owners discretion.
4. All pits will be back-filled and leveled.

1-17-17
Date

Olin Isham
Chief Geologist

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OIL CONSERVATION COMM.
HOEDE, H. M.

U. S. Geological Survey

HOBBS DISTRICT

Sundance Oil Company
No. 1 Chambers Federal
SE $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 30-7S-32E
Roosevelt County, N. M.

Above Data Required on Well Sign

CONDITIONS OF APPROVAL

1. Drilling operations authorized are subject to compliance with the attached General Requirements for Drilling Operations on Federal Oil and Gas Leases, dated January 1, 1977.
2. Notify this office (telephone (505) 393-3612) when the well is to be spudded and in sufficient time for a representative to witness all cementing operations. Attached are names and telephone numbers of Geological Survey and Bureau of Land Management personnel who are available for consultation during construction, drilling, completion, and rehabilitation activities.
3. Immediate notice is required of all blowouts, fires, spills, and accidents involving life-threatening injuries or loss of life.
4. Secure prior approval of the District Engineer for variance from the approved drilling program and before commencing plugging operations, plug-back work, casing repair work, corrective cementing operations, or suspending drilling operations indefinitely.
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. All pits found to contain toxic liquids will be fenced and covered with a fine-mesh netting for the protection of wildlife as directed by the responsible BLM representative.
7. Operations must be in compliance with the provisions of the landowner agreement concerning surface disturbance and surface restoration.

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