

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  
ZONE ☒MULTIPLE  
ZONE ☐

## 2. NAME OF OPERATOR

LAYTON ENTERPRISES, INC.

## 3. ADDRESS OF OPERATOR

3103 79TH STREET LUBBOCK, TEXAS 79423

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

At surface

660' FSL 1980' FEL

At proposed prod. zone

SEC 13, T 8 S, R 37 E

ROOSEVELT COUNTY, N.M.

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

6 MILES WEST OF BLEDSOE, TEXAS

## 10. DISTANCE FROM PROPOSED\*

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

660

## 16. NO. OF ACRES IN LEASE

600

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

## 18. DISTANCE FROM PROPOSED LOCATION\*

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

1320

## 19. PROPOSED DEPTH

7800

## 20. ROTARY OR CABLE TOOLS

ROTARY

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

3997 G.L.

## 22. APPROX. DATE WORK WILL START\*

DECEMBER 27, 1976

## 23.

## PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	28*	300	300 SK
7 7/8"	4 1/2"	10.5*	7800	400 SK

INTEND TO DRILL 12 1/4" HOLE WITH ROTARY TOOLS TO  
APPROX. 300' OR BELOW ALL FRESH WATER ZONES AND  
SET 8 5/8" CASING WITH CEMENT CIRCULATED TO THE SURFACE.  
AFTER 18 HOURS WILL TEST CASING AND THEN DRILL A 7 7/8"  
HOLE TO APPROX 7800'. WE WILL THEN RUN ELECTRIC LOGS  
AND IF PRODUCTION IS INDICATED WE WILL SET AND  
CEMENT 4 1/2" CASING TO TD FOR COMPLETION.

SEE ATTACHED  
CONDITIONS OF APPROVAL

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

Donald L. Layton

TITLE

PRES.

DATE

12-1-76

(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

APPROVED  
IS AMENDED  
SEP 2 1977  
ARTHUR R. BROWN  
DISTRICT ENGINEER

RECEIVED

SEP 1947

OIL CONSERVATION  
#0688, 10/1/47

NEW MEXICO CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-122  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Owner <b>LAYTON ENTERPRISES, INC.</b>		Lease <b>Bluitt-Federal</b>		Well No. <b>3</b>
Grid Letter <b>0</b>	Section <b>13</b>	Township <b>8 South</b>	Range <b>37 East</b>	County <b>Roosevelt</b>
Actual First Use Location of Well: <b>660</b> feet from the <b>south</b> line and <b>1980</b> feet from the <b>east</b> line				
Ground Level Elev. <b>3997</b>	Producing Formation <b>SAN ANDRES</b>	Flow <b>BLUITT SAN ANDRES</b>	Estimated Acreage <b>80</b> 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 Commission.

Note: The Elev. of this Well No. 3 is 0.6 feet lower than the Franklin, Aston & Fair-Fed. No. 1 located 660 feet from the north line, and 660 feet from the east line of Sec. 24, T8S, R37E.

CERTIFICATION

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

*Ronald R. Layton*

**PRESIDENT**

**LAYTON ENTERPRISES**

Nov. 27, 1976

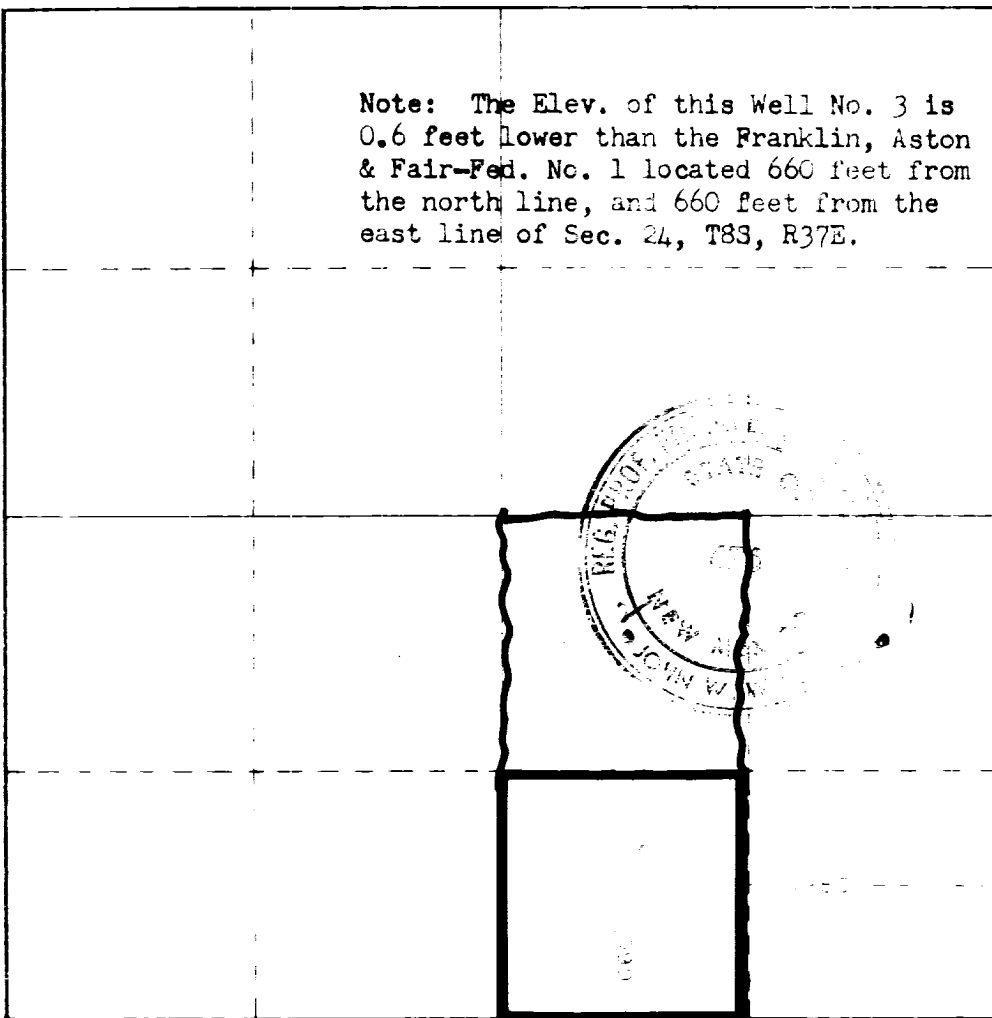
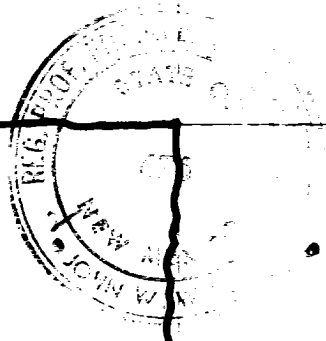
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

By the Surveyor

Registered Professional Engineer  
in the State of New Mexico

*John W. West*

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

FORM 9-331C, SUPPLEMENTAL INFORMATION

1. The surface formation is quaternary.
2. Estimated tops: San Andres 3860                      Slaughter "B" 4650
3. Expect to encounter oil and gas at 4650.
4. Casing program: New J-55 casing described on 9-331C.
5. A 10" 900 series double gate blow out preventor, 3000# WP and 6000# test. Pipe rams to be tested daily and blind rams to be tested when drill pipe is out of hole.
6. Circulating fluid will be water base mud. Native mud will be supplemented with salt gel to maintain 33-35 viscosity while drilling. Prior to drilling, the oil zone viscosity will be increased to 30-38 and starch added to control water loss 15cc.
7. Auxiliary equipment will include a float at the bit and a sub on the floor with a full opening valve to be stabbed into drill pipe when the kelly is not in the string.
8. At present there are no plans to core any formation. The logging program will include a sidewall neutron run in open hole or in the event hole conditions prevent this, a sonic log will be run after casing is set.
9. Abnormal pressures, temperatures, or other hazards are not likely to be encountered in this semi-depleted reservoir.
10. Depending on rig availability, we expect to commence operations on December 27, 1976 and duration to completion will be approximately four weeks.

## MULTI-POINT SURFACE USE AND OPERATIONS PLAN

LAYTON ENTERPRISES, INC.  
WELL NO. 3 BLUITT FEDERAL  
000' FSL and 1980' FSL Sec. 19-88-37E  
Roosevelt County, New Mexico  
Lease New Mexico 044216

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 disturbance 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. Exhibit "A" is a portion of the USGS map showing the location of the proposed well as staked. Six miles west of Bledsoe, Texas and twelve miles east of Milnesand, New Mexico, on New Mexico State highway No. 202, a caliche lease road goes south one half mile to the Bluitt Lease, east one half mile, and then south three-eighths of a mile to the planned new access road which will extend three-eighths of a mile west from this point.
- B. Exhibit "B" is a plat showing all existing roads within a one mile radius of the wellsite, and the planned access road. The new access road is longer than an alternate route from the west but is planned this way for two reasons:
  1. The alternate route is the road to the farm house and installations and is also in use for access to two other oil wells. We have agreed with the surface owner that our use of his road could cause an amount of traffic undesirable to him.
  2. We have staked and are making plans to drill the No. 4 well on the Bluitt lease. The planned access road will provide access to that well also. It will also allow a better route for pipelines from the wells to the tank battery.

### 2. PLANNED ACCESS ROADS:

- A. Length and width: New road required will be 12 feet wide and 2040 feet long. This new road is labeled and color coded red on Exhibit "B". The center line of the proposed new road from the beginning to the well site, has been staked and flagged with the stakes being visible from any one to the next.
- B. Surfacing material: Six inches of caliche, water, compacted, and graded.

C: Maximum Grade: 2 percent.

D: Turnouts: None required.

E: Drainage Design: New road will have a drop of 6 inches from center line on each side.

F: Culverts: None required.

G: Cuts and Fills: None required.

H: Gates, Cattleguards: None required.

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: Location of the existing tank battery and flow line from wells No. 1 and 2 are shown on Exhibit "C". There are no water disposal lines or injection lines. The existing flow line is not buried.

B: If the proposed well is completed for production, the location of the new flow line to the existing tank battery is shown on Exhibit "C". The new line will be buried by agreement with the surface owner at the edge of the proposed new road and existing roads so that no additional surface disturbance will occur.

5. LOCATION AND TYPE OF WATER SUPPLY:

A: Water for drilling will be purchased and trucked to the well-site over the existing and proposed roads shown on Exhibit "A" and "C".

6. SOURCE OF CONSTRUCTION MATERIALS:

A: Caliche for surfacing the road and the well pad will be obtained from an existing pit in the NE/4 SW/4 Sec. 18, T8S, R38E. The pit is on surface owned by Ainsworth-Gober Ranches, and minerals owned by the Federal Government.

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 test tanks until sold.

- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
  - 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 "D".
  - F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion of operations.
8. ANCILLARY FACILITIES:
- A. None required.
9. WELLSITE LAYOUT:
- A. Exhibit "D" shows the relative location and dimensions 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 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 the 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. The pit area, well pad, and all unneeded access road will be ripped to promote vegetation. Rehabilitation should be accomplished within 90 days after abandonment.
11. OTHER INFORMATION:
- A. Topography: Land surface is almost flat in the area of the proposed location.
  - B. Soil: Soil is a deep fine sand underlain by caliche.

- C. Flora and Fauna: The vegetative cover is extremely sparse, consisting of various weeds and a small amount of grass sown by the farmer. Plowing of the area for several years in an attempt to grow crops has eliminated most of the normal vegetation of shinnery oak, mesquite, etc.
- 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 the surface owner's trailer house  $\frac{1}{2}$  mile northwest of the well-site. The nearest water well is a windmill  $\frac{1}{4}$  mile southeast.
- F. ARCHAEOLOGICAL, HISTORICAL AND CULTURAL SITES: None observed in the area.
- G. Land Use: Grazing and hunting in season.
- H. Surface Ownership: Well-site is on surface owned by Mr. L. H. Nichols.

12. OPERATOR'S REPRESENTATIVE:

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

D. R. Layton  
3103 79th Street  
Lubbock, Texas 79423  
Office Phone 806-745-4038  
Home Phone 806-745-4038

K. S. Layton  
4206 17th Street Apt. 1  
Lubbock, Texas 79410  
Office Phone 806-745-4038  
Home Phone 806-797-7836

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 Layton Enterprises, Incorporated and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

12-1-76  
Date

  
Donald K. Layton, President





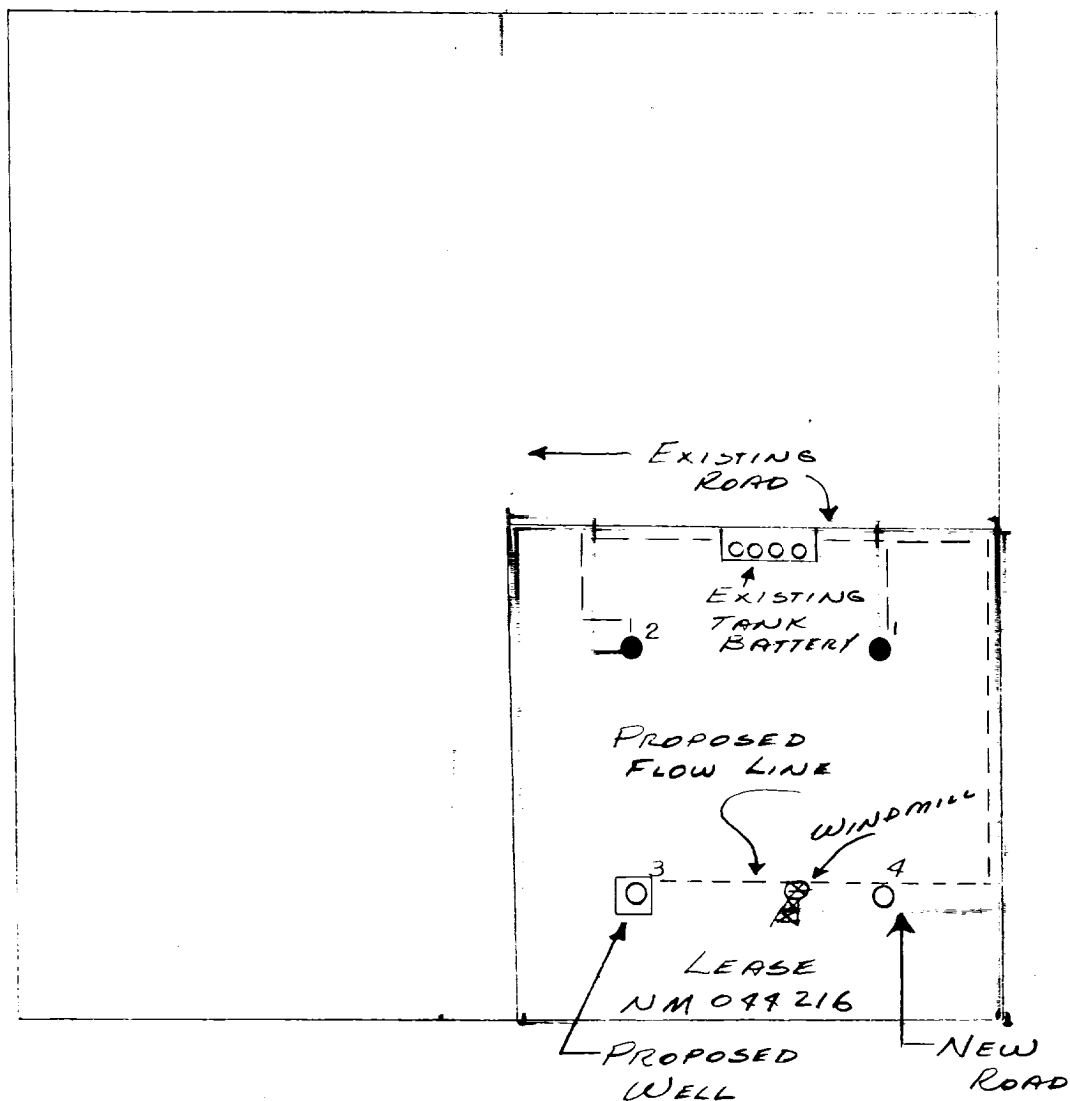


EXHIBIT "C"  
 LAYTON ENTERPRISES, INC.  
 WELL NO. 3 - BLUETT FEDERAL  
 660' FSL 1980' FEL  
 Sec 13, T8S, R37E  
 Roosevelt County, New Mexico  
 Scale: 1" = 1000'

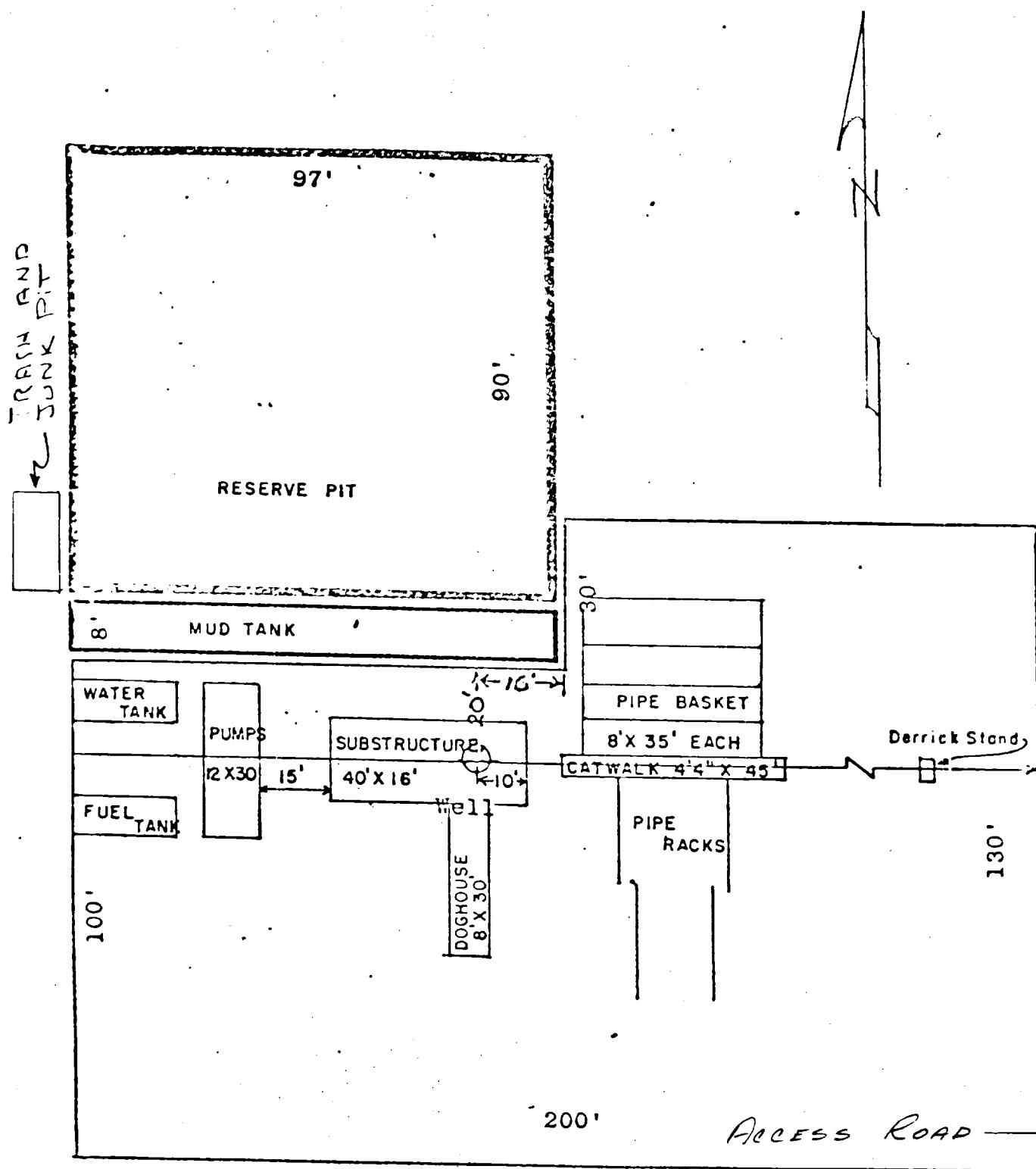


EXHIBIT "D"  
 RIG LAYOUT  
 DAYTON ENTERPRISES, INC.  
 WELL NO. 3 BLUETT FEDERAL  
 Scale: 1" = 30'

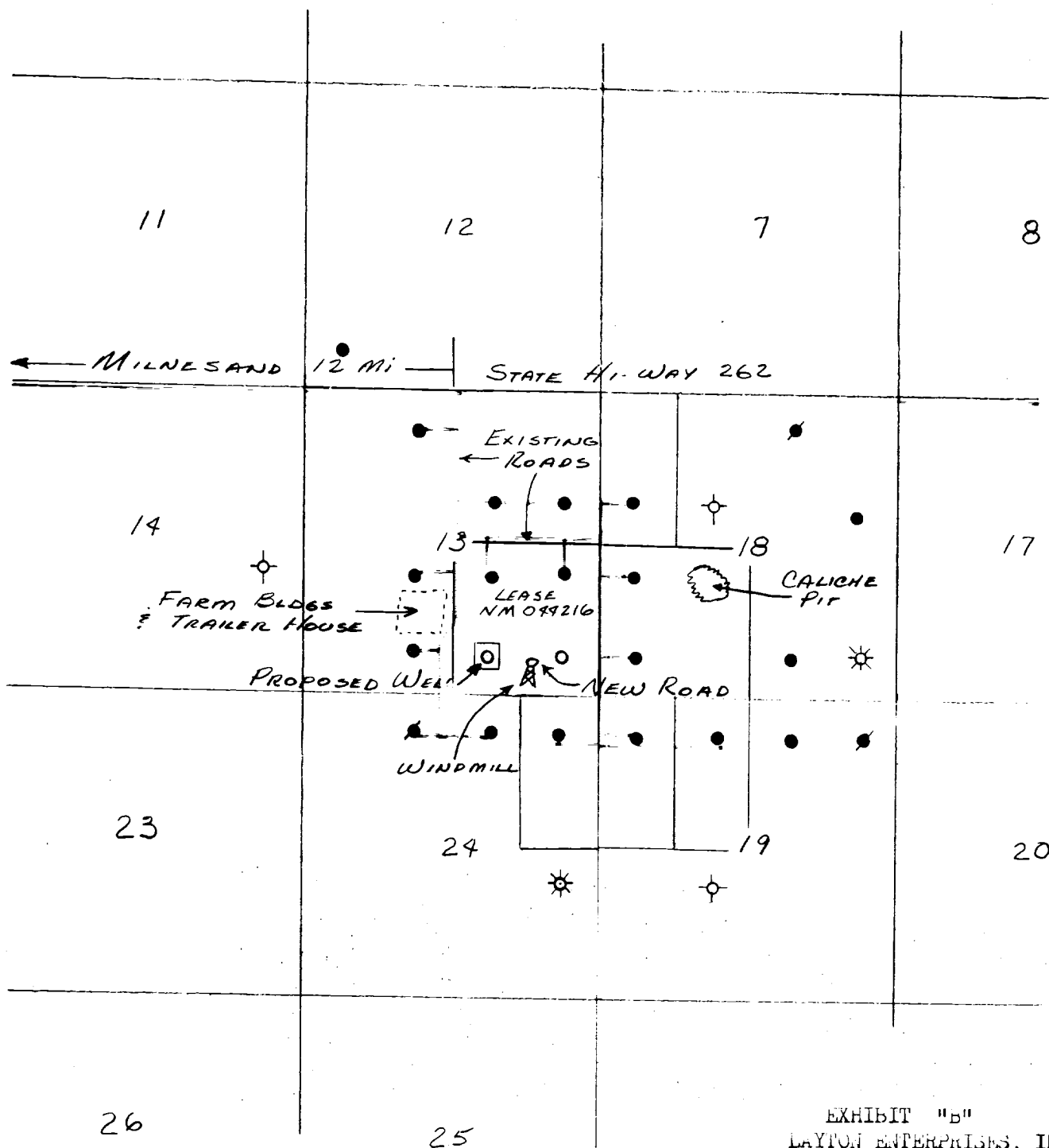


EXHIBIT "B"  
 LAYTON ENTERPRISES, INC.  
 well No. 3 BLUETT FEDERAL  
 660' FSL 1980' FEL  
 Sec. 13, T8S, R37E  
 Roosevelt County, New Mexico  
 Scale: 2" = 1 mile

U. S. Geological Survey

HOBBS DISTRICT

Layton Enterprises, Inc.  
No. 3 Bluit Federal  
SW $\frac{1}{4}$ SE $\frac{1}{4}$  sec. 13-8S-37E  
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. Operations must be in compliance with the provisions of the landowner agreement concerning surface disturbance and surface restoration.
7. 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 top of the Rustler Anhydrite 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.
8. All pits found to contain toxic liquids will be fenced and covered with a fine-mesh netting for the protection of wildlife. Netting should be with openings of 1/2 inch or smaller, i.e. hardware cloth.