

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-15019
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input 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 Suite 510, 1776 Lincoln Street, Denver, CO 80203			8. FARM OR LEASE NAME Cone Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 660' FNL and 1980' FEL Unit B At proposed prod. zone Same			9. WELL NO. 11
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15 1/2 miles south of Kenna, New Mexico			10. FIELD AND POOL, OR WILDCAT Tomahawk, San Andres
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 Section 31, T.7S., R.32E.
16. NO. OF ACRES IN LEASE 560			12. COUNTY OR PARISH 13. STATE Roosevelt New Mexico
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			20. ROTARY OR CABLE TOOLS Rotary
19. PROPOSED DEPTH 4350			
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4436.7' GL			22. APPROX. DATE WORK WILL START* May 5, 1979

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24	1800	300 sx Econ & 100 sx Class C
7 7/8"	4 1/2"	10.5	4350	300 sx 50/50 Poz

Well will be drilled to total depth and evaluated by running logs and DST's when necessary. Casing will be run when logs and DST's indicate possible commercial production.

RECEIVED

APR 3 1979

U. 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 Doug Bates TITLE Vice President DATE April 4, 1979
(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
AS AMENDEDAPR 29 1979
James F. Sims
JAMES F. SIMS
DISTRICT ENGINEER

RECEIVED
APR 24 1979
OIL CONSERVATION COMM.
HONORS. R. M.

NEW XICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 10-10,
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

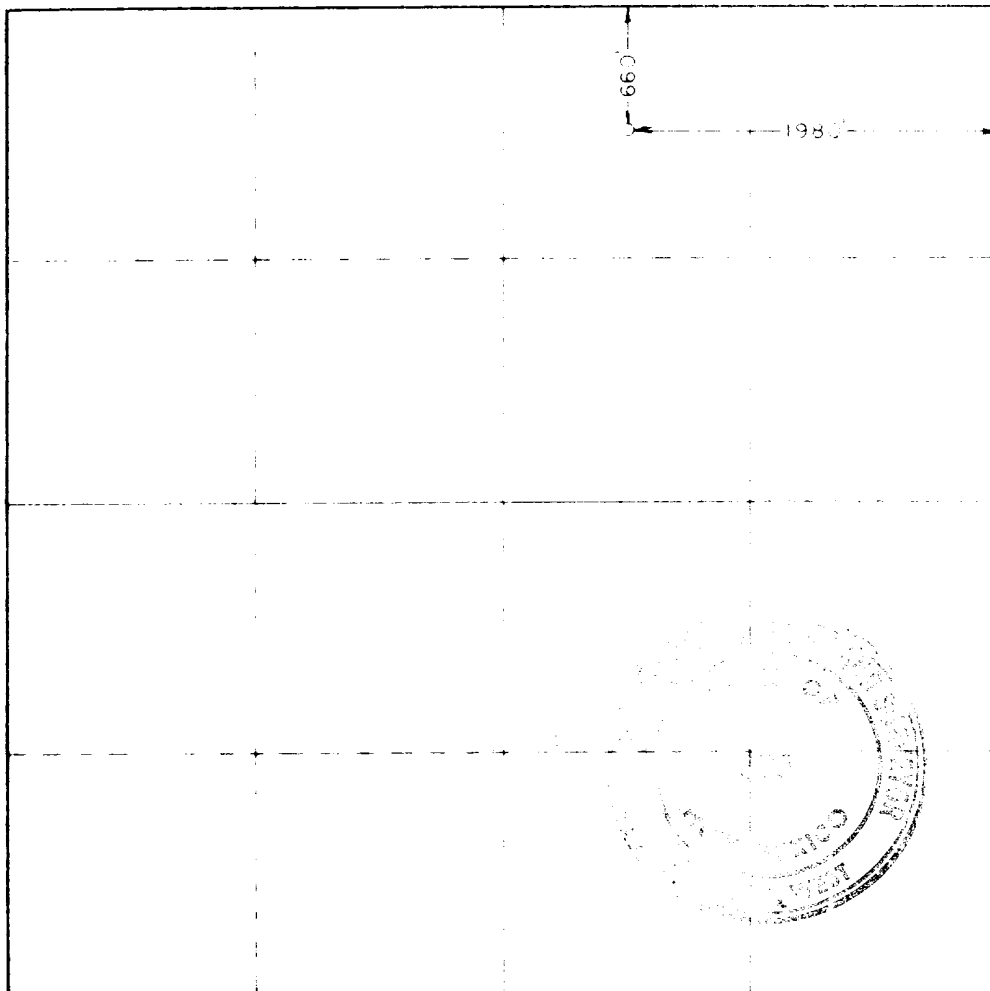
Sundance Oil Company		Cone Fed.		11	
B	31	7 South	32 East	Roosevelt	
660	North	1980	East		
4436.7	San Andres	Tomahawk	40		

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 of all owners been consolidated by communitization, unitization, forced-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 well 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.

Doug Bates
Doug Bates
Vice President

Sundance Oil Company

April 4, 1979

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.

March 23, 1979

John W. West
John W. West

676
Ronald J. Eidson 3239

RECEIVED
APR 24 1979
OIL CONSERVATION COMM.
HONOLULU, N. H.

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

Sundance Oil Company, #11 Cone Federal
660' FNL and 1980' FEL of Section 31, T.7S., R.32E.
Roosevelt County, New Mexico

1. The geologic name of the surface information is Triassic red beds overlain by wind blown sands.

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

Rustler	1800'
Salado	1830'
Yates	2220'
San Andres	3380'
P-1	4080'
P-2	4165'
T.D.	4350'

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	1830' salt
San Andres	3380' oil and gas
P-1	4080' oil and gas
P-2	4165' oil and gas

4. The proposed casing program is as follows:

Surface - New 8 5/8", 24#/ft., ST&C, Secondary 45 (J&L).
Production - New 4 1/2", 10.5#/ft., ST&C, K-55, 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 is set and operated daily for checks.

6. The proposed mud program is as follows:

0-1800' spud mud	8.5 - 9.0 #/gal.
1800-3500' native mud	9.0 - 9.5 #/gal.
3500-T.D. salt gel	9.0 - 10.0 #/gal.

7. The auxiliary 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.

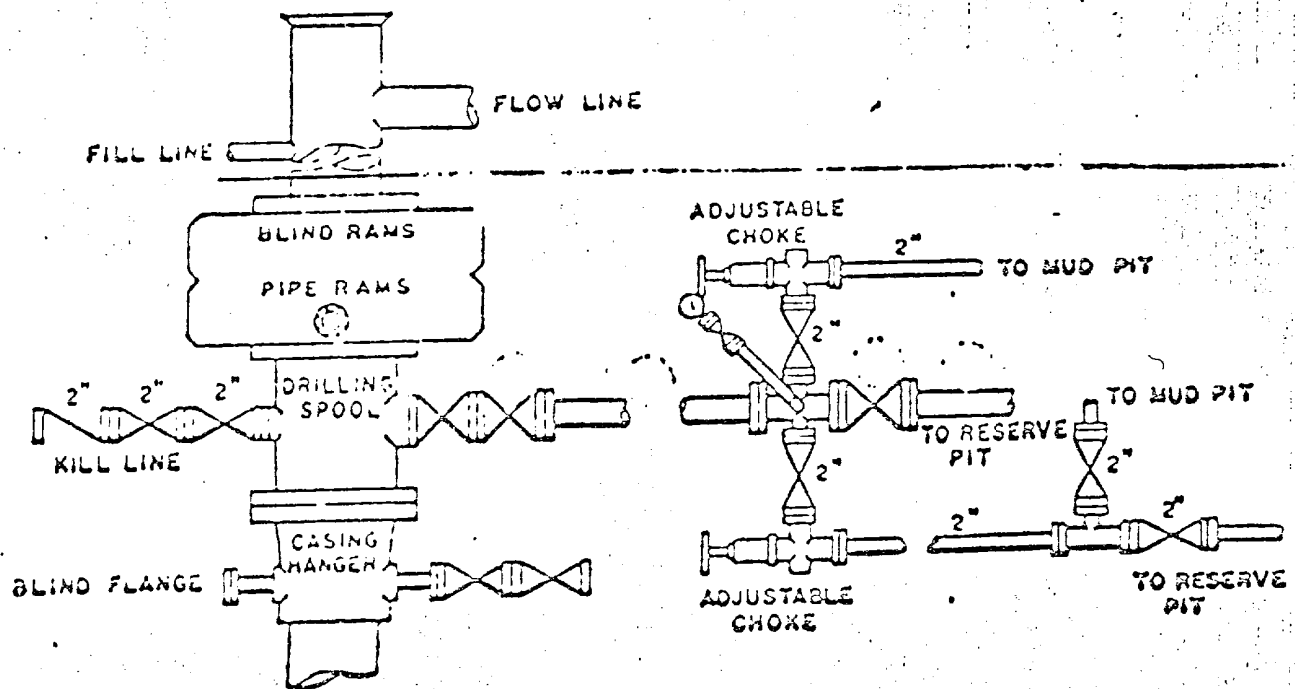
8. It is proposed to run 2" and 5" GR, CNL, FDC, DLL/MLL logs from TD to 1800'.

9. No abnormal pressures or temperatures are expected to be encountered in this well.

10. The anticipated starting date for this well is May 5, 1979. Estimated duration of drilling operations is 10 to 12 days.

BLOWOUT PREVENTER A CHOKE MANIFOLD

API 3M-8410-RdS



MULTI-POINT SURFACE USE & OPERATIONS PLAN

Sundance Oil Company, Cone Federal #11
660' FNL and 1980' FEL of Section 31, T.7S., R.32E.
Roosevelt County, New Mexico

This plan is to accompany "Application for Permit to Drill" the subject well which is located approximately 15½ miles south 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 wellsite is 660' FNL and 1980' FEL of Section 31, 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 south 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.

2. Planned Access Roads

- A. Length & Width: No new road will be required.
- B. Surfacing Material: None.
- C. Drainage Design: None.
- D. Culverts: None.
- E. Turnouts: None.
- F. Cuts and Fills: The location and pits will be constructed as shown on Exhibit "C". The maximum cut and fill will be 3' on the location, other than leveling sand dunes.
- G. Gates, Cattleguards, Fences: None.

3. Location of Existing Wells

- A. See Exhibit "B".

4. Location of Existing and/or Proposed Facilities

- A. The tank battery and production facilities are located on this lease at or near the Cone Federal #1 location (NE NE Section 31).
- B. If commercial production is established, a flow line will be connected to the existing tank battery and no additional surface disturbance will occur. 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 Section 7, T.7S., R.32E.

7. Methods for Handling Waste Disposal

- A. Drill cuttings will be disposed of in the reserve pit.
- 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 "C". If well is productive, maintenance waste will be placed in special trash cans and hauled to an approved sanitary landfill, periodically. Any produced water will be collected in tanks until hauled to an approved disposal system, or separate disposal application 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 pits, reserve pit, trash pit and location of major rig components.
- B. The reserve pit will be lined with plastic.
- C. The pad and pit area has been flagged and 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.

11. Other Information

- A. Terrain: Low rolling sand hills.
- B. Soil: Sandy.
- C. Vegetation: Scrub oak, bear grass and very sparse vegetation.
- D. Surface Use: Grazing.
- E. Ponds and Streams: None within one mile.
- F. Water Wells: One mile northwest of location.
- G. Residences and Buildings: One mile 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 liquid will be fenced.
- K. Archaeological Resources: None observed.

12. Lessee's or Operator's Representative

Richard O. Dimit
Sundance Oil Company
Suite 510, 1776 Lincoln Street
Denver, CO 80203

Business Phone (303) 861-4694

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.

April 4, 1979
Date

Doug Bates
Vice President



SUNDANCE OIL COMPANY

April 4, 1979

U.S.G.S.
P.O. Box 1157
Hobbs, NM 88240

RE: Agreement with Surface Landowner
and Sundance Oil Company
Cone Federal #11
NW NE Section 31, T.7S., R.32E.
Roosevelt County, New Mexico

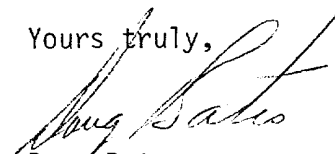
Gentlemen:

This is to certify that in regard to captioned well, Sundance Oil Company has an agreement with the surface owner in regard to the surface restoration.

If this well is completed as a producing well, the pits are to be filled and covered and the location cleaned of all trash and junk in order to leave the wellsite in an aesthetically pleasing condition. Prior to the filling of the pits, any unguarded pit containing fluid will be fenced.

If the well is completed as a dry hole and plugged and abandoned, pits will be covered and location cleaned of all trash and junk. The road will remain in place. The drilling pad will either remain or be ripped at the landowner's option.

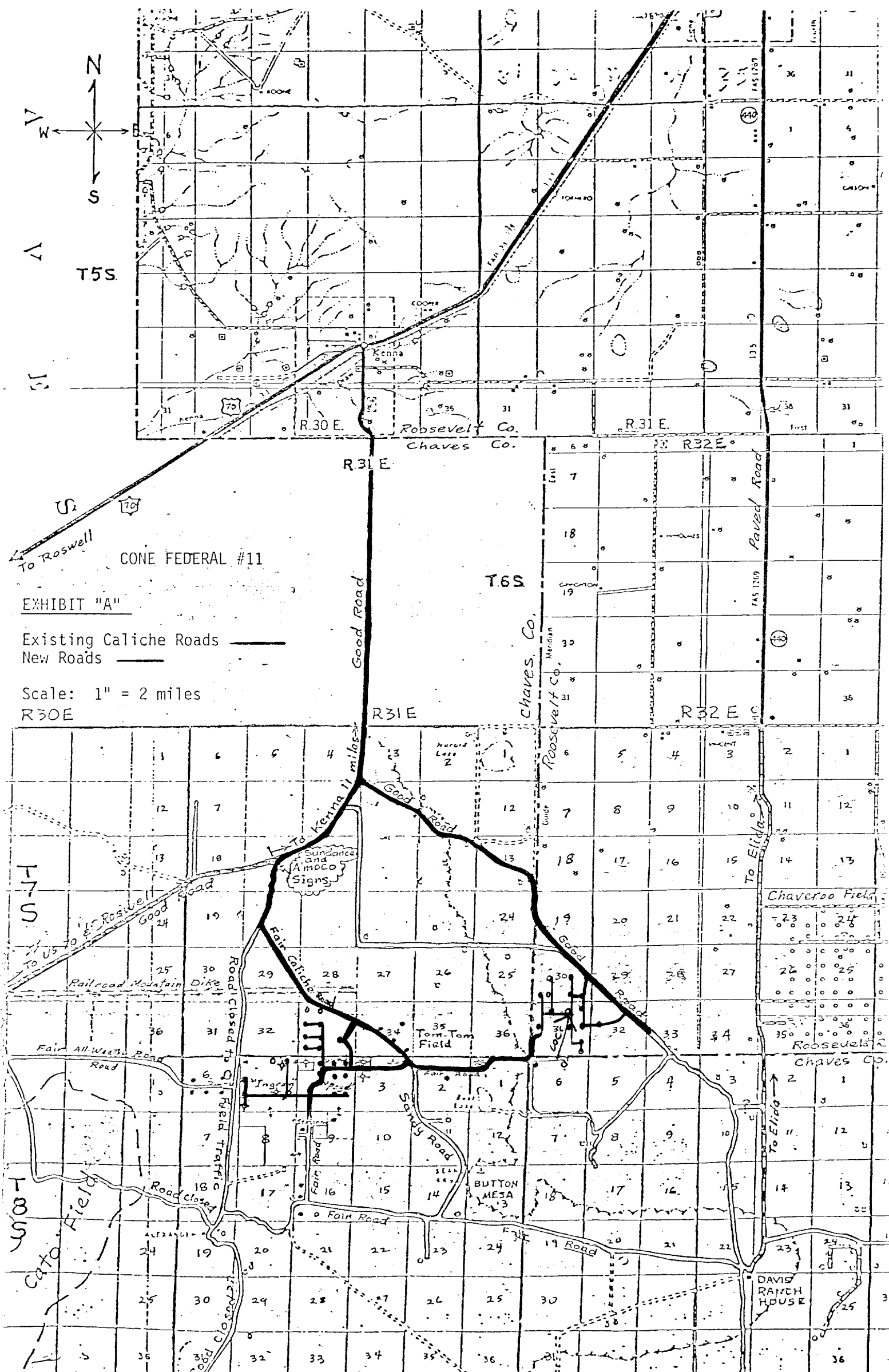
Yours truly,



Doug Bates
Vice President

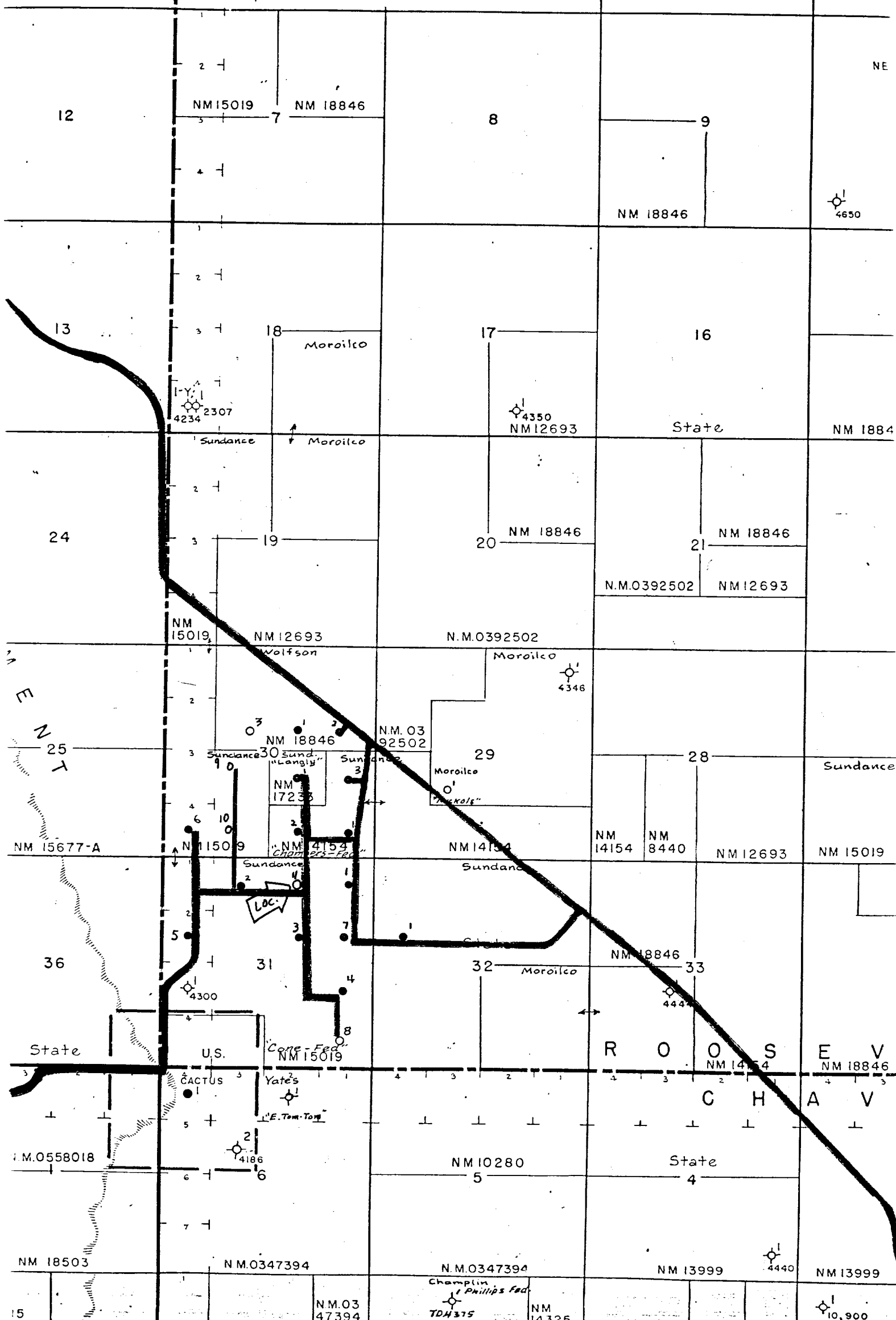
DB:ds

1776 Lincoln Street, Suite 510
Denver, Colorado 80203
Telephone (303) 861-4694



4

Scale: 2" = 1 mile



LOCATION, MUD PIT AND
PROPOSED TANK BATTERY
AREA SPECIFICATIONS

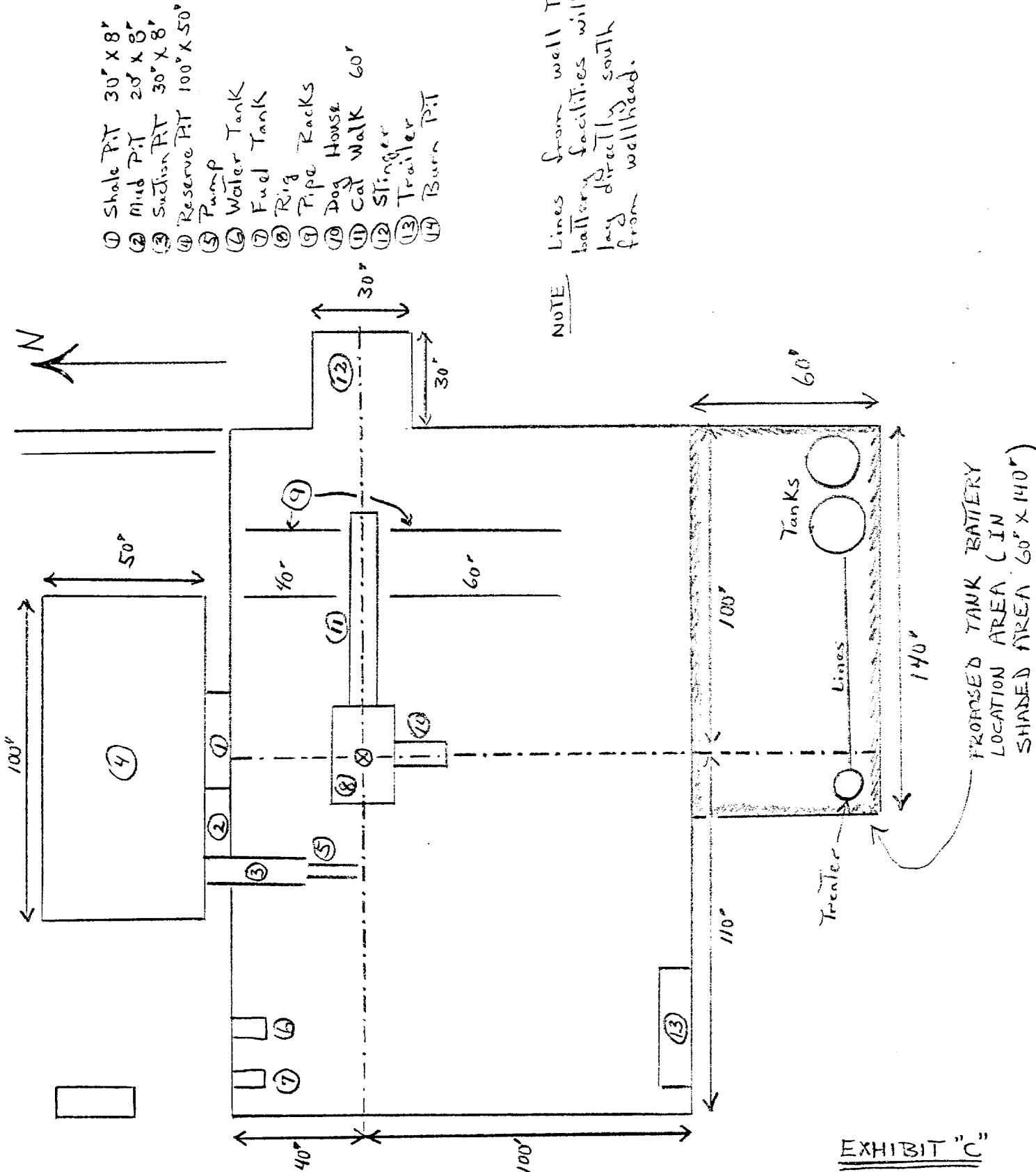


EXHIBIT "C"