

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

CHAMPLIN PETROLEUM COMPANY

3. ADDRESS OF OPERATOR

701 Wilco Building, Midland, Texas 79701

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

At surface

660' FNL & 1980' FWL, Sec. 8, T-8-S, R-32-E Unit Letter "C"

At proposed prod. zone NW/4 NE/4

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

21 Miles West of Milnesand, New Mexico

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

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

660'

16. NO. OF ACRES IN LEASE

360

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.

19. PROPOSED DEPTH

4400'

20. ROTARY OR CABLE TOOLS

Rotary

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

4460' Gr. Est.

22. APPROX. DATE WORK WILL START*

September 1, 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"	24	1700'*	950
7-7/8"	4-1/2"	10.5	4400'	250

*Top of Anhydrite Section.

Drill 12-1/4" hole to top of the Anhydrite, Run 8-5/8" 24# & Cement w/950 sacks or enough to circulate cement to surface. WOC 18 hrs. Install BOP stack and test casing to 800# for 30". Drill 7-7/8" hole to 4400' (TD). Run 4-1/2" casing to 4400' and cement w/250 sacks 50-50 Pozmix. Casing will be centralized and Ruff-coated throughout pay zone. Pressure test 4-1/2" casing to 1000# for 30". BOP stack to consist of a double hydraulic with blind and pipe rams.

SEE ATTACHED FOR
CONDITIONS OF APPROVALUnless Drilling Operations Have
Commenced, this drilling approval
Expires _____

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

Walter M. ...

TITLE

District Clerk

DATE

August 20, 1976

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
AS AMENDED

SEP 14 1976

BERNARD MOROZ

ACTING DISTRICT ENGINEER

*See Instructions On Reverse Side

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

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OIL CONSERVATION DIVISION
HARRIS, M. M.

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

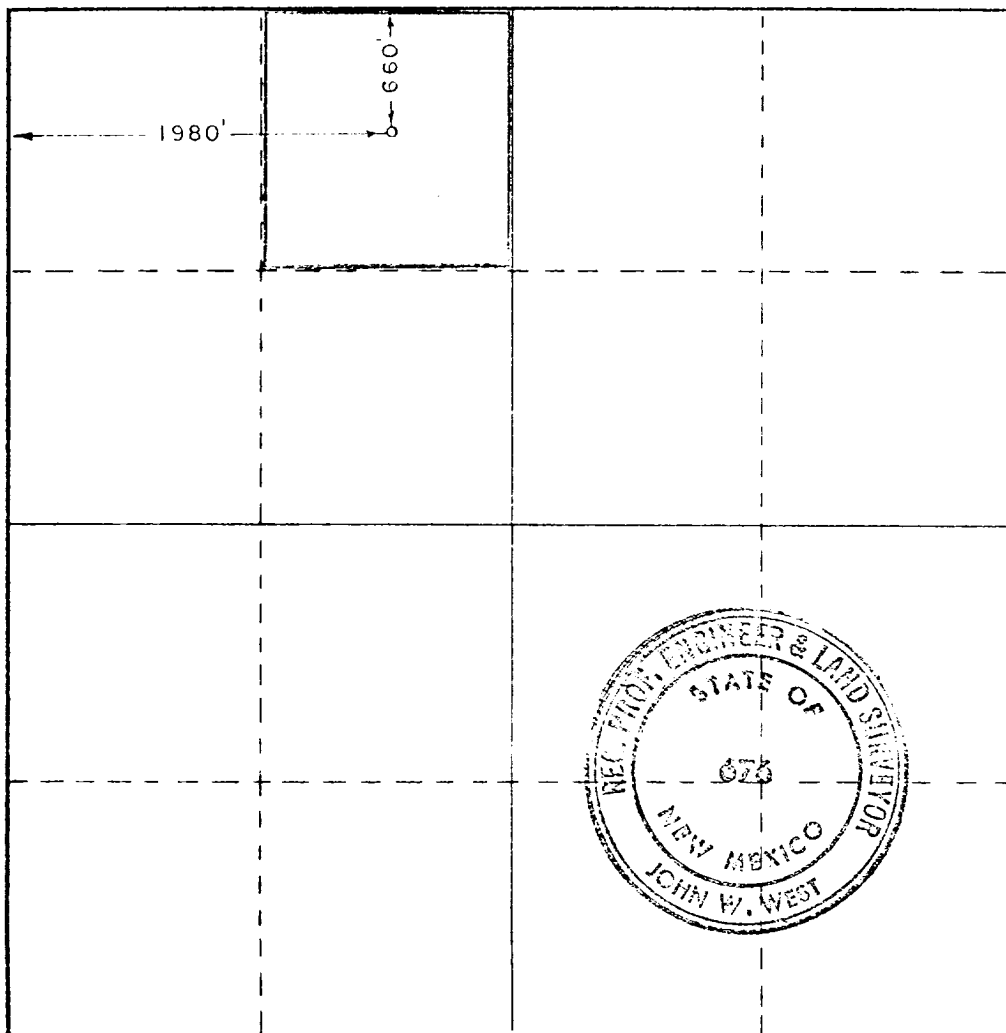
Operator CHAMPLIN PETROLEUM COMPANY			Lease Phillips 8 - Federal		Well No. 1
Unit Letter C	Section 8	Township 8 South	Range 32 East	County Chaves	
Actual Footage Location of Well: 1930 feet from the west line and 660 feet from the north line					
Ground Level Elev. 4460' Est.	Producing Formation San Andres	Pool Wildcat	Dedicated Acreage 40 Acres		

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.

Walter M. Randolph
Name

Walter M. Randolph

Position

District Clerk

Company

Champlin Petroleum Company

Date

August 2, 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.

Date Surveyed

August 5, 1976

Registered Professional Engineer
and Land Surveyor

John W. West
Certificate No.

676

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

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

CHAMPLIN PETROLEUM COMPANY
WELL NO. 1 PHILLIPS "8" FEDERAL
660' FNL and 1980' FWL, Sec. 8-8S-32E
Chaves County, New Mexico
Lease New Mexico 18508

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 a highway map showing the general area and the location of the well as staked. From the Town of Elida State Highway 440 extends 13.5 miles south. From that point an unimproved road, for the most part, continues south. Seven miles from the end of the pavement (SH 440) and one mile south of the Roosevelt County-Chaves County Line, another unimproved road extends due west about 1/2 mile and then turns northwest. Approximately 2 miles to the northwest, another unimproved road extends to the southwest. Approximately 1-1/2 miles to the southwest along this road, another unimproved road swings to the west. Approximately 1/4 mile to the west along this road the proposed well as staked is located approximately 660' to the south.
- B. Exhibit "B" is a plat showing all existing roads within a 3 mile radius of the well site, and the planned access road. All roads in this area should be classified as unimproved to primitive except for the road running south along the west edge of Sections 2, 11, 14 & 23, R-32-E, T-8-S, Chaves County, New Mexico. This road is graded and drained.
- C. A portion of the roads (color coded green on Exhibit "B") will require some repair work. Repairs should consist of scraping and rolling.

2. PLANNED ACCESS ROADS:

- A. Length and Width: New road required will be 12 feet wide and 600 feet long. This new road is labeled and color coded red on Exhibit "B".
- B. Surfacing Material: Existing surface will be scraped and rolled.

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DORR, N. M.

- C. Maximum Grade: As is.
- D. Turnouts: None
- E. Drainage Design: New road will have a drop of 6 inches from center line on each side.
- F. Culverts: None
- G. Cuts & Fills: None
- H. Gates, Cattleguards: No gates or cattleguards are required.

3. LOCATION OF EXISTING WELLS:

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

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. This well is a wildcat and the location of the battery will depend on the well's productivity and the location of any additional wells on this lease. We plan to set temporary tankage at the well site until the well is thoroughly tested. An additional surface plan will be submitted covering the battery facility in the future.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. Water will be hauled to the drilling rig.

6. SOURCE OF CONSTRUCTION MATERIAL:

- A. The surface is of such a nature that on site materials will be sufficient for road construction and well pad.

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.

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THE CONSERVATION CLUB
HOBBS, N. M.

- 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 well-site within 30 days after finishing drilling and/or completion 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 the major rig components.
- B. Only minor levelling of the wellsite will be required. No significant cuts and fills will be necessary.

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 and seeded with grass to promote revegetation. Rehabilitation will be accomplished within 90 days after abandonment.

11. OTHER INFORMATION:

- A. Topography: Land surface is undulating to gently rolling. The edge of the caprock is approximately 1-1/2 miles to the south and west.
- B. Soil: Surface is primarily caliche. Sand is present in some places.

- C. Flora and Fauna: The vegetative cover is generally sparse and consists of mesquite, yucca, shinnery oak, sandsage and perenial native range grasses. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove, quail and an occasional antelope.
- D. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area. There is a dry lake bed (Best Lake) approximately 2 miles to the west northwest.
- E. Residences and Other Structures: There are no occupied dwellings within 3 miles of the wellsite. Nearest water well is a windmill 3/4 mile to the southwest.
- F. Archeological, Historical and Cultural Sites: None observed in the area.
- G. Land Use: Grazing and hunting in season.
- H. Surface Ownership: Wellsite and proposed road are on Fee surface. Deeded surface owner is Mr. Mays Jenkins. His address is Kenna, New Mexico 88112.

12. OPERATOR'S REPRESENTATIVE:

Wayne Sparkman
300 Wilco Building
Midland, Texas 79701
Office Phone: 915 682-3775
Home Phone : 915 694-7504
Mobile Phone: 915 563-1822 (Texas)
Unit #3917 505 393-2468 (New Mex.)

Kay W. Lewis
300 Wilco Building
Midland, Texas 79701
Office Phone: 915 682-3775
Home Phone : 915 694-2296

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 Champlin Petroleum Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

8/20/76
Date

Kay W. Lewis DIST. ENG'G.
Name & Title

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U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

FORM 9-331C ADDITIONAL INFORMATION

CHAMPLIN PETROLEUM COMPANY
WELL NO. 1 PHILLIPS "8" FEDERAL
660' FNL and 1980' FWL Sec. 8-8S-32E
Chaves County, New Mexico
Lease New Mexico 18508

1. The surface formation is Ogallala.
2. Estimated tops of important geologic markers:

Anhydrite	1700'
San Andres	3335'
3. The top of the San Andres Pay is estimated to be at 4069'. Reservoir energy is solution gas drive. Maximum pressure anticipated is 1100 psi. Some salt water production from the pay is expected along with the oil and gas. Minor amounts of fresh ground water are possible above 870'. These zones will be protected by the surface casing.
4. Proposed casing program:

Surface String	-	1700' of 8-5/8" OD 24#/ft., new
Production String	-	4400' of 4-1/2" OD 10.5#/ft., new
5. Pressure control equipment specs:

See Exhibit "E" and "F".
6. Mud program:

Fresh water and native mud with gel added will be used to drill the surface hole (1700'). Mud system volume should be approx. 500 bbls.

From 1700' to 4000' salt water will be used to drill. Salt water gel will be added to maintain viscosity around 35cc and 2 to 3% by volume of oil is added for weight control and lubricity.

"Mudding up" will take place approximately 100' above top of the pay. Starch will be added to control water loss at 10-15 cc, soap will be added to control foaming and paper will be added to control lost circulation. Mud system volume should be approx. 500 bbls.

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WASH. D. C.

7. No DST or coring will be performed. Logging will consist of a Caliper, Gamma-Ray, Porosity and Resistivity Log in the open holes plus a Correlation Log and Collar Locator in the cased hole.
8. No abnormal pressures or temperatures are anticipated. Although some hydrogen sulfide is found in the gas produced from the San Andres pay, the drilling mud will contain the formation fluids until the well is cased and cemented.
9. Cementing program:

Surface string will be cemented with 650 sacks of light weight cement followed by 200 sacks Class "C" cement with 2% CaCl. Cement will be circulated to surface.

The production string will be cemented with 250 sacks 50-50 Pozmix "B" with 2% gel and 8# salt/sack. This should bring cement top behind the pipe up to approx. 3500'. A temperature survey or cement bond log will be run to locate cement top behind the pipe.
10. Anticipated starting date is September 20, 1976. Drilling operations should last about 10 days. Completion work without a drilling rig should take another 10 days.

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1000 N. M.

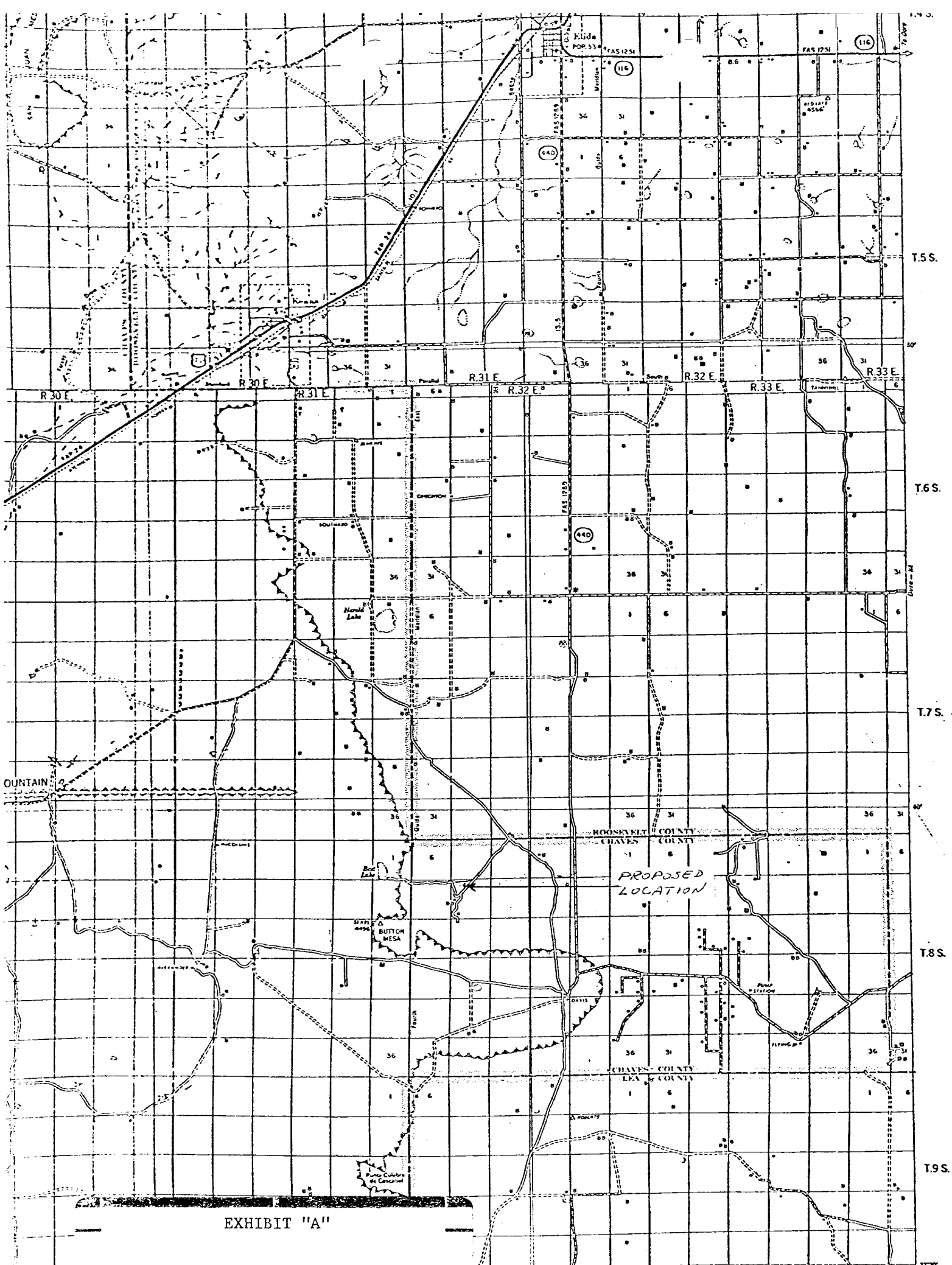


EXHIBIT "A"

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THE CONSERVATION COMMISSION
DURHAM, N. C.