# AOCC COPY.

SUBMIT IN TRI. (Other instructions on reverse side)

.TE\*

Form approved. Budget Bureau No. 42-R1425.

# **UNITED STATES**

DEPARTMENT OF THE INTERIOR							5. LEASE DESIGNATION	N AND SERIAL NO.
GEOLOGICAL SURVEY							NM-15015-A	
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK							6. IF INDIAN, ALLOTTI	EE OR TRIBE NAME
la. TYPE OF WORK	RILL XX	DEEPEN [			LUG BAC		7. UNIT AGREEMENT	NAME
WELL 🏠	CAS OTHER		SIN ZO	GLE	MULTIPI ZONE	.е	8. FARM OR LEASE N.	
2. NAME OF OPERATOR  SUNDANCE OIL					F ~ =		Oakason Fede 9. WELL NO.	ral
3. ADDRESS OF OPERATOR  Suite 510, 1  4. LOCATION OF WELL ()	1776 Lincoln St. Report location clearly and	, Denver, (	CO 8	30203 ate requiren	ECE	IVE	10. FIELD AND POOL,	
bbU'FSL and bbU'FWL UNIT M  At proposed prod. zone							Tom Tom San  11. SEC., T., B., M., OB AND SURVEY OB	AREA
San Andres	AND DIRECTION FROM NEA	REST TOWN OR POS	T OFFICE	•	ARTERIA	i. Li,	Section 33,	T. 7S., R. 31
	outh of Kenna, N						Chaves	New Mexico
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any)							OF ACRES ASSIGNED HIS WELL 40	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED,						1	ARY OR CABLE TOOLS	
or applied for, on this lease, ft. 1320 4000'  21. ELEVATIONS (Show whether DF, RT, GR, etc.)						Rotary    22. APPROX. DATE WORK WILL START*		
4278.4 GL							On approval	
23.	]	PROPOSED CASI	NG AND	CEMENTI	NG PROGRA	M		
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER F	OOT SETTING DEPTH		QUANTITY OF CEMENT			
11	8 5/8"	28		145			x Econ & 100	sx Class C
7 7/8"	4 1/2"	11.60 & 10	0.5	400	0'	300 s	x 50/50 Poz	

Well will be drilled to TD and evaluated, if further evaluation is required, will log to determine if casing will be run.

RECEIVED

APR 5 1978

U.S. GEOLOGICAL SURVEY

ARTESIA, NEW MEXICO

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is		
signed Dichard O Dimit	TITLE Chief Engineer	April 3, 1978
(This space for Federal or State office use)	APPROVAL DATE	APR 2 0 1978
APPROVED BY CONDITIONS OF APPROVAL, IF ANY:	ACTING DISTRICT ENGINEE	ER DATE APR 2 0 1978
APPROVAL IS RESCINDED IF OPERATIONS		

ARE NOT COMMENCED WITHIN 3 MONTHS. JUL 2 0 1978

# XICO OIL CONSERVATION COMMISSIC WELL LUCATION 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 perator Sundance Oil Co. Well No Oakason Fed. 3 33 7 South 31 East Chaves oration of Well 660 feet from the South West Ground . Frei Elev Froducing Frimation 4278.4 Dedicates Acreage: San Andres Tom Tom 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 RECEIVED 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? APR 5 1978 If answer is "yes," type of consolidation U.S. GEOLOGICAL SURVEY If answer is "no." list the owners and tract descriptions which have actually been consolidated. (Use reverse side of 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 Commis-CERTIFICATION I hereby certify that the information con-Richard O. Dimit Chief Engineer Tomp any Sundance Oil Company April 3, 1978 I hereby certify that the well location on this plat was plotted from field 3/**9**/78 660 Registered Protessional Engineer John 676 1320 1650 2000

500

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

Sundance Oil Company, #3 Oakason Federal 660' FSL and 660' FWL of Section 33, T. 7S., R. 31E. Chaves 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	1430'
Salado Salado	1490'
Yates	1880'
San Andres	3000'
P-1	3690'
P-2	3775'
TD	3930'

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 1430' salt
San Andres 3000' oil and gas
P-1 3690' oil and gas
P-2 3930' oil and gas
```

4. The proposed casing program is as follows:

```
Surface - New 8 5/8", 28#/ft., ST&C, Secondary 45 (J&L). Production - New 4\frac{1}{2}", 10.5#/ft., ST&C, K-55 and 11.6#/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 is set and operated daily for checks.
- 6. The proposed mud program is as follows:

```
0-1450' spud mud 8.5 - 9.0 lbs./gal.
1450-3000' native mud 9.0 - 9.5 lbs./gal.
3000' to TD salt gel 9.0 - 10.0 lbs./gal.
```

- 7. The audiliary 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 1450'.
- 9. No abnormal pressures or temperatures are expected to be encountered in this well.
- 10. The anticipated starting date for this well is April 30, 1978. Estimated duration of drilling operations is 10 to 12 days.

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#### MULTI-POINT SURFACE USE & OPERATIONS PLAN

APR 5 1978

Sundance Oil Company: Oakason Federal #3 660' FSL and 660' FWL of Section 33, T. 7S., R. 318: GEULUGICAL SURVEY Chaves County, New Mexico

ARTESIA, 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 well site is 660' FSL and 660' FWL of Section 33, T. 7S., R. 31E., Chaves County, New Mexico.
- 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

- Length & Width: New road required will be 1320' long and 12' wide. This new road is labeled and color coded Red on Exhibits "A" and "B". The center line of the proposed new road has been flagged and staked with the stakes being visible from one to the next.
- B. Surfacing Material: Six inches of caliche, watered, compacted and graded.
- C. Drainage Design: New road will have a drop of six (6) inches from center line on each side.
- D. Culverts: None.
- E. Turnouts: None.
- F. Cuts and Fills: 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.
- G. Gates, Cattlequards, Fences: None.

#### 3. Location of Existing Wells

- A. See Exhibit "B".
- Location of Existing and/or Proposed Facilities
  - A. There is an existing tank battery and flow line on this lease owned by

Lessee/Operator. The battery is located at the center of SE SW Section 33, next to Oakason Federal #2.

- B. If commercial production is established, a flow line from well #3 to the existing battery will be installed 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 NW NW Section 4, 7. 8S., R. 31E.

#### 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.

Multi-Point Surface Use  $\backsim$  Jperations Plan Oakason Federal #3 Page 3

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 liquids 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 St. 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 drill site 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.

Richard O. Dimit

Chief Engineer



### BINDANCE OIL COMPANY

April 3, 1978

U.S.G.S. P.O. Box 1157 205 N. Linam Street Hobbs, NM 88240

RE: Agreement with Surface Landowner Sundance Oil Company #3 Oakason Federal Unit M
SW SW Section 33, T. 7S., R. 31E. Chaves 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.

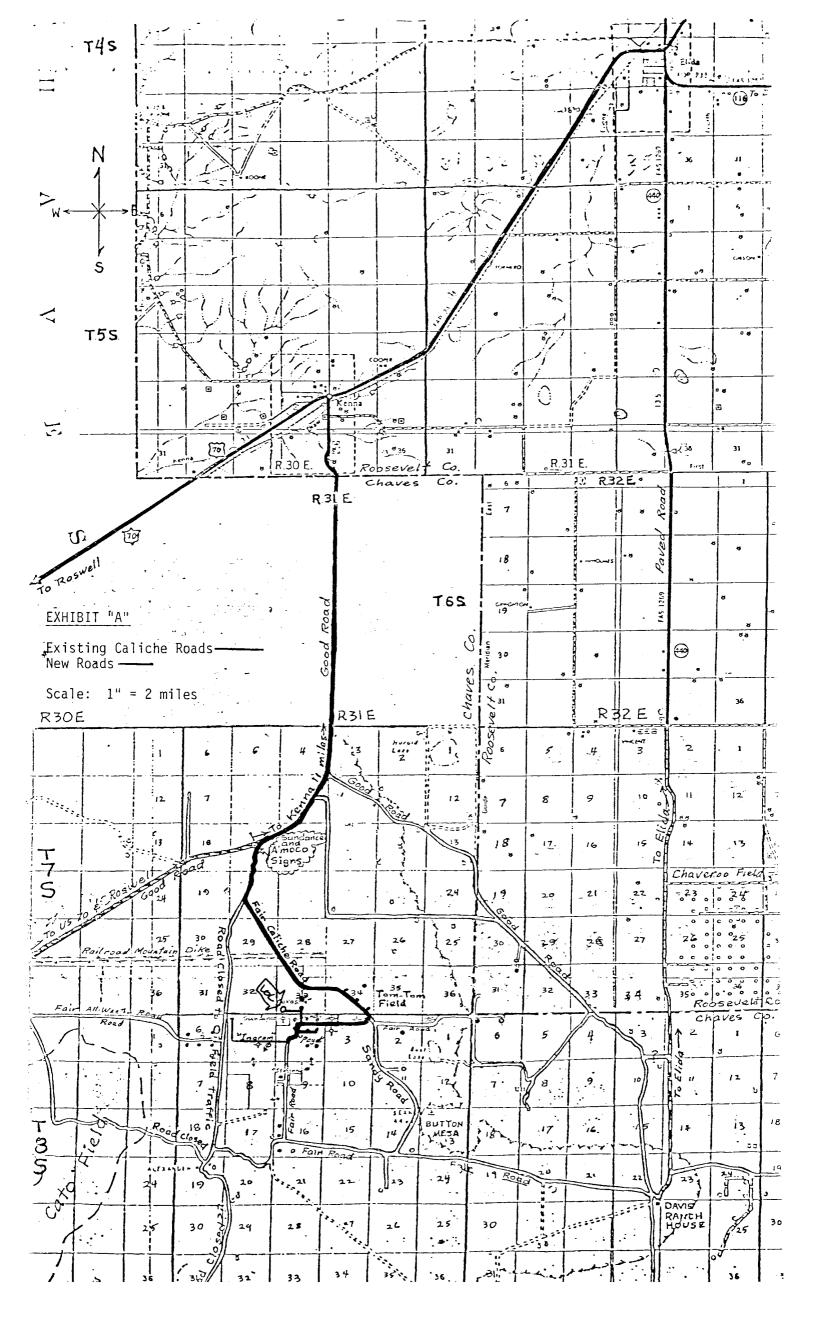
If the well is completed as a dry hole and plugged and abandoned, pits will be covered and location cleaned of all trash and junk. The road will remain in place. The drilling pad will either remain or be ripped at the landowner's option.

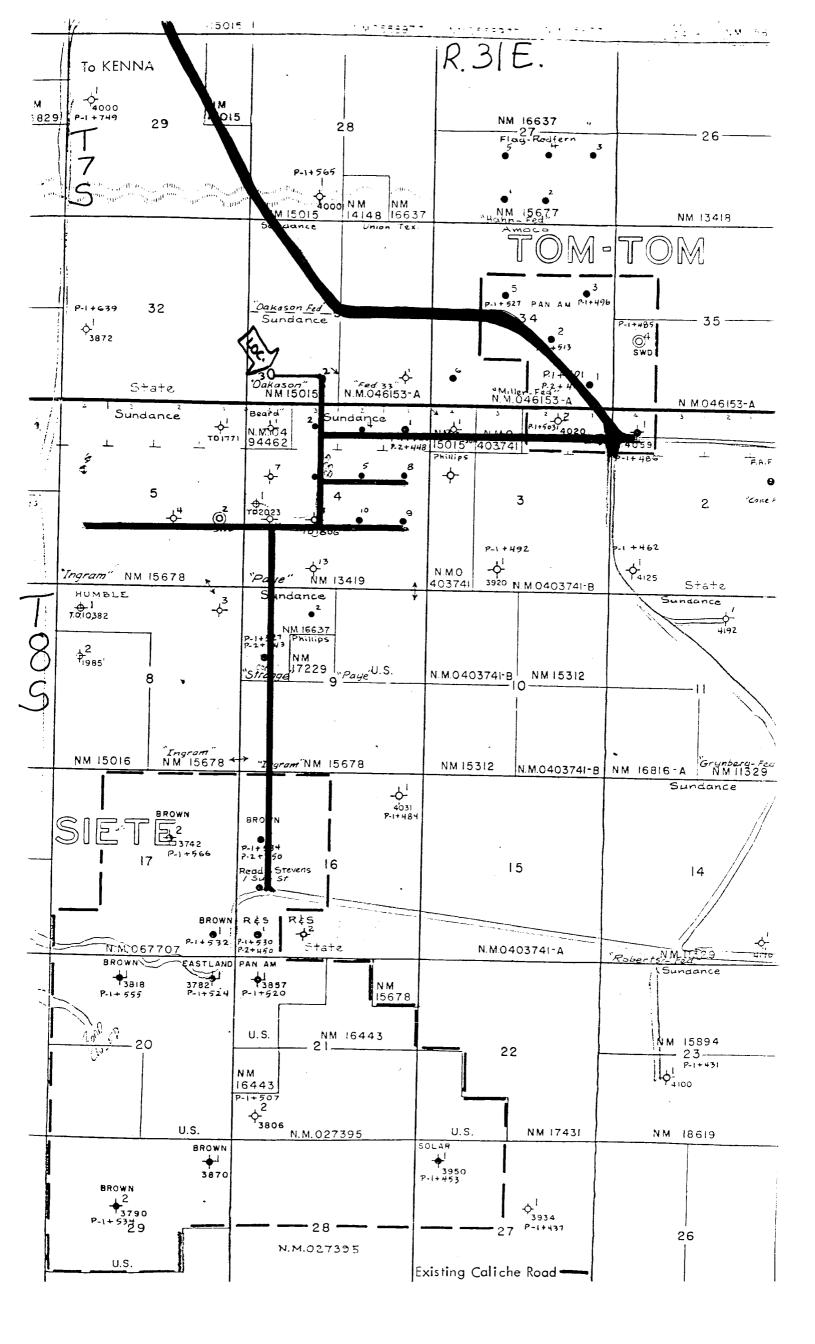
Yours truly,

Richard O. Dimit

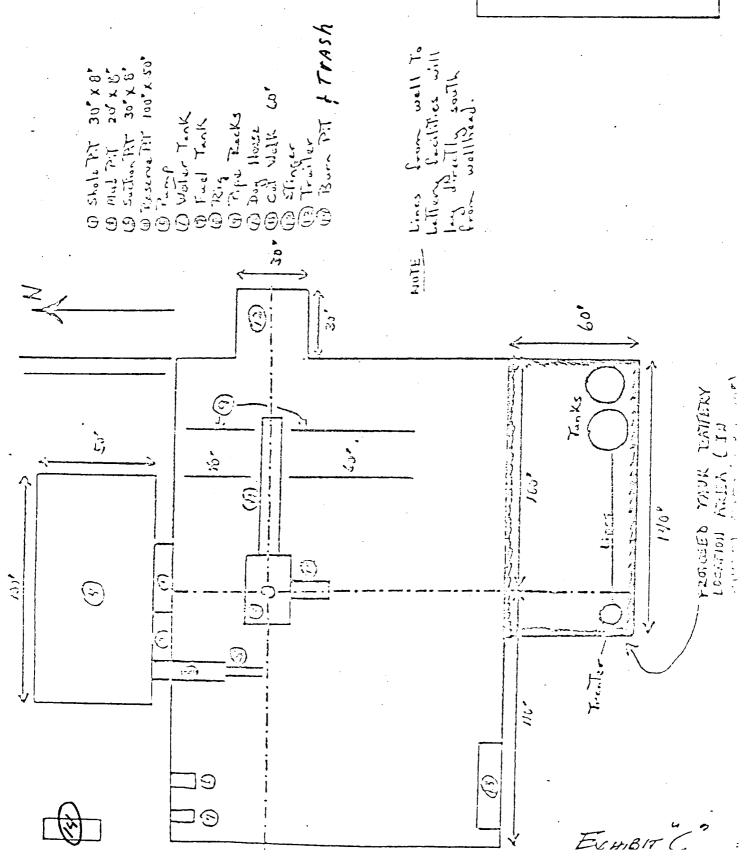
Chief Engineer

RD:dh





LOCATION, MULT PIT AND PROPOSED TANK BATTERY AREA SPECIFICATIONS



PLONOUT PREVENTER

of CHOKE MIMITOLD

API 3M-8410-RdS

