



EXCERPT COPY

United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Drawer U
Artesia, New Mexico 88210

September 20, 1978

Sundance Oil Company
Suite 510
1776 Lincoln Street
Denver, Colorado 80203

SUNDANCE OIL COMPANY
Ingram Federal No. 1-Y
554 ENI 554 FEL Sec. 5, T8S, R31E
Chaves County Lease No. NM-15678

Above Data Required on Well Sign

Gentlemen:

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 4,100 feet to test the San Andres formation is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL LEASES, dated July 1, 1978
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the SURFACE USE PLAN and his approval including the GENERAL REQUIREMENTS.
3. Submit a Daily Report of Operations from spud date until the Well Completion Report (form 9-330) is filed. The progress report should be not less than 8" x 5" in size and each page should identify the well
4. All above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate sandstone brown (Federal Standard Color #595A, color 20318 or 30318).

Sincerely yours,

(Orig. Sgd.) ALBERT R. STALL

Albert R. Stall
Acting District Engineer

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OIL CONSERVATION COMM.
HOUSTON, N. M.

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

SUNDANCE OIL COMPANY

3. ADDRESS OF OPERATOR

Suite 510, 1776 Lincoln St., Denver, CO 80203 SEP 22 1978

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

At surface

554' FNL, 554' FEL

Unit A

At proposed prod. zone

San Andres

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

15 miles south of Kenna

15. DISTANCE FROM PROPOSED*

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

660

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1320'

16. NO. OF ACRES IN LEASE

1401.68

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

4262.6' GL

22. APPROX. DATE WORK WILL START*

October 15, 1978

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	1350'	550 sx
7 7/8"	4 1/2"	11.6	4100'	300 sx

The well will be drilled, logged and evaluated by drill stem tests for full evaluation of the San Andres Formation. If warranted, completion will be made in the same formation.

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

Richard O. Dimit

TITLE Vice President, Production

DATE August 17, 1978

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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OIL CONSERVATION COMM.
HOBBS, N. M.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All distances must be from the outer boundaries of the Section

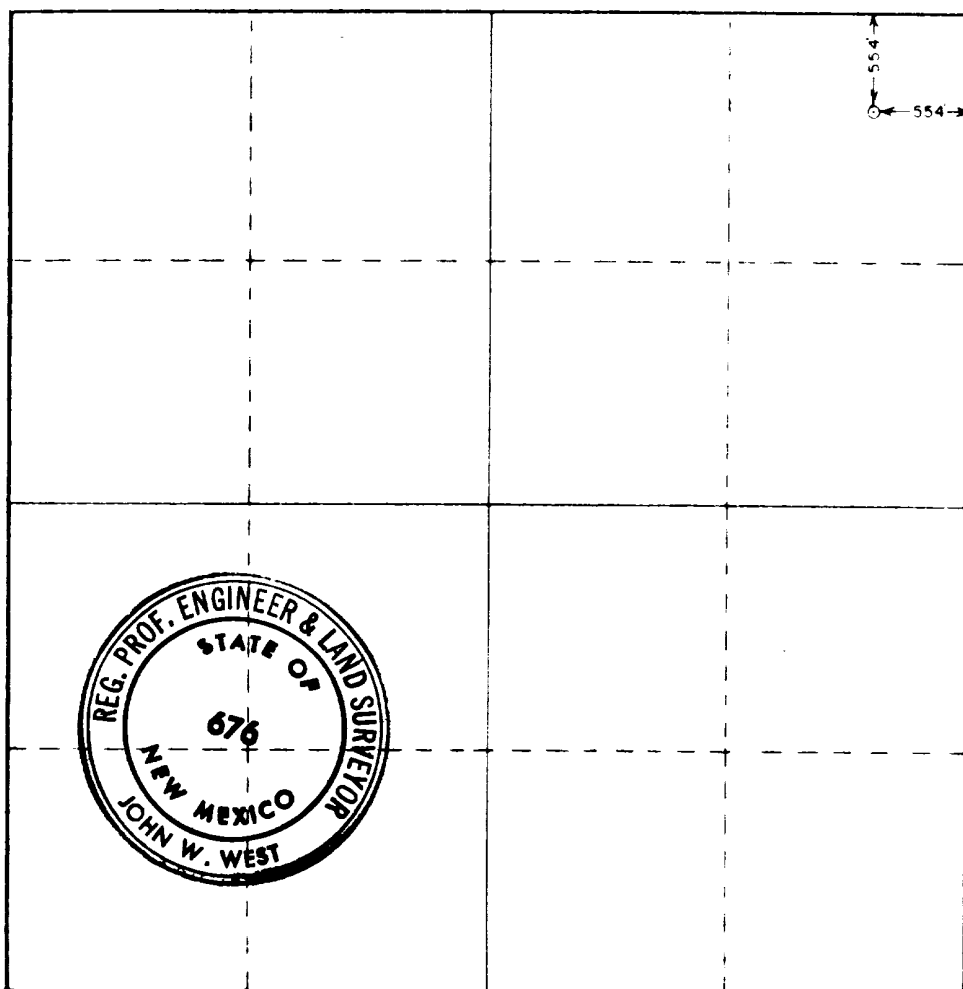
Lessor Sundance Oil Co.		Lease Ingram Federal		Well No. 1-Y
Init. Letter A	Section 5	Township 8 South	Range 31 East	County Chaves
Actual Footage Location of Well: 554 feet from the North line and 554 feet from the East line				
Ground Level Elev. 4262.6	Producing Formation San Andres	Pool Cato	Dedicated Acreage 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.

Richard O. Dimit
Name

Richard O. Dimit

Position

Vice-President, Production

Company

Sundance Oil Company

Date

August 17, 1978

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

June 24, 1978

Registered Professional Engineer and/or Land Surveyor

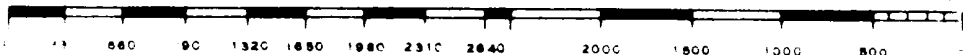
John W. West

Certificate No. **John W. West**

676

Ronald J. Eidson

3239



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

Sundance Oil Company: Ingram Federal #1-Y
554' FNL and 554' FEL of Section 5, T. 8S., 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	1540'
Salado	1600'
Yates	2030'
San Andres	3200'
P-1	3900'
P-2	4000'
TD	4100'
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	1600' salt
San Andres	3200' oil and gas
P-1	3900' oil and gas
P-2	4000' 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 4½", 10.5#/ft., ST&C, K-55 & 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 1000 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:

0-1350' spud mud	8.5 - 9.0 lbs./gal.
1350-3800' native mud	9.0 - 9.5 lbs./gal.
3800-T.D. salt gel	9.0 - 10.0 lbs./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 1350'.
9. No abnormal pressures or temperatures are expected to be encountered in this well.
10. The anticipated starting date for this well is October 15, 1978. Estimated duration of drilling operations is 10 to 12 days.

MULTI-POINT SURFACE USE & OPERATIONS PLAN

Sundance Oil Company: Ingram Federal #1-Y
554' FNL and 554' FEL of Section 5, T. 8S., R. 31E.
Chaves 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 well site is 554' FNL and 554' FEL of Section 5, T. 8S., R. 31E., Chaves 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: 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 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, Cattleguards, Fences: None.

3. Location of Existing Wells

- A. See Exhibit "B".

4. 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 C NE SW of Section 5.

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CONSTITUTION COMM
OFFICE 11-5

B. If commercial production is established, flow lines will be installed from the well to the battery and no additional surface disturbance will occur. Facilities are 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, T.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.

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.

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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 Operators 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 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.

Date

8/17/75

Richard O. Dimit

Vice President, Production

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CONSERVATION COMMISSION
BUREAU OF LAND MANAGEMENT



S U N D A N C E O I L C O M P A N Y

August 17, 1978

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

RE: Agreement with Surface Landowner -
Sundance Oil Company
Ingram Federal #1-Y
NE NE Section 5, T.8S., R.31E.
Chaves County, New Mexico

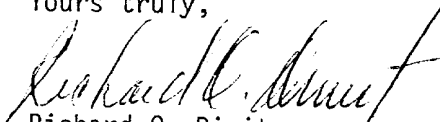
Gentlemen:

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 well site 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,

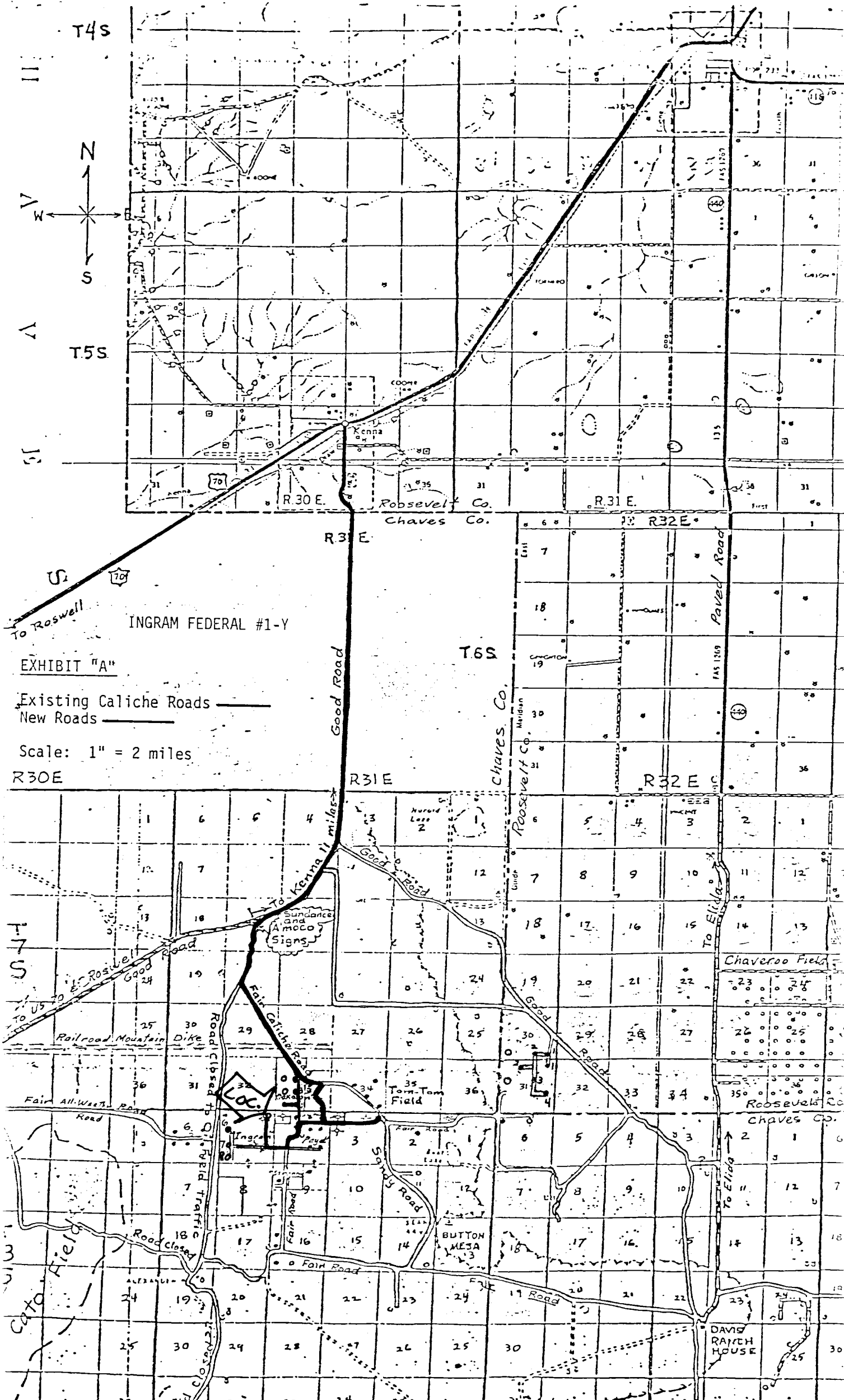

Richard O. Dimit
Vice President, Production

RD:dh

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B-2001 H R



T4S

T5S

T6S

R30E

Roosevelt Co.
Chaves Co.

R31E

R32E

R3E

R31E

R32E

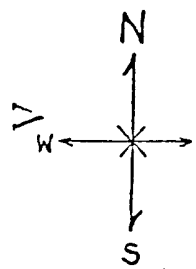


EXHIBIT "A"

Existing Caliche Roads ———
New Roads ———

Scale: 1" = 2 miles

R30E

T7S

T8S

T9S

To Roswell

INGRAM FEDERAL #1-Y

Good Road

Chaves Co.
Roosevelt Co.

Paved Road

To Kenna 11 miles
Sundance and Amoco Signs

To Elida

Railroad Mountain Dike

Fair All-Weather Road

Tom-Tom Field

Chaveroo Field

Roosevelt Co.
Chaves Co.

BUTTON MEZA

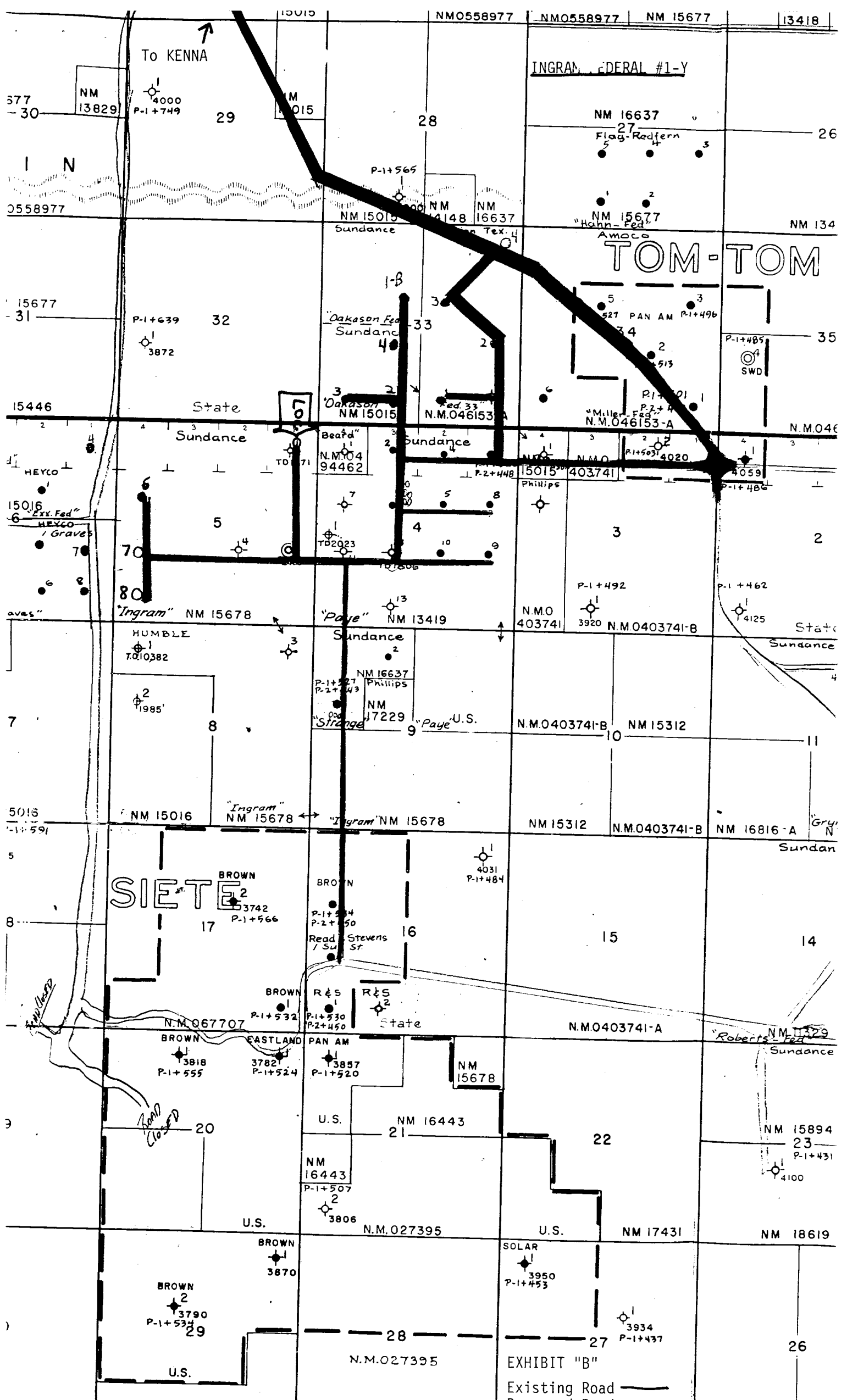
DAVID RANCH HOUSE

Cato Field

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U.S. CONSERVATION COMM.
WASHINGTON, D. C.



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OIL CONSERVATION COMM.
60625, N. M.

OIL CONSERVATION DIVISION

HOBBS, NEW MEXICO 88240

January 11, 1980/

Sundance Oil Company
#510, 1776 Lincoln Street
Denver, Colorado 80203

Attention Mr. R. O. Dimit

Gentlemen:

Attached you will find an approved copy of Form C-129, Application for Exception to No-Flare Rule, for your Ingram Federal Lease in the Cato San Andres Pool.

Since we feel that the flaring of 90 MCF of gas per day constitutes waste, the application has been approved only until June 28, 1980, which is the date upon which your current exception for this lease expires. We feel that this should allow ample time for you to complete the arrangements for getting a gas line laid to this lease.

Yours very truly,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District 1

mc
Attach.

57-8-31

OIL CONSERVATION DIVISION

NEW MEXICO
SANTA FE

2000
1776 Lincoln Street
Denver, Colorado 80203

Attention Mr. R. O. Smith

Gentlemen:

Attached you will find an approved copy of Form O-150, Application for Exception to No-Fire Rule, for your program Federal Lease in the Gato San Andres Pool.

Since we feel the the timing of an application for day conduct-
tutes waste, the application has been approved only until June
30, 1960, which is the date upon which your current exception
for this lease expires. We feel that this should allow ample
time for you to complete the arrangements for obtaining a new
lease paid to this lease.

Yours very truly,

OIL CONSERVATION DIVISION

Gerry Sexton
Supervisor, District 1

mc
Attach.

2-8-31

LOCATION, MUD PIT AND
PROPOSED TANK BATTERY
AREA SPECIFICATIONS

NOTE Lines from well to
battery facilities will
lay directly south
from wellhead.

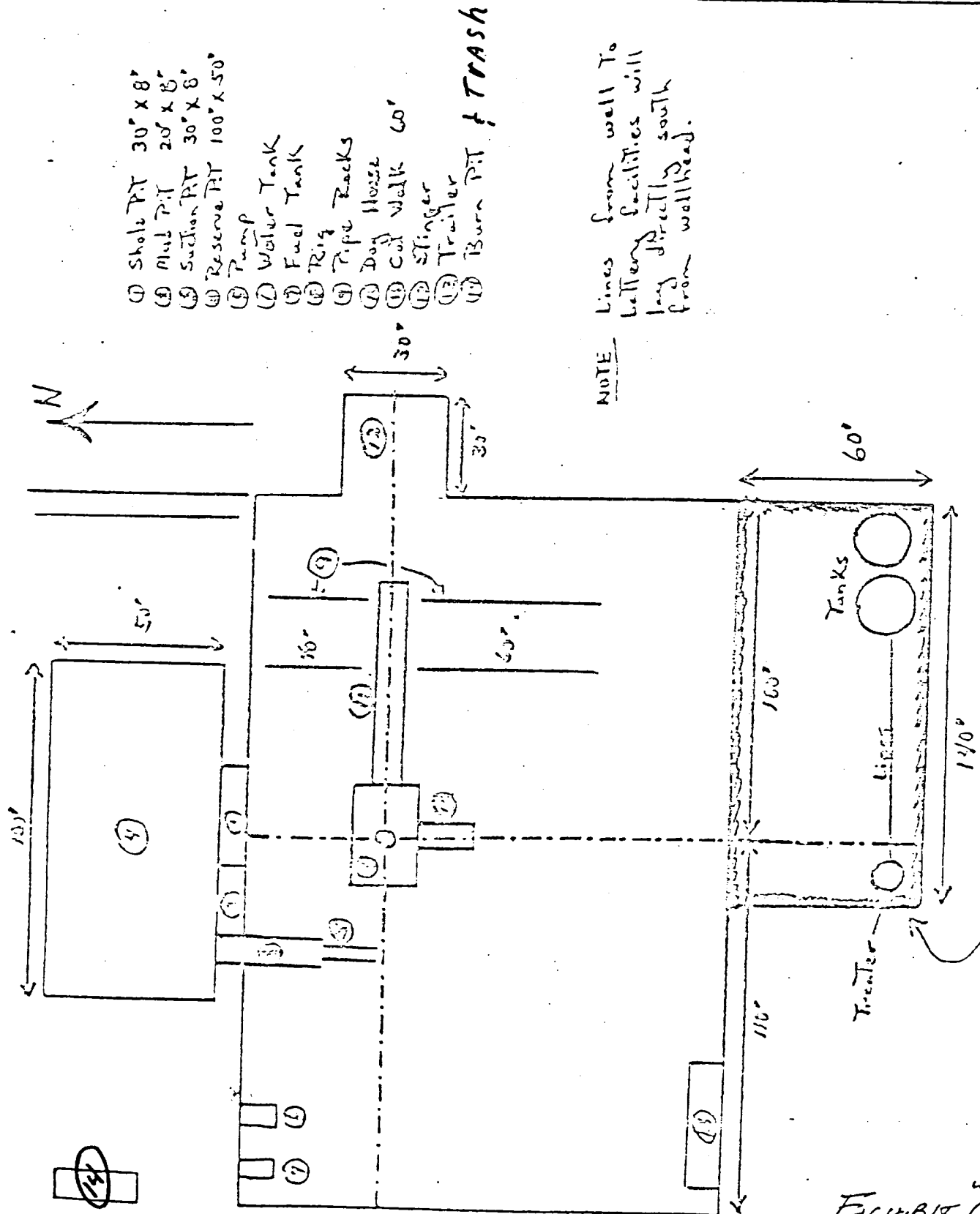
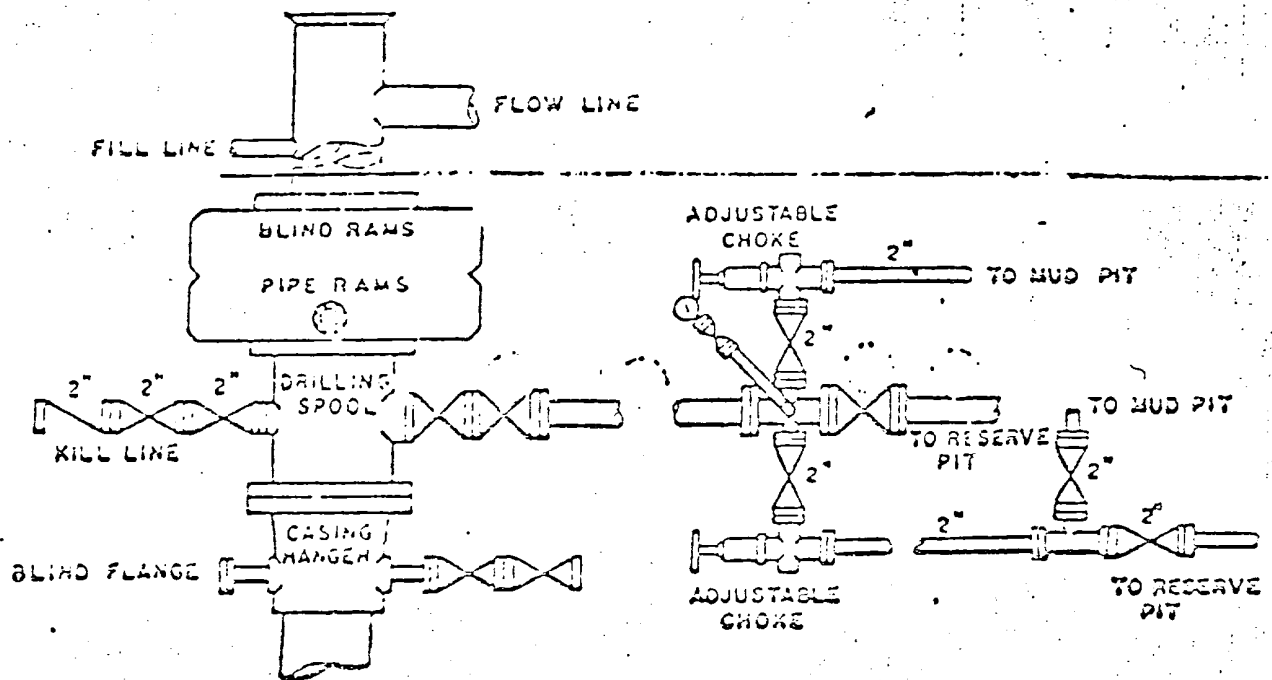


EXHIBIT "C"

BLOWOUT PREVENTER A CHOKE MANIFOLD

API 3M-8410-RdS



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HOUSTON, N. M.