



NMOCG COPY

United States Department of the Interior

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

October 23, 1978

Sundance Oil Company
1776 Lincoln St., Suite 510
Denver, Colorado 80203

SUNDANCE OIL COMPANY Oakason Fed. "B" No. 2 2080 FNL 660 FWL Sec. 33, T7S, R31E Chaves County Lease No. NM-15015-B

Above Data Required on Well Sign

Gentlemen:

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 4,000 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 permanent 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 #295A, color 20318 or 30318).

Sincerely yours,

(Orig. Sgd.) ALBERT R. STALL

Albert R. Stall
Acting District Engineer

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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

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

At surface

2080' FNL, 660' FWL

Unit E

Same

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

15 1/2 miles south of Kenna, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drilg. 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

200

19. PROPOSED DEPTH

4000

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

4283.6 GL

22. APPROX. DATE WORK WILL START*

October 20, 1978

23.

PROPOSED CASING AND CEMENTING PROGRAM

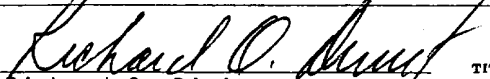
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11	8 5/8"	28	1450'	260 sx Econ & 100 sx Class C
7 7/8	4 1/2"	10.5	4000'	300 sx 50/50 Poz

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

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 Sept. 29, 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

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-104
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

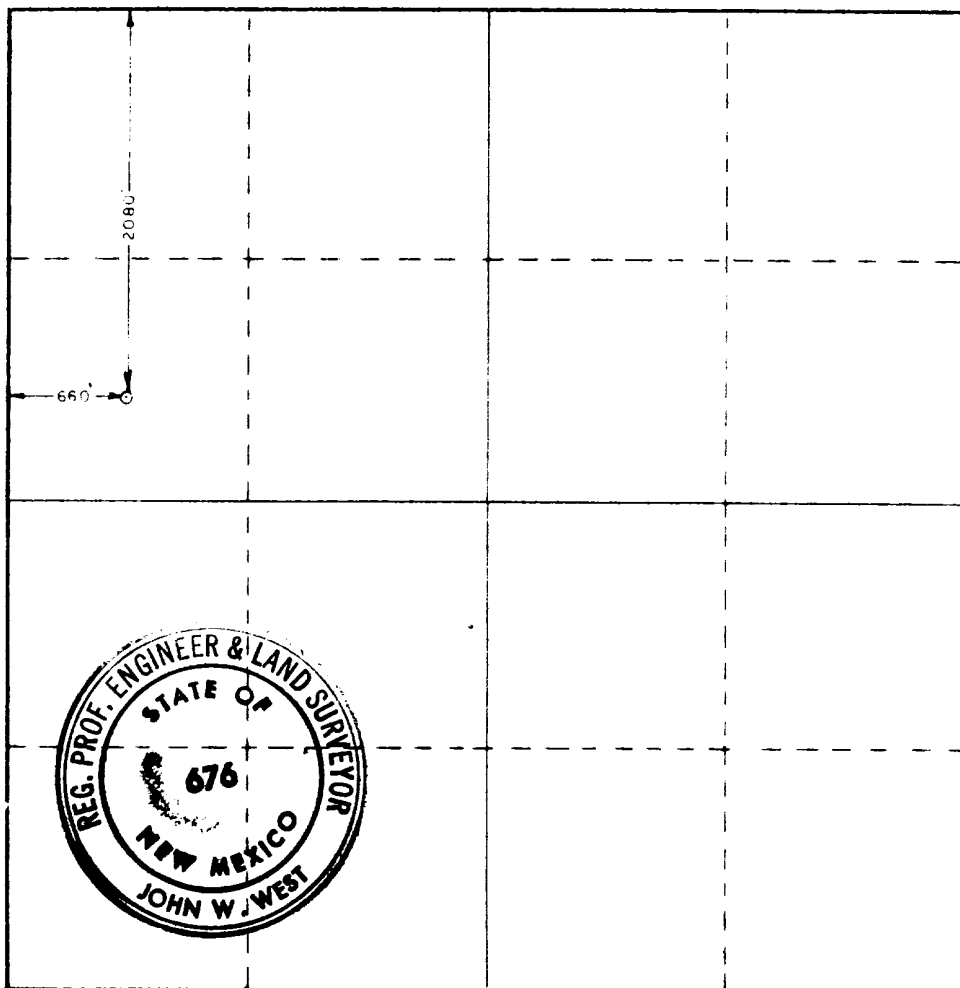
Operator Sundance Oil Co.			Lease Oakason B 3		Well No. 2
Section Letter E	Section 33	Township 7 South	Range 31 East	County Chaves	
Actual Well Location of Well: 2080 feet from the North line and 660 feet from the West line					
Ground Level Elev. 4283.6	Producing Formation San Andres	Pools Tom Tom	Dedicated Acreage 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, 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
September 29, 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. Eiden 2230

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

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CALIFORNIA CONSERVATION COMMISSION
HOLDS. M. M.

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

Sundance Oil Company, Oakason Federal "B" #2
2080' FNL 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	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 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 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 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 1450'.
9. No abnormal pressures or temperatures are expected to be encountered in this well.
10. The anticipated starting date for this well is October 20, 1978. Estimated duration of drilling operations is 10 to 12 days.

12-11-78

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U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
DENVER, CO.

MULTI-POINT SURFACE USE & OPERATIONS PLAN

Sundance Oil Company: Oakason Federal "B" #2
2080' FNL and 660' FWL of Section 33, T. 7S., 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 2080' FNL and 660' FWL of Section 33, T. 7S., 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 lease 15015-A owned by Lessee/Operator. The battery is located at the center of SE SW Section 33, next to Well #2. (Off-lease facilities permit has been applied for.)

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- B. If commercial production is established, a flow line from well "B" #2 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, 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 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

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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 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

9/29/78

Richard O. Dimit

Richard O. Dimit
Vice President, Production

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HODES, R. M.



SUNDANCE OIL COMPANY

September 29, 1978

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

RE: Agreement with Surface Landowner
and Sundance Oil Company
Oakason Federal "B" #2
Unit E
SW NW Section 33, T.7S., R.31E.
Chaves County, New Mexico

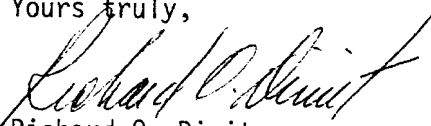
Gentlemen:

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 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

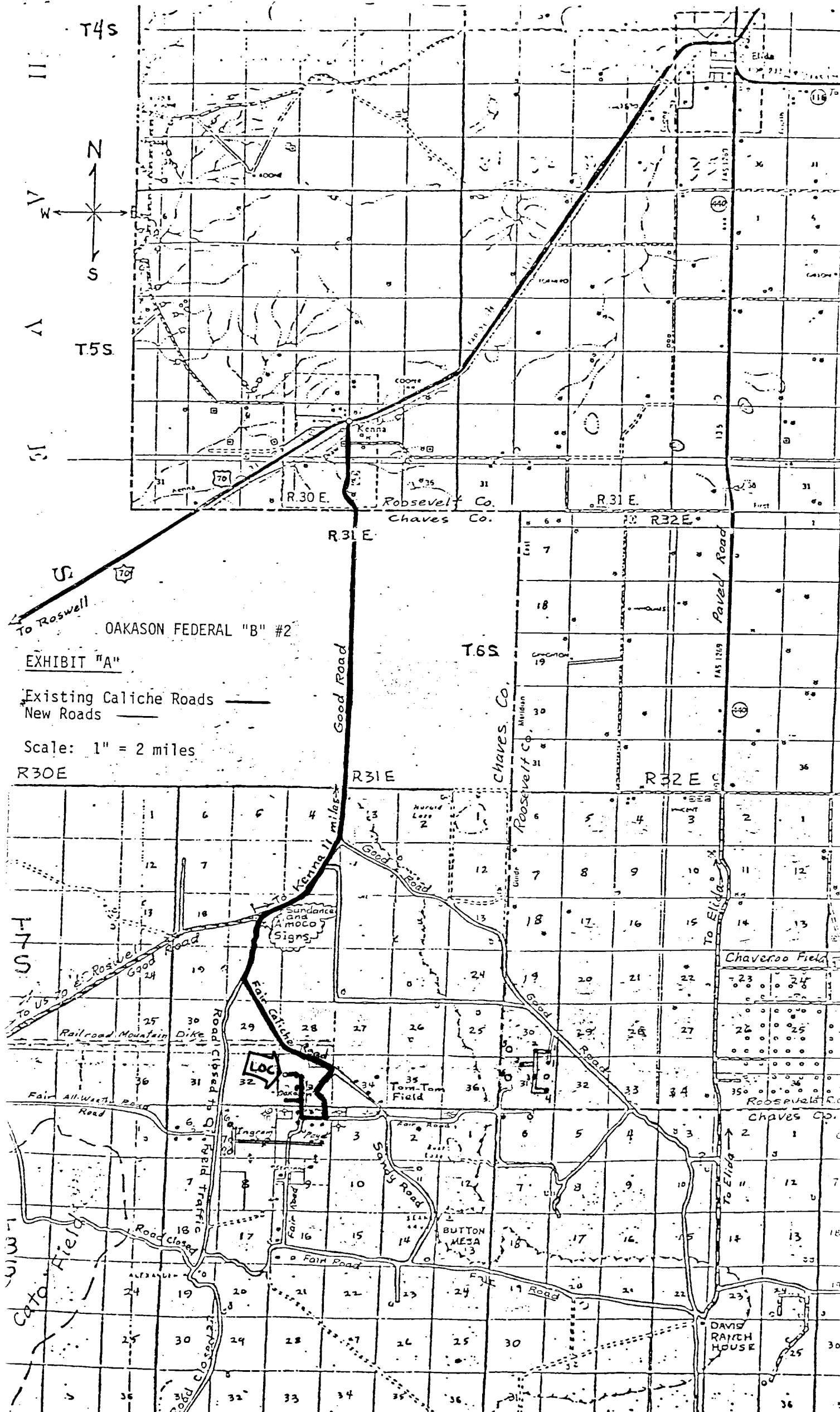
RD:ds

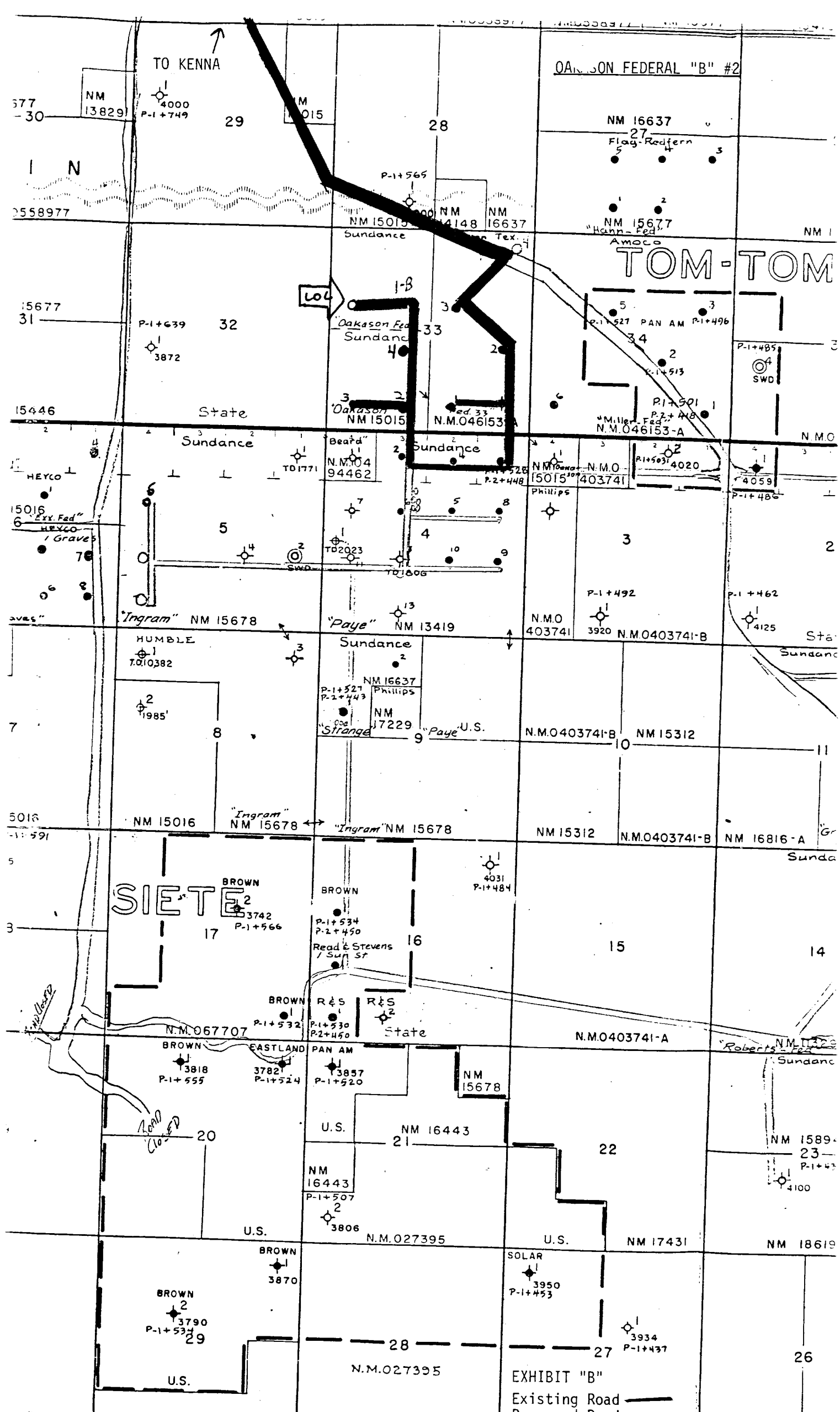
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Denver, Colorado 80203
Telephone (303) 861-4694

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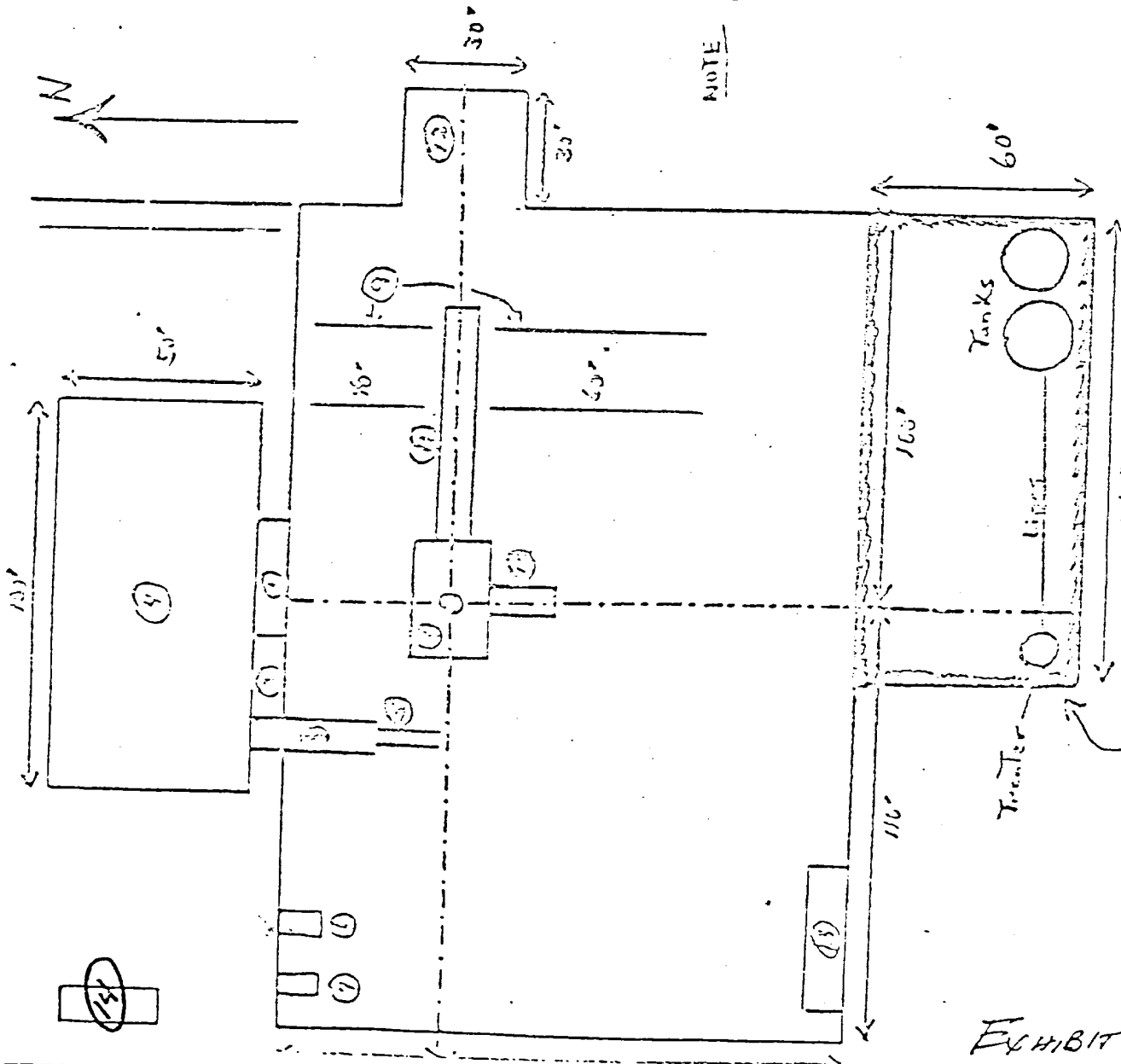
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ROBBS, N. H.

LOCATION, MUD PIT AND
PROPOSED TANK BATTERY
AREA SPECIFICATIONS

- ① Shale Pit 30' x 8'
- ② Mud Pit 20' x 8'
- ③ Suction Pit 30' x 8'
- ④ Reserve Pit 100' x 50'
- ⑤ Pump
- ⑥ Water Tank
- ⑦ Fuel Tank
- ⑧ Rig
- ⑨ Pipe Tracks
- ⑩ Dog House
- ⑪ Coal Vok 60'
- ⑫ Slinger
- ⑬ Trailer
- ⑭ Burn Pit & Trash

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



PROPOSED TANK BATTERY
LOCATION AREA (14)

EXHIBIT "C"

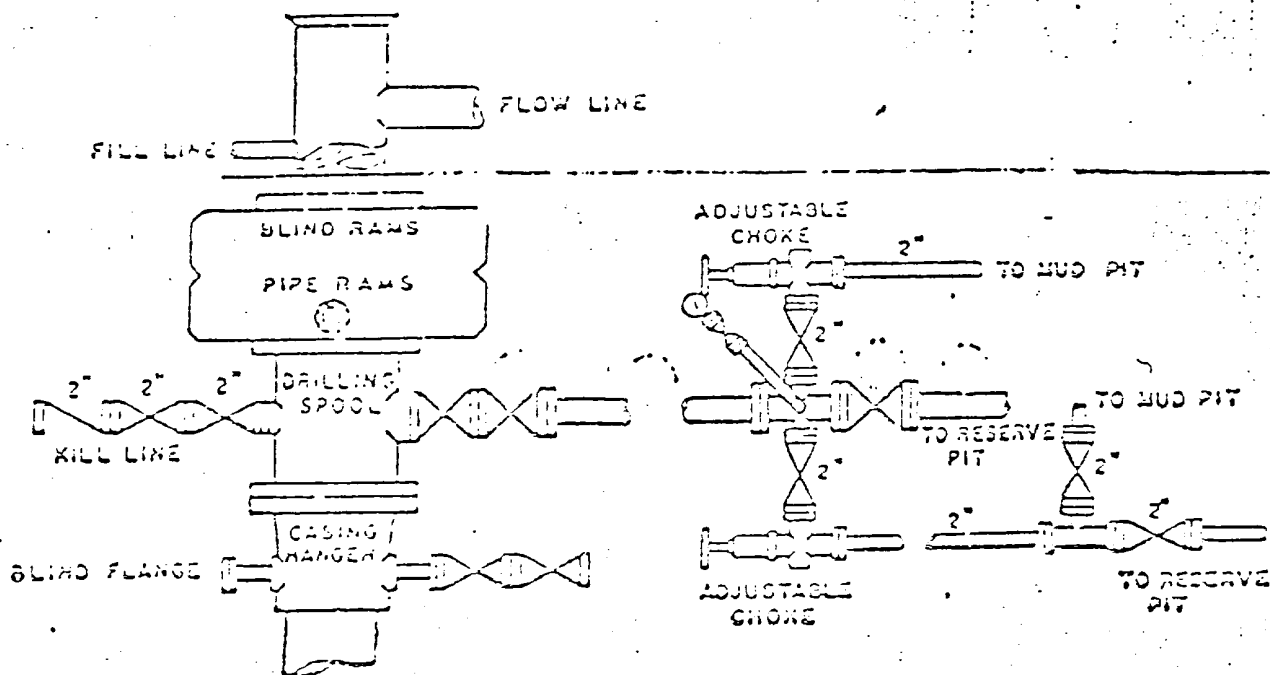
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BLOWOUT PREVENTER & CHOKE MANIFOLD

API 3M-8410-R15



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