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United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U

Artesia, New Mexico 88210

RECEIVED

MAY 14 1979

May 10, 1979

D.C.C.
ARTESIA, OFFICE

Depco, Inc.
800 Central
Odessa, Texas 79761

DEPCO, INC.
El Paso Federal Com. No. 1
660 FNL 660 FEL Sec. 21, T13S, R30E
Chaves County Lease No. NM-19438

Above Data Required on Well Sign

Gentlemen:

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 10,250 feet to test the Mississippian 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 attached 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 these Conditions of Approval including the attached General Requirements.
3. Submit a Daily Report of Operations from spud date until the well is completed and the Well Completion Report (form 9-330) is filed. The 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 Guidelines. The color used should simulate sandstone brown (Federal Standard No. 595A, color 20318 or 30318).
5. Before drilling below the 8-5/8" intermediate casing, the blowout preventer assembly will consist of a minimum of one annular type and two ram type preventers.
6. A kelly cock will be installed and maintained in operable condition.
7. After setting the 8-5/8" casing string and before drilling into the Wolfcamp formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures by an inde-



pendent service company. Any equipment failing to test satisfactorily shall be repaired or replaced. This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report.

8. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before drilling into the Wolfcamp formation and used until production casing is run and cemented. Monitoring equipment shall consist of the following:
 - (1) A recording pit level indicator to determine pit volume gains and losses.
 - (2) A mud volume measuring device for accurately determining mud volume necessary to fill the hole on trips.
 - (3) A flow sensor on the flow-line to warn of any abnormal mud returns from the well.
9. Cement behind the 12-3/4" casing must be circulated.
10. Please note that anyone (including contractors and service companies) contacting the Survey on behalf of the operator must identify the well with all of the information required above for the well sign.

Sincerely yours,

(Signature)

Joe G. Lara
Acting District Engineer

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

DEPCO, Inc.

3. ADDRESS OF OPERATOR

800 Central, Odessa, Texas 79761

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

At surface

Unit Letter A, 660' FN & EL, Sec. 21, T13S, R30E

At proposed prod. zone

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

15. DISTANCE FROM PROPOSED*

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

660'

16. NO. OF ACRES IN LEASE

280

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

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

None

19. PROPOSED DEPTH

10,250

20. ROTARY OR CABLE TOOLS

Rotary

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

3875.2 GR

22. APPROX. DATE WORK WILL START*

On Approval

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2	12 3/4	34.6	400	450
11	8 5/8	24 & 32	2800	650
7 7/8	4 1/2	11.6	10,250	450

Mud Program: Letter from Texas Mud & Chemical Co.
BOP Program: See Exhibit D
Gas production not dedicated.

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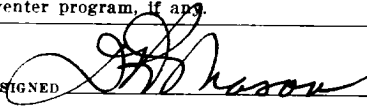
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ARTESIA, NEW MEXICO

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



D. R. Mason

TITLE

Chief Clerk

DATE

12-1-78

(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

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.

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 Depco, Inc.			Lease El Paso Federal Com.			Well No. 1		
Quarter A	Section 21	Township 13 South	Range 30 East	County Chaves				
Actual Well Location of Well:								
660 feet from the North line and		660 feet from the East line						
Ground Level Elev. 3875.2		Producing Formation Mississippian		Pool Wildcat			Dedicated Acreage: 320 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 _____

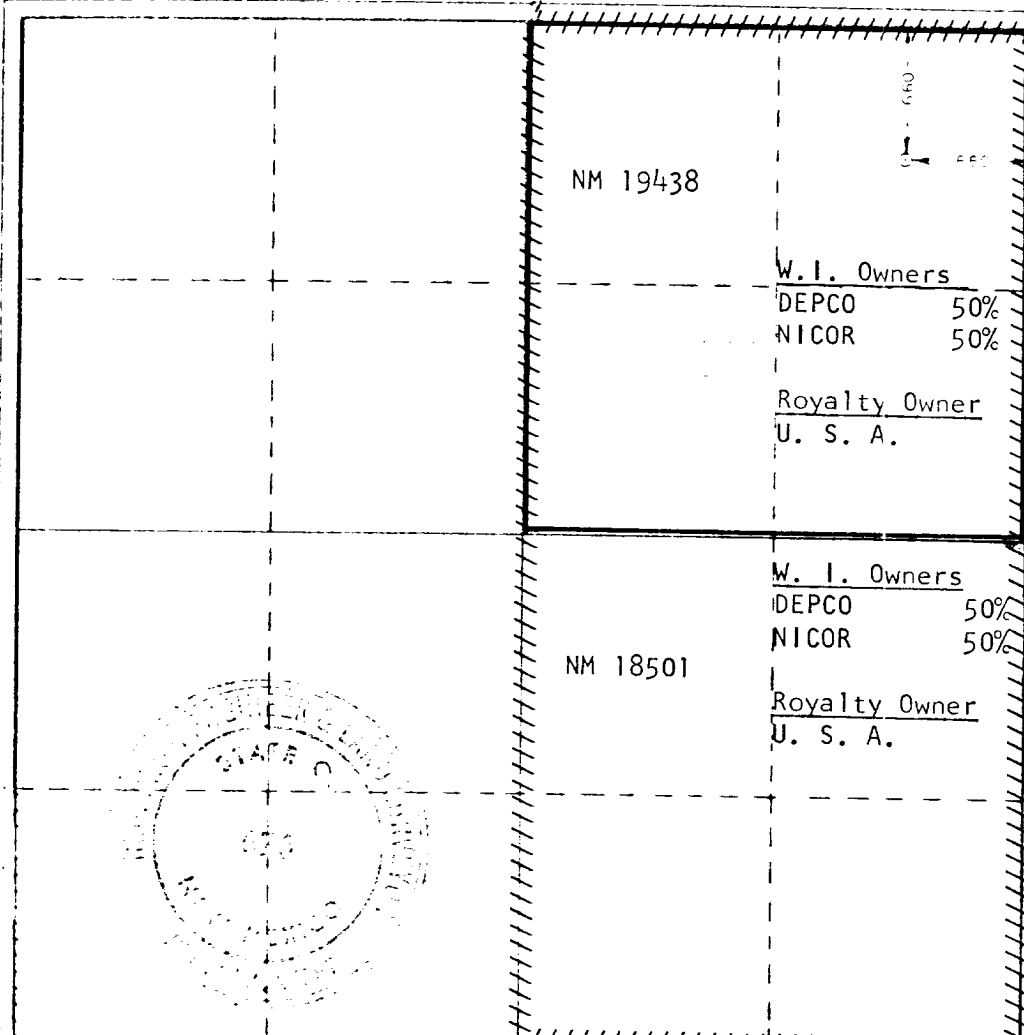
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) To be communitized upon completion as a produce

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.

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DEC 6 1978

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

D. R. Mason

Name
D. R. Mason
Position
Chief Clerk
Company
DEPCO, Inc.
Date
12-1-78

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
November 14, 1978

Registered Professional Engineer and or Land Surveyor

John W. West

Certificate No. John W. West 676
Ronald J. F. 3230

APPLICATION FOR DRILLING

DEPCO, Inc.
No. 1 El Paso Federal Com., Sec. 21, T13S, R30E
Chaves County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill, DEPCO, Inc. submits the following items of pertinent information in accordance with USGS requirements.

1. The Estimated tops of geologic markers are as follows:

San Andres	2695
Glorieta	4100
Tubb	5555
Abo	6370
Wolfcamp	7580
Cisco	8283
Canyon	8650
Strawn	9035
Atoka	9385
Morrow	9615
Mississippi Ls.	9885
TD	10,250

2. The depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Approximately 100 feet or less
Oil and gas	Strawn 9035-9385
	Morrow 9615-9775
	Miss. 9885-10,250

3. Proposed Casing Program: See Form 9-331C
4. Pressure Control Equipment: See Form 9-331C and Exhibit E.
5. Mud Program: See Form 9-331C and attached letter from Texas Mud & Chemical Co.
6. Auxiliary Equipment: Blowout Preventer, Inside Blowout Preventer, Kelley Cock.
7. Testing, Logging and Coring Program:

Drill Stem Test:	Strawn -1
	Morrow -2
	Miss. -1

10-foot samples from 7388' to TD.

Logging: Dual Laterolog and Compensated Neutron/Density
with Gamma Ray and C liper.

8. No abnormal pressures or temperatures are anticipated.
9. Anticipated starting date: As soon as possible.

DEPCO, Inc.
No. 1 El Paso Federal Com.
660' FN & EL
Section 21, T13S, R30E
Chaves County, New Mexico

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U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

This plan is submitted with Form 9-331C, Application for Permit to Drill, describing the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the necessary Surface disturbance and the procedures to be followed in rehabilitating the surface after completion of the operations, 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 the USGS Map of Chaves County, New Mexico, on a scale of 1" = 2000' showing the area of the proposed wellsite and the roads in the vicinity. The wellsite is located approximately 30 miles east of Hagerman, New Mexico, and part of the access route to the location is indicated in red on Exhibit A.
- (1) Proceed east on Highway 31 from Hagerman, New Mexico, for approximately 30 miles to the intersection of Highway 31 and Hwy 6205. Go approximately 1 mile east.
 - (2) Turn left on caliche road and continue for 0.9 mile, turn right and follow main road north.
 - (3) Follow main road north for approximately 9.2 miles to right turn in road. Turn east and go approximately 1.5 miles to a cattleguard.
 - (4) Just east of this cattleguard, the proposed access road will run due north 2000' to the location. The location is staked and flagged and clearly visible. The proposed access road is also staked and flagged.
- B. The existing improved access road has numerous turnouts, is in fair condition, and will require some repair.

2. PLANNED ACCESS ROAD.

- A. The proposed new access road will be approximately 2000' in length and 12 feet in width. It will be covered with six inches of compacted caliche. The road will be crowned with drainage on both sides and at least one turnout will be necessary. The new road will enter the drilling pad at the Southeast corner.
- B. The center line of the proposed access road has been staked and can be clearly seen from the existing access road.

3. LOCATION OF EXISTING WELLS.

- A. See Exhibit C.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are no DEPCO, Inc. production facilities on this lease.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive of oil, a gas powered self contained unit will be utilized. No power will be required if the well is productive of gas.

5. Location and type of water supply.

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from privately owned or commercial sources and will be hauled to the location by truck over the existing and proposed roads on Exhibits A and B.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. Caliche for construction of the drilling pad and the new access road, and repairs to the existing access road, will be obtained from one of the existing pits in the area.

7. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system or separate disposal application will be submitted to the U.S.G.S. for appropriate approval.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. 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.
- G. All trash and debris will be buried or removed from the wellsite 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, reserve pits, and major rig components.
- B. The ground surface at this site is rolling mounds 10-15 feet in height, and the well location is on the southeasterly slope of one of these mounds. Approximately 4 cut and fill will be required on the northwest corner to level the pad area, which will be covered with at least six inches of compacted caliche..

- C. The reserve pits will be plastic lined.
- D. The pad and pit area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE.

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk.
- B. Unguarded pits, if any, containing fluids will be fenced until they have been filled.
- C. This location is on Federally owned surface and will be restored as per federal stipulations covering such restoration.
- D. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: The wellsite is in an area of ridges reaching 10-15 feet in height over a lateral distance of several hundred feet.
- B. The topsoil at the wellsite is moderately hard packed sand.
- C. The vegetation cover at the wellsite is of a sparse amount, and consists primarily of prairie grass, mesquite, miscellaneous weeds, and prairie flowers. No wildlife was observed, but it is likely that typical semi-arid desert wildlife, such as rabbits, coyotes, gophers, rodents and snakes inhabit the area. The area is used for cattle grazing.
- D. There are no lakes, streams, or rivers within several miles of the wellsite. The Brooks tank is approximately 5 miles southwest of the proposed location, Sec. 6, T14s, R30e.
- E. There is one occupied dwelling approximately 4 miles SW in section 31. There is one windmill approximately 2 1/4 miles northwest of this location in Sec. 8, T13S, R30E.
- F. The wellsite is located on federally owned surface and the proposed access road is on federally owned surface.
- G. There is no evidence of any archeological, Historical, or cultural sites in the area.

12. OPERATORS REPRESENTATIVES,

- A. The field representatives for assuring compliance with the approved surface use plan are:

Carl Bizzell
Production Superintendent
DEPCO, Inc.
800 Central Drive
Odessa, Texas 79761
Telephone:

915-337-1536 (Office)
915-366-2147 (Home)
915-337-5677 (Mobile)

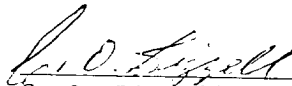
Kenneth Ragsdale
DEPCO, Inc.
Home Address : Box 646
Artesia, New Mexico 88210
Telephone: 505-746-3685 (Home)
505-365-2593 (Mobile)

13. CERTIFICATION.

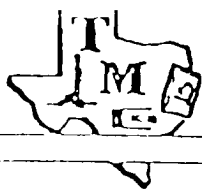
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge true and correct; and, that the work associated with the operations proposed herein will be performed by DEPCO, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

12-4-78

Date



C. O. Bizzell - Production Superintendent
DEPCO, Inc.



TEXAS MUD AND CHEMICAL CO.

P. O. BOX 1968

PHONE A/C 915/381-0400

ODESSA, TEXAS 79760

November 28, 1978

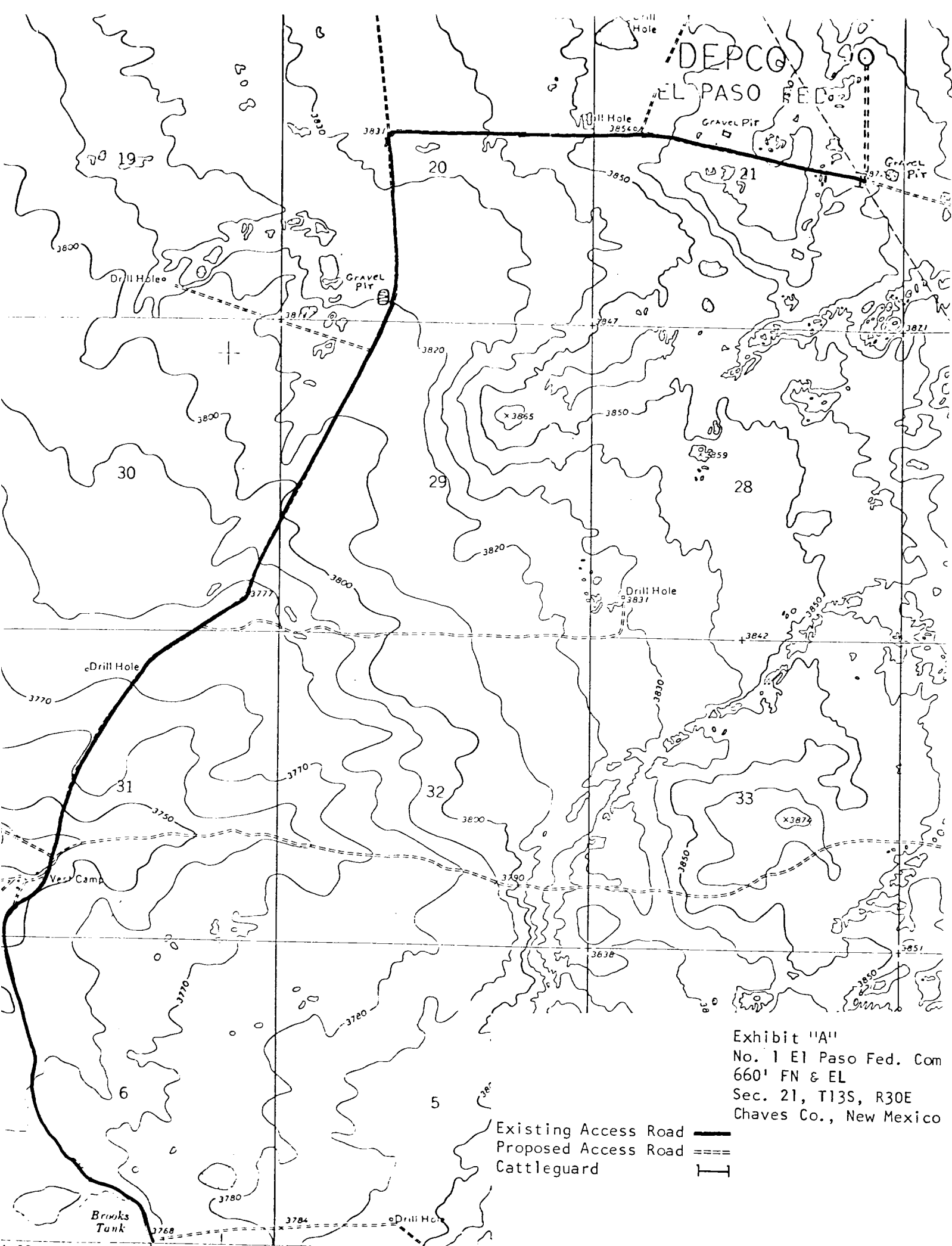
Depco, Inc.
800 Central
Odessa, Texas 79761

Attn: Mr. C. O. Bizzell

Dear Carl;

We are pleased to submit a Mud Program for your El Paso Federal Com. #1- to be drilled in Sec. 21, T-13S, R-30E in Chaves County, New Mexico.

0 - 300'	T.M.C. Gel and Lime Vis. 40-45 for hole conditions.
300 - 2,650'	Drill with native mud, circulating reserve. Add Mud Seal as needed for seepage. Caustic for P.H. control. 9.5 - 10. Sweep hole with 100 bbl. slug. 45-50 Vis. to run pipe.
2,650 - 6,000'	Drill with fresh water, circulating reserve. Caustic for P.H. control, adding Mud Seal if needed for seepage.
6,000 - 7,000'	Add brine if needed to raise chloride to 100,000 P.P.M. Add Salt Gel and Visbestos to raise Vis. 33-34. Add 2-3% oil, also, 2-3% K.C.L. to go into Abo shale.
7,000 - 9,000'	Maintain Vis. 33-34, Lower W/L 20 cc or less for D.S.T. in Wolfcamp. Maintain 2-3% oil.
9,000 - T.D.	Maintain same characteristic and lower W/L to 5 cc to go into Marrow.
Drlg. Hazards:	Possible Abo shale heaving.
Est. Mud Cost:	\$20,000.00
Engineer:	Ronnie Koonce - Odessa 915/381 0400
Stock Point:	Lovington, New Mexico - call Odessa - 915/381-0400



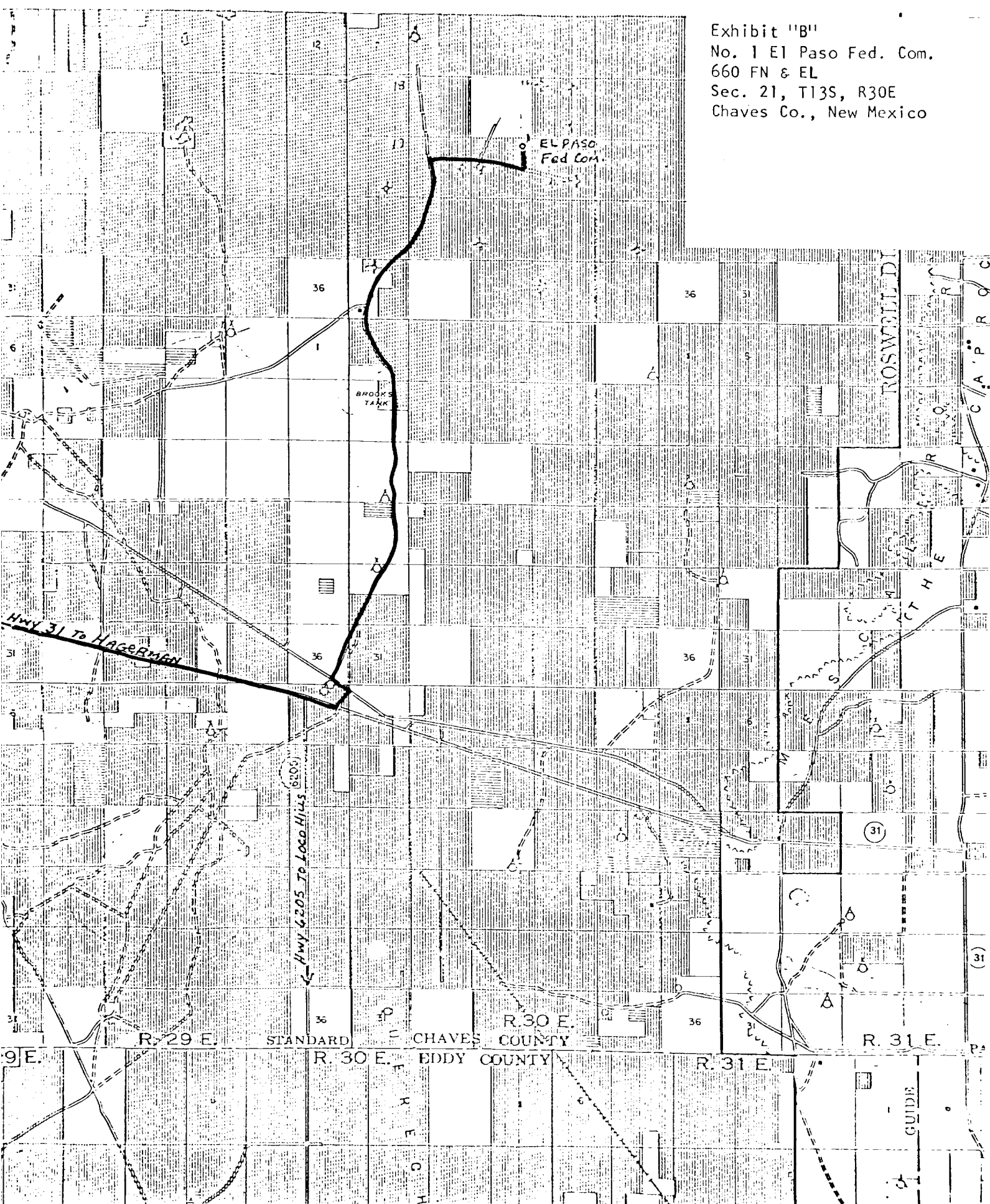


Exhibit "C"
No. 1 El Paso Federal Com.
660' FN & EL
Sec. 21, T13S, R30E
Chaves Co., New Mexico

<p>Exhibit "C"</p> <p>No. 1 El Paso Federal Com.</p> <p>660' FN & EL</p> <p>Sec. 21, T13S, R30E</p> <p>Chaves Co., New Mexico</p>		<p>State of New Mexico</p> <p>County of Chaves</p> <p>Section 21, Township 13 South, Range 30 East</p>		<p>U.S. 1862</p> <p>U.S. 1863</p> <p>U.S. 1864</p> <p>U.S. 1865</p> <p>U.S. 1866</p> <p>U.S. 1867</p> <p>U.S. 1868</p> <p>U.S. 1869</p> <p>U.S. 1870</p> <p>U.S. 1871</p> <p>U.S. 1872</p> <p>U.S. 1873</p> <p>U.S. 1874</p> <p>U.S. 1875</p> <p>U.S. 1876</p> <p>U.S. 1877</p> <p>U.S. 1878</p> <p>U.S. 1879</p> <p>U.S. 1880</p> <p>U.S. 1881</p> <p>U.S. 1882</p> <p>U.S. 1883</p> <p>U.S. 1884</p> <p>U.S. 1885</p> <p>U.S. 1886</p> <p>U.S. 1887</p> <p>U.S. 1888</p> <p>U.S. 1889</p> <p>U.S. 1890</p> <p>U.S. 1891</p> <p>U.S. 1892</p> <p>U.S. 1893</p> <p>U.S. 1894</p> <p>U.S. 1895</p> <p>U.S. 1896</p> <p>U.S. 1897</p> <p>U.S. 1898</p> <p>U.S. 1899</p> <p>U.S. 1900</p> <p>U.S. 1901</p> <p>U.S. 1902</p> <p>U.S. 1903</p> <p>U.S. 1904</p> <p>U.S. 1905</p> <p>U.S. 1906</p> <p>U.S. 1907</p> <p>U.S. 1908</p> <p>U.S. 1909</p> <p>U.S. 1910</p> <p>U.S. 1911</p> <p>U.S. 1912</p> <p>U.S. 1913</p> <p>U.S. 1914</p> <p>U.S. 1915</p> <p>U.S. 1916</p> <p>U.S. 1917</p> <p>U.S. 1918</p> <p>U.S. 1919</p> <p>U.S. 1920</p> <p>U.S. 1921</p> <p>U.S. 1922</p> <p>U.S. 1923</p> <p>U.S. 1924</p> <p>U.S. 1925</p> <p>U.S. 1926</p> <p>U.S. 1927</p> <p>U.S. 1928</p> <p>U.S. 1929</p> <p>U.S. 1930</p> <p>U.S. 1931</p> <p>U.S. 1932</p> <p>U.S. 1933</p> <p>U.S. 1934</p> <p>U.S. 1935</p> <p>U.S. 1936</p> <p>U.S. 1937</p> <p>U.S. 1938</p> <p>U.S. 1939</p> <p>U.S. 1940</p> <p>U.S. 1941</p> <p>U.S. 1942</p> <p>U.S. 1943</p> <p>U.S. 1944</p> <p>U.S. 1945</p> <p>U.S. 1946</p> <p>U.S. 1947</p> <p>U.S. 1948</p> <p>U.S. 1949</p> <p>U.S. 1950</p> <p>U.S. 1951</p> <p>U.S. 1952</p> <p>U.S. 1953</p> <p>U.S. 1954</p> <p>U.S. 1955</p> <p>U.S. 1956</p> <p>U.S. 1957</p> <p>U.S. 1958</p> <p>U.S. 1959</p> <p>U.S. 1960</p> <p>U.S. 1961</p> <p>U.S. 1962</p> <p>U.S. 1963</p> <p>U.S. 1964</p> <p>U.S. 1965</p> <p>U.S. 1966</p> <p>U.S. 1967</p> <p>U.S. 1968</p> <p>U.S. 1969</p> <p>U.S. 1970</p> <p>U.S. 1971</p> <p>U.S. 1972</p> <p>U.S. 1973</p> <p>U.S. 1974</p> <p>U.S. 1975</p> <p>U.S. 1976</p> <p>U.S. 1977</p> <p>U.S. 1978</p> <p>U.S. 1979</p> <p>U.S. 1980</p> <p>U.S. 1981</p> <p>U.S. 1982</p> <p>U.S. 1983</p> <p>U.S. 1984</p> <p>U.S. 1985</p> <p>U.S. 1986</p> <p>U.S. 1987</p> <p>U.S. 1988</p> <p>U.S. 1989</p> <p>U.S. 1990</p> <p>U.S. 1991</p> <p>U.S. 1992</p> <p>U.S. 1993</p> <p>U.S. 1994</p> <p>U.S. 1995</p> <p>U.S. 1996</p> <p>U.S. 1997</p> <p>U.S. 1998</p> <p>U.S. 1999</p> <p>U.S. 2000</p>	
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Exhibit "D"
No. 1 El Paso Fed. Com.
660' FN & EL
Sec. 21, T13S, R30E
Chaves Co., New Mexico

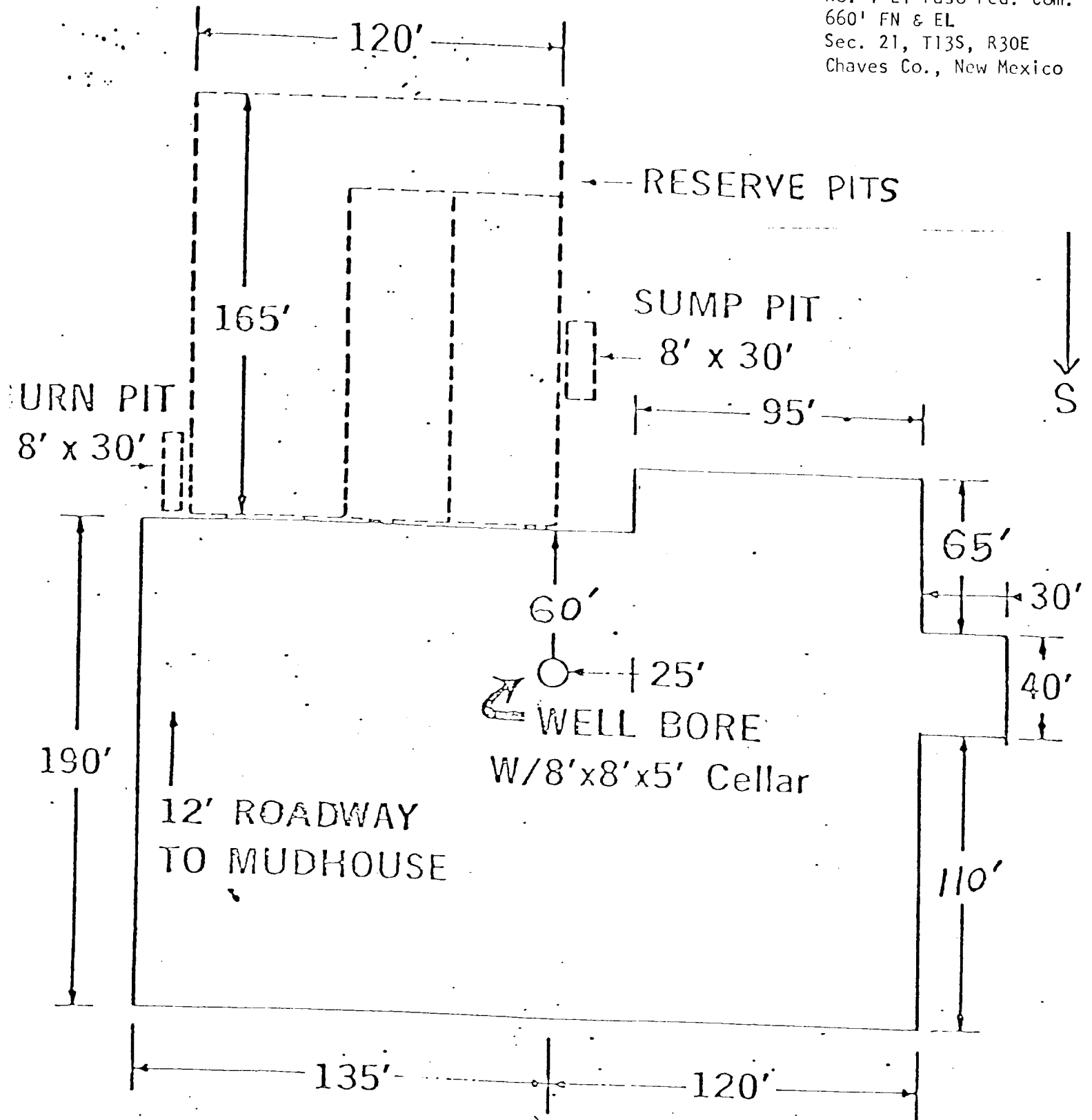
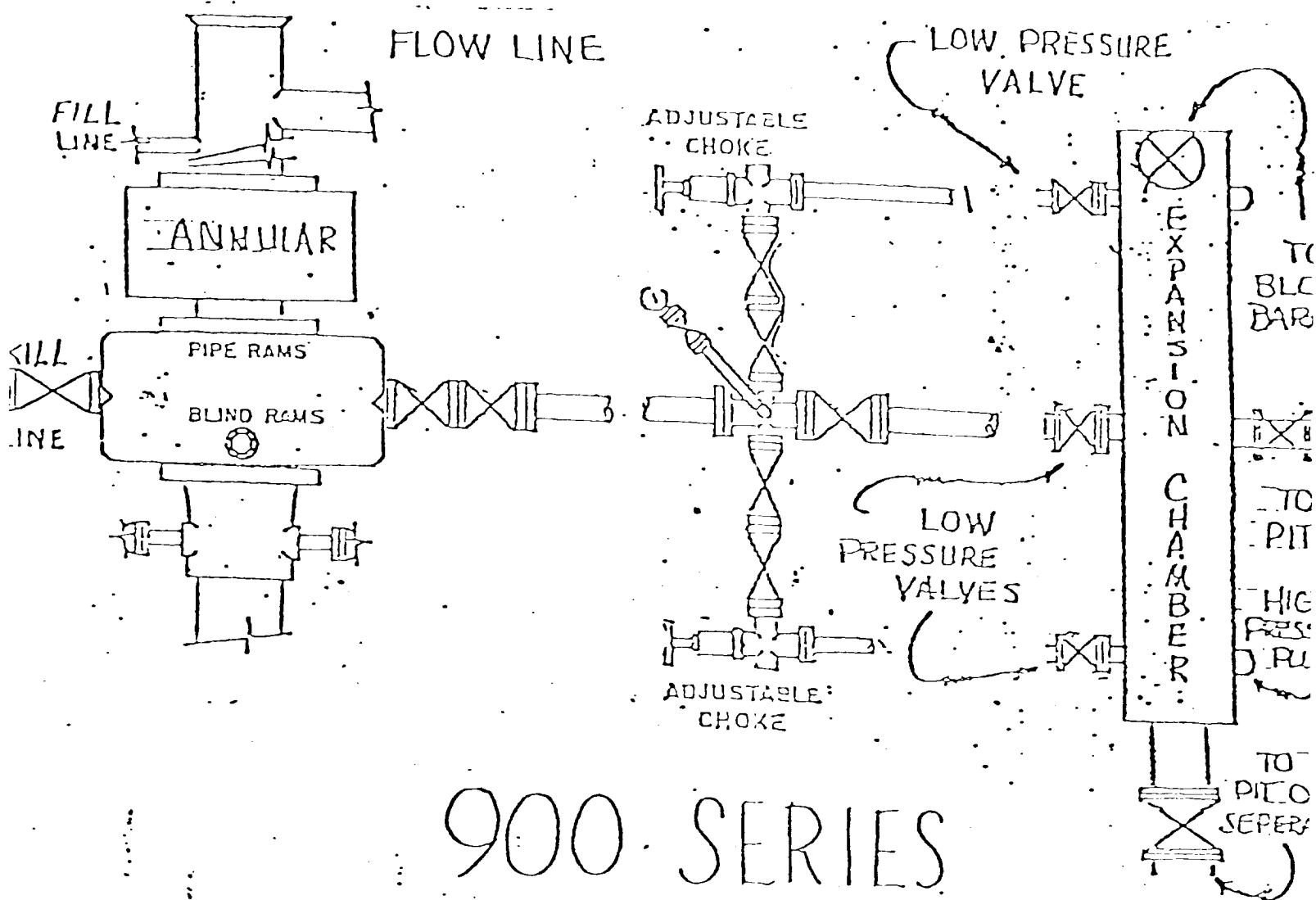


Exhibit "E"
No. 1 El Paso Fed. Com.
660' FN & EL
Sec. 21, T13S, R30E
Chaves Co., New Mexico



900 SERIES

MORANCO RIGS 5-6-9