N.M.O.C.D. COPY

United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U
Artesia, New Mexico 88210

RECEIVED
SEP 19 1979
O. C. C.
ARTESIA, OFFICE

September 18, 1979

Dalport Oil Corporation
3471 First National Bank Bldg.
Dallas, Texas 75202

Gentlemen:

DALPORT OIL CORPORATION	
Federal "4" No. 2	
660 FSL 1650 FWL	Sec. 4 T.15S R.30E
Chaves County	Lease No. NM-31259
Above Data Required on Well Sign	

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 2,300 feet to test the Queen 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 this 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 No. 595A, color 20318 or 30318).

5. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

(Orig. Sgd.) ALBERT R. STALL

Albert R. Stall
Acting District Engineer

Form 9-331 C
(May 1963)

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SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-005-20707

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL
OIL WELL [X] GAS WELL [ ] OTHER SINGLE ZONE [X] MULTIPLE ZONE [ ]

SEP 1 9 1979

2. NAME OF OPERATOR
Dalport Oil Corporation

O. C. C.
ARTESIA, OFFICE

3. ADDRESS OF OPERATOR
3471 First National Bank Bldg., Dallas, Tx. 75202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
660' FSL & 1650' FWL
At proposed prod. zone
Same

Unit N

5. LEASE DESIGNATION AND SERIAL NO.
NM ~~0199827~~ 31259

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal-4

9. WELL NO.
2

10. FIELD AND POOL, OR WILDCAT
Vest Ranch-Qn Assoc.

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
4-15S-30E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
16 miles north of Loco Hills

12. COUNTY OR PARISH
Chaves

13. STATE
N.M.

15. 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
160

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.
1700'

19. PROPOSED DEPTH
2300'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3972.5 gr.

22. APPROX. DATE WORK WILL START*
Sept. 25, 1979

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8"	24#	300	175 Sx "C"-circulate
7-7/8"	4-1/2"	9.5#	2300	150 Sx Lite & 150 Sx "C"

Will cement 8-5/8" surface casing at approx. 300', circulate cement, and WOC 18 hours. Test casing @ 600# for 30 minutes, drill out w/fresh water. Will mud up at approx. 1800 w/starch and gel to total depth. Will core and drillstem test Queen at 2200'. If productive, will run 4-1/2" to 2300' and will perforate as per gamma-neutron log. If sand frac is necessary, will use 20,000 gal. gelled water + 30,000# sand.

BOP Program: Shaffer hydraulic BOP's will be installed when rigging up, and will be used while rig is on location. See Exhibit "E".

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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 [signature] TITLE Geologist DATE 8-30-79

(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-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator	Lease	Well No.
DALPORT OIL CORPORATION	~~DAL~~ FED. - 4	2

Unit Letter	Section	Township	Range	County
N	4	15 SOUTH	30 EAST	CHAVES

Actual Footage Location of Well:
660 feet from the SOUTH line and 1650 feet from the WEST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3972.5	Queen	Vest Ranch-Queen Assoc.	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.

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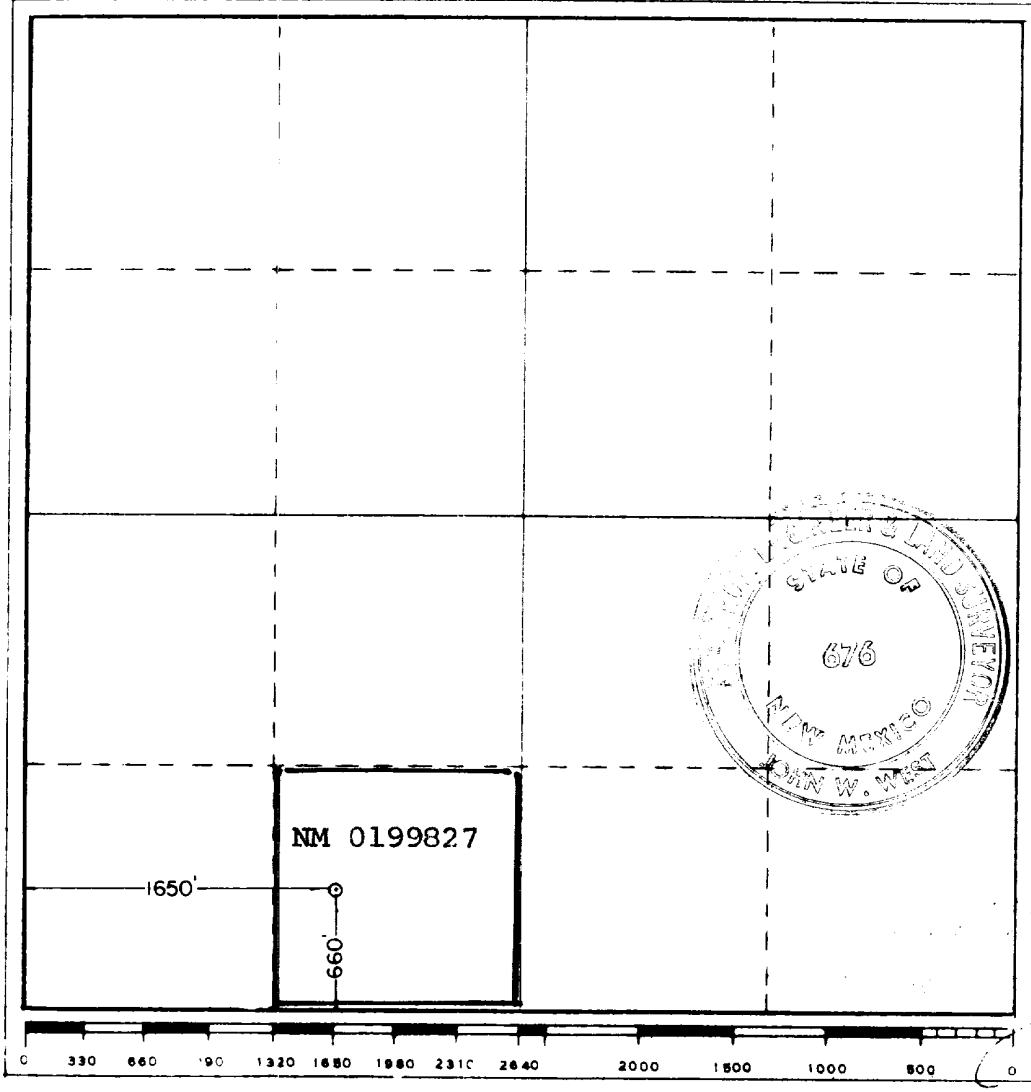


CERTIFICATION

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

Name: Leon M. Lampert

Position: Geologist

Company: Dalport Oil Corp.

Date: 8-30-79

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 24TH, 1979

Registered Professional Engineer and/or Land Surveyor

Certificate No. John W. West 676
Ronald J. Eidson 3239

DALPORT OIL CORPORATION
1134 THE 600 BUILDING
CORPUS CHRISTI, TEXAS 78401

CODE 512-882-7863

SURFACE USE PLAN

DALPORT OIL CORP. #1 FEDERAL-4
660' FSL & 1650' FWL, Sec. 4, 15S-30E
CHAVES COUNTY, NEW MEXICO
LEASE NM 0199827
VEST RANCH-QUEEN ASSOCIATED

1. EXISTING ROADS: For relationship within 3 miles of drillsite see Exhibits "A" and "B". From Roswell go to Hagerman, turn east on #31 for 25 miles. Turn north at Dalport Fed-4 sign, go 1/4 mile, turn east 1/4 mile to location.

2. PLANNED ROADS: Refer to Exhibit "C". (No cattle guards). Approximately 1320' of new 12-foot wide caliche road. No culverts or special drainage features are necessary. New road is colored red. Existing caliche ranch road is colored blue and may be bladed on rough spots. The center line of the proposed new access road has been staked and flagged.

3. LOCATION OF EXISTING WELLS: Exhibit "A". Nearest production is 1700' to the northwest.

4. TANK BATTERIES, PRODUCTION FACILITIES AND LEASE PIPELINES: There is a Tuco pipeline connection at the #1 Fed-4 well in NW SW of Sec. 4. If oil production is found, a battery will be constructed along the road on southeast part of map (Exhibit "D").

5. WATER SUPPLY: Water will be trucked from nearest commercial source.

6. CONSTRUCTION MATERIAL: Construction materials will be hauled along existing road to proposed new road and drillsite. See Exhibit "A". Caliche will be obtained from pit in Sec. 5, approximately 2640' FEL, 1600' FSl (Exhibit "B").

7. WASTE DISPOSAL: Exhibit "D". Well cuttings will be disposed of in reserve pit. Barrel trash containers to be in accessible locations within drillsite area during drilling and completion procedures. All detrimental wastes will be hauled away, burned, or buried with a minimum cover of 36" of dirt. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. Any produced water will be collected in tanks until hauled to an approved disposal system. No waste water pits will be constructed without prior approval of the U.S.G.S.

8. ANCILLARY FACILITIES: No camps, airstrips, etc. will be constructed.

9. WELLSITE LAYOUT: See Exhibit "D".

   A. Mat size - 200' X 170'.

   B. Cut and fill - location is rolling and will be cut and filled as necessary.

C. Reserve Pit - approximately 110' x 70' to north of mat.

10. RESTORATION OF SURFACE: If well is productive, pits will be back-filled and leveled as soon as practical. All plastic lining and other waste material will be removed or buried with at least 36" of cover. At time of final abandonment other U.S.G.S. and B.L.M. restoration stipulations will be complied with.

11. OTHER INFORMATION :

A. Setting and Environment

Terrain - low rolling sand hills. See Exhibit "B", Topographic Map of Area.

Soil - sandy, hard dirt.

Vegetation - sparse, being mostly grease woods, shinnery, and other semi-desert plants with very little grass.

Distance to nearest ponds and streams - no surface waters within 1/2 mile.

Water wells - none within 1/2 mile.

Residences and buildings - none within 1/2 mile.

Arroyos, canyons, hills, etc. - outside of low rolling sand hills, there are no surface features within 1/2 mile. See Exhibit "B".

Surface use - grazing, some hunting.

Effect on environment - drillsite is nearly flat, semi-arid country, is in a low environmental risk area. The total effect of drilling and producing this and other wells in this area would be minimal.

B. Surface Ownership

The proposed drillsite is on federal surface with a grazing lease issued to Bogle Farms. All new and reconstructed roads are also on federal surface.

C. Open Pits

All unattended pits containing mud or other liquids will be fenced.

D. Well Sign

Identification and location sign will be maintained at drillsite commencing when well is spudded.

12. OPERATOR'S REPRESENTATIVES:

Field personnel who can be contacted concerning surface use plan are:

Billy John Smith
1912 Oak Street
Artesia, New Mexico 88210

Home Phone: (505) 746-4358

A. C. Magee
3304 Trailing Heart Road
Roswell, New Mexico 88201

Home Phone: 623-5868
Mobile Phone: 676-3330

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 Dalport Oil Corp. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. A copy of this plan will be posted at the wellsite during the drilling of the well for reference by all contractors and subcontractors.

August 30, 1979
Date

Leon M. Lampert
Leon M. Lampert, Geologist

APPLICATION FOR DRILLING

Dalport Oil Corporation
#2 Federal-4
660' FS & 1650' FW, Sec. 4, 15S-30E
Chaves County, New Mexico
Lease: NM 0199827

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Dalport Oil Corporation submits the following items of pertinent information in accordance with USGS requirements.

1. The geologic surface formation is Mescalero Sands of Recent age.

2. The estimated tops of geologic markers are as follows:

Rustler	500'
Salado	620'
Tansill	1340'
Yates	1430'
Seven Rivers	1560'
Queen	2210'

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

Water:	No water is anticipated based on cable tool holes in the area.
Oil:	Queen at approx. 2210 feet.
Gas:	None.

4. Proposed Casing Program: See Form 9-331C.

5. Pressure Control Equipment: See Form 9-331C and Exhibit "E".

6. Mud Program: See Form 9-331C.

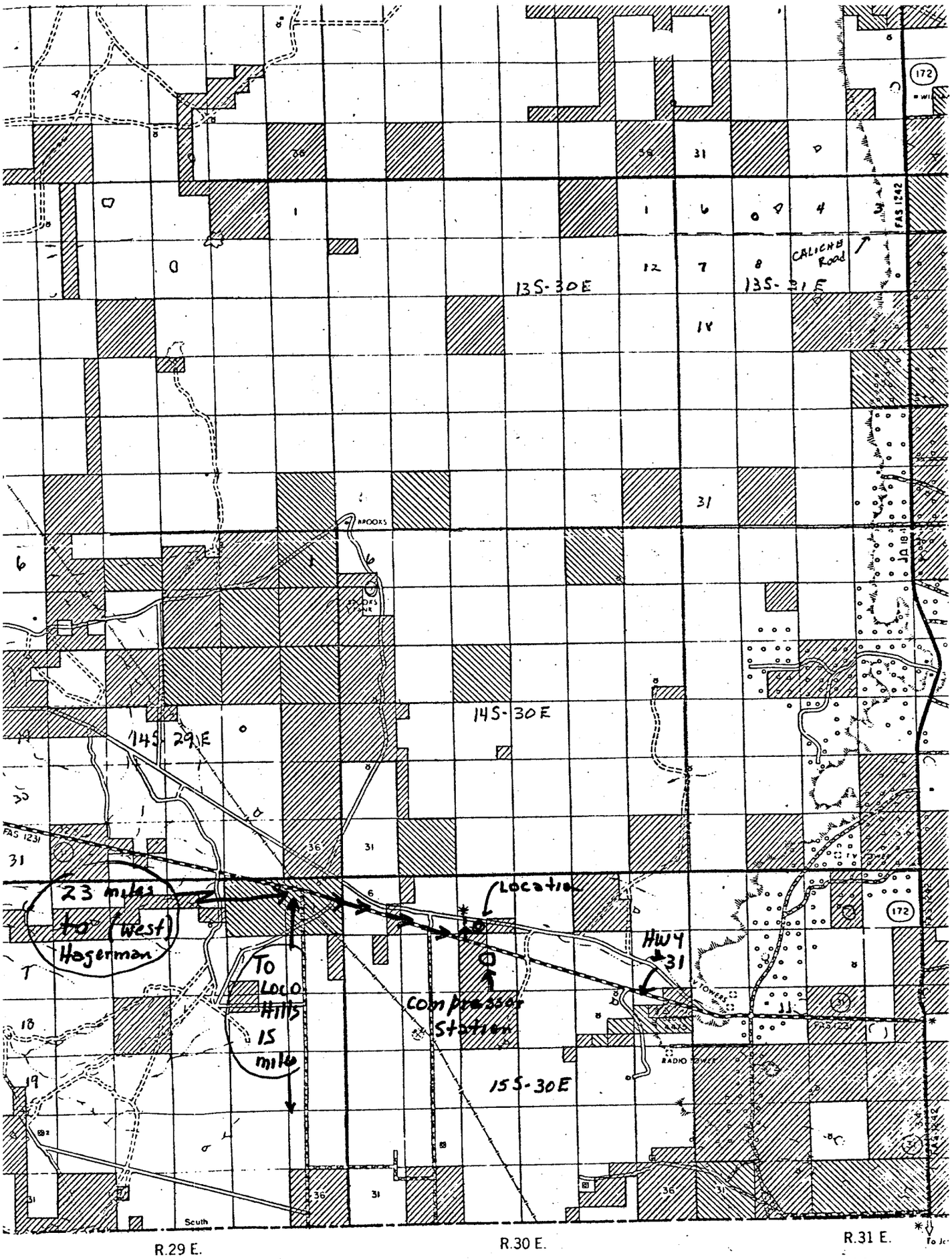
7. Auxiliary Equipment: Blowout Preventer.

8. Testing, Logging and Coring Program:

Drill Stem Test:	1 in the Queen at approx. 2200'
Coring:	1 in the Queen at approx. 2200'
Logging:	Gamma-neutron log after casing is set

9. No abnormal pressures are anticipated. Maximum anticipated bottom hole pressure should be 600# in the Queen.

10. Anticipated starting date: 9/25/79.
Anticipated completion date: Approx. 14 days after starting date.



N T Y

Exhibit A
Highway Map
Surface Use Plan

Existing Access Road

Note: From Hagerman, go 25½ or 26 miles east on #31, turn north at Fed-4-515n, ¼ mile, turn east.

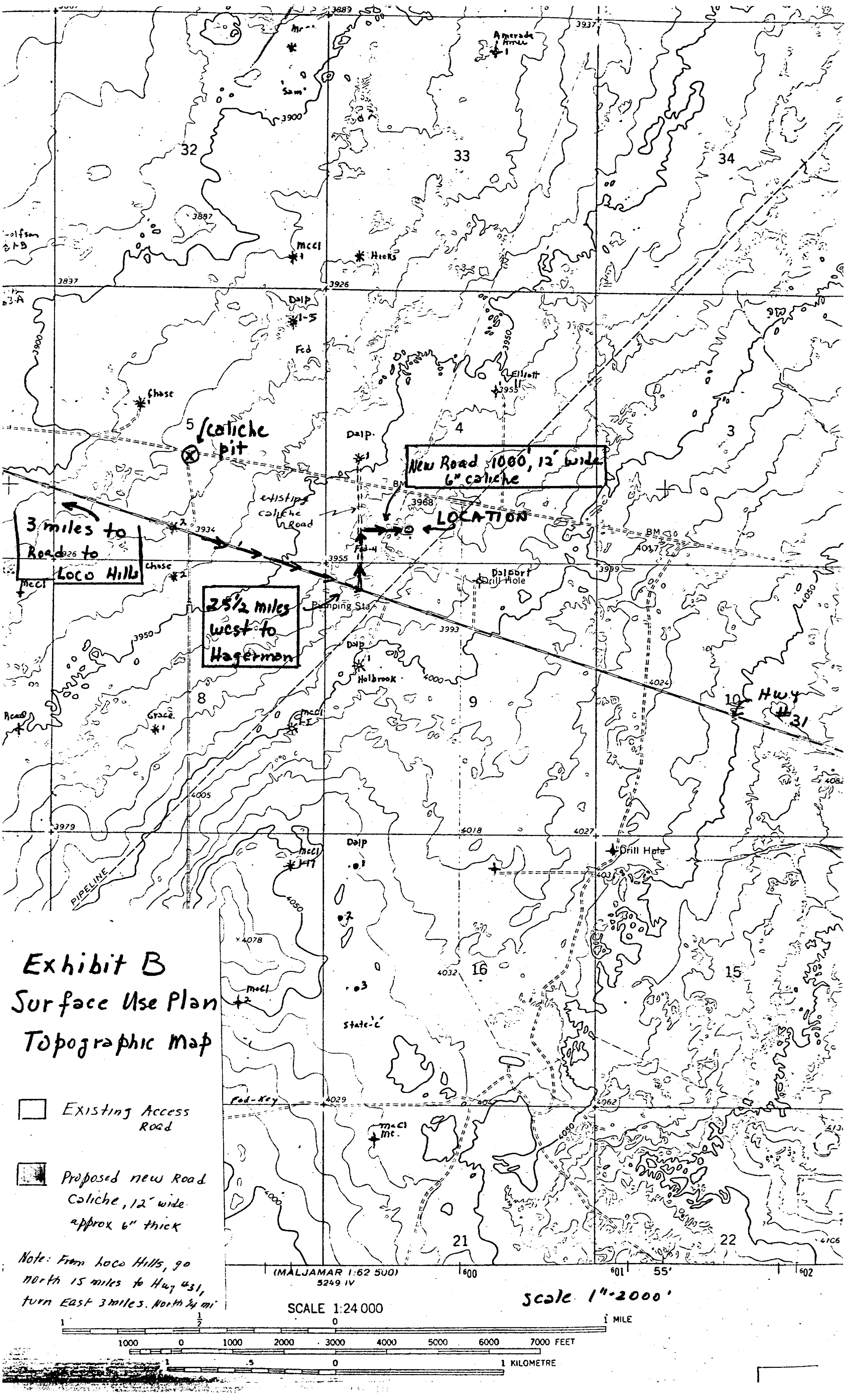


Exhibit B
Surface Use Plan
Topographic Map
Existing Access Road
Proposed new Road Caliche, 12' wide approx 6" thick
Note: From Loco Hills, go north 15 miles to Hwy 31, turn East 3 miles. North 1/4 mi
caliche pit
New Road 1000', 12' wide 6" caliche
existing caliche Road
LOCATION
3 miles to Road to Loco Hills
25 1/2 miles west to Hagerman
Hwy #31
Pumping Sta
PIPELINE
Dalport Drill Hole
Drill Hole
Holbrook
Chase
Grace
Elliott
Hicks
Amerada
State-C
Fed-Key
32
33
34
5
4
3
8
9
10
16
15
21
22
(MALJAMAR 1:62 500)
5249 IV
scale 1"=2000'
SCALE 1:24 000
1 MILE
7000 FEET
1 KILOMETRE

DALPORT OIL CORP # 2 Federal - 4

TOWNSHIP _____ RANGE _____ COUNTY _____

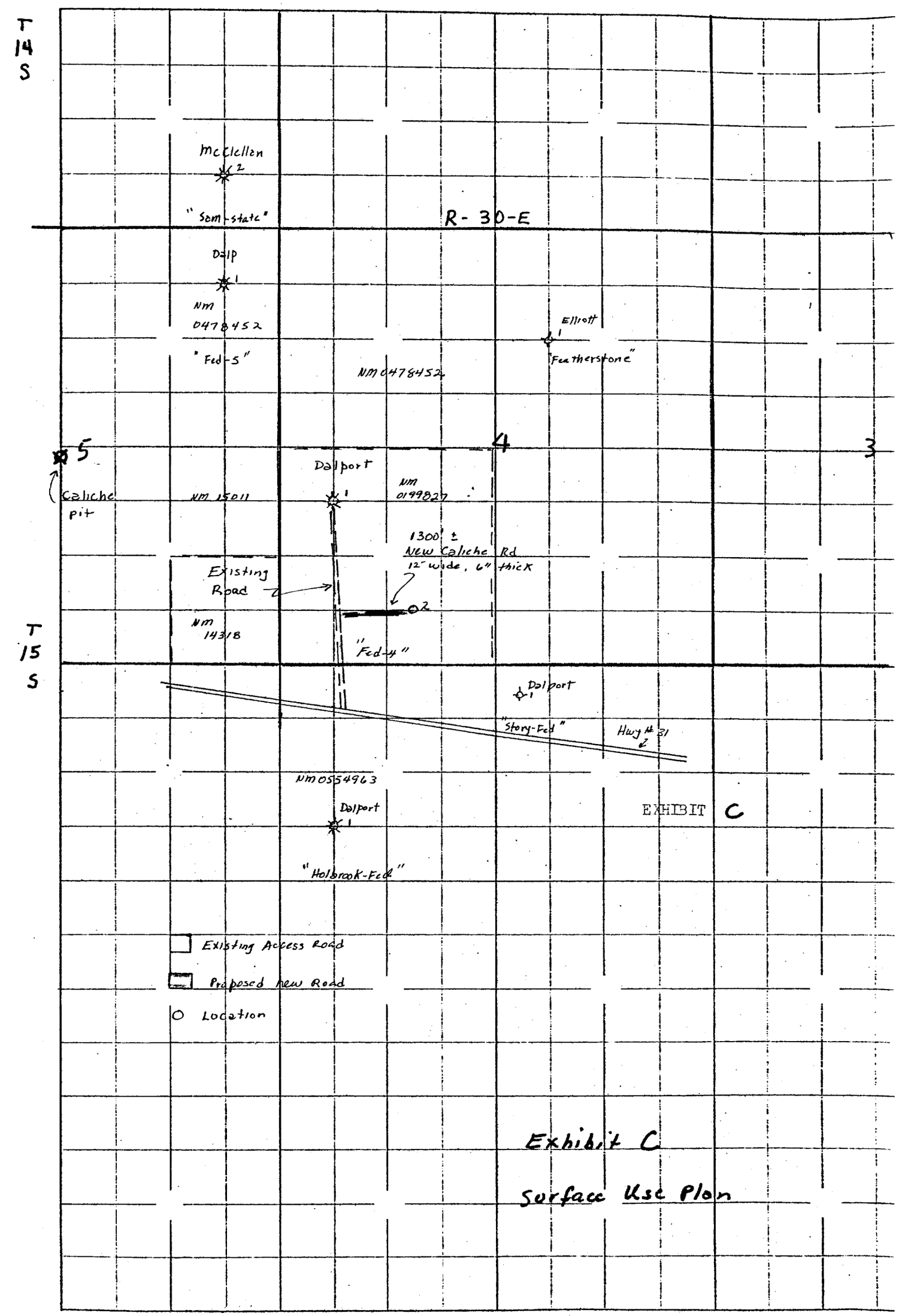
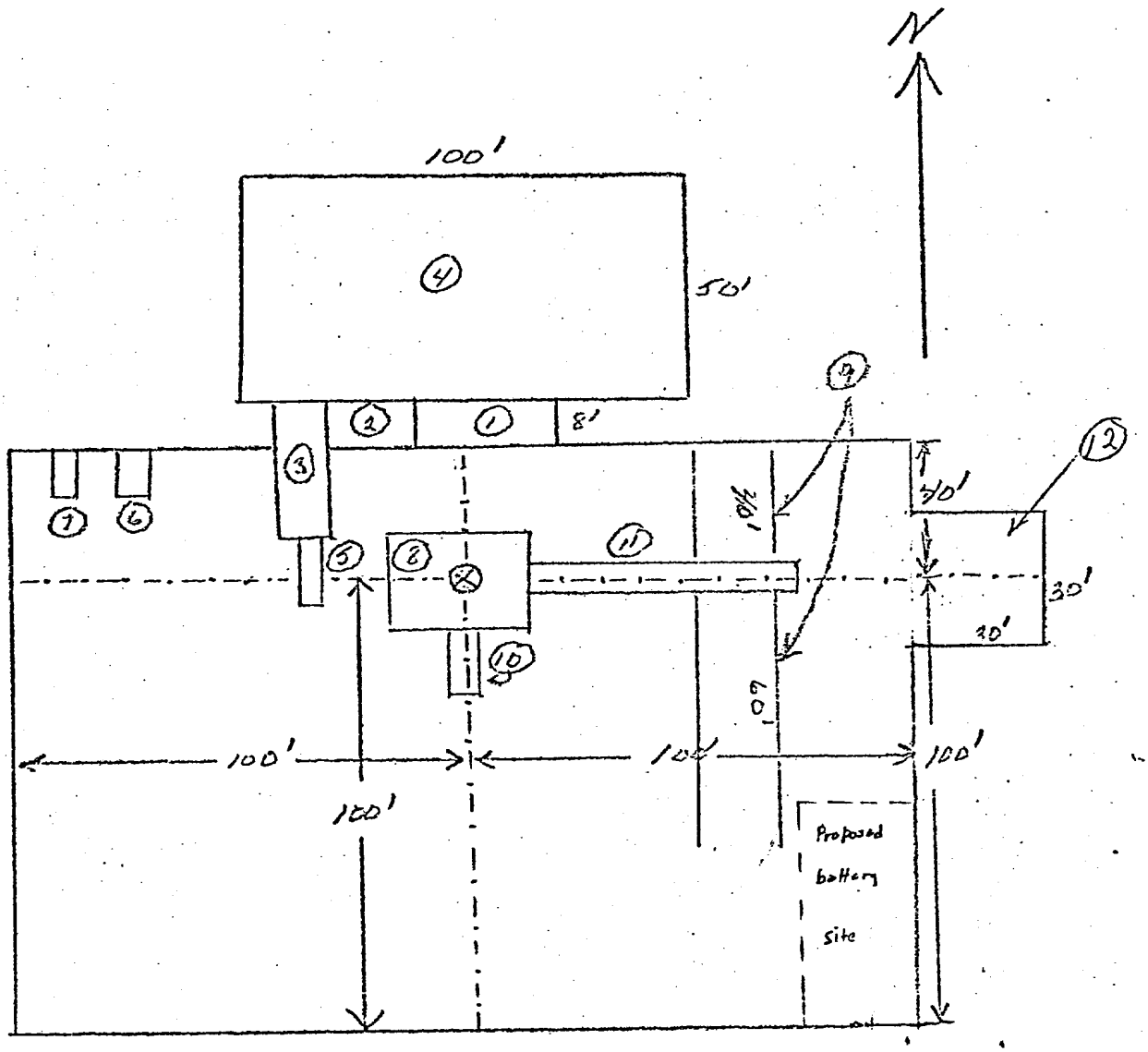


EXHIBIT C

Exhibit C

Surface Use Plan

...K DRILLING CO., INC.
RIG #1 LOCATION & MUD PIT SPECS.



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 Racks
10. Dog House
11. Cat Walk 60'
12. Stinger

Surface Use Plan

Exhibit 'D'

Schaeffer Type E 10" Series 900 Hydraulic BOP. The waste and debris from this well will be disposed of in a reserve pit and covered up.

SHAFFER HYDRAULIC BLOWOUT PREVENTERS

(Patented)

TYPE B and TYPE E PREVENTERS

Shaffer Type B and Type E Blowout Preventers are similar in basic design and construction, except that the Type B has a *non-rising* locking shaft (for applications where end dimensions must be kept to a minimum) —and the Type E has a *rising* locking shaft (to provide quick indication of ram position where end dimensions are not critical). Externally, the only visual difference between the two designs is in the end caps, as shown in Fig. 52 and 53. Internally, there are differences in the locking shaft parts, as shown in the exploded views, Figs. 58 and 61.

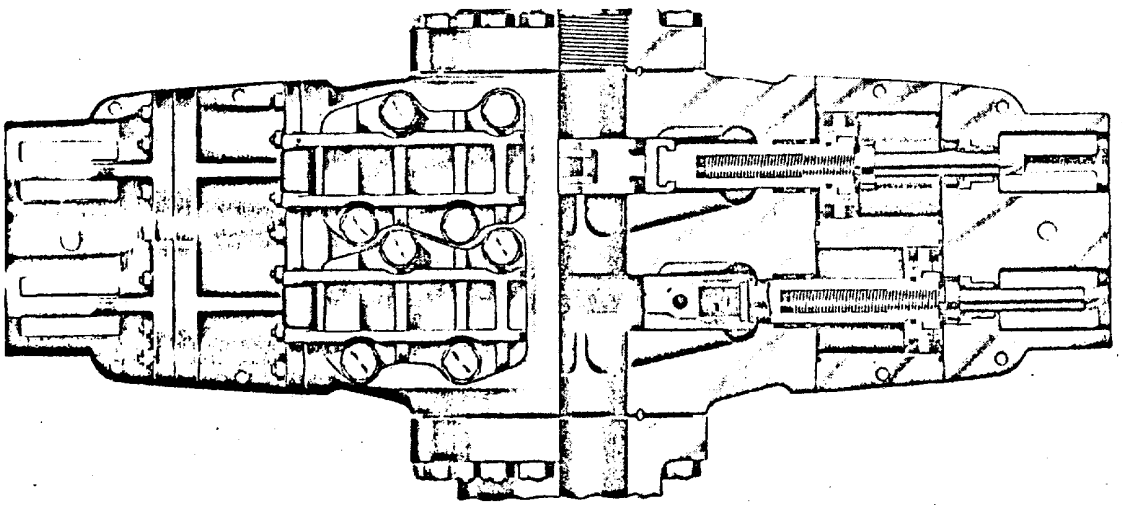


Fig. 52
Shaffer Type E Hydraulic Double Blowout Preventer—Front View

10" Shaffer Type B Series 900, Double Hydraulic w/Payne Closing Unit.

SIDE DOOR RAM CHANGES

In Type B and Type E Preventers, access to the ram compartments is through heavily-ribbed side doors, which are hinged and bolted to the body. The doors are fitted with adequate packing to amply withstand the pressure rating of the Preventer, and are opened by simply loosening four cap screws in each door, whereupon they can be readily swung open. The cap screws remain in the door when opened, eliminating risk of losing or misplacing them.

Each side door incorporates a horizontal guide which, in conjunction with integral guides in the opposite side of the body, holds the ram assemblies in accurate horizontal alignment when the doors are closed. Therefore, the ram assemblies are automatically centered in the Preventer body by simply closing and bolting the doors. Note in Figs. 15 through 18, Page 4347, the ease with which rams are changed through the side-opening doors.

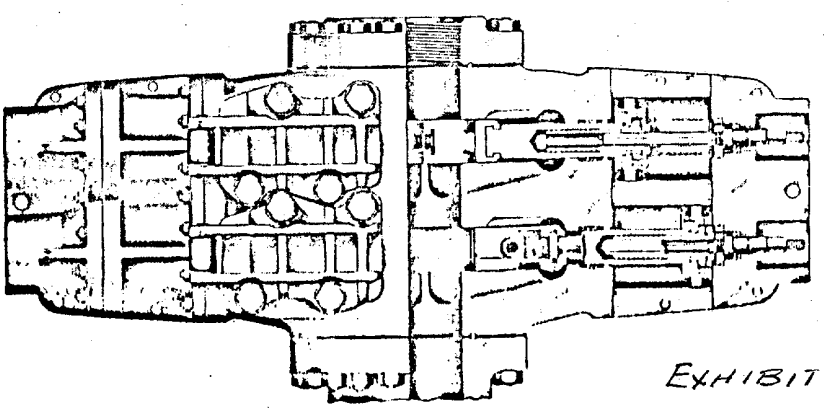


EXHIBIT "E"

Fig. 53
Shaffer Type B Hydraulic Double Blowout Preventer—Front View