



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U
Artesia, New Mexico 88210

SEP 21 1979

Moranco
P. O. Box 1860
Hobbs, New Mexico 88240

Gentlemen:

MORANCO
Western Reserves Fed. "34" No. 1
330 FNL 1650 FWL Sec. 34 T.7S R.31E
Chaves County Lease No. NM 046153-A

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 4,300 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 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. 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,

Albert R. Stall
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

MORANCO

3. ADDRESS OF OPERATOR

P. O. Box 1860, Hobbs, NM 88240

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

At surface

Section 34, T-7-S, R-31-E, 33C FNL + 1650FNL

At proposed prod. zone

San Andres

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

11.5 miles south of Kenna

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)330/N
1650/E

16. NO. OF ACRES IN LEASE

80

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.

NA

19. PROPOSED DEPTH

4300'±

20. ROTARY OR CABLE TOOLS

Rotary

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

4340.7' GR

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"	24#	1700'±	700 sx Circ. to surface
7 7/8"	4 1/2"	10.5#	4300'±	300 sx

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

Joe T. Janica

TITLE

Agent

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 10-1
Supersedes 10-1-68
10-1-70

All distances must be from the outer boundaries of the Section

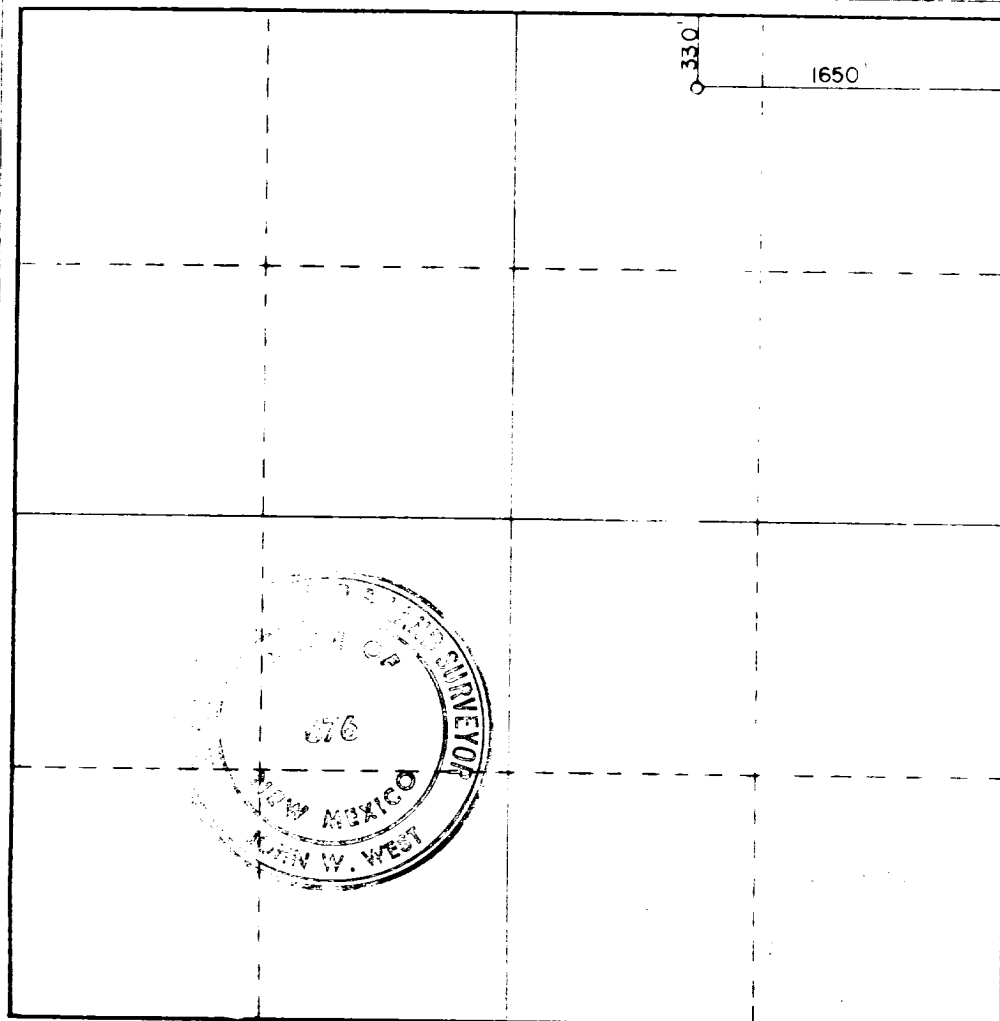
MORANCO			Lease		Western Reserve Fed 34 Fed.		1	
Block	Section	Township	Range	Chaves				
B	34	7 South	31 East					
A. Location of Well:								
330		feet from the North	line and	1650	feet from the East			
Surface Elev.	Producing Formation		Per	East				
4340.7	San Andres		Tom-Tom	Sa		40		

- 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.



RECEIVED

SEP 7 1979

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

JOE T. JONES
Agent

MORANCO

9/7/79

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
September 1, 1979

Registered Professional Engineer
and State Surveyor

Patrick A. Romero

Certificate No. John W. West 676
Patrick A. Romero 6663

Application to Drill

MORANCO
Western Reserves Federal '34' #1
Section 34, T-7-S, R-31-E
Chaves County, New Mexico

In response to questions asked under Section II B of Bulletin NTL-6, the following answers are provided for your consideration:

1. Location: 330' FNL & 1650' FEL, Section 34, T-7-S, R-31-E, Chaves County, New Mexico
2. Elevation Above Sea Level: 4340.7'
3. Geologic Name of Surface Formation: Alluvium
4. Drilling Tools and Associated Equipment: Conventional rotary drilling rig using mud for the circulation medium.
5. Proposed Drilling Depth: 4300'±
6. Estimated Geological Marker Tops: Yates 2010', San Andres 3165', Pi Marker 3708', San Andres Porosity 3939'.
7. Mineral Bearing Formation: water bearing - none; gas bearing - none; oil bearing - San Andres at 3940'.
8. Casing Program: (A) Surface casing - 8 5/8" - 24#/ft - K-55 new casing. (B) Production casing - 4 1/2" - 10.5#/ft - K-55 new casing.
9. Setting Depth of Casing and Cement for Same: (A) 8 5/8" casing set at 1700'. Cement will be circulated to surface using 500 sacks of Halliburton light with 5# gilsonite/sack, 1/4# flocele/sack, 0.2% CaCl. Followed by 200 sacks Class 'C' 0.2% CaCl. (B) 4 1/2" casing set at 4300'± and will be cemented with 300 sacks Class 'C', 50-50 pozmix, 8# salt/sack, 3% CFR-2, 1/4# flocele/sack.
10. Pressure Control Equipment: Blowout preventers will be installed on the surface casing. They will be 10" API Series 900 Dual preventers adapted for the drilling contractor's 4 1/2" and 5 1/2" drill pipe. They will be capable of closing

Application to Drill

MORANCO Western Reserves Federal '34' #1

Page 2

10. Pressure Control Equipment (Continued): off on all open areas. The blowout preventers will be hydraulically actuated by an 80-gallon Payne accumulator. The blowout preventers will be tested to 2000 psig after they are installed on the surface casing, prior to drilling out and each time they are removed or rearranged on the wellhead.
11. Proposed Circulation Medium: Mud will be used for the circulating medium for all depths in this well. The following mud properties will be maintained: Viscosity sufficient to clean hole; weight 9.5-10.0 ppg; viscosity through pay zone 45 to 50 for good samples.
12. Testing, Logging and Coring Programs: (A) Testing - All testing will be commenced after the well is drilled and casing has been set and cemented. (B) Logging - At total depth the following logs will be run: 0-4000'± sidewall neutron porosity with gamma ray and caliper, dual laterolog, micro-S.F.L. (C) No coring.
13. Potential Hazards: No abnormal pressure or temperature zones are anticipated. Hydrogen sulfide gas is not expected to be a problem; however, the drilling rig will be so situated as to allow all gas vapors to be expelled away from all personnel gathering sites and engine exhausts.
14. Anticipated Starting Date and Duration of Operations: Commence September 30, 1979. Three weeks to completion on October 21, 1979.
15. Other Facets of Operation: After running 4 1/2" casing, cased hole gamma ray collar correlation logs will be run from total depth to 3300'±. The San Andres porosity pay will be perforated and acidized. The well will then be swab tested and a pumping unit will be installed to potential and produce the well.

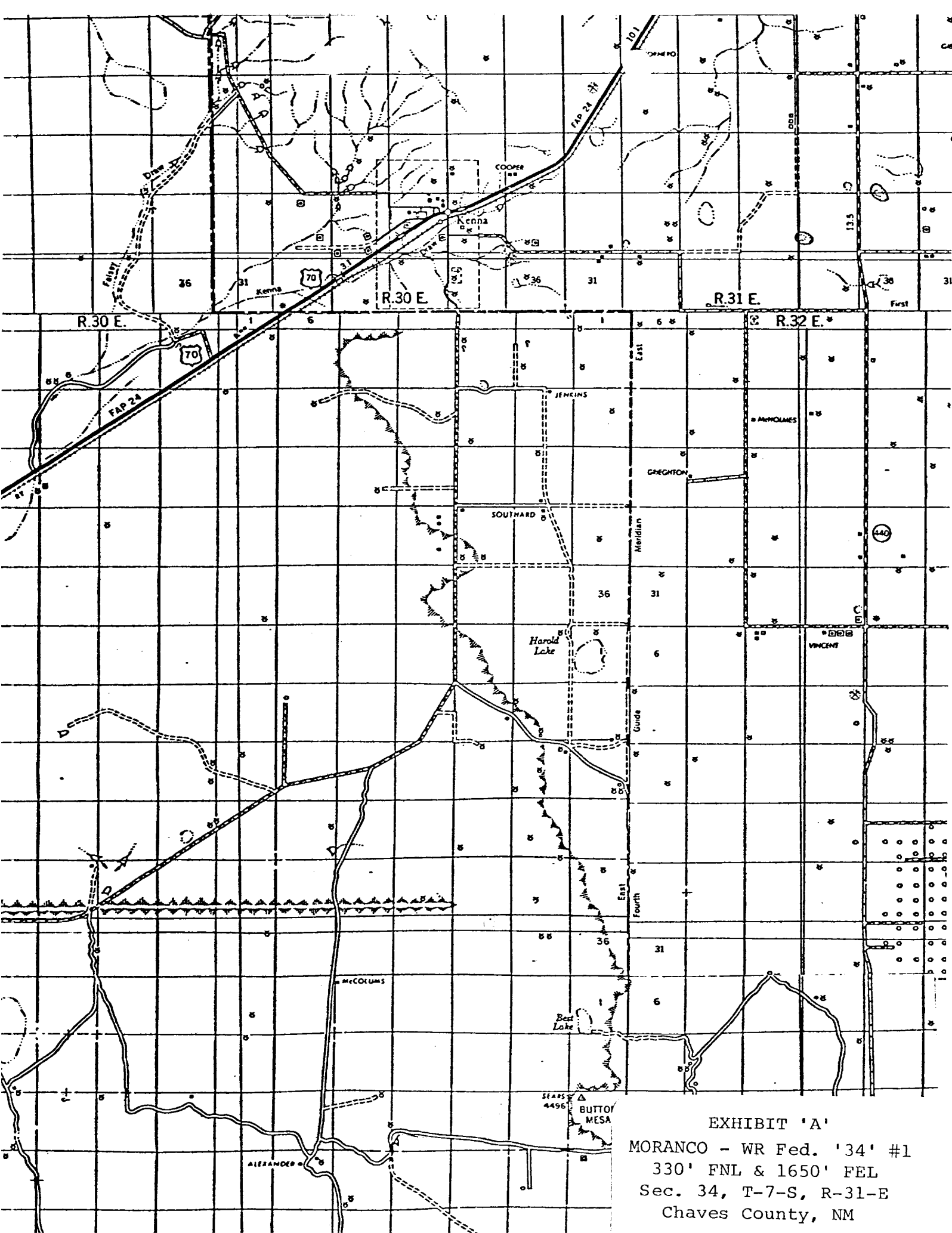


EXHIBIT 'A'
MORANCO - WR Fed. '34' #1
330' FNL & 1650' FEL
Sec. 34, T-7-S, R-31-E
Chaves County, NM

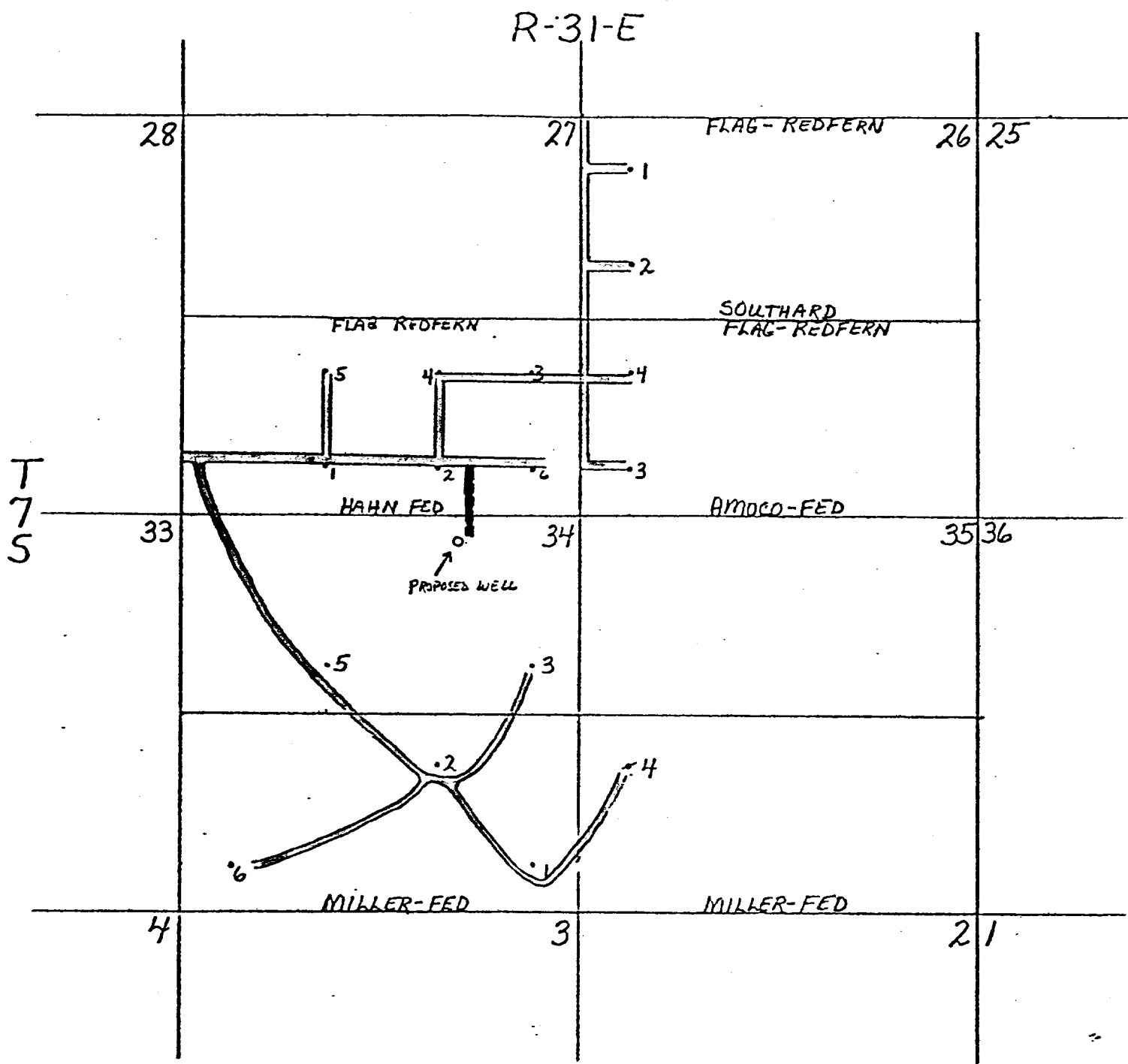


EXHIBIT "B"

Natural Resources Evaluation
and Engineering Inc.



AREA PLAT

WELL NO. 1, MORANCO-W.R. FED 34
330' FNL & 1650' FEL
Sec 34 T-7 S. R-31-E

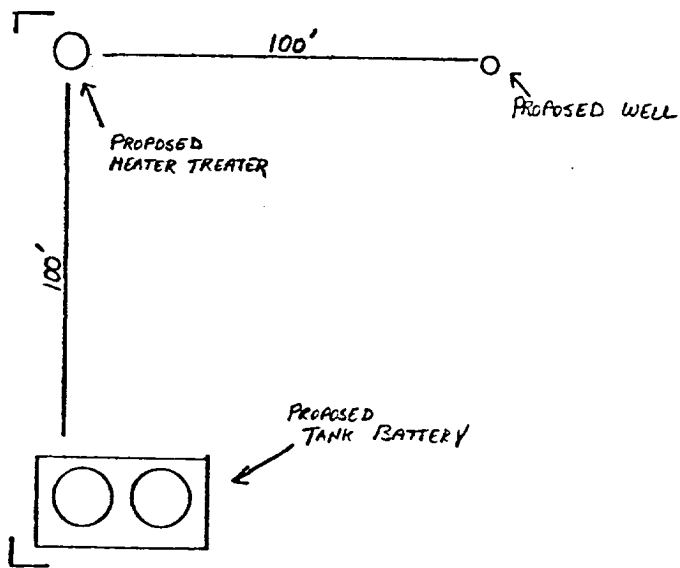


EXHIBIT "C"
 MORANCO - W.R. - FED 34th
 330' FNL & 1650' FEL
 CHAVES COUNTY, N.M.

Scale 1" = 50'

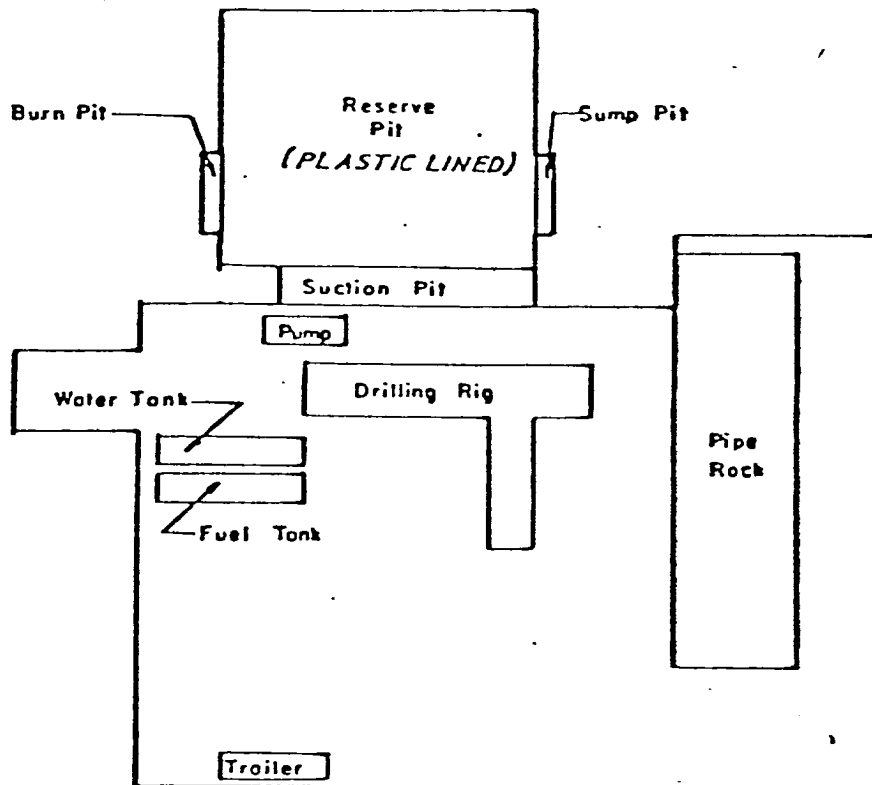


EXHIBIT "D"

Natural Resources Evaluation
and Engineering Inc.



WELL SITE LAYOUT

WELL NO. 1 - MORANCO - W.R. FED 34
330' FNL & 1650' FEL
SEC 34, T-7-S, R-31-E
CHAVES COUNTY, N.M.

R E C E I V E D

SEP 24 1979

**O. C. C.
ARTESIA, OFFICE**

R E C E I V E D

SEP 27 1979

O. C. D. HOBBS, OFFICE