



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U
Artesia, New Mexico 88210

May 5, 1980

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

Gentlemen:

MORANCO
Western Reserves Fed "34" No. 3
330 FNL 2310 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 4,130 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. All access roads will be limited to a 12 foot wide driving surface, excluding turnarounds. Surface disturbance associated with road construction will be limited to 20 feet in width.
4. 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.
5. 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).
6. Notify the Survey by telephone 24 hours prior to spudding well.
7. Cement behind the 8-5/8" casing must be circulated.
8. 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,

George H. Stewart

George H. Stewart
Acting District Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY30-015-20739
5. LEASE DESIGNATION AND SERIAL NO.

NM-046153-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Western Reserves Fed '34

9. WELL NO.

3

10. FIELD AND POOL, OR WILDCAT

Tom-Tom (San Andres)

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec 34, T-7-S, R-31-E

12. COUNTY OR PARISH

Chaves

13. STATE

N.M.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

2. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
ZONE ☒MULTIPLE
ZONE ☐

3. NAME OF OPERATOR

Moranco

4. ADDRESS OF OPERATOR

P. O. Box 1860 Hobbs, NM 88240

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

At surface 2310' FWL & 330' FNL Sec 34, T-7-S, R-31-E

At proposed prod. zone

San Andres

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

11.5 miles south of Kenna, NM

15. DISTANCE FROM PROPOSED* 2310' FWL
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT. 330' FNL
(Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE

120

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. WEST Fed 34 #1

1320' to

19. PROPOSED DEPTH

4130±

20. ROTARY OR CABLE TOOLS

Rotary

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

G.R. 4328

22. APPROX. DATE WORK WILL START*

June 15, 1980

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#	1650±	700 SX (Circulate Cement to surface)
7 7/8"	4 1/2	9.5#	4130±	300 SX

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U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

Jung W. Franklin

Agent

DATE

4/14/80

This permit is valid for Federal or State office use.

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

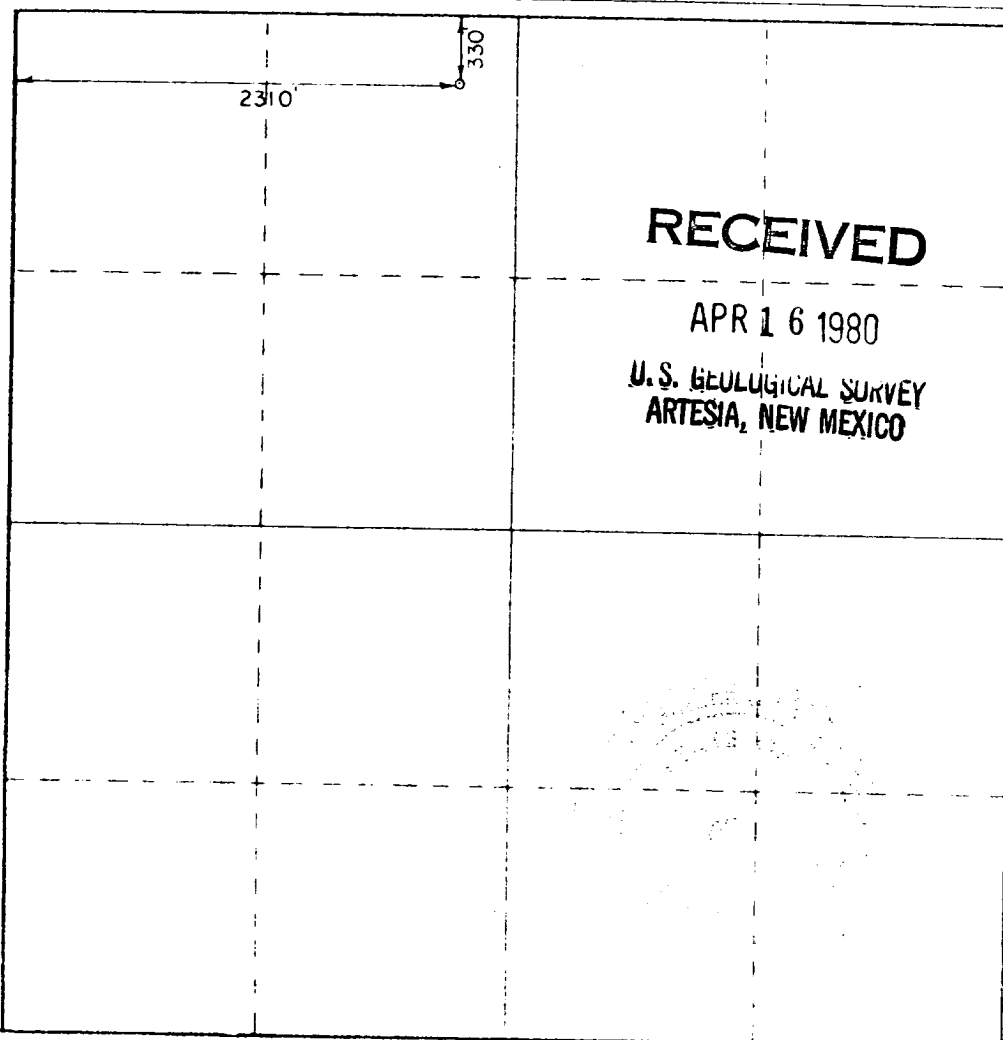
Owner: Moranco, Inc.		Section: Western Reserve Fed 34		Range: 3
Section: 34	Range: 7 South	Range: 31 East	County: Chaves	
Distance from North: 330		Distance from West: 2310		
Section: 4325.1	Forming Formation: San Andres	Form: Tom-Tom	Estimated Acreage: 40	

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.

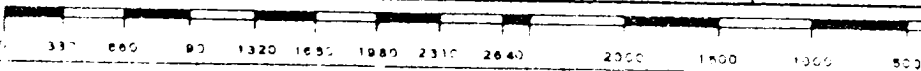
Name: *Jerry Franklin*
 Position: _____
 Agent: _____
 Company: _____
 Date: **April 3, 1980**

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: **4-1-1980**

Registered Professional Engineer
and Licensed Surveyor

John W. West
 Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6663



Application to Drill

MORANCO
Western Reserves Federal '34' #3
Section 34, T-7-S, R-31-E
Chaves County, New Mexico

The following answers are provided for your consideration, in response to your outline under Section II of Bulletin NTL-6.

1. Location: 2310' FWL & 330' FNL, Section 34, T-7-S, R-31-E, Chaves County, New Mexico
2. Elevation Above Sea Level: 4328'
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: 4130'[±]
6. Estimated Geological Marker Tops: Rustler 1640', Salado 1700', Yates 2025', San Andres 3140'
7. Mineral Bearing Formation: Water 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" - 9.5#/ft - K-55 new casing
9. Setting Depth of Casing and Cement for Same: (A) 8 5/8" casing set at 1650'[±]. Cement will be circulated to surface using 500 sacks of Halliburton light with 3# 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 4130'[±] and will be cemented with 300 sacks Class 'C', 50-50 pozmix, 8# salt/sack, 3% CFR-2, 1/4# flocel/sack.
10. Pressure Control Equipment: Blowout preventers will be installed on the surface casing. They will be 10" API Series 900 Type B, Blowout Preventer with 4 1/2" pipe rams. Hydraulic operated 6000# test. The blowout preventers will be tested to 1000 psi after they are installed on the surface casing, prior to drilling out and each time they are removed or rearranged on the wellhead.

Application to Drill

MORANCO Western Reserves Federal '34' #3

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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 35 to 40 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: 0-4130'[±] 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 drilling operations June 15, 1980. Three weeks to complete on July 7, 1980.
15. Other Facets of Operations: After running 4 1/2" casing, cased hole gamma ray collar correlation logs will be run from total depth to 3800'[±]. 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.

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CHICAGO, ILL.

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O. C. D.
ARTESIA, OFFICE