

## United States Department of the Interior

GL (LOGICAL SURVEY

P. O. Drawer U Arcesia, New Mexico 88210

May 5, 1980

Moranco P. O. Box 1860 Hobbs, New Mexico 88240 MORANCO Western Reserves<sup>4</sup>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

Gentlemen:

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,

الالالات المحمقهات الدينية المتناسب التركية الأستار

George H. Stewart Acting District Engineer

| UNITED STATES (Other instructions on reverse side)<br>DEPARTMENT OF THE INTERIOR<br>GEOLOGICAL SURVEY  |                         |                   |               |               |                  | ons on  | E* Vorm approved.<br>Budget Bureau No. 42-R1425.<br>30 - 0.05 - 300 - 300<br>5. LEASE DESIGNATION AND SERIAL NO.<br>NM-046153-A<br>6. IF INDIAN. ALLOTTEE ON THESE NAME |                       |  |
|--|-------------------------|-------------------|---------------|---------------|------------------|---|---|-----------------------|--|
| APPLICATION  | I FOR PERMIT T          | <u>o drill, d</u> | EEPEN         | <u>, OR P</u> | LUG BA           | ACK   | of it more analyzan   | ON THIS NAME          |  |
| Intervence work DRI  | LL 🛛                    | DEEPEN            |               | PLL           | JG BACK          |   | 7. UNIT AGREEMENT N.  | AME                   |  |
| will, A w  | SOTHER                  |                   | S1NGL<br>ZONE | E X           | MULTIPLE<br>ZONE |   | S. FARM OR LEASE NAY  | TE                    |  |
| 2. NAME OF OPERATOR<br>Moranco   |                         |                   |               |               |                  |   | Western Reserves Fed '34<br>9. WELL NO.   |                       |  |
| 3. ADDRESS OF OPERATOR   |                         |                   |               |               |                  |   | 3<br>10. FIELD AND POOL, OR WILDCAT   |                       |  |
| P. O. Box 1860 Hobbs, NM 88240<br>* torarres or WELL (Report location clearly and in accordance with any State requirements.*)<br>At Subarres 2310' FWL & 330' FNL Sec 34, T-7-S, R-31-E |                         |                   |               |               |                  |   | Tom-Tom (San Andres)<br>11. sec., T., R., M., OR BLE.<br>AND SURVEY OR AREA   |                       |  |
| At proposed prod. zon  |                         |                   |               |               |                  | 1   | <b>a a a b b b b b b b b b b</b>  |                       |  |
| San Andres<br>14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*  |                         |                   |               |               |                  |   | $\frac{\text{Sec } 34, T-7}{12, \text{ COUNTY OR PARISH}}$  | -S, $R-31-E13. STATE$ |  |
| 11.5 miles south of Kenna, NM  |                         |                   |               |               |                  |   | Chaves  | N.M.                  |  |
| 15. DISTANCE FROM PROPOSED <sup>•</sup> 2310' FWL<br>LOCATION TO NEAREST<br>PROPERTY OR LEASE LINE, FT. 330' FNL<br>(Also to nearest drig, unit line, if any)<br>120                     |                         |                   |               |               | LEASE            | 17. NO. OF ACRES ASSIGNED<br>TO THIS WELL<br>40 |   |                       |  |
| 18. DISTANCE FROM PROPOSED LOCATION <sup>•</sup> 1320' to 19. PROPOSED DEPTH<br>TO NEAREST WELL, DRILLING, COMPLETED,  |                         |                   |               |               |                  | 20. ROTARY OR CABLE TOOLS                       |   |                       |  |
| OF APPLIED FOR ON THIS LEASE FT LIECT E. J. 24 #1 4120T  |                         |                   |               |               |                  | Ro  | tary  |                       |  |
| 21. ELEVATIONS (Show who   | ether DF, RT, GR, etc.) |                   |               |               |                  |   | 22. APPROX. DATE WO   | RK WILL START*        |  |
| G.R. 4328  |                         |                   |               |               |                  |   | June 15,  | 9.80                  |  |
| 23.  | P                       | ROPOSED CASIN     | G AND C       | EMENTING      | PROGRAM          | ſ   |   |                       |  |
| SIZE OF HOLE   | SIZE OF CASING          | WEIGHT PER FO     | от            | SETTING D     | EPTH             |   | QUANTITY OF CEMEN   | T                     |  |
| 12 1/4"  | 8 5/8                   | 24#               |               | $1650^{+}$    |                  | 7.00  | SX (Circula   | te_Cement to,         |  |
| 7 7/8"   | 4 1/2                   | <u> </u>          |               | 4130+         | ·<br>            |   | \$X   | surface)              |  |
|  |                         |                   |               |               |                  |   |   |                       |  |

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APR 1 6 1980 U.S. GEULUGICAL SURVEY ARTESIA, NEW MEXICO

the consense enclosed processed in to deepen or plug back, give data the consent productive zone and proposed new productive will be deepen directly ally give pertinent data on other face local to the started as I true vertical depths. Give blowout s znama Atlanty. . ..... . .....

Jenny W. Manklei Agent

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. ..... DATE 4/

## N IEXICO OIL CONSERVATION COMMIS WELL LOCATION AND ACREAGE DEDICATION PLAT

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Form C-102 Supersedes C-128 Etternive 1-1-65

| No remote 1012  24 24 25 24 25 25 25 25 25 25 25 25 25 25 25 25 25   | All distanc  | es must be from the outer boundaries of the S                                   | et tron   |
|--|--|---|---|
| C     34     7. South     31. East     Chaves       330.     the masses     North     Set     Model       332.     Son Addres     Ton-Ton     40     50       432.3.1     Ton-Ton     40     50     50       432.3.1     Ton-Ton     40     50     50       432.3.1     Ton-Ton     40     50     50       3.1     There than one lease is different ownership is dedicated to the well, have the interests of all owners been consultant rests     51     61       3.3.1     There than one lease is different ownership is dedicated to the well, have the interests of all owners been consultant     50     61       3.4.1     There than one lease is different ownership is dedicated to the well well is been consultant.     61     62       3.5.1     Ton The assigned to the well until all interests have been consultant.     62     62     62       3.6.1     There the adjance consultant.     62     62     62     62       3.7     There than obsect is set of adjan   | Moraneo, Inc.  | Western Res   | erve Fed 34 * 3   |
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| <ol> <li>Outline the average dedicated to the subject well by colored pentil or har hare marks on the plat below.</li> <li>If more than one lease is dedicated to the well, outline each and identify the ownership thereof (bath as to work) interest and royalty).</li> <li>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?</li> <li>Yes No If answer is "rest" type of consolidation</li> <li>If answer is "more list the owners and tract descriptions which have actually been consolidated. (I so reverse side this form is necessary).</li> <li>No allowable will be assigned to the well until all interests have been consolidated (its communitization, unitization force-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved its the Commission.</li> <li>RECEIVED</li> <li>APR 1 6 1980</li> <li>U.S. HEULIGICAL SURVEY</li> <li>ARTESIA, NEW MEXICO</li> <li>I have restrict that the use file and the the came of the owners made base.</li> <li>I have restrict that the use file and the the came of active the optimizer of the owners and the the came of the owners and based.</li> </ol>  |  | *   |   |
| <ul> <li>2 If more than one lease is dedicated to the well, outline each and identify the ownership thereof thouth as to work interest and royalty)</li> <li>3. If more than one lease of different ownership is dedicated to the well, have the interests of all unnersheen consolidated by communitization, force-pooling, etc?</li> <li>2 Yes No If answer is "rest" type of consolidation</li> <li>If answer is "mol" list the owners and tract descriptions which have actually been consolidated. (If we reverse side this form interests) are observed by the Communitization, unitization force-pooling, etc?</li> <li>No allowable will be assigned to the well unit all interests have been consolidated thy communitization, unitization force-pooling, or otherwise) or unit a non-standard unit, eliminating such interests, has been approved by the Communitization.</li> <li>2300</li> <li>RECEIVED</li> <li>APR 1 6 1980</li> <li>U.S. HEULUGUCAL SURVEY</li> <li>ARTESIA, NEW MEXICO</li> <li>I have the ordination and that the and the same of actual toxic much that the and location of the the of the the same of the the same of the the same of actual toxic much much that the and the same of the same distort of the owners and the the same of actual toxic much much that the same of actual toxic much much actual to the same of actual toxic much much actual to the same of actual toxic much much actual toxic much be actual toxic much and the same of actual toxic much much actual toxic much be accurded to the the same of actual toxic much actual toxic much be accurded to the the same of actual toxic much actual toxic much be accurded to the toxic of the the same of actual toxic much actual toxic much be accurded toxic of the the same of actual toxic much be accurded toxic of the the same of actual toxic much be accurded toxic of the the same of actual toxic much be accurded toxic of the the same of actual toxic much be accurded toxic of the thesame of the the same of actual toxic much be accurded toxic of</li></ul>  | 1. Outline the acreage dedicated to the s  | subject well by colored pencil or had   | hute marks on the start t   |
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| If answer is "Ind" list the owners and tract descriptions which have actually been consolidated. (I'so reverse side this form if necessary )   | 3. If more than one lease of different owne<br>dated by communitization, unitization, fo | ership is dedicated to the well, have<br>orce-pooling.etc?                      | the interests of all owners been consoli-   |
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| 2310<br>2310<br>APR 1 6 1980<br>U.S. HEULUGICAL SURVEY<br>ARTESIA, NEW MEXICO<br>I hereby certify that the information co<br>to ned herein is true and complete to it<br>best of my knowledge and belief.<br>I sum<br>Agent<br>Vota my<br>Moranco<br>2 to<br>April 3, 1980<br>I hereby certify that the well location<br>shown on this plat was platted from fail<br>onder my supervision, and that the well location<br>is true and correct to the best of my<br>knowledge and belief.<br>I hereby certify that the well location<br>is true and correct to the best of my<br>knowledge and belief.<br>I hereby certify that the well location<br>is true and correct to the best of my<br>knowledge and belief.<br>I hereby certify that the well location<br>is true and correct to the best of my<br>knowledge and belief.<br>I hereby certify that the well location<br>is true and correct to the best of my<br>knowledge and belief.<br>I hereby certify that the well location<br>is true and correct to the best of my<br>knowledge and belief.<br>I hereby certify that the well location<br>is true and correct to the best of my<br>knowledge and belief.<br>I hereby certify that the well location<br>is true and correct to the best of my<br>knowledge and belief.<br>I hereby certify that the well location<br>is true and correct to the best of my<br>knowledge and belief.<br>I hereby certify that the well best of my<br>knowledge and belief.<br>I hereby certify that the well best of my<br>knowledge and belief.<br>I hereby certify that the well best of my<br>knowledge and belief.<br>I hereby certify that the well best of my<br>knowledge and belief.<br>I hereby certify that the information<br>is true and correct to the best of my<br>knowledge and belief.<br>I hereby certify that the information<br>is true and correct to the best of my<br>knowledge and belief.<br>I hereby certify that the information<br>is true and correct to the best of my<br>knowledge and belief.<br>I hereby certify that the information<br>is true and correct to the best of my<br>knowledge and belief.<br>I hereby certify that the information<br>is true and correct to the best of my<br>hereby certify that the information<br>is   | sion.  |   | rests, has been approved by the Commis-   |
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| APR 1 6 1980<br>U.S. GEULUGICAL SURVEY<br>ARTESIA, NEW MEXICO<br>I hereby certify that the well location<br>show on this plot was plotted from (sel<br>notes of actual surveys made by me of<br>under my supervision, and that the same<br>is true and correct to the best of my<br>how ledge and belief.<br>I the concepts<br>(I the concepts)<br>(I the concepts)<br>(   | 2310   | 1   | I hereby certify that the information con-  |
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| Moranco       April 3, 1980       I hereby certify that the well location is shown on this plat was plotted from field notes of actual surveys made by me on under my supervision, and that the same of correct to the best of me is true and correct to the best of me knowledge and belief.       Interview of correct to the best of me is true and correct to the best of me is true.  | l l  |   |   |
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| April 3, 1980<br>I hereby certily that the well location<br>shown on this plat was platted from field<br>notes of actual surveys made by me of<br>under my supervision, and that the same<br>is true and correct to the best of my<br>knowledge and belief.<br>The converts<br>4-1-1980<br>Instruction for testing of indianet<br>change of the true of the same<br>change of th   |  | HILLSIN, NEW MEXICO   |   |
| I hereby certify that the well location<br>shown on this plat was platted from field<br>notes of actual surveys made by me of<br>under my supervision, and that the same<br>is true and correct to the best of my<br>knowledge and belief.   | 1  | 1   |   |
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| BATRICK & BOMERO CO  |  |   | John all alert  |
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## 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.

- Location: 2310' FWL & 330' FNL, Section 34, T-7-S, R-31-E, Chaves County, New Mexico
- 2. Elevation Above Sea Level: 4328'
- 3. <u>Geologic Name of Surface Formation</u>: Alluvium
- 4. <u>Drilling Tools and Associated Equipment</u>: Conventional rotary drilling rig using mud for the circulation medium.
- 5. <u>Proposed Drilling Depth: 4130'</u>
- 6. <u>Estimated Geological Marker Tops</u>: Rustler 1640', Salado 1700', Yates 2025', San Andres 3140'
- 7. <u>Mineral Bearing Formation</u>: Water bearing none; oil bearing - San Andres at 3940'
- 8. <u>Casing Program</u>: (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<sup>±</sup>. 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<sup>±</sup> 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.

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- 11. <u>Proposed Circulation Medium</u>: 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. <u>Testing</u>, 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'<sup>±</sup> sidewall neutron porosity with gamma ray and caliper, dual laterolog, micro-S.F.L. (C) No coring.
- 13. <u>Potential Hazards</u>: 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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