

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

Aztec Oil & Gas Company c/o Southland Royalty Company

3. ADDRESS OF OPERATOR

1100 Wall Towers West Building, Midland, Texas 79701

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

At surface

2310' FSL & 2310' FEL, Sec. 18, T-18-S, R-33-E

At proposed prod. zone

Delaware Sand

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

10 miles southeast of Maljamar, New Mexico

15. DISTANCE FROM PROPOSED\*

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

2310'

16. NO. OF ACRES IN LEASE

648.60

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.

1701'

19. PROPOSED DEPTH

5200

20. ROTARY OR CABLE TOOLS

Rotary

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

3840.4' GR

22. APPROX. DATE WORK WILL START\*

12-1-77

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#	340	300 sx - circulate
7-7/8"	5 1/2"	14#	5200	First Stage: 160sx Lite + 200 sx Class C. Second Stage: Via DV tool @ 1450' w/250sx Lite + 50 sx Class C.

TIME GRANTED  
FOR DRILLING AND TESTING.

Propose to set 8-5/8" csg @ 340', circ cmt. Will drill to top of Delaware pay sand @ 5000'. Will core Delaware Sand, run open hole logs at total depth. Set 5 1/2" csg to total depth. Cmt w/sufficient cmt to bring cmt back to the Rustler sec. Run DV tool at base of Rustler sec., cmt via DV tool w/sufficient cmt to bring cmt back to surface.

Anticipated drilling time surface to TD 20 days.

No abnormal pressures, temperatures or hydrogen sulfide gas is anticipated. Mud Program: 0-340' spud mud; 0-4500 brine water; mud up @ 4500' salt base mud NW 10.0 - 10.3#/gal. Vis 40-45, WL 10cc or less for coring & logging.

BOP Program: BOP will be installed on 8-5/8" csg, double 10" Ser 900 3000 psi. Exhibit "A" attached showing specifications. (OVER)

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.

SIGNED

*Arthur R. Brown*

TITLE

District Engineer

DATE October 25, 1977

(This space for Federal or State office use)

PERMIT NO.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

APPROVAL DATE

APPROVED  
AS AMENDED  
NOV 15 1977

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

1. All conditions have  
been met and approval

2-15-78

ARTHUR R. BROWN  
DISTRICT ENGINEER

\*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.

\* GPO 742-331

### Surface Formation: Quaternary

Expect to enter oil and water producing zone at 5000' (Delaware Sand)

Estimated top of important geologic markers:

Rustler	1385'
T/Salt	1497'
B/Salt	2700'
Queen	4190'
San Andres	4848'

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**NEW CO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Superseded C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator <b>Aztec Oil &amp; Gas Co.</b>			Lease <b>West Corbin</b>		Well No. <b>4</b>
Unit Letter <b>J</b>	Section <b>18</b>	Township <b>18 South</b>	Range <b>33 East</b>	County <b>Lea</b>	
Actual Well Location of well:					
<b>2310</b>	feet from the	<b>East</b>	line and	<b>2310</b>	feet from the <b>South</b> line
Ground Level Elev. <b>3840.4</b>	Producing Formation <b>Delaware</b>		Pool		Dedicated Acreage: <b>40</b> Acres

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.

<b>Aztec Oil &amp; Gas Co.</b> (NM 93)	
<b>West Corbin</b>	

**CERTIFICATION**

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

Name  
*A. Harvey Chan*  
Position  
**District Engineer**  
Company  
**Aztec Oil & Gas Company**  
Date  
**October 25, 1977**

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  
**10-7-77**  
Registered Professional Engineer and Surveyor

*John W. West*  
Certificate No. **676**

Multi-Point Surface Use & Operations Plan  
Aztec Oil and Gas Company  
West Corbin Well No. 4  
2310' FSL & 2310' FEL, Sec. 18, T-18-S, R-33-E  
Lea County, New Mexico  
Lease NM 93

This plan is submitted with the Application to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. Existing Roads:

- a. Exhibit "B" is a portion of a USGS Topographic map showing the location of the proposed well as staked. 18 miles west of Arkansas Junction and 31 miles west of Hobbs, New Mexico, on State Highway #529. An improved road goes south approximately 3.2 miles through Sec 32 of T17s-R33e, and Sec 5, 6, & 7 of T18s-R33e to the proposed location (Sec 18-18s, 33e).
- b. Exhibit "B" is a plat showing all existing roads within a one mile radius of the wellsite and the planned access road.

2. Planned Access Road:

- a. One road will be built from the existing lease road to the proposed location. New road required will be 12 feet wide & 800' long. The center line of the proposed new road from the beginning to the well site has been staked and flagged with the stakes being visible from any one to the next. (See Exhibit "B").
- b. Surfacing Material: 6" of caliche, watered, compacted, and graded.

3. Location of Existing Wells:

- a. Nearest Queen and production is 2 miles to the southeast. Morrow Sand production is located 1700' to the northeast at the Aztec Oil and Gas West Corbin No. 1. Delaware Sand (Cherry Canyon) production is also located 1700' to the northeast in the Aztec Oil and Gas West Corbin No. 2. (See Exhibit "C").

4. Location of Existing and/or Proposed Facilities

- a. Existing tank batteries has been built on the existing caliche pad for the West Corbin No. 2. There are no water disposal or injection lines. The flow lines are not buried.
- b. If the proposed well is completed for production, a flow line will be built from the proposed location directly to the existing battery. This flow line will not be buried. (See Exhibit "C").

5. Water Supply:

- a. No available surface or sub-surface fresh water exists in the vicinity of the proposed well. Drilling water will be transported to the drill site from the nearest commercial source.

6. Construction Material:

- a. Caliche is to be purchased by the dirt contractor from the BLM or nearest private source. See Exhibit "B" for location of nearest caliche pit, Sec. 12-T18s, R32e. No extra roads are needed to transport road material.

7. Methods of Handling Waste Disposal:

- a. Drill cuttings will be disposed of in the reserve pit.
- b. Drilling fluids will be allowed to evaporate in the drilling pits until dry.
- c. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- d. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- e. All detrimental waste will be buried, burned, or hauled away with a minimum of 24" of dirt. (See Exhibit "E").
- f. All trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completion operations.

9. Well Site Layout: Refer to Exhibit "B" for direction orientation and road access.
- a. Mat size - 165' x 120'.
  - b. Surface - is sandy; location nearly level. No significant cut and fills will be necessary. Newly constructed mat will be covered with 6" of caliche, bladed, watered, and compacted.
  - c. Reserve Pit - 140' x 75', lined with plastic, adjoining mat to north.
  - d. The pad and pit area has been staked and flagged.
10. Plans for Restoration of the Surface:
- a. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be backfilled and leveled as soon as practical. All plastic linings, and other waste material will be removed or buried with at least 24" dirt cover.
  - b. After abandonment of well, surface restoration will be in accordance with the agreement with the surface owner, pits will be filled and location will be cleaned. The pit area, well pad, & all unneeded access roads will be ripped to promote revegetation. Rehabilitation should be accomplished within 90 days after abandonment.
11. Other Information:
- a. Setting & Environmental Terrain - low rolling sand hills. See Exhibit "B" for topographic map of area.
  - b. Soil - sand
  - c. Vegetation - mostly shinnery with weeds and very little grass.
  - d. Wildlife - rabbits, rodents, coyotes, snakes, quail, and other birds.
  - e. Archaeological Resources - none.
  - f. Distance to Nearest:
    - I. Ponds, Streams, or Rivers - there is no surface water within one mile of well site.
    - II. Water wells - there are no water wells within one mile of well site.
    - III. Residences & Buildings - there are no houses or buildings within two miles of well site.

IV. Arroyas, Canyons, Hills, etc. - other than low rolling sand hills, no surface features exist within two miles of well site. See Exhibit "F".

g. Surface Use - grazing and bird hunting.

h. Effect on Environment - drill site, which is in a flat semi-arid desert country, is in a low environmental risk area. The total effect of drilling and producing this and other wells in the area would be very minimal.

i. Surface Ownership - surface is Federally owned with grazing rights to Gary Caviness, Maljamar, New Mexico.

12. Operators Representatives:

Field personnel who can be contacted concerning compliance of this "Surface Use Plan" are as follows:

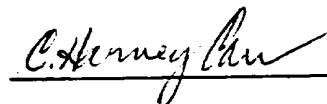
Aztec Oil and Gas, Hobbs, New Mexico, 505-393-5844  
Donny Davis - Field Foreman, Hobbs, New Mexico  
(Home) 505-392-5746

Bill Chrane - Production Supt., Midland, Texas  
(Office) 915-682-8641  
(Home) 915-694-0730

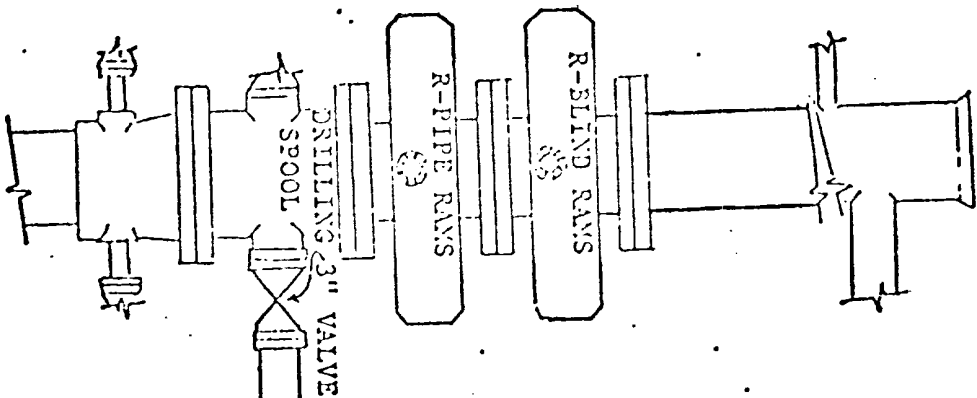
13. Certification:

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 Aztec Oil and Gas Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

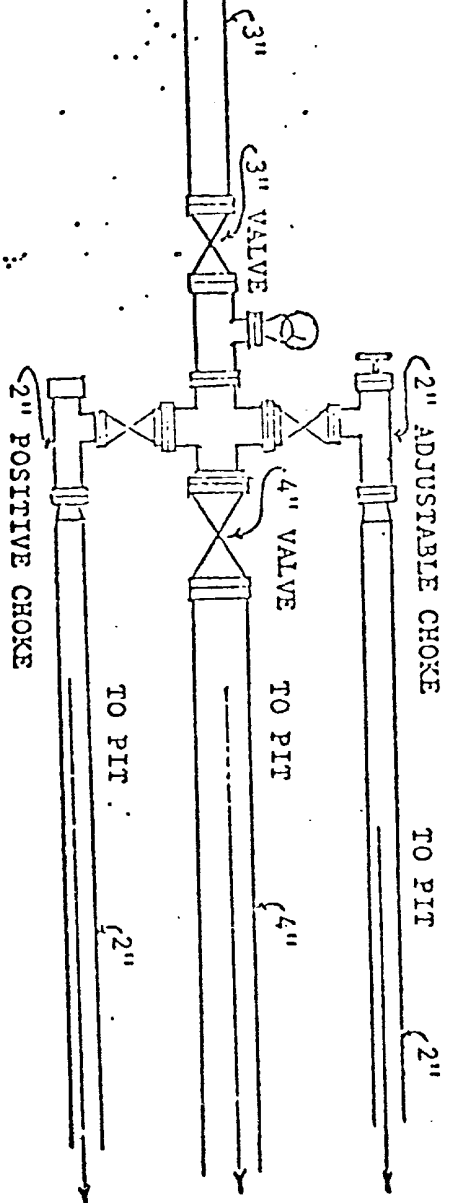
Date: Oct. 27, 1977



C. H. Carr, District Engineer  
Aztec Oil & Gas Company



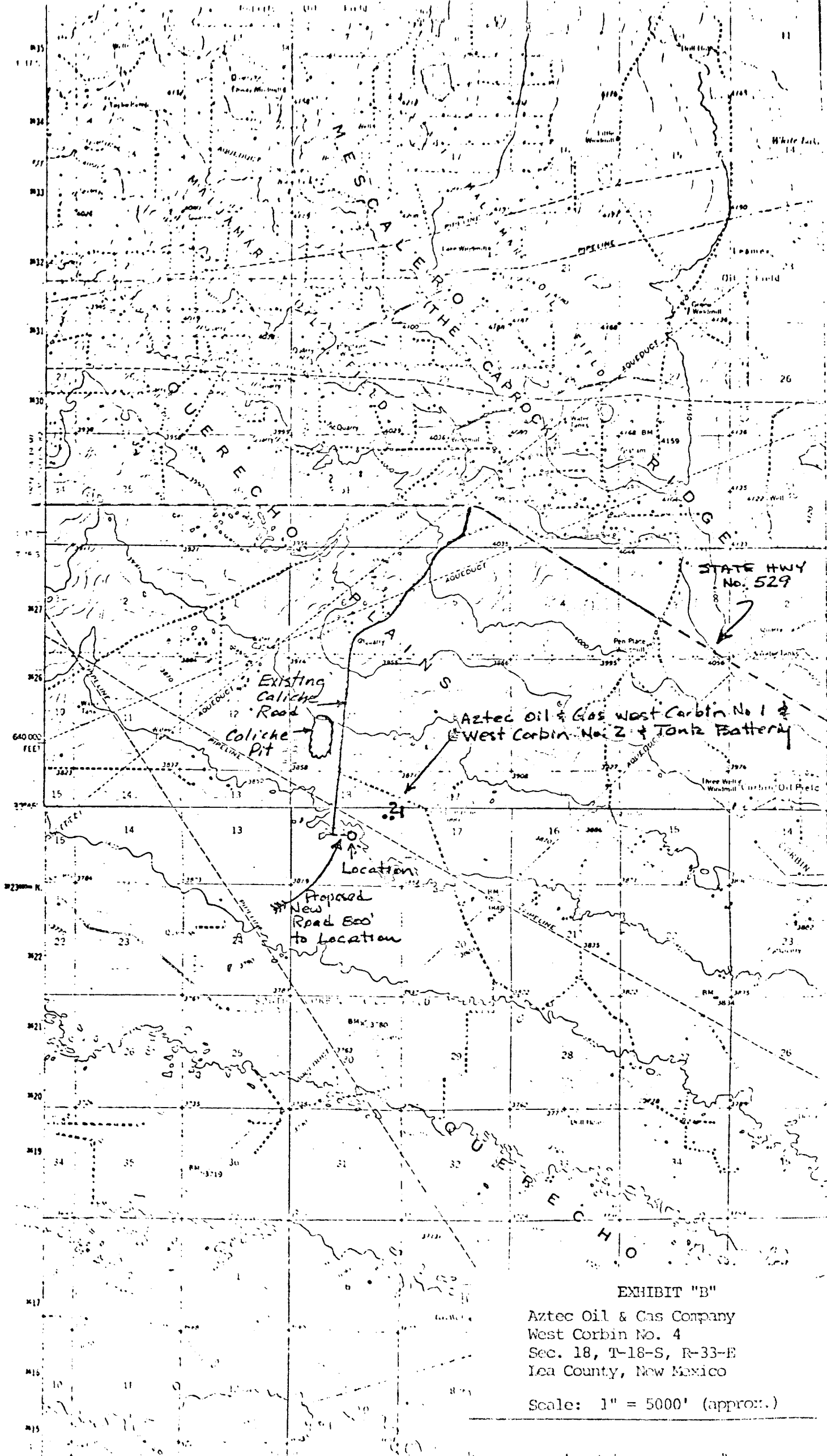
BLOW OUT PREVENTION EQUIPMENT  
 10" 900s ALL FLANGED CONNECTIONS  
 3,000# WORKING PRESSURE - 6,000# TEST



ATTACHMENT TO FORM 9-331C

EXHIBIT "A"  
 Aztec Oil & Gas Company  
 West Corbin No. 4  
 Sec. 18, T-18-S, R-33-E  
 Lea County, New Mexico





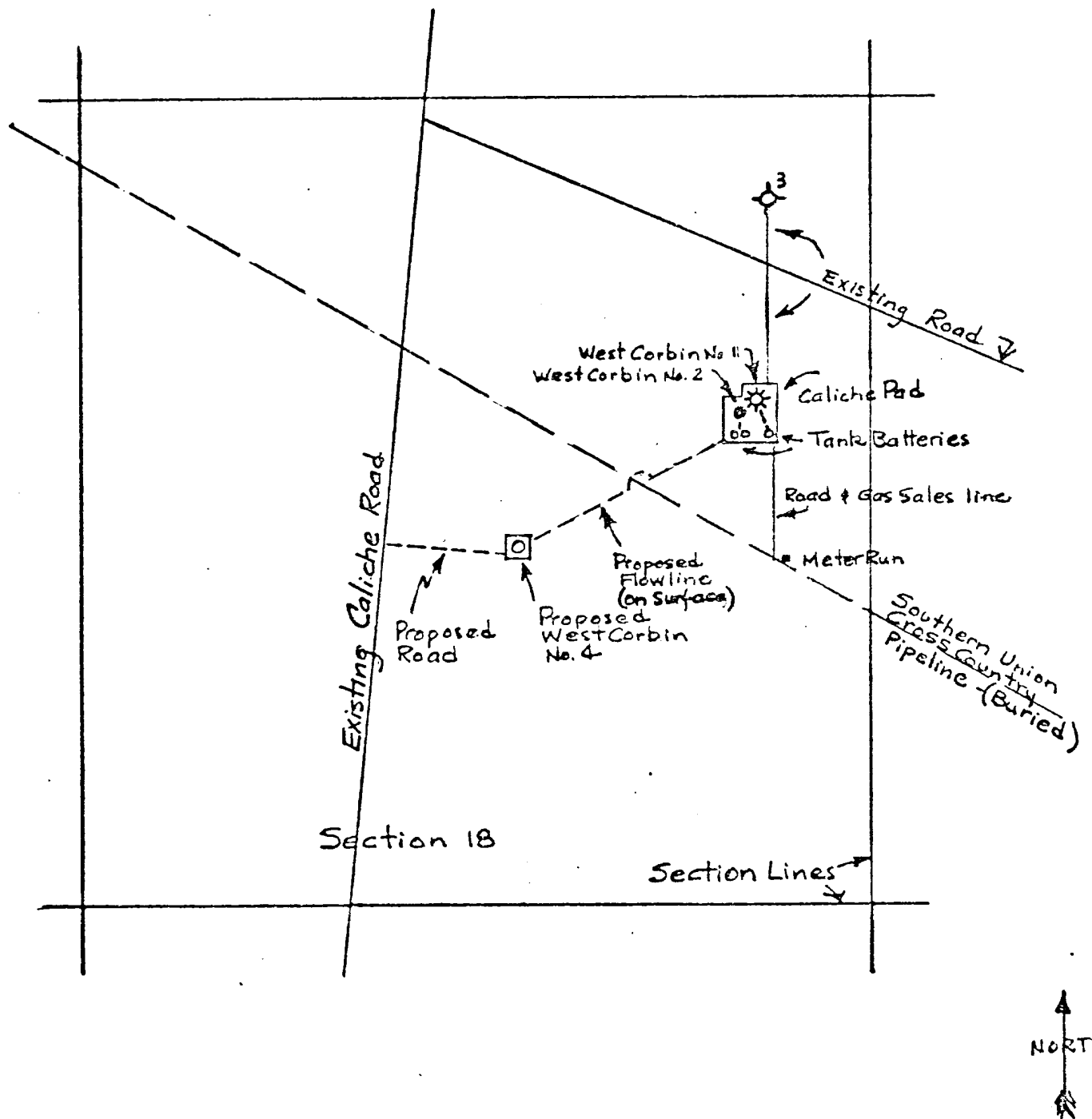
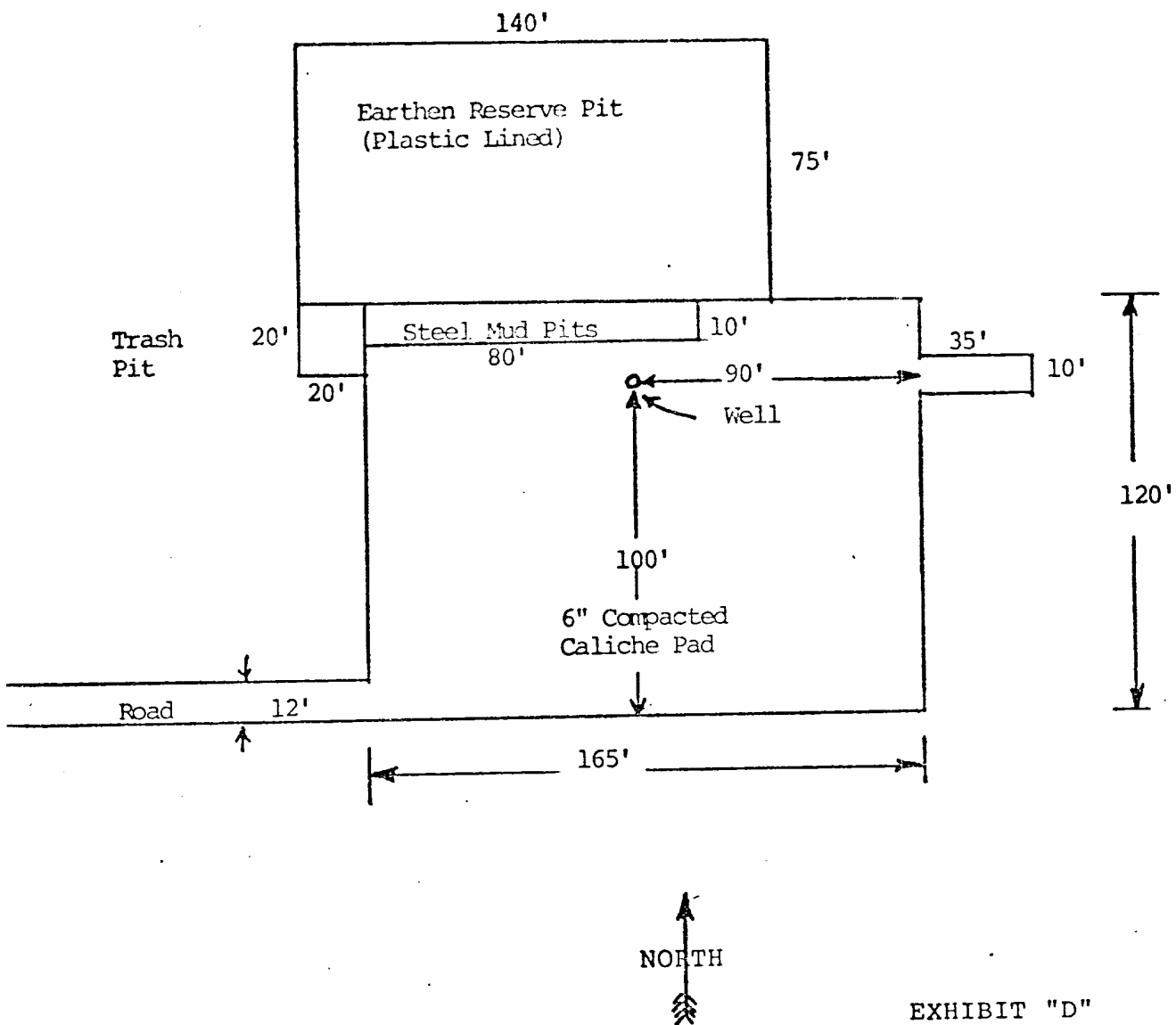


EXHIBIT "C"

Aztec Oil & Gas Company  
 West Corbin No. 4  
 Sec. 18, T-18-S, R-33-E  
 Lea County, New Mexico  
 Scale: 1" = 1000'



# EXHIBIT "D"

Sketch of Drilling Pad  
 Aztec Oil & Gas Company  
 West Corbin No. 4  
 Sec. 18, T-18-S, R-33-E  
 Lea County, New Mexico

Scale: 1" = 50'

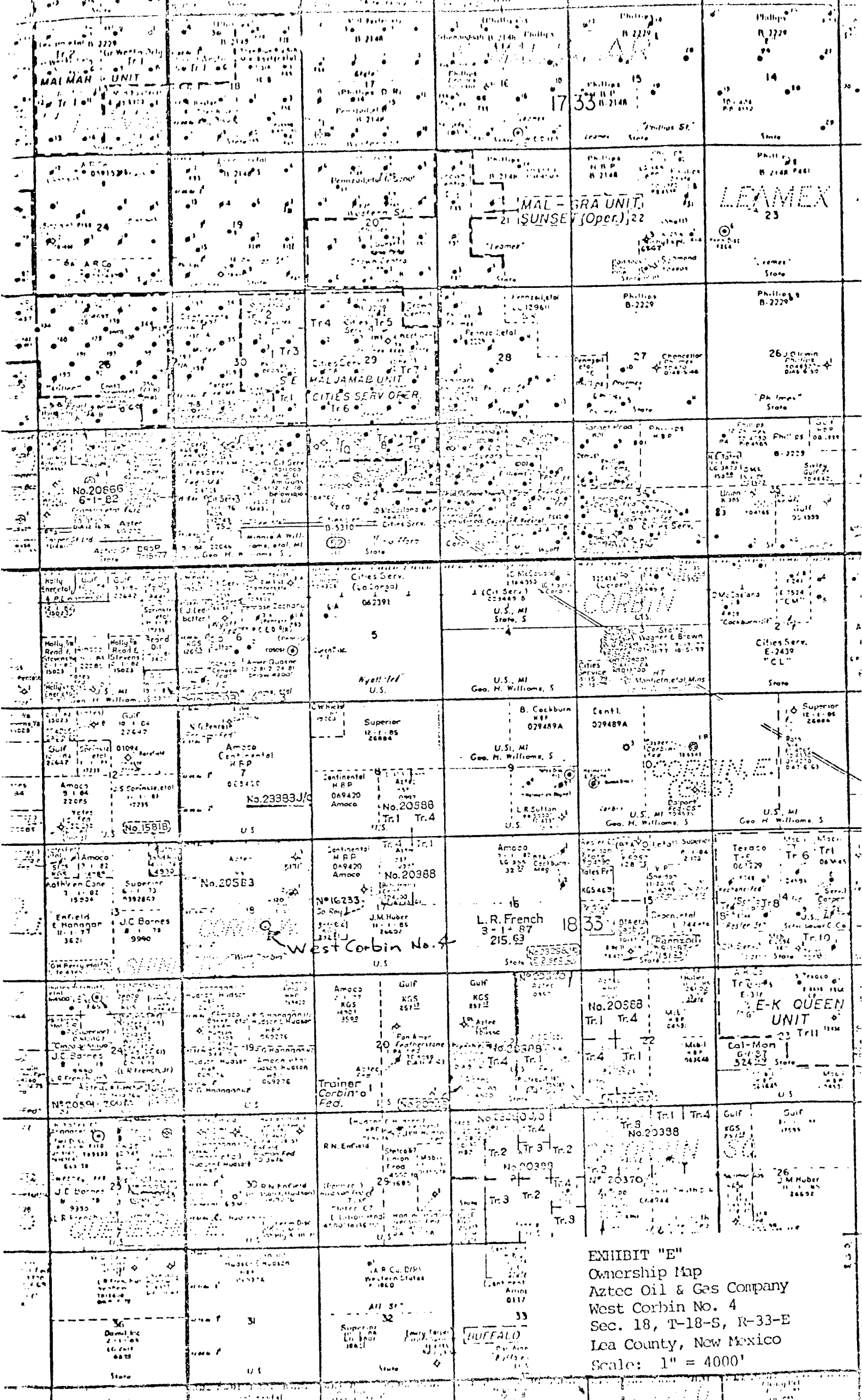


EXHIBIT "E"  
Ownership Map  
Aztec Oil & Gas Company  
West Corbin No. 4  
Sec. 18, T-18-S, R-33-E  
Lea County, New Mexico  
Scale: 1" = 4000'

U. S. Geological Survey

HOBBS DISTRICT

Aztec Oil & Gas Co.  
No. 4 West Corbin  
NW $\frac{1}{4}$ SE $\frac{1}{4}$  sec. 18-18S-33E  
Lea County, N. M.

Above Data Required on Well Sign

CONDITIONS OF APPROVAL

1. Drilling operations authorized are subject to compliance with the attached General Requirements for Drilling Operations on Federal Oil and Gas Leases, dated January 1, 1977.
2. Notify this office (telephone (505) 393-3612) when the well is to be spudded and in sufficient time for a representative to witness all cementing operations. Attached are names and telephone numbers of Geological Survey and Bureau of Land Management personnel who are available for consultation during construction, drilling, completion, and rehabilitation activities.
3. Immediate notice is required of all blowouts, fires, spills, and accidents involving life-threatening injuries or loss of life.
4. Secure prior approval of the District Engineer for variance from the approved drilling program and before commencing plugging operations, plug-back work, casing repair work, corrective cementing operations, or suspending drilling operations indefinitely.
5. Blowout prevention equipment is to be installed, tested, and in working order before drilling below the surface casing and shall be maintained ready for use until drilling operations are completed.
6. Operator will provide the dirt contractor with a copy of the enclosed Bureau of Land Management "Standard Requirements for all Drilling in Relation to Oil and Gas Activities in the Roswell District" prior to commencing construction of road, pad, or other associated developments.
7. All ripped surfaces are to be protected from vehicular travel by constructing a dead-end ditch and earthen barricade at the entrance to these ripped areas. The barricade is to be constructed using spoil material from the ditch and should be of sufficient magnitude to discourage vehicle entry.
8. In the event the oil or gas test results in a dry hole, the drill pad and access road will be ripped in accordance with "BLM Roswell Districts' Ripping Recommendations for Caliche or Compacted Drill Pads and Access Roads". (Reseeding of the affected areas may be required at the discretion of the BLM authorized officer).
9. All above ground structures, not subject to applicable conservation and safety requirements, shall be painted to blend with the natural surroundings. The paint used should be a nonglare, nonreflective, nonchalking color that simulates Fed. Stand. No. 595, color 30318.

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NOV 19 1977

OIL COMPANY (INC) CORP.  
HOBBS, N. M.

173