

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN THE MANNER INDICATED

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> Re-entry <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 12277	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR WTG Exploration, Inc.		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. 401 W. Wadley Ave., Midland, Texas 79705		8. FARM OR LEASE NAME, WELL NO. Pennzoil "A" Federal #1	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FSL & 660' FEL, Sec. 29-18S-34E At proposed prod. zone Unit Letter I		9. API WELL NO. 30-025-29281	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 5 miles SW of Buckeye, New Mexico		10. FIELD AND POOL, OR WILDCAT Wildcat	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 29-18S-34E	
16. NO. OF ACRES IN LEASE 160		12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE N.M.	
18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. None		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3988' Gr.		22. APPROX. DATE WORK WILL START* Upon approval	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2	13 3/8	48#	351	375 (see existing file)
12 1/4	8 5/8	24# & 32#	3700	1450 (see existing file)
7 7/8	4 1/2	10.5# & 11.6#	8200	300 Class "C"

CAPITAN CONTROLLED WATER BASIN

FORMATION	TOPS
Rustler Anhydrite	1760
Delaware Mtn. Group	5790
Bone Springs	7800

OPEN BOREHOLE 25454  
23541  
30-025-29281

BOP Program attached as Exhibit "D".  
OCD did not approve  
because operator did not  
get 80 ac. which EK Bone Spring requires

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 David L. Davis David L. Davis TITLE Engineer DATE 7/31/98

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

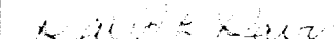
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

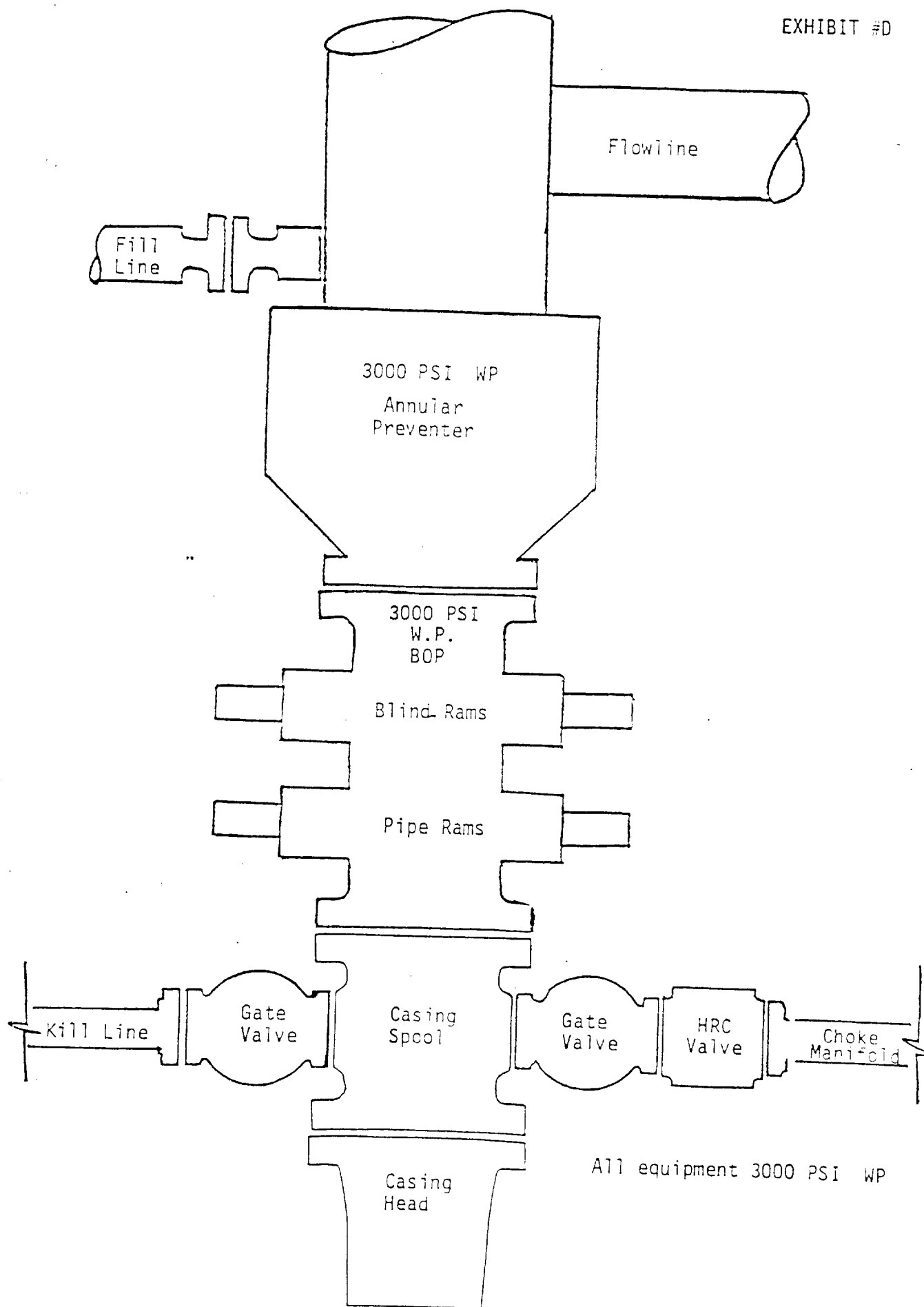
CONDITIONS OF APPROVAL, IF ANY:

Acting Assistant Field Office Manager,  
Lands and Minerals

APPROVED BY (ORIG. SGD.) ARMANDO A. LOPEZ TITLE \_\_\_\_\_ DATE SEP 16 1998

\*See Instructions On Reverse Side

16					17	<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   Signature David L. Davis Printed Name Engineer Title 7/31/98 Date
					18	<b>SURVEYOR CERTIFICATION</b> 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 belief.  Date of Survey Signature and Seal of Professional Surveyor  Certificate Number



TEN POINT DRILLING PLAN FOR PENNZOIL "A" FEDERAL #1 (re-entry)  
 IN COMPLIANCE WITH ORDER NO. 1  
 WTG EXPLORATION, INC.  
 PENNZOIL "A" FEDERAL NO. 1  
 SEC. 29, T-18S, R-34-E  
 1980' FSL, 660' FEL  
 LEA COUNTY, NEW MEXICO

1. GEOLOGIC SURFACE FORMATION: Quaternary

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS

Rustler	1650	Queen	4395*
Salt	1700	San Andres	5100*
Base Salt	3020	Delaware	5800
Yates	3185	Bone Springs	7800*
Seven Rivers	3700		

3. ESTIMATED DEPTHS OF ANTICIPATED OIL & GAS ZONES

Formations possible productive of oil or gas are indicated with an asterick (\*) in Section 2 above.

4. PROPOSED CASING PROGRAM

<u>Size</u>	<u>Casing Seat</u>	<u>Footage</u>	<u>Grade</u>	<u>Wt &amp; Thread</u>
13 3/8"	See existing file			
8 5/8"	See existing file			
4 1/2"	8200	1,000	J-55	11.6 8rd LT&C
		4,700	K-55	10.5 8rd ST&C
		2,500	J-55	11.6 8rd LT&C

5. PROPOSED CEMENTING PROGRAM

13 3/8"	See existing file
8 5/8"	See existing file
4 1/2"	300 sx. Class "C"

Cement volume to be adjusted as necessary.

6. TYPE AND MUD SYSTEM CHARACTERISTICS

<u>From</u>	<u>To</u>	<u>Type</u>	<u>WT</u>	<u>VIS</u>	<u>WTR LOSS</u>
0	350	See existing file			
350	3700	See existing file			
3700	T.D.	Fresh wtr, Bentonite, Polymer	9	28-29	NC

7. BOP & AUXILLARY EQUIPMENT

BOP & choke are set up as indicated on Exhibit #D.

Accumulator volume will be sufficient to provid repeated open and closing of preventers.

A drill string and drill collar safety valves in open position will be kept on the rig floor at all times during drilling operations.

The hole will be kept full and fill volumes will be monotored on all trips.

TEST PROCEDURE AND DRILLS.

Ram type preventers will be tested to rated W.P. or 70% of casing burst, whichever is less.

Annular type BOP will be tested to 50% of W.P.

Pipe rams will be operated once each 24 hrs, and blind Rams will be operated on trip.

Approved close in procedure to be posted on rig floor.

Each rig crew to hold weekly BOP drill.

8. TESTING PROGRAM

Sidewall cores to be taken from 6000' to T.D.

No additional logs will be run.

9. POTENTIAL HAZARDS

No H<sub>2</sub>S or abnormal temperature is anticipated. No abnormal pressures are anticipated. Maximum mud weight is anticipated to be less than 9.1 ppg.

10. ESTIMATED STARTING DATE

Upon approval of this permit.

MULTI-POINT SURFACE USE AND OPERATION PLAN

WTG EXPLORATION, INC.  
PENNZOIL "A" FEDERAL # 1  
(Re-entry)  
Sec. 29, T-18-S, R-34-E  
LEA COUNTY, NEW MEXICO

1. EXISTING ROADS

- A. The proposed well site and existing roads to proposed location are shown in Exhibit #1. The directions to this well are as follows:

From Hobbs, New Mexico, travel west on Highway 62 and 180 approximately 15 miles, turn right onto Highway 529, travel 14.5 miles to a caliche lease road (at mile marker 17), turn left. Stay on this main lease road approximately 1.2 miles, turn left at fork (following Sun sign), travel on main lease road an additional 1.7 miles, turn right at this fork (sign say C. W. Trainer McElvain), travel additional .7 miles to fork with Sun sign, turn right, follow main lease 1.0 mile to Rhombus Pennzoil tank battery. Location is .2 miles past tank battery on access road.

- B. The existing lease road goes to the Rhombus Pennzoil Federal tank battery. An existing Rhombus Pennzoil well is at the battery location. The new well is located 1120' directly east of the existing well. A new access road was constructed from the existing tank battery to the new well location in 1985 when the well was drilled. This road is approximately 1000' and constructed with caliche similar to existing lease roads.

3. LOCATION OF EXISTING WELLS

Existing wells within a one-mile radius are shown on Exhibit #3.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. Existing facilities within a one-mile radius of the proposed location can be seen on Exhibit #3. These facilities include oil or gas wells, their respective tank batteries, several water tanks and a radio tower.

- B. If the proposed well is completed and productive, plans are to construct a tank battery at the well site, located approximately 1000' east of the existing Rhombus well. No additional surface disturbance will occur.

5. LOCATION AND TYPE OF WATER SUPPLY

WTG will purchase and haul water, from outside sources, over roads shown on Exhibit #1.

6. SOURCE OF CONSTRUCTION MATERIALS

Caliche for upgrading the existing lease road will be obtained from an existing caliche pit in the SW/4 of the SW/4 Section 29, T-18-S, R-34-E. Approximate location of the caliche pit is shown on Exhibit #2.

7. METHODS OF HANDLING WASTE DISPOSAL

- A. Drill cuttings will be disposed of in the reserve pit (none anticipated other than minor reaming and cement).
- B. Drilling fluids will be allowed to evaporate in the reserve pit until pits are dry, or will be removed by vacuum truck for disposal.
- C. Water produced during test will be disposed of in the reserve pits. Oil produced during tests will be stored in test tank until sold.
- D. Salts and chemicals will be deposited in the reserve pit.
- E. A porta-potty will be provided at the location for the disposal of human waste.
- F. Trash, waste paper, garbage and junk will be collected in a trash trailer and properly disposed of.
- G. All trash and debris will be removed from the wellsite after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES

None required.

9. WELLSITE LAYOUT

- A. Exhibit #4 shows the relative location and dimensions of the well location, reserve pit, and the area of location for major rig components.
- B. Only minor levelling of the wellsite will be required. No significant cut or fills will be necessary.
- C. The reserve pit will be plastic lined.

10. PLANS FOR RECLAMATION OF THE SURFACE

- A. After completion of drilling and testing program, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. After abandonment of the well, surface restoration will be in accordance with the requirements of the surface management agency. Pits will be filled and location will be cleaned. The pit area, well pad and surface location will be ripped to promote revegetation.

11. SURFACE OWNERSHIP

USA - Bureau of Land Management  
P. O. Box 1778  
Carlsbad, New Mexico 88220

The surface is leased to:  
Scharbaur Cattle Co.  
P. O. Box 1471  
Midland, Texas 79702

12. OTHER INFORMATION

- A. Topography: Land surface is mostly flat. The ground elevation of the wellsite is 3988'.
- B. Soil: The soil is a deep fine sand underlain by caliche.
- C. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area.
- D. Archaeological Survey: An Archaeological clearance survey was conducted on April 22, 1985, by an investigator from Eastern New Mexico University. The Archaeological Clearance Report is attached as Exhibit #5.
- E. Land Use: Grazing and hunting in season.

13. OPERATIONS REPRESENTATIVE

The field representative responsible for assuring compliance with the approved surface use and operations plan are as follows:

ENGINEER

David L. Davis  
Midland, Texas  
W (915) 682-4030  
H (915) 684-5213

AGENT

Doyle R. Mason  
Midland, Texas  
W (915) 682-4030  
H (915) 694-0803

CERTIFICATION:

I hereby certify that I or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by WTG Exploration, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date

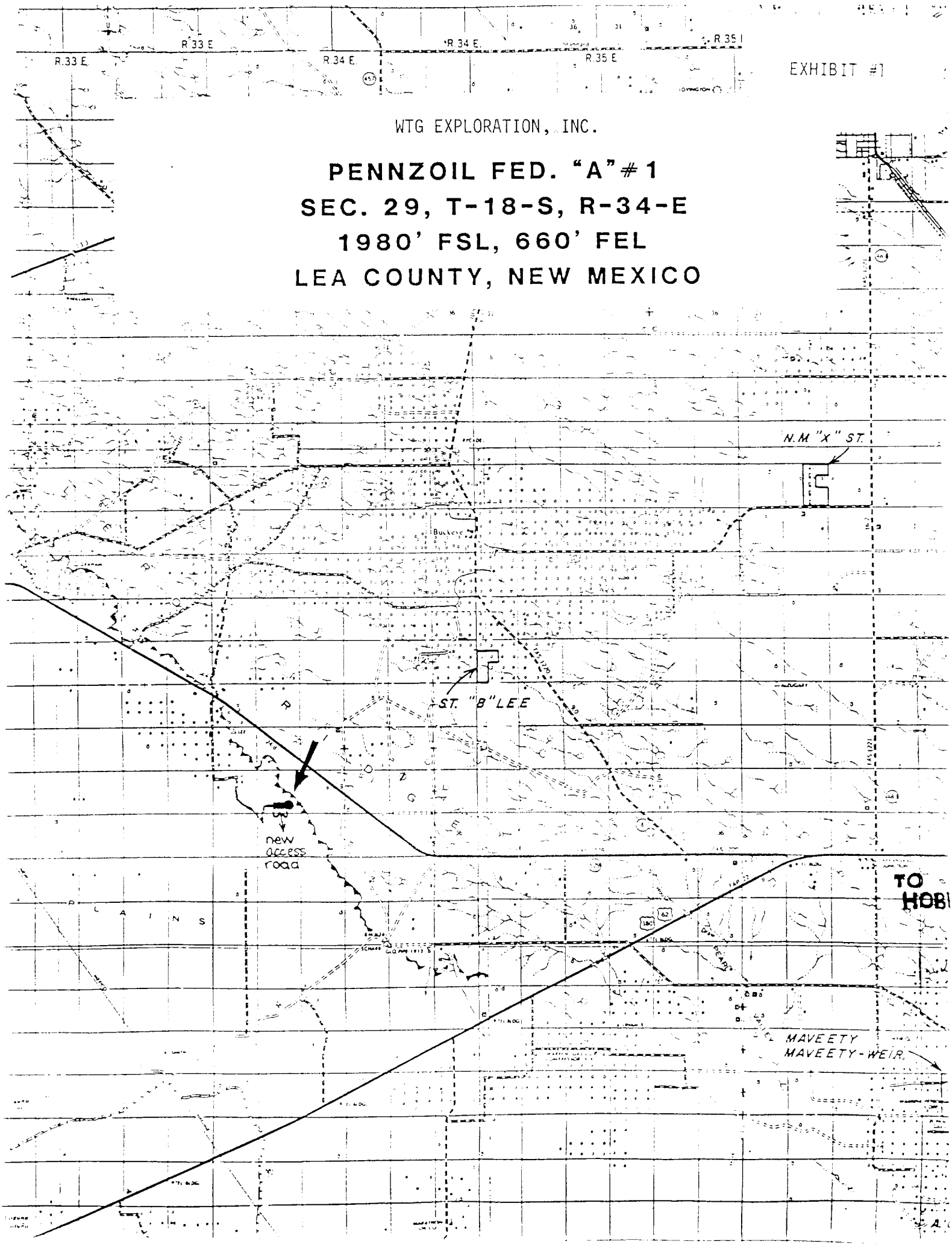
7/31/98

David L. Davis  
David L. Davis  
Engineer



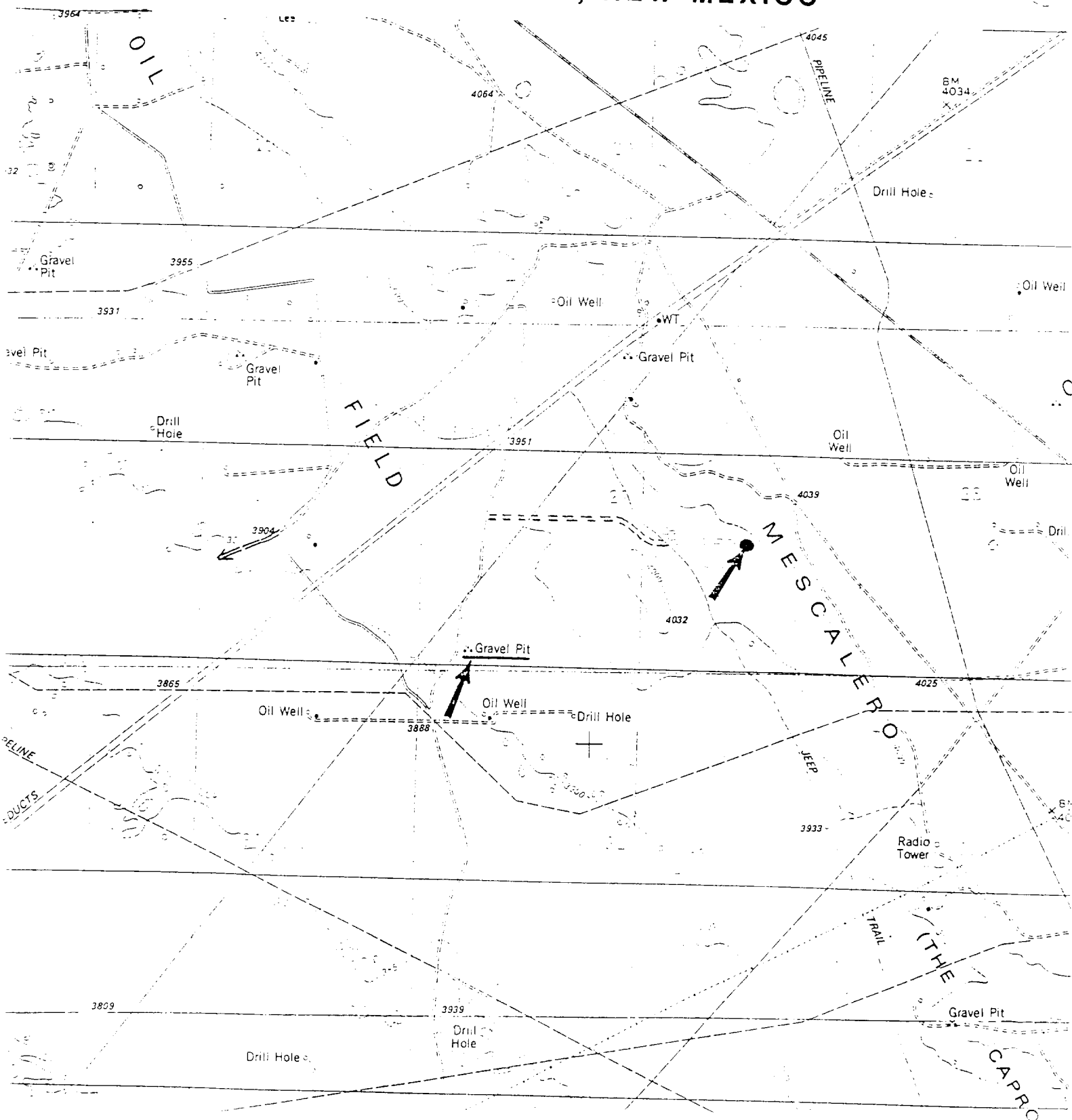
WTG EXPLORATION, INC.

**PENNZOIL FED. "A" #1  
SEC. 29, T-18-S, R-34-E  
1980' FSL, 660' FEL  
LEA COUNTY, NEW MEXICO**



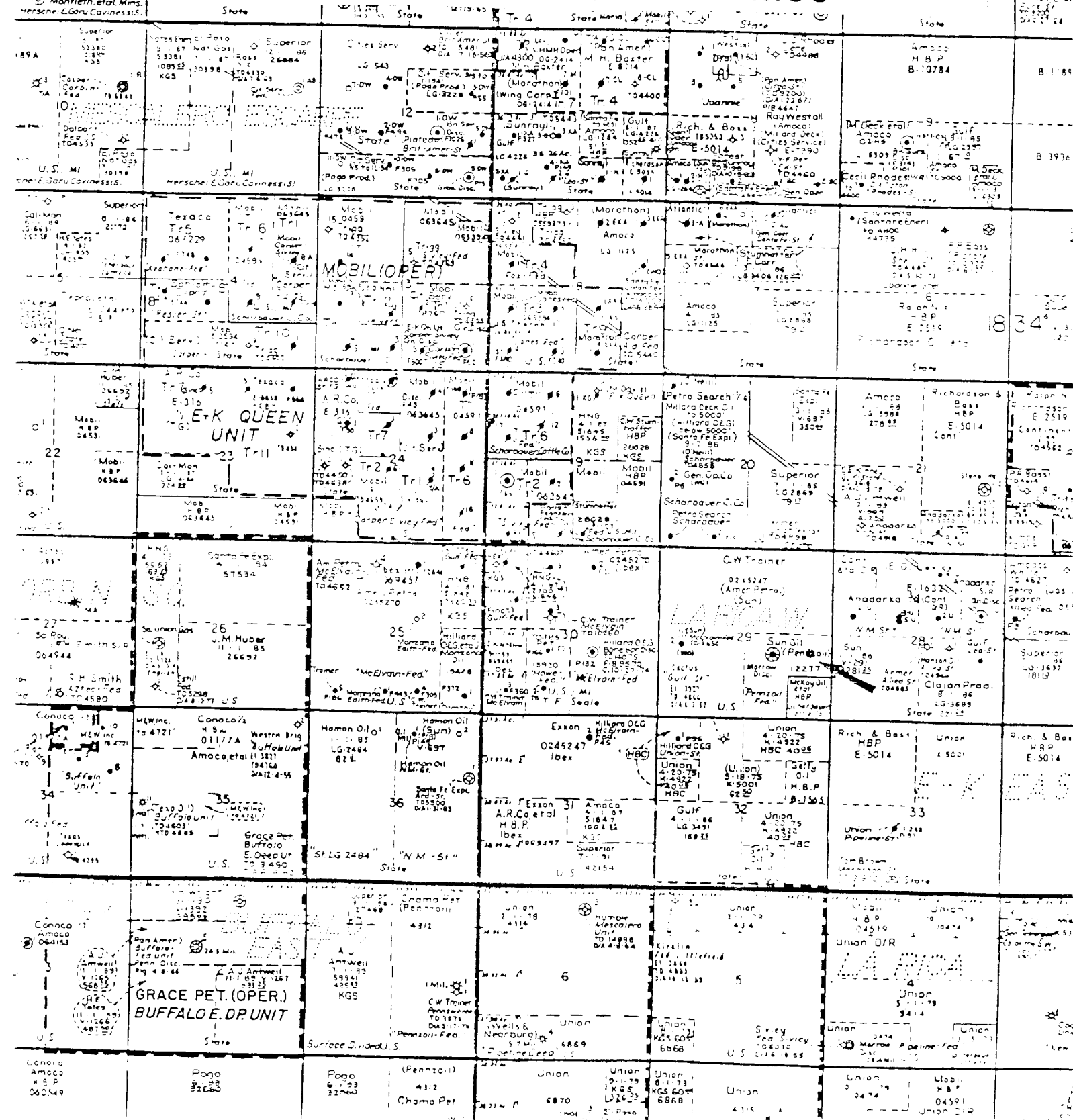
TO  
HOB

PENNZOIL FED. "A" # 1  
SEC. 29, T-18-S, R-34-E  
1980' FSL, 660' FEL  
LEA COUNTY, NEW MEXICO



WTG EXPLORATION, INC.

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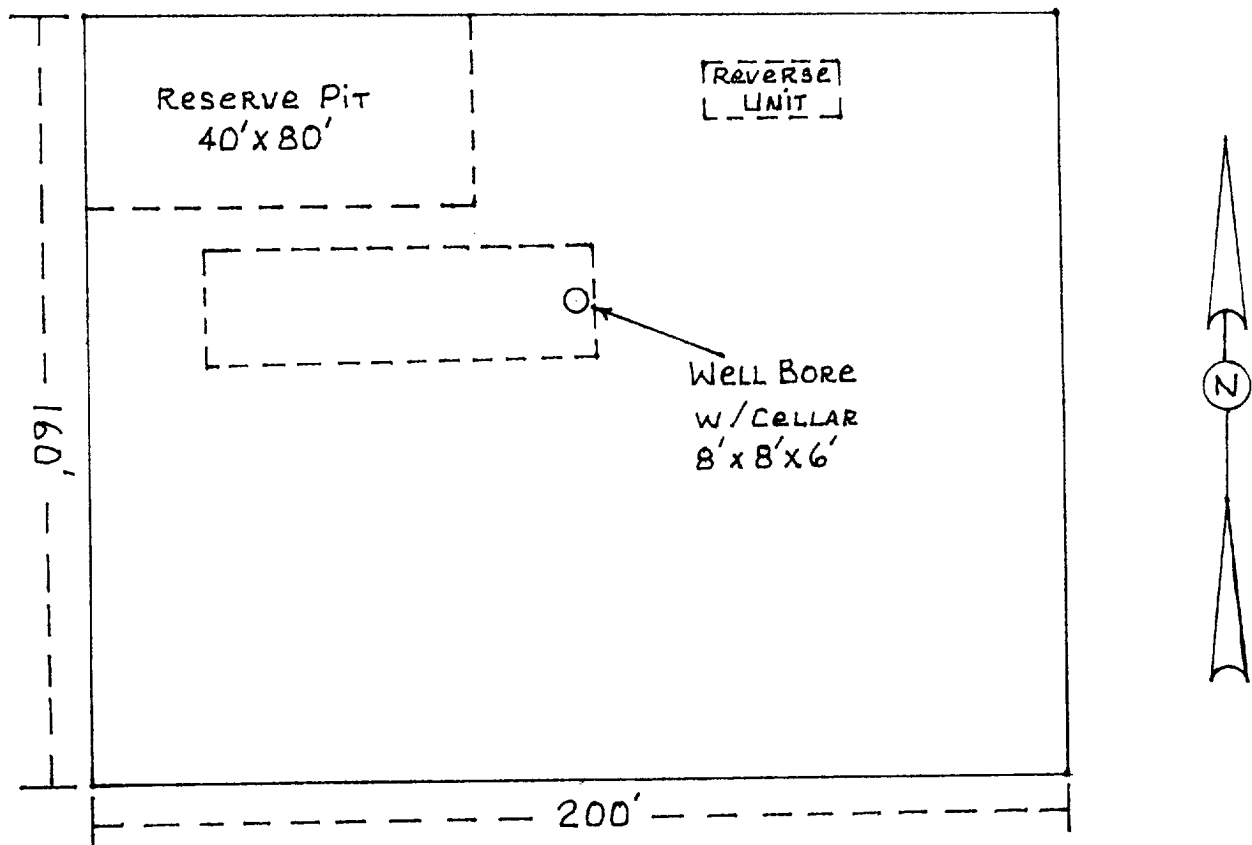
WTG EXPLORATION, INC.

PENNZOIL "A" FEDERAL #1

SEC. 29, T-18-S, R-34-E

1980' FSL, 660' FEL

LEA COUNTY, NEW MEXICO



C-23485

Resource Area Carlsbad

## RECORD OF (CATEGORICAL EXCLUSION) REVIEW

Number 308 to Environmental Assessment EN-060-81-083 Oil and Gas Leasing  
Roswell District (July 1981)

Operator/Project Name Sun Exploration & Prod. / Pennzoil Fed 'A' #1  
 Project Type Oil Well  
 Project Location 1980' E 54 + 660' E 1, Sec. 29, T. 18 S., R. 34 E.  
 Lease Number NM-12277  
 Surface Ownership Federal  
 \* Collicie Ownership & Location Fed. - SWSW 1/4 - 29-18S, 34E Clearance Verbal OK 5/1  
 Field Inspection Yes Date of Inspection 4/29/85  
 Participants Don Petersen - BLM  
 Date Complete SUP Recd. 5/10/85

## Review Signature or Initials:

Health and Safety, Highly Controversial,  
 Unique or Unknown Risk, Precedent Setting,  
 Cumulatively Significant, Local/State/  
 Federal Laws, and Unique Resource\*\*  
 Paleontology\*\*  
 Floodplains/Hydrology  
 Recreation/Vista  
 Wilderness/Wild & Scenic Rivers  
 Prime/Unique Farmlands  
 Air Quality (if in or adjacent to Class I)  
 Archeo/Historical 85-412  
 T & E Species

B. Hunt 5/10/85  
B. Hunt 5/17/85  
B. Hunt 5/10/85  
\* R. Wacava (LBS) 5/10/85  
B. Hunt 5/10/85  
B. Hunt 5/10/85  
B. Hunt 5/10/85  
B. Hunt 5/10/85  
B. Hunt 5/10/85

\* Includes tribal laws, Native Religious Freedom Act, EO 11988 (Floodplains),  
 EO 11990 (Wetlands), Fish and Wildlife Coordination Act.

\*\* Includes parks, refuges, and ecologically significant areas.

Signatures are required for only those resources the action may affect.

## Remarks/Special Stipulations

B, C, K (Sand Brown), M, (1-#2), (2), 9-1, 000 ft  
from the bottom of the pit only because of unusual resources

This action is categorically excluded from the NEPA process under Department Manual  
 10.6, Appendix 3. To have review of the nine exceptions to the CER process in  
 10.6, Appendix 3(2) and for a categorical exclusion to not meet these exceptions.  
 If approved with the approval of this project subject to enclosed stipulations.

Benny W. Hunt Range Conservationist 5/10/85  
 Title Date

BLM MANAGER  
 CARLSBAD RESOURCE UNIT

BLM Authorized Officer 5-17-85  
 Title Date



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Pg. 2  
IN REPLY REFER TO

3051

Lease No. NM-12277

Date: 5/9/85

Well Name/No.: Pennzoil Federal "A" No. 1

To: Chief of Operations, Branch of Fluids, Roswell District

From: Geologist, Carlsbad Resource Area

Subject: Geologic Review of Application for Permit to Drill

Lease No.: NM-12277

Date Received: 5/8/85

Well Location: NE/4SE/4 Sec. 29, T. 18 S., R. 34 E., County: Lea, NM

Well Name & No.: Pennzoil Federal "A" #1 Surface Elev.: 3970 feet GR

Quadrangle: Laguna Gatuna

Proposed TD: 10,800 feet

Operator: Sun Exploration and Production Company

Our records indicate the data reviewed is consistent with the geology of the area. Additional information related to the drill site is noted below.

(1) Fresh-water formations:

At less than 300 feet in sandstone of the Triassic Dockum group.

(2) Other mineral-bearing formations:

Salt in the Salado group.

(3) Known potential geologic hazards:

Possible lost circulation in the Grayburg and San Andres formations.  
Possible water flows in the Salado and Artesia groups.

(4) Remarks:

The well site is located within the Capitan controlled water basin.  
Approximate depths to geologic markers in nearby wells are as follow:

<u>GEOLOGIC MARKER</u>	<u>MEASURED DEPTH BELOW SURFACE</u>	<u>MEASURED DEPTH FROM SEA LEVEL</u>
Anhydrite	1668'	2233'
Top of Salt	1953' $\pm$ 13'	2079' $\pm$ 10'
Base of Salt	3122' $\pm$ 37'	860' $\pm$ 18'
Yates	3275' $\pm$ 47'	696' $\pm$ 23'
Seven Rivers	3805' $\pm$ 5'	227' $\pm$ 2'
Queen	4510' $\pm$ 45'	-540' $\pm$ 29'
San Andres	5078'	-1177'
Delaware	5785'	-1830' $\pm$ 16'
Bone Springs	7730' $\pm$ 67'	-3781' $\pm$ 56'
Wolfcamp	10510' $\pm$ 10'	-6556' $\pm$ 6'

Operator expects to encounter hydrocarbons in the Queen, San Andres and Delaware.

*Gerald W. Queen*



United States Department of the Interior *Sun Exploration* IN REPLY REFER TO

BUREAU OF LAND MANAGEMENT *Pennzoil "A" Federal*

Roswell District Office

SPECIAL APPROVAL STIPULATIONS

SUN EXPLORATION & PRODUCTION COMPANY

Pennzoil "A" Federal No. 1

NE $\frac{1}{4}$ SE $\frac{1}{4}$ , Sec. 29, T. 18 S., R. 34 E.

Lea County

NM-12277

*Page 3 #1*

The special stipulations check marked below are applicable to the above described well and approval of this application to drill is conditioned upon compliance with such stipulations in addition to the general requirements. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE STIPULATIONS PURSUANT TO TITLE 43 CFR 3165.3 and 3165.4.

☒ A. The Bureau of Land Management office is to be notified at:

☐ (505) 624-1790 Roswell  
☐ (505) 887-6544 Carlsbad  
☒ (505) 393-3612 Hobbs

in sufficient time for a representative to witness:

- ☒ 1. Spudding  
☒ 2. Cementing  
13 7/8 inch  
8 5/8 inch  
[ ] 3.      inch  
[ ] 3.      tests

*Capitan water basin*

☒ B. At least one working day prior to constructing the well pad, access roads and/or related facilities, the operator or dirt contractor shall notify the authorized officer of the surface management agency. The surface management agency may be contacted at:

☒ BLM phone (505) 887-6544 Carlsbad, New Mexico  
☐ BLM phone (505) 624-1790 Roswell, New Mexico

He shall also notify the surface management agency within two working days after completion of earth-moving activities.

☒ C. Roads in the area of operation of this authorization will require surfacing.

☒ D. 13 7/8" surface casing should be set in the *(~1668')* Rustler Anhydrite formation and cement circulated to the surface. If surface casing is set at a lesser depth, the 8 5/8" casing must be cemented from the casing shoe to the surface or cemented around the shoe through a stage tool set at least 50 feet below the top of the Rustler after cementing around the shoe with sufficient cement to fill to the base of the salt section. *(~3122')*

☒ E. Before drilling below the 8 5/8" casing, the blowout preventer assembly will consist of a minimum of one annular type and two ram type preventers.

☒ F. Minimum required fill of cement behind the 5 1/2" casing is to isolate all

☒ G. After setting the 8 5/8" casing string and before drilling into the      formation, the blowout preventers and related control equipment failing to test satisfactorily shall be repaired or replaced. This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report.