

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT BOX 1290
HOBBS NEW MEXICO 88240

SUBMIT IN TRIPPLICATE
(Other Instructions on reverse side)

Subject Bureau No. 1001-0130
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR Damson Oil Corporation		8. FARM OR LEASE NAME Southern California Federal	
3. ADDRESS OF OPERATOR 3300 N. A, Bldg. 8, Suite 100, Midland, Texas 79705		9. WELL NO. 5	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1980' FSL & 1980' FEL		10. FIELD AND POOL, OR WILDCAT West Lusk Delaware	
14. PERMIT NO. N/A		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 29, T19S, R32E	
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 3,556' GR		12. COUNTY OR PARISH Lea	
		13. STATE NM	

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	MULTIPLE COMPLETE	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	ABANDON*	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>
(Other)	<input type="checkbox"/>		

SUBSEQUENT REPORT OF:

WATER SHUT-OFF	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
FRACTURE TREATMENT	<input type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
SHOOTING OR ACIDIZING	<input type="checkbox"/>	ABANDONMENT*	<input type="checkbox"/>
(Other)	<input type="checkbox"/>	Drilling	<input checked="" type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Spud and set surface pipe 12/6/87 - 12/7/87:

- 1) MIRT. Spudded 17-1/2" hole on 12/6/87.
- 2) Drilled to 880'.
- 3) Ran centralized 13-3/8" 61# J-55 Buttress casing and landed it at 880'.
- 4) Cemented 13-3/8" casing with 525sx Howco Lite Class "C" cement w/6% gel, 1/4#/sx Celoflakes and 210sx Class "C" w/2% CaCl. Cmt circulated to surface.
- 5) WOC and NU BOP.

Cementing witnessed by Ralph Dillo w/BLM.

18. I hereby certify that the foregoing is true and correct

SIGNED C. M. Bloodworth

TITLE District Engineer

DATE 12/10/87

(This space for Federal or State office use)

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

*See Instructions on Reverse Side

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

Damson Oil Corporation

3. ADDRESS OF OPERATOR

3300 N. A, Bldg. 8, Suite 100, Midland, Texas 79705

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

At surface

1980' FSL & 1980' FEL

At proposed prod. zone

1980' FSL & 1980' FEL

5. LEASE DESIGNATION AND SERIAL NO.

LC 063586

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Southern California Federal

9. WELL NO.

5

10. FIELD AND POOL, OR WILDCAT

West Lusk Delaware

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

Sec. 29, T19S, R32E

12. COUNTY OR PARISH

Lea

13. STATE

NM

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

South from Maljamar 16 miles

15. DISTANCE FROM PROPOSED*

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

660'

16. NO. OF ACRES IN LEASE

560 acres

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.

1867'

19. PROPOSED DEPTH

7,200'

20. ROTARY OR CABLE TOOLS

Rotary

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

* Est. 3,554' GL

22. APPROX. DATE WORK WILL START*

As Soon As Possible

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	900'	See Reverse
12-1/4	8-5/8	24# & 32#	4,500'	CIRCULATE
7-7/8	5-1/2	15.50#	7,200'	CIRCULATE

MUD PROGRAM: SEE EXHIBIT F

BOP PROGRAM: SEE EXHIBIT E

* Exact GL elevation is to be determined after location is built.

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

Brent L. Lowrey

TITLE

Production Technician

DATE

9/25/87

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

10-7-87

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

SEP 28 11 05 AM '87
OIL FIELD DIVISION
BUREAU OF LAND MANAGEMENT

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1987

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2086
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-70

All distances must be from the outer boundaries of the Section.

Operator Damson Oil Corporation		Lease Southern California Federal		Well No. 5
Unit Letter J	Section 29	Township T-19-S	Range R-32-E	County Lea

Actual Postage Location of Well:

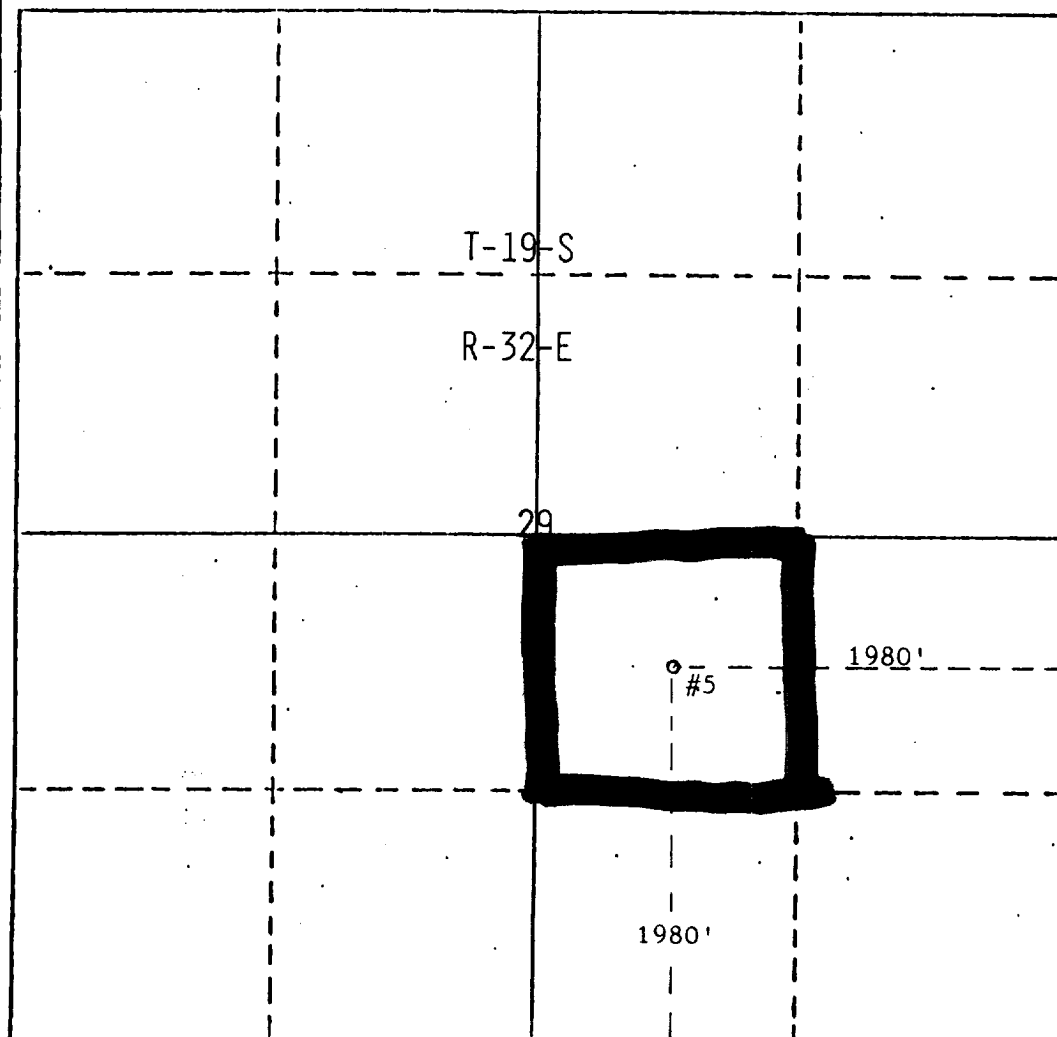
1980 feet from the South line and		1980 feet from the East line	
Ground Level Elev. 3556	Producing Formation Delaware	Pool West Lusk Delaware	Dedicated Acreage: 40 Acres

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 _____

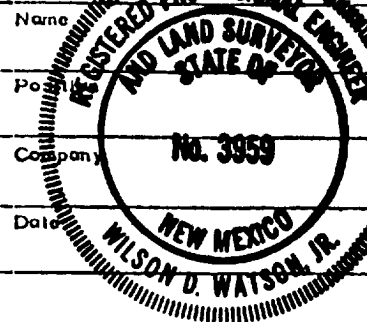
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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 Division.



CERTIFICATION

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



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.

September 18, 1987

Date Surveyed

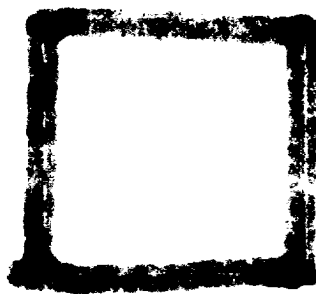
Registered Professional Engineer
and/or Land Surveyor FB #152/21

W. D. Watson, Jr.

Certificate No.

3959

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APPLICATION TO DRILL

DAMSON OIL CORPORATION

SOUTHERN CALIFORNIA FEDERAL WELL #5

1980' FSL and 1980' FEL
Section 29, T19S, R32E
Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Damson Oil Corporation submits the following ten items of pertinent information to drill the subject well in accordance with Bureau of Land Management requirements.

1. The geologic surface formation is cretaceous.
2. The estimated tops of geologic markers are:
 1. Rustler 850
 2. Tansill 2380
 3. Yates 2535
 4. Seven Rivers 2746
 5. San Andres 4285
 6. Delaware 4645
 7. Bone Springs 7180
3. The estimated depths at which water, oil or gas-bearing formation are expected:
Water: 300 feet
Oil & Gas: Delaware 4700'-6700'
4. Proposed casing program: See Form 3160-3
5. Pressure control equipment: See exhibit E
6. Mud Program: See Exhibit F
7. Anticipated bottom-hole pressure: 3118 psig at a total depth of 7200 feet. No abnormal pressures are expected. Hydrogen sulphide gas may be encountered in the Capitan Reef, although none is expected. Appropriate safety precautions will be taken.
8. Testing, logging and coring programs:
Drill Stem tests:
No DST's will be taken
Logging:
Mud loggers will be used from 4500' to TD
Wireline Logging program: Compensated neutron, formation density, long spaced sonic, dual laterolog/MSFL
9. Anticipated starting date: As soon as possible.

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EXHIBIT F
DRILLING PROGNOSIS
SOUTHERN CALIFORNIA FEDERAL #5

LOCATION: 1980' FEL & 1980' FSL, Section 29, T19S, R32E
Lea County, New Mexico

PROPOSED DEPTH
AND OBJECTIVE: 7200' Delaware Test

CASING PROGRAM: Surface: 13 3/8" 48# H-40 ST&C Set at 900' in 17 1/2" hole
Intermediate: Tapered string of 8 5/8" 24# J-55 ST&C from
0 to 2400 ft and 8 5/8" 32# J-55 ST&C from
2400 ft to 4500 in 12 1/4" hole. DV tool
is to be run at \pm 2800 ft.
Production: 5 1/2" 15.50# K55 ST&C from surface to 7200 ft
in 7 7/8" hole. Sufficient cement will be
used to bring the top above the base of the
intermediate casing.

LOGGING PROGRAM: A compensated neutron/formation density, with gamma ray, caliper and
photoelectric measurements and a long spaced sonic for lithology. A
dual laterolog/MSFL log will be run for water saturation analysis.
All logs will be run from the base of intermediate casing to TD.

MUD LOGGING: Samples will be taken every 10 ft from 4500 ft to TD.

MUD PROGRAM:

0 - 900'	Spud 17 1/2" hole with fresh water containing gel and lime, if necessary for hole cleaning. Mud weight should be 8.5-8.7 lb/gal with a viscosity of 33-35 sec/1000 cc.
900 - 4500'	Drill out below surface pipe using 12 1/4" bit with 10 lb/gal brine for drilling the native salt section. Lime will be added to maintain a pH of 9.5-10.0. Partial or total lost circulation is expected in the top of the Capitan Reef at \pm 2850 ft. If total loss does occur, the remainder of the intermediate hole will be dry drilled with sweeps to 4500 ft.
4500 - 7200'	Drill out below intermediate casing with 9.0 lb/gal brine. Mud weight should not exceed 9.3 lb/gal with a viscosity of 26-30 sec/1000 cc. and a chloride concentration of 100,000 ppm. A Drispac-type system should be used to limit fluid loss to 15-18 cc. pH should be maintained to 9.0-9.5 using additions of caustic soda and soda ash as necessary. Any seepage should be controlled with drilling paper.

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CEMENTING

SURFACE PIPE - 900' of 13 3/8" in 17 1/2" HOLE:

Attempt to circulate 425 sx of 65% Class "C" cement and 35% poz mix w/6% bentonite and 1/4 lb/sack cellophane flakes followed by 210 sx Class "C" cement containing 2% calcium chloride and 1/4 lb/sack cellophane flakes. A "Texas" pattern guide shoe and insert float valve will be run, along with 3 centralizers on bottom 300 ft of string. Thread locking compound should be used on bottom two joints of casing.

INTERMEDIATE CASING - 4500 ft 8 5/8" in 12 1/4" HOLE:

The intermediate casing will have to be cemented in two stages. A DV tool will be run at \pm 2800 ft. The first stage will consist of 800 sx 65% Class "C" and 35% poz mix with 5 lb/sack salt and 1/4 lb/sack cellophane flakes followed by 200 sx Class "C" with 1/4 lb/sack cellophane flakes. The second stage will consist of 1600 sx 65% Class "C" and 35% poz mix with 15 lb/sx salt followed by 200 sx Class "C" with 4 lb/sx salt and 1/4 lb cellophane flakes. A float shoe and collar along with 5 centralizers will be run on the bottom 600 ft of casing. The stage cementing tool will be run at \pm 2800 ft with centralizers above and below. 3 cement baskets will also be run between the stage cementer and the top of the lost circulation zone. Thread locking compound will be used on the bottom joint of casing and on the stage cementer.

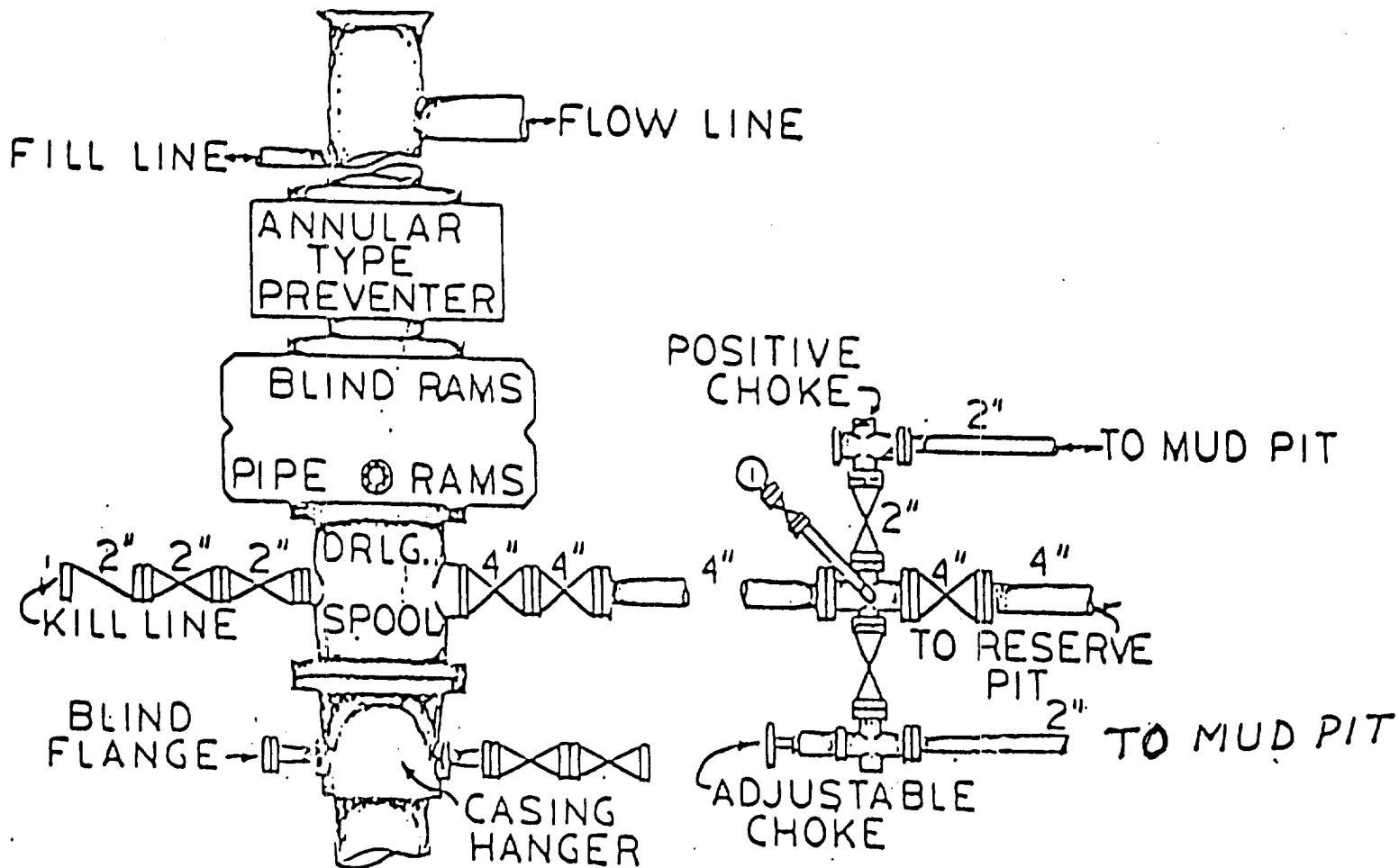
PRODUCTION CASING - 7200' of 5 1/2" in 7 7/8" HOLE:

Production casing will be cemented with 400 sx Class "C" with 5 lb/sack salt and some fluid loss additive. This should be sufficient to bring the top of cement above the base of the intermediate casing. A float collar and shoe will be run. In addition, Centralizers will be placed on the bottom 4 joints of casing and across each potential zone of interest. Thread locking compound will be used on the bottom 4 joints of casing.

EXHIBIT 2

PRESSURE CONTROL EQUIPMENT

B.O.P. ARRANGEMENT
3000 LB. W.P. B.O.P.
10" CAMERON TYPE-SS HYDRAULIC B.O.P. 3000 P.S.I.
10" G.K. HYDRILL 3000 W.P.
80 GALLON- STATION KOOMEY ACCUMULATOR
3000 LB. W.P. CHOKE MANIFOLD



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