

OPER. OGRID NO. 21355

TE

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

LIMITED
DEPARTMENT OF
BUREAU OF LAND

PROPERTY NO. 16868
POOL CODE 43329
EFF. DATE 9/27/95
API NO. 30-025-33120

APPLICATION FOR PERM

1A. TYPE OF WORK

DRILL ☒

DEVELOP ☐

B. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE BORE ☐

MULTIPLE BORE ☐

2. NAME OF OPERATOR

SOUTHWEST ROYALTIES INC. (NELSON PATTON)

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 11390 MIDLAND, TEXAS 79702
407 NORTH BIG SPRING PHONE 915-686-9927

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

At surface 330' FNL & 1980' FEL SEC 34 T17S-R33E LEA CO. NM

At proposed prod. zone SAME

NWNE

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

8 Miles Southeast of Maljamar New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT. 330'
(Also to nearest drig. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 650'

16. NO. OF ACRES IN LEASE

520

17. NO. OF ACRES ASSIGNED
TO THIS WELL

19. PROPOSED DEPTH

5500'

20. ROTARY OR CABLE TOOLS

ROTARY

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

A153'

22. APPROX. DATE WORK WILL START*

As soon as approved

23.

PROPOSED CASING AND CEMENTING PROGRAM

Lea County Controlled Water Basin

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55 8 5/8"	24# WITNESS	1460'	500 Sx. Hal-light + 400 Sx. Cl "C"
7 7/8"	J-55 5 1/2"	15.5#	5500' (see slips)	350 Sx. Hal-light W/10# Salt/Sx. + 250 Sx. Class "C" + additives.

1. Set 40' of 20" Conductor Pipe Cement to surface with Redi-Mix
2. Drill 12 1/4" Hole to Run 8 5/8" Casing to 1460' J-55, 24# ST&C. Cement with 500 Sx Halliburton-Light tail in 400 Sx class "C". circulate to surface.
3. Drill 7 7/8" hole to 5500' Run 5500' of 5 1/2" J-55, 15.5# ST&C casing. Cement with 350 Sx of Halliburton-Light cement W/10# salt per Sx tail in with 250 Sx class "C" + additives. Tie back into the 8 5/8" casing at 1460'. Verify top of cement with temp. Log or cement bond Log.

ENTERED

JUL 19 11 14 AM '95

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

TITLE

Agent

DATE

07/18/95

(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:

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33120	Pool Code 43329	Pool Name Maljamar -Greyburg San Andres
Property Code 16868	Property Name EILLIAMS "34" FEDERAL	Well Number 11
OGRID No. 021355	Operator Name SOUTHWEST ROYALTIES INC.	Elevation 4153

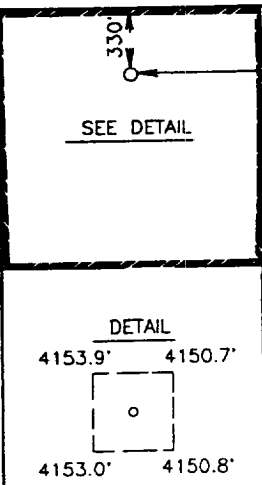
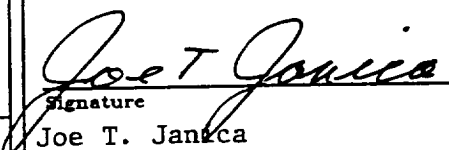
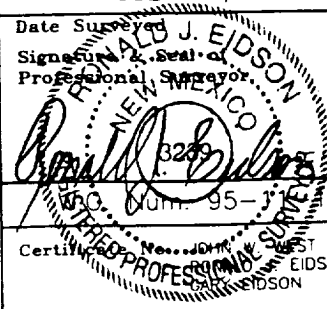
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	34	17 S	33 E		330	NORTH	1980	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Joe T. Janica Printed Name Agent Title 07/18/95 Date
	SURVEYOR CERTIFICATION 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. JULY 10, 1995 Date Surveyed  Signature Professional Surveyor 7-12-95 Date 3239 No. 086 Cert. No. 676 EIDSON 12641

APPLICATION TO DRILL
SOUTHWEST ROYALTIES INC.
EILLIAMS "34" FEDERAL # 11
330' FNL & 1980' FEL SEC. 34
T17S-R33E LEA CO. NM

In response to questions asked under Section II B of Bulletin NTL-6 the following information is provided for your consideration:

1. Location: 330' FNL & 1980' FEL SEC. 34 T17S-R33E LEA CO. NEW MEXICO
2. Elevation above sea level: 4153' GL
3. Geologic name of surface formation: Quaternary Aeolian Deposits.
4. Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.
5. Proposed drilling depth: 5500'
6. Estimated tops of geological markers:

Rustler anhydrite	1440'	Top of Queen	3727'
Top of salt	1605'	Top of Grayburg	4150'
Base of salt	2630'	Top of San Andres	4526'
Top of Yates	2730'		
7. Possible mineral bearing formation:

Grayburg -San Andres Oil

8. Casing program:

Hole size	Interval	OD casing	Weight	Thread	Collar	Grade	Condition
25"	0-40'	20"		Conductor	Pipr	.30 Wall thickness	
12 1/4"	0-1460'	8 5/8"	24#	8-R	ST&C	J-55	New
7 7/8"	0-5500'	5 1/2"	15 5/8	8-R	ST&C	J-55	New

9. Cementing and Setting Depth:

20'	Conductor	Set @ 40'	Cement With Redi-Mix Cement to surface
8 5/8	Surface	Set 1460'	of 8 5/8" 24# 8-R J-55 ST&C Cement with 500 Sx of light cement tail in with 400 Sx class "C" with additives Circulate cement to surface
5½	Production	Set 5500'	of 5½ 15.5# 8-R J-55 ST&C Cement with 350 Sx of light cement with 10# Salt/Sx tail in with 250 Sx of Class "C" or 50/50 POZ with additives Tie Back into 8 5/8" casing. Verify top of cement with log.

10. Pressure Control Equipment: Exhibit "E". A Blow-out Preventer (no less than 900 series 3000 psi working pressure) consisting of double ram type preventer with bag type preventer. Units will be hydraulically operated. Exhibit "E-1" Choke Manifold and Closing Unit. Blind rams on top, pipe rams on bottom to correspond with size of drill pipe in use. BOP will be nipped up on 8-5/8" casing and remain on well until casing is run and cemented. BOP will be tested as well as choke manifold. BOP will be worked at least once each day while drilling and blind ram will be worked on trips when no drill pipe is in hole. Flow sensor PVT, full opening stabbing valve and upper kelley cock will be utilized. No pressures greater than 2000 psi anticipated.

11. Proposed Mud Circulating System:

Depth	Mud Wt.	Mud Visc.	Fluid Loss	Type Mud
0-1460	8.6 - 9.0	34-36	NC	Fresh Water
1460-5500	10.0 - 10.1	28-29	NC	Brine water w/lime for pH control and paper for seepage

To log well and run casing viscosity may have to be raised and water loss may be required to be lowered to 8cc or less depending on hole conditions.

SOUTHWEST ROYALTIES, INC.
EILLIAMS "34" FEDERAL #11
330' FNL & 1980' FEL SEC. 34
T17S-R33E LEA CO. NM

12. Testing, Logging and Coring Programs:

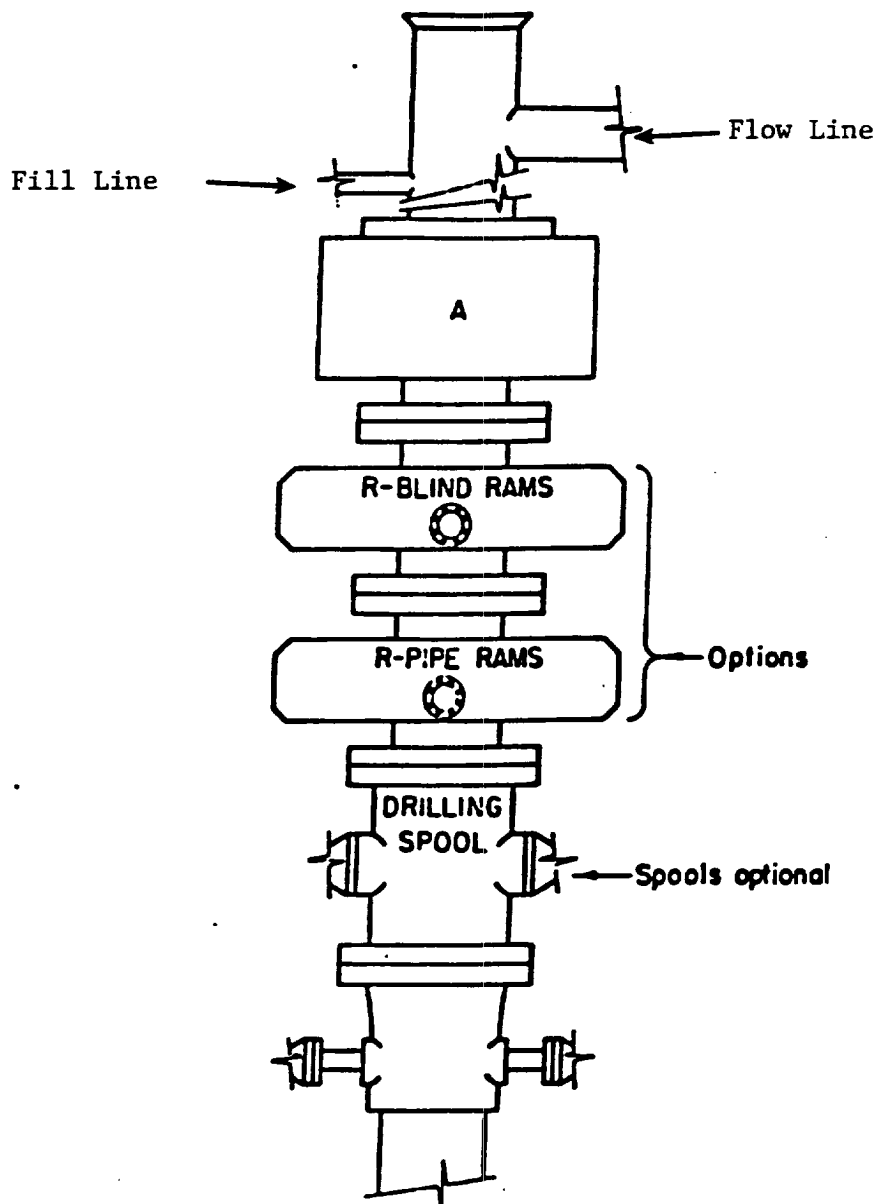
- (A) No planned DST
- (B) Open Hole Logs: DLLw/LDT-CNL from TD to 1460' with Gamma Ray to surface.
- (C) No coring planned.

13. Potential Hazards:

No abnormal pressures or temperature zones expected (nothing abnormal in offset wells or other wells in the area). Hydrogen sulfide gas is not anticipated however, precautions for detection will be observed. No major lost circulation is expected (none reported in this area). H2S contingency attached "13-A".

14. Anticipated Starting Date and Duration of Operation: Road and location construction will begin after BLM approval of APD. Anticipated spud date 09/01/95 Drilling expected to take 10 to 12 days. If production casing is run an additional 20 days to complete and construct surface facility and place well on production.

15. Other Facets of Operations: After running casing, cased hole gamma ray collar correlation logs will be run from total depth over possible pay intervals. The Grayburg-San Andres will be perforated & stimulated. The well will be swab tested and potentialized as an oil well.



ARRANGEMENT SRRA

900 Series
3000 PSI WP

EXHIBIT "E"
BOP SKETCH TO BE USED ON
SOUTHWEST ROYALTIES INC.
EILLIAMS "34" FEDERAL # 11
330' FNL & 1980' FEL SEC. 34
T17S-R33E LEA CO. NM