

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

Walter W. Krug DBA Wallen Production Company

3. ADDRESS OF OPERATOR

P. O. Box 1960 Midland, Texas 79701

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

At surface

990' FSL and 2310' FWL

At proposed prod. zone

same as above

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

28 miles W S W from Hobbs, New Mexico

15. DISTANCE FROM PROPOSED*

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

330'

16. NO. OF ACRES IN LEASE

80

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.

None

19. PROPOSED DEPTH

3150'

20. ROTARY OR CABLE TOOLS

cabletool

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

GR

approx. 3586

22. APPROX. DATE WORK WILL START*

10/15/76

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	13 3/8"	61# K55	225' new	125 sxs
12 1/2"	10 3/4"	45# K55	550' used	mudded in to be pulled
10"	8 5/8"	H40		
8"	7"	24# & 28# K55	800' used	1000 sxs cement w/2% gel &
		23# K55	3050' new	1/4# cello flake/sxs
6 1/4"	4 1/2"	10 1/2# K55	3150' (500') new	60 sxs class "c"

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Walter W. Krug

TITLE

Engineer

DATE

9-4-76

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

Walter W. Krug DBA

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

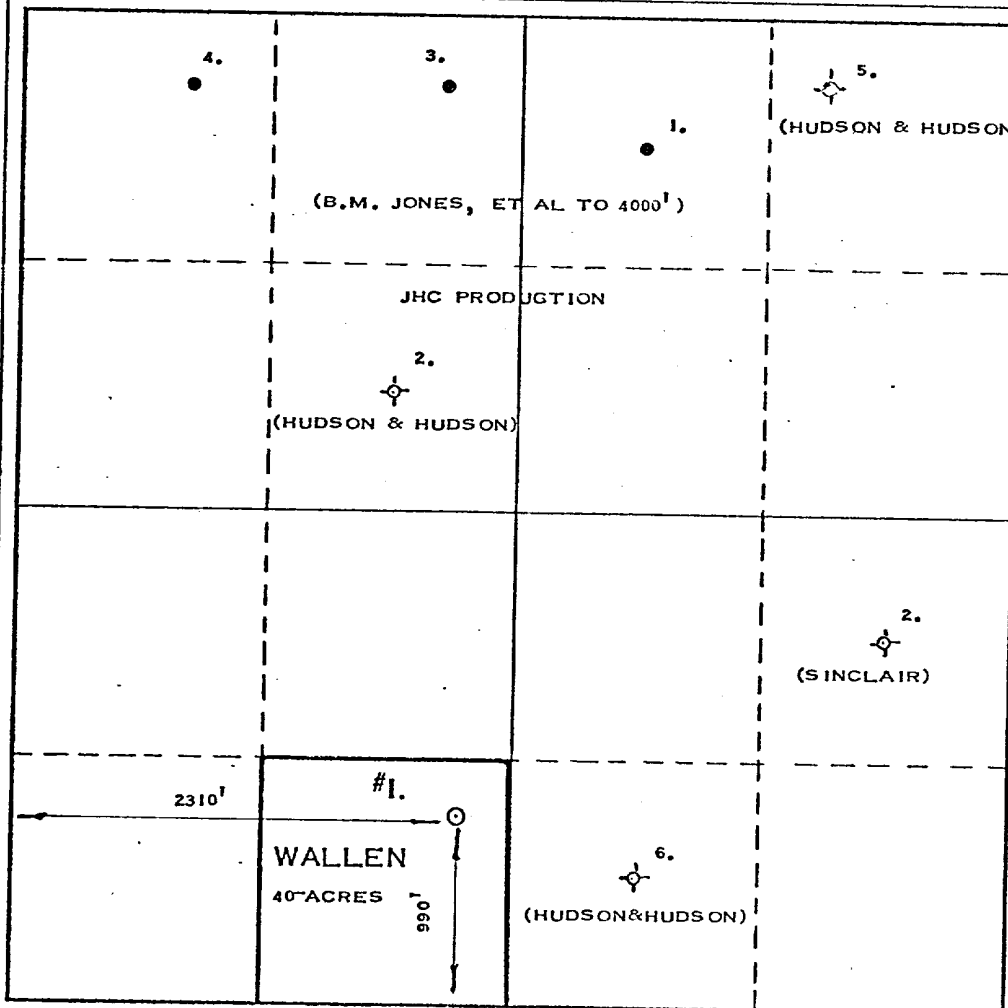
Operator WALLEN PRODUCTION CO.			Lease TONTO		Well No. 1
Unit Letter "N"	Section 30	Township 19-S	Range 33-E	County LEA	
Actual Footage Location of Well: 990 feet from the SOUTH line and 2310 feet from the WEST line					
Ground Level Elev. 3588	Producing Formation YATES		Pool UNDESIGNATED		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.



CERTIFICATION

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

Walter W. Krug
Name

Walter W. Krug

Position

Engineer

Company Production Co.

Walter W. Krug DBA Wallen

Date

September 15, 1976

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

SEPTEMBER 14, 1976

Registered Professional Engineer and Land Surveyor

Max A. Schumann Jr.
MAX A. SCHUMANN JR

Certificate No.

1510

REQUIREMENTS OF N T L -6

1. Geologic name of the surface where the Tonto #1 is located is the Quarternary (Alluvium and sand).
2. The estimated tops of the gologic markers are:
 - A. Rustler (Anhydrite) = 1215'
 - B. Top Salt = 1338'
 - C. Base of Salt = 2720'
 - D. Lime = 2740'
 - E. Yates = 2895'
 - F. Reef (Seven Rivers) = 3115'
3.
 - a. Surface Water = 150'
 - b. Santa Rosa Water = 755'
 - c. Yates Sand Oil = 2895'
 - d. Seven River Reef Oil = 3115'
4. On Form 9-331-C
5. Control equipment is a 1500# W.P. control head with double oil saver (if needed) (this will be a cabletool rig).
6. Drilling fluid is fresh water. (cabletool drilling)
7. Doesn't apply to cabletool
8. Samples will be caught and a Gamma Ray Neutron and CCL will be run.
9. Control head has room for two kill lines if needed.
10. Expect to start drilling 10/15/76, hope to finish 12/30/76.

MULTI-POINT SURFACE USE
AND OPERATIONS PLAN

WALLEN PRODUCTION COMPANY

WALLEN TONTO #1 WELL
2310' FWL and 990' FSL, Sec. 30-19S-33E
Lea County, New Mexico
Lease LC 073240

This plan submitted with the "Application for Permit to Drill" the above described well. This plan describes the location, the proposed construction and operations plan, the necessary surface disturbance and the proposed rehabilitation after completion of activities.

1. EXISTING ROADS:

- A. Plat "A" is a portion of a USGS topographic map, Lea County, New Mexico, showing existing roads. The location is 21.5 miles west of Arkansas Junction on U.S. 62 & 180, turn right on New Mexico 176 for 4.7 miles, and turn right on New Mexico 31 for 6.2 miles, and turn right for 5.3 miles on an improved lease road, then turn right again for 1.5 miles, turn left for .7 miles and turn right for 1 mile to proposed drillsite.
- B. Plat "B" is a land plat with all existing roads in a one (1) mile radius from the proposed well-site and the planned access road.
- C. A portion of the existing, eroded, caliche road from the east section line of section 30 (where the BLM caliche quarry is located) will be repaired and 1320' of new road will be made. We use an 8" deep 12' wide watered and compacted method of road building and repair.

2. PLANNED ACCESS ROAD:

- A. Length and width: The new road will be 1320' long and 12' wide. This road is colored red on Plat "B". This road will be staked and flagged on the center line of the road. Each flag will be visible from the next.
- B. Surfacing Material: Eight (8) inches of compacted, watered and graded caliche will be used.
- C. Maximum Grade: Three (3) percent.
- D. Turnouts: Three passing turnouts every 2000' will be constructed. They are 20' by 30', including road.

- E. Drainage Design: New road will have a drop of 6" from the centerline on each side.
- F. Culverts: None required.
- G. Cuts and Fills: None required.
- H. Gates and Cattleguards: None required.
- 3. LOCATION OF EXISTING WELLS:
 - A. Existing wells within a one-mile radius are shown on Plat "B"
- 4. LOCATION OF PROPOSED FACILITIES:
 - A. Location of the proposed tank battery and flow line from well No. 1 are shown on Plat "C". The proposed flow line will not be buried.
- 5. LOCATION AND TYPE OF WATER SUPPLY:
 - A. Water for drilling will be purchased from Mark Smith (a rancher) or A. A. Oilfield Services - Hobbs. Water will be trucked over existing roads.
- 6. SOURCE OF CONSTRUCTION MATERIALS:
 - A. Caliche for surfacing roads, pad (well) and repairing roads will be obtained from existing quarries listed and circled in red on Plat "A" and have been located on the ground as actually being there.
- 7. METHOD OF HANDLING WASTE DISPOSAL:
 - A. Drill cuttings will be disposed of in the pit.
 - B. Drilling fluid soaks into the ground and evaporates.
 - C. Produced water will be disposed of in pit. Produced oil goes into rental tanks until sold.
 - D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
 - E. Trash, waste paper, garbage and junk will be buried in the disposal pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.
 - F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELLSITE LAYOUT:

- A. Plat "D" shows the relative location and dimensions of the well pad, disposal pit, rig, water tank and dead men.
- B. Only minor leveling and shiner scraping will be required.
- C. The pad has been flagged.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operation all equipment and other material not needed for operations will be removed. Pits will be filled and location cleaned of all trash and junk to leave the wellsite as attractive as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. After abandonment of the well, any special rehabilitation or revegetation requirements of the surface management agency will be complied with and accomplished as soon as possible. All pits should be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION:

- A. Topography: Land surface is rolling and dune. From an elevation of 3580' at the wellsite, the surface slopes to the south at the rate of 50' per mile.
- B. Soil: The soil is fine sand and clay underlain by caliche.
- C. Flora and Fauna: Vegetation consists of mesquite, yucca, scrub oak and native grasses. Wildlife includes coyote, rabbits, rodents, reptile, dove, quail and antelope.
- D. Ponds and Streams: There are no rivers, streams, fresh water lakes or ponds in the area, however, there is a salt water disposal sink within 1½ miles southeast of the proposed location.
- E. Residences and Other Structures: The nearest occupied dwelling is a ranch house 2¼ miles southwest. The nearest water is there also.
- F. Archeological, Historical and Cultural Sites: There are none in the area.

G. Land Use: Grazing and hunting in season.

H. Surface Ownership: Wellsite is on Federal
Land including all roads.

12. OPERATOR'S REPRESENTATIVE:

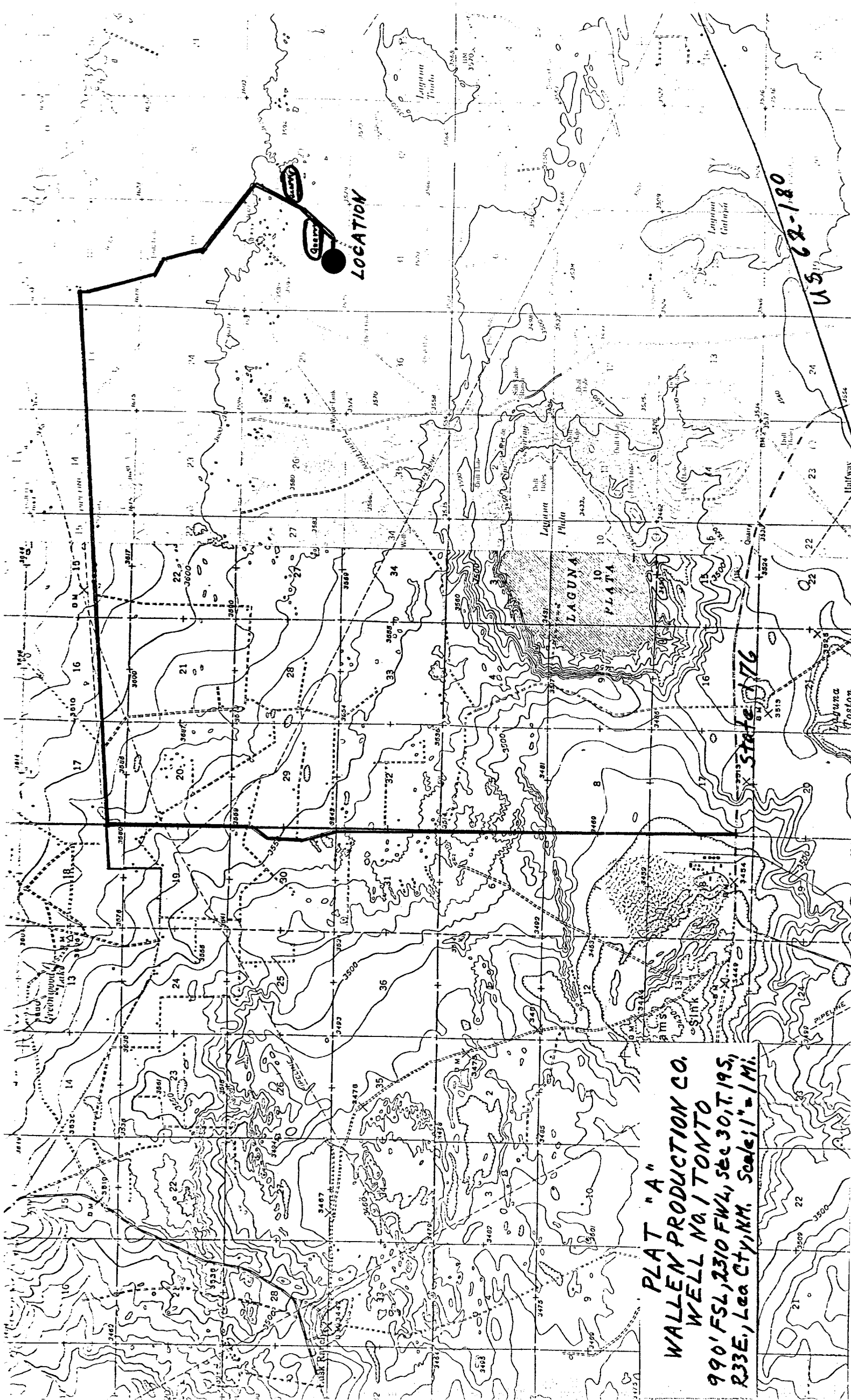
Walter W. Krug
#4 Ridgmar Court
Midland, Texas 79701
Home phone: 563-0048
Office phone: 683-2600

13. CERTIFICATION:

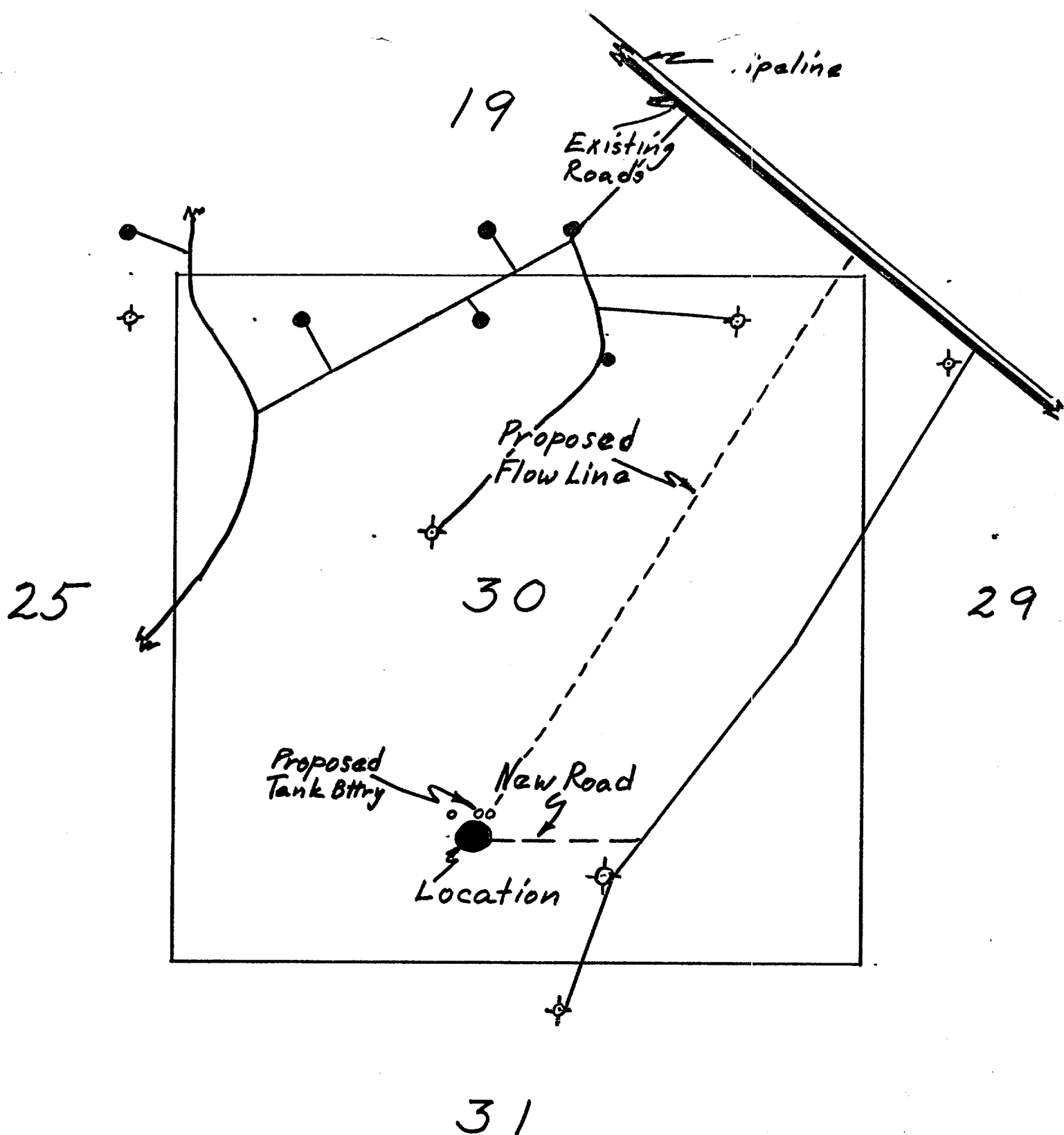
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge true and correct; and that the work associated with operations proposed herein will be performed by Wallen Production & Drilling Co. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

9/4/76
Date

Walter W. Krug Engr.
Name and Title

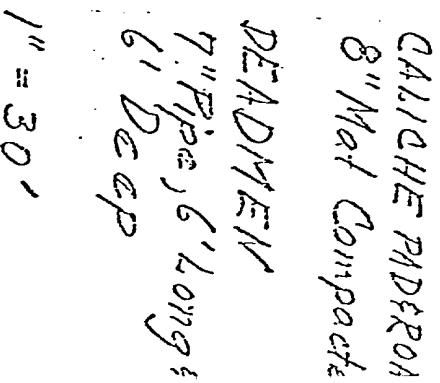


PLAT "B"
WALLEN PRODUCTION CO.
WELL NO 1 TONTO
990 FSL, 2310 FWL, T. 17S, R33E.
Lea Cty, NM Scale: 2 5/8" = 1 Mi



PLAT "C"
 WALLEN PRODUCTION CO.
 WELL NO. 1 TONTO
 990 FSL, 2310 FWL, Sec 30, T19S, R33E
 Lea Cty., N.M. Scale: 1" = 1000'

DEADMAN



U. S. GEOLOGICAL SURVEY
P. O. Box 1157
Hobbs, New Mexico 88240

HOES DISTRICT

Wallen Production Co.
No. 1 Wallen Tonto
SE $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 30-19S-33E
Lea County, N. M.

Above Data Required on Well Sign

CONDITIONS OF APPROVAL

1. Drilling operations authorized are subject to the attached sheet for general requirements for drilling and producing operations.
2. Notify this office (telephone (505) 393-3612) when the well is spudded and in sufficient time for a representative to witness cementing operations.
3. Immediate notice is required of all blowouts, fires, spills, and accidents involving life-threatening injuries or loss of life.
4. Secure prior approval before changing the approved drilling program or commencing plugging operations, plug-back work, casing repair work, or corrective cementing operations.
5. While drilling below salt section, a control head complete with flow line, kill line connection, control valve, and oil saver is to be installed ready for use.
6. A Gamma Ray-Sonic log is to be run in open hole from the base of the salt to the surface. Cable speed should not exceed 30 feet per minute.
- ✓ 7. If, during operations, the operator or any person working in his behalf, discover any historic or prehistoric ruin, monument or site, or any object of antiquity subject to the Antiquities Act of June 8, 1906, (34 Stat. 225, 16 U.S.C. Secs. 431-433), and 43 CFR Part 3, then work will be suspended and the discovery promptly reported to the District Manager. The Bureau will then take such action as required under the Act and regulations thereunder. When directed by the District Manager, the operator will obtain, at his expense, a qualified archaeologist to examine and, if necessary, excavate or gather such ruins or objects.
- ☑ 8. All access roads constructed in conjunction with the drilling permit should be limited to 12 feet in width, along with turnouts. If well is a producer, all roads will be adequately drained to control runoff and soil erosion. Drainage facilities may include ditches, water bars, culverts and/or any other measure deemed necessary by the responsible BLM representative.

- ☒ 9. Materials removed during construction must be disposed of in such a manner that it does not detract from the aesthetics and does not accelerate erosion. When clearing the area of operations of vegetation other than grass, the vegetation removed will be placed in drainages, washes, gullies, etc., and "walked down" by crawler type tractor. If no drainages are in the immediate area, the vegetation will be "walked down" in place. After construction has been completed, the affected area will be left in as aesthetically pleasing condition as possible. All trash resultant from construction activities will be disposed of. Any large rocks left as a result of construction activities will not be piled or left in rolls but will be left so they do not detract from the scenic attributes of the area and will not hinder the movement of livestock or big game animals.
- ☒ 10. Any "available topsoil" encountered during the construction of the drill site area will be stockpiled and made available for re-surfacing of the reserve pit area (after pits are covered) after completion of the drilling operation.
- ☒ 11. "Caliche" for use in the construction of the drill pad and access road shall be obtained from existing authorized pits whenever possible, as determined by the responsible BLM representative. No new pits shall be opened without prior approval from the responsible BLM representative.
- ☒ 12. The "mud pits" shall be well constructed and under no circumstances will they be allowed to leak or be cut to drain. They shall not be located on natural drainages. Waste or discharge of any kind will not be allowed to enter any drainage. Any plastic material used to line pits and/or sumps shall be cut-off below ground level, as far down as possible, and disposed of before the pits are covered. All unattended pits, containing liquids, will be fenced and the liquid portion allowed to evaporate before the pits are broken.
- ☒ 13. All pits found to contain toxic liquids will be fenced and covered with a fine-mesh netting for the protection of wildlife as directed by the responsible BLM representative.
- ☒ 14. All waste associated with the drilling operation will be buried in place (in a separate trash pit) or removed and deposited in an approved sanitary landfill. All garbage (metal containers will be crushed) and debris left on site will be buried at least three feet deep. All trash and debris will be buried or removed from the site within one month after removal of the drill rig. The permittee will comply with all state laws and regulations pertaining to the disposal of human waste.

- ☒ 15. The well "site", if a producer, will be maintained and kept clean of all trash and litter or other foreign material which detracts from the surrounding environment. Maintenance shall also include measures necessary to stabilize soil conditions (other than reseeding) on the road and pad area, and maintenance of facilities associated with said well, to the satisfaction of the District Manager for the lifetime of the well.
- ☒ 16. 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" (3109). (Reseeding of the affected areas may be required at the discretion of the District Manager).