IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Conservation Division
P. O. Box 26124
Albuquerque, New Mexico 87125

JUL 0 1 1977

Walter W. Krug
Wallen Production Company
P. O. Box 1960
Midland, Texas 79701

Dear Mr. Krug:

Your Application for Permit to Drill well No. 4 Wallen Tonto in the SW¼SW¼ sec. 30, T. 19 S., R. 33 E., Lea County, New Mexico, lease New Mexico 073240, to a depth of 3085 feet to test the Seven Rivers formation in the Oil Potash area is hereby approved, as amended by stipulations attached to the application.

One copy of the application is returned herewith. Please notify the District Engineer, Geological Survey, Hobbs, New Mexico, in sufficient time for a representative to witness all cementing operations.

Sincerely yours,

(ORIG. SGD.) GENE F. DANIEL

Acting Area Oil and Gas Supervisor

cc: Denver
Mining Branch (2)
NMOCC-Hobbs (2) (w/2 cys. Notice)
Hobbs
Roswell (2)

Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL
OIL WELL [X] GAS WELL [ ] OTHER SINGLE ZONE [X] 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' FWL & 990' FSL
At proposed prod. zone
Same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
32 miles S W W of Hobbs, New Mexico

5. LEASE DESIGNATION AND SERIAL NO.
NM 073240

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Wallen Tonto

9. WELL NO.
4

10. FIELD AND POOL, OR WILDCAT
~~Undesignated~~

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 30, T 19S, R 33E

12. COUNTY OR PARISH
Lea

13. STATE
New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 990'

16. NO. OF ACRES IN LEASE
763 ~~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. 660'

19. PROPOSED DEPTH
3085'

20. ROTARY OR CABLE TOOLS
cabletool

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
GR 3580

22. APPROX. DATE WORK WILL START*
4/15/77

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	175 sxs
12½'	10 3/4"	45# K55	595' Used	Mudded in, to be pulled
10"	8 5/8"	24# H40, K55	1050' Used	: " " " "
8"	7"	23# K55	2890' New	1000 sxs class "C" w/ 2% gel & ¼# cello flake/sx

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 12/30/76

(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 L ATION AND ACREAGE DEDICATION PL.

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

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

Operator	Lease	Well No.
WALLEN PRODUCTION CO.	TONTO	4

Unit Letter	Section	Township	Range	County
"M"	30	19-S	33-E	LEA

Actual Footage Location of Well: 990 feet from the SOUTH line and 990 feet from the WEST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3580	SEVEN RIVER YATES	SOUTH TONTO	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

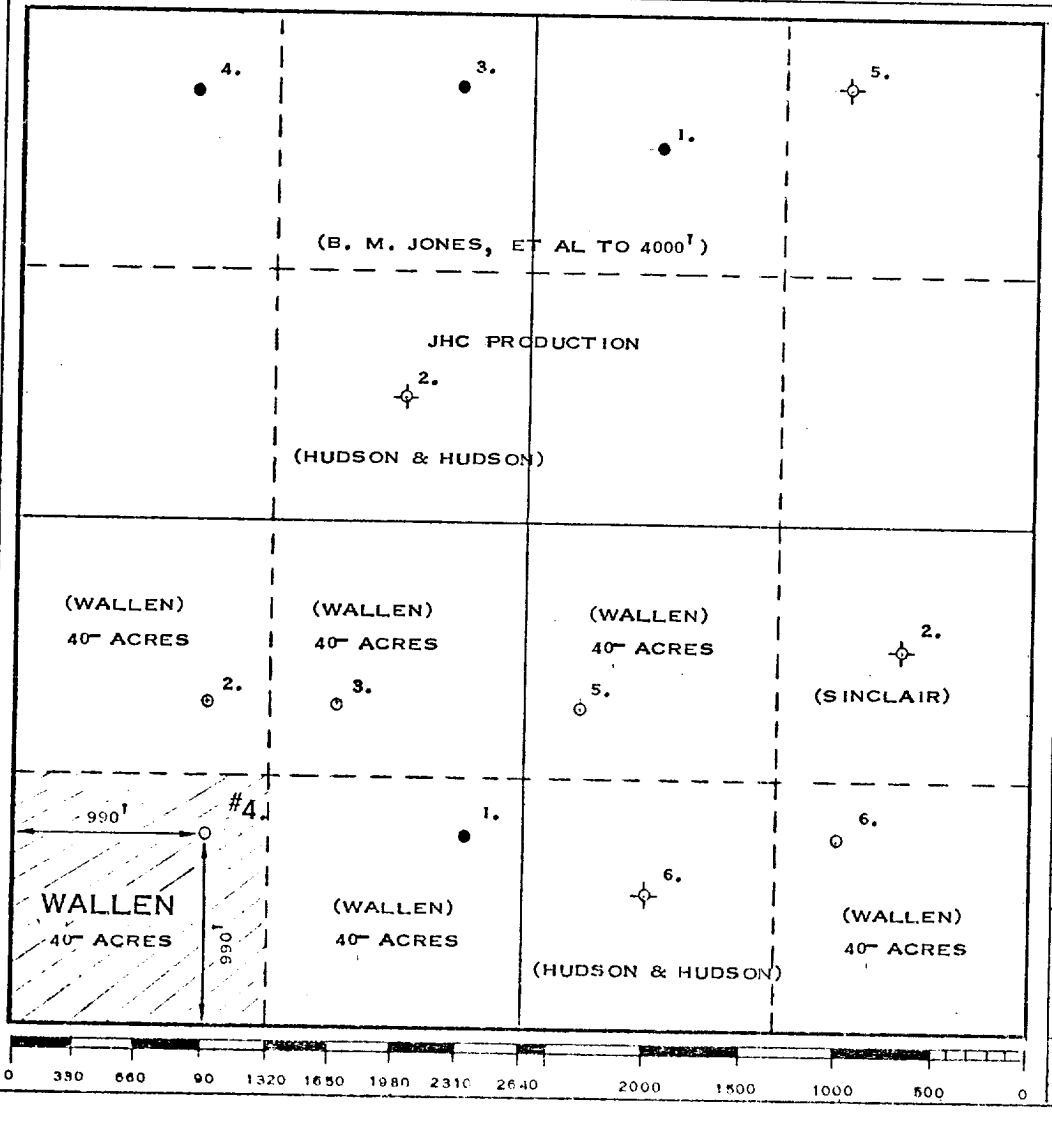
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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.

Name: Walter W. Krug

Position: Engineer

Company: Wallen Prod Co.

Date: 1/19/77

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: JANUARY 5, 1977

Registered Professional Engineer and/or Land Surveyor: Milton A. Parsons Jr.

Certificate No. 1510

U. S. Geological Survey

HOBBS DISTRICT

Wallen Production Company No. 4 Wallen Tonto SW¼SW¼ sec. 30-19S-33E Lea County, New Mexico
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. 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.

7. 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).

8. All structures and pipelines above ground, not subject to applicable conservation and safety requirements, should be painted a non-glare, non-reflective, non-chalking color that simulates the natural colors of the site. The Federal Standard Number to be used is Fed. Stand. 595, Color 30318.