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F&M OIL AND GAS COMPANY

**Proposed Wallen Tonto Waterflood
Wallen Tonto #7 WIW
Sec 30, T19S, R33E
Lea County, New Mexico**

SURFACE USE PLAN

1. **ROAD:** Location is next to lease road, therefore no new road is needed. To access location, we will push the mound portion of earthen barricade, constructed in road when well was P&A'd, back into the ditch portion of the barricade thereby making location accessible.

2. **LOCATION:** Maintenance will be performed on the original location, blade off vegetation on existing caliche pad. No action to exceed the original 200' boundary.

F & M OIL AND GAS COMPANY

P. O. BOX 891
MIDLAND, TEXAS 79702-0891
(915) 682-7714
FAX 682-7700

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July 5, 1996

U.S. Dept. of the Interior
Bureau of Land Management
Carlsbad Resource Area Headquarters
620 E. Greene Street
Carlsbad, NM 88220-6292

**RE: Wallen-Tonto #7
1650' FSL & 990' FEL
Sec 30, T19S, R33E - Lea County, NM
Lease No. NM-073240, API No. 30-025-25897**

**Attn: Paul R. Evans
Legal Instruments Examiner**

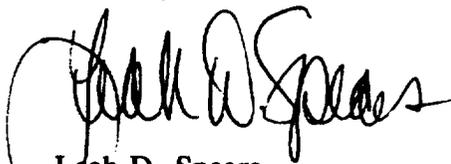
Dear Mr. Evans:

Please find enclosed a copy of our completed form 3160-3 (APD) for the re-entry of a P&A well and convert to WIW. This 3160-3 replaces our previous submitted copy of 7-1-96.

As per our numerous conversations, this well was previously permitted, by the prior Operator (Wallen Production), for the exact same procedure. No changes have been made in regard to the information previously submitted for the APD, other than the use of a rotary unit instead of cable tool and the packer change. The original application was canceled on April 19, 1994 due to time elapsed. F&M took over Operations of this property on 8/1/94. We wish to proceed with the water injection proposal and have filed the necessary paperwork with the OCD (see copy previously provided). Please add the enclosed to the copies of all the prior filings to help expedite the procedure.

If you require any further information/details, please do not hesitate to contact me at the above. We are eager to begin this project and want to comply with any requirements you might have. Your efforts on our behalf are greatly appreciated, thank you.

Sincerely,



Leah D. Spears
Office Manager

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
N.M. OIL & GAS COMMISSION
P.O. BOX 1980
HOBBS, NEW MEXICO 88240

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN RE-ENTRY OF P&A WELL

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER WIW SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 F&M Oil and Gas Company

3. ADDRESS AND TELEPHONE NO.
 P.O. Box 891, Midland, Texas 79702 (915) 682-7714

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 1650' FSL & 990' FEL WATER
 At proposed prod. zone 1650' FSL & 990' FEL INJECTION: By State

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

10. 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 280

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 3123'

20. ROTARY OR CABLE TOOLS Rotary (Rvs Unit)

21. ELEVATIONS (Show whether DF, RT, GR, etc.) GR 3589' R-111-P Potash

22. APPROX. DATE WORK WILL START* August 1, 1996

23. **Existing** ~~XXXXXX~~ CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
1 1/2"	K-55, 13 3/8"	72#	225'	300 sxs CL "C"
7" 8 3/4"	J-55, 8 3/4" 7'	23#	2930'	1000 sxs CL "C" W/ 2% CaCl + 1/4# flocele 1 sx

We will push earthen barricade, constructed in road when well was P&A'd, back in the ditch thereby making location accessible. Maintenance will be performed on the original Location, not to exceed the original 200' boundary. Rotary (reverse unit) will be moved on location.

Re-enter well P&A'd in 1978. Clean out to original T.D. of 3123'. There is 7" 23#/ft. casing set @ 2,930'. The 7" was cemented to the surface of the ground. We will install a nickel plated, Baker Loc-Set Packer on base of 2 3/8" plastic coated tubing. Packer depth will be @ 2,800'. Will install 2 3/8" Aluminum/Bronze master valve on Top, Lay injection lines. Begin H₂O Injection.

NOTE: Wallen Production applied for and received approval on the above referenced Re-entry which was canceled on April 19, 1994, due to time elapsed. F&M took over the operation of this well effective 8/1/94, see Sundry notice enclosed. No changes have been made in regard to the information previously submitted for this application, other than the use of a rotary unit instead of cable tool & the packer change, also see enclosed information.

Approval Subject to
General Requirements and
Special Stipulations
Attached

IN ABOVE SPACE DESCRIBE PROPOSAL: 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 Randall Tate TITLE Vice-President DATE July 1, 1996

(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**

NEW MEXICO OIL CONSERVATION COMMISSION
 WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-182
 Supersedes C-128
 Effective 1-4-65

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

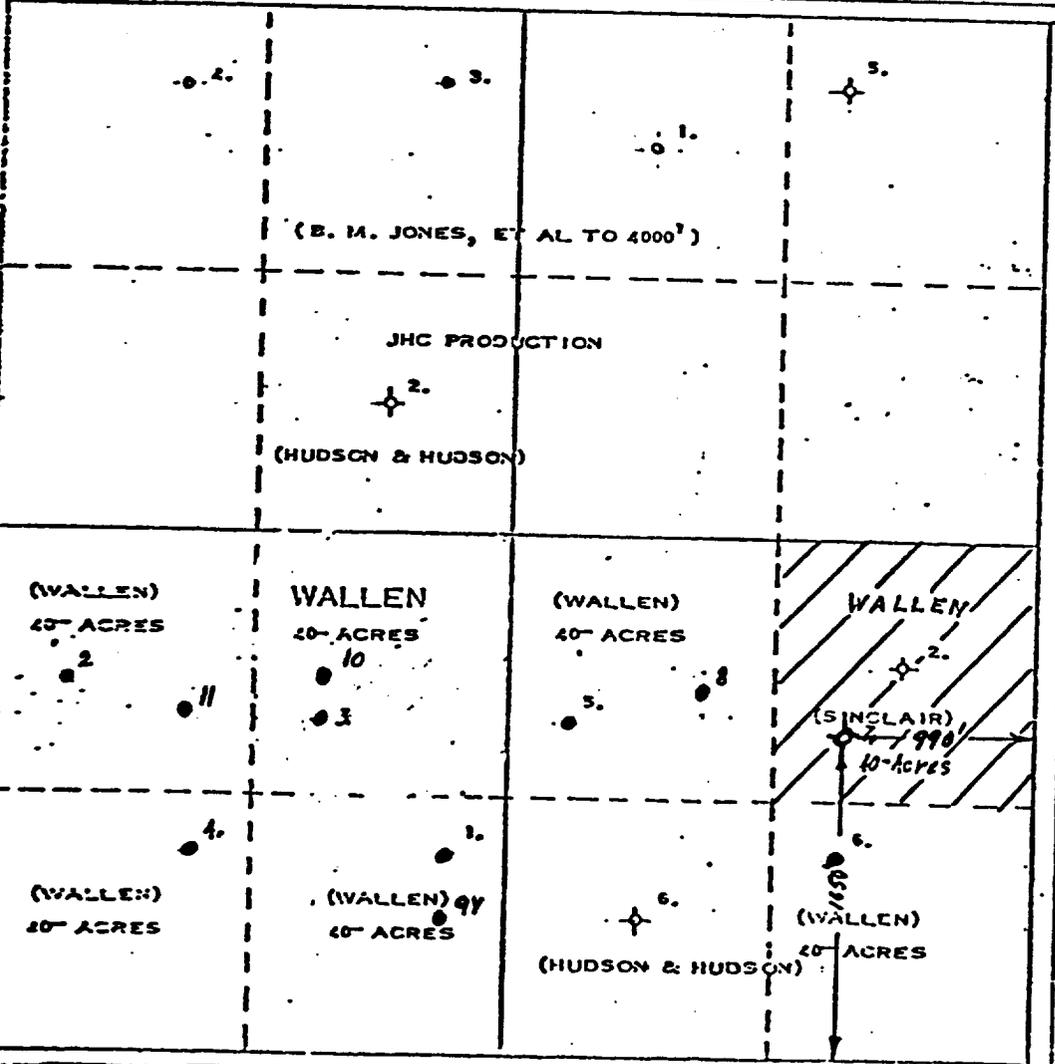
WALLEN PRODUCTION CO.			LEASE		TONTON		Well No. 7	
Tract Letter I	Section 30	Township 19-S	Range 33-E	County LEA				
Actual Footage Location of Well:								
1650 feet from the SOUTH line and			990 feet from the EAST line					
Ground Level Elev. 3589	Producing Formation SEVEN RIVER-YATES		Pool SOUTH TONTON YATES			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.	
Name	<i>Walter W. Krup</i>
Position	<i>Engineer</i>
Company	<i>Wallen Prod. Co.</i>
Date	<i>11/5/90</i>
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	<i>11/5/90</i>
Surveyor	
<i>Walter W. Krup</i>	