

NH-67110 PD
3162.41 (065)

Manzano Oil Corporation
P. O. Box 571
Roswell, New Mexico 88202-0571

Dear Sir:

Your Application for Permit to Drill Well No. 1 Federal "31-G" in the SE¼NE¼ sec. 31, T. 19 S., R. 33 E., Lea County, New Mexico, lease NM-67110, to a depth of 11,450 feet to test the Wolfcamp 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 Bureau of Land Management office checked on the attached special stipulations, in sufficient time for a representative to witness all cementing operations.

Approval of this Application 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.

Sincerely,

(ORIG. SGD.) ARMANDO A. LOPEZ

FOR Francis R. Cherry, Jr.
District Manager

1 Enclosure

cc:
✓ NMOCD - Hobbs - 2 ✓
NM (067) - 1
NM (065) - 2
NM (067A) - 1

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒ REENTER DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Manzano Oil Corporation 505/623-1996

3. ADDRESS OF OPERATOR

P.O. Box 571/Roswell, NM 88202-0571

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

At surface

1980' FNL & 660' FEL of Section 31

At proposed prod. zone

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

17 miles south-southeast of Maljamar, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'

16. NO. OF ACRES IN LEASE

320

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. --

19. PROPOSED DEPTH

11,450

20. ROTARY OR CABLE TOOLS

Rotary

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

3574.38 GR

22. APPROX. DATE WORK WILL START*

December 26, 1986

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# H40	1,320	1100 sx CI C cmt
9-5/8"	12-1/4"	40#	5,250'	2600 sx w/DV Tool @ 3267'
5-1/2"	7-7/8"	17#	13,653'	1760 sx w/DV Tool ! 10,653'

5-1/2" casing cut @ 4500', pulled 4489' - left 9164' in hole.

This well was originally drilled to a total depth of 13,653' in December 80 - February 81 by Union Oil Company of California. The well was plugged in October 82. It is proposed that the well be reentered and the cement plugs, as outlined and shown on Exhibits of Sundry Notices attached hereto, be drilled out to depth of 11,450'. Approximately 4489' of 5-1/2" will be tied into the top of the existing 5-1/2" casing at approximately 4489'. A cement squeeze with amounts sufficient to bring the top of the cement at least 200' into the 9-5/8" casing will be performed.

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

Jackie Midkiff

TITLE

Prod. Clerk.

DATE

12/19/86

(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
Superseded C-128
Effective 1-1-85

All distances must be from the outer boundaries of the Section

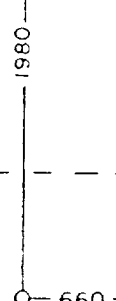
Operator Manzano Oil Corporation			Lease Fed. 31G		Well No. 1
Map Letter H	Section 31	Township 19 south	Range 33 east	County Lea	
Actual Footage Location of Well: 1980 feet from the north line and 660 feet from the east line					
Ground Level Elev. 3574.38	Producing Formation Wolfcamp		Pool Wildcat		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 Commission.

<p>Resubmitted December 19, 1986 by Manzano Oil Corporation for reentry of the above referenced well.</p> <p>MANZANO OIL CORPORATION</p> <p>By: <u>Jackie Midkiff</u> Jackie Midkiff Production Clerk December 19, 1986</p>			
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CERTIFICATION

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

Arthur R. Brown
No. _____
Arthur R. Brown

Position
AGENT FOR

Company
UNION OIL CO. OF CALIFORNIA

Date
SEPTEMBER 25, 1980

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
9-20-80

Registered Professional Engineer
and or Land Surveyor

John W. West
Certificate No. **JOHN W. WEST** 876
PATRICK A. ROMERO 8482

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SURFACE USE AND OPERATIONS PLAN
FOR
REENTRY, COMPLETION AND PRODUCTION
OF
MANZANO OIL CORPORATION
WELL NO. 1 FEDERAL "31-G" #1
1980' FNL & 660' FEL Sec 31, 19S, 33E
LEA COUNTY, NEW MEXICO

LOCATED: 17 air miles south-southeast of Maljamar, New Mexico.

FEDERAL LEASE NUMBER: NM-67110

RECORD LESSEE: Manzano Oil Corporation

LEASE ISSUED: December 1, 1986 for a primary term of five years.

BOND COVERAGE: Statewide Bond of Lessee

ACRES IN LEASE: 320, more or less

SURFACE OWNERSHIP: Federal

GRAZING PERMITEE: Mark Smith
P.O. Box 1296
Lovington, NM 88260

POOL: Undesignated Wolfcamp (Wildcat)

POOL RULES: Statewide. 40-acre spacing for oil.

EXHIBITS:

- A-1. General Road Map
- A-2. Topo Plat Showing Roads
- A-3. Oil & Gas Ownership Map
- B. Sketch of Well Pad
- C. Sketch of Production Facility Layout
- D.1-
- D.5 Completion Report and Plugging Reports

SURFACE USE PLAN
FOR
REENTRY, COMPLETING AND PRODUCING
MANZANO OIL CORPORATION
FEDERAL "31-G WELL NO. 1
1980' FNL & 660' FEL, Section 31, T19S, R33E
Lea County, New Mexico

This plan is submitted with the Application for Permit to reenter the above described well. The purpose of the plan is to describe the location of the proposed reentry well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS:

- A. Exhibit "A-1" is a copy of the Lea County road map showing the location of the proposed well as staked 36.5 miles west of Hobbs, New Mexico, north toward Maljamar 10.5 miles on highway 176 and 31 to Lusk gasoline plant. Turn right (east) for 5 miles, then south-southeast 3.5 miles on existing lease road, 5/10 miles south on new road to proposed location. Exhibit "A-2" is a copy of a topographic map showing all oil field & ranch roads.
- B. Exhibit "A-2" is a map showing all existing roads within a 3 mile radius of the well site and the planned access road. Pipelines and existing wells in the area are shown on this exhibit as well as Exhibit "A-1".
- C. All existing oil field caliche roads and private ranch roads will be utilized with no improvements or maintenance anticipated.

2. PLANNED ACCESS ROADS:

- A. Length and Width: None. Existing roads will be utilized.
- B. Surfacing Material: Not applicable.
- C. Maximum Grade: Not applicable.
- D. Turnouts: Not applicable.
- E. Drainage Design: Not applicable.
- F. Culverts: Not applicable.
- G. Cuts and Fills: The existing pad and a reserve pit will be used.
- H. Cattleguards: None required.

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BLOWOUT PREVENTER SKETCH

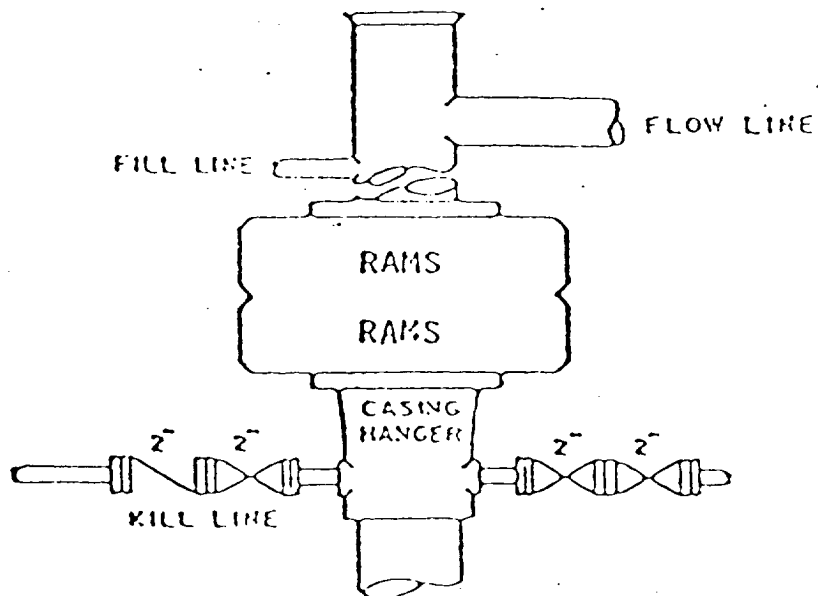


EXHIBIT "E"

MANZANO OIL CORPORATION
FEDERAL "31-G" WELL NO. 1

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JUN 6 1957
MAIL ROOM
FBI - NEW YORK