Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

3-025-24771

UNITED STATES
DEPARTMENT OF THE INTERIOR
COPY TO O. C. C.
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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

b. TYPE OF WELL
OIL WELL [XX] GAS WELL [ ] OTHER SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR
Hanagan Petroleum Corporation

3. ADDRESS OF OPERATOR
P. O. Box 1737, Roswell, New Mexico 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
1980' FN & WL
At proposed prod. zone
same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
15 miles NW of Jal, New Mexico

5. LEASE DESIGNATION AND SERIAL NO.
LC-0554253

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
- - - -

7. UNIT AGREEMENT NAME
- - - -

8. FARM OR LEASE NAME
Salazar

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 12-24S-34E

12. COUNTY OR PARISH
Lea County

13. STATE
N.M.

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
1980'	200	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
None	5400'	Both

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3408 GR

22. APPROX. DATE WORK WILL START*
6/28/74

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
20	16	65	300	Circ.
7-7/8	4½	9.5	5400	250 Sx.

Plan spud with cable tools until rotary available, drill with rotary to near top Deleware, then probably tail into the Deleware Zone with Cable tools. Drill hole W/water.

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 Hugh E. Hanagan TITLE Vice-President DATE 6/17/74

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
JUN 21 1974
ARTHUR R. BROWN
DISTRICT ENGINEER

*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

All distances must be from the outer boundaries of the Section

Operator	Lease	Well No.
HANAGAN PETROLEUM CORPORATION	SALAZAR	1

Unit Letter	Section	Township	Range	County
F	12	24 SOUTH	34 EAST	LEA

Actual Footage Location of Well:
1980 feet from the NORTH line and 1980 feet from the WEST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3408.1	Deleware	Wildcat	40 Acres

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

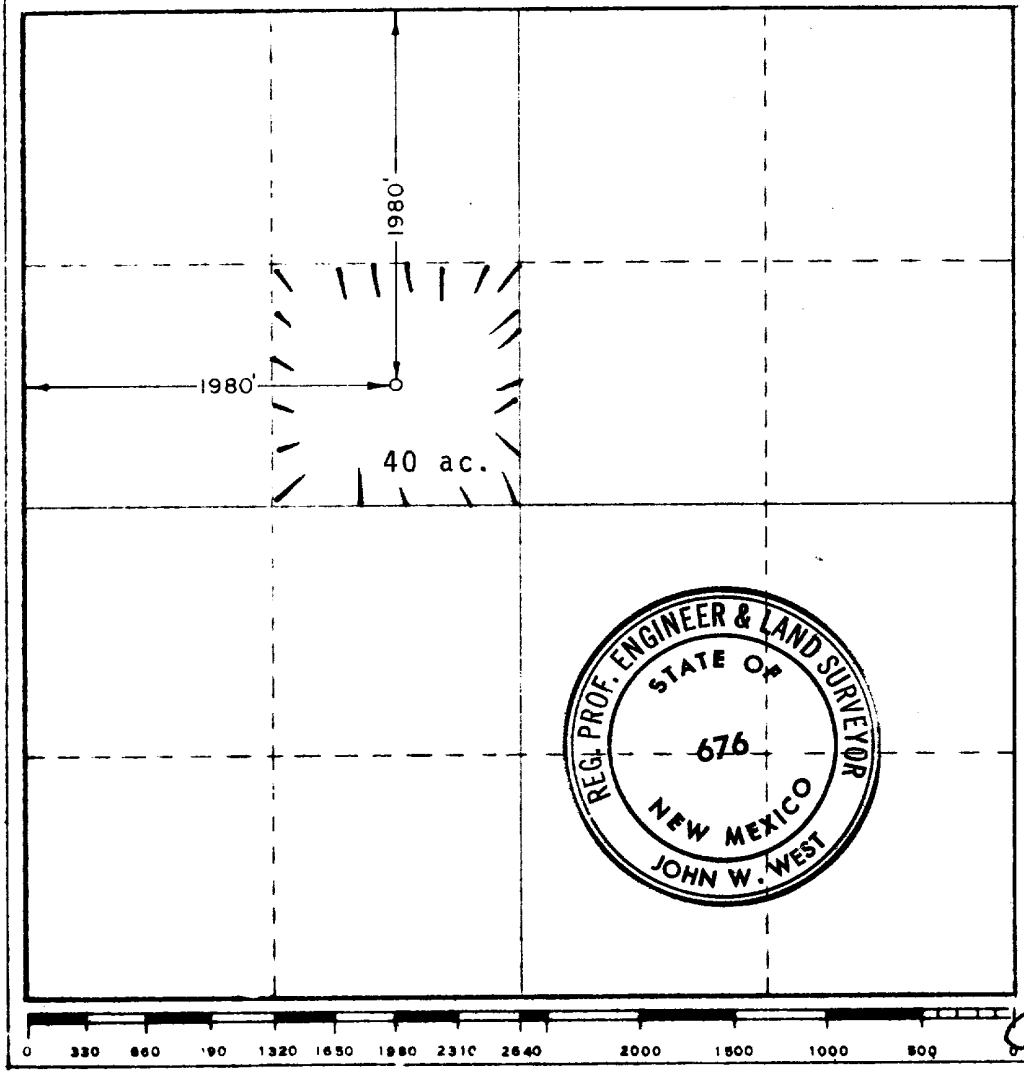
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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.

Hugh E. Hanagan

Name: Hugh E. Hanagan

Position: Vice-President

Company: Hanagan Petroleum Corp.

Date: 6/14/74

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: JUNE 3, 1974

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. 676

Conservation Division
Southern Rocky Mountain Area

NOTICE
(September 1, 1973)

To: All Lessees and Operators of Federal and Indian Oil and Gas Leases

In order that the Department may properly protect the environment during the development of all Federal and Indian leased mineral resources - Each Application for Permit to Drill under a Federal and Indian oil and gas lease must be accompanied by a Development Plan for Surface Use covering all proposed operations that might disturb the surface prior to commencing development work under the lease. One copy of the plan must be attached to each copy of the Application for Permit to Drill.

The Application for Permit to Drill and the Development Plan for Surface Use must be filed in sufficient time before you contemplate commencing any operations to allow adequate time for contacting the appropriate surface management agency and joint inspection of the proposed well location and access road where necessary.

A subsequent Development Plan for Surface Use must be submitted for approval when any changes in the proposed operation are necessary or if additional surface is to be used at a later date.

Work on roads and drilling locations must not be commenced prior to approval of the Application for Permit to Drill. A copy of the drilling permit and Development Plan for Surface Use must be posted at the drill site.

The following is furnished for your information and guidance in preparing the required Development Plan for Surface Use:

1. Existing roads including location of the exit from the main highway. See Attached FIGURE #1

   This information should be submitted on a map (USGS topographic, county road, or oil field map with a scale sufficient to be legible) and include at least one locatable reference point and the main access road in the vicinity of the proposed location along with all existing roads within a minimum 3-mile radius of the proposed location. Trails and shortcuts need be shown only if they will be used for access. Additional required information under Nos. 2, 3, and 4 below may be placed on this map if appropriately labeled.

2. Planned access roads.

   This information should be submitted on a map and include all access roads that are to be constructed or improved upon or used in connection with the drilling and producing of the proposed well. Road construction should be kept to a minimum. Indicate the length and width of new road. Indicate whether roads will be compacted or surfaced. Operator should keep in mind that he may be required to restore the surface to its original condition. Fig. 1 Existing road only graded in spots if to bad to use - New road caliche surface where needed

3. Location of existing wells.

   This information should be submitted on a map and include all wells (abandoned, temporarily abandoned, shut-in, injection, drilling, etc.) within a one-mile radius of the proposed location for a development well. For exploratory well drill sites, such information should be shown within a two-mile radius of the proposed location. An exploratory well is a well two miles or more from an existing Known Geologic Structure or if not established, two miles or more from an existing producible well. See Fig. 1

4. Lateral roads to well locations.

This information should be submitted on a map and include all lateral roads to all well locations within one-mile radius of the proposed location. This information may be previously covered by the data given for Nos. 1 and 2. Fig. 1

5. Location of tank batteries and flow lines.

This information should be submitted on a plat or map showing the proposed location of the tank battery and flow lines associated with the proposed well in the event production is established. Future development of the lease should be considered in the location of the tank battery. Existing tank batteries and flow lines within a ½-mile radius of the proposed location should be shown. See Fig 2

6. Location and type of water supply (rivers, creeks, lakes, ponds, well, etc.). Haul by truck

This information may be shown on a plat or map or may be a written description. Source of all water to be used in the drilling operations of the proposed well should be noted. Location of necessary water lines should be indicated.

7. Methods for handling waste disposal. Disposed Burn Pit - Fig. 2

A brief written description should be given of the methods for disposing of each type of waste material (cuttings, garbage, trash, etc.) from the drilling of the proposed well. If additional surface is to be used for disposal of any waste material from producing operations, a subsequent Development Plan for Surface Use must be submitted. Dig hole width of dozer blade about 5' deep, when clean up, cover hole & level

8. Location of camps.

None

Where applicable, this information may be shown on a map or plat, or be a written description of the location of the drill camp site. Any proposed permanent-type structures should be noted.

9. Location of airstrips.

None

Where applicable, any airstrip that is to be constructed or maintained for use during the drilling operations should be shown on a map.

10. Location of layout to include position of the rig, mud tanks, reserve pits, burn pits, pipe racks, etc. See Fig. 2

This information should be shown on a plat with the approximate scale used and the compass direction shown. The general topography in the immediate area should be shown or described on the plat so the location of rig and associated facilities in relation to the surface features is apparent. Indicate whether drilling pad will be compacted or surfaced. Caliche Pad Future Sandy soil w/ mesquit bushes, surface flat

11. Plans for restoration of the surface.

~~Leave~~ Fill back in all pits dug, level loc. & pits, clean up area

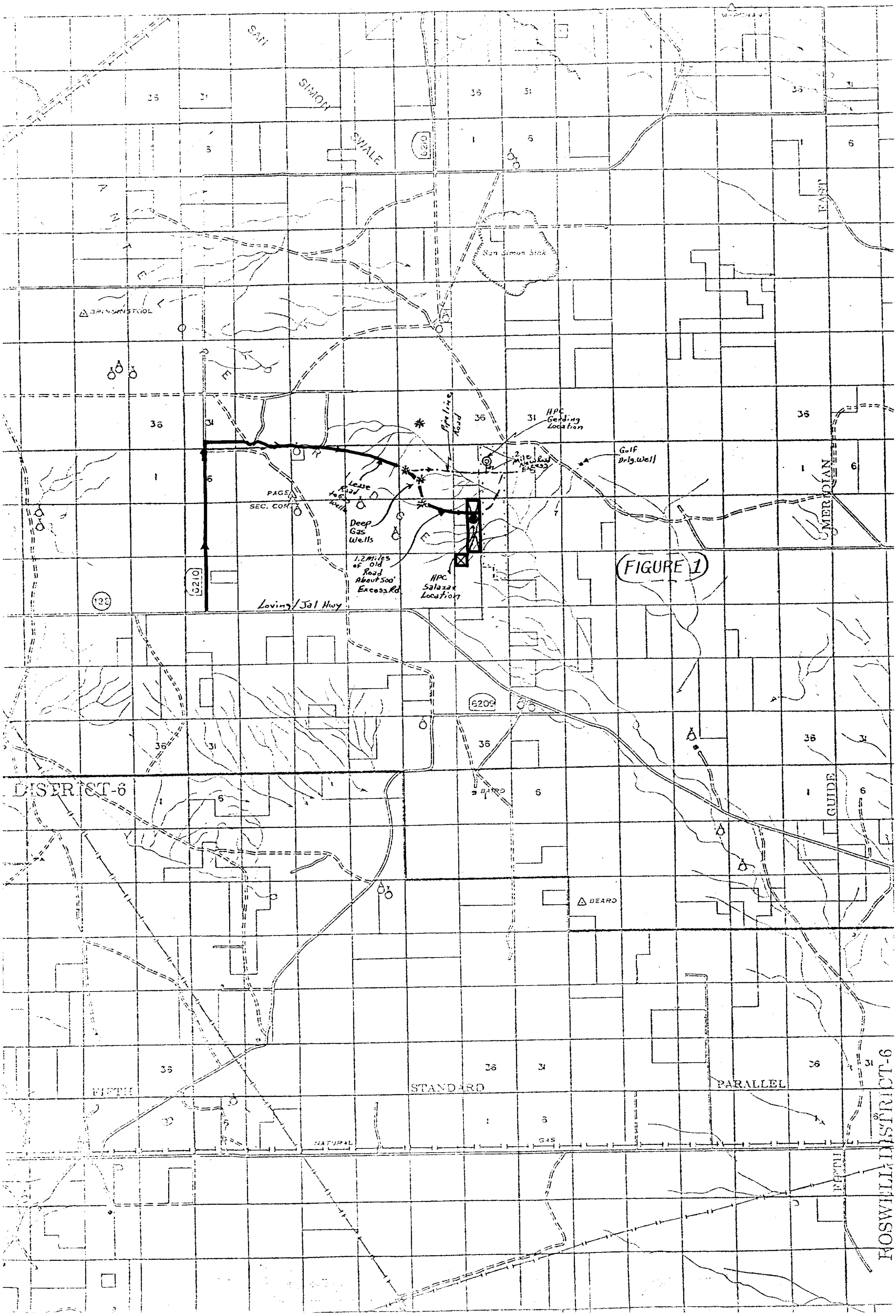
State the proposed program for surface restoration upon completion of operation (stockpiling topsoil, leveling, reseeding, seed mixture, etc.). Such plans will be reviewed by the surface agency for adequacy.

12. Any other information that may be used in evaluating the impact on environment. Include general description of the topography, vegetation, and other aspects of the area.

Any available information that would be useful in evaluating the environmental aspects of the operation, including proximity to steep hillsides and gullies, cut and fill needed, etc., should be included. A photograph of the proposed drill site might expedite clearance.

Furnish the name, phone number of your field representative responsible for compliance of the Development Plan for Surface Use. Hugh E. Hanagan - 505-622-5053 - Roswell, N. Mex

MANAGEMENT


SAN SIMON SWALE
San Simon Sink
ANTELOPE RIDGE
BRINNINSTOOL
EAST
MERIDIAN
Pipeline Road
HPC Gerding Location
2 Mile New Road Excess
Gulf Drlg. Well
Lease Road to Gas Wells
Deep Gas Wells
PAGE SEC. COR.
1.2 miles of Old Road About 500' Excess Rd.
HPC Salazar Location
FIGURE 1
Loving/Jal Hwy
6210
6209
128
DISTRICT-6
BAIRD
BEARD
GUIDE
FIFTH STANDARD PARALLEL
NATURAL GAS
ROSWELL DISTRICT-6

Wellsite Diagram

Figure # 2