COPY TO O. CSUBJUT IN TRIP

(Other instruction. . reverse side)

Form approved. Budget Bureau No. 42-R1425.

UNITED STATES DEPARTMENT OF THE INTERIOR

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|-----|----|-----|--------|--------------|-----|------|----|-----|
| 5. | LE | ĻŠE | DESIGN | ATION | AND | SARI | ΔL | NO. |
| N | М | 7 | 827 | i. | | | | |

| | GEOL | OGICAL SURVI | EY | | NM 1782 ₂ 7 3, egg |
|---|--|----------------------|---------------------------|-------------------|--|
| APPLICATIO | N FOR PERMIT | TO DRILL, I | DEEPEN, OR PL | UG BACK | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME |
| 1a. TYPE OF WORK | | | | | |
| DR | RILL 🖎 | DEEPEN | PLUC | BACK 🗌 | 7. UNIT AGREEMENT NAME |
| b. TYPE OF WELL | | | | | |
| METT 2 | WELL OTHER | | ZONE | ZONE ZONE | 8. FARM OR LEASE NAME |
| 2. NAME OF OPERATOR | | _ | | a | Federal #A" E |
| DA&S Oil We | 11 Servicin | g, Incorpor | rated | | 9. Whole NO. |
| 3. ADDRESS OF OPERATOR | | | • • | 3. | [화면속 : 12 - 12 - 12 - 12 - 12 - 12 - 12 - 12 |
| P. O. Box 2 | 545, Hobbs, | N.M. 8824 | 40 | (+ - 10 100 | 10. FIELD AND POOL, OR WILDCAT |
| | Report location clearly s | nd in accordance wit | th any State requirements | 5.*) | Undesignated |
| At surface | ' FNL & 198 | D FWL of Se | ection 9 | * | 11. SEC., T., R., M., OR BLE. |
| At proposed prod. zo | ne | | | .15 | Sec. 9-T26S-R36E |
| | | | | S. | 136C. 9-1203-139C |
| 14. DISTANCE IN MILES | AND DIRECTION FROM N | EAREST TOWN OR POS | T OFFICE* | ÷. | 12. COUNTY OR PARISH 18. STATE |
| Five (5) mi | les Southwe | st of Jal, | N.M. | Ŷ | Lea NM |
| 15. DISTANCE FROM PROP | | | 16. NO. OF ACRES IN LI | | DF ACRES ASSIGNED THE |
| LOCATION TO NEARES PROPERTY OR LEASE (Also to nearest dr) | LINE, FT. | 660' | 320 | 10 1 | 402 |
| 18. DISTANCE FROM PRO | POSED LOCATION* | | 19. PROPOSED DEPTH | 20. ROTA | BY OR CABLE TOOLS. |
| TO NEAREST WELL, I OR APPLIED FOR, ON TH | DRILLING, COMPLETED, HIS LEASE, FT. | 1320 ft. | 3600 ft. | Ro | t a iny ja li galaika |
| 21. ELEVATIONS (Show wi | hether DF, RT, GR, etc.) | | | | 22. APPROX. DATE WORK WILL START* |
| | | 2959 | GR | 1 2 3 | 12-20-78 |
| 23. | | PROPOSED CASIN | NG AND CEMENTING I | PROGRAM | |
| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER F | OOT SETTING DEP | TH G | QUANTITY OF COMENT |
| 124 | 8-5/8" | 24 | 1400 | 7.50 | sx. circulate |
| 7-7/8 | 5½" | 14 | 3600 | 850 | sx. circulate. |
| | | | | | SA. CITOGRA GRAD |
| | 1 | 1 | l | - I : | |
| | | | | | (製みで) 層立に かんしょうかい |

See attachment for blowout preventor, mud program and complete details of Operations.

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "CHAPPAL REQUIREMENTS"

RECEIVE JAN 5 1970

U. S. GEOLOGICAL SURVEYS

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive sone and proposed usw productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. - Give blowout D 24

| preventer program, if any. | <u> </u> |
|--|---------------------------|
| Paul Bliss SIGNED Vice-F | President |
| (This space for Federal or State office use) | DATAPPROVED AS AMENDED |
| PERMIT NO APPROVA | DATA |
| APPROVED BY TITLE | |
| | JAN |
| | ACTING DISTRICT ENGINEER |
| *See Instructions On Rev | ers Side |

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Hem. A. If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State of Federal office for specific instructions.

Item 14: Needed only wherelocation of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone. Item 22: Consult applicable Federal of State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

_U.S. GOVERNMENT PRINTING OFFICE : 1963--- O-711-396

839-171

A....HMENT FORM 9-331-C

D A & S Oil Well Servicing, Incorporated

Federal "A" No. 2

Location: 1980' FNL & 1980' FWL Section 9, T26S, R36E, Lea County, New Mexico, Federal Lease NM 7827

1. Surface Formation: Quaternary Alluvium

2. Estimated tops of geologic markers: Base Salt 2800 Tansill 3270

Estimated depth of mineral-bearing formations:

Fresh Water - 80 to 200 Tansill 3270 oil and gas

Casing Program

| Hole Size | Size of Casing | Weight <u>Per ft</u> . | Cond | Grade | Depth | Sacks Cement | Est Top Cement |
|---------------|-------------------|---------------------------|------------|--------------|--------------|-----------------|-------------------|
| 12 ½ 7 7/8 | | 24# 14# | New New | K-55 K-55 | 1400 3600 | 750 850 | Circ. |

Blowout Preventer: SS Series 900 Double Hydraulic with Payne Closing Unit. See Exhibit 🗲

Mud Program: 0-1400' native spud mud, 34 viscosity, weight 8.9#; 1400-2800 brine water; 2800-3600 salt base mud viscosity 35-38, weight 10.1#, water loss 20, 2% oil.

Auxiliary Equipment: Kelly valve, safety sub with full opening 7. valve, drill pipe float valve.

Logging & Testing: No drillstem tests or coring anticipated. Logs to consist of Gamma Ray-Neutron.

9. Anticipated pressure and potential hazards: The DA&S Federal "A" No.1 in Section 9, indicates that the maximum pressure will be less than 1000# and that hydrogen sulfide will not be encountered.

10. Starting date and duration: Starting date will be before January 15, 1979 and as determined by date of approval and availability of Capitan Drilling Co., Rig No. 20. Operations are expected to be complete in 14 days.

NEW TICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | All distances must be from | | CHR SECTION | | | | | |
|----------------------------|--|--|---|----------------------|--|--|--|--|--|
| | | Service, Inc. | Federal "A | | Well No. | | | | |
| Unit Letter F | Section 9 | Township 26 South | .36 East | County | | | | | |
| Actual Factage Loc 1980 | | Orth line and | 1980 tee | t from the West | line | | | | |
| Ground Level Elev. 2958.9 | Producing For Yatı | | Undesignated | | Dedicated Acreage: 40 Acres | | | | |
| 1. Outline th | 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). | | | | | | | | |
| | | ifferent ownership is ded initization, force-pooling. | | have the interests | of all owners been consoli- | | | | |
| Yes | No If an | nswer is "yes;" type of c | onsolidation | | | | | | |
| | is "no," list the f necessary.) | owners and tract descrip | tions which have ac | ctually been consoli | dated. (Use reverse side of | | | | |
| No allowat | le will be assigne | | | | ommunitization, unitization. | | | | |
| torced-poor | ling, or otherwise) | or until a non-standard u | nit, eliminating suc | n interests, has bee | en approved by the Commis- | | | | |
| | | | | | CERTIFICATION | | | | |
| | | | | | y certify that the information con- | | | | |
| | 1 | | t I | | herein is true and complete to the my knowledge and belief | | | | |
| | 286 | | | Norme | Modist | | | | |
| | ++ | | | Paul B | liss | | | | |
| | | | , | Уice-Р | resident | | | | |
| | | | ; | | il Well Servicing, Inc | | | | |
| | | | | 11-22- | 78 | | | | |
| | | | | | | | | | |
| | | | 1 | shown o | y certify that the well location on this plat was plotted from field | | | | |
| OH: ENG | MEERG | | ! | underm | f actual surveys made by me or y supervision, and that the same | | | | |
| 9 | O DE | | | 4 1 | and correct to the best of my Ige and belief. | | | | |
| 1 Z | 676 | | | | | | | | |
| 102 | HEXICO S | | | Date Surve Nover | mber 18,1978 | | | | |
| OHAN H | WEST | | 1 | 1 I | d Professional Engineer nd Surveyor | | | | |
| | | | 1 | | In the What | | | | |
| 0 330 660 | 90 1320 1680 198 | 0 2310 2640 2000 | • | oo o | No. John W. West 676 Ronald J. Eidson 3239 | | | | |

MINDS WOTH WAS IND IN

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

D A & S Oil Well Servicing, Incorporated Federal "A" No. 2
Federal Lease NM-7827, 1980' FNL & 1980' FWL of Section 9, T26S, R36E, Lea County, New Mexico

1. Existing Roads:

Exhibit "A" is a portion of a topographic map showing the existing lease roads that will be utilized and their junction with a county road 4.4 miles southwest of Jal, New Mexico.

2. Planned Access Road:

Length and Width: New road required will be 12 feet wide and 400 feet long. As shown on Exhibit "B" the proposed road will tie into the unimproved existing road that crosses Section No. 9.

Surfacing Material: Six inches of caliche, watered, compacted and graded.

Maximum Grade: One percent.

Turnouts: None required.

Drainage Design: None required.

Culverts: None required.

Cuts and Fills: None required.

Gates and Cattleguards: None required.

3. Location of Existing Wells:

Existing "C" is a portion of a Lea County ownership map showing all existing wells within a radius of 3 miles.

4. Location of Existing and/or Proposed Facilities:

Exhibit "B" shows the location of the proposed well, pipelines and roads in Section 9. In the event commercial production is found the tank battery or producing equipment will be located on the drilling pad.

5. Location and Type of Water Supply:

All water required for drilling and road construction will be hauled from the McCasland-Sims water station in Eunice, New Mexico.

6. Source of Construction Materials:

Caliche for roads and location pad will be obtained from an existing pit located in Southeast portion of Section 9, T26S, R36E, on Federal Land.

7. Methods of Handling Waste Disposal:

Drill cuttings will be disposed of in the drilling pits.

Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.

Water produced during test will be disposed of in the drilling pits. Oil produced during test will be stored in test tanks until transferred to tank battery for sale.

Current laws and regulations pertaining to the disposal of human waste will be $complied\ with.$

Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Location of trash pit is shown on Exhibit "D".

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: None required

9. Wellsite Layout:

Exhibit "D" shows the relative location and dimensions of the well pad, mud pits, reserve pit and location of major rig components.

The well site will require minor levelling of blow sand. No cuts and fills will be necessary.

The reserve pit will be plastic lined.

10. Plans for Restoration of the Surface:

After completion of drilling and/or completion operations, 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 in an aesthetically pleasing condition as possible.

Any unguarded pits containing fluids will be fenced until they are filled.

Settlement for damages has been made with the surface owner. A statement of the surface owner is attached hereto.

11. Other Information:

Topography: Land surface is rolling sand dunes.

Soil: Soil consists of 10 to 15 feet of sand on a caliche base.

Flora and Fauna: Vegetative cover is sparce and consists of mesquite, shin oak and native grass. Wildlife consists of coyotes, rabbits, rodents, reptiles, dove, quail and crows.

Ponds and Streams: None in the area.

Residences and Other Structures: The Anthony Ranch is located about 3/4 mile Southeast of location. Exhibit "B" shows the pipe lines, ranch location and existing roads in Section 9.

Archeological, Historical and Cultural Sites: None observed in the area.

Land Use: Grazing and hunting in season.

Surface Ownership: Frank Anthony, Monahans, Texas.

12. Operator's Representatives:

The field representatives responsible for assuring compliance with the approved surface use and operations plan are as follows:

Paul Bliss P. O. Box 2545 Hobbs, New Mexico 88240 (505) 392-6591 Dallas McCasland P. 0. Box 206 Eunice, New Mexico 88231 (505) 394-2581

13. <u>Certification</u>:

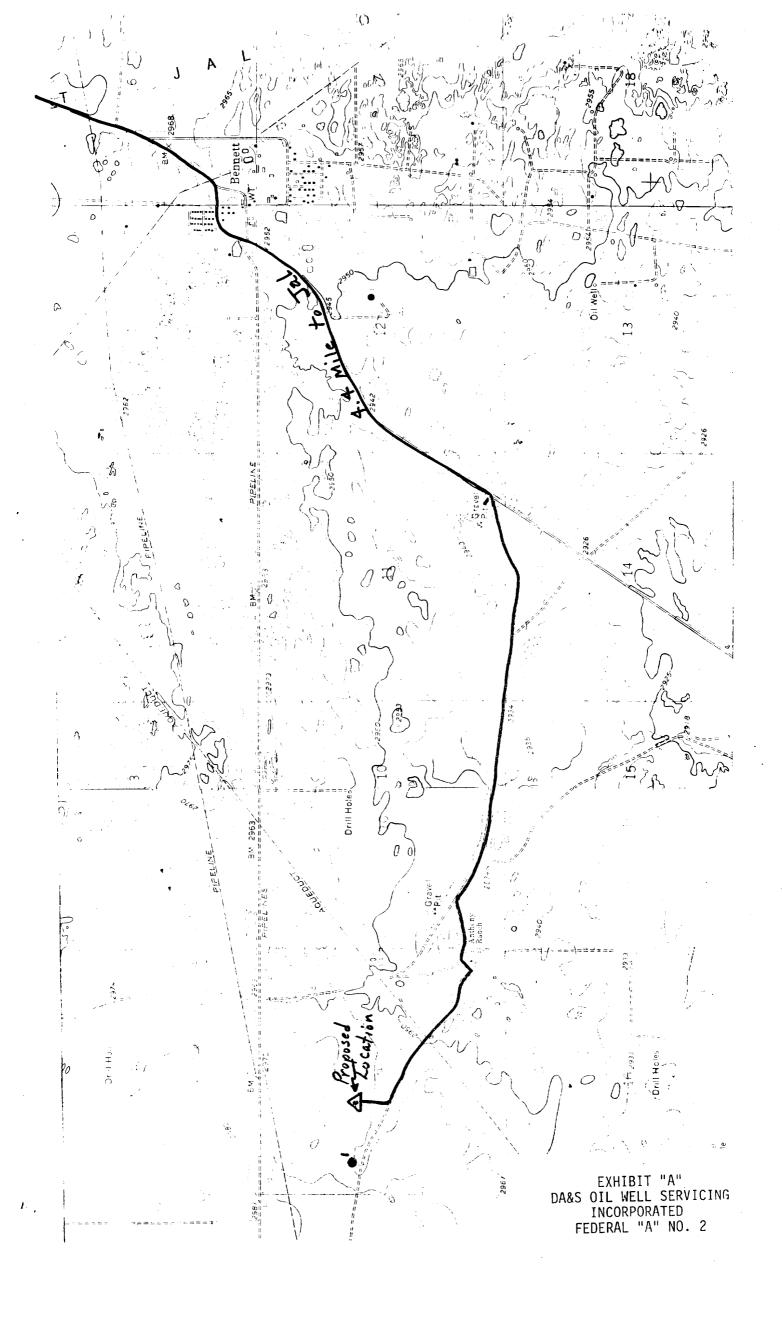
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; and the work associated with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

D A & S Oil Well Servicing, Incorporated

Paul Bliss

Vice-President

December 28, 1978



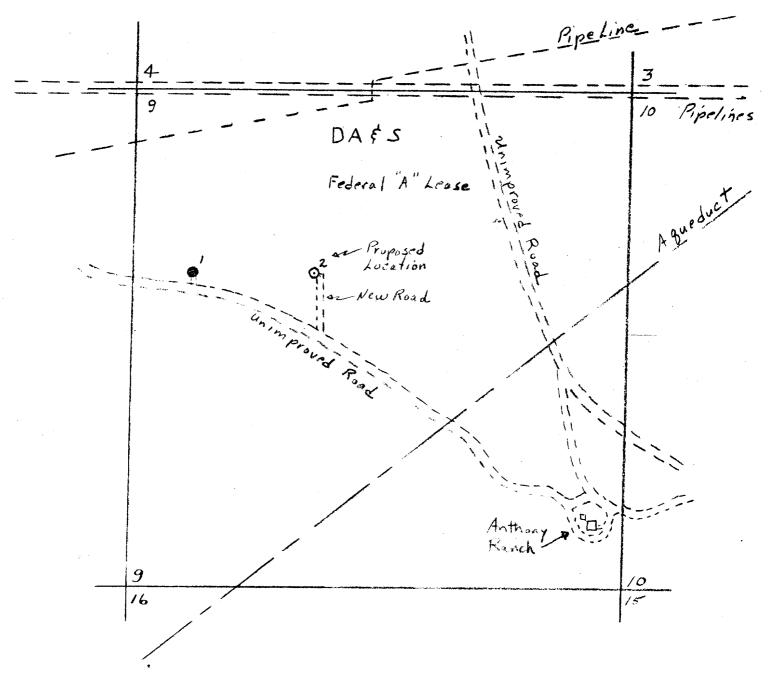


EXHIBIT "B"

DA&S OIL WELL SERVICING, INCORPORATED FEDERAL "A" NO. 2

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CAPITAN DRILLING Co. RIG 1/0, 20 LOCATION

North Reserve Pit Note: Reserve Pit Must be 75' Plastic Lined clear & Level from bottom ends - No less. 80' slope for trucks 10' Wide x 75' Long x 6' Deep 50' East Vest Plastic Lined Slope to Trucks 45' 20' 201 70' 90' - 200' -C. Mar to be: 6 x 6 x 4 South

Exhibit D'

LOCATIONS HORBS, NEW MEXICO LOVINGTON HIGHWAY EUNICE, NEW MEXICO MAIN AND AVE. O ANDREWS, TEXAS EUNICE HIGHWAY MIDLAND, TEXAS

DA&S OIL WELL SERVICING

INCORPORATED

P. O. BOX 2545 HOBBS, NEW MEXICO 88240 TELEPHONES

HOBBS, 392-6591

EUNICE, 394-3021

ANDREWS, 523-4420

MIDLAND, 685-8555

D A & S Oil Well Servicing, Incorporated Federal "A" #2 Surface Use Plan

Statement of Land Owner

In consideration of the sum 798 in hand paid, I do hereby agree that said amount is in full payment for surface damages for roads, location, pits and necessary pipe lines for the drilling and completion of a well located 1980 feet from the North line and 1980 feet from the West line of Section 9, T26S, R36E, Lea County, New Mexico.

It is further agreed by the parties hereto that:

- 1. The location will be cleaned up after drilling and the pits filled.
- The caliche pad and road will be left in place in the event of abandonment.
- Every effort will be made to keep surface damage to a minimum.

Operator

Box 15/2 Monahams, Fex. 79756