

ATTACHMENT TO FORM 9-331 C
APPLICATION FOR PERMIT TO DRILL

Continental Oil Company
Vaughan A-14 No. 7
T-24S, R-36E
Lea County, New Mexico

1. The geologic name of the surface formation is Quaternary Sand.
2. The estimated tops of important geologic markers are shown on the attached Proposed Well Plan.
3. The estimated depths at which anticipated water, oil, gas or other mineral-bearing formations to be encountered are shown on attached Proposed Well Plan.
4. The proposed casing program is as follows:

0 - 1220' - 9 5/8", 32#, H-40 ST&C
0 - 3600' - 7", 20#, J-55 ST&C
5. A drawing of an API Series 900 Blowout Preventer Specification is attached. Pipe rams and blinds will be checked to 1,000 PSI for 30 minutes when BOP is installed. BOP will be checked when casing string is set and operated daily for checks.
6. The proposed mud program is as follows:

0 - 1220' - 8.5-9.0 ppg spud mud
1220 - 3600' - 9.0-10.0 ppg salt gel
7. The auxiliary equipment to be used is:

(1) kelly cocks
(2) floats at the bit
8. It is proposed to run GR CAL CNL FDC PDC logs at selected intervals as shown on the attached Proposed Well Plan.
9. No abnormal pressures or temperatures are expected to be encountered in this well.
10. The anticipated starting date for the well is March 1, 1979, with a duration date of approximately 10 days.

[illegible]

SURFACE USE PLAN
Continental Oil Company
Vaughan A-14 No. 7
Sec. 14, T-24S, R-36E
Lea County, New Mexico

The plan is to accompany "Application for Permit to Drill" the subject well. The following is a discussion of pertinent information concerning possible effect which the proposed drilling of the well may have on the environment of the well and road site and surrounding acreage. A copy will be posted on the derrick floor so that all contractors and sub-contractors will be aware of all items of this plan.

1. Existing Roads

- A. The proposed well site is 990' FSL and 2310' FWL, Section 14, T-24S, R-36E, Lea County, New Mexico.
- B. Exhibit "A" is a portion of a New Mexico road map showing existing black top roads. Directions to the location (outlined in red on map) are as follows: Travel six miles south on Loop 18 from Conoco station in Eunice. Turn South on Highway 18 and travel 10 miles, at that point, turn North and go 1020 feet. The location is on the west side of the road.
- C. D. E. Access roads are shown on Exhibits "B" & "C".
- F. No improvement or maintenance is anticipated for the existing roads.

2. Planned Access Roads

- A. Width and Length: New road required will be 12' wide and 525' long. This new road is labeled and coded on Exhibits "B" and "C".
- B. Turnouts: One turnout will be required.
- C. Drainage Design: New road will have a drop of 6" from center line on each side.
- D. Culverts, Cuts and Fills: A culvert 100' East x 100' South x 100' West x 40' will be required. A cut one foot deep extending 100' West and a cut two feet deep extending 100' East and South as well as 40' North will be required.
- E. Surfacing Material: Six inches of caliche, bladed, watered, and compacted.
- F. Gates, Cattleguards, Fences: No new gates, cattleguards, or fences will be required.
- G. The proposed road is staked.

3. Location of Existing Wells

See Exhibit "C"

4. Location of Existing and/or Proposed Facilities

- A. Tank Batteries: Existing tank batteries are spotted on attached Exhibit "C".
- B. Proposed Facilities: No new producing facilities will be required.
- C. Oil Gathering Lines: A Shell Oil pipeline is 500' South of the location. El Paso has line 0.5 mile East.
- D. Other lines: No other lines will be required.

E. Rehabilitation: Pits will be backfilled and leveled as soon as practical to original condition. Commencement of rehabilitation operations will immediately follow removal of drilling and completion equipment from location. Rehabilitation of the surface is planned to be completed within 45 days from commencement.

5. Water Supply

Water will be hauled from Eunice, New Mexico.

6. Source of Construction Materials

Caliche will be hauled from NE/4 of NE/4 sec. 24.

7. Methods for Handling Waste Disposal

Waste Disposal: Well cuttings will be disposed in reserve pit. Barrel trash containers to be in accessible locations within drill site area during drilling and completion procedures. All detrimental waste will be hauled away, burned or buried with a minimum cover of 24" of dirt. See Exhibit "D" for location of pits. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. Any produced water will be collected in tanks until hauled to an approved disposal system, or separate disposal applications will be submitted to the survey for appropriate approval.

8. Ancillary Facilities

None

9. Well Site Layout

Exhibit "D" shows the relative location and dimensions of the well pad, mud pit, reserve pit, etc. The reserve pit will be lined with plastic. The pad and pits are staked.

10. Plans for Restoration of Surface

Pits will be backfilled and leveled as soon as practical to original condition. Commencement of rehabilitation operations will immediately follow removal of drilling and completion equipment from location and rehabilitation of the surface is planned to be completed within 45 days from commencement.

11. Other Information

- A. Terrain: flat
- B. Soil: sandy
- C. Vegetation: grass, sagebrush, mesquite
- D. Surface Use: grazing
- E. Ponds and Streams: none within one mile
- F. Water Wells: a water well is 0.5 mile Southeast of the location
- G. Residences & Buildings: 0.5 mile Southeast of the location
- H. Arroyos, Canyons, etc: none within one mile
- I. Well Sign: sign identifying and locating well will be maintained at drill site with the spudding of the well

J. Open pits: all pits containing mud or other liquids will be fenced

K. Archaeological Resources: none observed

12. Operator's Representative

Field personnel who can be contacted concerning compliance of this Surface Use Plan are as follows:

Production and Drilling
C. R. Paschal or H. C. Pokrandt
1001 North Turner
Hobbs, New Mexico 88240
Phone: 393-4141

13. Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site 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 that the work associated with the operations proposed herein will be performed by Continental Oil Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

12/6/78
Date

Henry C. Pokrandt