Form 9-331 C
(May 1963)

COPY TO O. C. C.

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-025-26724

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: LC 032579-F ~~LC 032579-B~~

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: El Paso Beverly Federal

9. WELL NO.: 1

10. FIELD AND POOL, OR WILDCAT: Jalmat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Section 27, T-25-S, R-37-E, NMPM

12. COUNTY OR PARISH: Lea

13. STATE: New Mexico

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

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

2. NAME OF OPERATOR: Alpha Twenty-One Production Company

3. ADDRESS OF OPERATOR: 2100 First National Bank Building, Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1980 FNL & 660 FWL Section 27
At proposed prod. zone:

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FEB 26 1980
U. S. GEOLOGICAL SURVEY
HOBBS, NEW MEXICO

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 2 miles SE of Jal, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 660 feet

16. NO. OF ACRES IN LEASE: 280 and 120

17. NO. OF ACRES ASSIGNED TO THIS WELL: 160

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 1320'

19. PROPOSED DEPTH: 3300

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3028 G.L. (3038 RKB)

22. APPROX. DATE WORK WILL START*: 5-1-80

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15	13 3/8	33	30	20 (circulate)
12 1/4	8 5/8	28	400	400 (circulate)
7 7/8	5 1/2	17	3300	600 (circulate)

A 10 3/4-inch 2000 psi rotating head will be used while drilling the surface hole. Before drilling out from under the surface pipe, the well will be equipped with a 3000-psi 10-inch Series 900 double-ram hydraulic BOP system.

NOTE: For other necessary BOP data required with the APD, see the attached drilling prognosis.

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 Tommy Phipps TITLE Executive Vice President DATE 2-22-80

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

ACTING DISTRICT ENGINEER

*See Instructions On Reverse Side

NEW XICO OIL CONSERVATION COMMISSIO

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.
Alpha 21 Production Co.	El Paso Beverly Federal	1

Unit Letter	Section	Township	Range	County
E	27	25 South	37 East	Lea

Actual Footage Location of Well:
1980 feet from the North line and 660 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage
3028.3	Yates - Seven Rivers	Jalmat (Gas)	160 Acres

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

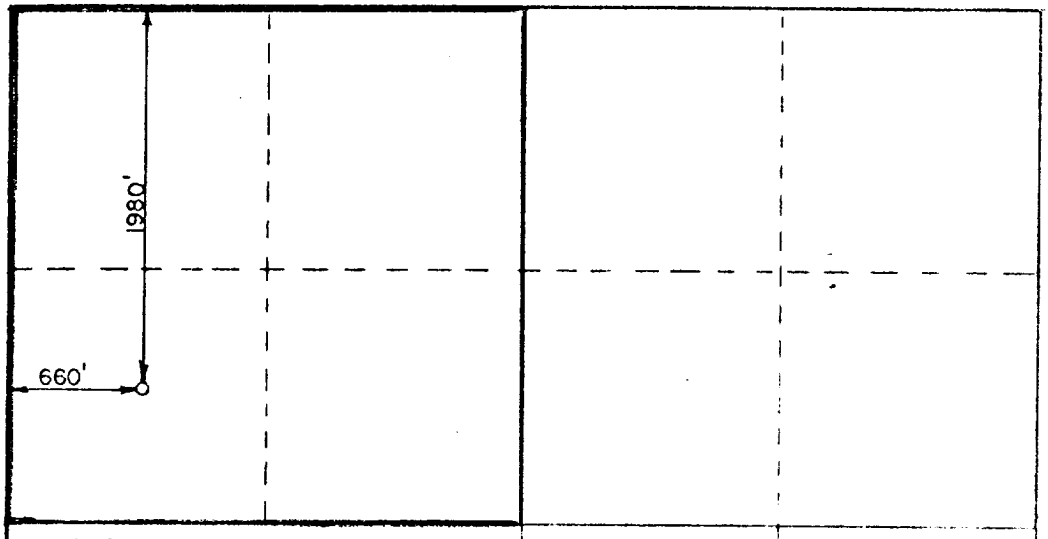
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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?

[X] Yes [ ] No If answer is "yes," type of consolidation Communitization

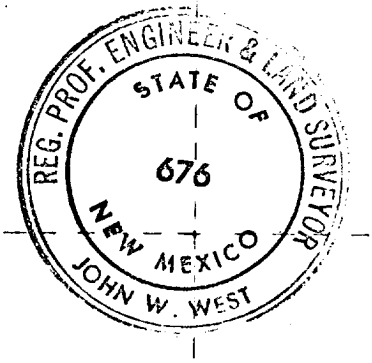
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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.



LC-032579-F
Alpha Twenty-One Production Co.
100% WI - Gas Rights
United States of America
12½% R.I.

LC-032579-B
Alpha Twenty-One Production Co.
100% WI - Gas Rights
United States of America
12½% R.I.



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500

CERTIFICATION

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

Name: Tommy Phipps

Position: Executive Vice President

Company: Alpha Twenty-One Production Co.

Date: 2-22-80

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: December 22, 1979

Registered Professional Engineer and/or Land Surveyor

Certificate No. John W West 676
Ronald J. Eidson 3239

DRILLING PROGNOSIS

I. Well Identification:

Lease Name: El Paso Beverly Federal

Well No.: 1

Location: 1980 FNL & 660 FWL Section 27

T-25-S, R-37-E

County: Lea

State: New Mexico

Elevations: 3028 G. L. (3038 RKB)

II. Drilling Objective:

Zone: Yates-Seven Rivers

Total Depth: 3300

Pool Name: Jalmat Gas Pool

Productive Interval: 2650-3150

III. Formation Tops:

Zone	Tops		Gross Interval Drilled	Probable Fluid Production
	Drilling Depth	Subsea Depth		
Rustler Anhydrite	820	+2208	100	
Salado Salt	920	+2108	1580	
Tansil	2500	+ 528	150	
Yates	2650	+ 378	330	Hydrocarbons
Seven Rivers	2980	+ 48	320	Hydrocarbons
TOTAL DEPTH	3300	- 272	3300	---

Hole	Bit Size	T.D.	Gross Interval
Conductor	15	40	40
Surface	12 1/4	400	360
Production	7 7/8	3300	2500

V. Casing Program:

A. Casing Design

String	Casing Size O.D.	Wt.	Grade	Threads	Amount	Cond.
Conductor	13 3/8	33	B	8 Rd	30	New
Surface	8 5/8	28	B	8 Rd	400	New
Production	5 1/2	17.0	J-55	8 Rd	3300	New

B. Float Equipment:

Surface Casing: 8 5/8-inch guide-shoe and 8 5/8-inch insert float.

Production Casing: 5 1/2-inch guide-shoe and 5 1/2-inch float collar with automatic fill.

C. Centralizers:

Surface Casing: One centralizer at the float collar and one centralizer two joints above float collar.

Production Casing: P a total of 8 centralizers. P ce one centralizer at the guide shoe and one centralizer at the float collar with the remaining being placed 80 to 90 feet apart or every other joint.

D. Wellhead Equipment:

Larkin 8 5/8 x 5 1/2 Fig 92 Casinghead. Larkin 5 1/2 x 2 3/8 Type TH tubinghead complete with slips and bell nipple.

VI. Mud Program

A. Surface Hole:

Drill surface hole with a fresh water gel (approximately 8.5 lb/gal) while maintaining a high enough viscosity to adequately clean hole. Add paper as needed to control excess seepage.

Before drilling below surface pipe, jet cuttings out of working pit into reserve pit and then switch from circulating through working pit to circulating through reserve pit.

B. Production Hole:

Before entering salt section, switch mud system to a saturated salt system (10.1 lb/gal). At 2600, switch back out of reserve pit and back into working pit. Also, at this point, start adding starch and brine gel to lower water loss and raise viscosity. The mud shall have a water loss of 10 cc/30 min and a viscosity of 34 to 36 sec. before

reaching 2650.

In order to protect the drill string, sufficient lime shall be added to the mud to maintain a safe PH level.

VII. Cementing Program

A. Surface Pipe:

Cement surface pipe with approximately 400 sacks (or as required) of API Class-C cement containing 2% Calcium Chloride. Before resuming drilling operations, allow cement to set for a sufficient time to gain a 500-psi compressive strength (18 hours). Also, before drilling plug, the pipe shall be tested to 700 psi for 30 minutes.

B. Production String:

Cement long string with approximately 350 sacks API Class-C cement containing 3% Halliburton Econolite mixed to a slurry weight of 11.3 lb/gal followed by 250 sacks of a 50-50 blend of Pozmix "A" and API Class-C cement containing 18% salt and 2% gel and having a slurry weight of 14.1 lb/gal. Pump 30 barrels of water ahead of the cement to help remove the mud filter cake.

Once top plug is bumped, pressure test casing to 1500 psi.

The total specified cement volume of 600 sacks provides for an excess that

should be sufficient bring the cement top back to e surface. Before the cement job is actually performed, the required cement volume will be checked against the open hole caliper log to determine the actual amount of cement necessary to bring the cement back to the surface.

VIII. Formation Evaluation:

A. Drilling Rate:

1. The drilling rate shall be monitored with a geolograph from the surface to total depth.

2. As part of their farmout agreement, El Paso Natural Gas Company requires that the penetration rate be tabulated in 10-feet increments over the entire hole.

B. Well Cutting Samples:

One set of well cutting samples shall be gathered every 10 feet from the surface to total depth. Each sample is to be cleaned, bagged, and tagged and then grouped into bundles of ten samples per bundle with one bundle representing each 100-feet drilled.

After the drill cuttings have been reviewed by the wellsite geologist, they shall be delivered weekly to Midland Sample Cut, 704 S. Pecos Street, Midland, Texas.

C. Mud Logging: None

D. Drill-Stem Testing: None

E. Coring: None

F. Well Logging:

Open-Hole Logs

Log	Interval	
	2" = 100'	5" = 100'
CDL-Neutron-GR	T.D. - Surface	T.D. - 2400
Guard - Forxo	T.D. - 2400	T. D. - 2400

Cased-Hole Logs

Log	Interval	
	2" = 100'	5" = 100'
GRN-CCL	T.D. - 2400	T.D. - 2400

Log Distribution

Company	No. of Copies	
	Field Prints	Final Prints
Alpha Twenty-One Production Company 2100 First National Bank Building Midland, Texas 79701	8	8
United States Geological Survey P. O. Box 1157 Hobbs, New Mexico 88240	0	6
Mr. O. L. Dilworth El Paso Natural Gas Company 1800 Wilco Building Midland, Texas 79701	3	3

IX. Blowout Preventer System:

A 10 3/4 2000-psi rotating head will be used while drilling the surface hole. Before drilling out from under the surface pipe, the well will be equipped with a 3000-psi 10-inch series 900 double-ram hydraulic preventer. The blowout preventer shall be used through the running of the production string.

Attached is a diagram of the required BOP system.

X. Hazardous Zones:

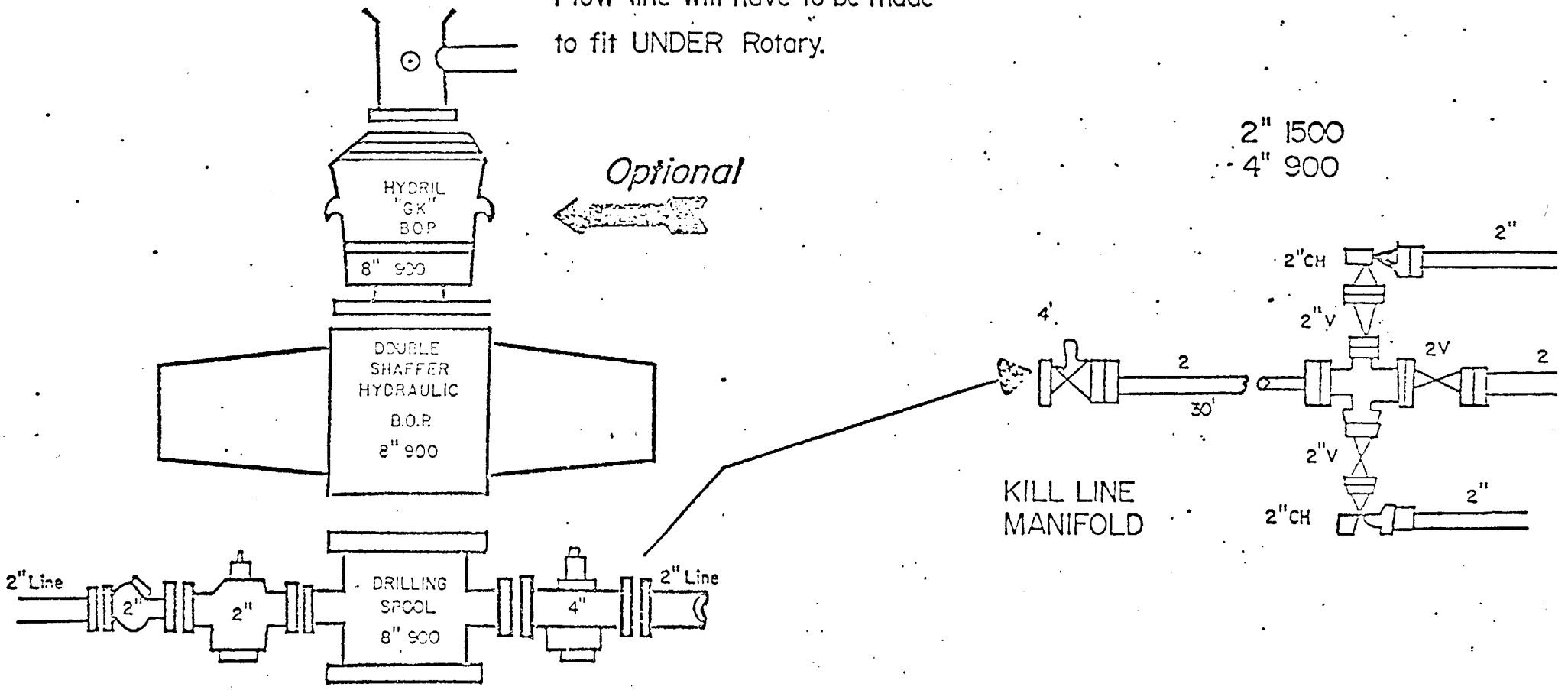
None anticipated.

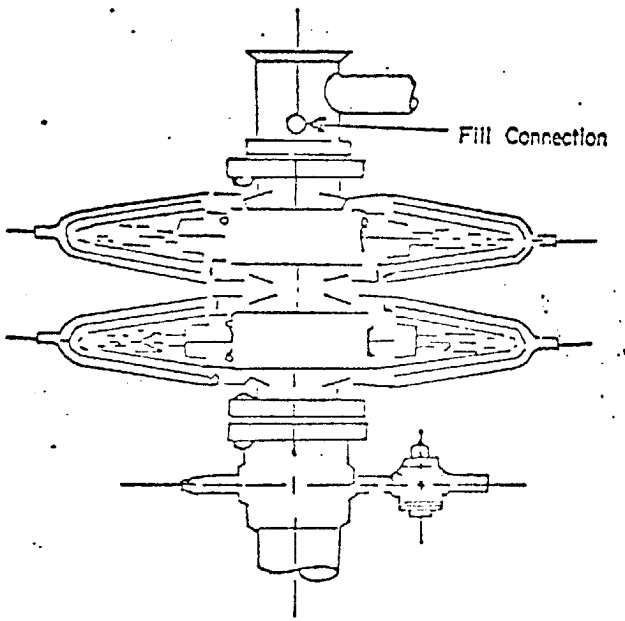
XI. Duration of Operations:

The total elapsed time required for drilling and completing the subject well is expected to be thirty days.

ISE ROTARY TABLE

Flow line will have to be made to fit UNDER Rotary.





Shaffer Type E Series 900 Hydraulic B.O.P.

3000 PSI WORKING PRESSURE
BLOWOUT PREVENTER HOOK-UP

Series 900 Flanges, or Better.

Note: B.O.P. system will meet the conditions of drilling approval required by the U.S.G.S. District Office in Hobbs, New Mexico.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

ALPHA TWENTY-ONE PRODUCTION COMPANY
EL PASO BEVERLY FEDERAL NO. 1
1980 FNL & 660 FWL Section 27
T-25-S, R-37-E
LEA COUNTY, NEW MEXICO
LEASE NOS. LC-032579-F & LC-032579-B

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed 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:

Exhibit "A" is a portion of a United States Geological Survey Topographic Map covering a part of T-25-S, R-37-E, Lea County. New Mexico which shows the location of the proposed well as staked. Also, included on Exhibit "A" are all nearby New Mexico State Highways (SH-18) as well as all existing roads within a one mile radius of the proposed well site and the planned access road.

To reach the proposed well, first drive eight-tenths (0.8) miles south on SH-18 from the intersection of SH-128 and SH-18 in Jal, New Mexico. Then turn left onto a blacktop county road (turns into a caliche road) and drive one and eight-tenths (1.8) miles to the location.

2. PLANNED ACCESS ROADS:

A. Length and Width: The required new access road will be twelve (12) feet wide and approximately 600 feet long. The new road is labeled and color coded red on Exhibit "A". The center line of the proposed new road from the edge of the well site to the existing access road has been staked and flagged with the stakes being visible from one stake to the next.

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

C. Maximum Grade: Three (3) percent.

D. Turnouts: No new turnouts required.

E. Drainage Design: New road will have a drop of six (6) inches from the center line to each edge of the road.

F. Culverts: None required.

G. Cuts and Fills: None required.

H. Cattleguards: None required.

3. LOCATION OF EXISTING WELLS:

All existing wells within a one-mile radius of the proposed drill site are shown on Exhibit "B".

4. LOCATION OF EXISTING AND PROPOSED PRODUCTION FACILITIES:

A. Existing Facilities: There are currently no existing production facilities located on the subject lease which are associated with the Langlie Mattix Pool except for an abandoned tank battery located approximately 300 feet north of the proposed location.

B. Proposed Facilities: Since it is anticipated that the proposed well will be completed as a dry gas well, no surface facilities will be required other than a line tieing the well into El Paso's existing gas gathering system. El Paso will file for the permit for the required new gas gathering line. However, in the event that surface production facilities are required, they will be constructed on the proposed drill site.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water for drilling the proposed well will be purchased from a commercial trucking company which has not as yet been chosen. It will be trucked to the location over the route described in Item 1. above.

6. SOURCE OF CONSTRUCTION MATERIALS:

Caliche for surfacing the road and well pad will be obtained from an existing pit located in the NW/4 NW/4 Section 27, T-25-S, R-37-E. The pit is on land owned by Mr. Clyde Cooper. Location of the pit is shown in Exhibit "A".

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill Cuttings: Drill cuttings will be disposed of in drilling pits.

B. Drilling Fluids: Drilling fluids will be allowed to evaporate in drilling pits until the pits are dry. While the drilling pits are in the evaporation stage, they will be adequately fenced so as not to be a hazard to people or livestock.

C. Formation Water and Oil: Although not anticipated, any produced formation water will be disposed of in the drilling pits. Oil produced from the well during tests will be stored in test tanks until sold.

D. Human Waste: All current laws and regulations pertaining to the disposal of human waste will be complied with.

E. Trash, Waste Paper, Garbage, and Junk: All trash, waste paper, garbage, and junk will be buried in a trash pit located adjacent to the reserve pit and will be covered with a minimum of 24 inches of dirt. Before burial, the waste material will be contained to prevent scattering by the wind. The location of the trash pit is shown in Exhibit "C".

F. Trash Burial: All trash and debris will be buried or removed from the well site within thirty (30) days after finishing well completion operations.

8. ANCILLARY FACILITIES:

None required.

9. WELLSITE LAYOUT:

A. Wellsite Boundaries: The boundaries of the wellsite have been staked and flagged.

B. Rig Components: Exhibits "C" and "D" show the relative location and dimensions of the well pad, mud pits, reserve pit, trash pit, and location of major rig components.

C. Wellsite Levelling: Only minor levelling of the wellsite will be required. No cuts or fills will be necessary.

D. Pit Lining: The reserve pit will be plastic lined.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. Equipment Removal: After the finishing of drilling and/or completion operations, all drilling equipment and other material not needed for routine operations will be removed from the wellsite. Pits will be filled and the location cleaned of all trash and junk thus leaving the wellsite in an aesthetically pleasing condition.

B. Unguarded Pits: Any unguarded pits containing fluid will be fenced until they are back-filled.

C. Well Abandonment: Upon abandoning the proposed well, the surface restoration will be in accordance with the agreement with the surface owner. As stated above, the pits will be filled and the location will be cleaned. The pit area,

well pad, and all unneeded access roads will be ripped to promote vegetation. Rehabilitation will be accomplished within 90 days after abandonment.

11. OTHER INFORMATION:

A. Topography: The wellsite is located at the base of the Caprock. Above the base of the Caprock, the surface slopes to the south at the rate of 100 feet/mile. At the base of the Caprock, the land slopes more gently to the southwest at the rate of 20 feet per mile.

B. Soil: The surface is rocky (caliche) with a very thin soil cover.

C. Flora and Fauna: The vegetation cover is generally sparse and consists of mesquite and perennial native range grasses. Wildlife in the area is typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, doves, and quail.

D. Ponds and Streams: There are no rivers, streams, ponds, or lakes in the area.

D. Residences and Other Structures: The nearest occupied dwellings are in the city of Jal one (1) mile northwest of the wellsite. The closest water supply is also located at Jal, New Mexico.

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

G. Land Use: Grazing and bird hunting.

H. Surface Ownership: Well is on surface owned by Mr. Clyde Cooper of Jal, New Mexico.

12. OPERATOR'S REPRESENTATIVES:

The field representatives responsible for assuring compliance with the approved Surface Use and Operations Plan are as follows:

Robert Lansford
908 Cochiti
Hobbs, New Mexico 88240
Business Phone 505-392-5890
Mobile 505-397-3291 Unit 2179

13. CERTIFICATION:

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, that the work associated with the operations proposed herein will be performed by Alpha Twenty-One Production Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

2-22-80
Date

Tommy Phipps
Executive Vice President

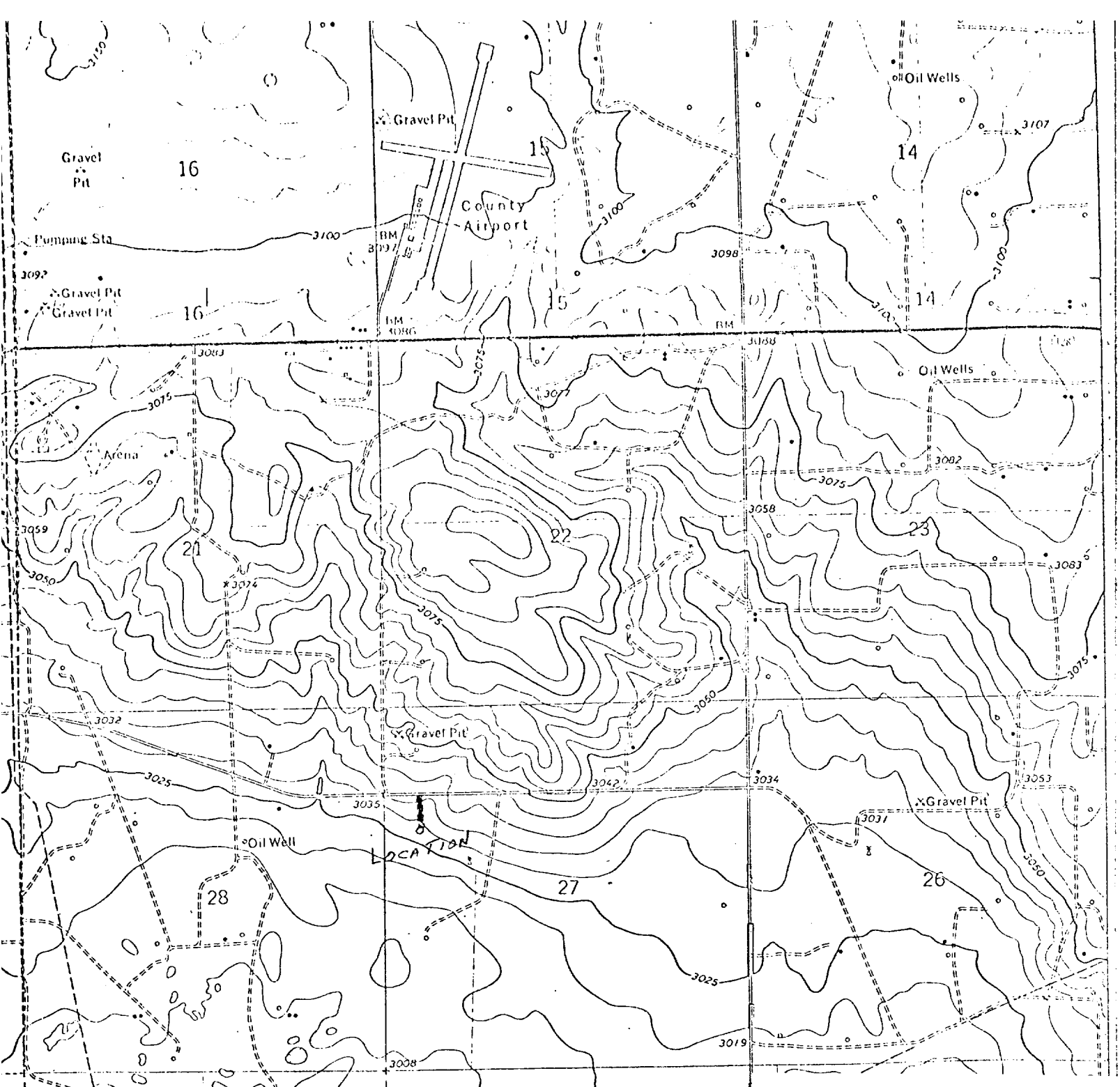


EXHIBIT "A"

EXISTING ROADS

ALPHA TWENTY-ONE PRODUCTION CO.

EL PASO BEVERLY FEDERAL NO. 1

1980 FNL & 660 FWL

Sec. 27, T-25-S, R-37-E

Lea Co., New Mexico

Scale 1" = 2000'

EXHIBIT "B"

EXISTING WELLS

ALPHA TWENTY-ONE PRODUCTION CO.

EL PASO BEVERLY FEDERAL NO. 1

1980 FNL & 660 FWL

Sec. 27, T-25-S, R-37-E

Lea Co., New Mexico

Scale 1" = 2000'

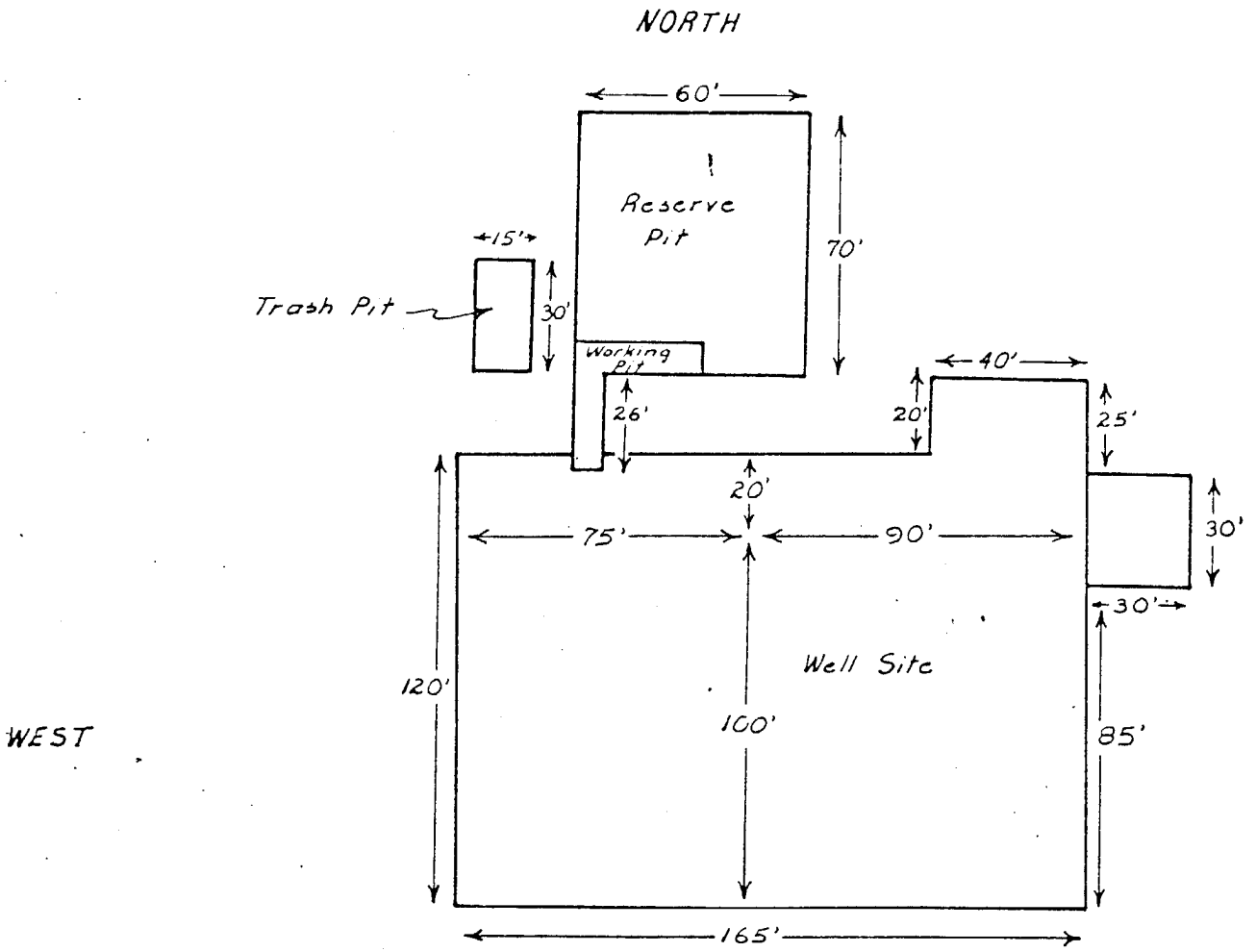


EXHIBIT "C"

DRILLING PAD DIMENSIONS

ALPHA TWENTY-ONE PRODUCTION CO.

EL PASO BEVERLY FEDERAL NO. 1

1980 FNL & 660 FWL

Sec. 27, T-25-S, R-37-E

Lea Co., New Mexico

Scale: 1" = 50'

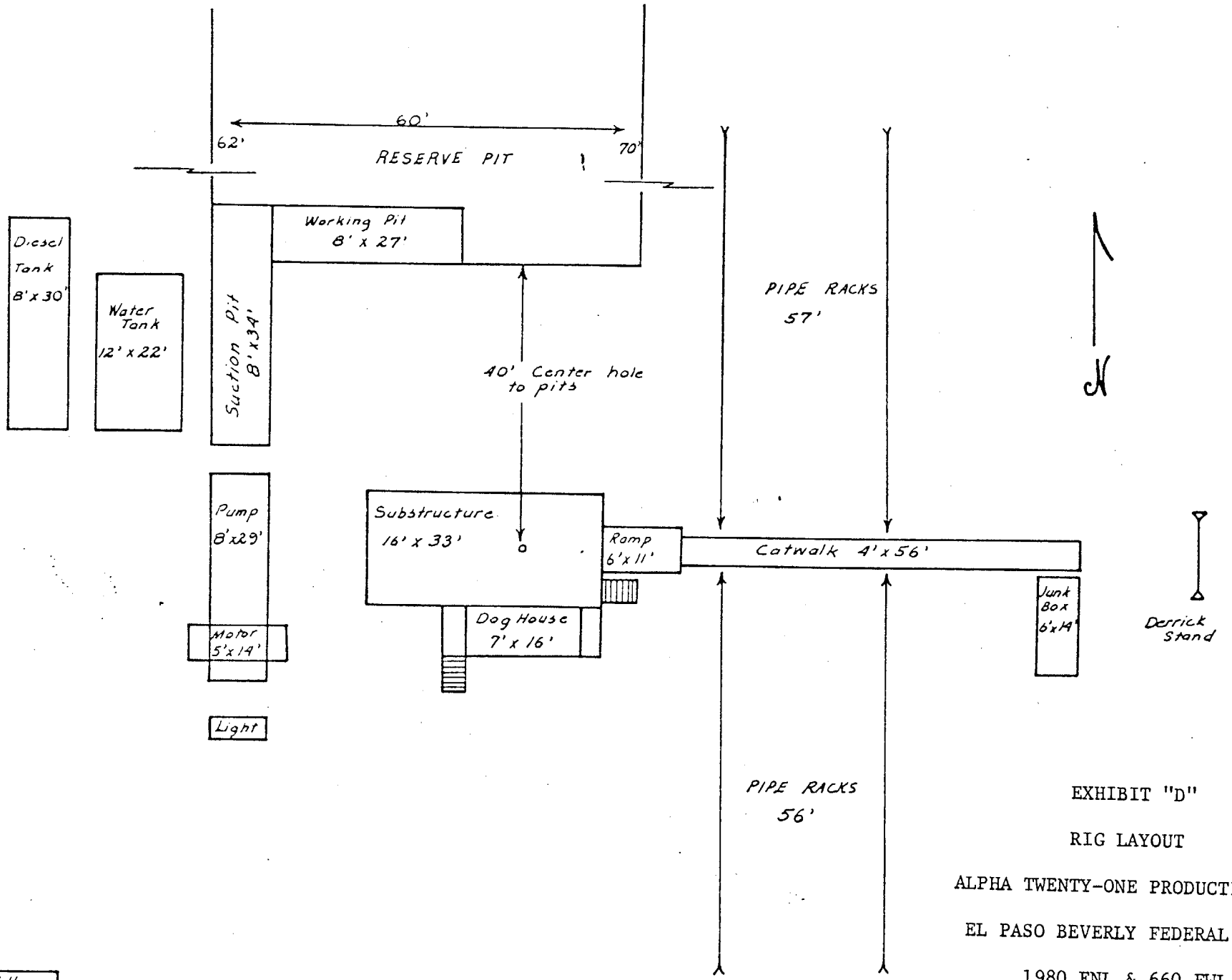


EXHIBIT "D"

RIG LAYOUT

ALPHA TWENTY-ONE PRODUCTION CO.

EL PASO BEVERLY FEDERAL NO. 1

1980 FNL & 660 FWL

Sec. 27, T-25-S, R-37-E

Lea Co., New Mexico

Scale: 1" = 20'

ALPHA TWENTY-ONE PRODUCTION COMPANY

2100 FIRST NATIONAL BANK BUILDING
MIDLAND, TEXAS 79701

915/683-5384

February 22, 1980

Mr. Arthur R. Brown, District Engineer
United States Geological Survey
P. O. Box 1157
Hobbs, New Mexico 88240

Re: Restoration of Surface
El Paso Beverly Federal No. 1
1980 FNL & 660 FWL, Section 27,
T-25-S, R-37-E
Lea County, New Mexico

Dear Mr. Brown:

I have notified Mr. Clyde Cooper of Jal, New Mexico (owner of the surface land in NW/4 Section 27, T-25-S, R-37-E) of my intention to drill a 3300 foot Jalmat test to be located 1980 FNL and 660 FWL Section 27, T-25-S, R-37-E, Lea County, New Mexico. We both agreed that once drilling and completion operations are finished at the proposed wellsite, all pits will be backfilled and leveled, all junk and unnecessary equipment will be removed, and any unneeded access road and drill pad area will be ripped to promote vegetation.

Very truly yours,

Tommy Phipps,
Executive Vice President

TP:rm