Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: NM-4312

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

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

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

8. FARM OR LEASE NAME: Penrzoil Federal

2. NAME OF OPERATOR: C. W. Trainer

9. WELL NO.: 1

3. ADDRESS OF OPERATOR: c/o Oil Reports and Gas Services, P.O. Box 763, Hobbs NM 88240

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 660' FSL & 1980' FEL of Section 1
At proposed prod. zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec.1, T 19S, R 33E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 26 miles West Hobbs, NM

12. COUNTY OR PARISH: Lea — 13. STATE: NM

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
660'	320	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**
1320'	15,000	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3766.3 GR

22. APPROX. DATE WORK WILL START*: 1/31/78

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT

See attachments for details of casing program, blow out preventors, mud and other operations.

CONDITIONS OF APPROVAL

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 [signature] TITLE Agent DATE 12/20/77

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED AS AMENDED
JAN 18 1978
ARTHUR R. BROWN
DISTRICT ENGINEER

*See Instructions On Reverse 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.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location 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 or 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

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

C. W. Trainer		Lease: Pennzoil Federal	Well No.: 1
Unit Letter: O	Section: 1	Township: 19 South	Range: 33 East
Actual Footage Location of Well: 660 feet from the South line and 1980 feet from the East line			
Ground Level Elev.: 3766.3	Producing Formation: Devonian	Pool: Wildcat	Dedicated Acreage: 40 Acres

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

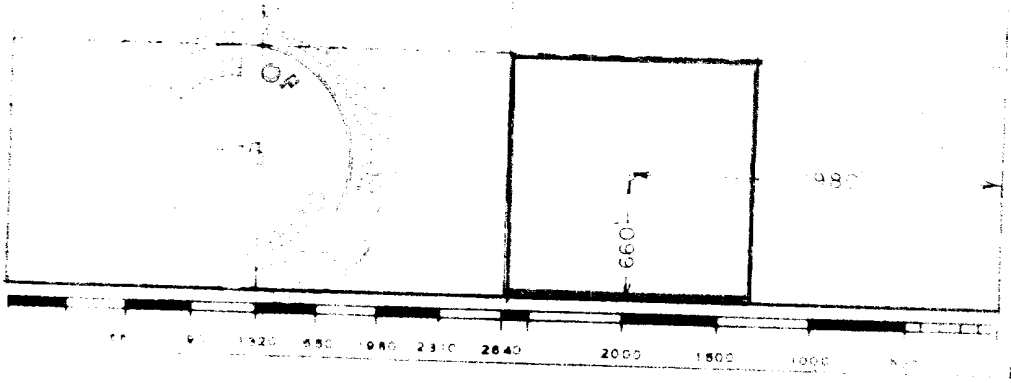
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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.

Name: Dennis Haller

Agent

C. W. Trainer

December 20, 1977

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.

December 14, 1977

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. 676

Attachment Form 9-331-C

C. W. Trainer
Pennzoil Federal No. 1
660' FSL & 1980' FEL of Sec. 1, T19S, R33E, Lea County, New Mexico
NM-4312

1. Surface formation: Quaternary Alluvium

2. Estimated tops of geologic markers: Base Salt 2900
San Andres 5000
Bone Spring 7400
Wolfcamp 10,600
Morrow 13,400
Devonian 14,800

3. Estimated depth of mineral bearing formations: Fresh water 100 to 700
Bone Spring - oil 7400
Morrow - gas 13,400
Devonian - oil 14,800

4. Casing program:

Hole Size	Size of Casing	Weight Per Ft.	Cond	Grade	Depth	Sacks Cement	
17 1/2	13 3/8	48#	New	H-40	350	350	
12 1/4	5/8	24# & 32#	New	J-55	4,500	1000	- DV collar @ 1360
7 7/8	5 1/2	17# & 20#	New	N-80	15,000	500	

5. Blowout preventers: One 10" x 1500 series Shaffer LWS hydraulic double and one Hydril 10" x 1500 series as per attached diagram. Pipe rams to be activated at least once each 24 hours and blind rams each time the drill pipe is out of the hole.

6. Mud program: 0-350 - Spud mud consisting of Bentonite flocculated with lime.
350-4500 - Fresh water with soils control by circulating through the reserve pit, other mud properties as required.
3400-10,000 - Fresh water and lime with lost circulation material as needed.
10,000-13,000 - 10# brine water with lost circulation material as needed.
13,000-TD - 10# brine water circulating through steel pits. Mud up with Drispac. Properties should be viscosity 34-36, weight 9.8 - 10 ppg, filter loss below 10 cc and ph 10. If higher than anticipated pressures are encountered, increase weight with Baroid and viscosity with Baroco clay and Flosal.

7. Auxiliary equipment: Mud monitoring equipment to record pit level, measure mud volume and a flow sensor; kelly valve; safety sub with full opening valve; drill pipe float valve.

8. Logging & testing: All shows will be drillstem tested. It is anticipated that the Bone Spring, Morrow and Devonian will be tested. Logs to consist of Neutron-formation Density and Dual induction Laterolog.

9. Anticipated pressures and potential hazards: Prior wells drilled in the area indicate that maximum pressure will be 6500 psi and that hydrogen sulfide will not be encountered.

10. Starting date and duration: Starting date to be January 31, 1978 with operation to be completed in 120 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

C. W. Trainer
Pennzoil Federal No. 1
660' FSL & L980' FEL of Section 1, T19S, R33E,
Lea County, New Mexico
Federal Lease NM-4312

1. Existing Roads:

Exhibit "A" is a portion of United States Geological Survey topographic map showing the location of the proposed well and its relationship to US 62-180. Existing area roads to be utilized are shown in blue and the proposed new road construction is shown in red. The proposed road deviates from the south line of Sections 1 and 6 in order to by-pass large sand dunes.

Existing area roads will be repaired where needed. Repairs will consist of blading and watering.

2. Planned Access Road:

Length and Width: New road required will be 12 feet wide and 5,800 feet long. Proposed road is shown in red on Exhibit "A". The center line of the proposed road has been staked and flagged with the stakes being visible from any one to the next.

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

Maximum Grade: One percent.

Turnouts: Two required; one midway of east-west portion and one midway of north-south portion of road.

Drainage Design: None required.

Culverts: None required.

Cuts and Fills: None required.

Gates and Cattleguards: None required.

3. Location of Existing wells:

Exhibit "B" 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:

There are no existing facilities. If the proposed well is completed for production the tank battery will be located due east of the well and no additional surface disturbance will occur.

5. Location and Type of Water Supply:

Water for drilling will be purchased from Steve Carter at Maljamar and trucked over the roads shown in Exhibit "A". Water for roads and drilling pad will be produced water from Pennzoil Company, Mescalero Ridge Unit No. 1, SW/4 SW/4 Section 20, T19S, R34E.

6. Source of Construction Materials:

Caliche for roads and location pad will be obtained from an existing pit in the NW/4 SE/4 of Section 7, T19S, R34E, 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 tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.

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 the rig layout.

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:

The rig layout diagram shows the relative location and dimensions of the well pad, mud pits, reserve pit, burn pit, and location of major rig components.

The wellsite 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.

After abandonment of the well, any special rehabilitation and/or revegetation requirements of the surface management agency will be complied with and accomplished as expeditiously as possible. Weather permitting, all pits will be filled and levelled within 90 days after abandonment.

11. Other Information:

Topography: Land surface is rolling sand dunes. As shown in Exhibit "A" the land slopes to the southwest at about 50 feet per mile.

Soil: Soil is deep sand underlain by clay.

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

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

Residences and Other Structures: There are no residences within a radius of 3 miles. Exhibit "B" shows the relative location of pipelines and power lines.

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

Land Use: Grazing and hunting in season.

Surface Ownership: The wellsite is on Federal surface.

12. Operator's Representative:

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

C. W. Trainer
9205 Highway 71 West
Austin, Texas 78746
Phone: 512-288-2613

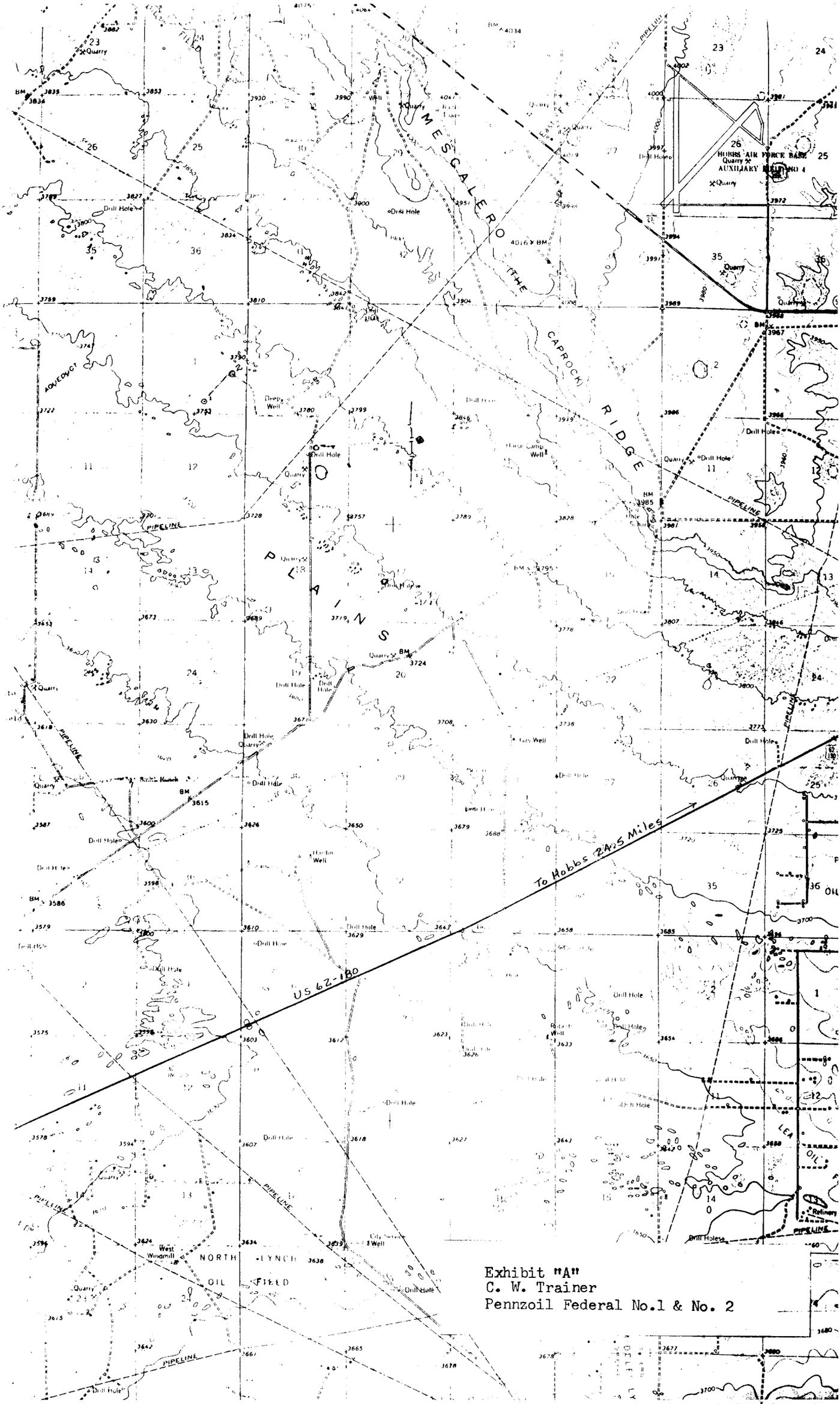
Marvin C. Gross
P. O. Box 358
Roswell, New Mexico 88201
Phone: 505-623-3539

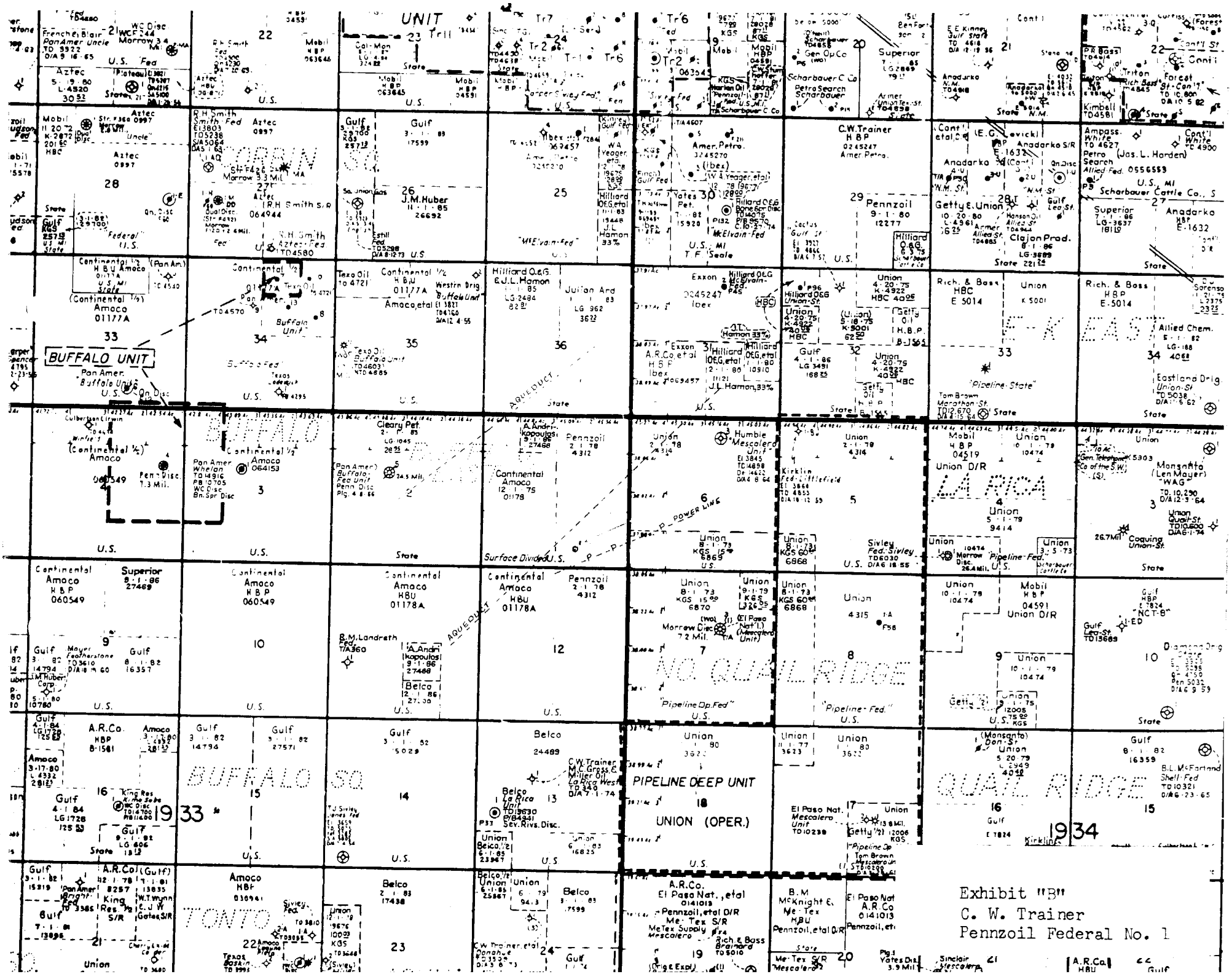
13. Certification:

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 C. W. Trainer and his contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

December 21, 1977

C. W. Trainer, Operator


MESCALERO
THE CAPROCK RIDGE
PLAINS
HOBBS AIR FORCE BASE
AUXILIARY FIELD NO 4
AQUEDUCT
PIPELINE
To Hobbs 24.5 Miles
US 62-180
NORTH LYNCH OIL FIELD
LEA OIL
Exhibit "A"
C. W. Trainer
Pennzoil Federal No.1 & No. 2


BUFFALO UNIT
Pan Amer.
Buffalo Unit
U.S.
Continental ½
H B U Amoco
01177A
U.S. Mi
State
(Continental ½)
Amoco
01177A
Pen Disc.
T.3 Mill.
Continental ½
Amoco
064153
Pan Amer
Whelan
TD 14916
PB 10705
WC Disc
Bn.Spr Disc
Texo Oil
to 4721
Continental ½
H B U
01177A
Amoco, etal
Western Drlg
Buffalo Unit
TD4603
TD4685
Hilliard O.E.G.
E.J.L. Hamon
Julian Ard
LG 962
3622
Exxon
Hilliard O.E.G
McElvain-Fed.
3245247
Ibex
J.L. Hamon, 33%
Union
4-20-75
K-4922
HBC 4006
Gulf
4-1-86
LG 3491
16855
Union
4-20-75
K-4922
4006
HBC
Rich. & Bass
HBC
E 5014
Union
K 5001
Pipeline-State
Tom Brown
Marathon-St.
TD12,670
Rich. & Bass
H B P
E-5014
Allied Chem.
LG-188
4068
Eastland Drlg
Union-St
TD 5038
Culberson Irwin
Winfee 1
(Continental ½)
Amoco
060549
Pen Disc.
T.3 Mill.
Continental ½
Amoco
064153
Pan Amer
Whelan
TD 14916
PB 10705
WC Disc
Bn.Spr Disc
Cleary Pet.
LG-1045
2835
24.5 Mil.
A. Andri-
Kapoulos
9-1-86
27468
Continental
Amoco
12-1-75
01178
Pennzoil
2-1-78
4312
Surface Divide
Union
2-1-78
4314
Humble
Mescalero
Union
8-1-73
KGS 1509
6870
Morrow Disc
7.2 Mil.
Union
8-1-73
KGS 6068
6868
Sivley
Fed. Sivley
TD6030
Union
10-1-79
10474
Union D/R
Union
5-1-79
9414
Union
3-5-73
Morrow
Disc.
26.4 Mil.
Pipeline-Fed.
Scharbauer Cattle Co.
Monsanto
(Len Mayer)
WAG
TD. 10,290
26.7 Mil.
Coquina
Union-St.
TD10,600
Continental
Amoco
H B P
060549
Superior
8-1-86
27469
Gulf
Mayer
Featherstone
TD3610
Gulf
8-1-82
16357
J.M. Huber
Corp.
10780
Continental
Amoco
H B P
060549
Continental
Amoco
HBU
01178A
B.M. Landreth
Fed.
T/A 360
A. Andri-
Kapoulos
9-1-86
27468
Belco
12-1-86
27.30
Continental
Amoco
HBU
01178A
Continental
Amoco
Pennzoil
2-1-78
4312
Union
8-1-73
KGS 1509
6870
Union
9-1-79
KGS
3265
El Paso Nat. (L)
(Mescalero Unit)
Morrow Disc
7.2 Mil.
Union
8-1-73
KGS 6068
6868
Union
4315
F58
Mobil
H B P
04591
Union D/R
Union
10-1-79
10474
Union
10-1-79
12005
Gulf
H B P
E 7824
NCT-B
Diamond Drlg
Union-St
TD 5395
Gr. 4150
Pen 5032
Gulf
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LG 1728
12553
A.R.Co.
H B P
B-1581
Amoco
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L 4332
28123
Gulf
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LG 1728
12553
King Res
Wilcox Sabo
WC Disc
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LG 606
State
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Gulf
3-1-82
14794
Gulf
3-1-82
27571
Gulf
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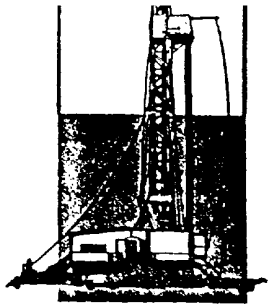
15029
Belco
24489
C.W. Trainer
M.C. Gross, C.
Miller Oil
La Rica West
TD 3430
D/A 7-1-74
Belco
La Rica
Unit
TD 9630
PB 8431
Sev. Rivs. Disc.
Union
Belco, ½
6-1-85
23967
Union
6-1-83
16825
PIPELINE DEEP UNIT
18
UNION (OPER.)
Union
1-80
3623
Union
1-77
3623
Union
1-80
3623
(Monsanto)
Don-St
Union
5-20-79
L 2949
4052
Gulf
E 7824
1934
Kirkland
Gulf
8-1-82
16359
B.L. McFarland
Shell-Fed
TD 10321
D/AG-23-65
Gulf
3-1-82
15219
Pan Amer
Bright
Fed
TD 3585
A.R.Co.(Gulf)
8-1-78
8257
7-1-81
13835
W.T.Wynn
King
Res
S/R
C.J.W.
Gates S/R
Amoco
H B P
036941
Sivley
Fed.
TD 3810
TONTO
Texas
Basin
TD 3995
Belco
2-1-83
17438
Union
12-1-79
9676
10099
KGS
(Sivley)
Belco
6-1-83
17599
Belco
1/2
Union
6-1-85
25867
Union
6-1-79
94.3
C.W. Trainer, etal
Donahue
TD 3539
A.R.Co.
El Paso Nat., etal
0141013
Pennzoil, etal D/R
Me-Tex S/R
MeTex Supply
Mescalero
Rich & Bass
Brainard
TD 5010
B.M.
McKnight &
Me-Tex
H.B.U.
Pennzoil, etal D/R
El Paso Nat
A.R.Co
0141013
Pennzoil, etal
Me-Tex S/R
Mescalero
Yates Drlg
3.9 Mil.
Sinclair
Mescalero
A.R.Co.
H B U
Gulf
Exhibit "B"
C. W. Trainer
Pennzoil Federal No. 1



DRAWWORKS
Mid Continent U-712A
Drum: 1¼" Lebus grooved
Compound: 2-engine oil bath chain drive
Brake: Hydromatic Parkersburg 46" Double

ENGINES
Two 610-H.P. D379TA Caterpillar Diesel

DERRICK
Lee C. Moore, 131', 550,000 lb. nominal capacity

SUBSTRUCTURE
Lee C. Moore, 18' high, 550,000 lb. nominal capacity

MUD PUMPS
Pump No. 1: Emsco F-800 Triplex. 800 H.P. with steel fluid end. 4¾" - 6½" liners, 9" stroke stroke. Compound-drive.
Pump No. 2: Emsco DB550, powered by D379 Caterpillar Diesel.

DRILL STRING
3000' 4½" Grade E, 20 lb.
Tool Joints: 4½" H-90, 6¼" OD,
12000' 4½" Grade E, 16.60 lb.
Tool Joints: 4" H-90, 6" OD
Thirty Drilco spiral-grooved 6½" OD, 2¼" ID. With 4" H-90 Joints.
Other sized drillpipe & drillcollars available.

BLOWOUT PREVENTERS
One Shaffer LWS hydraulic double 10" x 1500 series. One Hydril 10" x 1500 series.
Choke manifold 4" x 1500 series flanged connections. Payne 4 valve accumulator closing unit.

MUD SYSTEM
3 – 30 x 8 x 6 steel pits, with 750 Bbl. capacity. Complete low pressure circulating system, consisting of four submerged mud guns and two counter sunk jets in each pit. System utilizes two – 6 x 8 centrifugal pumps, powered by diesel.

MUD HOUSE
One - 8' x 30' Steel Storage House.

COMMUNICATIONS
24 - Hour direct telephone interconnection through Hobbs (A.C. 505–397-3291) or Midland - Odessa (A.C. 915–563-0562).

OTHER EQUIPMENT
BLOCKS – Oilwell 350 Ton

HOOK – BJ4300 350 Ton

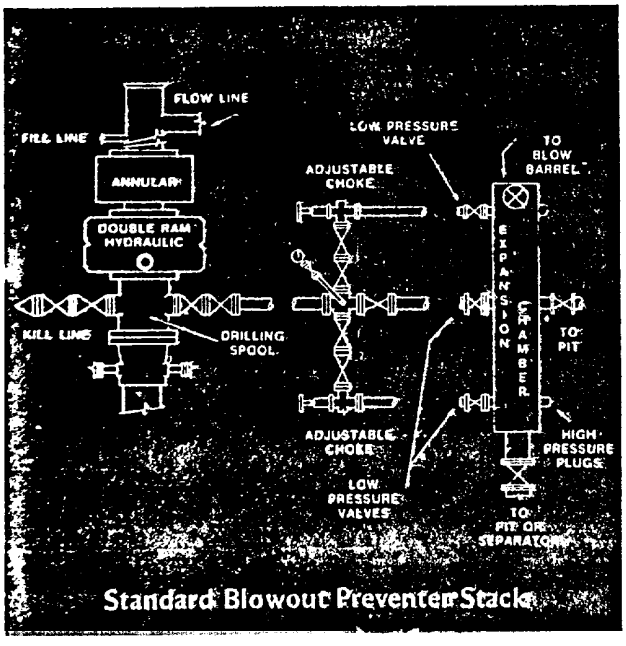
SWIVEL – NAT P400 350 Ton

LIGHT PLANTS – One 40 KW and one 15 KW AC generators, powered by diesel engines.

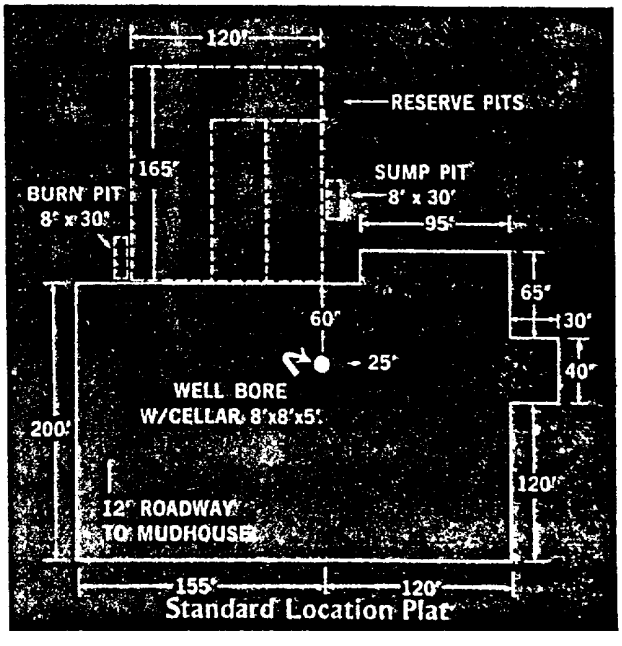
LIGHTS – AC fluorescent or mercury – All vapor proof.

FRESH WATER STORAGE – two 500 Bbl. and one 400 Bbl. horizontal tanks.

HOUSING – 1 - 8' x 36' airconditioned trailer house, with sleeping and cooking facilities.



Standard Blowout Preventer Stack



Standard Location Plat