Form 3160-3 (August 1999)

N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue

UNITED STATE Artesia, NM 88210

DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

5. Lease Serial No.

NM-0559993

APPLICATION FOR PERMIT TO DR	6. If Indian, Allottee or Tribe Name						
la. Type of Work: DRILL REENTER					7. If Unit or CA Agre	ement, Na	ame and No.
1b. Type of Well: Oil Well Gas Well Other	☑ si	ingle Zone	☐ Multip	ole Zone	8. Lease Name and Wo		BAI.
2. Name of Operator		***************************************			9_API Well No.		
McClellan Oil Corporation			00.21		30-00s	<u>- 63</u>	701
3a. Address	3b. Phone No	. (include	(repochae)	723	10. Field and Pool, or		ry
P.O. Box 730 Roswell, NM 88202	(505) 622-	3200/1		8	Foor Ranch Wolfcar	mp	
4. Location of Well (Report location clearly and in accordance with a	iny State requi	/ .* V	" N. SU)Å	511. Sec., T., R., M., or	BIK. and	Survey or Area
At surface 660' FNL & 660' FWL		123	My CO	11.031	(C)		
At proposed prod. zone same		324	DECEL TO	atesin_	Sec. 30-T9S-R26E		
14. Distance in miles and direction from nearest town or post office*		153	$-c_{0}$	(,	-12. County or Parish		13. State
17.2 road miles northeast of Roswell, NM	,	16	-00	/	Chaves		NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any) 660'	1		8618171	-	g Unit dedicated to this	well	
(Also to nearest drig. unit line, if any) 660' 18. Distance from proposed location*	1872.4 19. Propose			320 20 BLM/F	BIA Bond No. on file		
to nearest well, drilling, completed, applied for, on this lease, ft. 1650'	5500'	и Бери		NM-230			
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approx	imate date	work will st	art*	23. Estimated duratio	n	
3690' GL	March 29	, 2004			3 - 4 weeks	_	
	24. Atta	chments					
The following, completed in accordance with the requirements of Onshor	re Oil and Gas	Order No.	, shall be att	ached to this	s form:		
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest System SUPO shall be filed with the appropriate Forest Service Office). 	Lands, the	Iten 5. Oper 6. Such	i 20 above). ator certifica	ation. pecific info	s unless covered by an ormation and/or plans a		
25. Signature	Name	(Printed/T	vped)			Date	
Diorant Smith	:	ge R. Smi	•			03/9/04	
Title							
Agent for McClellan Oil Corp.							
Approved by (Signature) /S/LARRY D. BRAY			yped) YD.B	3AY	······································	JUN	28 2004
Title Assistant Field Manager, Lands And Minerals	Offic	ROSWE	LL FIELD	OFFICE	APPRO	WED A	DR 1 YEAR
Application approval does not warrant or certify that the applicant holds operations thereon. Conditions of approval, if any, are attached.	legal or equita	ble title to t	hose rights in	n the subject	lease which would entit	e the appl	icant to conduct
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make i States any false, fictitious or fraudulent statements or representations as	t a crime for a	ıny person l within its ju	nowingly ar	ıd willfully	to make to any departme	ent or age	ncy of the United
*(Instructions on reverse)							
Lease Responsibility Statement: McClellar and restrictions concerning operations condu	n Oil Corpo	ration ac	cepts all ap	oplicable i	terms, conditions, so	ipulatio	ns
					MAN		
				Geo	orge R. Smith agent		

CEMENT TO COVER ALL OIL, GAS AND WATER BEARING ZONES 1. 2: Gleriera 000

Form 3160-5 (September 2001)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue Expires: January 31, 2004
Artesia, NM 88210 ase Serial No.

SUNDRY NOTICES AND REPORTS ON WELLS

NM-0559993

Do not use the abandoned we	6. If Indian, Allottee or Tribe Name				
SUBMIT IN TR	IPLICATE - Other Instru	Ctions on rever tions on rever	se side	7. If Unit or CA	Agreement, Name and/or No.
1. Type of Well ☐ Oil Well ☑ Gas Well ☐	Other			8. Well Name a	nd No
2. Name of Operator	Other			Jack Federal N	
McClellan Oil Corporation				9. API Well No	
3a. Address		3b. Phone No. (incli	ide area code)		
P.O. Drawer 730, Roswell, NM 8	38202	(505) 622-3200			ol, or Exploratory Area
4. Location of Well (Footage, Sec.,	T, R., M., or Survey Description)			Undesignated	
660' FNL & 660' FWL of Sec 30	- T9S - R26E			11. County or Pa	arish, State
•				Chaves, New	Mexico
12 CHECK API	PROPRIATE BOX(ES) TO	INDICATE NAT	LIRE OF NOTICE RI		
TYPE OF SUBMISSION	ROTRATE DOX(ES) TO			DI OKI, OKO	
TTPE OF SUBMISSION			TYPE OF ACTION		
	Acidize [Deepen	Production (Start	/Resume)	Water Shut-Off
Notice of Intent	Alter Casing	Fracture Treat	Reclamation		Well Integrity
Subsequent Report	Casing Repair	New Construction		\square	Other Change well name
	Change Plans	Plug and Abandor	Temporarily Aba	andon	
Final Abandonment Notice	Convert to Injection	Plug Back	■ Water Disposal		
determined that the site is ready Request change of well name from	• ,	Jack Federal No. 2.			
14. 1 hereby certify that the foregoin Name (PrintedlTyped)	ng is true and correct	1			
Mark McClellan		Title r	President		
ividik iviccicilali			resident		
Signature 1945 CO	AND STATE OF THE LETTER AND COME AND AND ADDRESS AND A	and the state of t	5/2/04	o do cerdanini ir iki kadada kentir da certa ir i	no disamandoreanimati orangona in managan in in
	THIS SPACE FO	OR FEDERAL OR	STATE OFFICE USE	attedelich Munich angellie debrief fir:	
Approved by (Signature)	/S/LARRY D. BRAY		Name /S/LARRY [(Printed/Typed)	D. BRAY ASS	sistant Field Manage fds And Minerals
Conditions of approval, if any, are certify that the applicant holds leg which would entitle the applicant to	al or equitable title to those rights		Office ROSWELL FIELD		JUN 28 2004

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Form C-144

March 12, 2004

Pit or Below-Grade Tank Registration or Closure

address: P. O. Drawer 730, Roswell, New Mexico, 88202-0730		
acility or well name: Jack Federal No. 2API #:		
County: Chaves Latitude Longitude	NAD: 1927 🗌 1983 🔲 Surface	Owner Federal State Private Indian
<u>u</u>	Below-grade tank	
ype: Drilling M Production Disposal	Volume: bbl Type of fluid:	·
Workover Emergency	Construction material:	
ined Unlined 🗆	Double-walled, with leak detection? Yes I	
iner type: Synthetic Thickness 12 mil Clay Volume		RECEIVED
bbl		SEP 1 7 2004
Depth to ground water (vertical distance from bottom of pit to seasonal	Less than 50 feet	(20 points)
igh water elevation of ground water).	50 feet or more, but less than 100 feet	(10 points) SEP-ARTESIA
ight waster dictation of ground water).	100 feet or more	(0 points)
	Yes	(20 points)
Wellhead protection area: (Less than 200 feet from a private domestic	No	(0 points)
ater source, or less than 1000 feet from all other water sources.)		
Notanna to curfices victory (harizontal distance to all victoria alexan	Less than 200 feet	(20 points)
Distance to surface water: (horizontal distance to all wetlands, playas,	200 feet or more, but less than 1000 feet	(10 points)
rigation canals, ditches, and perennial and ephemeral watercourses.)	1000 feet or more	(0 points)
	Ranking Score (Total Points)	10 Points
f this is a pit closure: (1) attach a diagram of the facility showing the	pit's relationship to other equipment and tanks. (2) Indi	icate disposal location:
onsite O offsite I If offsite, name of facility	(3) Attach a general description of remedial	action taken including remediation start date and end
4) Groundwater encountered: No 🗌 Yes 🔲 If yes, show depth below	ground surface ft. and attach sample re	sults. (5) Attach soil sample results and a diagram of
ample locations and excavations.	•	
hereby certify that the information above is true and complete to the best been/will be constructed or closed according to NMOCD guideline Date: September 16, 2004	of my knowledge and belief. I further certify that the	e above-described pit or below-grade tank has tive OCD-approved plan .
Printed Name/Title Mark McClellan/President Signature	MME Oallan	
Your certification and NMOCD approval of this application/closure does therwise endanger public health or the environment. Nor does it relieve togulations.	s not relieve the operator of liability should the contents	s of the pit or tank contaminate ground water or y other federal, state, or local laws and/or
ApproSIFP 2 1 2001 A A	Ann)
Date:	/ 100	,
Printed Name/Title	Signature - UCO	

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

1000 Kilo išrazos K District.IV.	d., Aztec, Ni	M 8/410			Santa Fe, N	M 87505			ree	Lease - 5 Cop	nes
220 S. St. Francis	Dr., Santa F	e, NM 875	05		balla I o, I v			E] AME	NDED REPO	RT
			WELL LO	OCATIO!	N AND ACR	EAGE DEDIC	ATION PLA	T			
	API Numbe	r		² Pool Code		Foor Rand	Pool Na	nae			\neg
	 1			750		roor Kand	h Wolke	mp_			_
Property	Code	Jack	c Federal	1	¹ Property !	Name			- W	'ell Number 1	
'OGRID	No.	bacı	· i caciai	<u> </u>	* Operator	Name				Elevation	
1434	8	McC]	lellan Oi	il Corp	•				3	690	
					10 Surface	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	/West line	Соп	inty
D	30	98	26E		660	North	660	West		Chaves	
			¹¹ Bo	ottom Ho	le Location I	f Different Fron	n Surface				
UL or lot no.	Section	Township	1	Let idn	Feet from the		Feet from the	East	/West line	Con	inty
Dedicated Acres	" Joint o	r Infill	[™] Consolidation	Code "Or	der No.	•	:				
320		1		ĺ							
				********			belief.	mplete to the man of t		knowledge and	
	Addition			.xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	,		I hereby co was plotte me or und	ertify that the d from field r er my super ci to the heat	well location notes of acturistion, and the	IFICATION on shown on this nal surveys made that the same is to	ple by

APPLICATION FOR DRILLING MCCLELLAN OIL CORPORATION

Jack Federal, Well No. 1
660' FNL & 660' FWL, Sec. 30-T9S-R26E
Chaves County, New Mexico
Lease No.: NM-0559993
(Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, McClellan Oil Corporation submits the following items of pertinent information in accordance with BLM requirements:

- 1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.
- 2. The estimated tops of geologic markers are as follows:

San Andres	671'	Penn Lime	5,238'
Glorieta	1,759'	Strawn	5,360'
Tubb	3,243'	Granite Wash	5,422'
Abo	3,993'	T.D.	5,500'
Wolfcamp	4,664'		
Penn Lime	5,238'		

3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Surface water in the Triassic between 80' - 230'.

Oil: Possible in San Andres

Gas: Possible in the Abo, Wolfcamp or Penn.

4. Proposed Casing Program:

HOLE SIZE	CASING SIZE	WEIGHT	GRADE_	JOINT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8 "	24.0#	J-55	ST&C	950'	Circ. 500 sx "C"
7 7/8"	5 1/2"	15.5#	J-55	ST&C	5,500'	500 sx "C"

5. Proposed Control Equipment: See Exhibit "E":

ROP Program

A 10" 3000 psi wp Shaffer, Type E, double ram BOP, will be installed on the 8 5/8" casing and used as a 2000 psi wp system. Casing and BOP will be tested before drilling out with 7 7/8". Request waiver to test to a maximum of 1000 psi wp with a rig pump. ω 3

6.	Mud Program:		MUD WEIGHT	VIS.	W/L CONTROL
	0' - 950':	Fresh water with native mud	8.8 - 9.2 ppg	36 - 40	No W/L control
	950' - 3900':	Use 10# brine mud to top of Abo	10.0 - 10.2 ppg	28 - 30	No W/L control
	3900' - 5500':	Brine mud w/6 % diesel:	9.8 - 10.2 ppg	40 - 45	W/L control <10 cc

- 7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock,.
- Testing, Logging, and Coring Program:

Drill Stem Tests: None planned.

Logging: T.D. to 1100': Schlumberger Platform Express: 3 Detector Litho Density, Azimuthal Laterlog

Micro-CFL/NGT, Borehole Compensated Sonic Natural Gamma Ray Logs

1100' to surface: GR/Neutron

Coring: None planned.

Jack Federal, Well No. 1 Page 2

- 9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, the proposed mud program will be modified to increase the mud weight. Estimated surface pressure = 1210 psi (evac. hole) with BH temperature of 115°.
- 10. H2S: None expected. None in previously drilled wells.
- 11. Anticipated starting date: March 29, 2004.
 Anticipated completion of drilling operations: Approx. 4 weeks.

MULTI POINT SURFACE USE AND OPERATIONS PLAN

MCCLELLAN OIL CORPORATION

Jack Federal, Well No 1
660' FNL & 660' FWL, Sec. 30-T9S-R26E-R26E
Chaves County, New Mexico
Lease No.: NM-0559993
(Foor Ranch Wolfcamp)

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, to be followed in rehabilitating the surface environmental effects associated with the operations.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a BLM Comanche Spring Topo map showing the location of the proposed well as staked. The well site location is approximately 17 road miles northeast of Roswell, NM. Traveling east of Roswell on U.S. Highway 380 there will be 10 miles of paved road and 7 miles of gravel county/ ranch roads.
- B. Directions: Travel east of Roswell, NM on U. S. Highway #380 for 10 miles to the Bottomless Lakes turnoff. Turn north on gravel county road for approximately 5 miles to crossing a cattle guard that is approximately 1500 feet east of the ranch house and windmill. Continue northwest for .2 mile to a road intersection; turn right (northeast) for approximately 1.3 miles to the start of the access road to the MM Fed. #9 well site. The proposed access road will start on the northwest corner of this pad, running west of the well for 100 feet then northwest for 1200 feet to the southeast corner of the proposed well site.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The proposed access road will be approximately 1300 feet in length, 12 feet wide (24' Max.). The proposed and existing roads are color coded on Exhibit "A".
- B. Construction: The new access road will be constructed by grading and topping with compacted caliche. The surface will be properly drained.
- C. Turnouts: There my be one turnout increasing the width to 20 feet for passing.
- D. Culverts: None required.
- E. Cuts and Fills: None required.
- F. Gates, Cattle guards: None required.
- G. Off Lease ROW: None required.

3. LOCATION OF EXISTING WELLS:

A. Existing wells within a two-mile radius are shown on Exhibit "C".

Jack Federal, Well No 1 Page 2

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES;

- A. McClellan Oil Corporation has no production facilities on the lease at this time.
- B. If the well proves to be commercial, the necessary production facilities and gas production-process equipment and tank battery, if required, will be installed on the drilling pad. The gas purchaser will run the gas lines to the well site.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. It is planned to drill the proposed well with fresh water that will be obtained from private or commercial sources and will be transported over the existing and proposed access roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche for surfacing the proposed access road and well site pad will be obtained from a pit on the location if available or from a private pit in the NE¼NE¼, Sec. 30-T9S-R26E. No surface materials will be disturbed except those necessary for actual grading and leveling of the drill site and access roads.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to the BLM for approval.
- E. Oil produced during operations will be stored in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. Trash, waste paper, garbage and junk will be contained in trash bins to prevent scattering by the wind and will be removed for deposit in an approved sanitary landfill within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

A. None required.

Jack Federal, Well No 1 Page 3

9. WELL SITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The original pad and pit area was staked and flagged, 600' X 600' for archaeological clearance.
- B. Mat Size: 250' X 185', plus 100' X 100' reserve pits on the north
- C Cut & Fill: None. The location is very level.
- D. The surface will be topped with compacted caliche and the reserve pits will be plastic lined.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other material not required for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in an aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible.

 All pits will be filled and leveled as soon as they are dry enough to be worked.

11. OTHER INFORMATION:

- A. Topography: The well site and access road are located in an area that has a northwest facing slope that drains toward the Pecos River. There is an overall .75% slope to the west/northwest from an elevation of 3690' GL.
- B. Soil: The topsoil at the well site is a light brown colored loam with scatter of gravel. The soil is of the Holloman-Gypsum land complex series.
- C. Flora and Fauna: The vegetation cover is a fairly good grass cover of threeawn, grama, dropseed, tabosa, bush multy and burro grass along with plants of mesquite, broomweed, yucca, creosote, sage, cacti and miscellaneous weeds and wildflowers. The wildlife consists of rabbits, antelope, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: None in the immediate vicinity.
- E. Residences and Other Structures: None in immediate vicinity except a fence running north/south approximately 150 feet west of the proposed drill site.
- F. Land Use: Cattle grazing.
- G. Surface Ownership: The proposed well site and access road is on Fee surface. A landowner agreement has been made with Jack Hagelstein, cell # 626-9162, for surface damages.
- H. There is no evidence of any archaeological, historical or cultural sites in the area. Archaeological Survey Consultants, P. O. Box D, Roswell, NM 88202 is conducting an archaeological survey and their report was submitted to the appropriate government agencies.

Jack Federal, Well No 1 Page 4

12. OPERATOR'S REPRESENTATIVE:

A. The field representative for assuring compliance with the approved use and operations plan is as follows:

Mark McClellan McCLELLAN OIL CORPORATION P. O. Box 730 Roswell, NM 88202 Office Phone: (505) 622-3200

Home Phone: (505) 622-2128

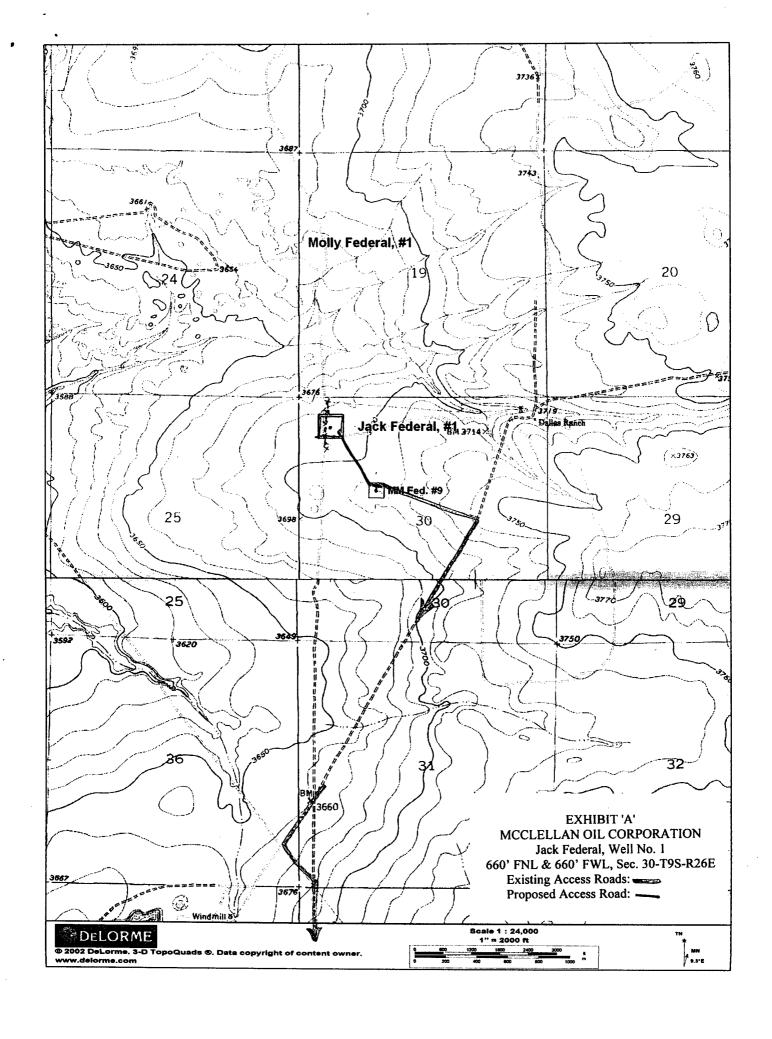
13. CERTIFICATION:

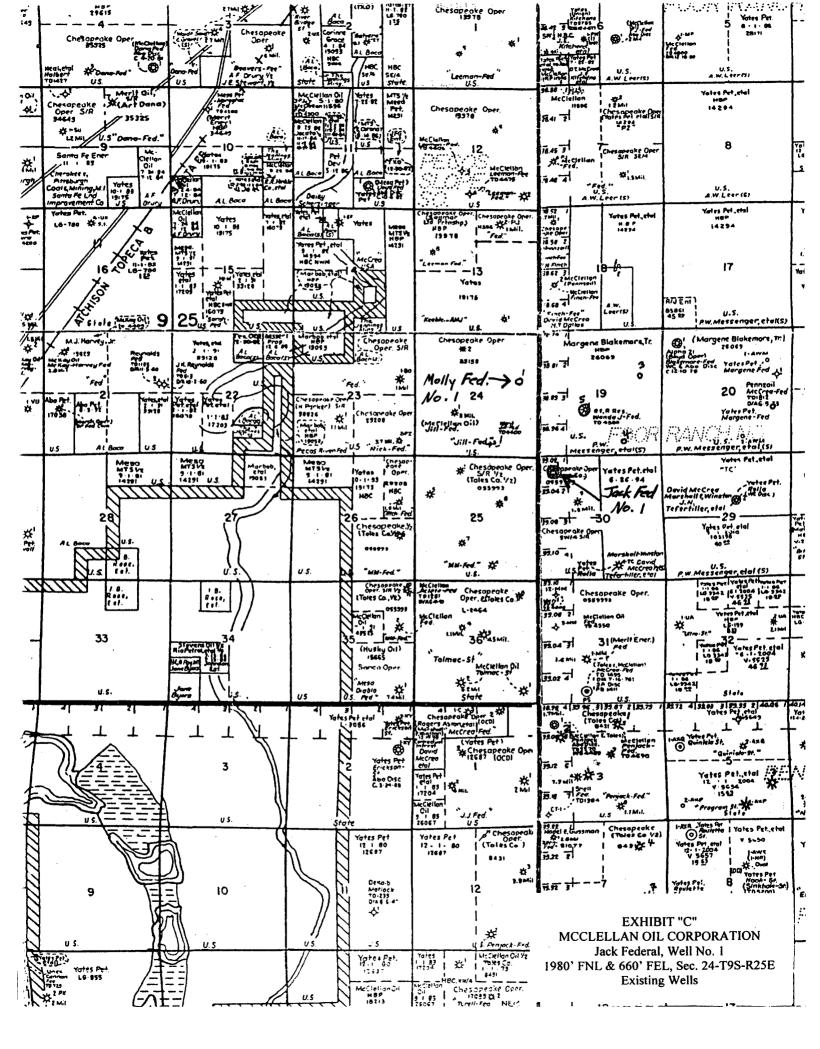
I hereby certify that I have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by McClellan Oil Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

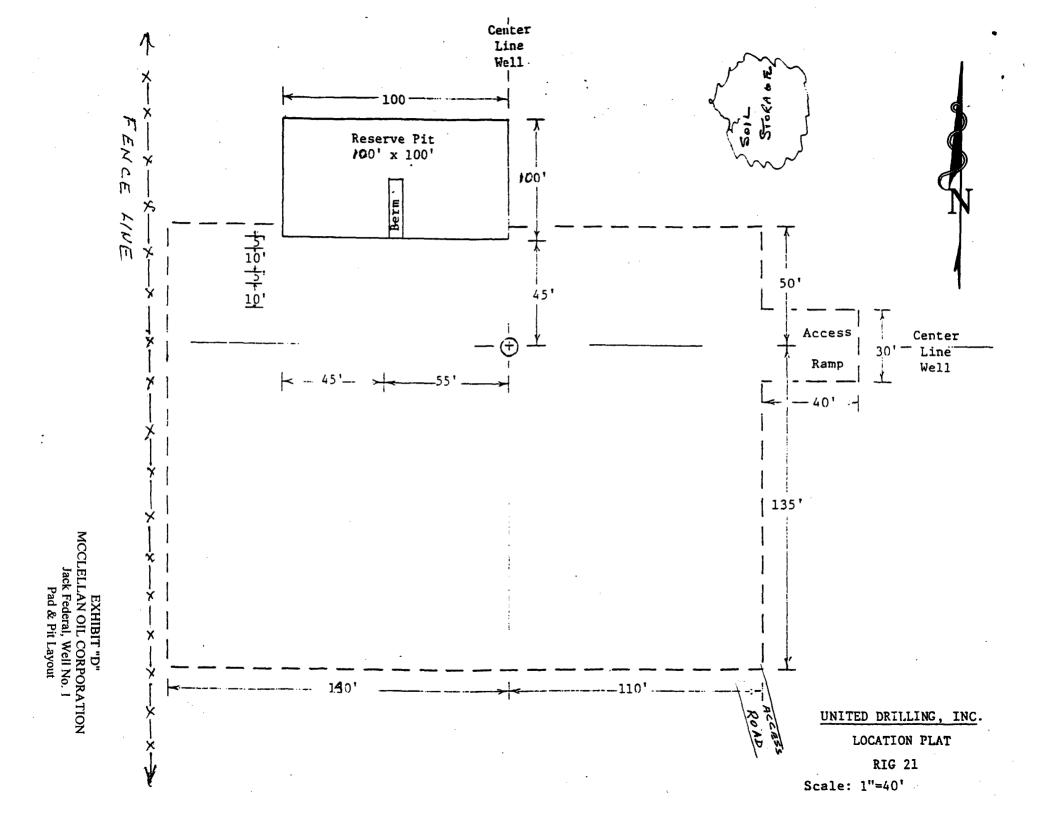
March 9, 2004

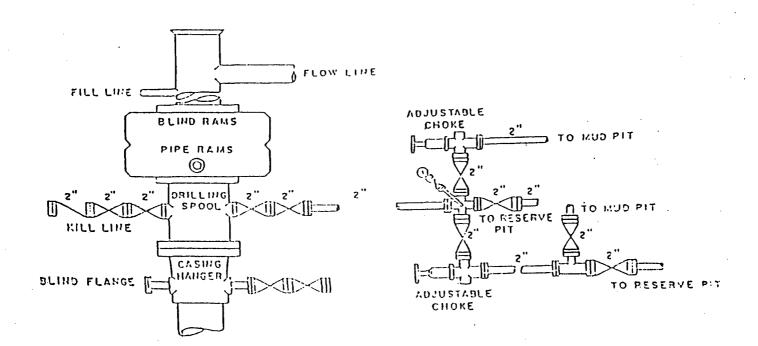
George R. Smith

Agent for: McClellan Oil Corporation









BOP DIAGRAM

3000# Working Fressure Pams Operated Daily

EXHIBIT "E"

MCCLELLAN OIL CORPORATION

Jack Federal, Well No. 1

BOP Specifications