



122078787 NSL [REDACTED]

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

MEMO

DATE: 7/13/01
TO: Mike Stogner
FROM: DONNA

01 AUG - 7 AM 10:09
OIL CONSERVATION DIV.

☒ For Your Files	☐ Prepare a Reply for My Signature
☐ For Your Review and Return	☒ For Your Information
☒ For Your Handling	☒ For Your Approval
☐ As Per Your Request	☐ For Your Signature
☐ Please Advise	☐ For Your Attention

Mike, this is the application
for Non-Standard location, we talked
about. Thanks

.....

CAPATAZ OPERATING, INC.

P.O. Drawer 10549

Midland, Texas 79702

(915)620-8820 / fax (915)620-8842

07/12/01

Mrs. Donna Pitzer
New Mexico Oil Conservation Division
1625 French Dr.
Hobbs, New Mexico 88240

Re: Capataz Operating, Inc,
Redtag #2
2410' FSL & 2210 FWL
2-T20S-R38E, Lea Co., N.M.

(30-025-35630)

Dear Donna;

On July 9, 2001 Capataz Operating submitted for approval our NMOCD FormC-101 for the captioned well. As noted in our discussion of July 11 this well is located in a non-standard position due to it's proximity to the City of Hobbs Waste Water Disposal Facility. A standard drill site location would place this wellbore within an overflow basin associated with the Hobbs effluent water storage pits and as such would be a location that the EPA and the City of Hobbs would object to. You will note from the aerial photograph the large square effluent disposal pits located south and southwest of our proposed location. These pits are use by Hobbs to hold effluent water when their irrigation operations are unable to dispose of these fluids. These large surface pits have overflow basins within which the aforementioned standard location would fall. After meeting with the Assistant City Attorney, City Manager, Waste Water Treatment Engineer and Director of Emergency Management for the City of Hobbs it was mutually determined and agreed that the applied for location would not interfere with the City's disposal operation and as such would be agreeable to Hobbs. The purpose of this transmittal is to seek the NMOCD's approval for this non-standard location based upon the existing and mitigating circumstances.

It should be further noted (see attached lease ownership map - lease taken in name of Leonard Resource) that Capataz has oil and gas leases on all of the tracts adjacent to this proposed location. Capataz expects to develop these locations should the Redtag #2 prove to be a commercial success.

Should you have any questions regarding this drill site or any of the particulars related to same please call.

Thank you for your assistance.

Sincerely,

Capataz Operating, Inc.

H. Scott Davis
President

18

Nadine

35

36

CAPATAZ
RETAG #2

CAPATAZ
RETAG #1

OVERFLOW
PITS

2

1

ADDITIONAL
OVERFLOW
PITS

CITY OF HOBBBS
EFFWENT PITS

11

12

Oil Wells

18

Nadine

35

36

2

1

11

12



THE CITY OF
HOBBS, NEW MEXICO

(505) 397-9231

• 300 NORTH TURNER •

HOBBS, NEW MEXICO 88240

FAX # (505) 397-9334

Office of
EMERGENCY MANAGEMENT/SAFETY
LEPC—SARA TITLE III
HAZ-MAT

January 8, 2001

Capataz Drilling, Inc.
Post Office Box 10549
Midland, Texas 79702

Via Facsimile and Mail

Attn: Scott Davis

Re: City of Hobbs, New Mexico
Proposed Drilling Site - Nadine Effluent Facility

Dear Mr. Davis:

I have received your revised plans on the proposed drilling site at Nadine, New Mexico located within the City's WWTP effluent water operations facility. I have discussed the changes your company has agreed to with the City Manager, City Attorney and the New Mexico Oil Conservation officials in Hobbs.

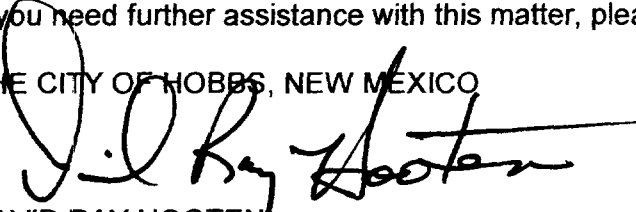
We are approving the "revised drilling plan" for this site, if the following changes are adhered to:

1. Move the rig location 150 feet north of irrigated percolation field from original point of drill hole.
2. Open pits outside of the City's effluent impoundment areas to the north. No on-site run-off will be allowed to flow to the City's impounded areas.
3. A caliche road is to be constructed to the east end of the site utilizing the old roadway surface area.

I will forward a letter and contact Mr. Chris Williams with the Oil Conservation Division of our agreed upon actions, provided these changes meet with the regulatory approval of the New Mexico Oil Conservation Division.

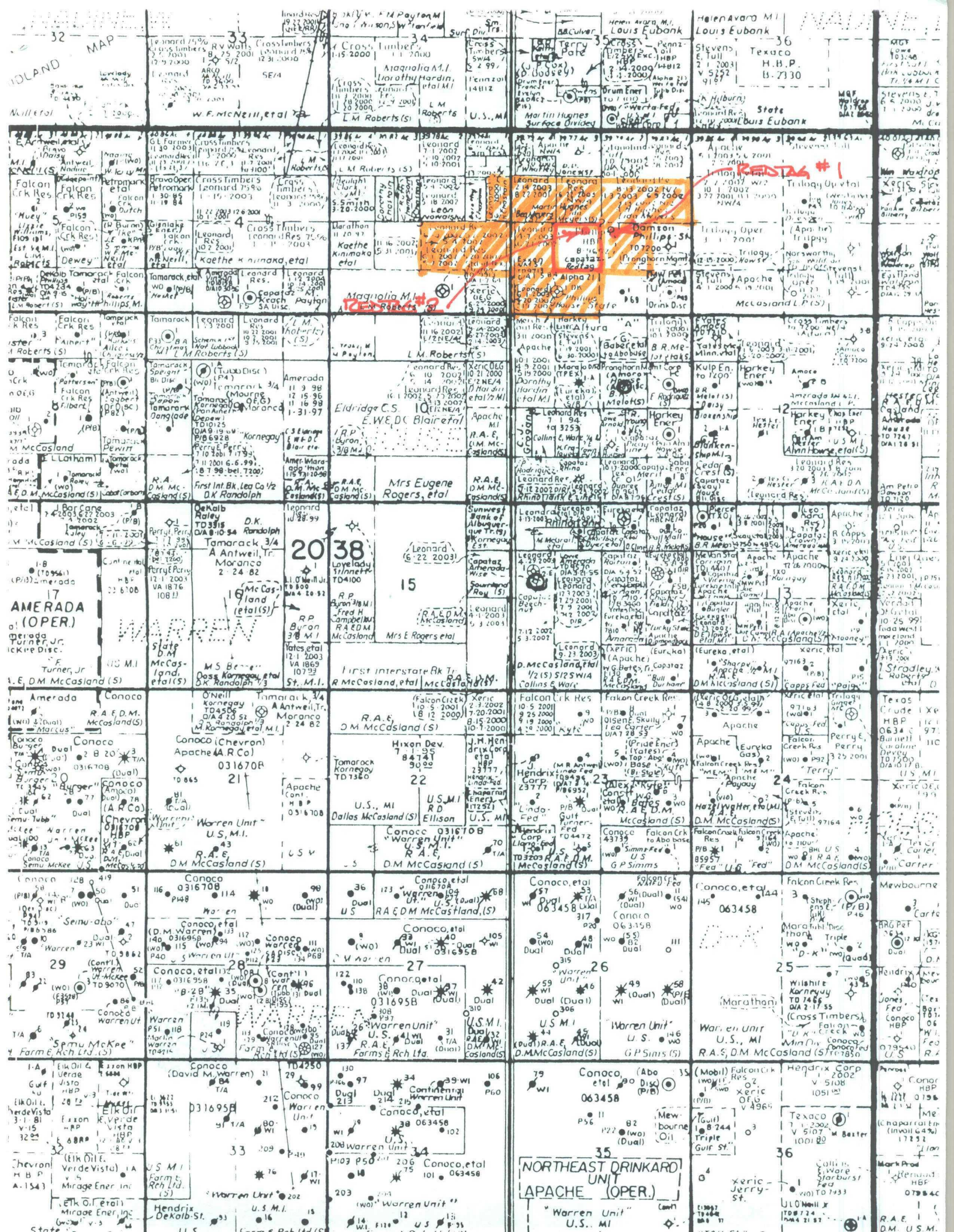
If you need further assistance with this matter, please contact me.

THE CITY OF HOBBS, NEW MEXICO


DAVID RAY HOOTEN
Director of Emergency Management/Safety

DRH:msr

xc: Bo Thomas, City Manager
Chris Williams, OCD





THE CITY OF
HOBBS, NEW MEXICO

300 NORTH TURNER
UTILITIES (505) 397-9315

HOBBS, NEW MEXICO 88240
FAX (505) 397-9370

July 12, 2001

Capataz Drilling Inc.
Mr. Scott Davis
PO Box 10549
Midland, TX 79702

Re: Proposed well site Redtag #1 Lea County, NM

Mr. Davis,

We received and express our appreciation for copies of forms C-101, C-102 and BOP for proposed well site Redtag #1. As per our discussion and visitation of proposed site, the City of Hobbs approves the following location site with the mutual understanding that the following conditions will be observed.

- Pad location and future installation of batteries if required, will be at furthestmost western direction of drill hole.
- Open pits for drilling purposes will be lined and situated so as to prevent any contamination of area due to flooding and/or leakage. Upon completion of drilling, all materials in pit(s) shall be removed from location and properly disposed in accordance with local and federal regulations. Pit liners shall be removed and pit shall be refilled with native materials. Native seeding of pit area is encouraged though not mandatory.
- To provide access to developed site, additional caliche material can be added atop of existing northern berms. No removal of berm(s) will be allowed.
- All future permanent flow lines and electrical services of developed well site will be routed alongside City of Hobbs furthestmost northern boundary.

I believe that above listed items cover initial concerns of proposed well site. Should there be any additional dispute or questions regarding site requirements please do not hesitate to contact me at (505) 397-9315.

Sincerely,


Leo Wilson, WWTP Superintendent

xc: Debi Lee, Assistant City Manager
Tim Woomer, Utilities Director
File



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ILLEGIBLE

MEMO

DATE: 7/11/01

TO: Mike Hogan

FROM: Donna

- | | |
|---|---|
| ☐ For Your Files | ☐ Prepare a Reply for My Signature |
| ☐ For Your Review and Return | ☒ For Your Information |
| ☐ For Your Handling | ☐ For Your Approval |
| ☐ As Per Your Request | ☐ For Your Signature |
| ☒ Please Advise | ☐ For Your Attention |

*talked w/ Donna on
7-13-2001.
The operator filed their
appl w/ Haliba who is
forwarding in on
to Santa Fe.
MS.*

*8-6-01
called Donna
who will
mail/send
me a copy
of the appl.*



THE CITY OF

HOBBS, NEW MEXICO

(505) 397-9231

300 NORTH TURNER

HOBBS, NEW MEXICO 88240

FAX # (505) 397-9334

Office of
EMERGENCY MANAGEMENT/SAFETY
LEPC--SARA TITLE III
HAZ-MAT

January 8, 2001

ILLEGIBLE

Capataz Drilling, Inc.
Post Office Box 10549
Midland Texas 79702

Via Facsimile and Mail

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We are approving the "revised drilling plan" for this site, if the following changes are adhered to.

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If you need further assistance with this matter, please contact me.

THE CITY OF HOBBS, NEW MEXICO

DAVID RAY HOOTEN

Director of Emergency Management/Safety

DRH:msr

cc: Bo Thomas, City Manager
Chris Williams, OCD

ILLEGIBLE

PAGE 3

District I
P.O. Box 4980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Capataz Operating, Inc. P.O. Box 10549 Midland, TX. 79702		OGRID Number
		API Number 30-025-
Property Code 27082-	Property Name Redtag	Well No. 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	2	20S	38E		2410	South	2210	West	LEA

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Proposed Pool 1 House, Abo	Proposed Pool 2 House, Drinkard
-------------------------------	------------------------------------

Work Type Code New well	Well Type Code oil	Cable/Rotary ROTARY	Lease Type Code S	Ground Level Elevation 3570
Multiple	Proposed Depth 7800	Formation ABO	Contractor PATTESSON	Spud Date 07/01/01

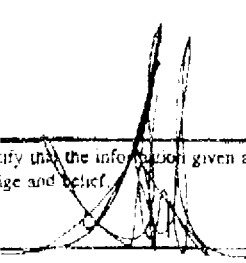
Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4	8 5/8	24#	1600'	925	SURF
7 7/8	5 1/2	17#	7800	725	1600

" Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

DRILL 12 1/4" HOLE TO 1600'. RUN AND CEMENT 1600' 24# 8 5/8" CSG.
CIRCULATE CEMENT TO SURFACE. DRILL OUT SHOE AND DRILL 7 7/8" HOLE
TO 7800'. LOG, EVALUATE AND RUN PRODUCTION CASING IF INDICATED.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature 		Approved by:	
Printed name H. SCOTT DAVIS		Title:	
Title AGENT		Approval Date:	Expiration Date:

RECEIVED 10-20 AM

FAX:

PAGE 4

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94

Instructions on Back

DISTRICT II
P. O. Drawer 80
Artesia, NM 88211-0719

ILLEGIBLE

OIL CONSERVATION DIVISION

P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 5 copies

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

☐ AMENDED REPORT

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-225-	2 Pool Code 33210	3 Pool Name House, Aho
4 Property Code 271282	5 Property Name REDTAG	6 Well Number 3
7 CGRID No. 3659	8 Operator Name CAPATAZ OPERATING INCORPORATED	9 Elevation 3570'

10 SURFACE LOCATION

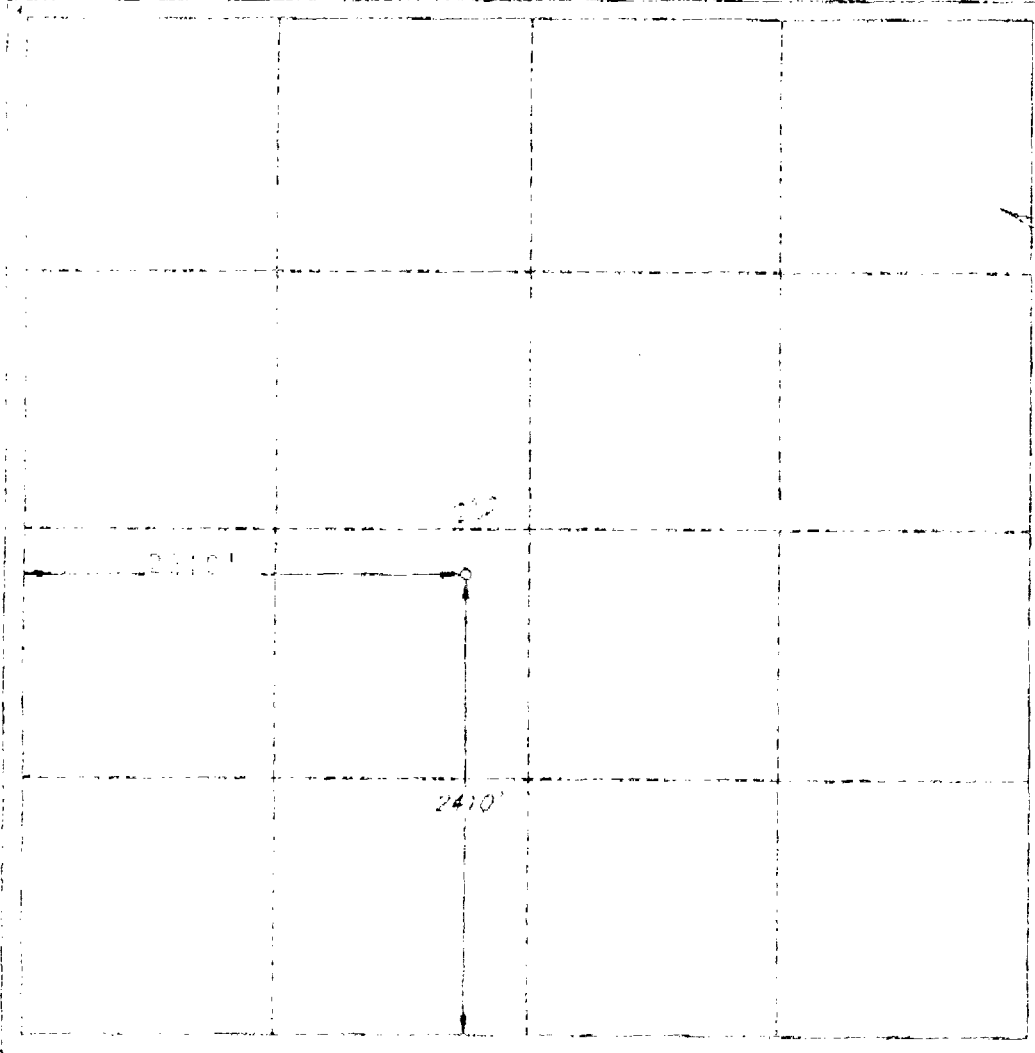
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
K	2	20 SOUTH	38 EAST, N.M.P.M.		2410'	SOUTH	2210'	WEST	LEA

11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------------	--------------------	-----------------------	--------------

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Signature: *[Signature]*

Printed Name: **H. Scott Davis**

Title: **Agent**

Date: **07-09-01**

SURVEYOR CERTIFICATION

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 belief.

Date of Survey: **MARCH 3, 2001**

Signature and Seal of Professional Surveyor: *[Signature]*

Certificate No.: **V. L. BEZNER R.P.S. #7920**

JOB # **74933/70 SE / 000**

District I
P.O. Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
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☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address. Capataz Operating, Inc. P.O. Box 10549 Midland, TX. 79702		OGRID Number 3659
		API Number 30-025-35630
Property Code 27082	Property Name Redtag	Well No. 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	2	20S	38E		2410	South	2210	West	LEA

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
House, Abo					House, Drinkard				

Work Type Code New well	Well Type Code oil	Cable/Rotary ROTARY	Lease Type Code S	Ground Level Elevation 3570
Multiple	Proposed Depth 7800	Formation ABO	Contractor PATTERSON	Spud Date 07/01/01

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Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

DRILL 12 1/4" HOLE TO 1600'. RUN AND CEMENT 1600' 24# 8 5/8" CSG.
CIRCULATE CEMENT TO SURFACE. DRILL OUT SHOE AND DRILL 7 7/8" HOLE
TO 7800'. LOG, EVALUATE AND RUN PRODUCTION CASING IF INDICATED.

Approval for Drilling ONLY -- Cannot Produce
until Non-Standard Location is approved in Permit Expires 1 Year From Approval
Santa Fe. Date Unless Drilling Underway

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name: H. SCOTT DAVIS

Title: AGENT

OIL CONSERVATION DIVISION

Approved by:

Title: FIELD REPRESENTATIVE II

Approval Date:

JUL 13 2001

Expiration Date:

P. O. Box 1980
Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94
Instructions on back

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

DISTRICT III
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DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

OIL CONSERVATION DIVISION

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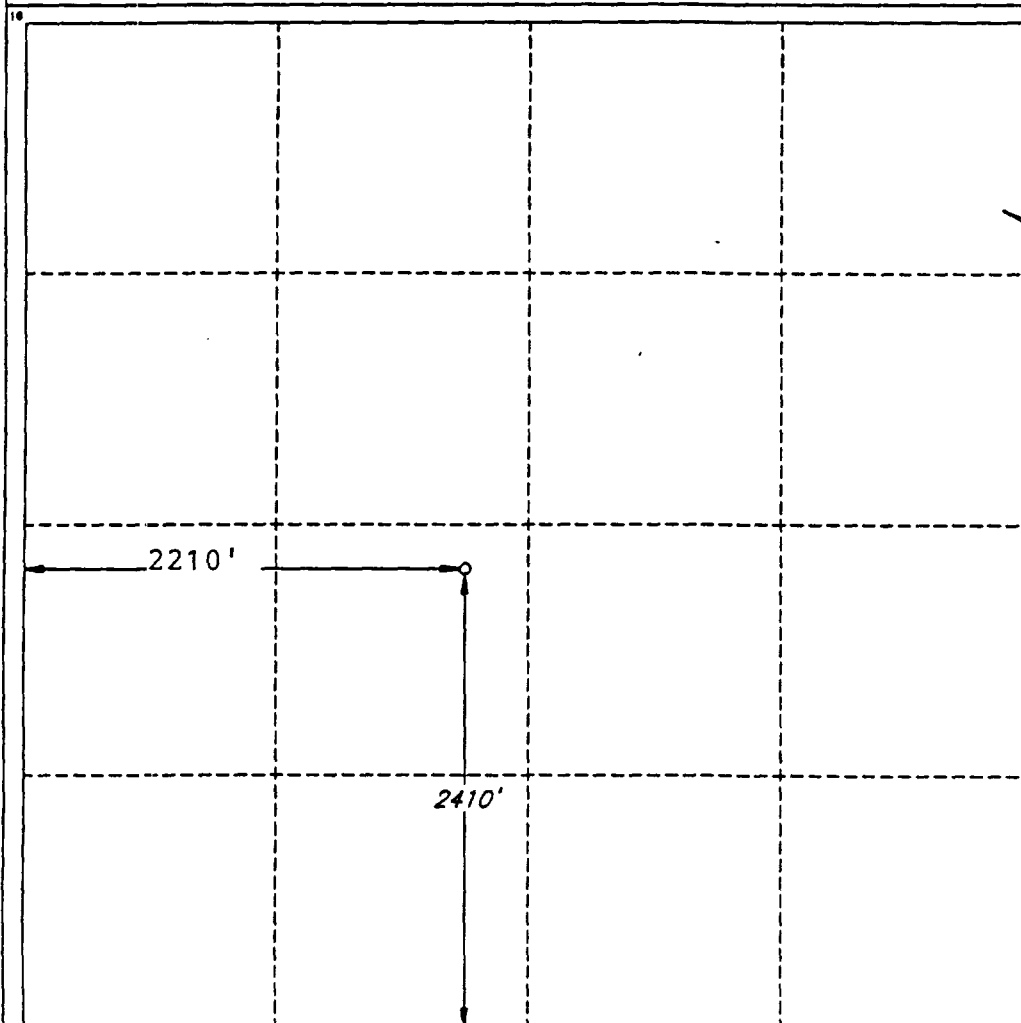
Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-35630		2 Pool Code 33210		3 Pool Name House; Abo					
4 Property Code 27082		5 Property Name REDTAG						6 Well Number 3	
7 OGRID No. 3659		8 Operator Name CAPATAZ OPERATING INCORPORATED						9 Elevation 3570'	
10 SURFACE LOCATION									
UL or lot no. K	Section 2	Township 20 SOUTH	Range 38 EAST, N.M.P.M.	Lot Ida	Feet from the 2410'	North/South line SOUTH	Feet from the 2210'	East/West line WEST	County LEA
11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 40									
13 Joint or Infill									
14 Consolidation Code									
15 Order No.									

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN
CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Signature

Printed Name

H. Scott Davis

Title

Agent

Date

07-09-01

SURVEYOR CERTIFICATION

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 belief.

Date of Survey

MARCH 6, 2001

Signature and Seal of
Professional Surveyor

Certificate No.

V. L. BEZNER R.P.S. #7920

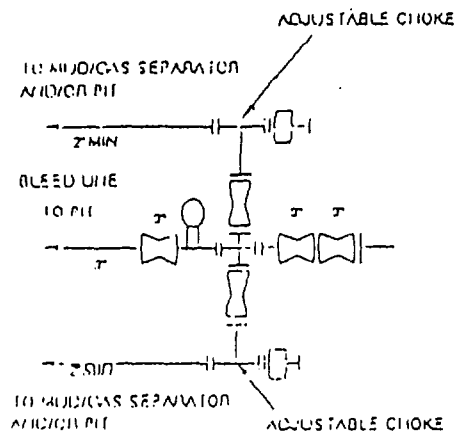
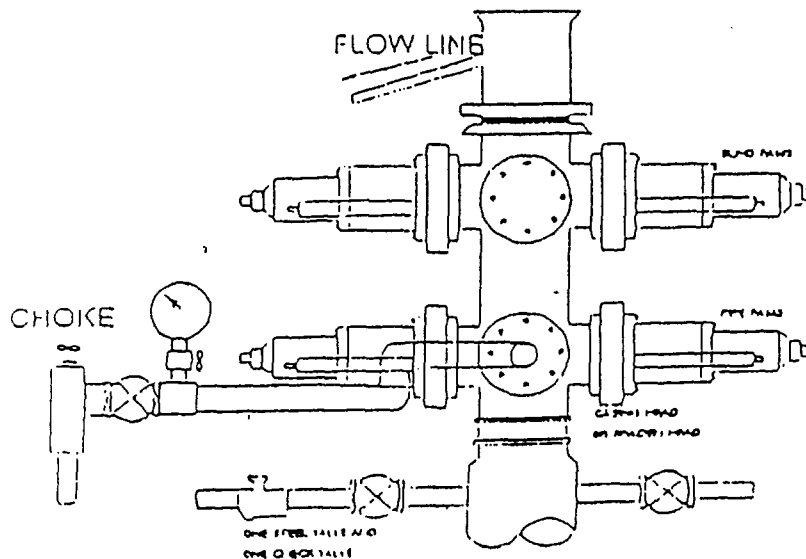
JOB # 74933/70 SE / J.C.P.

BLOWOUT PREVENTER

3000 PSI WP

THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- A. One double gate blowout preventer with lower rams for pipe and upper rams blind, all hydraulically controlled.
- B. Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter.
- C. All connections from operating manifold to preventers to be all steel hose or tube a minimum of one inch in diameter.
- D. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate (close, open and re-close) the preventers.
- E. All connections to and from preventers to have a pressure rating equivalent to that of the BOP's.
- F. Manual controls to be installed before drilling cement plug.
- G. Valve to control flow through drill pipe to be located on rig floor.
- H. All chokes will be adjustable. Choke spool may be used between rams.



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/14/01 08:12:22
OGOMES -TPFW
PAGE NO: 1

Sec : 02 Twp : 20S Rng : 38E Section Type : NORMAL

4 39.73 Federal owned	3 39.77 Federal owned	2 39.79 Federal owned	1 39.83 Federal owned
E 40.00 Fee owned	F 40.00 Fee owned	G 40.00 Fee owned	H 40.00 Fee owned

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION08/14/01 08:12:26
OGOMES -TPFW
PAGE NO: 2

Sec : 02 Twp : 20S Rng : 38E Section Type : NORMAL

L 40.00 CS B09652 0000 PHILLIPS PETROLEU 05/11/52	K 40.00 CS B09652 0000 PHILLIPS PETROLEU 05/11/52 A	J 40.00 CS B09652 0000 PHILLIPS PETROLEU 05/11/52 A	I 40.00 CS B09652 0000 PHILLIPS PETROLEU 05/11/52
M 40.00 CS B09652 0000 PHILLIPS PETROLEU 05/11/52 A P	N 40.00 CS B09652 0000 PHILLIPS PETROLEU 05/11/52 A P	O 40.00 CS B09652 0000 PHILLIPS PETROLEU 05/11/52 A	P 40.00 CS B09652 0003 APACHE CORPORATIC 05/11/52 A

PF01 HELP
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12

CMD : ONGARD 08/14/01 08:14:02
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPFW

OGRID Idn : 3659 API Well No: 30 25 35630 APD Status(A/C/P): A
Opr Name, Addr: CAPATAZ OPERATING INC Aprvl/Cncl Date : 07-13-2001
PO DRAWER 10549
MIDLAND, TX 79702

Prop Idn: 27082 REDTAG Well No: 2

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----	-----
Surface Locn : K	2	20S	38E				FTG 2410 F S	FTG 2210 F W
OCD U/L : K		API	County	25				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation : 3570

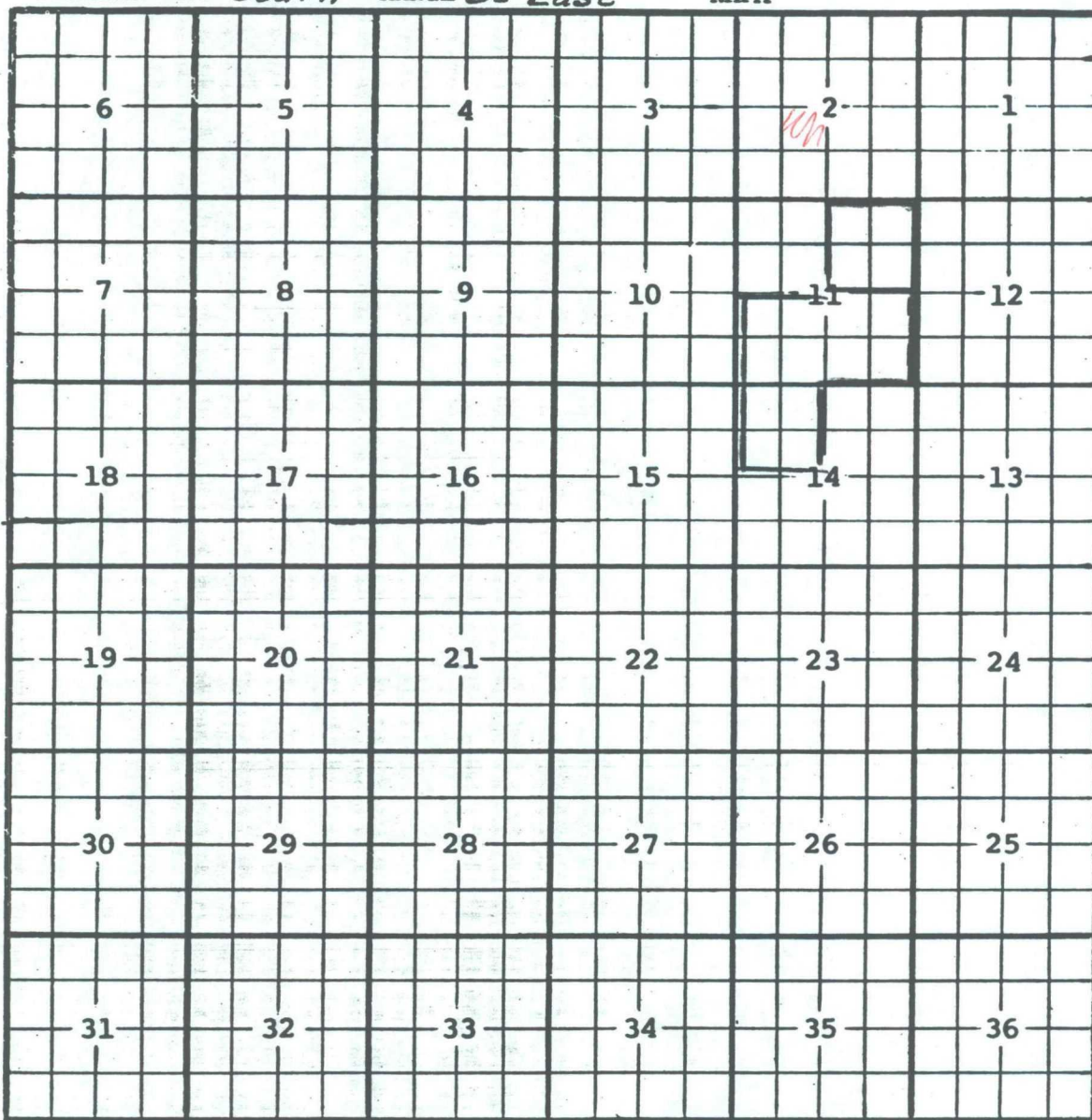
State Lease No: Multiple Comp (S/M/C) : S
Prpsd Depth : 7800 Prpsd Frmtn : ABO

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

COUNTY *Lea*POOL *House-Abo*TOWNSHIP *20 South* RANGE *38 East*

NMPM



Description: $\frac{NE}{4}$ Sec. 11 (R-3402, 5-1-68) Ext: $\frac{S}{2}$ Sec. 11, $\frac{NW}{4}$ Sec. 14 (R-11475, 10-24-00)

(Drinkard)

20-South RANGE 38-East



EXT: NE/4 sec 2 (R-7009, 6-19-82) Ext ~~SE~~^{NE}/4 Sec. 13 (R-11304, 1-12-00)

New Mexico Oil Conservation Division---Engineering Bureau
Administrative Application Process Documentation

Date Application Received: 8-7-01

Date of Preliminary Review: 8-14-01
(Note: Must be within 10-days of received date)

Results: ✓ Application Complete Application Incomplete

Date Incomplete Letter Sent: NA

Deadline to Submit Requested Information: NA

Phone Call Date: NA
(Note: Only applies if requested data is not submitted within the 7-day deadline)

Phone Log Completed? ✓ Yes ✓ No

Date Application Processed: 8-14-01

Date Application Returned:
(Note: Only as a last resort & only after repeated attempts by the Division to obtain the necessary information to process the application)