

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

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JUL 18 2005

Form C-101
May 27, 2004

~~OOB-ANTCOM~~

Submit to appropriate District Office

☐ AMENDED REPORT

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

Operator Name and Address Bettis, Boyle & Stovall P.O. Box 1240, Graham, TX 76450		OGRID Number 002175
Property Code State 16		API Number 30-015-21254
Property Name Undesignated Carlsbad Atoka South		Well No. 001
Proposed Pool 1		Proposed Pool 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
0	16	23S	26E		660	South	1980	East	Eddy

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

Additional Well Information

Work Type Code P	Well Type Code G	Cable/Rotary N/A	Lease Type Code S	Ground Level Elevation 3352
Multiple No	Proposed Depth	Formation Atoka	Contractor O'Briant Engineering	Spud Date
Depth to Groundwater 310		Distance from nearest fresh water well + 3000'		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> 12' mils thick Clay <input type="checkbox"/> Pit Volume: 125 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	68	594	800	sur
12 3/4	8 5/8	24	2754	1350	sur
7 7/8	4 1/2	11.6/13.5	11712	185	

22 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.

1. Move in and rig up pulling unit; 5000 psig hydraulic BOP, set two tanks - waste and water storage.
2. Kill zone with produced water (do not expect to try to recompleate this zone)
3. Release packer and POH; electronically inspect tubing while POH.
Replace tubing if just few bad joints or lay down entire string and pick up new string.
4. GIH with a Model R packer to approximately 10,500' KB, pressure test plug.
5. POH to 9200'KB; pressure test annulus with 1500+ psig. Pump into Strawn to establish rate.

(Page 2 attached)

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Kim Ligon
Title: Regulatory Analyst
E-mail Address: kim.ligon@bbsoil.com
Date: 7/18/05

Phone: 940-549-0780 ext 118

OIL CONSERVATION DIVISION

Approved by:

TIM W. GUM
DISTRICT II SUPERVISOR

Title:

Approval Date: JUL 23 2005

Expiration Date: JUL 23 2006

Conditions of Approval Attached ☐

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Form C-144
June 1, 2004
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For drilling and production to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office
JUL 18 2005

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Bettis, Boyle & Stovall Telephone: 940-549-0780 e-mail address: kim.ligon@bbsoil.com
Address: P.O. Box 1240, Graham, TX 76450
Facility or well name: State 16 API #: 30-015-21254 U/L or Qtr/Qtr 0 Sec 16 T 23S R 26E
County: Eddy Latitude Longitude NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☐ State ☒ Private ☐ Indian ☐

Pit

Type: Drilling ☐ Production ☐ Disposal ☐

Workover ☒ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐

Pit Volume 125 bbl

Below-grade tank

Volume: bbl Type of fluid:

Construction material:

Double-walled, with leak detection? Yes ☐ If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet	(20 points)
50 feet or more, but less than 100 feet	(10 points)
100 feet or more	(0 points)

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes	(20 points)
No More than 1000'	(0 points)

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet	(20 points)
200 feet or more, but less than 1000 feet	(10 points)
1000 feet or more	(0 points)

Ranking Score (Total Points)

0

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

A flare pit with a ditch to a lined pit for fluid collection until proper disposal.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 7/18/05

Printed Name/Title Kim Ligon, Regulatory Analyst

Signature

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Field Supervisor

Printed Name/Title

Signature

JUL 22 2005
Date:

Re: WORK OVER
State "16" No. 1
Eddy County, New Mexico

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JUL 18 2005
OIL-ANTHROP

*Depending upon nature and extent of problems, repair
If necessary before squeezing Strawn perforations.*

6. POH.
7. GIH with a bit and casing scraper to tag plug at appx. 11,020' KB; POH.
8. Run and set a cement retainer at approximately 10,300' KB.
9. GIH, test tubing to 9500 psig while GIH, and squeeze perforations (10,392' to 10,412' KB) with 35 sacks Matrix cement followed by 100 sacks of premium cement with additives.
10. RU and drill retainer and cement; pressure test squeeze with 1500 psig.
11. Circulate hole with clean 2% KCL water, spot 15% NeFe, DI with additives from 10,990' - 10,600' KB (no acid on squeeze perforations).
12. Perforate 10,938'- 10,946', 10,952'- 10,960', 10,966'-10, 974' and 10,978'-10, 990'KB with 16 shots per zone (equal number of holes for better ball placement while treating), 180 degrees phase, top down using a casing gun.
13. GIH with packer, on-off tool and tubing to approximately 10,850' KB, reverses circulate with 10 bbls. KCL water.
14. Space out, set packer and nipple up wellhead.
15. Displace acid (do not exceed 2500 psig or 1.0 BPM with out approval).
16. Swab/flow to test.
17. Retreat as required (for this AFE, use 5000 gallons 15% NeFe with additives, etc).
18. Swab/flow to test. RD & MO.
19. Rebuild stack packer, flow line, etc. as needed.
20. Run potential test.
21. Turn into sales line.

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submitted to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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JUL 18 2005

ODD-ARTESIA

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-21254	² Pool Code	³ Pool Name UNDESIGNATED CARLSBAD ATOKA SOUTH
⁴ Property Code	⁵ Property Name STATE "16"	⁶ Well Number 001
⁷ OGRID No. 002175	⁸ Operator Name BETTIS, BOYLE & STOVALL	⁹ Elevation 3352 GL

¹⁰ Surface Location

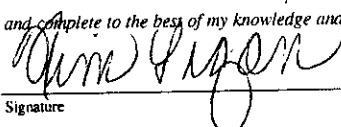
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	16	23S	26E		660	SOUTH	1980	EAST	EDDY

¹¹ 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

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

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

16				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature KIM LIGON Printed Name REGULATORY ANALYST kim.ligon@bbsoil.com Title and E-mail Address July 14, 2005 Date
				¹⁸ 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 Signature and Seal of Professional Surveyor: Certificate Number

BETTIS, BOYLE & STOVALL

P. O. BOX 1240 • GRAHAM, TEXAS 76450 • (940) 549-0780 • FAX (940) 549-7405

July 18, 2005

State of New Mexico
Oil Conservation Division
1301 W. Grand Avenue
Artesia, NM 88210

RECEIVED
JUL 18 2005
OGB-ARTESIA

Attn: Mr. Brian Arrant

RE: Recompletion of Bettis, Boyle & Stovall's State 16 No. 001
Eddy Co., TX

Dear Brian:

Please find enclosed a Form C-101, Form C-102 and C-144 to recomplete the State 16 No. 001 to the Atoka formation.

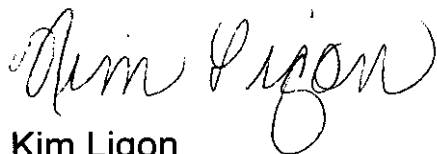
Mr. Jim O'Briant of O'Briant Engineering will be the engineer for this recompletion and he does not anticipate encountering H₂S in the operations described on the C-101.

Could you fax (940-549-7405) or e-mail (kim.ligon@bbsoil.com) me when we have authority to proceed with the recompletion. Mr. O'Briant feels like he can get a unit within a couple of weeks.

Thank you for your help.

Sincerely,

BETTIS, BOYLE & STOVALL



Kim Ligon
Regulatory Analyst