

Form 3160-3
(July 1982)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1985

5. LEASE DESIGNATION AND SERIAL NO
NM-070603

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Gas Well Services

163645

3. ADDRESS AND TELEPHONE NO.

26 East Compress Rd, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *)

At surface

991' FNL and 1464' FEL

At proposed prod. zone

Same

Unit B

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

8 Miles east and 2 miles north of Artesia, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT
(Add to nearest acre, not less, if any)

991'

16. NO. OF ACRES IN LEASE

100

17. NO. OF ACRES ASSIGNED
TO THIS WELL

10

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

358'

19. PROPOSED DEPTH

650'

20. ROTARY OR CABLE TOOLS

Rotary Rig

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

3479' BL

22. APPROX. DATE WORK WILL START*

Upon Approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE

GRADE, SIZE OF CASING

WEIGHT PER FOOT

SETTING DEPTH

QUANTITY OF CEMENT

12 1/4"
7 7/8"

5 1/2"
J55 - 5 1/2"

15.5#

650'

WITNESS

100 sks of Class "C"

Gas Well Services plans to drill this well to a sufficient depth to test the Yates Abo. If productive, 5 1/2" casing will be run and cemented at the total depth. If non-productive, the well will be plug in a manner consistent with BLM requirements. Specific programs are outlined in the following attachments:

- Exhibit #1 Location and Elevation plots
- Exhibit #2 Well plan
- Exhibit #3 Map of existing roads and planned access road
- Exhibit #4 Immediate radius Map

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

N SL-4428

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, 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

Keretta Matthews

TITLE Owner/Operator

DATE 09/10/99

(This space for Federal or State office use)

PERMIT NO

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon
CONDITIONS OF APPROVAL, IF ANY

Assistant Field Manager,
Lands And Minerals

APPROVED BY

WILLIAM D. BRAY

TITLE

DATE

*See instructions on Reverse Side

APPROVED FOR 1 YEAR

Title 18 U.S.C. Section 1001. makes it a crime for any person knowingly and willfully to make to any department or agency of the

10-10-00



N 21-45

DISTRICT I
P.O. Box 1900, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Grande Rd., Artesia, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1984
Instruction on back
Submit to: Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name SHEARN SHILO FEDERAL	Well Number 1
OGED No.	Operator Name GAS WELL SERVICES	Elevation 3479

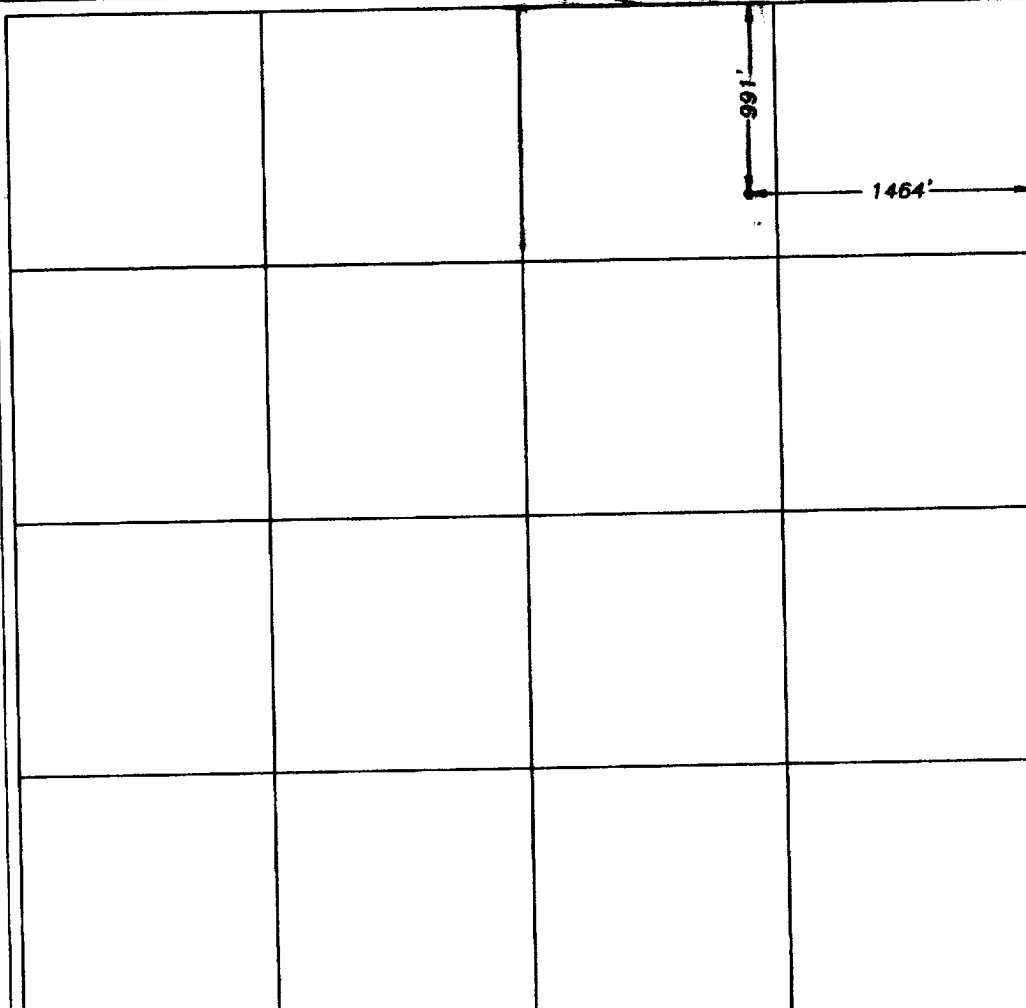
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	14	17S	27E		991	NORTH	1464	EAST	EDDY

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
Dedicated Acres 40	Joint or Infill	Consolidation Code	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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Kenetta Matthews Signature Kenetta Matthews Printed Name owner/operator Title 9/10/99 Date
	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. 08/20/1999 Date Surveyed Signature: E. MEL & JONES Professional Surveyor NEW MEXICO 3640 Certificate No. 3640 Professional License No. 3640 GENERAL SURVEYING COMPANY

Drilling Program
Gas Well Services

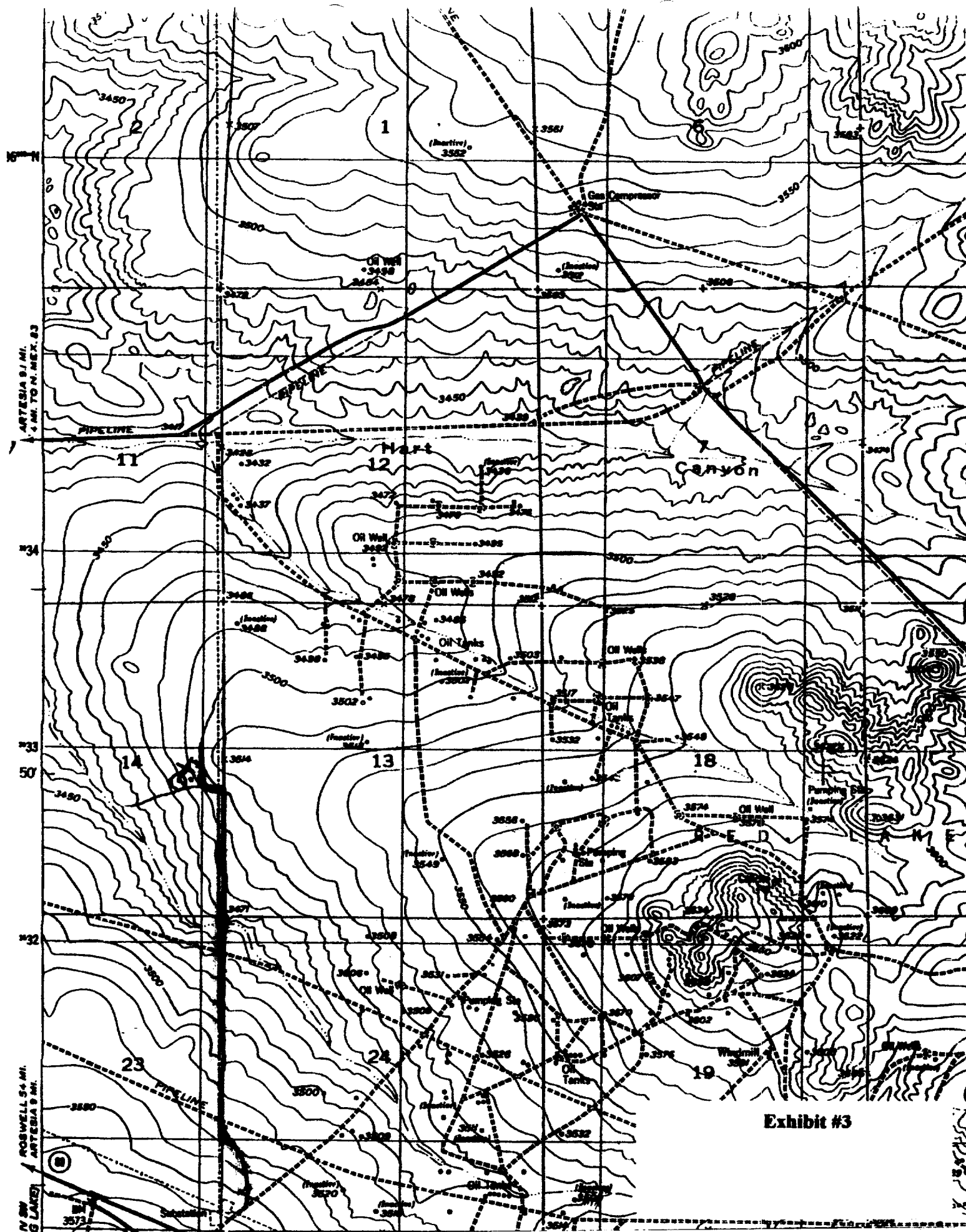
Shearn Shilo Fed. #1
991' FNL and 1464 FEL
Sec. 14 - T17S - R27E
Eddy County, New Mexico

- 1.) Build and line a small reserve pit.
- 2.) Drill a 12 1/4" hole to 15' and run 18' of 8 5/8" 32# J55 ST&C casing to bottom. Cement with two (2) yards (or until full) ready mix cement.
- 3.) Wait eight (8) hours on cement to cure.
- 4.) Drill a 7 7/8" hole from 15' to 650', using air.
- 5.) Run 5 1/2" 15.5# J55 ST&C casing to total depth.
- 6.) Cement with 100 sacks of Class "C" cement.

Sir,

There will be no need to build any additional roads. There is a road in close to the proposed site. Also we do not fill that there will be a need for a standard location. Very little equipment will be need to do this project and we will disturb less ground by using the land as it is.

Exhibit #2



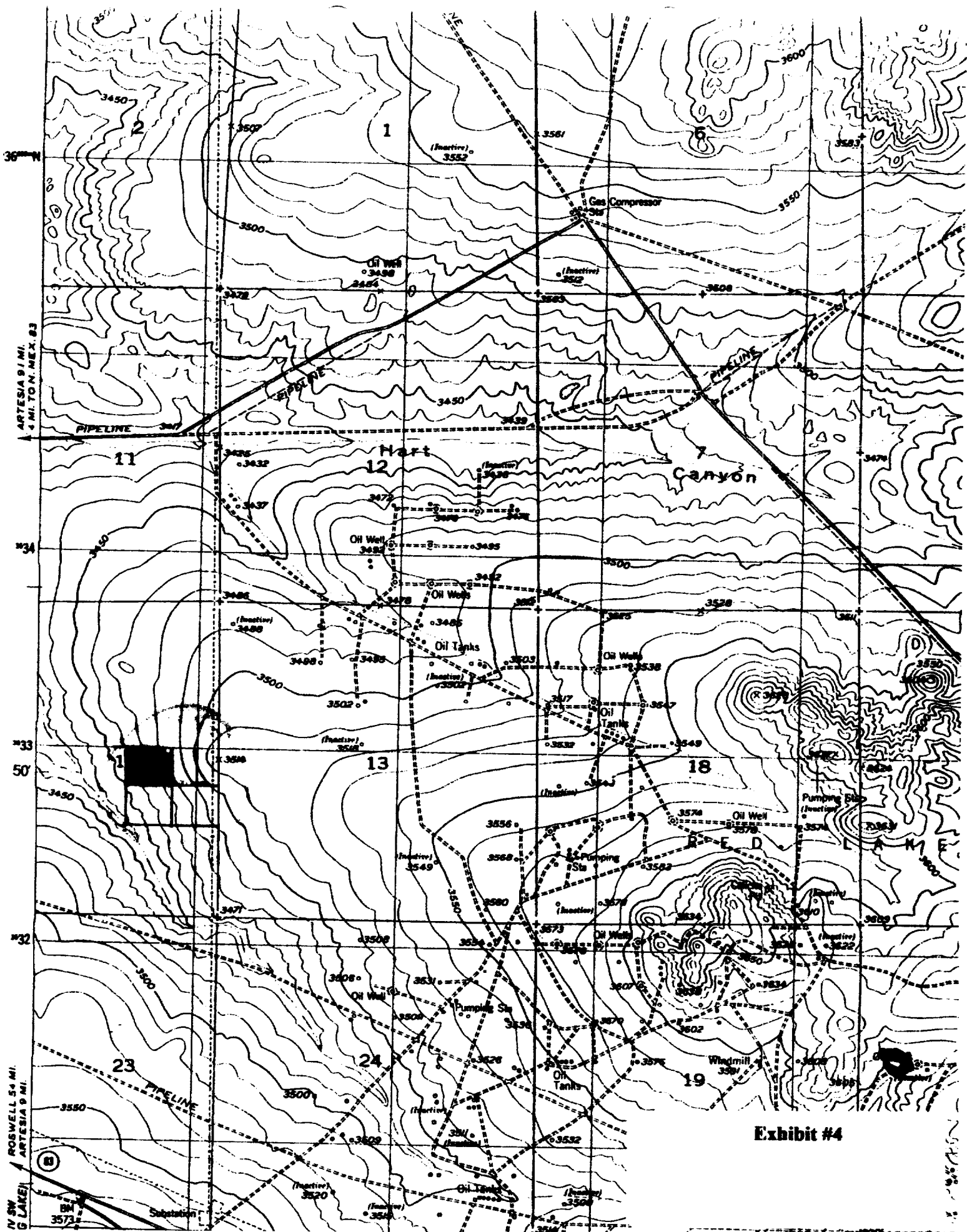


Exhibit #4

**United States Department Of The Interior
Bureau Of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287**

Statement Accepting Responsibility For Operations

Operators Name: Gas Well Services
Street or Box : 26 East Compress Rd
City, State : Artesia, New Mexico
Zip Code : 88210

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the lease land or portion thereof, as described below:

Lease No.: NM-070603

Legal Description of Land : Section 14, R17S, T27E; 991' FNL & 1464' FEL; Eddy County, New Mexico.

Formation(s) (if applicable):

Bond Coverage (State if individually bonded or another's bond): \$25,000; Statewide, (Individually)

BLM Bond File No: NM2713, Statewide

Authorized Signature: *Kenetta Matthews*
Kenetta Matthews

**Title: Owner/Operator
Date: September 10, 1999**

SURFACE USE AND OPERATIONS PLAN

Gas Well Services, Inc.
Shearn Shilo Fed.#1
991' FNL 1464' FEL Sec 14-17S-R27E
Eddy County, NM

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:

- A. Exhibit 3 is a portion of a road map showing the location of the proposed well as staked. The well approximately 8 miles East of Artesia, New Mexico.
- B. From Artesia go East 8 miles on US 82 to the electrical substation. Turn North on C.R. 202 1.3 miles, turn West .2 miles, turn north .1 mile to location.

2. PLANNED ACCESS ROAD:

- A. There will be no need to build any additional roads. There is a road close to the proposed site.
- B. Drainage Design: None necessary
- C. Culverts: None necessary
- G. Cuts and fills: None necessary
- H. Gates, Cattleguards: None
- I. Right-of-Way: Existing Right-of-Way will be used.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells are indicated on EXHIBIT 3.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. If the well is productive, production, storage and measurement facilities will be constructed on the wellpad.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. We will be drilling with air. If water is necessary it will be purchased from a commercial water hauler.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. It is planned to use material-in-place for construction.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
- C. Water produced during test will be disposed of in the drilling pits. Oil produced during test will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, waste paper, garbage, and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of soil. All waste material will be contained to prevent scattering by the wind. The trash pit will be located adjacent to the mud pit.
- F. 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:

- A. None necessary

9. WELL SITE LAYOUT:

- A. The wellsite has been surveyed and flagged.
- B. A water well type air rig will be used. It is similar to a pulling unit. There will not be a drill pad or additional equipment.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. 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 the location cleaned of all trash and junk to leave the wellsite in an aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. If the well is non-productive, the disturbed area will be rehabilitated to Federal Agency requirements and will be accomplished as expeditiously as possible.

11. OTHER INFORMATION:

- A. Topography: The regional terrain is relatively flat. A cut will not be necessary.
- B. Soil: The soil at the wellsite is sandy clay loam with associated gravels.
- C. Flora and Fauna: Flora consists of range grasses with some yucca and mesquite. No wild life was observed. Fauna probably includes reptiles, rodents, and various birds.
- D. Ponds and Streams: There are no ponds near the wellsite. The Pecos River is 6 miles West.
- E. Residences and Other Structures: There are no occupied dwellings within 2 miles.

F. Archaeological, Historical and Other Cultural Sites: Desert West Archaeological Services, Inc. of Carlsbad, NM, has made a survey of the proposed wellsite. They have recommended that construction work be approved.

G. Land Use: The vicinity surrounding the wellsite is semi-arid rangeland, used primarily for grazing.

H. Surface Ownership: The wellsite is on Public Surface, within the lease boundary. The grazing lessee is Turkey Track Ranch, Bogle Limited, Dexter, NM.

12. OPERATOR'S REPRESENTATIVE:

Representative responsible for assuring compliance with the approved Surface Use Plan:

Jack Matthews, President
26 E. Compress Rd.
Artesia, NM 88210
Phone 505-748-2854

13. CERTIFICATION:

I hereby certify that I, or person 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; that the work associated with the operations proposed herein will be performed by HUTTO DRILLING CO., INC. and its sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This state is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date:
Services, Inc.

Jack Matthews, President Gas Well