

C/S

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.
NA (Fee)

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
Ballard Grayburg SA Unit

8. Well Name and No. BGSA Unit
Tract 25, Well #5

9. API Well No.

10. Field and Pool, or Exploratory Area
Loco Hills-On-GB-SA

11. County or Parish, State
Eddy, NM

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Anadarko Petroleum Corporation

3. Address and Telephone No.
PO Box 37, Loco Hills, NM 88255

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2625' FSL & 1200' FEL
Sec. 5, T18S, R29E

RECEIVED

OCT 31 1995
505/677-2411

OIL CON. DIV.
DIST. 2

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | |
|--|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment | <input type="checkbox"/> Change of Plans |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion | <input checked="" type="checkbox"/> New Construction |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Altering Casing | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Other | <input type="checkbox"/> Dispose Water |

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

This proposed well site is a Federal surface ownership and a Fee mineral Tract of the Ballard, Grayburg, San Andres Unit. Anadarko Petroleum Corporation requests approval to build approximately 200' of new road and a location as per the attached Surface Use Plan.

An Application for Permit to Drill has been filed with the NMOC.

14. I hereby certify that the foregoing is true and correct

Signed M. B. Brunwell Title Field Foreman Date 10-08-96

(This space for Federal or State office use)
(ORIG. SGD.) TONY L. FERGUSON ADM. MINERALS

Approved by _____ Title _____ Date 10/23/96

Conditions of approval, if any:

BUREAU OF LAND MANAGEMENT
RECEIVED
OCT 10 1996
DIST. 2

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 United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

SURFACE USE AND OPERATION PLAN

Attachment to Form 3160-5
Anadarko Petroleum Corporation
Ballard GSA Unit, Tract 25, Well #5
2625' FSL & 1200' FWL
Section 5, T18S, R29E
Eddy County, New Mexico

1. Anticipated Starting Date and Duration of Operations

Barry Hunt of the Carlsbad, New Mexico BLM office has performed the onsite inspection of the proposed pad site of this location. A cultural resources examination will be submitted by Archaeological Surveys Consultants to the BLM office in Carlsbad, New Mexico.

Road and location preparation will not be undertaken until approval has been received from the BLM. If approved, this well will be drilled as part of a development project. The anticipated spud date for the project is mid November, 1996. The drilling operation should require approximately 9 days. If the well is deemed productive, completion operations will require, at minimum, an additional 30 days for completion and testing.

2. Existing Roads

- A. The well site and elevation plat for the proposed Ballard Tract 25, Well #5 are reflected on Exhibit #1. The well was staked by General Surveying Inc. of Lovington, New Mexico.
- B. All roads to location are depicted in Exhibit #2. Approximately 200' of new road will be constructed to access the location from the existing lease road. There will be some repair work done to the existing lease road.
- C. Directions to location: From Artesia, New Mexico, go east on Highway 82 for 14 miles to State Road 360. Turn South off of Highway 82 onto State Road 360 and go approximately 2.9 miles. Turn left (East) onto caliche road at the double pole power lines. Go approximately 2.4 miles (East) on main caliche road. Turn left (North) and go approximately .2 miles. Turn left (West) and go approximately 200' to the Ballard #25-5 well site.

3. Proposed Access Road

Exhibit #2 shows the new access road to be constructed from the existing lease road. It will be constructed as follows:

- A. The maximum width of the road will be fifteen feet.

- B. It will be crowned and made of 6 inches of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- C. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location.
- D. The average grade will be approximately 1 %.
- E. No cattle guards, grates or fence cuts will be required.
- F. No turnouts are planned.

4. Location of Existing Wells

Exhibit #3 shows all existing wells within a one-mile radius of the proposed Ballard GSA Unit, Tract 25, Well #5.

5. Location of Existing and/or Proposed Facilities

- A. The production facilities will be located at Anadarko's central tank battery.
- B. In the event the well is found productive, it will be added to the facilities shown in Exhibit #4.
- C. The well will be operated by means of an electric motor.
- D. If the well is productive, rehabilitation plans are as follows:
 - 1. The reserve pit will be back-filled after the contents of the pit are dry (within 120 days of completion, weather permitting).
 - 2. Caliche from unused portions of the drill pad will be removed. The original topsoil from well site will be returned to the location. The drill site will then be contoured to the original natural state.

6. Location and Type of Water Supply

The Ballard GSA Unit, Tract 25, Well #5 will be drilled using a combination of brine and fresh water mud systems (outlined in Drilling Program). The water will be obtained from commercial sources and trucked to location. Additionally, produced salt water from lease gathering tanks may be used. No water well will be drilled on the location.

7. Source of Construction Materials

All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM approved pit. All roads will be constructed of 6" rolled and compacted caliche.

8. Methods of Handling Water Disposal

- A. Drill cuttings will be disposed into the reserve pit.
- B. Drilling fluids will be contained in steel mud tanks or lined earthen pits and the reserve pit. The reserve pit will contain excess drilling fluid or fluid from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit roughly 100' x 80' x 5', or smaller, in size.
- C. The working pits and reserve pit will be fenced on three sides throughout drilling operations and will be totally isolated upon removal of the rotary rig. The pit will be lined using a 5-7 mil plastic to minimize loss of drilling fluids.
- D. Water produced from the well during completion operations will be disposed into a steel tank or reserve pit, if volumes prove excessive. After placing the well on production through the production facilities, all water will be collected in tanks and injected into the water injection system. Produced oil will be separated into steel stock tanks until sold.
- E. Garbage, trash and waste paper produced during drilling operations will be collected in a contained trailer and disposed at an approved landfill. All waste material will be contained to prevent scattering by the wind. All water, fluids, salt or other chemicals will be disposed into the reserve pit. No toxic waste or hazardous chemicals will be generated by this operation.
- F. All waste material will be removed within 30 days after the well is either completed or abandoned. The reserve pit will be completely fenced until it has dried. At the point the reserve pit is found sufficiently dry, it will be backfilled and reclaimed. The portion of the drilling pad used by the production equipment (pumping unit) will remain in use. If the well is deemed non-commercial, only a dry hole marker will remain.

9. Ancillary Facilities

No campsite or other facilities will be constructed as a result of this well.

10. Well Site Layout

A. The drill pad is shown on exhibit #5. Approximate dimensions of the pad, pits and general location of the rig equipment are displayed. Top soil, if any found will be stored adjacent to the pad until reclamation efforts are undertaken. Only modest cuts will be necessary to build the pad which will be covered with 6" compacted caliche.

B. No permanent living facilities are planned, but temporary trailers for the tool pusher, drilling foreman and mud logger may be on location throughout drilling operations.

C. The reserve pit and eathern pits will be lined using plastic sheeting of 5-7 mil thickness.

11. Plans for Restoration of Surface

A. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The reserve pit area will be broken out and leveled after drying to a condition where these efforts are feasible. The original top soil will again be returned to the pad and contoured, as close as possible, to the original topography.

B. The pit lining will be buried or hauled away in order to return the location and road to their pristine nature. All pits will be filled and location leveled, weather permitting, within 120 days after abandonment.

C. The location and road will be rehabilitated as recommended by the BLM.

D. The reserve pit will be fenced on three sides throughout drilling operations. After the rotary rig is removed, the reserve pit will be fenced on the fourth side to preclude endangering wildlife. The fencing will be in place until the pit is reclaimed.

- E. If the well is deemed commercially productive, the reserve pit will be restored as described in 11 (A) within 120 days after the completion date. Caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. The unused area of the drill pad will be contoured, as close as possible, to match the original topography.

12. Surface and Mineral Ownership

This well site is owned by the Bureau of Land Management and it is Fee mineral.

13. Other Information

- A. The area surrounding the well site is gypsiferous and supportive of desert scrub and grassland formation. The vegetation is moderately sparse with desert scrub.
- B. There is no permanent water or water wells within a 1 mile radius of this location.
- C. A cultural resources examination will be submitted by Archaeological Surveys Consultants to the BLM office in Carlsbad, New Mexico.

14. Lessee's and Operator's Representative

The Anadarko Petroleum Corporation representative responsible for ensuring compliance of the surface use plan is:

Mike Braswell
Field Foreman
(505) 677-2411 (office)
(505) 746-9648 (home)

Anadarko Petroleum Corporation
PO Box 37
Loco Hills, NM 88255

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road, that I am familiar with the conditions that 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 Anadarko Petroleum Corporation and its contractors under which it is approved.

Signed: Mike Braswell
Mike Braswell - Field Foreman

Date: 10-8-96

District I
PO Box 1940, Hobbs, NM 88241-1940
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2083, Santa Fe, NM 87504-2083

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 10, 1994
Instructions on back
o Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|---------------|------------------------------------|-----------|---|
| API Number | | Pool Code | Pool Name |
| | | 39520 | Loco Hills, Queen, Grayburg, San Andres |
| Property Code | Property Name | | Well Number |
| 001241 | BALLARD GRAYBURG SA UNIT TRACT #25 | | 5 |
| OGRID No. | Operator Name | | Elevation |
| 000817 | ANADARKO PETROLEUM CORPORATION | | 3547 |

10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | Cosary |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| I | 5 | 18S | 29E | | 2625 | SOUTH | 1200 | EAST | EDDY |

11 Bottom Hole Location If Different From Surface

[illegible]

| | | | |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹¹ Dedicated Acres 40 | ¹² Joint or Infill | ¹³ Consolidation Code | ¹⁴ Order No. |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|

NO ALLOWABLE WILL BE ASSIGNED

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

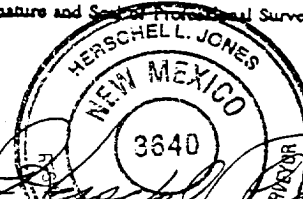
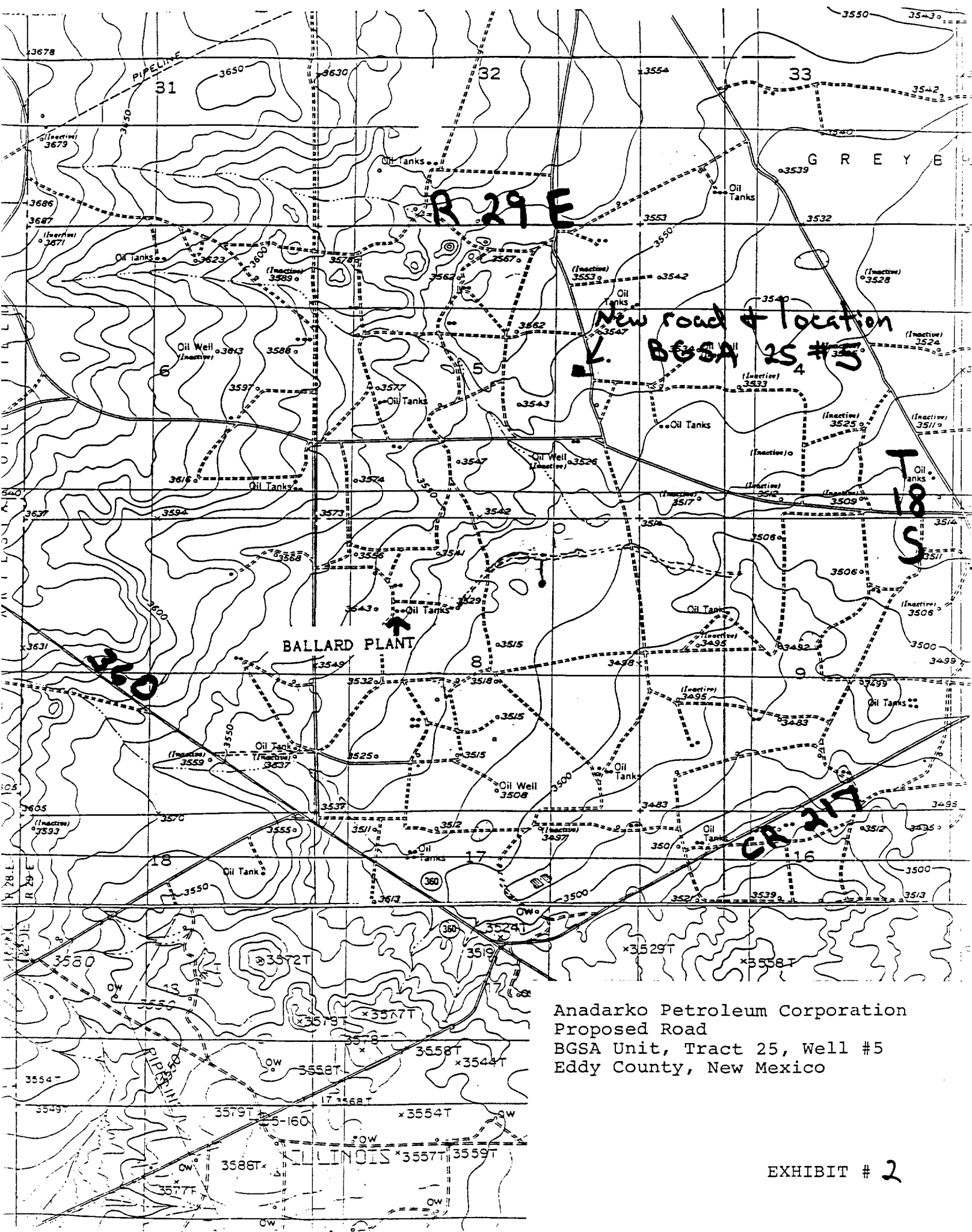
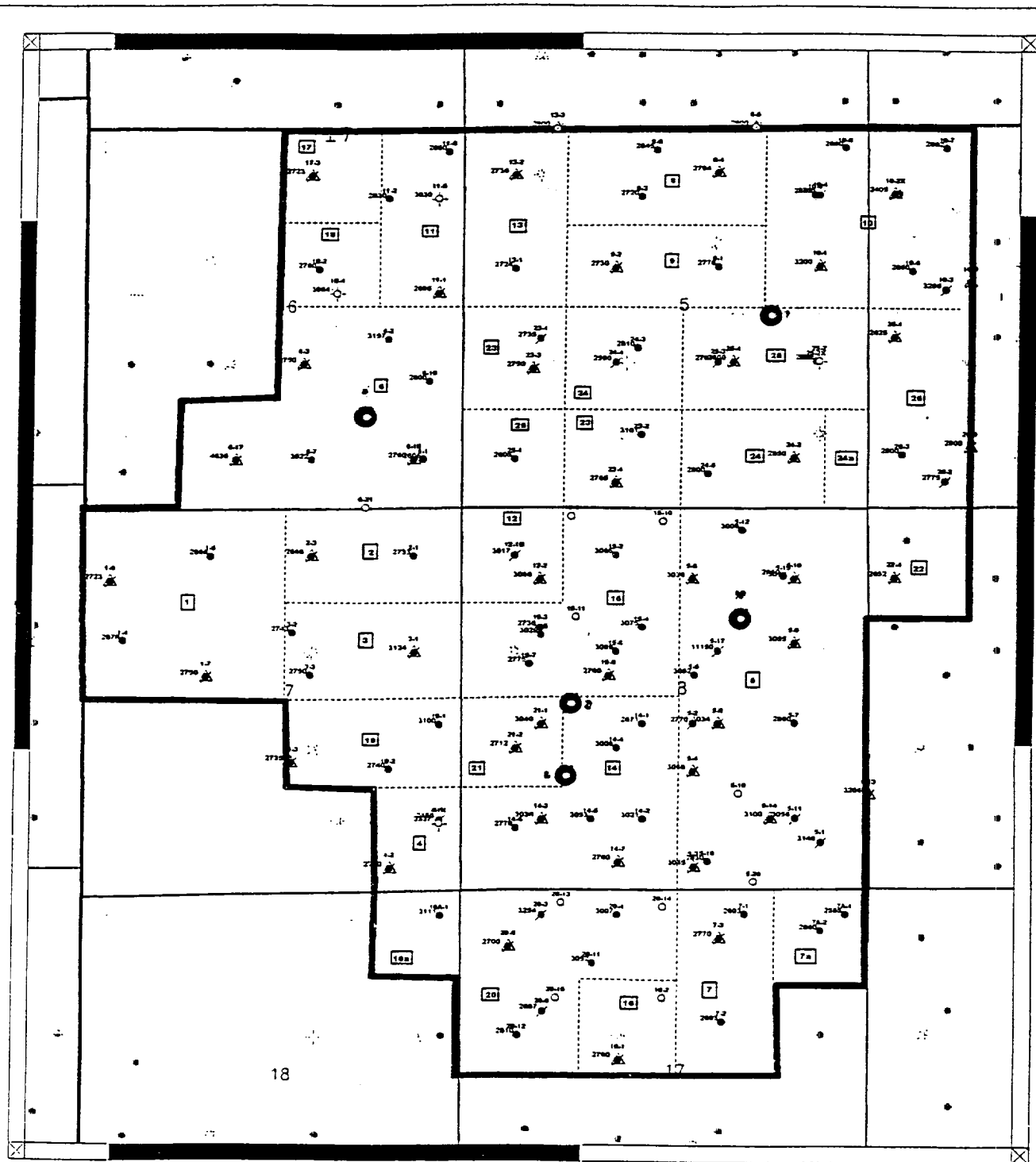
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|----|--|--|--|---|--|
| 16 | | | | 17 OPERATOR CERTIFICATION | |
| | | | | I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. | |
| | | | | Signature <u>Mike Braswell</u> | |
| | | | | Printed Name <u>Mike Braswell</u> | |
| | | | | Title <u>Field Foreman</u> | |
| | | | | Date <u>10-08-96</u> | |
| | | | | 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 <u>9/23/96</u> | |
| | | | | Signature and Seal of Professional Surveyor: | |
| | | | |  | |
| | | | | Certificate Number <u>3640</u> | |

EXHIBIT # 1

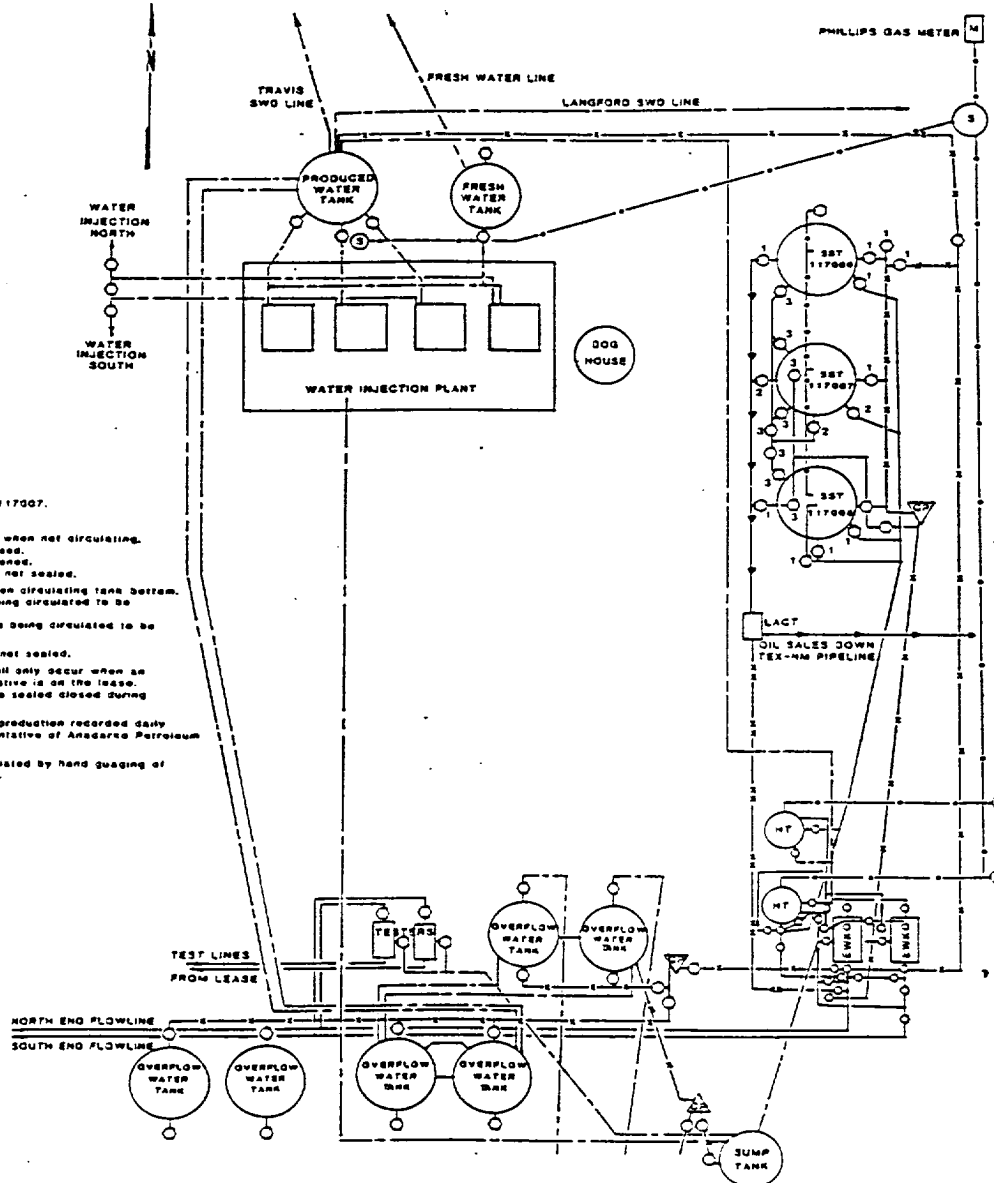


Anadarko Petroleum Corporation
Proposed Road
BGSA Unit, Tract 25, Well #5
Eddy County, New Mexico



| | | |
|---|---------|---------|
| Anadarko Petroleum Corporation | | |
| BALLARD UNIT AREA EDDY COUNTY, NM PHASE 1 LOCATIONS | | |
| R.A. ERICKSON | | 3/23/96 |
| | 1"=500' | SURLOC |

ANADARKO PETROLEUM CORPORATION
 SITE FACILITY DIAGRAM
 P.O. DRAWER 130
 ARTESIA, NEW MEXICO 88211-0130
 BALLARD GRAYBURG-SAN ANDRES
 UNIT NO. 8910123990
 SW1/4 NW1/4, SEC. 8 T18S-R29E
 EDDY COUNTY, NEW MEXICO
 LSE #LC-061702



PRODUCTION SYSTEM-CLOSED

1. Oil sales by last unit from tank #117007.

2. Seal Requirements:

- A. Production and Sales PM Phase when not circulating.
 (1) All #1 valves to be sealed closed.
 (2) All #2 valves to be sealed closed.
 (3) All #3 valves to be open and not sealed.
- B. Production and Sales Phase when circulating tank bottom.
 (1) All #1 valves on tanks not being circulated to be sealed closed.
 (2) All #1 and #2 valves on tanks being circulated to be sealed open.
 (3) All #3 valves to be open and not sealed.

NOTE: Circulating of tank bottoms will only occur when an authorized company representative is on the lease. All circulating #1 valves will be sealed closed during off duty hours.

3. This facility will be inspected and production recorded daily by an authorized company representative of Anadarko Petroleum Corporation.

4. Production at this facility is calculated by hand gauging of tanks and Lact unit measurements.

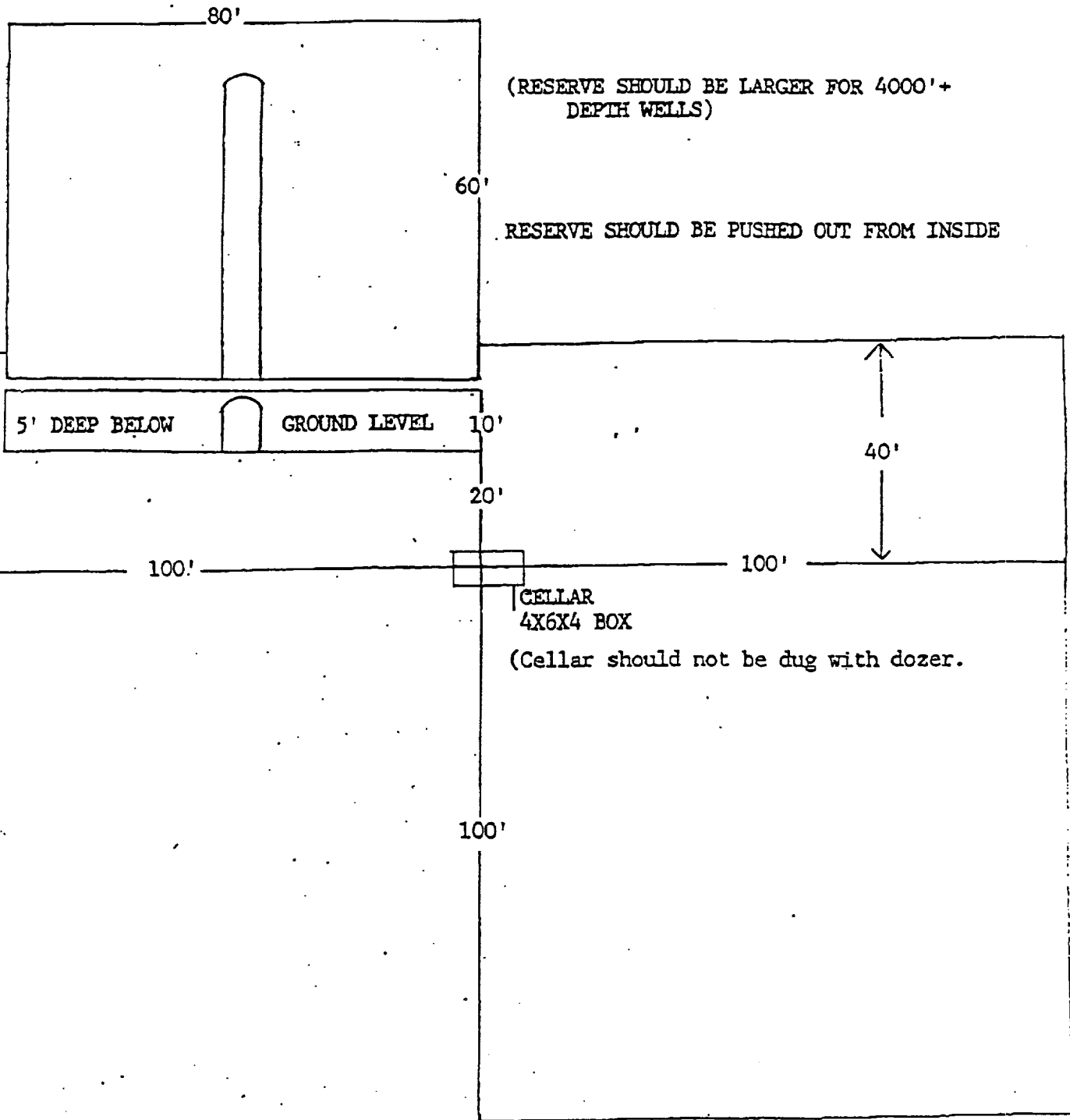
CAPSTAR DRILLING
LOCATION SPECIFICATIONS

EXHIBIT S