Form 9-331 C
(May 1963)

NM OIL CONS. COMMISSION
Drawer DD
Artesia, NM 88210

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-015-23950

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: NM 057510

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [ ] MULTIPLE ZONE [ ]

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Bate "C" Federal

2. NAME OF OPERATOR: Gulf Oil Corporation

RECEIVED

9. WELL NO.: 1

3. ADDRESS OF OPERATOR: P. O. Box 670, Hobbs, NM 88240

OCT 2 1981

10. FIELD AND POOL, OR WILDCAT: Undesignated Shugart Y-SR-Q-G

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface: 660' FNL & 660' FWL

O. C. D.
ARTESIA, OFFICE

At proposed prod. zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Unit D Sec 11-T19S-R31E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approx. 15 miles SE Loco Hills, NM

12. COUNTY OR PARISH: Eddy

13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL: 40

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

19. PROPOSED DEPTH: 4250'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3594' GL

22. APPROX. DATE WORK WILL START*: 11-1-81

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12¼"	8-5/8"	24#	800' CIRCULATE	circ
7-7/8"	5½"	15.5#	4250' CIRCULATE	Determined by Caliper Log

Drilling Mud: 0' - 850' Fresh water spud mud
850' - 4250' Brackish

See Attached BOP Drawing #2

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SEP 22 1981
OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 J. C. Cooker TITLE Area Production Manager DATE 9-16-81

(This space for Federal or State office use)

APPROVED
(Orig. Sgd.) GEORGE H. STEWART
OCT 1 1981
FOR
JAMES A. GILLHAM
DISTRICT SUPERVISOR

PERMIT NO. APPROVAL DATE

APPROVED BY TITLE DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator	Lease	Well No.
GULF OIL CORP.	BATE FED.	1

Unit Letter	Section	Township	Range	County
D	11	19 SOUTH	31 EAST	EDDY

Actual Footage Location of Well:
660 feet from the NORTH line and 660 feet from the WEST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3593.7	Queen, Grayburg, Yates, Seven Rivers	Undes. Shugart	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

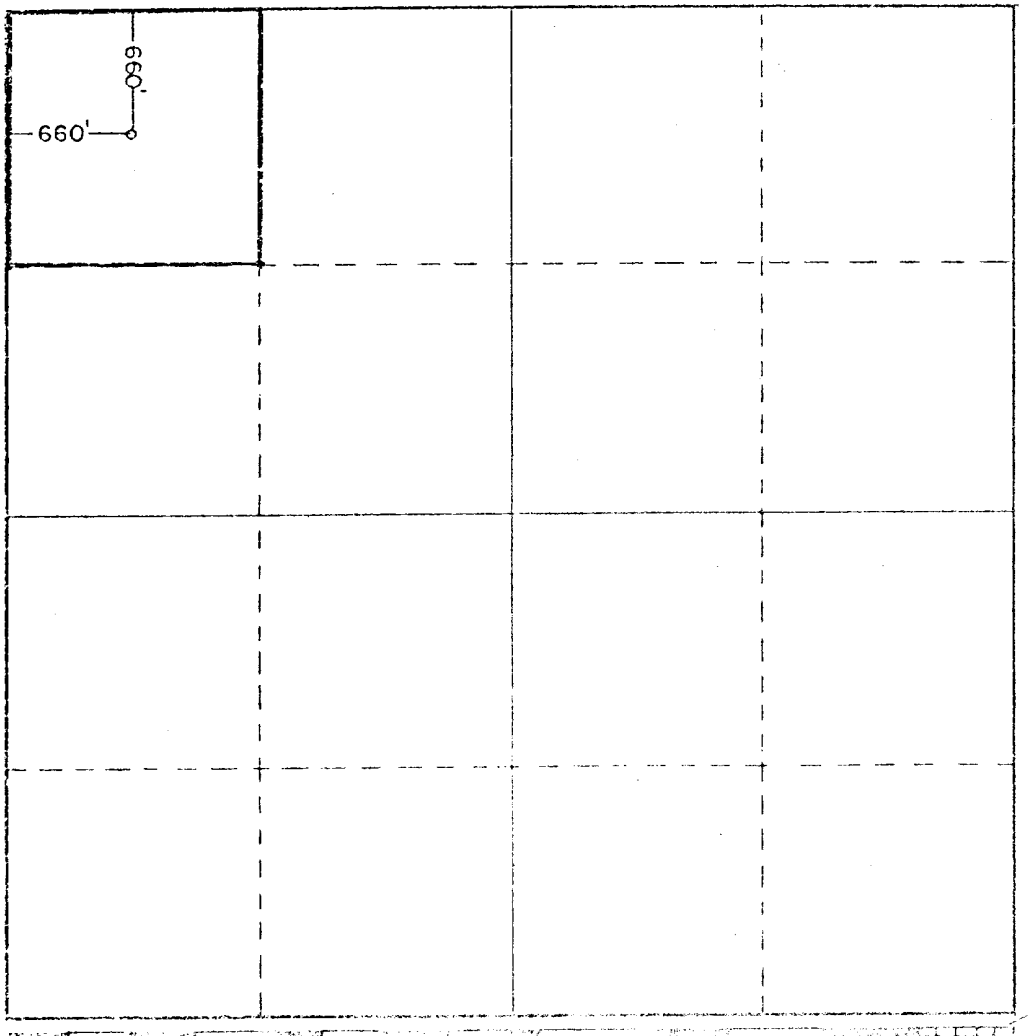
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

R. C. Anderson

Name: R. C. Anderson

Position: Area Production Manager

Company: Gulf Oil Corporation

Date: 9-16-81

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 knowledge and belief.

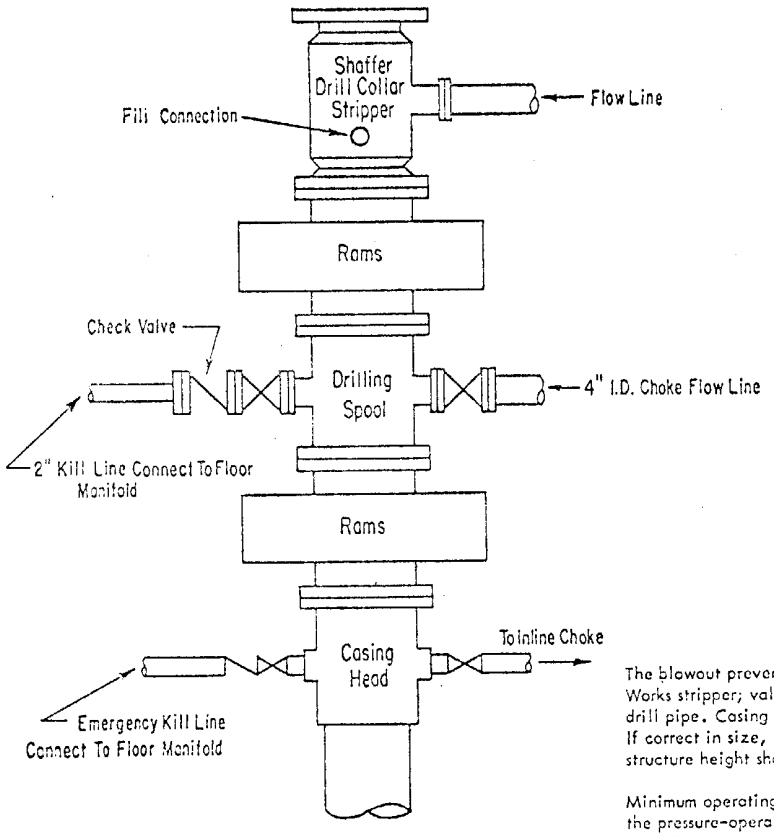
Date Surveyed: 8-28-81

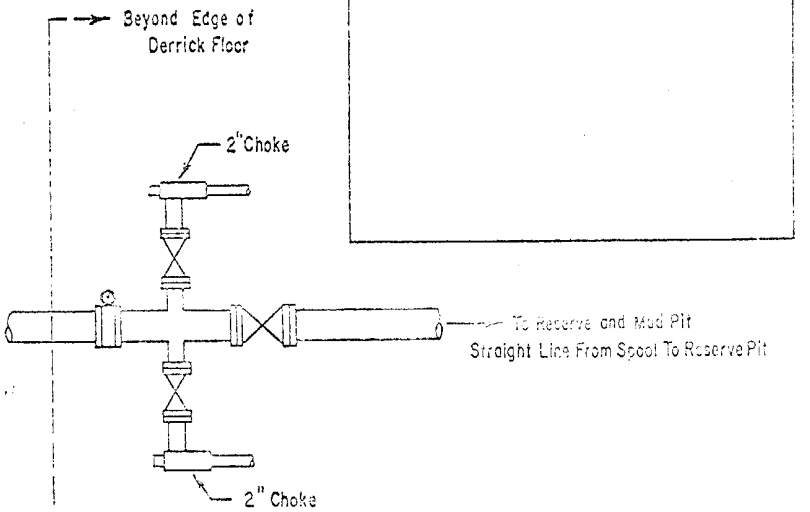
Registered Professional Engineer and/or Land Surveyor

Certificate No. JOHN W. WEST 676
PATRICK A. ROMERO 6668
Ronald J. Eidson 3239

DRAWING NO. 2
Revised April, 1970

ADDITIONS – DELETIONS – CHANGES SPECIFY





3000 PSI WORKING PRESSURE
BLOWOUT PREVENTER HOOK-UP

The blowout preventer assembly shall consist of one blind ram preventer and one pipe ram preventer, both hydraulically operated; a Shaffer Tool Works stripper; valves ; chokes and connections, as illustrated. If a tapered drill string is used, a ram preventer must be provided for each size of drill pipe. Casing and tubing rams to fit the preventers are to be available as needed. The ram preventers may be two singles or a double type. If correct in size, the flanged outlets of the ram preventer may be used for connecting to the 4-inch I.D. choke flow line and kill line. The substructure height shall be sufficient to install a rotating blowout preventer.

Minimum operating equipment for the preventers shall be as follows: (1) Pump (s), driven by a continuous source of power, capable of closing all the pressure-operated devices simultaneously within____seconds. The pump (s) is to be connected to a closed type hydraulic operating system. (2) When requested, accumulators with a precharge of nitrogen of not less than 750 PSI and connected so as to receive a fluid charge from the above pump (s). With the charging pump (s) shut down, the pressurized fluid volume stored in the accumulators must be sufficient to close all the pressure-operated devices simultaneously within____ seconds; after closure, the remaining accumulator pressure shall be not less than 1000 PSI with the remaining accumulator fluid volume at least_____percent of the original. (3) When requested, an additional source of power, remote and equivalent, is to be available to operate the above pump (s); or there shall be an additional pump (s) operated by separate power and equal in performance capabilities.

The closing manifold shall have a separate control for each pressure-operated device. Controls are to be labeled, with control handles indicating open and closed positions. A pressure reducer and regulator must be provided if a Hydril preventer is used. Gulf Legion No. 25 hydraulic oil, an equivalent or better, is to be used as the fluid to operate the hydraulic equipment.

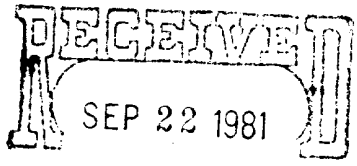
The choke manifold, choke flow line, and choke lines are to be supported by metal stands and adequately anchored. The choke flow line and choke lines shall be constructed as straight as possible and without sharp bends. Easy and safe access is to be maintained to the choke manifold. All valves are to be selected for operation in the presence of oil, gas,and drilling fluids. The choke flow line valve connected to the drilling spool and all ram type preventers must be equipped with stem extensions, universal joints if needed, and hand wheels which are to extend beyond the edge of the derrick substructure. All other valves are to be equipped with handles.

Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

September 16, 1981

P. O. Box 670
Hobbs, NM 88240



U. S. Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Gentlemen:

The following is Gulf Oil Corporation's plan for surface restoration associated with the drilling of our Bate Federal "C" #1, to be located 660' from the north line and 660' from the west line of Section 11, Township 19 South, Range 31 East, Eddy County, New Mexico.

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 well site in as aesthetically pleasing condition as possible. Any unguarded pits containing fluids will be fenced until they are filled.

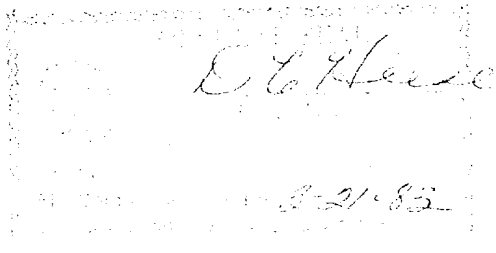
After abandonment of the well, surface restoration will be in accordance with the agreement with the surface owner. Pits will be filled and the location will be cleaned. The pit area, well pad, and all unneeded access roads will be ripped to promote revegetation. Rehabilitation should be accomplished within ninety (90) days after abandonment.

Yours very truly,

R. C. Anderson

KRP/jr

Subscribed and sworn to before me this 16th day of September, 1981.



Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

September 16, 1981

P. O. Box 670
Hobbs, NM 88240

Re: Application for Permit to Drill
Proposed Bate Federal "C" #1,
Eddy County, New Mexico

U. S. Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Gentlemen:

We are submitting the information requested in NTL-6 which should accompany application for permit to drill.

Well: Bate Federal "C" #1

1. Location: 660' FNL & 660' FWL, Section 11, T19S, R31E, Eddy County, New Mexico.

2. Elevation of Unprepared Ground: 3594'

3. Geologic Name of Surface Formation: Quarternary Alluvium

4. Type Drilling Tools: Rotary

5. Proposed Drilling Depth: 4250'

6. Estimated Tops of Geologic Markers: Rustler 720'; Salt [illegible]; Yates 2550'; Seven Rivers 2900'; Queen 3380'; Grayburg 3980'.

7. Estimated Depth at Which Anticipated Gas or Oil-Bearing Formations Expected: Queen 3380'; Grayburg 3980'; Yates 2550'; Seven Rivers 2900'.

8. Casing Program and Setting Depths:

	Size	Weight	Grade	Setting Depth
Surface	8-5/8"	24#	K-55	800'
Production	5½"	15.5#	K-55	4250'

9. Casing Setting Depth and Cementing Program:

(a) Surface casing will be set at 800' and cemented with 300 sacks Class "B" neat with 2% $CaCl_2$.

9. (b) Production casing will be set at 4250' and cemented as follows: 4250' to surface with Class "B" with 16% gel, 3% salt and 0.2 of 1% CFR-2, and Class "B" neat with 0.2 of 1% CFR-2.

NOTE: Volume of cement to be determined after running caliper log at total depth.

10. Pressure Control Equipment: The minimum specifications for pressure control equipment will be Gulf's blowout preventer hookup #2 for 3000# working pressure.

11. Circulation Media:

(a) 0' - 850' Fresh water spud mud

(b) 850' - 4250' Brackish

12. Testing, Logging and Coring Programs:

(a) Formation testing may be done at any depth where samples, drilling rate or log information indicate a possible show of oil or gas..

(b) Open hole logs will be run prior to running production casing at total depth.

(c) Coring is not planned.

13. Abnormal Pressure or Temperature and Hydrogen Sulfide Gas: We do not anticipate abnormal pressure, temperature or hydrogen sulfide gas; however, remote control BOP as shown on Drawing #2 will be installed.

14. Anticipated Starting Date: Drilling operations should begin November 1, 1981.

15. Other Facets of the Proposed Operation: None

Yours very truly,

R. C. Anderson
Area Production Manager

KRP/jr

Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

September 16, 1981

P. O. Box 670
Hobbs, NM 88240

Re: Surface Development Plan
Proposed Bate Federal "C" #1,
660' FNL & 660' FWL, Section 11-
T19S-R31E, Eddy County, New Mexico

U. S. Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Gentlemen:

The surface use and operations plan for the proposed well are as follows:

1. Existing Road

   A. Exhibit "A" is a portion of a general lease map showing the location of the proposed well as staked. Go southwest out of Hobbs, New Mexico on Highway 82. Turn onto Highway 31 and travel south for 10 miles. Turn northeast onto existing road and go .3 mile.

   B. Exhibit "B" is a portion of a lease map showing all existing roads within a one mile radius of the well site.

2. Planned Access Roads

   A. No new road is required. Old road intersects with pad on south side; old road needs to be graded.

3. Location of Existing Wells

   A. Existing wells within a one mile radius are shown on Exhibit "B".

4. Location of Proposed Facilities

   Should this well be completed as a commercial producing well, new tank battery facilities will be required. These facilities will be constructed within the 400' x 400' work area as staked. All lines will be installed above ground and located as shown on Exhibit "C".

5. Location and Type Water Supply

   A. Brine water for drilling well will be purchased from a supplier and transported by truck to the well site over existing and proposed roads shown in Exhibit "B".

5. B. Fresh water will be pipelined from Double Eagle water supply.

6. Source of Construction Material

   A. Caliche for surfacing the well pad will be obtained from a federal pit in the SW/4 of NE/4 of Section 33-T18S-R31E.

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 pits are dry.

   C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests 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" of dirt. All waste material will be contained to prevent scattering by the wind. Location of trash pit is shown on Exhibit "D".

   F. All trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completion operations.

8. Ancillary Facilities

   A. None required

9. Well Site Layout

   A. Exhibit "D" shows the relative location and dimensions of the well pad, mud pits, reserve pit, trash pit and location of major rig components.

   B. Only minor levelling of the well site will be required. No significant cuts and fills will be necessary.

   C. The reserve pit will be plastic lined.

   D. The pad and pit area have been staked and flagged.

10. Plans for Restoration of the Surface

   A. After completion of the drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and location cleaned of all trash and junk to leave the well site in as aesthetically pleasing condition as possible.

10. B. Any unguarded pits containing fluids will be fenced until they are filled.

C. After abandonment of the well, surface restoration will be in accordance with the agreement with the surface owner. Pits will be filled and location will be cleaned. The pit area and well pad will be ripped to promote revegetation. Rehabilitation should be accomplished within 90 days after abandonment.

11. Other Information

A. Topography: Land surface is generally leval with a deep sand cover. The undisturbed well site elevation is 3594'.

B. Soil: Soil is a deep, fine sand underlain by caliche.

C. Flora and Fauna: The vegetative cover is generally sparse and consists of scrub oak and perennial native grasses. Wildlife in the area is typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove, quail and other birds.

D. Ponds and Streams: There are no rivers, streams, lakes or ponds in the area.

E. Residences and Other Structures: There are no occupied dwellings in the immediate area.

F. Archeological, Historical and Cultural Sites: None observed in the area.

G. Land Use: Grazing and hunting, in season.

H. Surface Ownership: Surface is Federal

12. Operator's Representative:

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

Gulf Oil Exploration & Production Company
A Division of Gulf Oil Corporation
P. O. Box 670
Hobbs, New Mexico 88240
Telephone: (505) 393-4121
Area Production Manager: R. C. Anderson

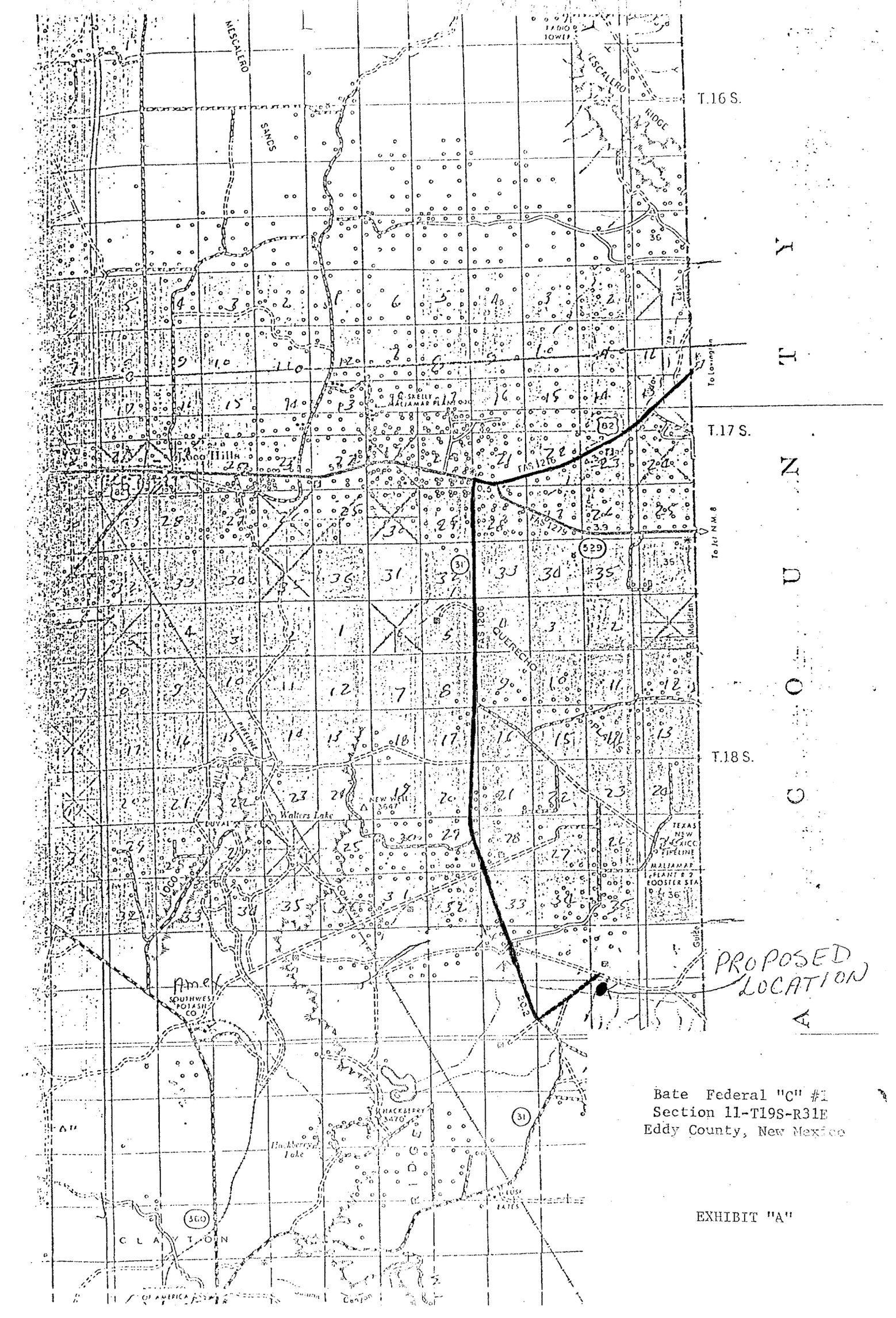
13. Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site 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; and, that the work associated with the operations proposed herein will be performed by Gulf Oil Corporation and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

September 16, 1981
Date

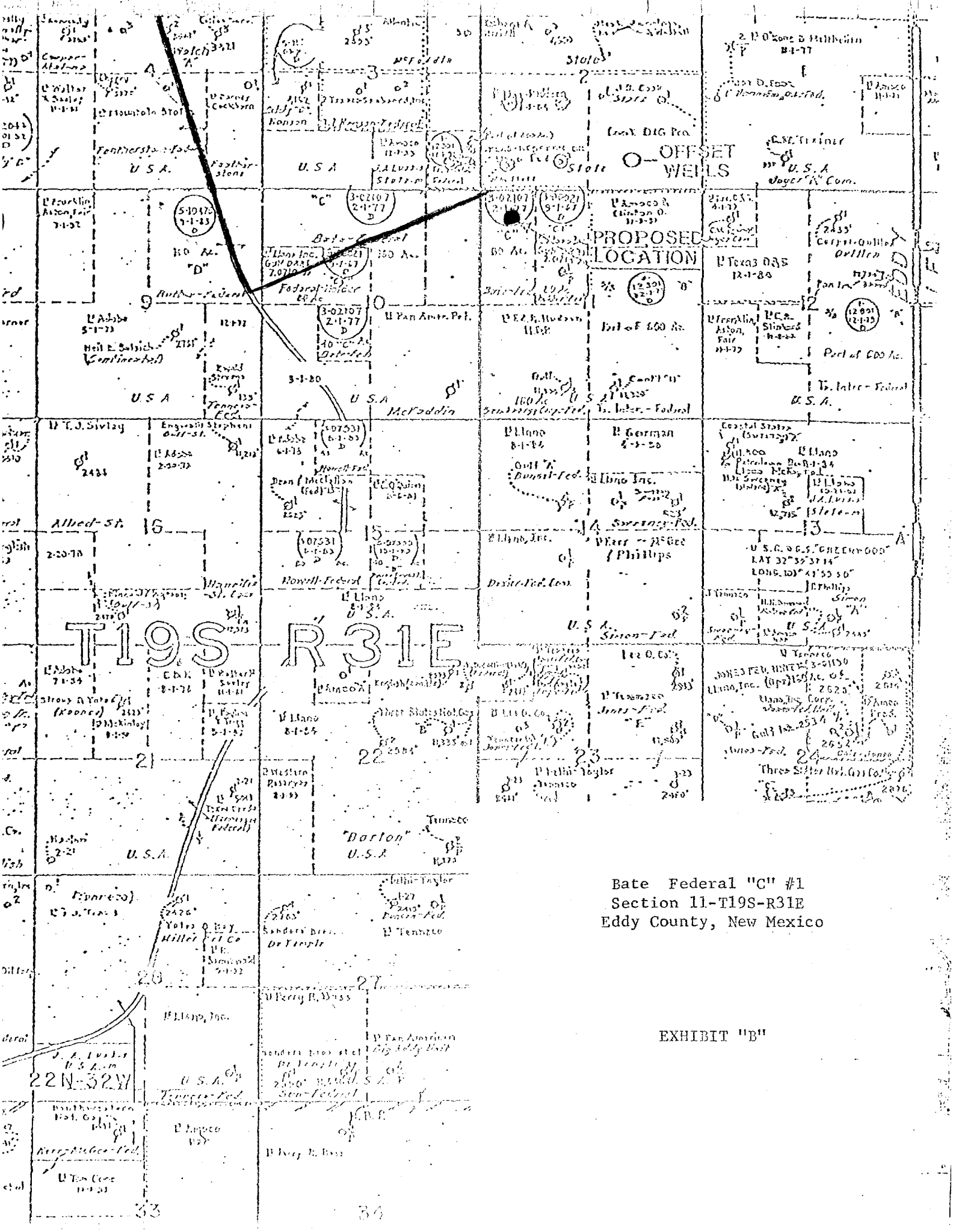
R. C. Anderson
Area Production Manager

KRP/jr



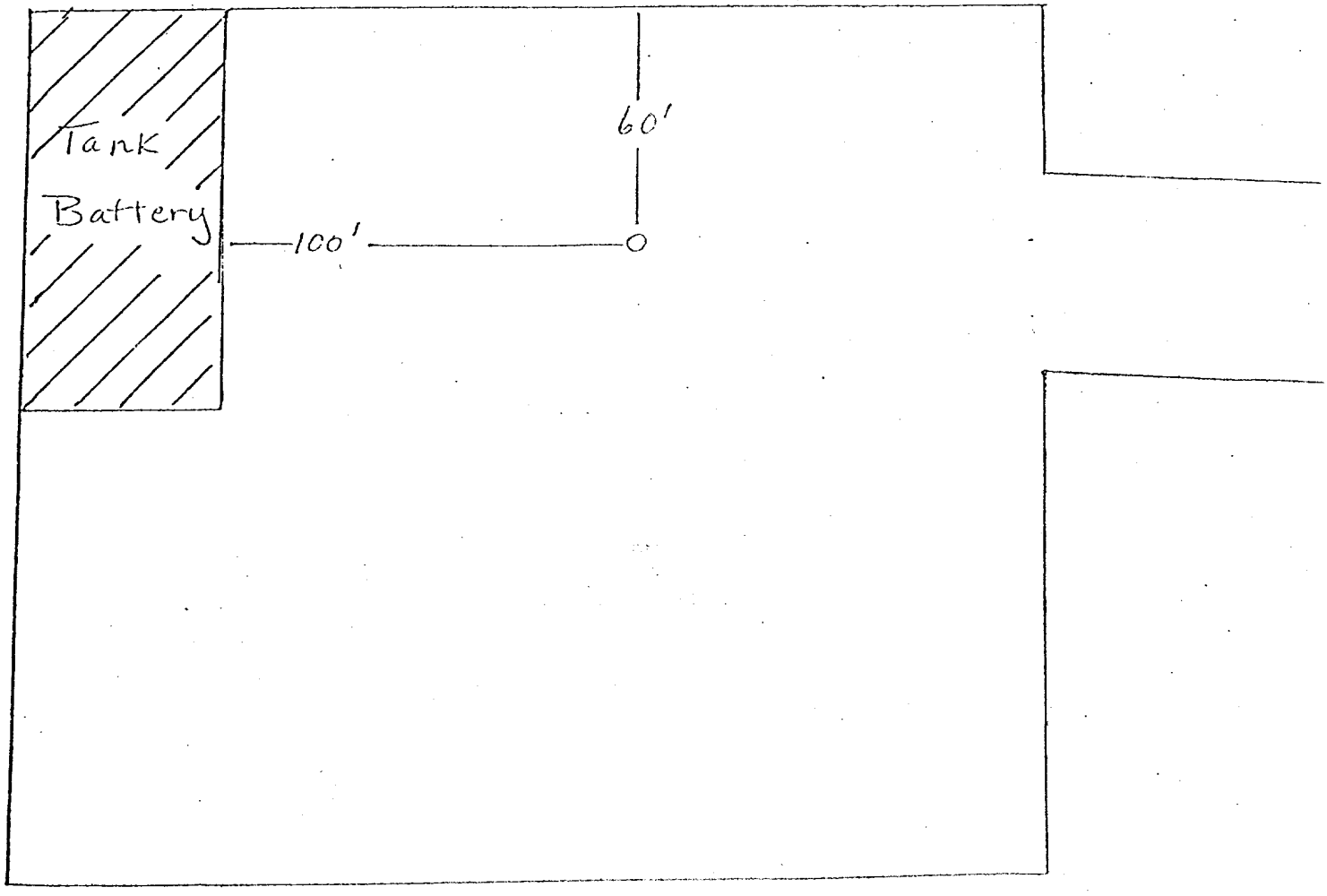
Bate Federal "C" #1
Section 11-T19S-R31E
Eddy County, New Mexico

EXHIBIT "A"



Bate Federal "C" #1
Section 11-T19S-R31E
Eddy County, New Mexico

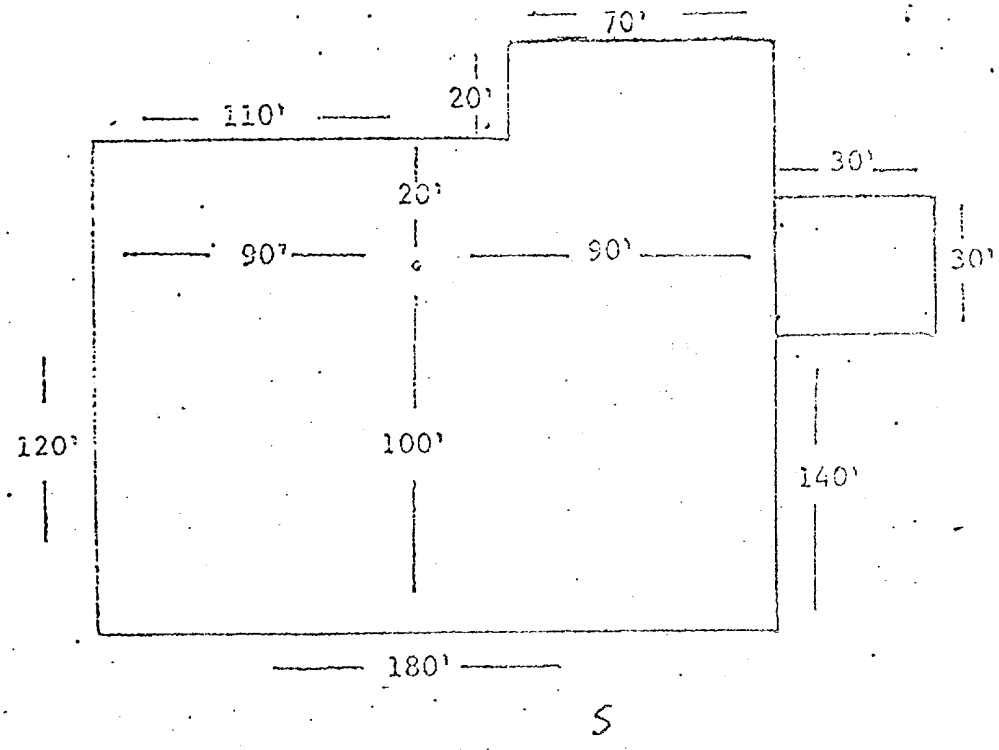
EXHIBIT "B"



Bate Federal "C" #1
Section 11-T19S-R31E
Eddy County, New Mexico

EXHIBIT "C"

RIG PAD LAY OUT



Bate Federal "C" #1
Section 11-T19S-R31E
Eddy County, New Mexico

EXHIBIT "D"