

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONTACT RECEIVING
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AUG 14 1992
O. C. D.
reverse side

30-05-27885
NM Rowell District
Modified Form No.
NMD60-3160-2

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Bill Taylor

3a. Acron Code & Phone No.

3. ADDRESS OF OPERATOR

1106 N. Country Club, Carlsbad NM, 505-887-2570

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

At surface

At proposed prod. zone 2310' FSL & 1650' FEL

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

7 Miles Northeast of Carlsbad, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

2310' FSL

16. NO. OF ACRES IN LEASE

2261.75, NM01119

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.

930'

19. PROPOSED DEPTH

OH: 560' +/-

20. ROTARY OR CABLE TOOLS

Rotary &/or Cable Tool

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

3294' GR

22. APPROX. DATE WORK WILL START*

Upon BLM approval

23. PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	K-55	STC/Welded	385' +/-	See below CIRCULATE
7 7/8"	5 1/2"	14#	K-55	STC/Welded	517' +/-	See Below CIRCULATE

8 5/8" Casing: Set 8 5/8" Casing, cement through casing using pump & plug method;
If cement does not circulate, tag cement outside casing with tubing and fill any voids to surface using multiple stages of 25+ sacks per stage.

5 1/2" Casing: Set 5 1/2" Casing, cement through casing using pump & plug method;
If cement does not circulate, tag cement outside casing with tubing and fill any voids to surface using multiple stages of 25+ sacks per stage.

Flocele &/or CaCl may be added to aid cementing if needed.

Post ID-1
8-21-92
New Vac & API

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

Bill Taylor

TITLE Operator

DATE

7/6/92

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

8-12-92

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

*See Instructions On Reverse Side

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

AUG 14 1992

O. C. D.
OFFICE

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

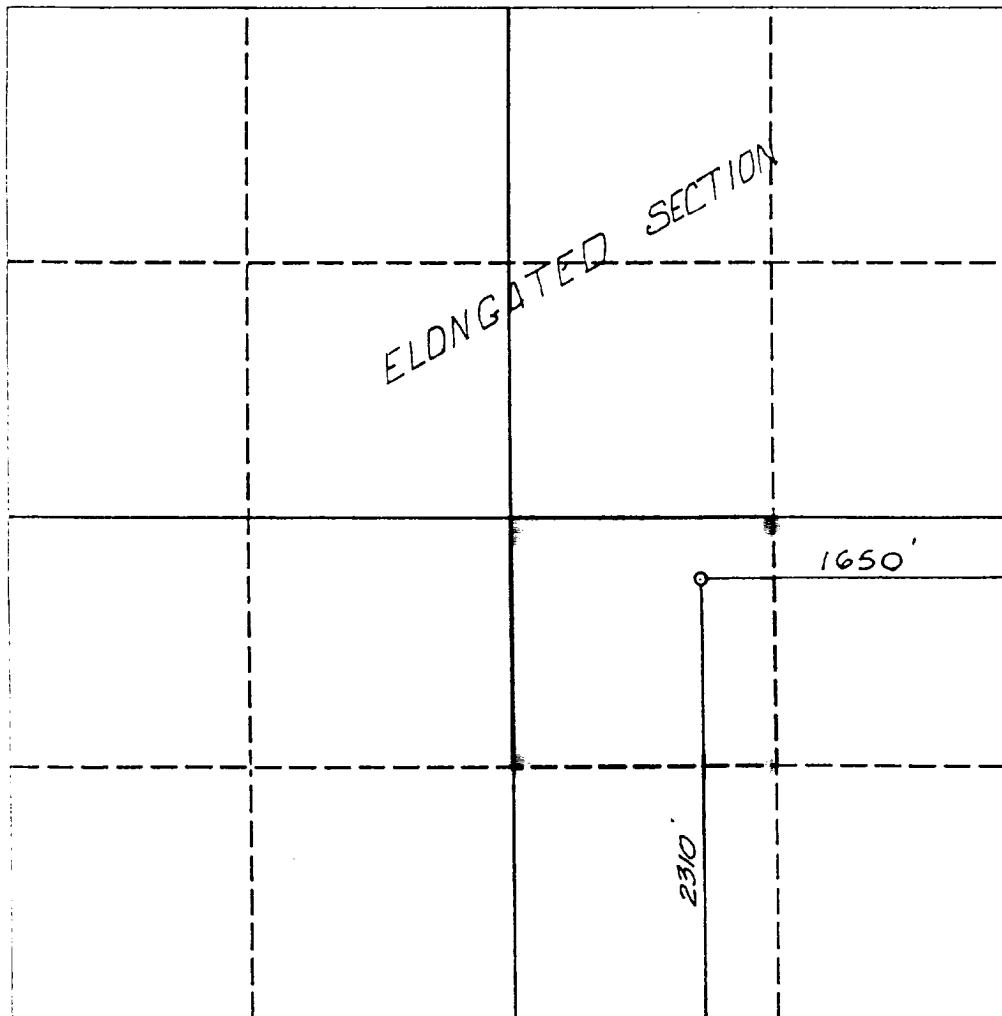
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator BILL TAYLOR		Lease WELCH-YATES C FEDERAL NM 01119		Well No. TAYLOR FED. 8
Unit Letter R	Section 5	Township 21 SOUTH	Range 27 EAST	County EDDY COUNTY, NM
Actual Footage Location of Well: 2310 feet from the SOUTH line and 1650 feet from the EAST line				
Ground level Elev. 3294.	Producing Formation Yates	Pool Cedar Hills	Dedicated Acreage: 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 interest 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 interest, 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

Bill Taylor

Printed Name

Bill Taylor

Position

Owner

Company

Date

7/9/92

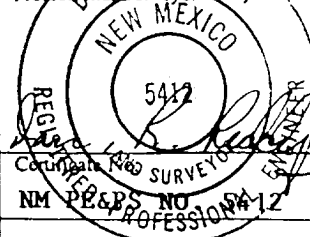
SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed

APRIL 27, 1992

Signature of Surveyor
Professional Surveyor



10 POINT PLAN
WELCH-YATES C FEDERAL
Taylor #8
2310' FSL & 1650' FEL
Sec. 5, T21S, R27E; NMPM

In conjunction with Form 3160-3, Application for Permit to Drill, Bill Taylor submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with other applicable Federal and State regulations.

1. The geologic surface formation: Recent.
2. Estimated tops of geological markers are:
Yates @ 385'.
3. The estimated depths at which water, oil, or gas formations are expected to be encountered:
Possible Water: 237', 265', & 325'
Possible Oil Shows: Between 517' and 542'.
4. Proposed Casing & Tubing Program: see Form 3160-~~1~~ and Exhibits 10-A & 10-B.
5. Pressure Control Equipment: see Exhibit 10-C.
No gas is anticipated however a BOP consistant with cable tool operations will be used after setting the surface string.
6. Mud Program:
To 385' +/-, Surface:

If drilled with Cable Tools: Fresh water with bentonite &/or lime, or substitutes, as formations require.

If drilled with Rotary: Spud with fresh water gel. Lime and/or Bentonite will be added as needed to maintain circulation and good cuttings. Paper and other non-toxic LCM will be added if needed to combat lost circulation and/or seepage.

Below 385' +/-, Subsequent:
Drill to total depth with Cable Tool Rig; using fresh water and/or bentonite/lime, or substitutes, as needed to progress and obtain good cuttings.
7. Auxilliary Control Equipment:
 - A. Relief Valve, full opening and closing with anchored line to mud pit;
 - B. Fill valve, full opening and closing.

- C. BOP will be actuated by a hand operated Baker Pump.
8. A. Testing; B. Logging; C. Completion Program:
- A. The ability of the formation to produce oil will be tested by free flow, pumping, bailing, or swabbing casing and/or tubing.
 - B. Samples caught and compared with other Cable Tool logs will be evaluated.
 - C. No stimulation or fracing is anticipated; however if either is necessary, the BLM will be consulted prior such action.
9. Abnormal pressure and other possible hazards:
- A. No abnormal or other pressure is anticipated per prior cable-tooled wells reports, files, logs, and personal experience with the Riggs Fed. #7;
 - B. The shallowest high-pressure gas would be in the Delaware at 2700', +/-, per prior BLM findings (10/28/83, BLM Memorandum of James G. Pettergill, in the Yates C Federal #35 file, 563' FNL & 560' FEL, Sec. 5, T21S, R27E, NMPM, Lse. NM 01119).
 - C. Any loss circulation in the Surface will be overcome using non-toxic loss circulation materials and multi-staged cementing.
 - D. H2S is not an expected problem.
10. Anticipated starting date:
As soon as possible after approval of this application/365 days duration.

535

10 POINT EXHIBIT 10-A
DRILLING & COMPLETION PROGNOSIS

Bill Taylor
Welch-Yates C Federal Lse.
NM01119

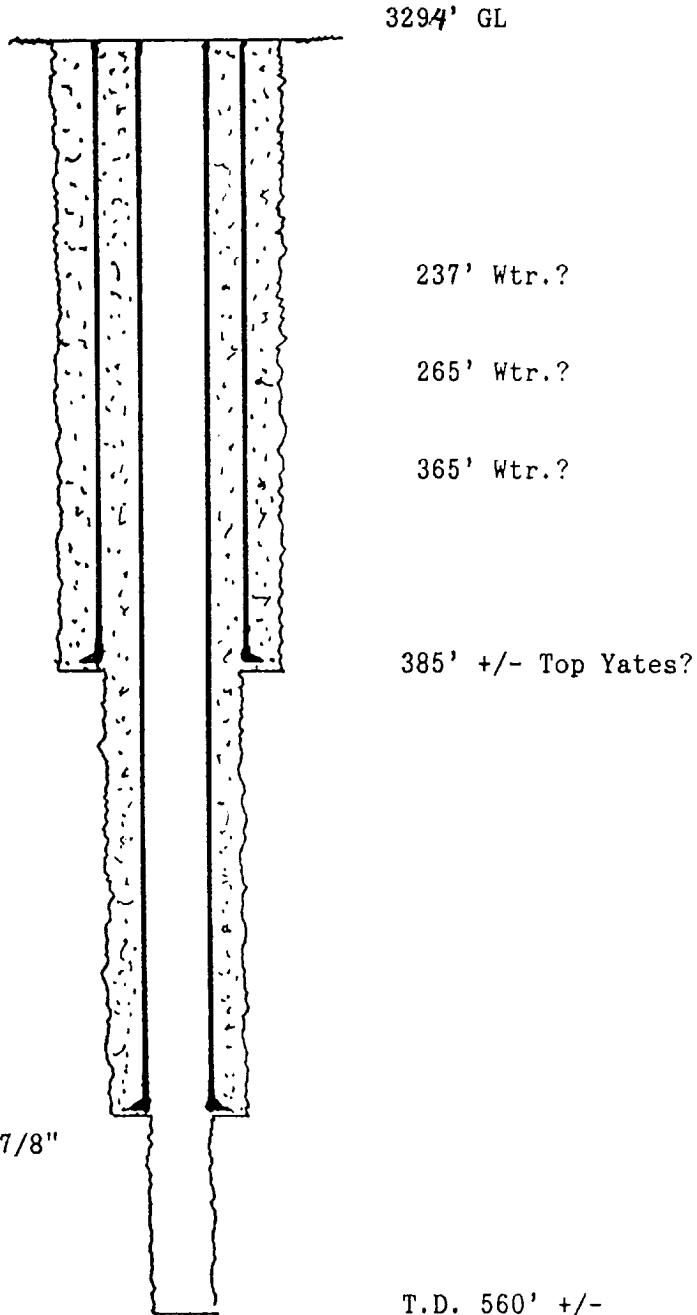
Taylor Fed. #8 Well,
2310' FSL & 1650' FEL,
Sec. 5, T21S, R27E, NMPM

Surface Casing:
8 5/8" in 11" hole to 407'
Cement to be circulated
to surface

5 1/2" in 7 7/8" hole to 515'
Cement to be circulated
to surface

Open Hole, 515' down, 4 3/4-4 7/8"

Formulation stimulation:
None expected.



10 POINT EXHIBIT 10-B

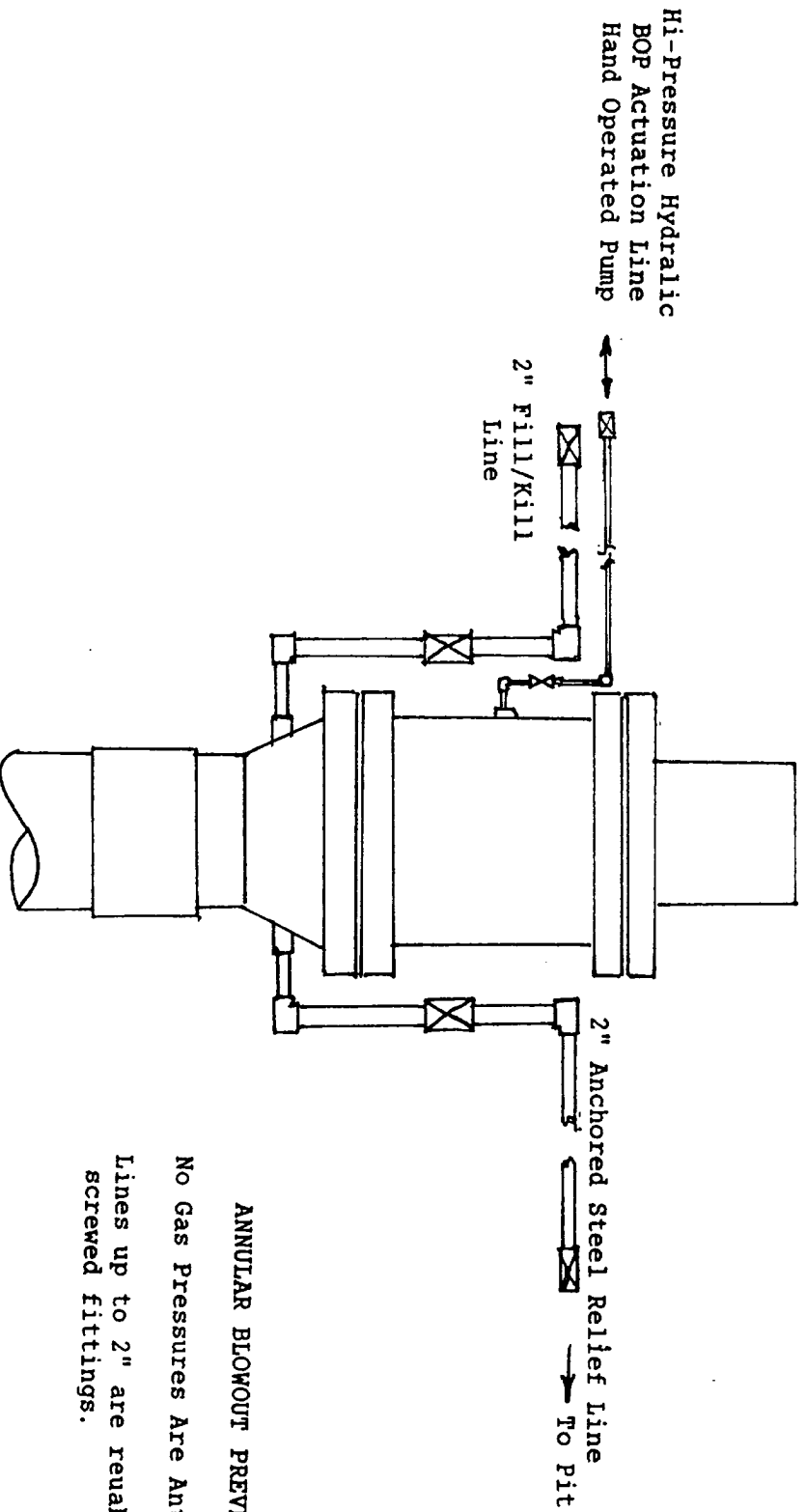
Bill Taylor
Welch-Yates C Federal Lease
Taylor #8 Well; 2310' FSL & 1650' FEL
Sec. 5, T21S, R27E, NMPM

Drilling, Tests, Casing, & Cement Programs

- I. A. Drill 12 1/4" hole to 385', +/-, through surface waters.
 - B. Cement 8 5/8" casing, K-55, with 180 sacks Class "B"/"C" (22 sacks should circulate to pit), pumping cement & plug through casing to circulate cement to surface;
if cement does not circulate, use 1" to tag cement and complete cementing through 1" tubing in multiple stages until cement circulates to surface;
 - C. Install BOP while waiting 24 hours to allow cement to set and cure, then drill out cement and test cement/casing and BOP to 500# prior proceeding with Cable Tool drilling remainder of hole;
- II. A. Drill 7 7/8" hole to 517', +/-, and set 5 1/2" for a production string;
 - B. Cement 5 1/2", K-55 casing with 105 sacks Class B or C (16 sacks should circulate to pit), pumping cement & plug through casing to circulate cement to surface;
if cement does not circulate, use 1" to tag cement and complete cementing through 1" tubing in multiple stages until cement circulates to surface;
- III. Drill 4 7/8", +/-, hole to total depth, expected to be 560 +/-.
Complete as open hole completion.
- IV. If fracturing or stimulation is determined needed, consult with local BLM personnel prior any action.

10 POINT EXHIBIT 10-C

Bill Taylor
Welch-Yates C Federal Lease, NM 01119
Taylor Fed #8 Well; 2310' FSL & 1650' FEL
Sec. 5, T21S, R27E, NMPM



SURFACE USE PLAN

BILL TAYLOR
Welch-Yates C Federal
Taylor Fed. #8
2310' FSL & 1650' FEL
Sec. 5, T21S, R27E, NMPM

1. EXISTING ROADS: Area Map, Ex. S-1, shows existing roads of the area.
 - A. Ex. S-1 shows the location of the well site;
 - B. From Carlsbad, NM, travel north 2.5 miles on Eddy County Road 206 after crossing Santa Fe Railroad Tracks on the North end of Canal Street; Turn East and travel 1.5 miles on Alkali Road (a BLM Collector Road); then turn Southerly on BLM Local Road 1.8 miles toward Exxon's Yates C Federal #31.
2. PLANNED ACCESS ROADS: Approximately 290' of Resource road will be necessary, constructed with the intent of minimum impact upon the area environment. See Ex. S-1 & S-3 for location of this new road.
3. LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS:

Water wells: None within one mile.

Disposal/Injection wells:

1. Exxon Yates C Federal 22, 1557' FNL & 660' FWL, Sec 4, T21S, R27E, NMPM, (Delaware Disposal);
2. Exxon Yates C Federal 35, 563' FNL & 560' FEL, Sec 5, T21S, R27E, NMPM, (Delaware Injection);
3. Riggs Fed. #7, 4122' FNL & 330' FEL, Sec 5, T21S, R27E, NMPM, (Yates Disposal).

Drilling wells: none

Producing wells: as shown on Exhibit S-2.

Abandoned wells: as shown on Exhibit S-2.

4. If production is achieved, tanks will be placed to provide minimum impact upon the surroundings, with a water disposal and an oil line placed alongside the Resource Road but inside the 30' ROW to the existing Lease Road, to continue to the Riggs #7.
5. Water will be purchased locally from a private source and trucked to the site.
6. SOURCE OF CONSTRUCTION MATERIALS: Caliche will be obtained from the drill site excavations or a local source; a pit is located in the SE/4

Sec. 9, T21S, R27E.

7. METHODS FOR HANDLING WASTE DISPOSAL:

- A. 1. Drill cuttings will be disposed of in the cuttings-mud pits.
 - 2. A Porta-Potti will be utilized on site and serviced by a local contractor.
Sewage from an onsite crew-trailer house will be disposed of into holes with a minimum depth of 10'.
 - 3. Chemicals and drilling materials after drilling will be removed by operator-supplier.
 - 4. Trash will be stored in covered retainers and periodically removed from the site.
- B. Remaining drilling fluids will be allowed to evaporate in the pit until dry enough for backfilling, and the pits backfilled then.
- C. Any oil produced during testing of the well will be stored in test tanks until moved to the existing leasehold tanks and sold with proper accounting to MMS.

8. ANCILLARY FACILITIES: None are needed.

9. WELL SITE LAYOUT:

- A. Exhibit S-3 shows the proposed well site layout, water reserves will be maintained in an on-site steel tank..
- B. The mud pits will be fenced on three sides with barbed wire while drilling, and the fourth side fenced upon cessation of completion operations, until the pits dry, at which time the pits will be filled and leveled.
- C. Minimum modification to the surface will be undertaken prior and after determination of the well as a producer; the work area will be as shown by Ex. S-3, but leveling will be done only as needed to provide a small area for drilling/reworking, and production jacks/tanks/lines. Work area vegetation will be modified only as activity determines necessary.

10. RESTORATION OF SURFACE:

Upon completion of the operation and disposal of any trash and debris, the pits will be backfilled, leveled, or contoured as soon as practical after dry.

The surface will be reclaimed by reshaping to the extent possible, and seeded.

11. OTHER INFORMATION:

- A. The location is on a gentle slope, small plateau in vegetation of native brush and grasses; soils are clayey sand, over a caliche base.
 - B. The surface provides grazing and access to wells in the area; is owned and administered by the BLM, and grazing rights are presently leased to Mr. Winston Ballard.
 - C. There are no buildings present in the area, and the access roads are preexisting.
 - D. Archeological study of the area has been undertaken under 83-067-498 and ENM University personnel; and the general area personally viewed for important artifacts by local BLM personnel.
 - E. There are no streams or ponds in the immediate area.
 - F. Abandoned area cable tool well locations for these shallow wells are not large and are reverting back to native brush and grass.
12. The OPERATOR'S REPRESENTATIVE to contact regarding compliance with the Surface Use Plan is:

Bill Taylor
1106 N. Country Club
Carlsbad, NM 88220

Home & Business: 505-887-2570

13. CERTIFICATION: I hereby certify that I, or persons 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; and, that the work associated with the operations proposed herein will be performed in conformity with this plan and the terms and conditions under which it is approved. A copy of this plan will be posted at the well site during the drilling of the well for reference by all contractors and subcontractors.

7/6/92
Date

Bill Taylor
Bill Taylor, operator

EXHIBIT S-1

TAYLOR FED. #8

Welch-Yates C Fed. Lease, NM01119
2310' FSL & 1650' FEL
Sec. 5, T21S, R27E, NMPM

