

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM- 0916
2. NAME OF OPERATOR McClellan Oil Corporation		6. IF INDIAN, ALLOTED OR TRIBE NAME
3. ADDRESS OF OPERATOR P. O. Drawer 730 Roswell, NM 88201		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 990' FSL & 1650' FEL At proposed prod. zone Same		8. FARM OR LEASE NAME Simmons Federal
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 7 miles NW of Loco Hills, NM		9. WELL NO. 6
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any) 1400'		10. FIELD AND POOL, OR WILDCAT Henshaw Grayburg West
16. NO. OF ACRES IN LEASE 1480		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23-T16S-R29E
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		12. COUNTY OR PARISH Eddy
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 883'		13. STATE New Mexico
19. PROPOSED DEPTH 2650'		20. ROTARY OR CABLE TOOLS Rotary Air & Cable
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3696' GL		22. APPROX. DATE WORK WILL START* December 1, 1990

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	400'	175 sx "C" circulated
7 7/8"	7"		1890'	Set with mud*
6 1/4"	4 1/2"	10.5#	2650'	200 SX (see slips)

MUD PROGRAM: Propose to drill to a depth of 2650' in order to test the Penrose and Premier Sands. Will drill to 2050' with a rotary rig using air and mist and from 2050' to a TD of 2650' with a cable tool rig. *It will be necessary to run a 7" csg. to a depth of 1890' in order to shut off water from the Queen formation to enable drill in of the penrose and Premier sands with cable tools. The 7" csg. will be set using mud and will be pulled prior to cementing the 4 1/2" csg. or plugging the well.

BOP PROGRAM: Rotary Rig: A 10" rotating head with an 8" manual double ram BOP with a 2,000 psi wp will be installed on casing and tested.

Cable Tool Rig: A henderlitter mechanical single control gate will be used and will have a minimum of 2,000 psi wp.

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 [Signature] Agent for: McClellan Oil Corp. Oct. 30, 1990
TITLE McClellan Oil Corp. DATE Oct. 30, 1990

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY _____ TITLE _____
CONDITIONS OF APPROVAL, IF ANY: _____

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

*See Instructions On Reverse Side

ATTACHED 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.

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

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

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

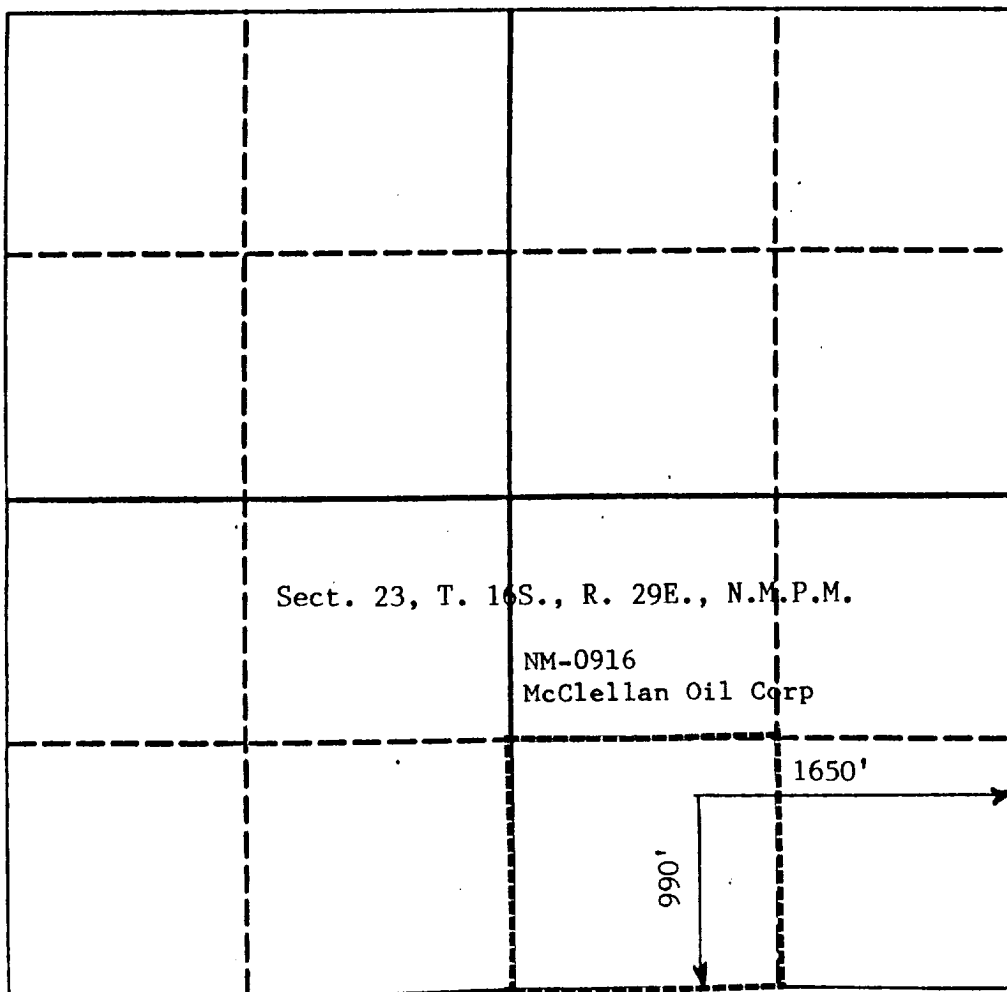
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator McClellan Oil Corporation			Lease Simmons Federal		Well No. #6
Unit Letter 0	Section 23	Township 16S.	Range 29E.	County NMPM	Eddy
Actual Footage Location of Well: 990 feet from the South line and 1650 feet from the East line					
Ground level Elev. 3696	Producing Formation Grayburg	Pool Henshaw Grayburg West		Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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

Printed Name

George R. Smith

Position

Agent for:

Company

McClellan Oil Corporation

Date

October 31, 1990

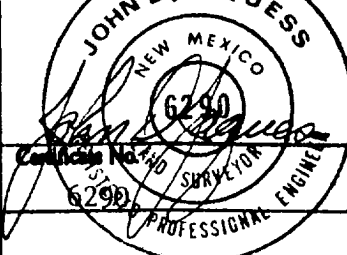
SURVEYOR CERTIFICATION

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

10/17/90

Signature & Seal of
Professional Surveyor



APPLICATION FOR DRILLING

McCLELLAN OIL CORPORATION
Simmons Federal, Well No. 6
990' FSL & 1650' FEL, Sec. 23-T16S-R29E
Eddy County, New Mexico
Lease No.: NM-0916
(Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, McClellan Oil Corporation submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Yates	933'	Grayburg	2243'
Seven Rivers	1291'	Premier	2566'
Queen	1827'	T.D.	2650'
Penrose	2081'		
3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Random fresh water sands from surface to - 300'+/-.

Oil: Possible in the Penrose sands below 2081'.
Possible in the Premier sands below 2566'.

Gas: None expected.
4. Proposed Casing Program: See Form 3160-3.
5. Proposed Control Equipment: See Form 3160-3 and Exhibit "E".
6. Mud Program: See Form 3160-3.
7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock, pit level monitor, flow sensors and stabbing valve.
8. Testing, Logging, and Coring Program:

Drill Stem Tests: None.

Logging: T.D. to surface casing: GR-CNL-LDT, and DLL.

Coring: None planned.
9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight.
10. Anticipated starting date: December 1, 1990.
Anticipated completion of drilling operations: Approximately 30 days.

MULTI POINT SURFACE USE AND OPERATIONS PLAN

McCLELLAN OIL CORPORATION
Simmons Federal, Well No. 6
990' FSL & 1650' FEL, Sec.23-T16S-R29E
Eddy County, New Mexico
Lease No.: NM-0916
(Development Well)

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, to be followed in rehabilitating the surface environmental effects associated with the operations.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a BLM Artesia Quadrangle map showing the location of the proposed well as staked. The well site location is approximately 27 road miles east of Artesia, New Mexico or 7 miles northwest of Loco Hill, NM. Traveling east from Artesia, there will be approximately 21 miles of paved U. S. Highway 82 and 6.2 miles of gravel county and oilfield roads.
- B. Directions: Travel east from Artesia, NM on U. S. Highway 82 for 21 miles (.4 mile east of mile marker #129) to the Eddy County road No. 215 (Kewanee Rd.). Travel north on Rd. 215 for 5.3 miles to a cattleguard at the end of the county road portion. Continue north and then northwest for .8 mile to access road to the Simmons Fed. #5 well pad .1 mile west. The start of the proposed access road is on the southeast corner of the #5 well pad. The proposed access road will run approximately 800 feet south to the northwest corner of the staked well site.

2. PLANNED ACCESS ROAD:

- A. Length and Width: There will be approximately 800 feet of new access road 12 feet wide (24' Max.), which is color coded red on Exhibits "A" and "B".
- B. Construction: The proposed access road will be constructed by grading and topping with compacted caliche. The surface will be properly drained.
- C. Turnouts: No turnouts are planned.
- D. Culverts: None required.
- E. Cuts and Fills: None required.
- F. Gates, Cattleguards: None required.
- G. Off Lease R/W: None required.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a two mile radius are shown on Exhibit "C".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are production facilities on the lease at this time.
- B. If the well proves to be commercial, the necessary production facilities will be installed on the drilling pad, with flow lines to Well No. 5 tank battery.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with fresh water that will be obtained from private or commercial sources and will be transported over the existing and proposed access roads or by fast line.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the proposed access road and well site pad will be obtained from the well site. If additional caliche is needed, it will be obtained from a state pit in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 2-T17S-R29E. The topsoil from the location will be stockpiled near the well pad for future rehabilitation use. No surface materials will be disturbed except those necessary for actual grading and leveling of the drill site and access road.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve/mud pit.
- B. Drilling fluids will be allowed to evaporate in the reserve/mud pit until the pit is dry.
- C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to the BLM for approval.
- E. Oil produced during operations will be stored in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt, or a commercial dumpster will be used. All waste material will be contained to prevent scattering by the wind.
- 0 H. 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, waste pits, and major rig components. The pad and pit area has been staked and flagged, 400' X 400'. The location shown is for a rotary air rig which will be used to drill the well. A cable tool rig will be used to complete well.
- B. Mat Size: Maximum size: 200' X 200' plus reserve pit.

9. WELL SITE LAYOUT: cont.....

- C. Cut & Fill: There will be a 2 foot cut on the north with fill to the south and southwest.
- D. The surface will be topped with compacted caliche.

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 well site in an aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced and screened until they are filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment or as soon as the pits can be worked.

11. OTHER INFORMATION:

- A. Topography: The proposed well site is located on a relatively level area with a 2% slope to the south/southwest from an elevation of 3696' G.L.
- B. Soil: The topsoil at the well site is a fine sandy loam with considerable caliche cobble scatter and caliche outcrops from the calcareous sedimentary rock underlying the surface 6-12 inches. The soils are of the Simona-Bippus complex series.
- C. Flora and Fauna: The vegetation cover is a fair to poor grass cover of dropseed, fluffgrass, grama, three-awn and muhly along with plants of mesquite, yucca, creosote bush, cacti, javelina bush, croton and miscellaneous weeds and wildflowers. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: None in the immediate vicinity.
- E. Residences and Other Structures: None in the immediate area, except well site equipment to the north.
- F. Land Use: Cattle grazing.
- G. Surface Ownership: The proposed well site and access road is on Federal surface and minerals.
- H. There is no evidence of any archaeological, historical or cultural sites in the area. An archaeological survey will be conducted by Archaeological Survey Consultants, P. O. Box D, Roswell, NM 88202, and their report will be submitted to the appropriate government agencies.

12. OPERATOR'S REPRESENTATIVE:


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

Mark McClellan
McClellan Oil Corporation
P. O. Drawer 730
Roswell, New Mexico 88202
Office Phone: (505) 622-3200
Home Phone: (505) 622-2128

13. CERTIFICATION:

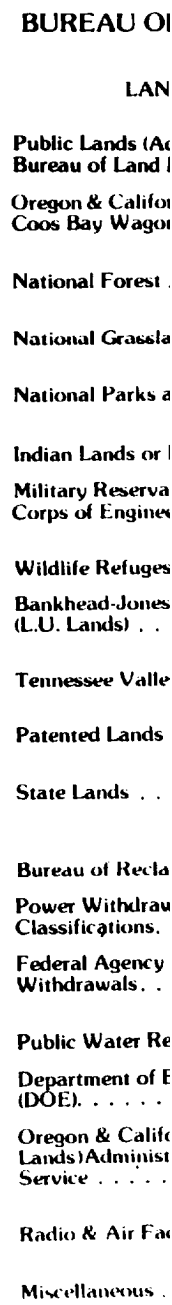
I hereby certify that I have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by McClellan Oil Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

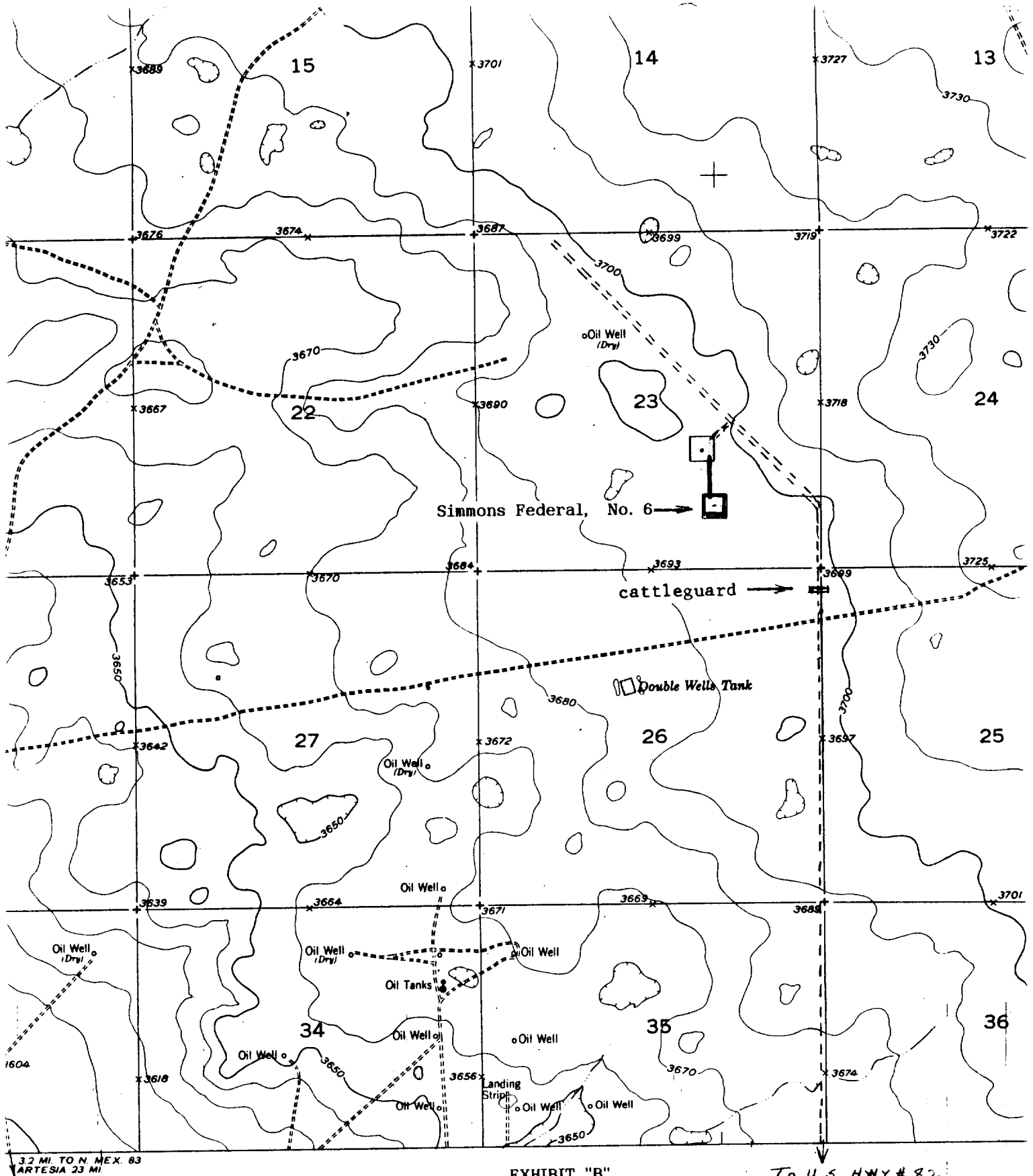
October 29, 1990



George R. Smith
Agent for: McClellan Oil Corporation

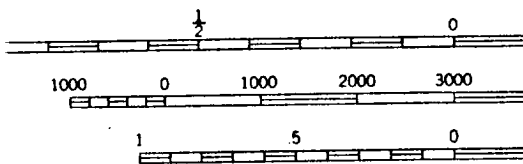
(TATUM)





3.2 MI. TO N. MEX. 83
ARTESIA 23 MI

SCALE 1:2400



CONTOUR INTERVAL :
DATUM IS MEAN SEA L

EXHIBIT "B"

McCLELLAN OIL CORPORATION
Simmons Federal, Well No. 6

990' FSL & 1650' FEL, Sec. 23-T16S-R29E
Existing Access Roads:

County Road:
On Lease R/W:

Proposed Access Road:
On Lease:

To U.S. HWY # 82



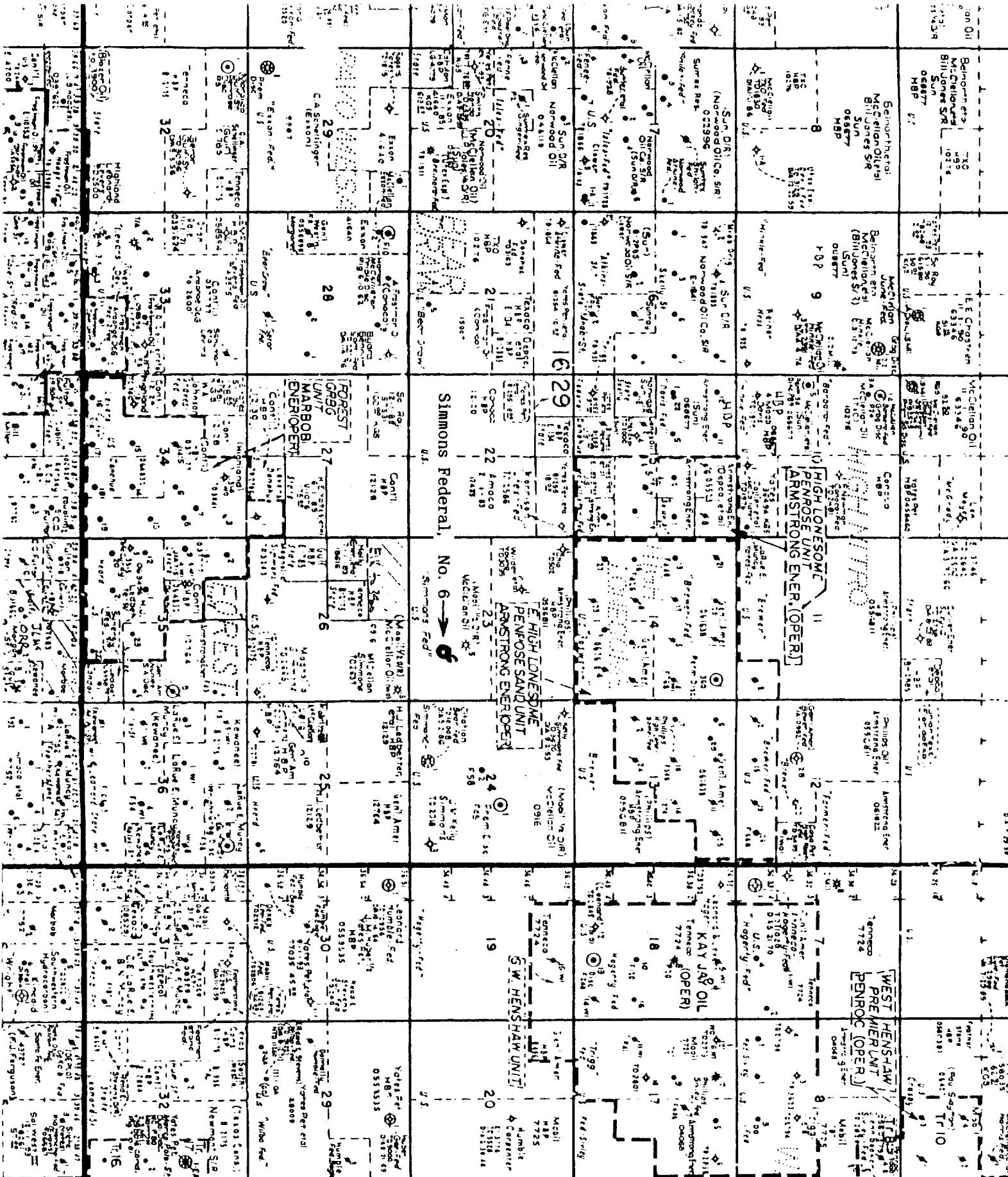
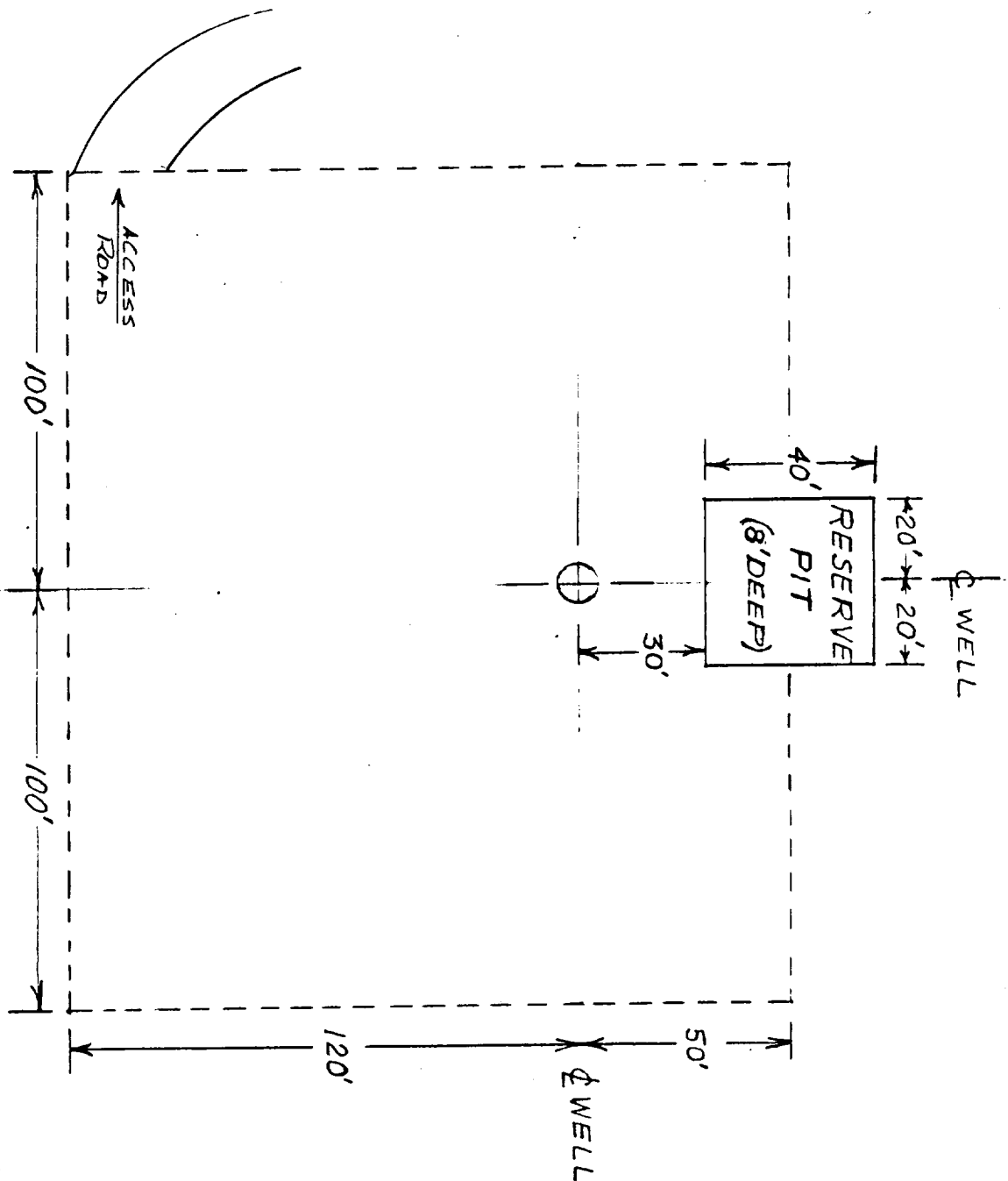


EXHIBIT "C"
 McCLELLAN OIL CORPORATION
 Simmons Federal, Well No. 6
 990' FSL & 1650' FEL, Sec. 23-T16S-R29E
 Existing Wells



UNITED DRILLING, INC.
LOCATION PLAT
RIGS 1 & 4
AIR DRILLING

EXHIBIT "D"
McCLELLAN OIL CORPORATION
Simmons Federal, Well No. 6
Pad & Pit Layout

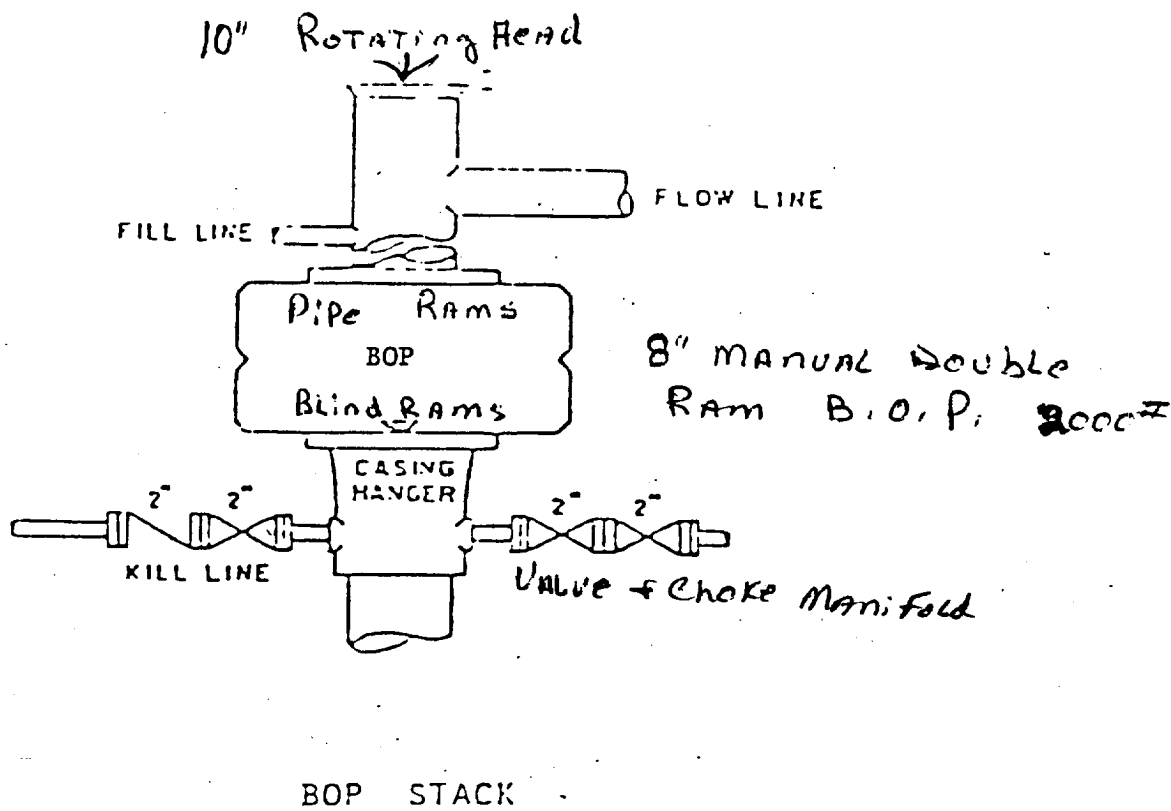


EXHIBIT "E"
 McCLELLAN OIL CORPORATION
 Simmons Federal, Well No. 6
 BOP Specifications