

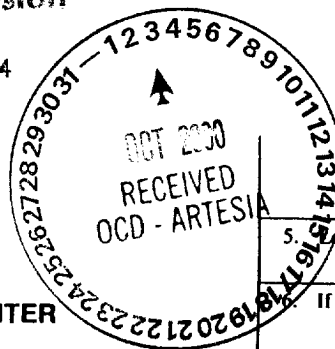
N. M. Oil Cons. Division

811 S. 1ST ST.

ARTESIA, NM 88210-2834

Form 3160-3
(August 1999)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

5. Lease Serial No. LC-064894

If Indian, Allottee or Tribe Name

1a. Type of Work: ☒ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone8. Lease Name and Well No.
Conoco Federal, Well No. 1

2. Name of Operator J. Ray Stewart 11409

9. API Well No.
30-015-31369

3a. Address

P.O. Box 451 Midland, TX 79702

3b. Phone No. (include area code)

(915) 687-1086

10. Field and Pool, or Exploratory UNDES.
Corral Canyon Delaware

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface

1980' FNL & 660' FSL

At proposed prod. zone

Same

Unit E

11. Sec., T., R., M., or Blk. and Survey or Area

Sec. 20-T25S-R30E

14. Distance in miles and direction from nearest town or post office*

37 miles SE of Carlsbad, NM

12. County or Parish.
Eddy13. State
NM15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any) 660'

16. No. of Acres in lease

960

17. Spacing Unit dedicated to this well

40

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. 1320'

19. Proposed Depth

3800'

20. BLM/BIA Bond No. on file

NM-2818

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

3187' GL

22. Approximate date work will start*

09/15/00

23. Estimated duration

3 weeks

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

George R. Smith

Name (Printed/Typed)

George R. Smith

Date

08/25/00

Title

Agent for: J. Ray Stewart

Approved by (Signature)

/s/ LARRY D. BRAY

Name (Printed/Typed)

Date

OCT 02 2000

Title

Assistant Field Manager,

Office

ROSWELL FIELD OFFICE

APPROVED FOR 1 YEAR

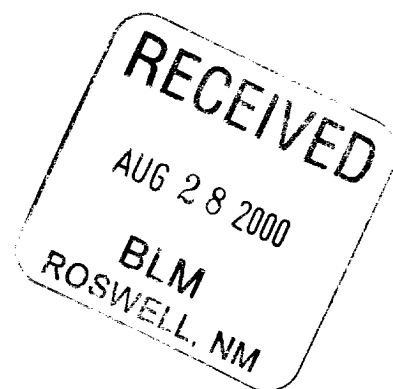
Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

Lease Responsibility Statement: J. Ray Stewart accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof.

George R. Smith



District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised March 17, 1999

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Corral Canyon Delaware	
Property Code		Property Name			Well Number
		CONOCO FEDERAL			1
OGRID No.		Operator Name			Elevation
		J. RAY STEWART			3187.

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	20	25-S	30-E		1980	NORTH	660	WEST	EDDY

¹¹ 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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
40			

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

¹⁶ NFI=064894 CONOCO= 100%	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature George R. Smith, agent for: Printed Name J. Ray Stewart Title 08/25/00 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. AUGUST 9, 2000 Date of Survey Signature and Seal of Registered Professional Engineer N. R. REDDY 5412 REGISTERED PROFESSIONAL ENGINEER STATE OF NEW MEXICO			

APPLICATION FOR DRILLING

J. Ray Stewart

Conoco Federal, Well No. 1

1980 FNL & 660' FWL, Sec. 20-T25S-R30E

Eddy County, New Mexico

Lease No.: LC-064894

(Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, J. Ray Stewart, 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:

Base of Rustler	690'	Delaware Sand	3,630'
Top of Salt	860'	Upper Ramsey Sand	3,645'
Base of Salt	3,410'	Lower Ramsey Sand	3,681'
Delaware Lime	3,600'	T. D.	3,800'

3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Surface water in the Triassic between 80' - 230'.

Oil: Possible in the Delaware below 3,600'

Gas: None expected.

4. Proposed Casing Program:

HOLE SIZE	CASING SIZE	WEIGHT	GRADE	JOINT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0#	K-55	ST&C	745'	Circ. 421 sx "C" cement.
7 7/8"	5 1/2"	15.5#	K-55	ST&C	3795'	161 sx of "C" and additives

minimum 975 Ft.
Fresh H₂O

5. Proposed Control Equipment: See Exhibit "E":

BOP Program:.

A 10" 3000 psi wp Shaffer Type E, double ram BOP, will be installed on the 8 5/8" casing. Casing and BOP will be tested before drilling out with 7 7/8". The BOP will be used as a 2000 psi system and will be tested daily.

6. Mud Program:	MUD WEIGHT	VIS.	W/L CONTROL
0' - 745'	Fresh water mud	8.6 - 9.3 ppg	32 - 35
745' - 3500'	Brine mud:	9.9 - 10.0 ppg	28 - 29
3500' - 3800'	Brine Mud w/soda	10 - 10.2 ppg.	31 - 36
			W/L control 10 - 12 cc +/-

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 unless warranted.

Logging: T.D. to Surface: Sonic Gamma Ray log.

Coring: Cut approximately 25 sidewall drill cores between 3,650' and 3,710' (Approximate pay interval in the Ramsey Sand).

J. Ray Stewart

Conoco Federal, Well No. 1

Page 2

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. Estimated BHP = 1670 psi (evac. hole) with temperature of 98^o.
10. H₂S: None expected. None in previously drilled wells.
11. Anticipated starting date: Sept 15, 2000.
Anticipated completion of drilling operations: Approx. 3 weeks.

MULTI POINT SURFACE USE AND OPERATIONS PLAN

J. RAY STEWART

Conoco Federal, Well No. 1
1980' FNL & 660' FWL, Sec. 20-T25S-R30E
Eddy County, New Mexico
Lease No.: LC-064894
(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 "B" is a portion of a USGS/BLM Topo map showing the location of the proposed well as staked. The well site location is approximately 37 road miles southeast of Carlsbad, New Mexico. Traveling south from Carlsbad there will be approximately 30 miles of paved highway and 6.9 miles of gravel county and pipeline road.
- B. Directions: Travel south from Carlsbad, NM on U.S. Highway 285 for approximately 27 miles; turn east, south of MM #4, onto County Rd. #725. Continue east for approximately 3.8 miles to a fork in the road. Turn northeast and continue on pipeline road for 6.5 miles to another fork in the road. Turn south on oilfield road for .4 mile to the start of the proposed access road staked on the right side of the road (west) and will run south for approximately 250 feet to the northwest corner of the proposed well site.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The proposed access road will be constructed to a width of 12 feet and will be approximately 250 feet in length. The proposed access road is color coded red on Exhibit "B".
- B. Construction: The proposed and existing access road will be constructed and/or repaired by grading and topping with compacted caliche and will be properly drained.
- C. Turnouts: None required.
- D. Culverts: None required.
- E. Cuts and Fills: Minor cuts of 2 - 3 foot dunes will be required.
- F. Gates, Cattle guards: 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 no oil production facilities on the lease at this time for J. Ray Stewart..
- B. If the well proves to be commercial, the necessary production facilities, gas production-process equipment and tank battery will be installed on the drilling pad...

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 access roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the proposed access road and well site pad will be obtained on location, if available, or from a Federal pit to be re-opened in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 17-T25S-R30E. 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 pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. All pits will be fenced with normal fencing materials to prevent livestock and wildlife 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 contained in trash bins to prevent scattering and will be removed for deposit in an approved sanitary land fill 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, reserve pits, and major rig components. The pad and pit area have been staked and flagged 400' X 400'.
- B. Mat Size: 140' X 200', plus 80' X 80' reserve pits. The pits will be on the north.
- C. Cut & Fill: There will be a 3 foot cut on the northeast with fill to the southwest.
- D. The surface will be topped with compacted caliche and the reserve pits will be plastic lined.

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 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 as soon as they are dry enough to work after abandonment.

11. OTHER INFORMATION:

- A. Topography: The proposed well site and access road is located in the uplands east of the Pecos River and 2300 feet south of the El Paso Natural Gas pipe line road. The location and vicinity has a southwesterly slope of 1.5% to 2% from an elevation of 3187'. The surface has 2--4 foot sandy hummocks.
- B. Soil: The topsoil at the well site is a dark colored noncalcareous loamy fine sand of the Tonuco Fine Sands Series. The surface soil is shallow with possible fractured, platy, undurated caliche at a depth of about 15 - 36 inches.
- C. Flora and Fauna: The vegetation cover has a poor to fair grass cover of three-awn, sand dropseed, muhly and other miscellaneous native grasses along with plants of mesquite, yucca, Javelina, broom snake-weed, cacti 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 area.
- E. Residences and Other Structures: None, but existing oil field facilities.
- F. Land Use: Cattle grazing.

11. OTHER INFORMATION; cont.....

- G.. Surface Ownership: The proposed well site and access road are on Federal surface.
- H. There is no evidence of archaeological, historical or cultural sites on the proposed 400' X 400' location or access road and pipeline R/W. An archaeological survey is being 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:

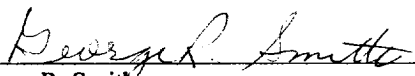
- A. The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

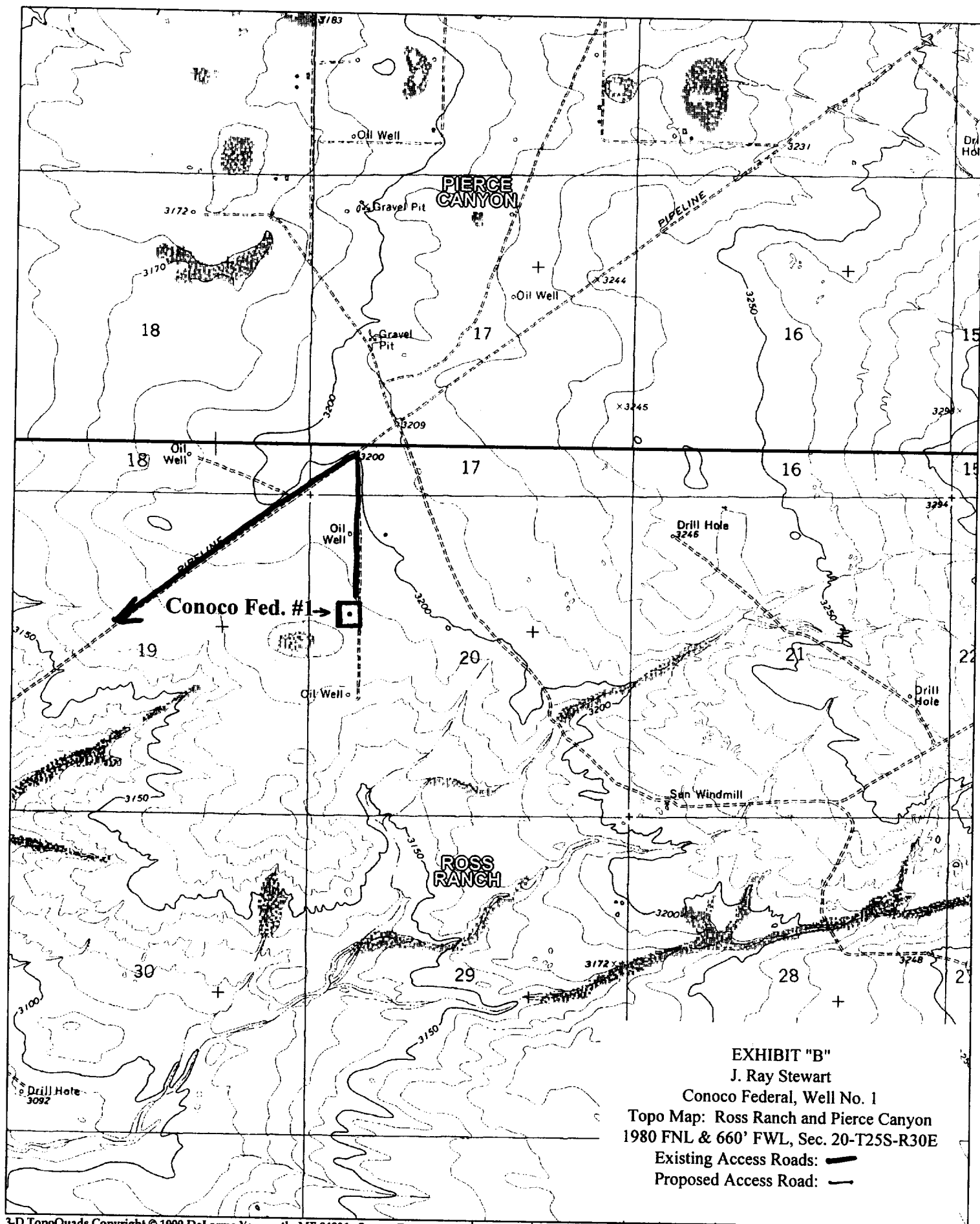
J. Ray Stewart
P. O. Box 31
Pecos, TX 79772
Office Phone: (915) 445-4927

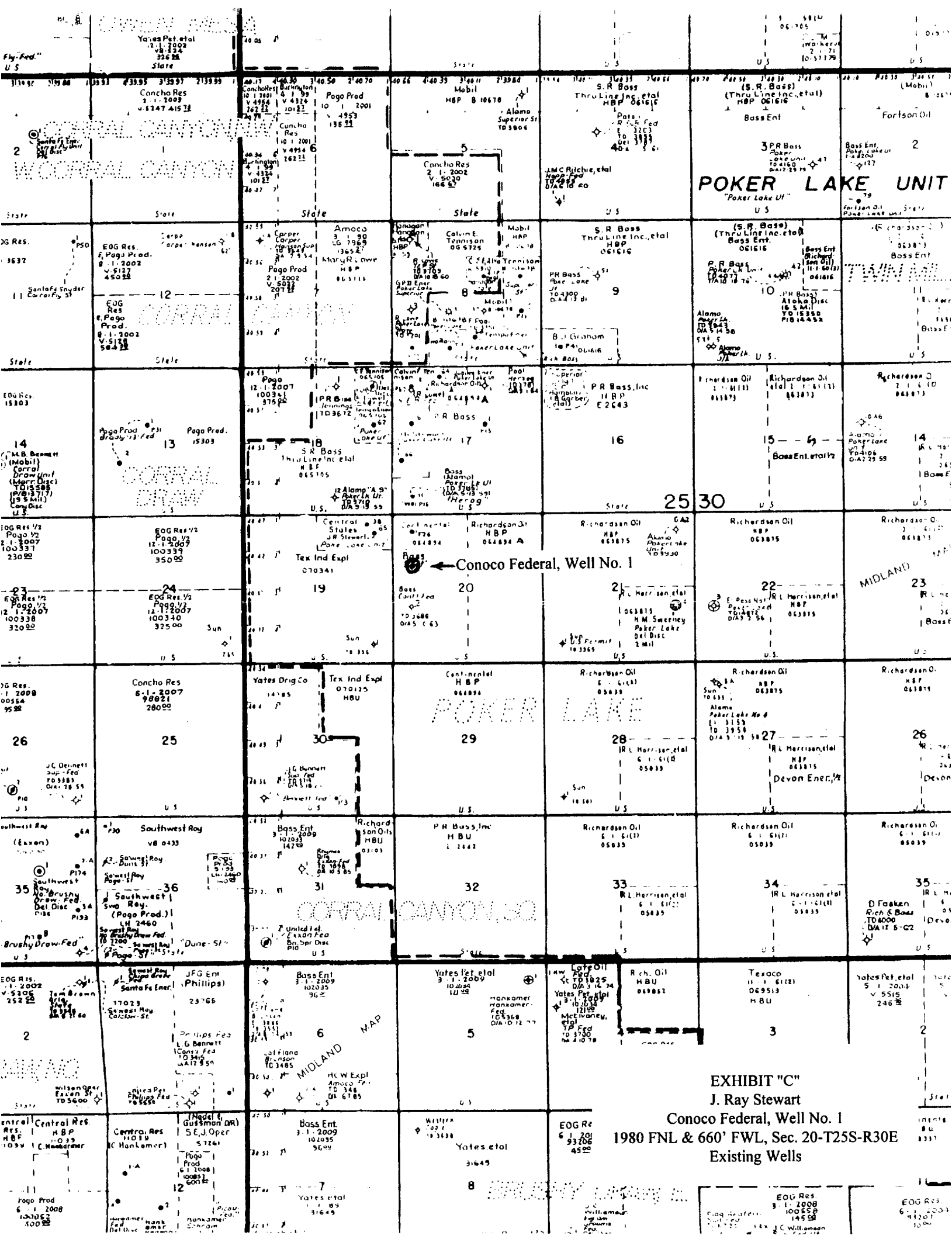
13. CERTIFICATION:

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 J. Ray Stewart and his 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.

August 25, 2000


George R. Smith
Agent for: J. Ray Stewart





POKER LAKE UNIT
"Poker Lake Unit"

← Conoco Federal, Well No. 1

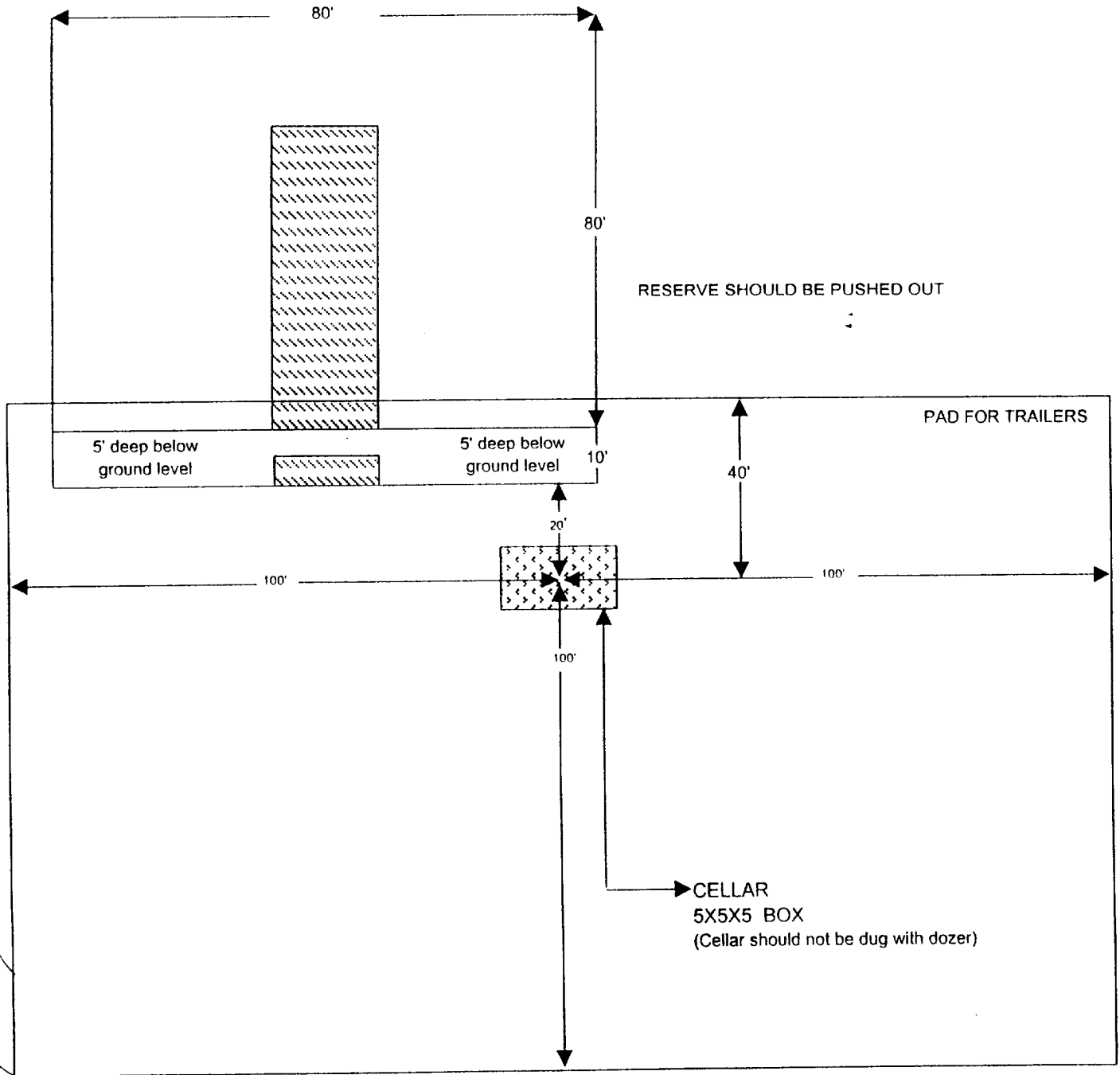
POKER LAKE

CORRAL CANYON, SO.

EXHIBIT "C"
J. Ray Stewart

Conoco Federal, Well No. 1
1980 FNL & 660' FWL, Sec. 20-T25S-R30E
Existing Wells

CapStar Drilling, Inc.
LOCATION SPECIFICATIONS



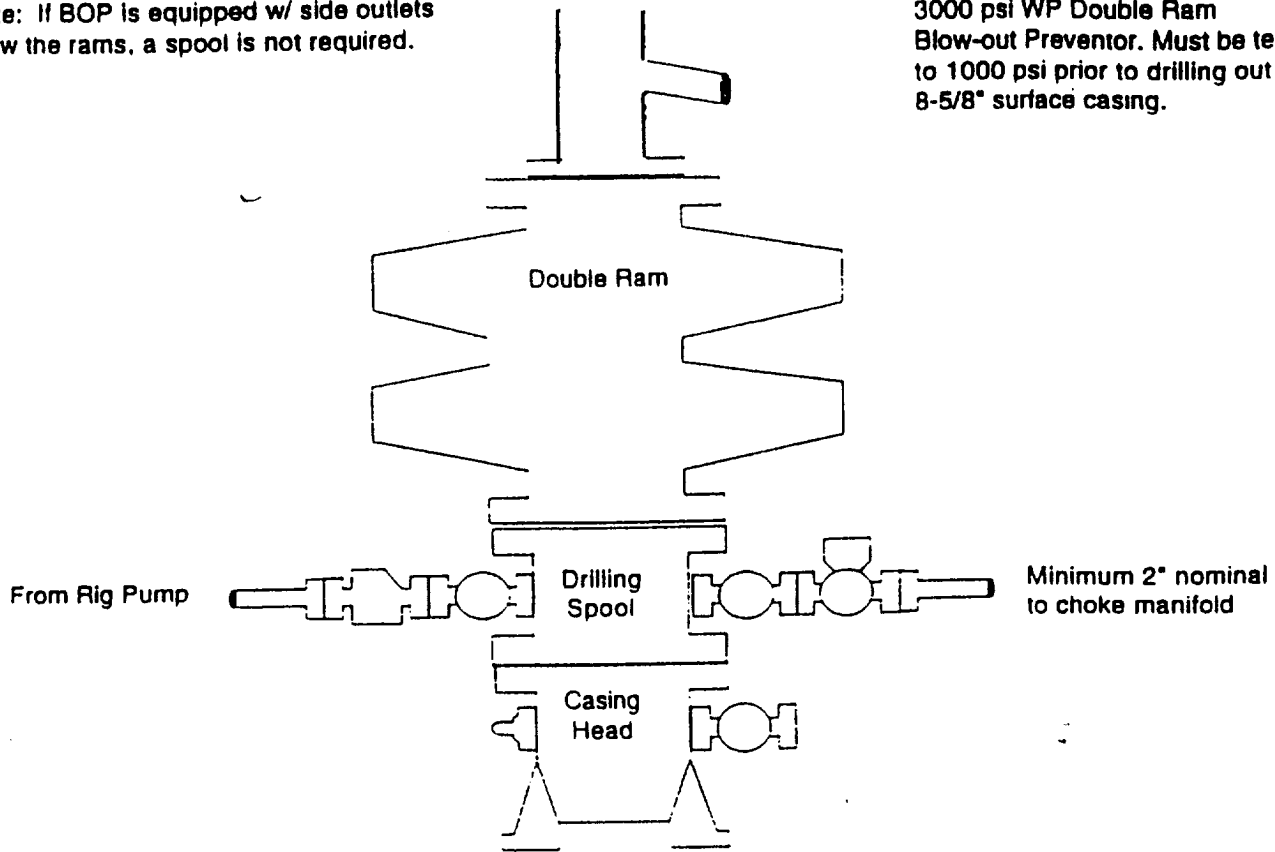
Location Specs

EXHIBIT "D"
J. Ray Stewart
Conoco Federal, Well No. 1
Pad & Pit Layout

BOP Schematic

*Note: If BOP is equipped w/ side outlets below the rams, a spool is not required.

3000 psi WP Double Ram
Blow-out Preventor. Must be tested
to 1000 psi prior to drilling out
8-5/8" surface casing.



Choke Manifold Schematic

