

NM OIL CONSERVATION

ARTESIA DISTRICT

Form C-101
Revised July 18, 2013

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

OCT 31 2017

RECEIVED ☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address Hadaway Consulting and Engineering LLC PO Box 188, Canadian, TX 79014		2. OGRID Number 371985
3. Property Code 319607		4. API Number 30-005-62596
5. Property Name Abbey State SWD		6. Well No. 1

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
H	36	10S	27E		2290	N	1200	E	Chaves

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name 96104- SWD- Fusselman	Pool Code 96104
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Additional Well Information

11. Work Type E	12. Well Type S	13. Cable/Rotary R	14. Lease Type S	15. Ground Level Elevation 3698.7
16. Multiple N	17. Proposed Depth 7305	18. Formation Fusselman	19. Contractor Unknown	20. Spud Date December 2017
Depth to Ground water 300		Distance from nearest fresh water well more than 1 mile		Distance to nearest surface water more than 1 mile

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surt	17 1/2	13 3/8	54.5	350	400	Surt
Inter	12 1/4	8 5/8	24	1553	800	Surt
Prod	7 7/8	5 1/2	15.5	7300	1200	Surt

Casing/Cement Program: Additional Comments

Float collar will be 2 joints up (80') from shoe as described and approved in Admin Order SWD-1698 approved 10/26/2017.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
double ram	5000	5000	National or equivalent

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒ if applicable.

Signature:

Printed name:

Title:

E-mail Address:

Date:

John C Maxey

Consulting Petroleum Engineer

jcm@maxeyengineering.com

10/30/2017

Phone:

575-623-0438

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date:

Expiration Date:

Conditions of Approval Attached **C108 + File C103 on MI + Spud.**

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

RECEIVED Revised August 1, 2011

Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-62596	² Pool Code 96104	³ Pool Name SWD-Jasselman
⁴ Property Code 319807	⁵ Property Name Abbey State SWD	
⁷ OGRID No. 371985	⁸ Operator Name Hadaway Consulting & Engineering, LLC	
		⁶ Well Number 1
		⁹ Elevation 3698.7' GL

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	36	10S	27E		2290	N	1200	E	Chaves

" 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. SWD -1698
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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.

	" OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
	Signature: Date: 9/14/2017
	Printed Name: John C Maxey
	E-mail Address: jcm@maxeyengineering.com
	"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 Signature and Seal of Professional Surveyor:
	Certificate Number

ORIGINAL C102

NM OIL CONSERVATION
ARTESIA DISTRICT

OCT 31 2017

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

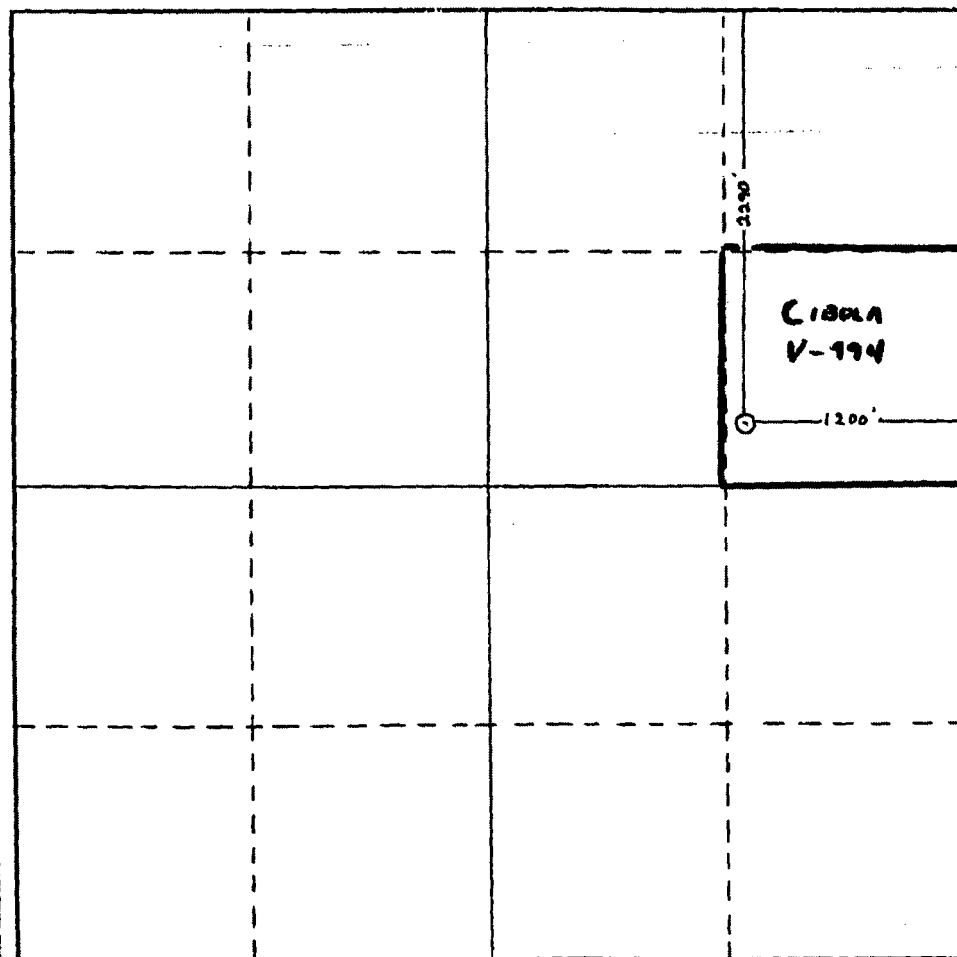
Operator YATES PETROLEUM CORPORATION			Lease HADLEY AFJ STATE		Well No. 1
Unit Letter H	Section 36	Township 10S	Range 27E	County CHAVES	
Actual Footage Location of Well:					
2290 feet from the North line and		1200 feet from the East line			
Ground Level Elev. 3698.7'	Producing Formation DEVONIAN	Pool WILDCAT DEVONIAN	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 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.

Clifton R. May
Name

Clifton R. May

Position

Permit Agent

Company

Yates Petroleum Corporation

Date

March 11, 1988

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

Registered Professional Engineer and/or Land Surveyor

Herschel L. Jones
3640

Certificate



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State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144 CLEZ
Revised August 1, 2011
RECEIVED

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: ☐ Permit ☐ Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

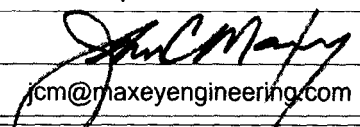
1. Operator: Hadaway Consulting and Engineering LLC OGRID #: 371985
Address: PO Box 188, Canadian TX 79014
Facility or well name: Abbey State SWD #1
API Number: 30-005-62596 OCD Permit Number: _____
U/L or Qtr/Qtr H Section 36 Township 10S Range 27E County: Chaves
Center of Proposed Design: Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2. ☒ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Operation: ☐ Drilling a new well ☒ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A
☐ Above Ground Steel Tanks or ☒ Haul-off Bins

3. **Signs:** Subsection C of 19.15.17.11 NMAC
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
☒ Signed in compliance with 19.15.16.8 NMAC

4. **Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____
☐ Previously Approved Operating and Maintenance Plan API Number: _____

5. **Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: Gandy Marley Disposal Facility Permit Number: NM-01-0019
Disposal Facility Name: _____ Disposal Facility Permit Number: _____
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☐ No
Required for impacted areas which will not be used for future service and operations:
☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6. **Operator Application Certification:**
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): John Maxey Title: Consulting Petroleum Engineer
Signature:  Date: 10/30/2017
e-mail address: jcm@maxeyengineering.com Telephone: 575-623-0438

7. **OCD Approval:** ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: _____ Approval Date: _____

Title: _____ OCD Permit Number: _____

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date: _____

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**

Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

10. **Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

NM OIL CONSERVATION
ARTESIA DISTRICT
OCT 31 2017
RECEIVED

Hadaway Consulting & Engineering LLC

Abbey State SWD #1

Closed Loop System

Operating and Maintenance Procedures

and

Closure Plan

Operating Procedures

The operator will utilize a closed loop system to collect and process drilling fluids and solids generated during drilling operations on the subject well. This system (see Figure 1) will be monitored, serviced, and maintained 24 hours daily by Rig Personnel. All liquids and solids will be contained in steel vessels.

Drilling fluids will be recycled and reused on location or stored for utilization on subsequent wells. Surplus fluids will be transported to an approved Disposal Site.

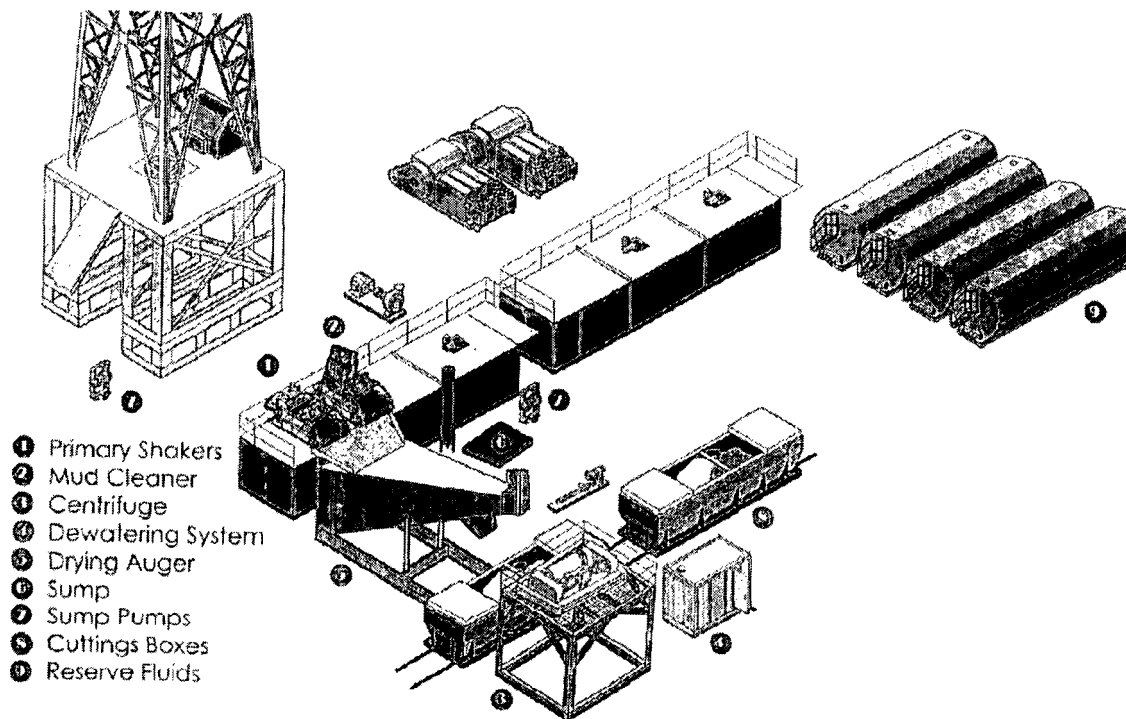
Solids will be separated from the drilling fluids and transferred to transport containers. The containers will be trucked to an approved Disposal Site for solids disposal.

No hazardous materials will be discharged into the Closed Loop System.

Closure Plan

Upon the conclusion of drilling operations, the closed loop system will be removed from the well site. Upon completion of testing and facility installation operations, the location pad size will be reduced to the minimum allowed for safe and efficient operation. Stockpiled surface materials will be utilized to restore the location to as original condition as feasible.

FIGURE 1
CLOSED LOOP SYSTEM
Hadaway Consulting & Engineering LLC
Abbey State SWD #1



Note: Exact equipment and layout configuration may vary dependent upon Rig utilized and Vendor availability.