

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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
Western Oil Producers, Inc. JUN 30 1981

3. ADDRESS OF OPERATOR
P. O. Box 1498 Roswell, New Mexico 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
660' FSL and 660' FEL
At proposed prod. zone
Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 28 miles east of Hagerman, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
660'

16. NO. OF ACRES IN LEASE
2,360

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.
None

19. PROPOSED DEPTH
9,900'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3773.6 GR

22. APPROX. DATE WORK WILL START*
July 1, 1981

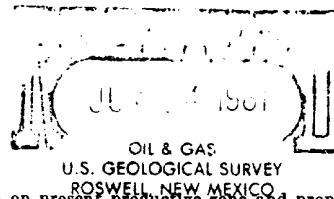
PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	42#	350'	300 Sx Class "C" Circulate
12 1/2"	8 5/8"	24#	2450'	500 Sx Class "H" Circulate
7 7/8"	4 1/2"	11.6, 10.5#	9900'	500 Sx Class "C"

Mud Program:

See Exhibit "F" Mud Program Proposal dated June 18, 1981, from Marrs Mud, Inc.

BOP Program: At 2450', install and test to 3000#, pipe rams, blind rams (middle) bag-type preventer and choke manifold. BOP accumulator volume will be sufficient to operate the bag preventer and blind rams with a snap-action through the close, open close sequence.



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

Agent for:

TITLE Western Oil Producers, Inc. DATE June 24, 1981

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

FOR
JAMES A. GILLHAM
DISTRICT SUPERVISOR

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 10-1
Superseded 10-1-74
10-1-74

All distances must be from the outer boundaries of the Section

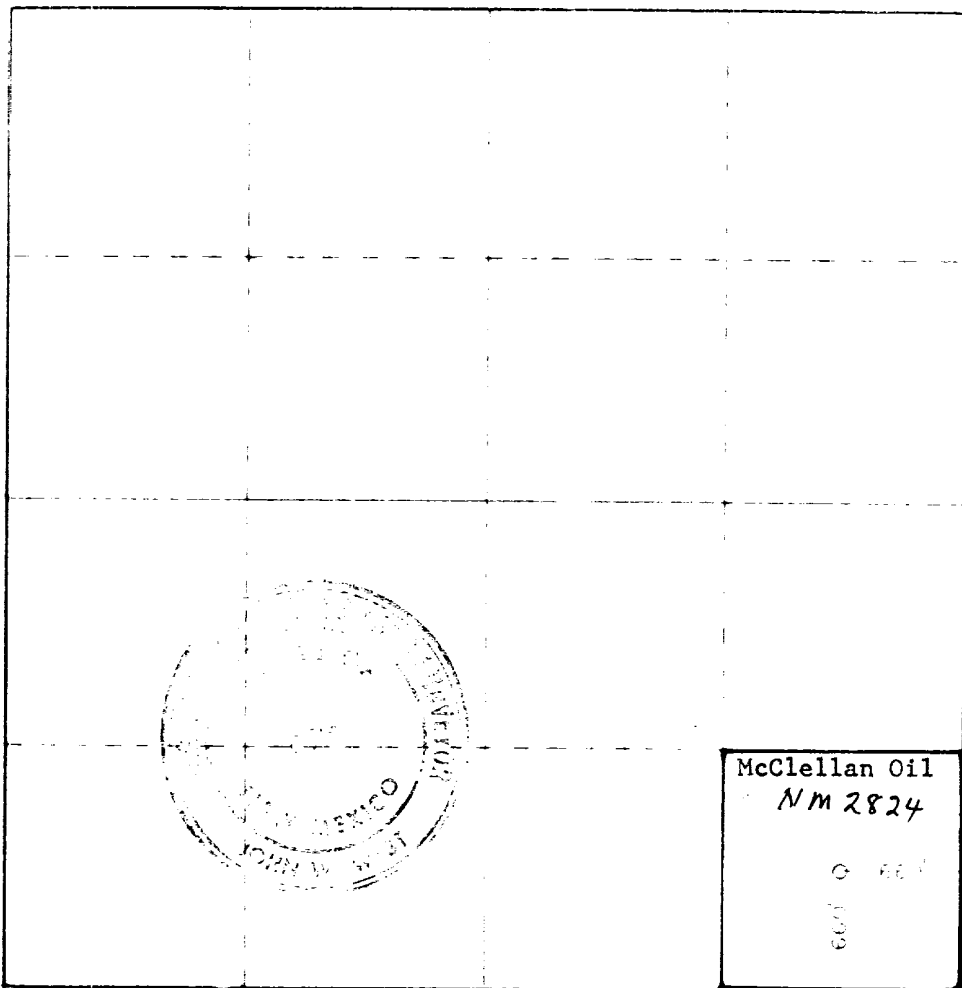
Western Oil Produces Inc.			Lease McClellan Federal		1
Section P	Section 27	Range 13 South	Range 29 East	County Chaves	
Acres in the Section of Acreage					
660 feet from the South		660 feet from the East			
Producing Formations 3773.6'	Mississippian		Well Name McClellan		40

- Outline the acreage dedicated to the subject well by colored pencil or hashure marks on the plat below
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (showing interest and royalty)
- 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 of this form if necessary) _____

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



CERTIFICATION

I hereby certify that the plat shown on this plat was prepared from notes of actual surveys made by me under my supervision and that the same is true and correct to the best of my knowledge and belief.

George R. Smith

George R. Smith

Agent for

Western Oil Producers, Inc.

June 24, 1981

I hereby certify that the plat shown on this plat was prepared from notes of actual surveys made by me under my supervision and that the same is true and correct to the best of my knowledge and belief.

June 13, 1981

John W. West

Certificate No. JOHN W. WEST 676
PATRICK A. ROMERO 6662
Ronald J. Edson 3234

130 660 90 1320 1680 1980 2310 2640 2980 3300 3600 3900 4200

APPLICATION FOR DRILLING

WESTERN OIL PRODUCERS, INC.
McClellan Federal Well No. 1
660' FSL & 660' FEL, Sec. 27, T13S, R29E
Chaves County, New Mexico
Lease No.: NM 2824
(Exploratory Well)

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Western Oil Producers, Inc. submits the following items of pertinent information in accordance with USGS requirements:

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

Yates	960'	Pennsylvania	7800'
Queen	1700'	Atoka	8930'
San Andres	2310'	Mississippian	9190'
Abo	5910'	Total depth	9900'
Wolfcamp	7130'		
3. The estimated depth at which anticipated water oil, or gas formations are expected to be encountered:

Water: Approximately 200 - 400' for surface water.

Oil and/or gas: Atoka at approximately 9,100'.
Mississippian Lime at approximately 9560'.
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit "E".
6. Mud Program: See Form 9-331C.
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: One test possible between 9600' - 9900'.

Logging: CNL: Int. Csg. to T.D.
Dual Ind. Laterolog Int. Csg. to T.D.

Coring: None
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: July 1, 1981.
Anticipated completion of drilling operations: Approx. 35 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

WESTERN OIL PRODUCERS, INC.
McClellan Federal Well No. 1
660' FSL & 660' FEL, Sec. 27, T13S, R29E
Chaves County, New Mexico
Lease No.: NM 2824
(Exploratory 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 after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operations.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a New Mexico State Highway map showing the location of the well as staked. The well is approximately 28 miles East of Hagerman, New Mexico. The 28 miles consists of 20 miles of paved highway NM 31 and 8 miles of dirt/gravel roads.
2. B. Directions: Travel south from Roswell on Alternate Highway 285 to Hagerman, New Mexico. Turn east on New Mexico state highway No. 31 traveling east for approximately 20 miles. Turn left (north) onto a gravel ranch/oilfield road .5 mile past the No. 84 mileage marker. Turn left (west) .7 mile north of highway traveling another .5 mile before turning right (north), at fork in road. Continue north for five (5) miles crossing one cattleguard and passing through one gate. There is a caliche pit .2 mile north of the gate on the right side of the road. This will probably be the caliche source for the construction. Turn east (right) 1.6 mile north of the caliche pit. The new access road is staked and flagged starting at a point .8 mile east of this last fork.

3. PLANNED ACCESS ROAD:

- A. Length and Width: The new access road will be 12 feet wide (20' ROW) and approximately 660 feet long, from the point of origin on the existing access road to the southwest corner of the drill pad. The new access road is labeled and color coded in red on Exhibit "A" and "B". The road has been staked and flagged.
- B. Construction: The new road will be constructed by grading and topping with compacted caliche. The surface will be properly drained.
- C. Turnouts: There will be at least one turnout at the point of origin of the new access road, which will increase the road width to 20 feet for passing.
- D. Culverts: None required.
- E. Cuts and Fills: None required.
- F. Gates, Cattleguards: None required on new access road, but a cattleguard will be placed on the existing access road at the gate near the caliche pit.

3. LOCATION OF EXISTING WELLS:

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

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are no production facilities on this lease at the present time.
- B. If the well proves to be commercial, the necessary production facilities, gas separation-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 and brine water. The water will be obtained from private or commercial sources and will be transported over the existing and proposed access roads. No wells will be drilled for water.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the road and the well site pad will be obtained from an existing pit located on New Mexico state surface and minerals located in the SW 1/4 of Sec. 3, T14S, R29E. The top soil from the location will be stockpiled near the location for future rehabilitation use. No surface materials will be disturbed except for 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 from entering the area.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted to the USGS 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. All waste material will be contained to prevent scattering by the wind.
- H. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completions operations.

8. ANCILLARY FACILITIES

A. None Required.

9. WELLSITE LAYOUT

A. Exhibit "D" show the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area has been staked and flagged.

B. Mat Size: 225' X 210'.

C. Cut and Fill: The location will require no cutting or filling because of the level terrain.

D. The surface will be topped with compacted caliche and the reserve pit 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 location cleaned of all trash and junk to leave the wellsite 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 and the United States Geological Survey will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION

A. Topography: The land surface in the vicinity of the wellsite is very flat terrain with a SE slope of 10 feet in 1,000 feet.

B. Soil: The topsoil at the wellsite is a sandy clay loam.

C. Flora and Fauna: The vegetative cover consists of very sparse miscellaneous grasses, with mesquite, cactus, broom snakeweed, yucca and other miscellaneous desert flowers and weeds. The only wildlife observed were an occasional lizard, jackrabbits and cottontail rabbits, ground squirrels and quail, but it is likely that other typical semi-arid desert wildlife inhabit the area, which is used for cattle grazing.

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

E. Residences and other Structures: There are no residences or other structures within a mile of the wellsite except a windmill and water tank 1 1/4 mile south of the location.

11. OTHER INFORMATION: cont.....

- F. Land Use: Cattle grazing.
- G. Surface Ownership: The proposed location is on Federal surface and minerals as is the proposed access road.
- H. There is no evidence of any archaeological, historical or cultural sites in the area. An archaeological survey has been conducted by New Mexico Archaeological Services, Inc., P. O. Box 1341, Carlsbad, New Mexico 88220, and their report has been submitted to the appropriate government agencies.

12. OPERATOR'S REPRESENTATIVE:

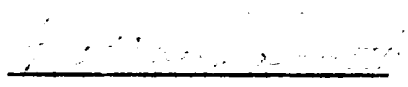
- A. The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

Carroll Bellah
1002 W. Aspen
Lovington, New Mexico 88260
Home Phone: (505) 396-5278
Mobile Phone: 676-3381
Caprock Unit No. 4968

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 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 Western Oil Producers, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

June 22, 1981


George R. Smith
Agent for Western Oil Producers, Inc.

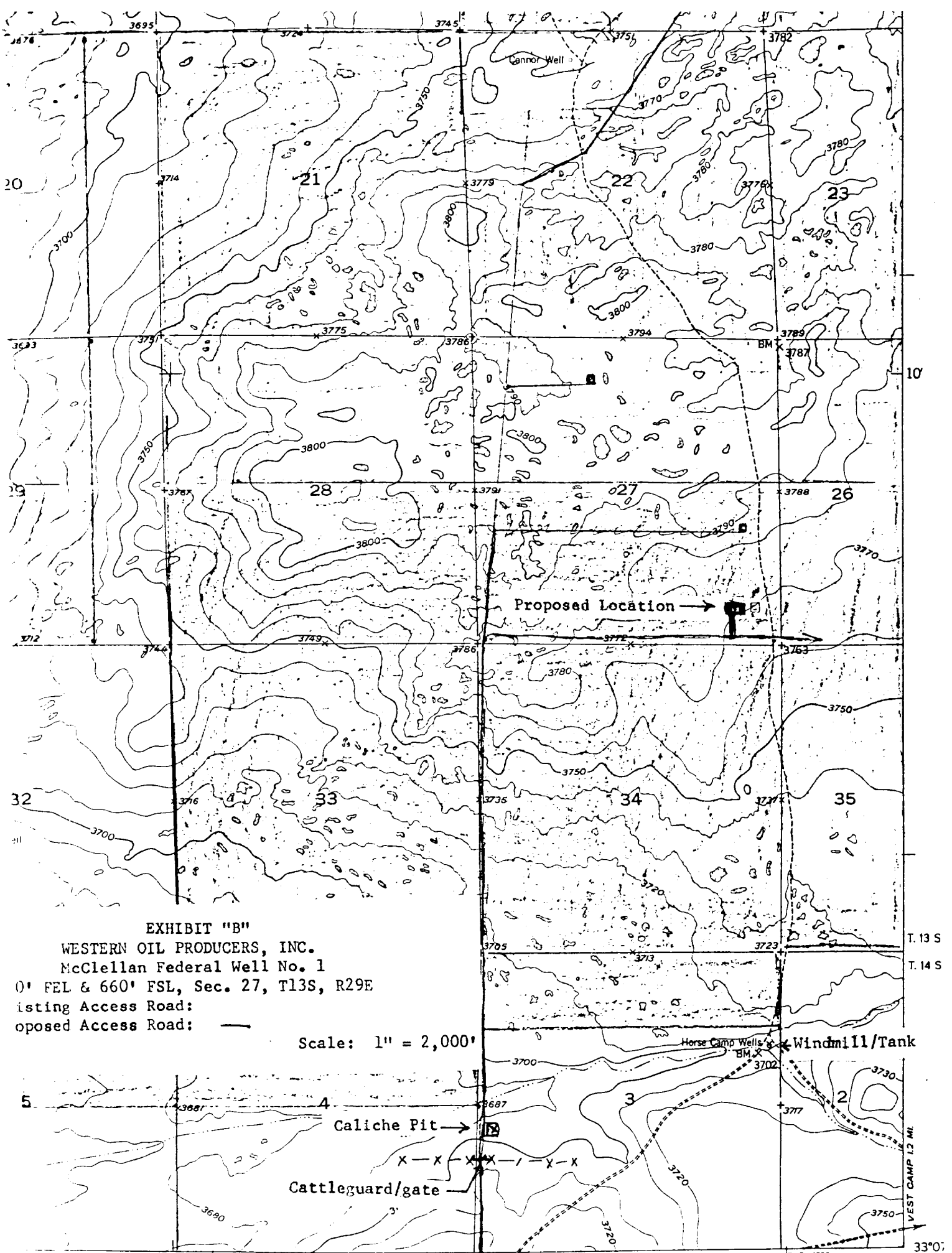


EXHIBIT "B"

WESTERN OIL PRODUCERS, INC.

McClellan Federal Well No. 1

0' FEL & 660' FSL, Sec. 27, T13S, R29E

isting Access Road:

oposed Access Road:

Scale: 1" = 2,000'

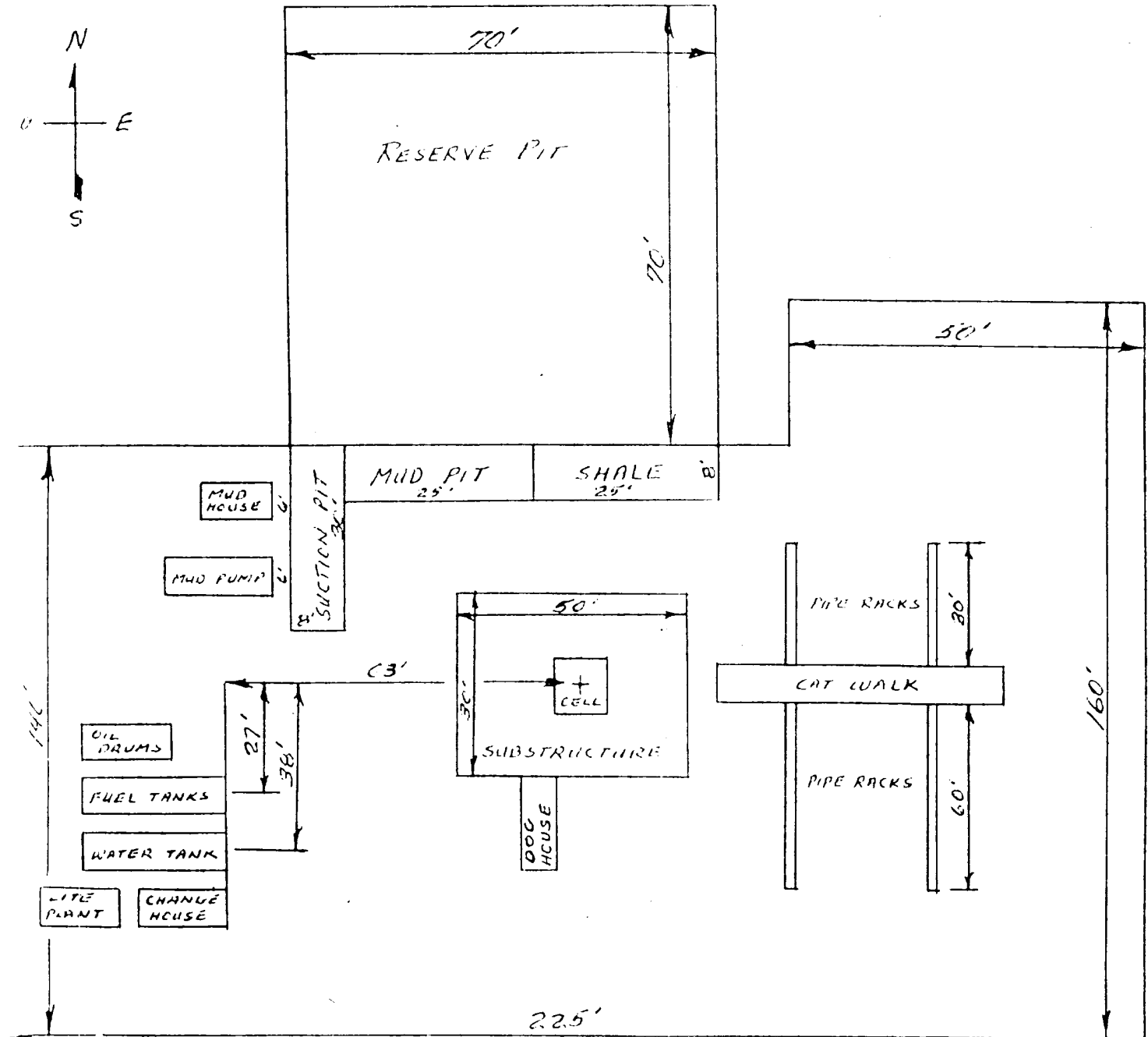
T. 13 S

T. 14 S

Windmill/Tank

WEST CAMP 1.2 MI

33°0'



CELLAR

THIS RIG IS EQUIPTED WITH SHAFFER LWS SERIES 900 DOUBLE BOP HYDRAULIC OPERATED - WITH BLANKS 4" AND 4 1/4" WITH SIDE CONNECTIONS - MAINTAIN 3' SPACING BETWEEN OIL DRUMS, FUEL TANKS, WATER TANK AND CHANGE HOUSE - PUT CASING TOOLS ON NORTH SIDE OF RIG

WEK DRILLING CO., INC. - RIG 2
BLOWOUT PREVENTER SPECIFICATION

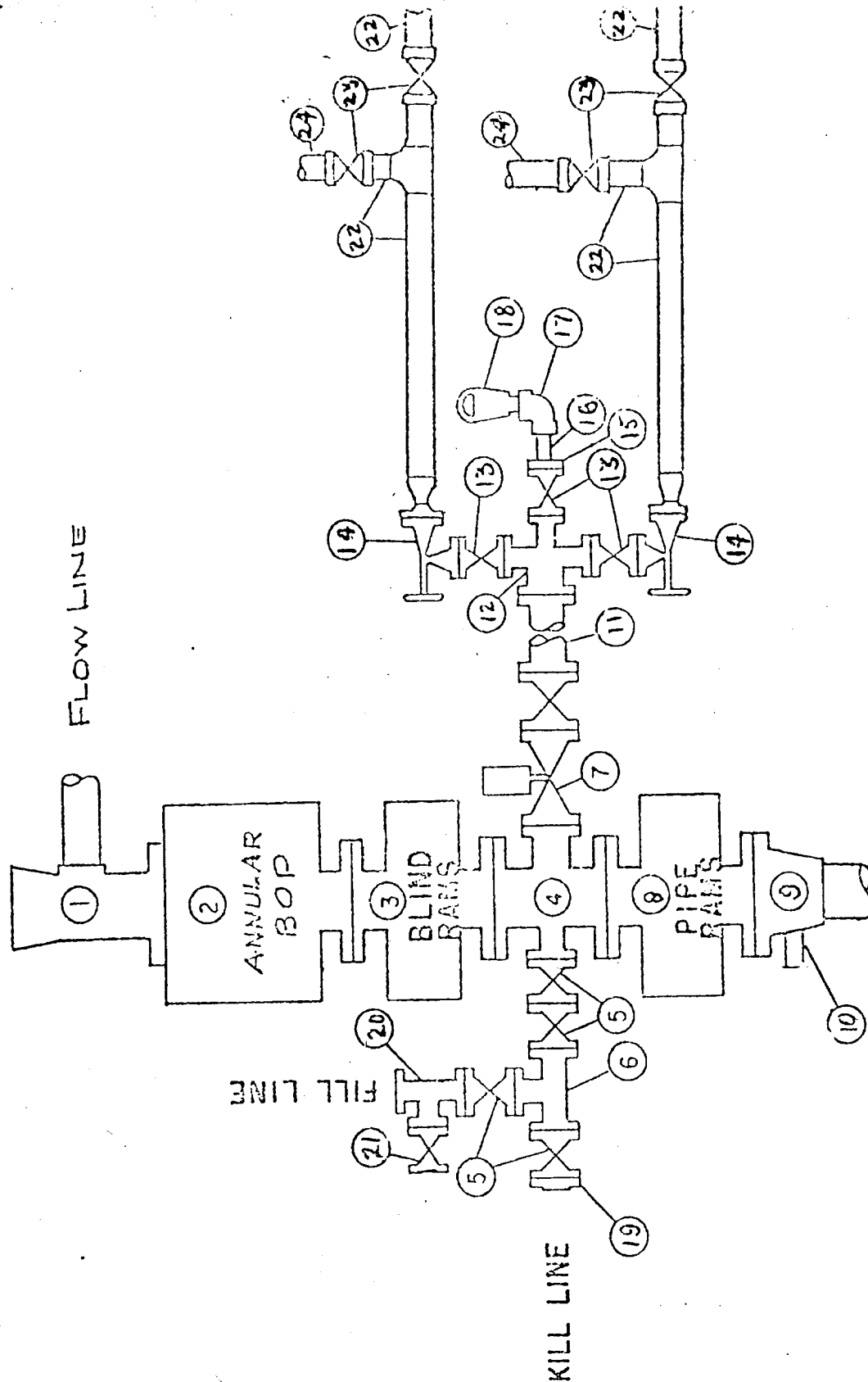


EXHIBIT "E"
 WESTERN OIL PRODUCERS, INC.
 McClellan Federal Well No. 1
 BLOW OUT PREVENTER SPEC.

10/15/74

MARRS MUD, INC.

Sales Office
1118 W. Aspen — Ph. 396-4878
Lovington, N.M. 88260

1717 W. Second St.

Phone 623-2432

Roswell, New Mexico 88201

June 18, 1981

Western Oil Producers
P. O. Box 2055
Roswell, New Mexico 88201

ATTN: Mr. Kenneth D. Reynolds

Dear Mr. Reynolds:

Thank you for the opportunity to be of service to you and Western Oil Producers.

The following is our suggested drilling fluid program with casing and estimated mud cost for your well, McClellan Federal No. 1, to be drilled in Section 27, T-13-S, R-29-E, Chaves County, New Mexico.

SURFACE: 300' of 13 3/8"

We suggest water to which fresh water gel and lime are added to be used to spud and drill surface.

We do not anticipate trouble in this interval.

INTERMEDIATE: 2,450' of 8 5/8"

We recommend drilling out below surface with the spud mud used in the surface hole, converting to a native mud as drilling progresses.

We suggest controlling the native mud viscosity at 33 - 35 Sec./1000^{cc}.

For any unanticipated hole trouble, fishing, coring, testing, etc., we suggest taking a water loss control of the drilling fluid system. We recommend the following characteristics:

Weight - 10.0 - 10.4 lbs./gal.
Viscosity - 34 - 37 Sec./1000^{cc}
Water Loss - 15^{cc} or less

EXHIBIT "F"
WESTERN OIL PRODUCERS, INC.
McClellan Federal Well No. 1
MUD PROGRAM PROPOSAL

Comments:

- 1) The Red Bed Section in this area is, and can be, very troublesome; therefore, we suggest maintaining a 33 - 35 Sec./1000^{cc} viscosity native mud.
- 2) We suggest staying in the working pits while drilling intermediate section of hole.
- 3) A few sacks of Dick's Mud Seal added to the drilling fluid system, while drilling the sands and the red beds from 800' to casing point, will be beneficial in controlling filter cake build-up and drag in hole.
- 4) Three to four percent oil added to the drilling fluid system at 1,200' will be of some benefit in drilling this well.

PRODUCTION: 9,900' of 4 1/2"

We suggest drilling out below intermediate casing with fresh water, circulating the reserve and using Caustic Soda for pH control (9.0 - 9.5 pH). This type drilling fluid should be sufficient to drill, core or test down to 6,150', or approximately 150' above Abo.

At 6,150', we recommend mudding up with a low solids salt gel, oil type drilling fluid having the following characteristics:

Weight - 8.9 - 10.0 lbs./gal.
Viscosity - 38 - 40 Sec./1000^{cc}
Water Loss - No Control
Oil Content - 5 - 7%

This type drilling fluid should be sufficient to drill to 9,300', with the exception of viscosity which may need altering as hole conditions dictate.

At 9,300', we recommend taking a water loss control of the drilling fluid. We suggest the following drilling fluid characteristics:

Weight - 9.0 - 10.0 lbs./gal.
Viscosity - 38 - 40 Sec./1000^{cc}
Water Loss - 10^{cc} or less
Oil Content - 5 - 7%
Preservative Content - 1/4 lbs./bbl.

This type drilling fluid should be sufficient to drill, test or log to TD, with the exception of weight and viscosity which may need altering as hole conditions dictate.

Comments:

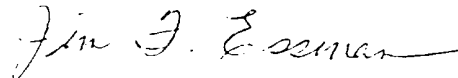
- 1) The majority of the operators in this area start mudding up approximately 150' above the Abo Section. This assures a good uniform drilling fluid prior to entry of the Abo Section.
- 2) It will require approximately 70 barrels of crude oil initially at 6,030' and approximately 10 to 15 barrels every other day to maintain oil content at 5 - 7% to TD.

ESTIMATED MUD COST: \$22,000 - \$25,000

The estimated mud cost is under normal conditions and does not include any extensive loss of circulation, fishing, etc. This cost is also based on normal drilling rate per day, therefore, any excessive time spent on drilling due to crooked hole, testing, breakdowns, etc., would increase mud cost.

I hope this information will be of benefit to you and if we can be of any further service, please do not hesitate to call.

Sincerely,



Jim F. Essman
Assistant Manager

JFE/dom

Engineers: Wayne Marrs (Lovington, N. M. 505/396-4876)
Jim Essman (Hobbs, N. M. 505/397-2529)
Norman Bentle (Hobbs, N. M. 505/392-5616)
Samie "Bud" Holmes (Hobbs, N. M. 505/392-3128)
Mike Samuels (Roswell, N. M. 505/623-5029)
Jim McNulty (Midland, TX. 915/684-7218)
Steve Marrs (Denver City, TX. 806/592-3163)
Warehouse (Lovington, N. M. 505/396-2540)