

NOV 19 1993

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

Carl A. Schellinger

3. ADDRESS OF OPERATOR

P.O. Box 447, Roswell, NM 88202

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

At surface

1980' FSL - 1980' FEL

At proposed prod. zone

A/A

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

24.5 miles from Roswell, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)

660'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

-0-

16. NO. OF ACRES IN LEASE

680.0

19. PROPOSED DEPTH

2,300'

17. NO. OF ACRES ASSIGNED TO THIS WELL

40.0

20. ROTARY OR CABLE TOOLS

Rotary

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

3895' GL

22. APPROX. DATE WORK WILL START*

5. LEASE DESIGNATION AND SERIAL NO.

NM-78232

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Cheryl Federal

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

WILDCAT, SAN ANDRES

Palma Mesa South

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Section 35, T-8S, R-27E

12. COUNTY OR PARISH

Chaves

13. STATE

NM

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# | +450' | 250 SX circulated |
| 7 7/8" | 4 1/2" | 10.5# | +2300' | 300 SX |

Carl A. Schellinger proposes to drill and test the San Andres Formation. Approximately 450' of surface casing will be set and cemented to surface. If commercial, 4 1/2" production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: See Supplemental Drilling Data, which is attached.

BOP PROGRAM: BOP will be installed on the 8 5/8" casing and tested daily.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give known preventer program, if any.

SIGNED

S. S. S. S.

TITLE Agent

DATE 10-12-93

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

David Stout

TITLE

Asst Area Manager

DATE

11/17/93

CONDITIONS OF APPROVAL, IF ANY:

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS IN THE LAND OR LEASE WHICH ENTITLES THE APPLICANT TO CONDUCT OPERATIONS THEREON

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 CARL SCHELLINGER | | | Lease CHERYL FEDERAL | | Well No. #1 |
| Unit Letter J | Section 35 | Township 8S. | Range 27E. | County CHAVES | NMPM |
| Actual Footage Location of Well: 1980 feet from the SOUTH line and 1980 feet from the EAST line | | | | | |
| Ground level Elev. 3895 | Producing Formation San Andres | | Pool WILDCAT Palma Mesa South | Dedicated Acreage: 40.0 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.?

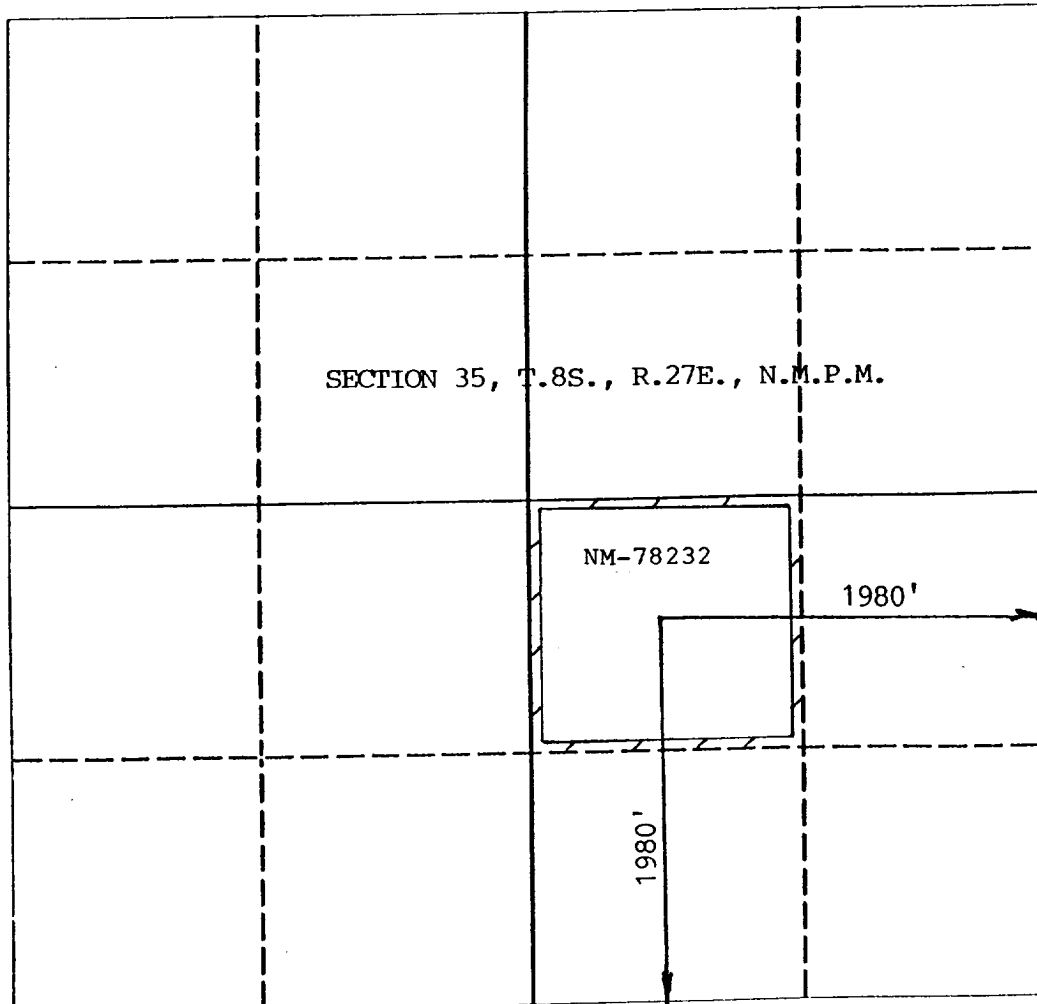
☐ Yes

☐ 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

Printed Name

Sam L. Shackelford

Position

Agent

Company

Carl A. Schellinger

Date

10-12-93

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

10/8/93

Signature & Seal of
Professional Surveyor

AND. JAQUESS

6290

NEW MEXICO

PROFESSIONAL SURVEYOR

Certificate No.

6290

CHERYL

PERTINENT INFORMATION

For

CARL A. SCHELLINGER
Cheryl Federal #1
NW/4SE/4 of Sec. 35, T-8S, R-27E
Chaves County, New Mexico

| | |
|------------------------------|---|
| <u>LOCATED:</u> | 24.5 air miles Northeast of Roswell, N.M. |
| <u>LEASE NUMBER:</u> | NM-78232 |
| <u>LEASE ISSUED</u> | December 1, 1988 |
| <u>RECORD LESSEE:</u> | Carl A. Schellinger |
| <u>BOND COVERAGE:</u> | In process of acquiring |
| <u>AUTHORITY TO OPERATE:</u> | Designation of Operator |
| <u>ACRES IN LEASE:</u> | 680.0 acres, more or less |
| <u>SURFACE OWNERSHIP:</u> | USA |
| <u>OWNER:</u> | USA-BLM |
| <u>POOL RULES:</u> | General Statewide Rules |
| <u>EXHIBITS:</u> | A. Road and Well Map B. Contour Map C. Rig Layout D. BOP Diagram E. Lease Map F. Location Topography |

SUPPLEMENTAL DRILLING DATA

CARL A. SCHELLINGER
Cheryl Federal #1
NW/4SE/4 of Sec. 35, T-8S, R-27E
Chaves County, New Mexico
NM-78232

The following items supplement Form 9-331C in accordance with instruction contained in NTL-6.

1. SURFACE FORMATION: Alluvium
2. ESTIMATED TOPS OF GEOLOGICAL MARKERS:

| | | |
|------------|---|-------|
| Yates | - | 340' |
| Queen | - | 975' |
| San Andres | - | 1480' |
3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

| | | |
|-------------|---|-------------------------------------|
| Fresh Water | - | In surface formation above 600' |
| Oil | - | In San Andres formation below 1900' |
4. PROPOSED CASING PROGRAM: See Form 9-331C
5. PRESSURE CONTROL EQUIPMENT: Blowout preventer will consist of at least a double-ram blowout preventer rated to 2000#WP. A sketch of the BOP is attached.
6. CIRCULATING MEDIUM:

Air Drilling to 100' above the top of the San Andres formation. Then mud-up till TD.
7. AUXILIARY EQUIPMENT: Full-opening drill string safety valve fit for the drill string in use, will be kept on the rig floor at all times.
8. TESTING, LOGGING AND CORING PROGRAM:

| | |
|----------|----------------------------------|
| Samples: | Catch samples from mud up to TD. |
| DST'S: | None |
| Logging: | SNP; DLL, SSFL surface to TD. |
| Coring: | None |

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:
None anticipated.
10. ANTICIPATED STARTING DATE: November 25, 1993
Drilling should be completed within 30 days.
Completion operations (perforations and stimulation)
will follow drilling operations.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

CARL A. SCHELLINGER
Cheryl Federal #1
NW/4SE/4 of Sec. 35, T-8S, R-27E
Chaves County, New Mexico
NM-78232



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, the magnitude of necessary surface disturbance involved, and the procedures 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 operation.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a road map showing the location of the proposed well as staked. The well is approximately 24.5 miles Northeast of Roswell, N.M.
- B. Directions: Heading northeast out of Roswell, New Mexico on U.S. 70 go approximately 26 to High Lonesome miles, then turn right (south) on Ponderosa County road for 4 miles to El Paso Pipeline, then turn east for 2.5 miles to access road, then north 3300 feet to location.

2. PLANNED ACCESS ROAD:

- A. Length and Width: approximately 3300' x 14'(width) of new access will be needed.
- B. Surfacing Materials: Sand, gravel and caliche where needed.
- C. Turnouts: none
- D. Maximum Grade: No more than 2%.
- E. Drainage Design: Road will have drainage ditches on both sides and a crowned top, with culverts and/or low water crossings as necessary.

- F. Culverts: None.
- G. Cut and Fill: Less than 3 feet.
- H. Gates, Cattleguards: One cattleguard will be needed at the fence crossing located in NW/4NE/4 of Section 2, T-9S, R-27E.
- I. Top Soil: Will be stockpiled for future reclamation.
3. LOCATION OF EXISTING WELLS:
- A. A map indicating the location of adjacent wells is attached.
4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:
- A. See Exhibit "A" for location of existing lease wells. If the well is commercial, production facilities and tank battery will be constructed.
- B. Cuts and Fills: Less than 3' of cut and fill will be required for the pad size of 125' x 125'. (see Exhibit "F")
- C. Top Soil: Any top soil which can sustain plant vegetation will be bladed and piled for future rehabilitation.
5. LOCATION AND TYPE OF WATER SUPPLY:
- A. Location of water supply is yet to be determined. Once located will apply through Sundry.
6. SOURCE OF CONSTRUCTION MATERIALS:
- A. Location of caliche material is yet to be determined. Once located will apply through Sundry.
7. METHODS OF HANDLING WASTE DISPOSAL:
- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
- C. Water produced during test will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.

- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, waste paper, garbage, and junk will be contained within a trash or burn cage. After completion of the Well will be removed and disposed of in a approved sanitary landfill.
- F. All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations.
- G. The following is a list of Hazardous Materials that may be used during operations - Gasoline, New & Used Oil, Desiel, Hydrochloric acid, A-2(corrosion inhibitor), liquid citric(iron sequestrant), NE-17(non-emulsifier), CL-33(clay stabilizer), CL-55C (liquid KCL), Breaker E (water gel breaker), Class C Cement, Flocele, Calcium Chloride, Gilsonite(Gel), Bentonite(Gel), Poz Mix "A", Salt, Halad-322. All of the above materials will be contained in a manner that is considered by the BLM as environmentally safe. Upon completion of the well all of these materials will be taken from the location and disposed of in accordance with applicable local, state & federal Laws. (This includes used oil)

8. ANCILLARY FACILITIES:

- A. None necessary

9. WELL SITE LAYOUT:

- A. Exhibit "C" indicates the relation location and dimensions of the well pad, mud pits, reserve pit and major rig equipment.
- B. The location slopes very slightly to the south.
- C. The reserve pit will be lined with plastic to prevent loss of water.

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 condition as possible.

- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. If the well is non-productive or abandoned, the disturbed area will be rehabilitated using the preserved soil mentioned in 2. I. and 4. C.

11. OTHER INFORMATION:

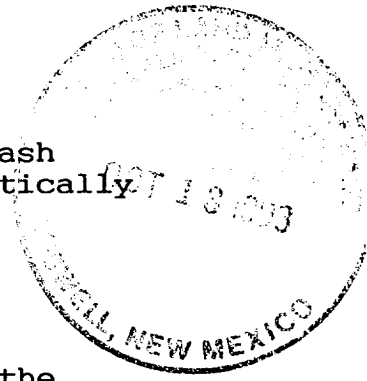
- A. Topography: The topography is a gradual slope to the south in the vicinity of the access road and south in the vicinity of the drill pad. Regional slope is west toward the Pecos River
- B. Soil: Sandy loam with occasional limestone outcropping.
- C. Flora and Fauna: The flora consists of typical desert vegetation, such as yucca, cactus and various grasses. Fauna consists of desert wildlife such as coyotes, rodents, snakes, deer and antelope.
- D. Ponds or Streams: None in vicinity.
- E. Residences and other Structures: Sterling Ranch is approximately 3 miles to the northwest.
- F. Archaeological, Historical and Other Cultural Sites: An Archaeologist from Roswell, NM (A.S.C. Co.) is in the process of checking this site and access road.
- G. Land Use: Grazing
- H. Surface Ownership: USA - Grazing rights: L&L Cattle Co.. - 478-2334

12. OPERATOR'S REPRESENTATIVE:

Carl A. Schellinger
Roswell, New Mexico
(505) 623-2328

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed

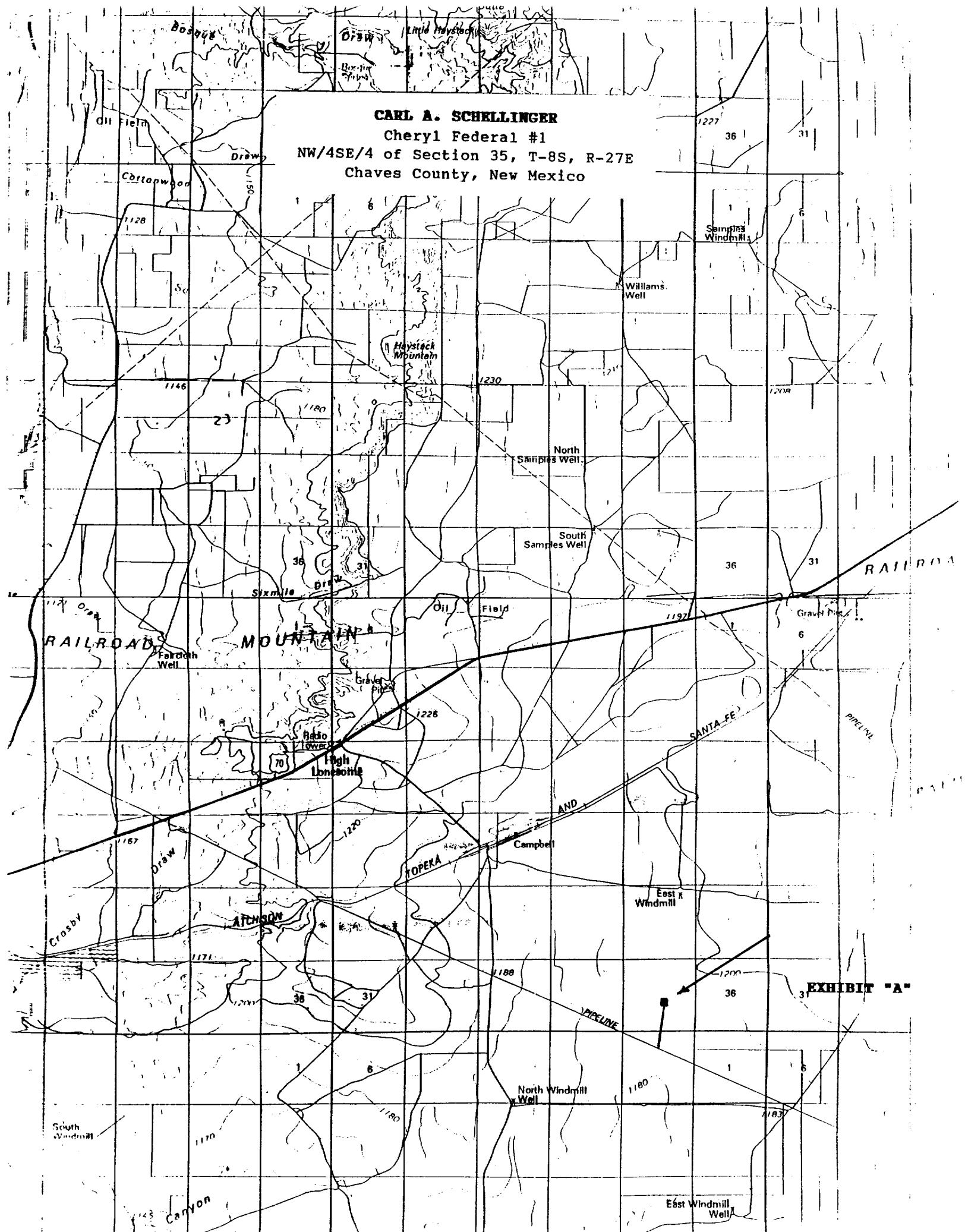


drill site and access route; that I am familiar with the conditions which presently exists; that the statements made in this plan are, to the best of my knowledge true and correct; that the work associated with the operations proposed herein will be performed by Carl A. Schellinger and its sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to provisions of 18 USC 1001 for the filing of a false statement.

10-12-97
DATE:

S. E. Schellinger

Cheryl Federal #1
NW/4SE/4 of Section 35, T-8S, R-27E
Chaves County, New Mexico



CARL A. SCHELLINGER
Cheryl Federal #1
NW/4SE/4 of Section 35, T-8S, R-27E
Chaves County, New Mexico

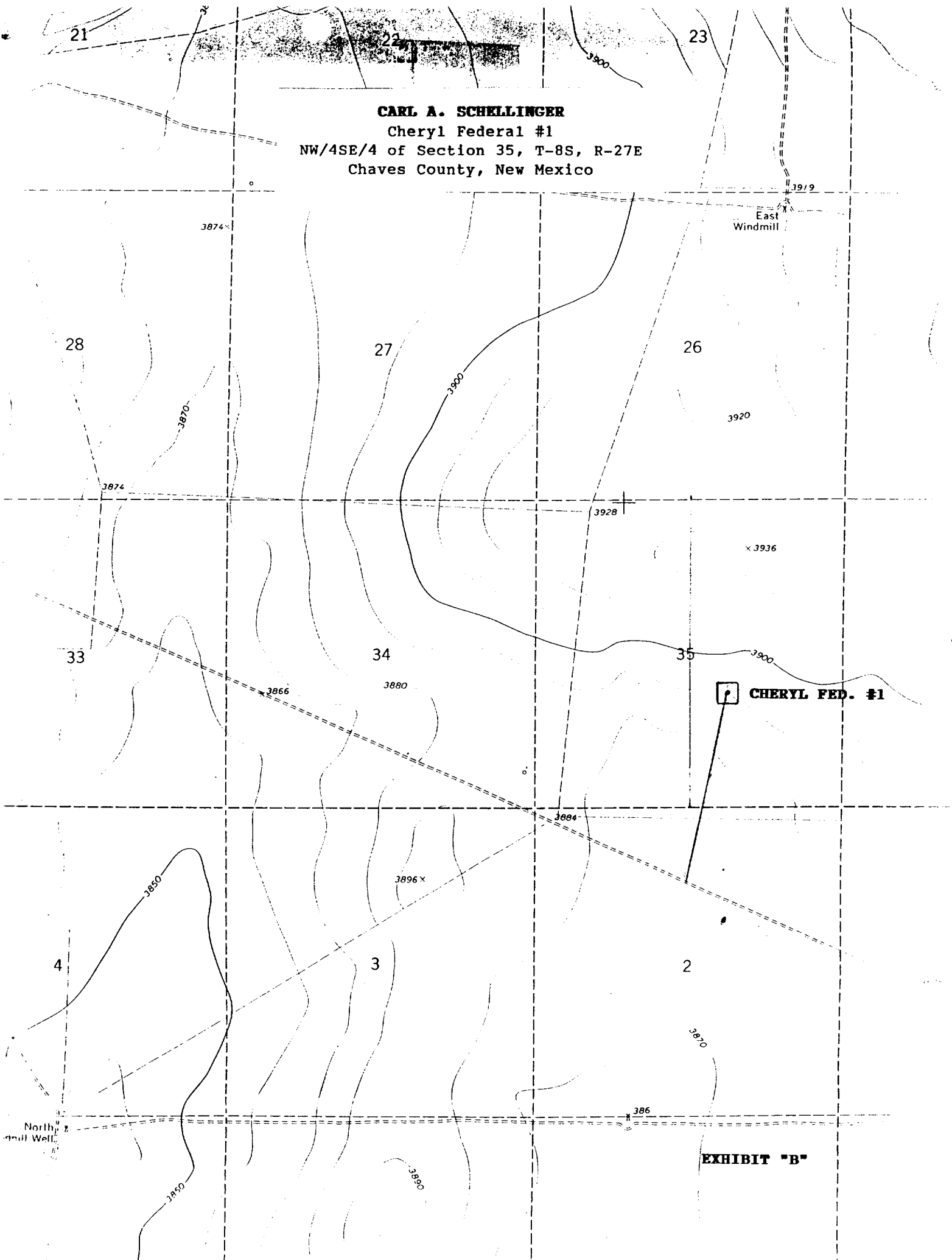
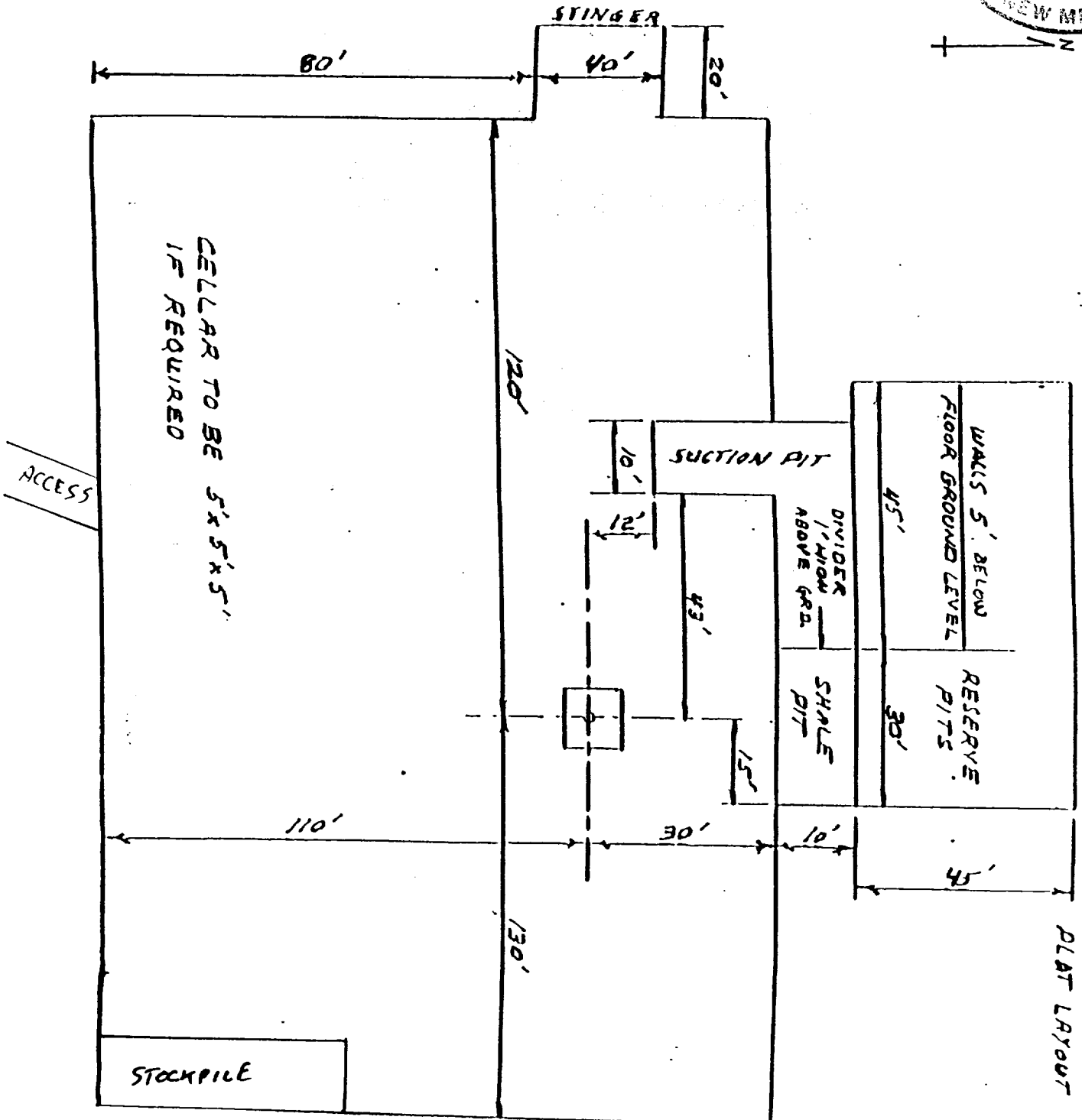


EXHIBIT "B"

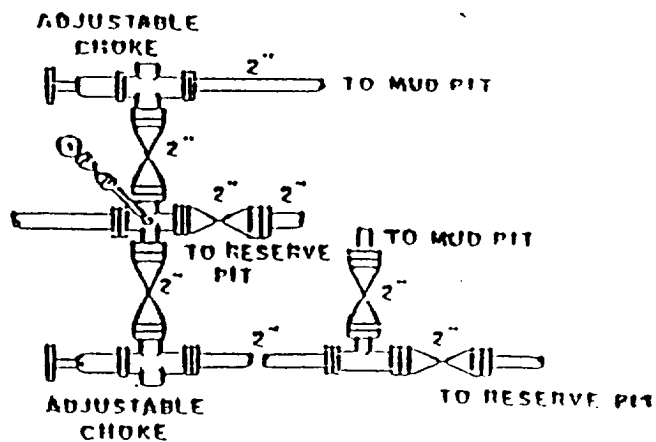
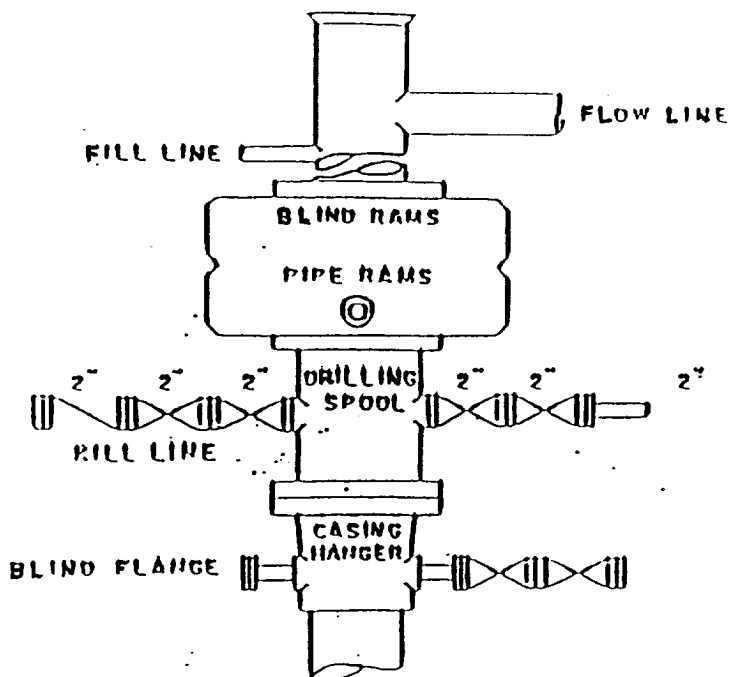


CARL A. SCHELLINGER
Cheryl Federal #1
NW/4SE/4 of Section 35, T-8S, R-27E
Chaves County, New Mexico

EXHIBIT C



CARL A. SCHELLINGER
Cheryl Federal #1
NW/4SE/4 of Section 35, T-8S, R-27E
Chaves County, New Mexico

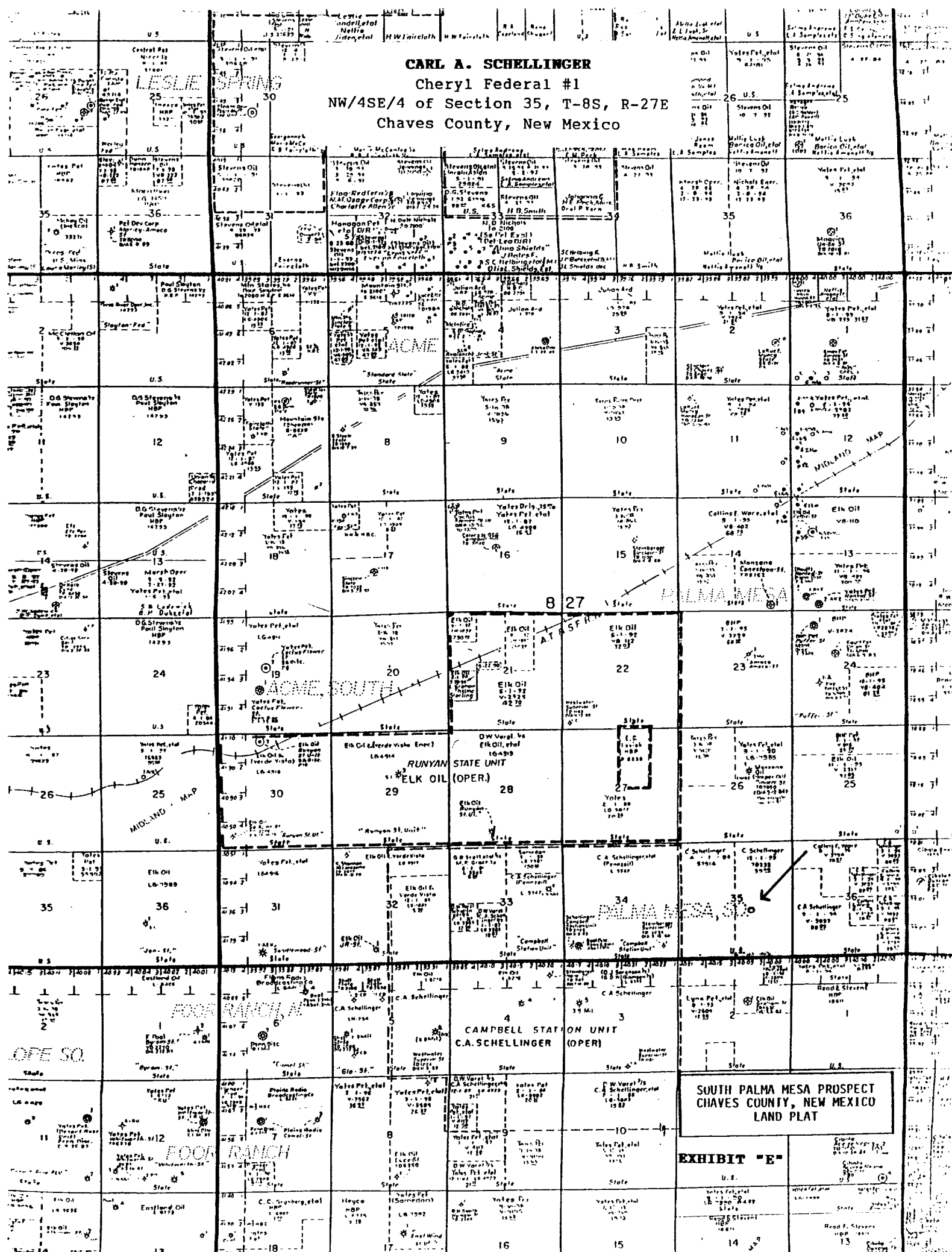


BOP DIAGRAM

2000# Working Pressure
Rams Operated Daily

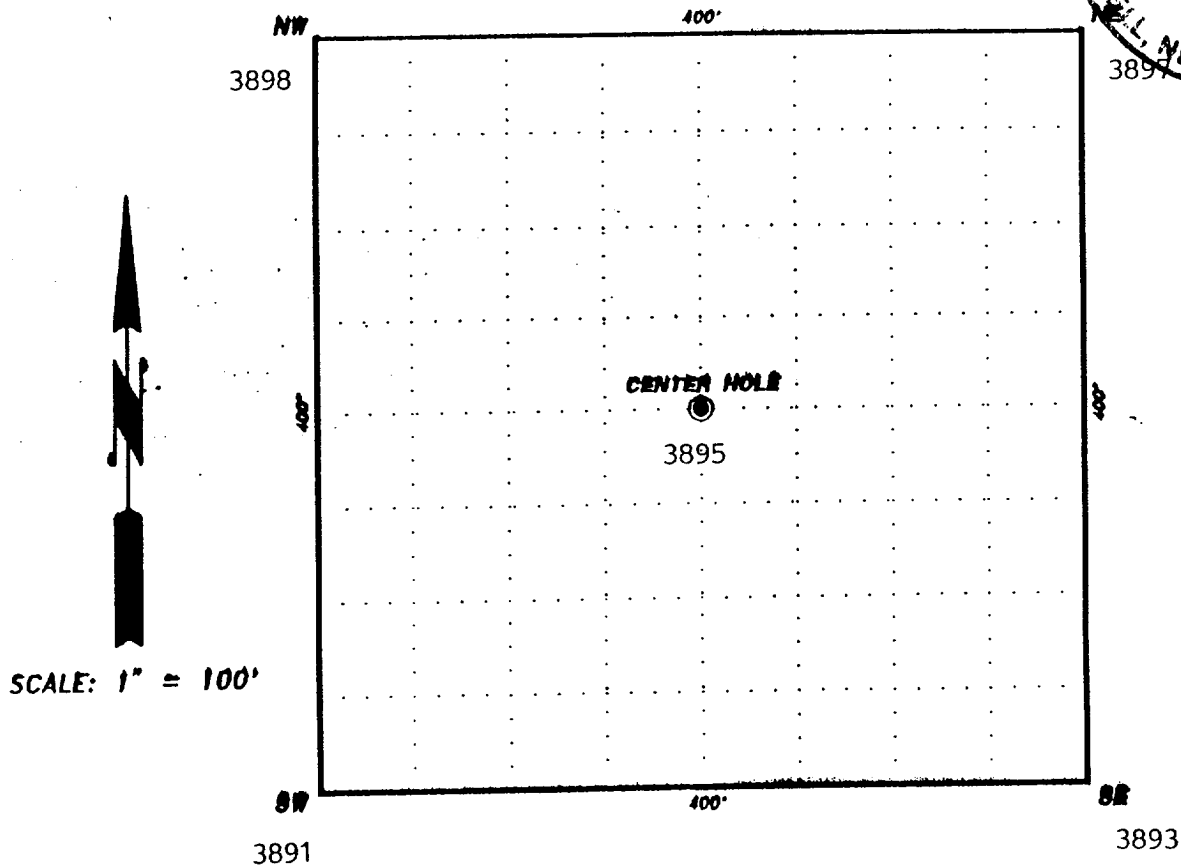
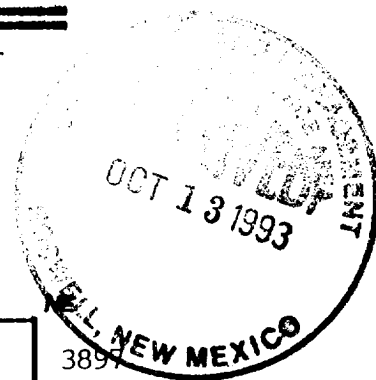
EXHIBIT D

Cheryl Federal #1
NW/4SE/4 of Section 35, T-8S, R-27E
Chaves County, New Mexico



GRID ELEVATIONS

JOHN D. JAGUESS & ASSOCIATES
CONSULTING ENGINEERS



WELL INFORMATION

CHERYL FEDERAL #1
1980 FSL, 1980 FEL
SECTION 35, T.8S., R.27E., N.M.P.M.

EXHIBIT "F"