

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL ☒ **DEEPEN** ☐

b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONES ☐

2. NAME OF OPERATOR
Seagull Midcon Inc. ✓ 806/345-6204

3. ADDRESS AND TELEPHONE NO.
P.O. Box 15959 Amarillo, TX 79105-0959

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 2428' FSL & 1154' FEL 4T.I
At proposed prod. zone Same MAR 10 1994

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
30 NE of Hagerman, NM

15. 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 720.19

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. N/A

19. PROPOSED DEPTH 9500'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3674' GL

22. APPROX. DATE WORK WILL START* March 15, 1994

5. LEASE DESIGNATION AND SERIAL NO.
NM-57255

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
Seagull Federal

9. API WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Wildcat DEVONIAN 96037

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA
Sec. 6-T13S-R29E

12. COUNTY OR PARISH
Chaves

13. STATE
New Mexico

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------------|-----------------|---------------------------|-----------------------------|
| 17 1/2" | 13 3/8" J-55 | 48# | 270' + see drilling slips | Circ. 315 sx "C" + 2% CaCl |
| 12 1/4" | 8 5/8" J-55 | 24# | 2,100' | Circ. 1250 sx I. + 250 Sx C |
| 7 7/8" | 5 1/2" J-55 | 17# | 9,500' | 300 sx "H" |

Mud Program:

| | Mud Wt. | Vis. | W/L Control |
|---|-------------|-------|------------------|
| 0' - 300': Fresh water & native mud: | 8.3-9.0 ppg | 34-36 | No W/L cont. |
| 300' - 5300': Saturated brine: | 10.0 ppg | 32-34 | No W/L cont. |
| 5300' - 8800': Salt water gel w/3-6% oil: | 9.1-9.6 ppg | 34-38 | No W/L cont. |
| 8800' - 9500': Salt gel w/oil & starch: | 9.1-9.7 ppg | 40-50 | W/L cont 8-15 cc |

BOP Program:

A 5000 psi wp 11" Schaffer Type LWS BOP, with a 5000 psi wp 11" GK Hydril, 5000 psi will be installed on the 13 3/8" casing. Casing and BOP will be tested before drilling but AND W/L 12 1/4" bit. BOP will be used as a 3000 psi wp system and will be tested daily. See resource "E".

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

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 Deanna Smith Agent for: Seagull Midcon Inc DATE Feb 17 1994

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that 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:

APPROVED BY Sananda L Allen TITLE Area Manager DATE 3/9/94

PENDING NSL APPROVAL

*See Instructions On Reverse Side

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

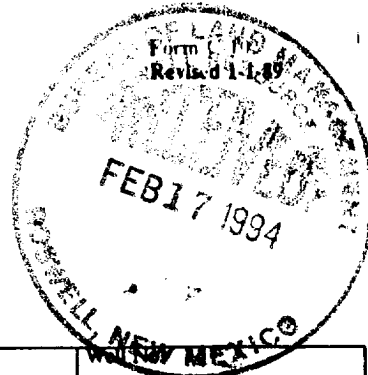
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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 Seagull Midcon. Inc. | | Lease Seagull Federal | | County Chaves | |
| Init Letter I | Section 6 | Township 13 South | Range 29 East | County Chaves | |
| Actual Footage Location of Well: 2428 feet from the South line and 1154 feet from the East line | | | | | |
| Ground level Elev. 3674 | Producing Formation Devonian | | Pool Wildcat | Dedicated Acreage: 40 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.?

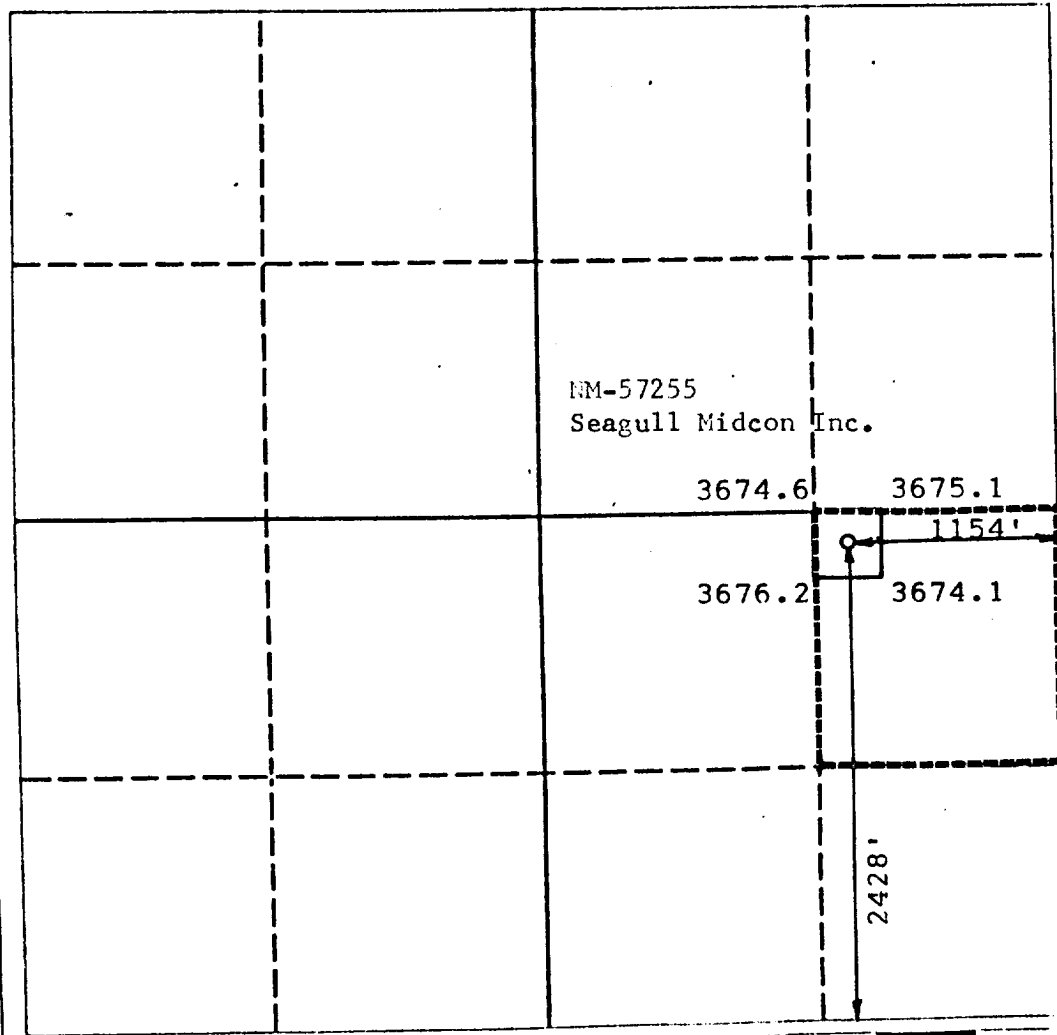
☐ Yes

☐ 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

George R. Smith

Position

Agent for:

Company

Seagull Midcon Inc.

Date

February 17, 1994

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

January 28, 1994

Signature & Seal of
Professional Surveyor

P.R. Patton

Certificate No.

8112

APPLICATION FOR DRILLING

SEAGULL MIDCON INC.
Seagull Federal, Well No. 1
2428' FSL & 1154' FEL, Sec. 6-T13S-R29E
Chaves County, New Mexico
Lease No.: NM-57255
(Exploratory Well)



In conjunction with Form 3160-3, Application for Permit to Drill subject well, Seagull Midcon Inc. 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 | 680' | Wolfcamp | 6660' |
| 7-Rivers | 810' | Upper Penn | 7035' |
| Queen | 1390' | Lower Penn | 7536' |
| San Andres | 1960' | Mississippian | 8450' |
| Glorieta | 3335' | Kinderhook | 8920' |
| Tubb | 4775' | Siluro-Devonian | 9125' |
| Abo | 5575' | T.D. | 9500' |

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 Devonian below 9125'.

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 planned at this time.

Logging: T.D. to surface: CNL-BHC.

T.D. to intermediate casing: DLL-MSFL-GR-LDT.

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. Estimated BHP = 4000 psi (evac.) and 160°.
10. H₂S: None expected.
11. Anticipated starting date: March 15, 1994.
Anticipated completion of drilling operations: Approximately 45 days.

MULTI POINT SURFACE USE AND OPERATIONS PLAN

SEAGULL MIDCON INC.
Seagull Federal, Well No. 1
2428' FSL & 1154 FEL. Sec. 6-T13S-R29E
Chaves County, New Mexico
Lease No.: NM-57255
(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 environmental effects associated with the operations.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a BLM Roswell Quadrangle map showing the location of the proposed well as staked. The well site location is approximately 35 road miles northeast of Hagerman, New Mexico. Traveling east of Hagerman, there will be approximately 20.5 miles of paved highway and 14 miles of gravel county and ranch/oilfield roads.
- B. Directions: Travel East from the alternate 285 intersection in Hagerman, NM on New Mexico Highway 31 for 20.5 miles, .5 mile east of MM 20. Turn north on county road, Jemina for 8.9 miles (.5 mile past a caliche pit on east side of road) and turn left on another road to the west. Continue northwest for 1.8 miles to a fork in road with a water tank. Take north fork for .9 mile through gate, then northeast for a mile to a P/A well, then north-northwest for 1.2 mile to a fence and a turn in the road west. Continue west to a windmill and cattle pens, crossing through a gate. The proposed access road starts just west of this gate and will run approximately 1700 feet northwest to the southeast corner of the staked well site.

2. PLANNED ACCESS ROAD:

- A. Length and Width: There will be approximately 1700 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 and the off lease access road, to be upgraded, will be constructed by grading and topping with compacted caliche. The surface will be properly drained.
- C. Turnouts: Twenty foot wide turnouts for passing will be installed as needed on the proposed and upgraded access roads.
- D. Culverts: None required.
- E. Cuts and Fills: None required.
- F. Gates, Cattleguards: One cattle guard may be installed at the gate west of the windmill in Sec. 5, if required by the rancher. One additional cattle guard may be installed on the existing access road at the gate in Sec. 17.
- G. Off Lease R/W: Off lease right of way for existing roads back to the county road is shown on Exhibit "B". This A.P.D. is to serve as the Application for Right of Way of the off-lease road and a check for the fee is included.

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 production facilities on the lease at this time.
- B. If the well proves to be commercial, the necessary production facilities 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 the City of Carlsbad water pipeline in Loco Hills and will be transported over the existing and proposed access roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the proposed access road and well site pad will be obtained, as needed, from an approved Federal pit in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 22-T13S-R29E. Some or all caliche may be obtained from the location within the 400' X 400'. The topsoil from the location will be stockpiled near the location for future rehabilitation use. No surface materials will be disturbed except those necessary for a possible caliche pit and 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 will be contained in trash bins to prevent scattering by the wind 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, waste pits, and major rig components. The pad and pit area has been staked and flagged, 400' X 400'.
- B. Mat Size: Maximum size: 245' X 180' plus 100' X 75' mud pit.
- C. Cut & Fill: A cut of 2 feet on the southwest and west with fill to the east will be required
- 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 surface owner 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 are dry enough to work.

11. OTHER INFORMATION:

- A. Topography: The proposed well site and access road is located on a relatively level area with a general .5% slope to the west from an elevation of 3674' G.L.
- B. Soil: The topsoil at the well site is a fine sandy loam of the Berino-Cacique fine sand soil series. This soil has very little water or wind erosion problem.
- C. Flora and Fauna: The vegetation cover is a fair grass cover of dropseed, three-awn, fluffgrass, and muhly along with plants of mesquite, yucca, cacti, broomweed and miscellaneous weeds and wildflowers. The wildlife consists of antelope, deer, rabbits, coyotes, rattlesnakes, 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 a windmill 2300 feet southeast of the location.
- F. Land Use: Cattle grazing.

Seagull Midcon Inc.
Seagull Federal, Well No. 1
Page 4



11. OTHER INFORMATION: cont.....

- G. Surface Ownership: The proposed well site and access road is on fee surface owned by Millard Derrick, P.O. Box 441, Artesia, NM 88210. An agreement has been made to compensate him for damages and surface restoration.
- 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:

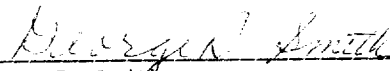
- A. The field representative for assuring compliance with the approved surface use and operations plan is as follows:

Mitch Lee
Mitch Lee Consulting
26 D Bent Tree Rd.
Roswell, New Mexico 88201
Office Phone: (505) 624-2184
Mobile Phone: (505) 626-7135

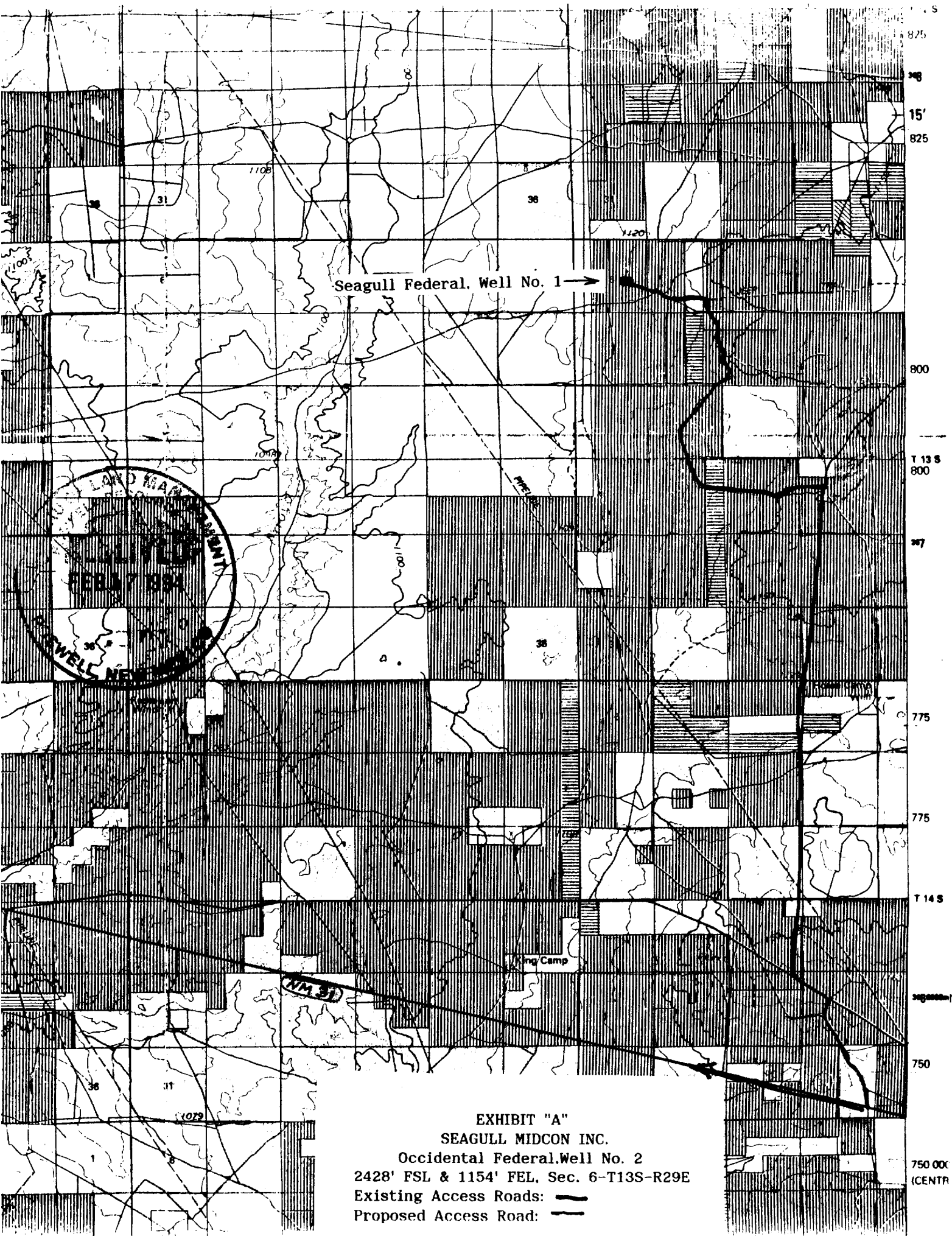
13. CERTIFICATION:

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 Seagull Midcon Inc. 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.

February 17, 1994



George R. Smith
Agent for: Seagull Midcon Inc.





Seagull Federal. Well No. 1 →

LAND MANAGEMENT
DIVISION
RECEIVED
FEB 17 1984
REWELL NEW MEXICO

King Camp

NM 31

EXHIBIT "A"
SEAGULL MIDCON INC.
Occidental Federal Well No. 2
2428' FSL & 1154' FEL, Sec. 6-T13S-R29E
Existing Access Roads: 
Proposed Access Road: 

750 000
(CENTR)

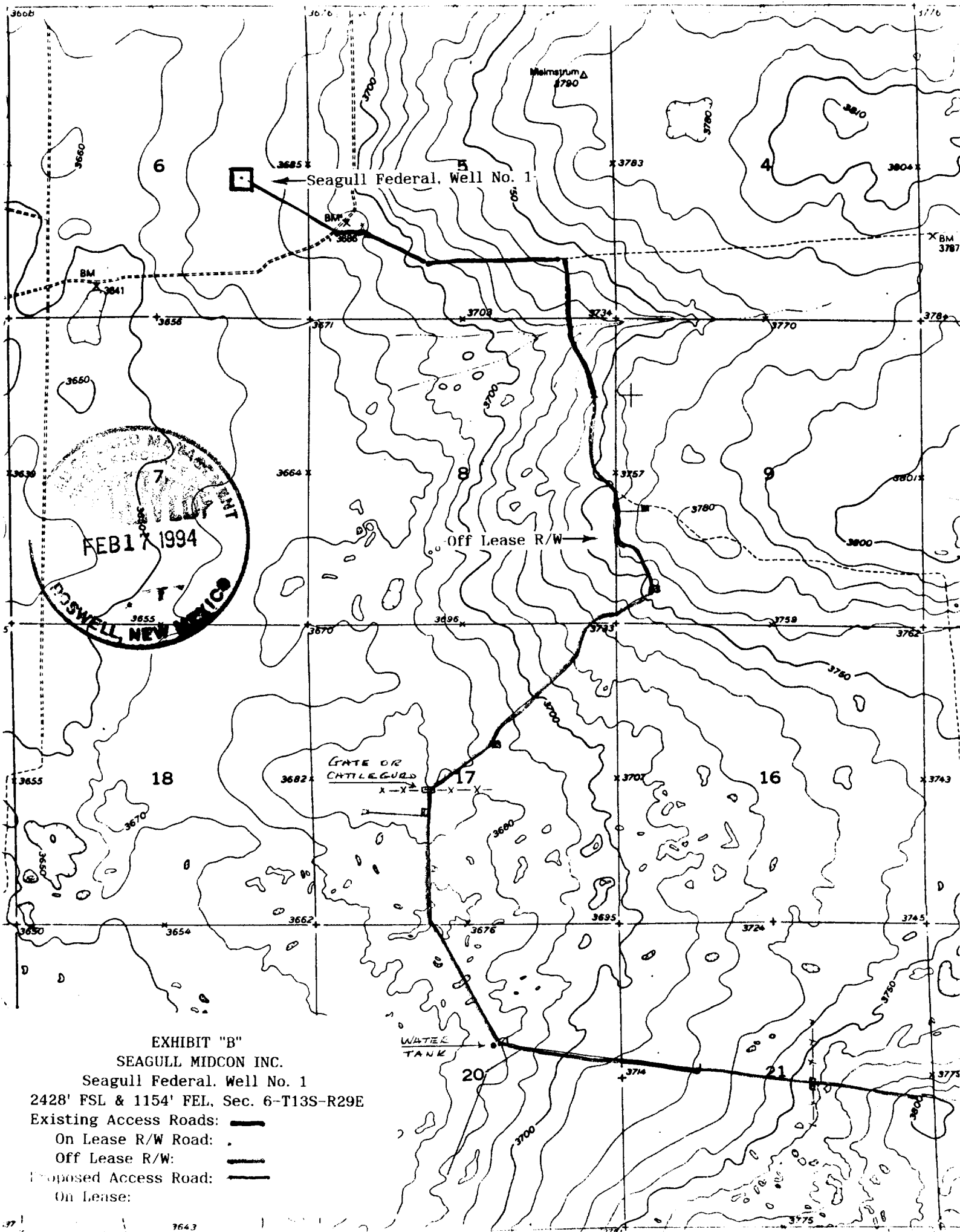


EXHIBIT "B"

SEAGULL MIDCON INC.

Seagull Federal. Well No. 1

2428' FSL & 1154' FEL, Sec. 6-T13S-R29E

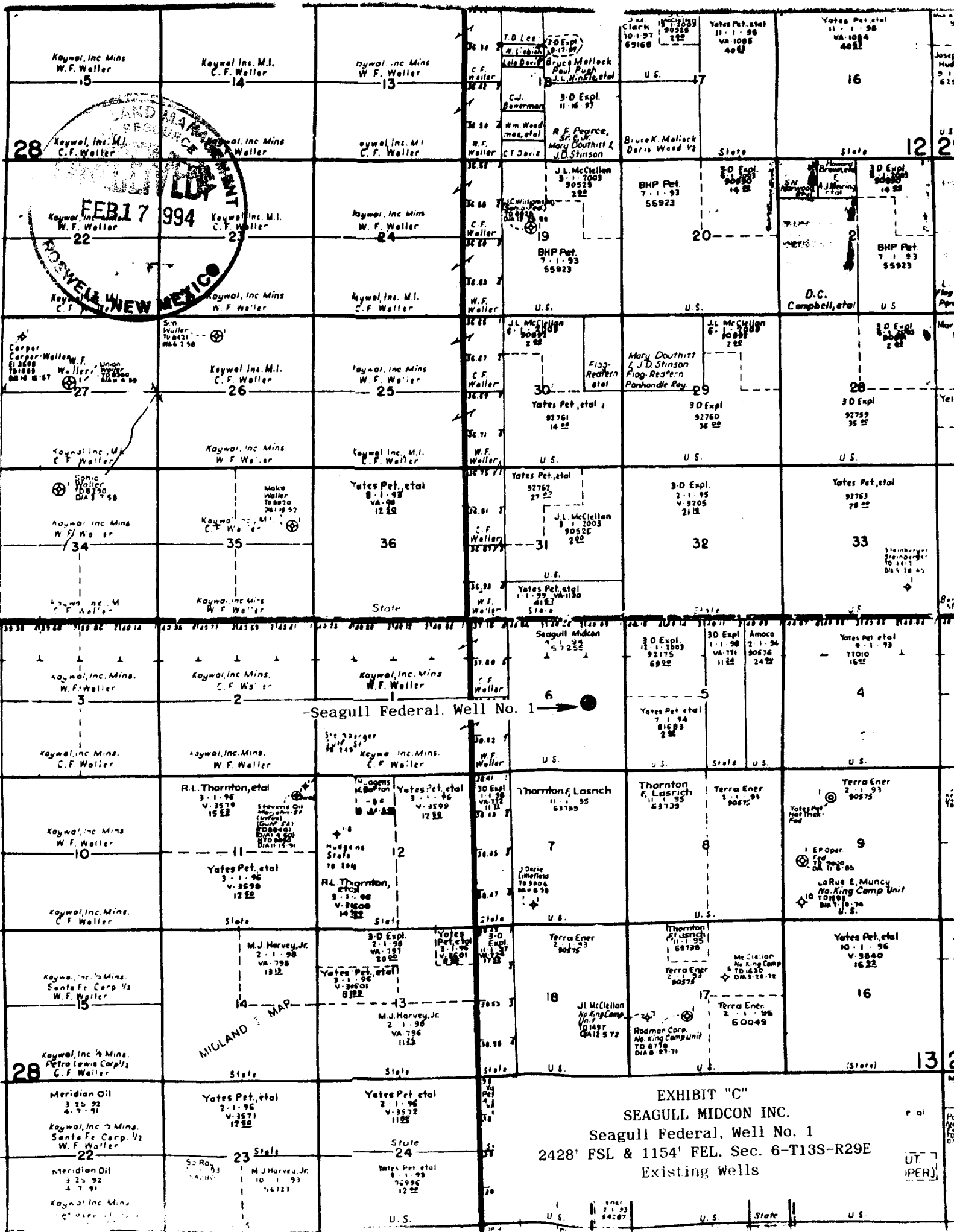
Existing Access Roads:

On Lease R/W Road:

Off Lease R/W:

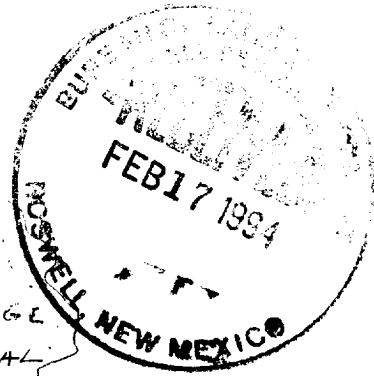
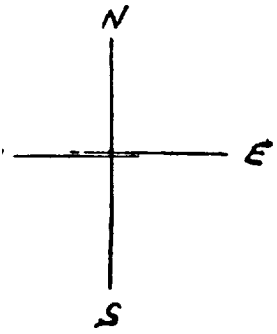
Proposed Access Road:

On Lease:

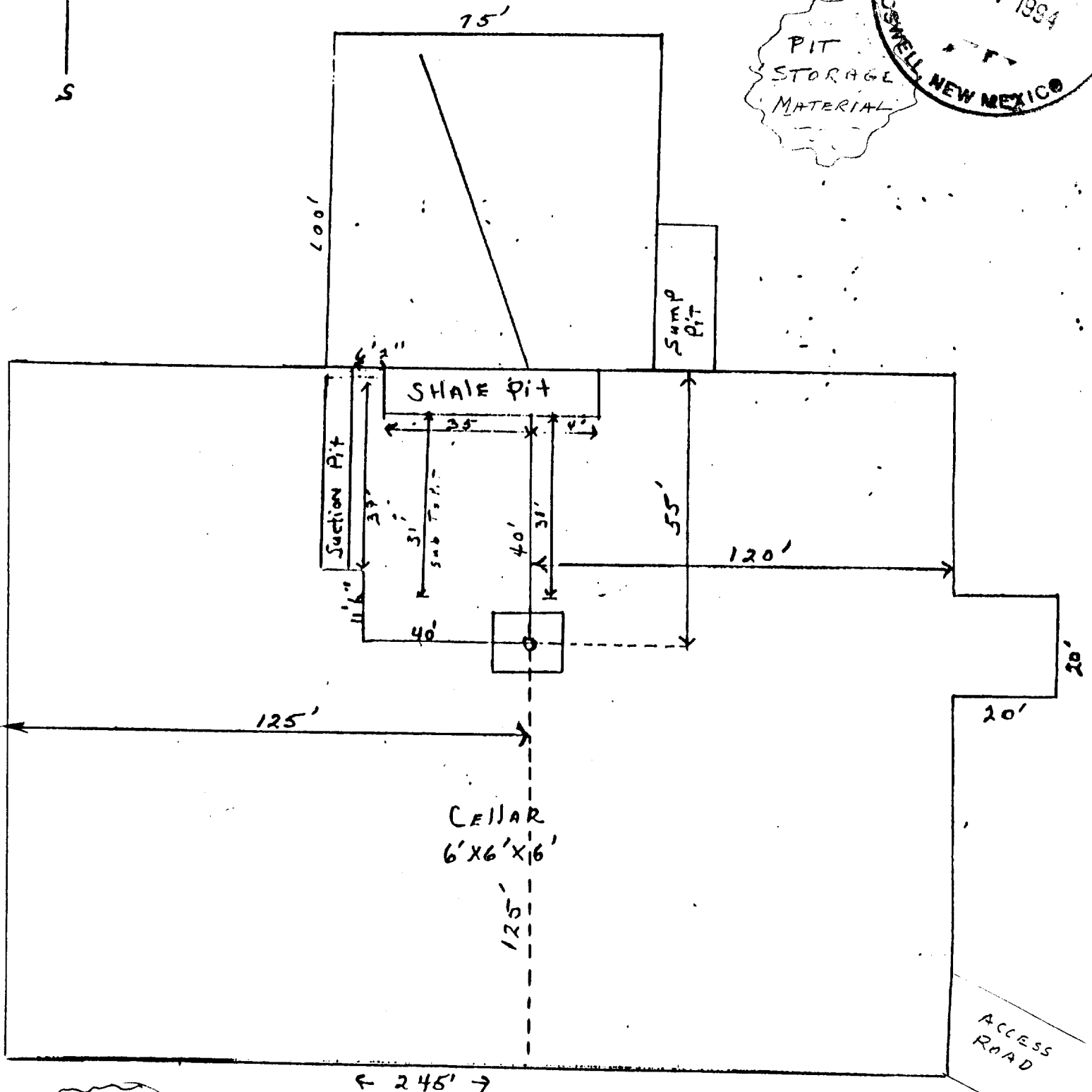


1/22/90

W E K R₁₉ #1



PIT
STORAGE
MATERIAL



PAD
SURFACE
MATERIAL

EXHIBIT "D"
SEAGULL MIDCON INC.
Seagull Federal Well No. 1
Pad & Pit Layout



KEN REYNOLDS—PRESIDENT
ARNIE NEWKIRK—VICE-PRESIDENT

DRILLING CO., INC. — OIL WELL DRILLING CONTRACTORS

P. O. BOX 1498 ROSWELL, NEW MEXICO 88202-1498
808/623-5070
ROSWELL, NM

808/746-2719
ARTESIA, NM

RIG #1

BLOWOUT PREVENTOR ARRANGEMENT

11" SHAFFER TYPE LWS, 5000 psi WP
11" GK HYDRIL, 5000 psi WP
80 GALLON, 4 STATION PAYNE ACCUMULATOR
3000 psi WP CHOKE MANIFOLD

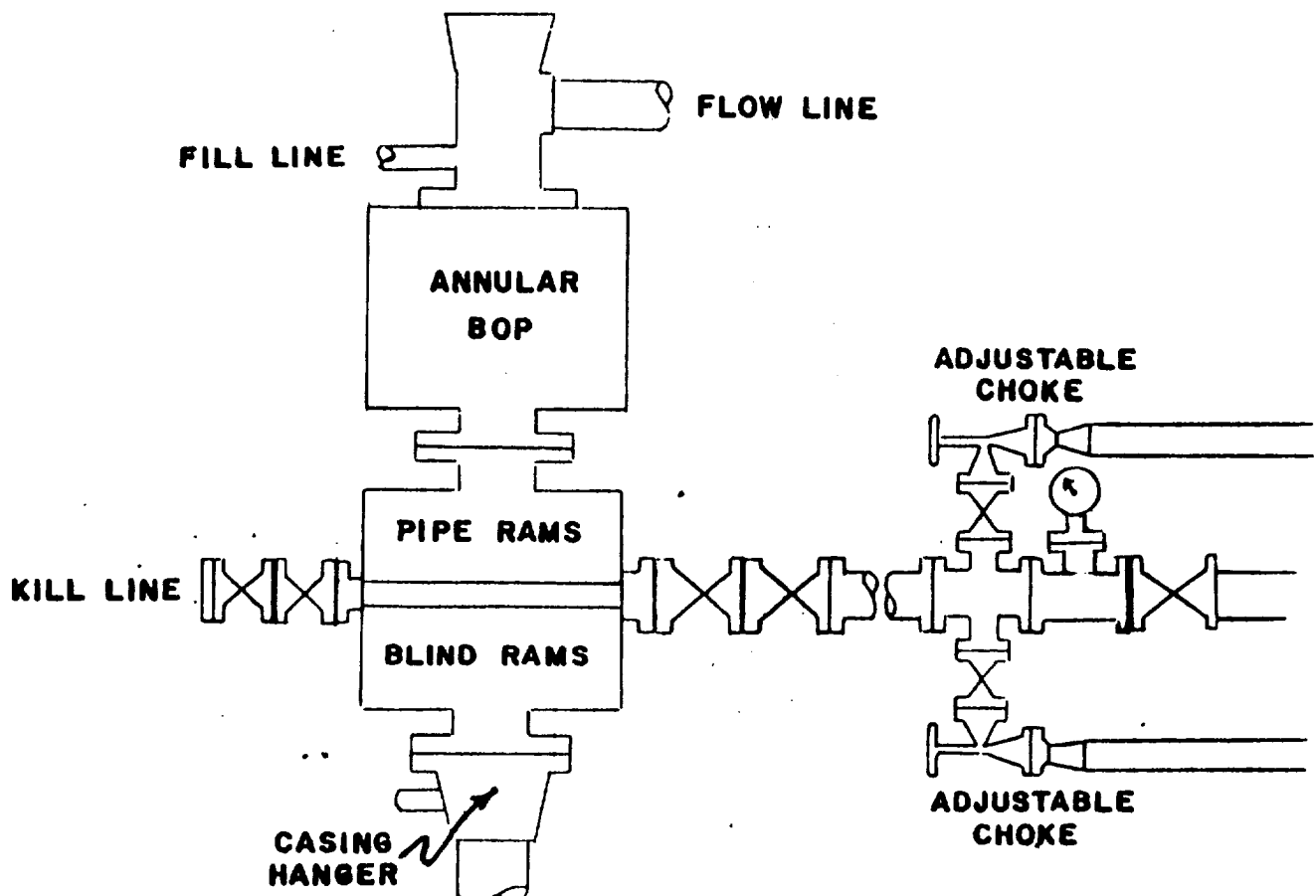


EXHIBIT "E"
SEAGULL MIDCON INC.
Seagull Federal Well No. 1
BOP Specifications