

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2034

FORM APPROVED
OMR NO. 1004-0136
Expires: February 28, 1995

951

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐

1b. TYPE OF WELL
OIL ☐ GAS ☒ SINGLE ☒ MULTIPLE ☐
WELL WELL OTHER ZONE

2. NAME OF OPERATOR
Gothic Production Corporation c/o J.O. Easley, Inc.

3. ADDRESS AND TELEPHONE NO.
100 N. Penn, Roswell, NM 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
1570' FNL & 1130' FEL

5. LEASE DESIGNATION AND SERIAL NO.
NM-36409

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
McClellan MOC Fed. #21

9. API WELL NO.
30-005-63255

10. FIELD AND POOL, OR WILDCAT
Pecos Slope Abo

11. SEC. T.R.M. BLOCK AND SURVEY
OR AREA T5S-25E

12. COUNTY OR PARISH
Chaves

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
28 miles northeast of Roswell, NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O. 1130'
(Also to nearest drg. unit line, if any)

16. NO. OF ACRES IN LEASE
2,441.49

17. NO. OF ACRES ASSIGNED TO THIS WELL
160.0

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1000'

19. PROPOSED DEPTH
4100'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3746'

22. APPROX. DATE WORK WILL START
ASAP

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"	48#	40'	Circulate to surface
12-1/4"	8-5/8"	24#	900'	550 sxs
7-7/8"	4-1/2"	10.5#	4100'	485 sxs

Duration of Program: Drilling - Ten (10) days
Completion - Nine (9) days
See attached for complete Drilling Program

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portions thereof, as described.

EXHIBITS

Exhibit "A": Drilling Program
Exhibit "B": Surface Use Plan
Exhibit "C": Land Survey Plat

Exhibit "D": Location Plat
Exhibit "E": Existing Well Plat
Exhibit "F": Rig Layout

Exhibit "G": BOP Program

Notify OCD at SPUD & TIME to witness cementing the

8 5/8" casing.

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 [Signature] TITLE Agent/Gothic Prod. Corp. DATE 4-28-00

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 [Signature] TITLE Acting Assistant Field Manager, DATE MAY 25 2000

*See Instructions On Reverse Side

APPROVED FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes 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.



BUREAU OF LAND MGMT.
ROSWELL OFFICE

2000 MAY -1 P 12:23

RECEIVED

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
		82730		Pecos Slope Abo	
⁴ Property Code		⁵ Property Name			⁶ Well Number
		McCLELLAN MOC FED			21
⁷ OGRID No.		⁸ Operator Name			⁹ Elevation
		Gothic Production Corp			3746'

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
H	28	5S	25E		1570'	NORTH	1130'	EAST	CHAVES

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.
160.0			

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					<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p>
	<p>Signature: <i>James L. Schultz</i></p> <p>Printed Name: James L. Schultz</p>				
	<p>Title: Agent/Gothic Prod. Corp.</p> <p>Date: 4/28/00</p>				
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p>				
<p>Date of Survey: 4/17/2000</p> <p>Signature and Seal of Professional Surveyor: <i>Roger M. Robbins</i></p> <p></p>				<p>Certificate Number: 12128</p> <p>JOB# 300327</p>	

EXHIBIT "A"
McClellan MOC Fed. #21

DRILLING PROGRAM

I. The geological surface formation is recent Permian with quaternary alluvium and other surficial deposits.

II. Estimated Tops of Geological Markers:

<u>FORMATION</u>	<u>DEPTH</u>
San Andres	560'
Glorietta	1550'
Tubb	3000'
Abo	3640'
TD	4100'

III. Estimated depths at which water, oil, gas or other mineral-bearing formations are expected to be encountered:

<u>SUBSTANCE</u>	<u>DEPTH</u>
Fresh Water	None anticipated
Oil	None anticipated
Gas	Possible in Abo below 3700'

IV. Proposed Casing Program:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Grade</u>	<u>Weight Per Foot</u>	<u>Depth</u>
17-1/2"	13-3/8"	H-40	48#	40'
12-1/4"	8-5/8"	J-55	24#	900'
7-7/8"	4-1/2"	J-55	10.5#	4100'

B. Proposed Cement Program:

13-3/8"	Cement with Ready-Mix and circulate to surface.
8-5/8"	Cement with 350 sxs Halliburton Lite and 200 sxs Class "C" cement. Circulate to surface.
4-1/2"	Cement with 485 sxs Class "C" 50/50 POZ, 2% Gel, 6# SaH, .3% CR2-2, .3% Hallno 4.

V. Proposed Mud Program:

The well will be drilled to total depth using fresh water and natural mud to top of Abo @ 3640'. Mud up 100' above Abo with 15 cc water loss and 9.5#/gas mud weight and 35 viscosity mud.

VI. Proposed Control Equipment:

Will install Shaffer type E 10" series 900 hydraulic BOP. See Exhibit "G" for BOP layout.

VII. Auxiliary Equipment:

Blowout preventor, gas detector, kelly cock, pit level monitor, flow sensors, and stabbing valve.

VIII. A. Testing Program:

Drill Stem Tests: If necessary

B. Logging Program:

CNL, DLL or GL, CDL or GR

C. Coring Program:

None planned

IX. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, however, the proposed mud program will be modified.

X. H2S: None anticipated as none encountered in previously drilled wells in the vicinity.

EXHIBIT "B"

SURFACE USE AND OPERATIONS PLAN

CULTURAL RESOURCES SURVEY

APPROXIMATE REHABILITATION SCHEDULE

LOCALITY: McClelland MOC Federal #21

LOCATION: SENE4 OF SECTION 28 T5S-R25E, NMPM
CHAVES COUNTY, NEW MEXICO

OPERATOR: GOTHIC PRODUCTION CORPORATION

SUBMITTED TO:

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

ROSWELL DISTRICT OFFICE

2909 WEST 2ND STREET

ROSWELL, NEW MEXICO 88201

TELEPHONE (505) 627-0272

This plan is submitted to provide permitting agencies with information necessary to allow an appraisal of the environmental effects associated with the proposed drilling operations. Within the context of typical drilling operations, this plan provides for protection of surface resources and other environmental components. This plan has been developed in conformity with the United States Geological Survey NTL-6 guidelines, Bureau of Land Management Oil and Gas Order No. 1, and in connection and consultation with the private surface owner of record, it other than the United States of America, as well as the Roswell District Office for the Bureau of Land Management and the United States Department of the Interior personnel.

PART #1

1) Surface Location:

SENE of Section 28, Township 5 South, Range 25 East, NMPM
Chaves County, New Mexico
1570' FNL 1130' FEL
See attached Exhibit "C"

2) Bottom Hole Location

SENE of Section 28, Township 5 South, Range 25 East, NMPM
Chaves County, New Mexico
1570' FNL 1130' FEL
See attached Exhibit "C"

3) Lease Issued:

a) NM 36409

4) Record Lessee:

a)	Nadel & Gussman LLC	100%
	32nd Floor - First National Tower	
	Tulsa, OK 74103	

5) Acres in Lease:

a)	Section 28: N2, N2S2, SWSW	520.0000
	Section 29: All	640.0000
	Section 30: Lots 1-4, E2E2W2	640.6900
	Section 31: Lots 1-4, E2E2W2	<u>640.8000</u>
		2441.4900

6) Acres Dedicated to Well:

There are 160.00 acres dedicated to this well which takes in the NE/4 of Sec. 28, Township 5 South, Range 25 East, Chaves County, New Mexico.

PART #2:

1) Existing Roads:

Exhibit "D" comprises 2 maps showing location of the proposed well, as staked, in relation to U.S. Highway 285 and existing roads. U.S. 285 will be used for approximately 25 miles from the junction of U.S. and U.S. 70 north of Roswell to the County Road Dona Ana heading east. The county road will be used for approximately 9 miles to County Road Sierra, which also heads in an easterly direction. Traveling east on the county road for approximately 6 miles until it dead ends in to County Road Roosevelt. Turn left (north) on Country Road Roosevelt and go approximately 3 miles to a oilfield/ranch road and turn right (southeast) and go approximately 1.2 miles to the Gothic Production Corp.'s McClellan MOC Fed. #11 well. The new access road goes northwest from that location, approximately 1/4 mile to the McClellan MOC Fed. #21. Access is highlighted on the Exhibit "D".

2) Planned Access:

A. Length and Width: The new access road will be approximately 1000 feet long and 20' wide.

3) Location of Existing Wells:

Exhibit "E" shows exiting wells within a 1-mile radius of the proposed well.

4) Location of Tank Battery, production Facilities & Production Gathering & Service Lines:

If gas production is achieved, the location of the line will be determined by the purchaser laying the gather system to is existing lines.

5) Location and Type of Water Supply:

There is no useable water in this area. All water needed for drilling, testing and completion will be trucked in by a commercial transport on existing roads as shown on Exhibit "D".

6) Source of Construction Materials:

If it is necessary to use caliche on the new road and location, it will be obtained from the existing pits in the area as determined by the dirt contractor. The topsoil from the location will be stockpiled near the SE/corner of the location for future rehabilitation. No surface materials will be disturbed except those necessary for actual grading and leveling of the drill site and access road.

7) Method of Handling Waste Material:

- 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.
- E. Gothic Production Corporation will comply with current laws and regulations pertaining to the disposal of human waste.
- F. All waste materials will be contained to prevent scattering by the wind and will be removed from the well site within 30 days after drilling and/or completion operations are finished.

8) Ancillary Facilities: None required.

9) Well Site Layout:

- A. Exhibit "F" 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.
- B. Mat Size: 100' X 250' plus reserve pits.
- C. Cut & Fill: Only minor leveling of the drilling site is anticipated.
- 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 as 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, Gothic Production Corporation will comply with all rehabilitation and/or vegetation requirements of the Bureau of Land Management, and such rehabilitation will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

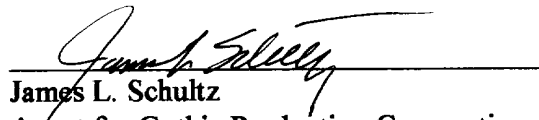
11) Other Information:

- A. Topography: The topography of the land surrounding the staked well is a gentle slope to the south as depicted on Exhibit "D".
- B. Soil: The topsoil at the well site is a brown sandy loam mixed with a fine gravel scatter.
- C. Flora and Fauna: Vegetation consists of a sparse cover of grass, mainly grama, dropseed, three-awn, some tabosa and burro grass along with mesquite, yucca, cacti and miscellaneous wildflowers. The wildlife consists of rabbits, coyotes, antelope, rattlesnakes, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: The Pecos River is approximately 1.5 miles East of the proposed well-site and should not be impacted by the well location.

- E. Residences and Other Structures: There are no occupied residences or other structures on, or in the immediate vicinity of the proposed location.
- F. Surface Ownership: The surface around the location and the southern 800' of the new access road (SNE) is owned by the United States of America under the management of the Bureau of Land Management. The northern 200' of the new access road (NNE) is owned by Larry D. Benedict, P.O. Box 612, Dexter, NM 88230.
- G. Land Use: The land is used for grazing cattle.
- H. Archaeological, Historical, and Other Cultural Sites:
- Archaeological Services has conducted an archaeological survey of the proposed McClelland MOC Federal #21 well which covers the drilling location, production facilities, and access road, including a corridor along said access road for power and flow lines. Their report has been filed with the BLM under separate cover.
- I. Operator's Senior Representatives:
- | | |
|-------------------------------|-------------------------------|
| Dick Mulford | Ben Shelton |
| Gothic Production Corporation | Gothic Production Corporation |
| 5727 S. Lewis | 5727 S. Lewis |
| Tulsa, OK 74105 | Tulsa, OK 74105 |
| (918) 749-5666 | (918) 749-5666 |
| FAX (918) 749-5882 | (918) 749-5882 |

CERTIFICATION

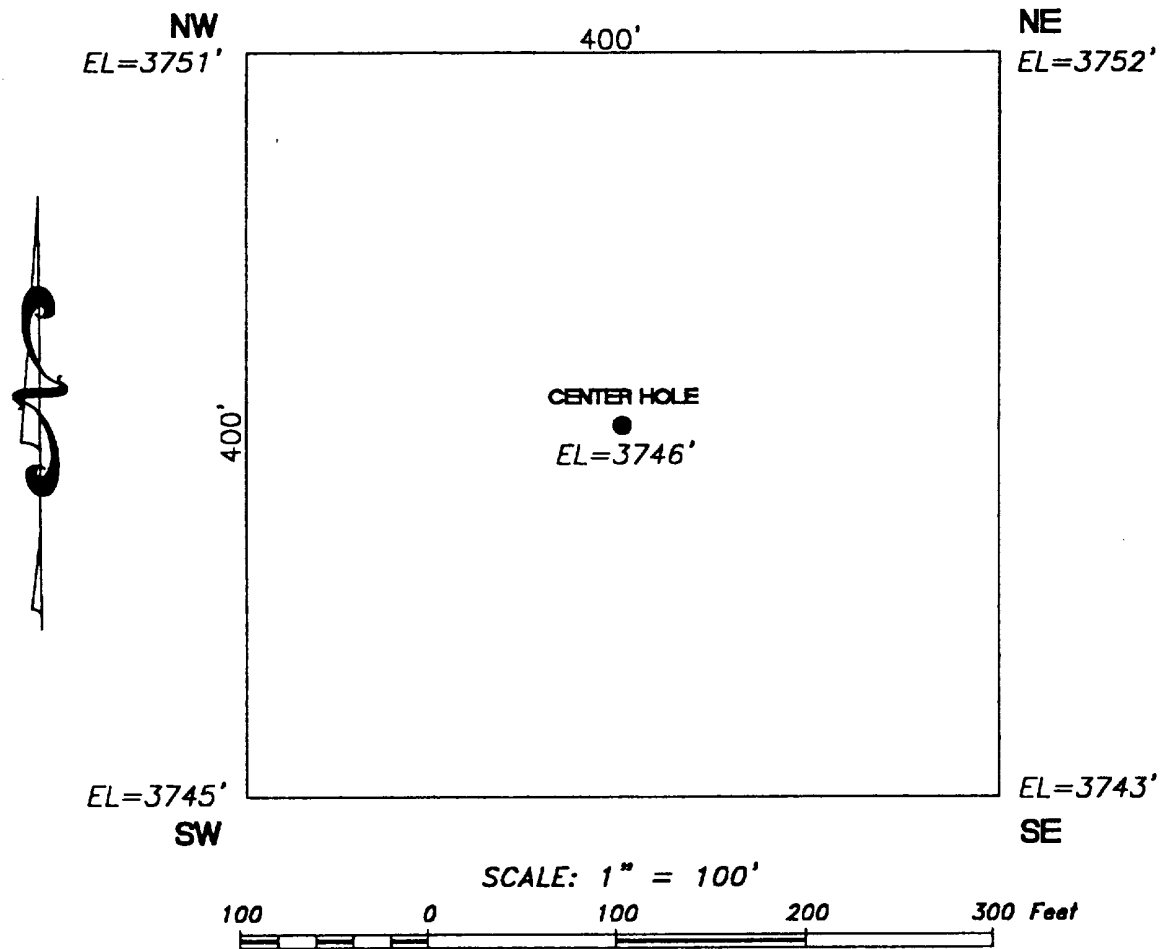
I hereby certify that I have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Gothic Production Corporation 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.



James L. Schultz
Agent for Gothic Production Corporation
c/o J.O. Easley, Inc.
P.O. Box 2691
Roswell, NM 88202-2691
(505) 626-6879 FAX (505) 622-3615
Date: 4-28-00



Smith Engineering Company
WELL GRID ELEVATIONS



WELL INFORMATION

GOTHIC PRODUCTION CORPORATION
McCLELLAN MOC FEDERAL NO. 21
1570' FNL & 1130' FEL
SECTION 28, T5S R25E, N.M.P.M.
CHAVES COUNTY
NEW MEXICO

EXHIBIT D - 1

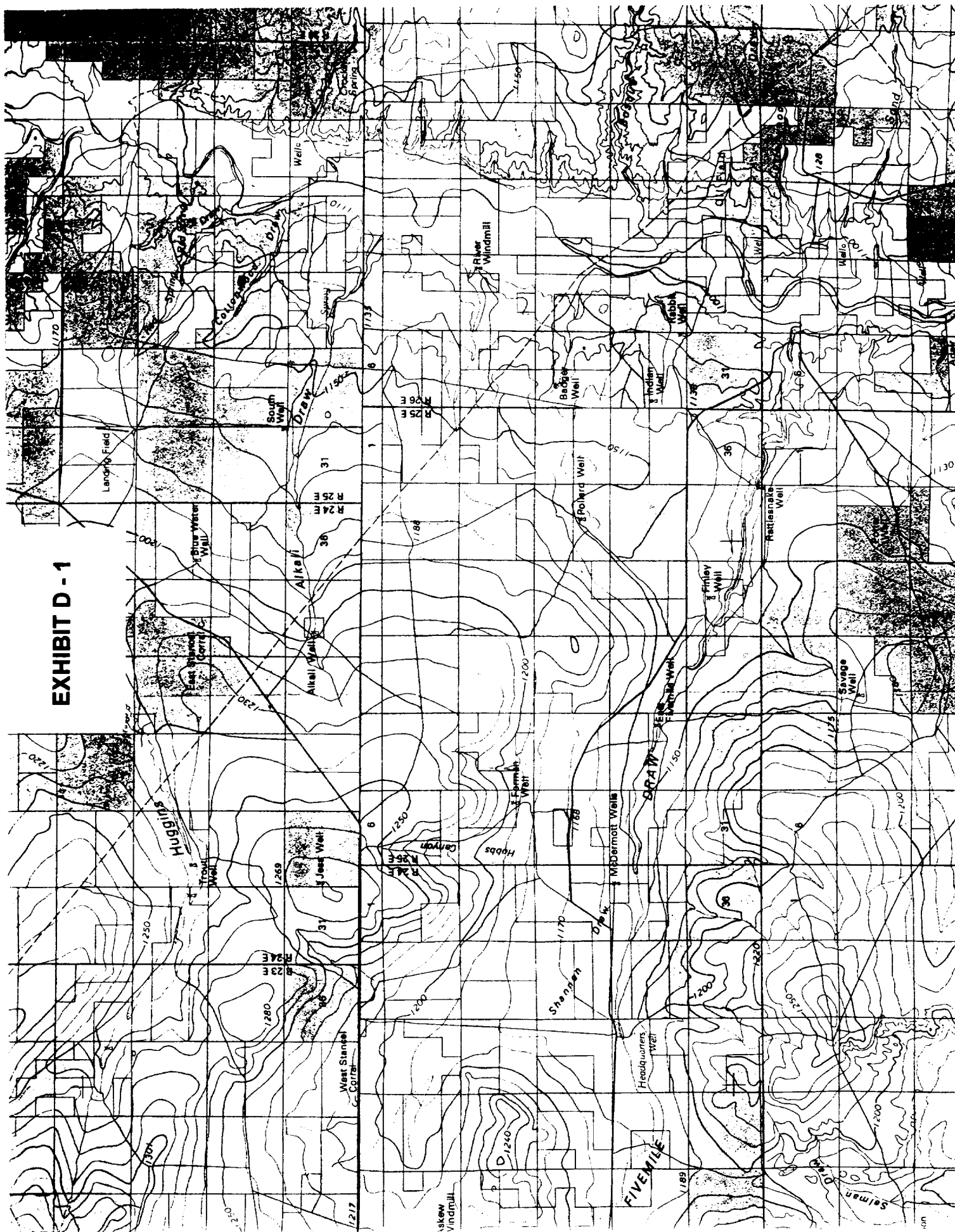


EXHIBIT D - 2

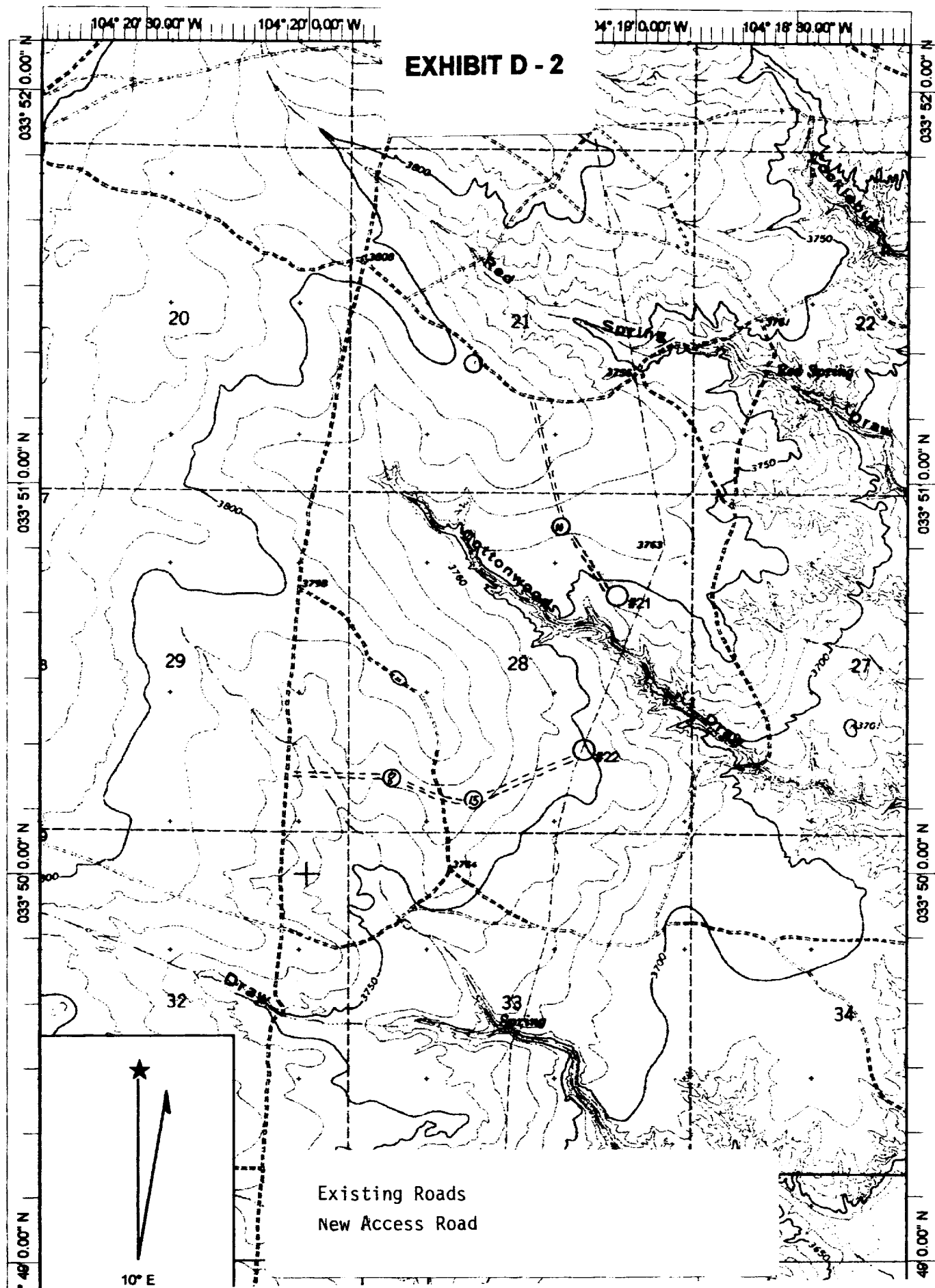
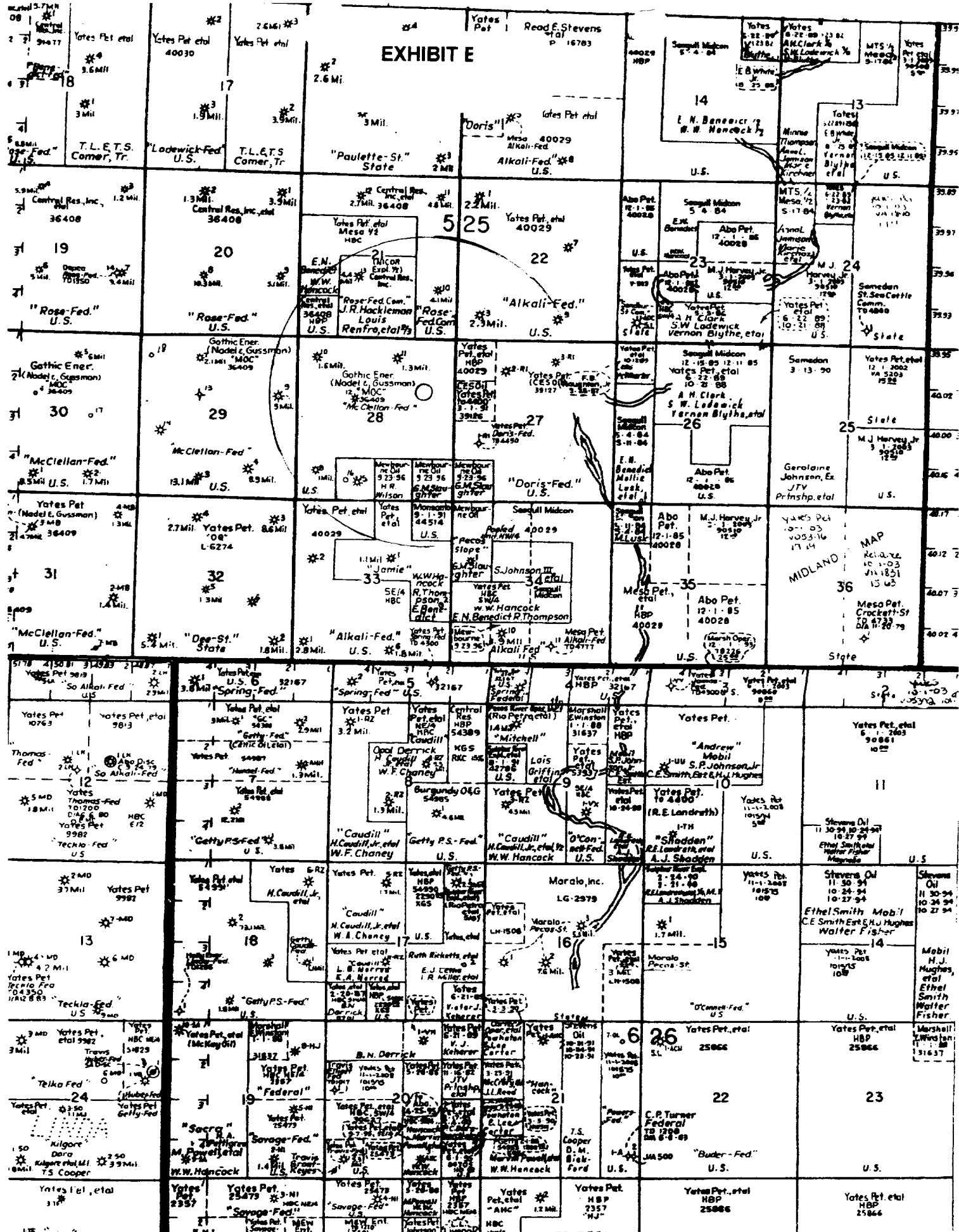


EXHIBIT E

SUGGESTED PAD DIMENSIONS

Reserve Pits 4 ft. deep, plastic lined

Working pits 5 ft. deep

No cellar

