

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ORIGINAL COPY

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

GREAT WESTERN DRILLING COMPANY (BERRY D. SIMPSON)

3a. Address 700 WEST LOUISIANA

3b. Phone No. (include area code)

MIDLAND, TEXAS 79702

915-682-5747

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FNL & 560' FEL SEC. 23 T6S-R25E CHAVES CO. NM

5. Lease Serial No.

NM-15862

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

QUAIL FEDERAL # 10

9. API Well No.

10. Field and Pool, or Exploratory Area

PECOS SLOPE-ABO

11. County or Parish, State

CHAVES CO. NEW MEXICO

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Change
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	total depth
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

- Great Western Drilling Company requests the approval to increase the total depth of their QUAIL FEDERAL # 10 from 4200' to 5500'.
- Drill 8 5/8" to 5500'. Run and set 5500' of 4 1/2" 11.6# J-55 ST&C casing. Cement with 300 Sx. of Class "C" Light cement + additives, tail in with 500 Sx. of Class "C" cement + 2% CaCl, + 1/4# Flocele/Sx. Bring top of cement at least 500' above the upper most perforation. Calculate volume of cement from Caliper log.

APPROVED

NOV 6 2001

LESLIE BABYAK
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Joe T. Janicea

Title Agent

Signature

Date 10/11/01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H₂S safety instructor to the following:
 - A. Characteristics of H₂S
 - B. Physical effects and hazards
 - C. Proper use of safety equipment and life support systems.
 - D. Principle and operation of H₂S detectors, warning system and briefing areas.
 - E. Evacuation procedure, routes and first aid.
 - F. Proper use of 30 minute pressure demand air pack.
2. H₂S Detection and Alarm Systems
 - A. H₂S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.
3. Windsock and/or wind streamers
 - A. Windsock at mudpit area should be high enough to be visible.
 - B. Windsock at briefing area should be high enough to be visible.
 - C. There should be a windsock at entrance to location.
4. Condition Flags and Signs
 - A. Warning sign on access road to location.
 - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H₂S present in dangerous concentration. Only emergency personnel admitted to location.
5. Well control equipment
 - A. See exhibit "E" & "E-1"
6. Communication
 - A. While working under masks chalkboards will be used for communication.
 - B. Hand signals will be used where chalk board is inappropriate.
 - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.
7. Drillstem Testing
 - A. Exhausts will be watered.
 - B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
 - C. If the location is near to a dwelling a closed DST will be performed.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubular goods and other mechanical equipment.
9. If H₂S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H₂S scavengers if necessary.

GREAT WESTERN DRILLING COMPANY
 QUAIL FEDERAL # 10
 UNIT "H" SECTION 23
 T6S-R25E CHAVES CO. NM

1. EXISTING ROADS: Area maps, Exhibit "B" is a reproduction of a County General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.

A. Exhibit "A" shows the proposed well site as staked.

B. From the junction of U.S. Hi-way 285 & U.S. Hi-way 70 in Roswell New Mexico go North 25 miles to Dana Ana Road turn East go 8 miles turn Northeast go 2.5 miles turn Right along pipeline road, go 3.4 miles bear Left East go .3 miles turn Right South go .7 miles turn Southwest go .8 miles turn Left go .3 miles bear Right go 600' turn South go 1600±' to location.

C. Lay flowlines along R-O-W's to gas sales line.

2. PLANNED ACCESS ROADS: Approximately 1600' of new road will be constructed.

A. The access road will be crowned and dirched to a 12'00" wide travel surface with a 40' right-of-way.

B. Gradient on all roads will be less than 5.00%.

C. Turn outs will be constructed where necessary.

D. If needed, road will be surfaced with a minimum of 4" of caliche. This material will be obtained from a local source.

E. Centerline for the new access road has been flagged. Earthwork will be as required by field conditions.

F. Culverts in the access road will not be used. The road will be constructed to utilize low water crossings for drainage as required by the Topography.

3. LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A-1"

A. Water wells	-	One approximately 2000' Southwest
B. Disposal wells	-	None known
C. Drilling wells	-	None Known
D. Producing wells	-	As shown on Exhibit "A-1"
E. Abandoned wells	-	As shown on Exhibit "A-1"

GREAT WESTERN DRILLING COMPAN
QUAIL FEDERAL # 10
UNIT "H" SECTION 23
T6S-R25E CHAVES CO. NM

4. If on completion this well is a producer Great Western Drilling Company will furnish a sketch of the production facilities that will be constructed on location, should any pipelines be required a sundry report will be submitted.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped in flexible lines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction will be obtained from the excavation of drill site, if additional material is needed it will be purchased from a local source and transported over the access route as shown on Exhibit "C".

7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the reserve pit.
- B. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by supplier including broken sacks.
- D. Sewage from living quarters will drain into holes with a minium depth of 10'. These holes will be covered during drilling and will be back filled upon completion. A Porta-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for breaking out. In the event that drilling fluids do not evaporate in a reasonable time they will be hauled off by transports and be disposed of at a state approved disposal facility. Later pits will be broken out to speed drying. Water produced during testing will be put in reserve pits. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.

8. ANCILLARY FACILITIES:

- A. No camps or airstrips to be constructed.

GREAT WESTERN DRILLING COMPANY
 QUAIL FEDERAL # 10
 UNIT "H" SECTION 23
 T6S-R25E CHAVES CO. NM

9. WELL SITE LAYOUT:

- A. Exhibit "D" shows the proposed well site layout.
- B. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- C. Mud pits in the active circulating system will be steel pits & the reserve pit is proposed to be unlined unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with polyethelene. The pit liner will be 6 mils thick. Pit liner will extend a minimum of 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases.. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE:

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.3 as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be contoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

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T6S-R25E CHAVES CO. NM

11. OTHER INFORMATION:

- A. Topography is relatively flat with a slight dip Easterly toward the Pecos River. Soil is loamy with native grassed and an occasional cactus.
- B. Surface is owned by the U.S. Department of Interior and is administered by The Bureau of Land Management. Surface is utilized by the oil and gas companies to drill and produce gas. The surface is also used by ranchers to graze livestock.
- C. An Archaeological survey will be conducted of roads and location and copies will be filed with The Bureau of Land Management.
- D. There are no dwellings in the near vicinity of the location.

12. OPERATOR'S REPRESENTATIVE:

BEFORE CONSTRUCTION:

TIERRA EXPLORATION, INC.
P.O. BOX 2188
HOBBS, NEW MEXICO 88241
JOE T. JANICA
OFFICE PH. 505-391-8503

DURING AND AFTER CONSTRUCTION:

GREAT WESTERN DRILLING COMPANY
700 WEST LOUISIANA
MIDLAND, TEXAS 79702
BERRY D. SIMPSON
OFFICE PH. 915-682-5746 (EXT.130)

13. CERTIFICATION: I hereby certify that I or persons under my direct supervision have inspected the proposed drill sites and access route, that I am familiar with the conditions which currently exist and that the statements made in this 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 Great Western Drilling Company, its contractors/subcontractors and is in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME

Joe T. Janica

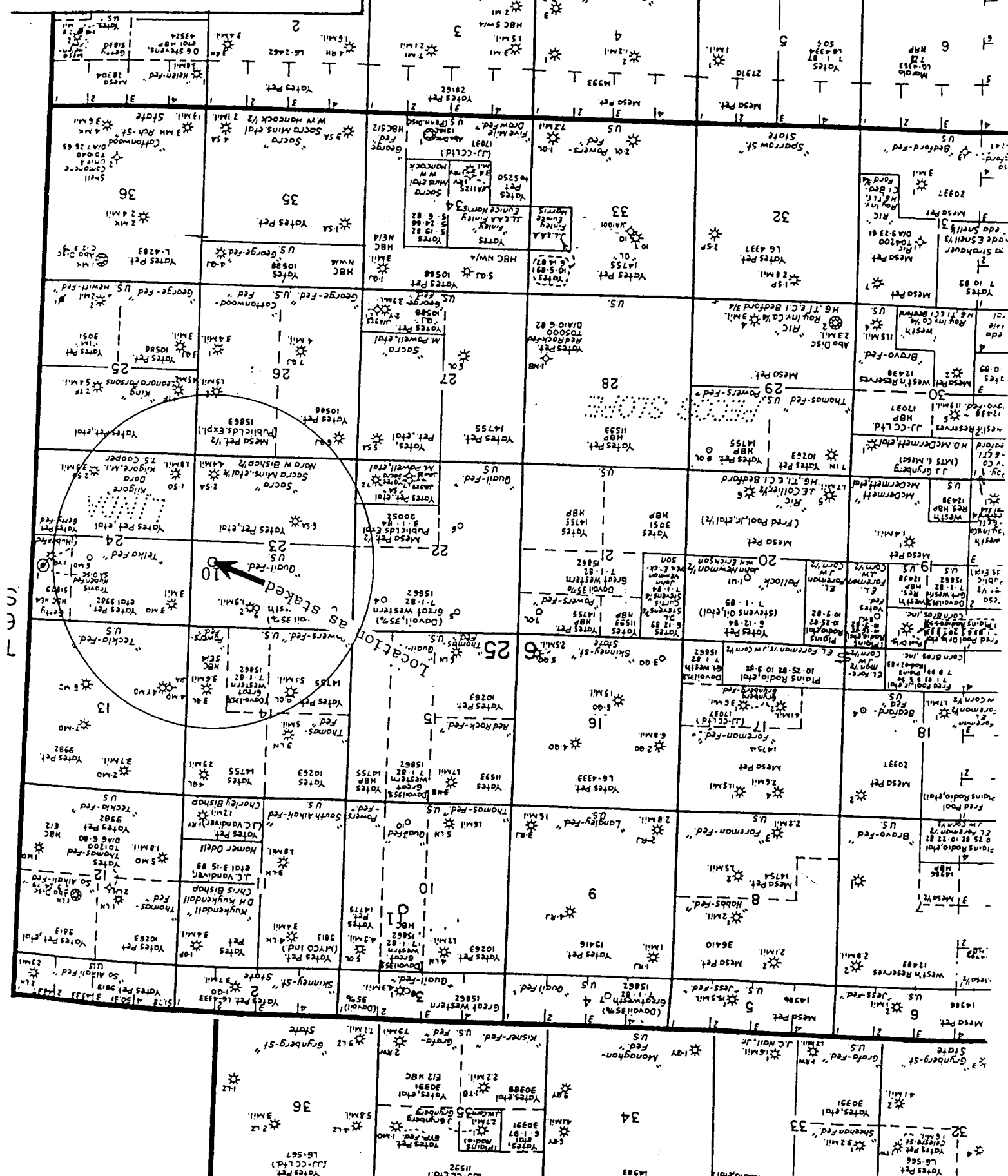
DATE

: 08/28/01

TITLE

: Agent

EXHIBIT "A-1"
ONE MILE RADIUS MAP
GREAT WESTERN DRILLING COMPANY
QUAIL FEDERAL # 10
SECTION 23
CHAVES CO. NM
S-R-25E



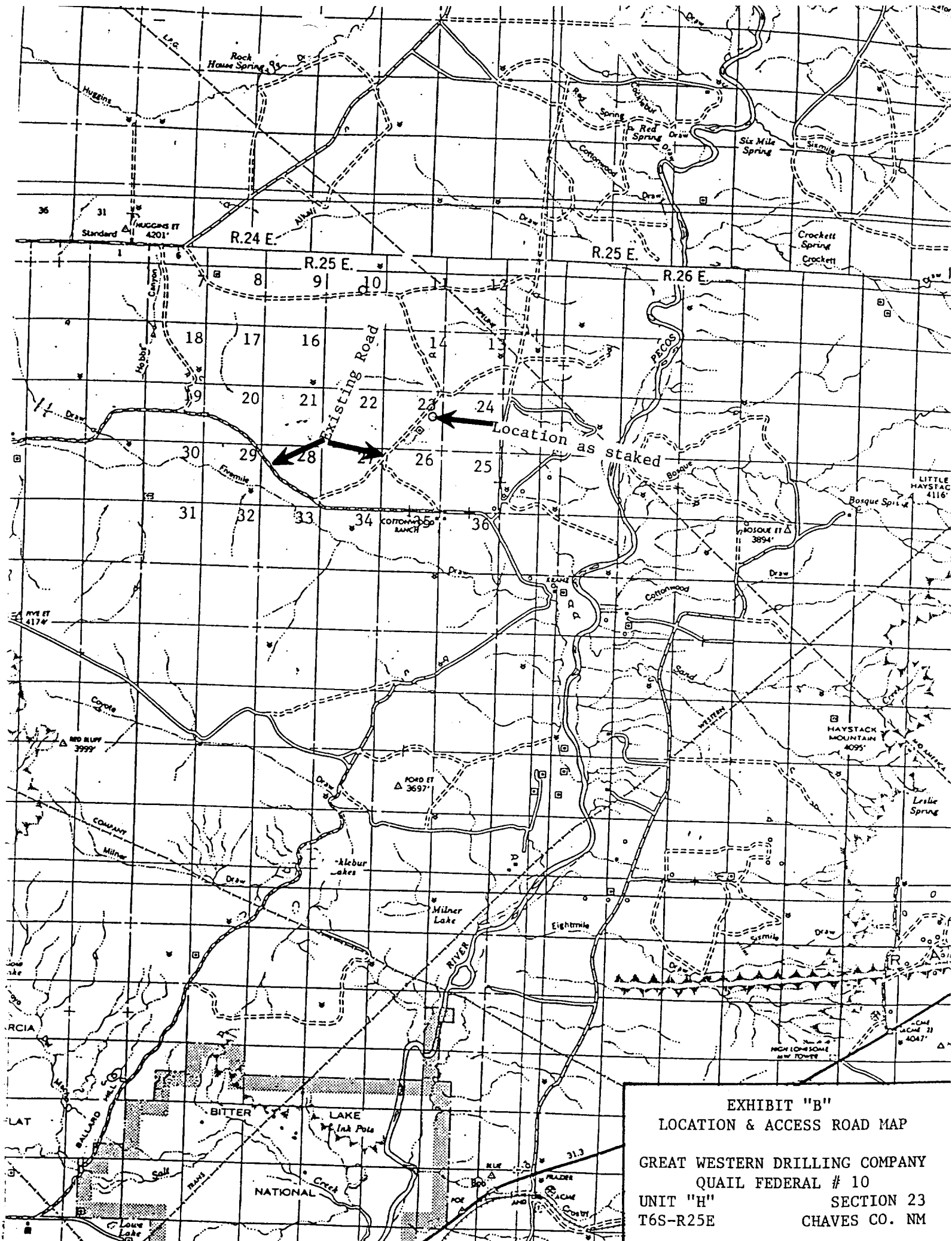


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP
GREAT WESTERN DRILLING COMPANY
QUAIL FEDERAL # 10
UNIT "H" SECTION 23
T6S-R25E CHAVES CO. NM

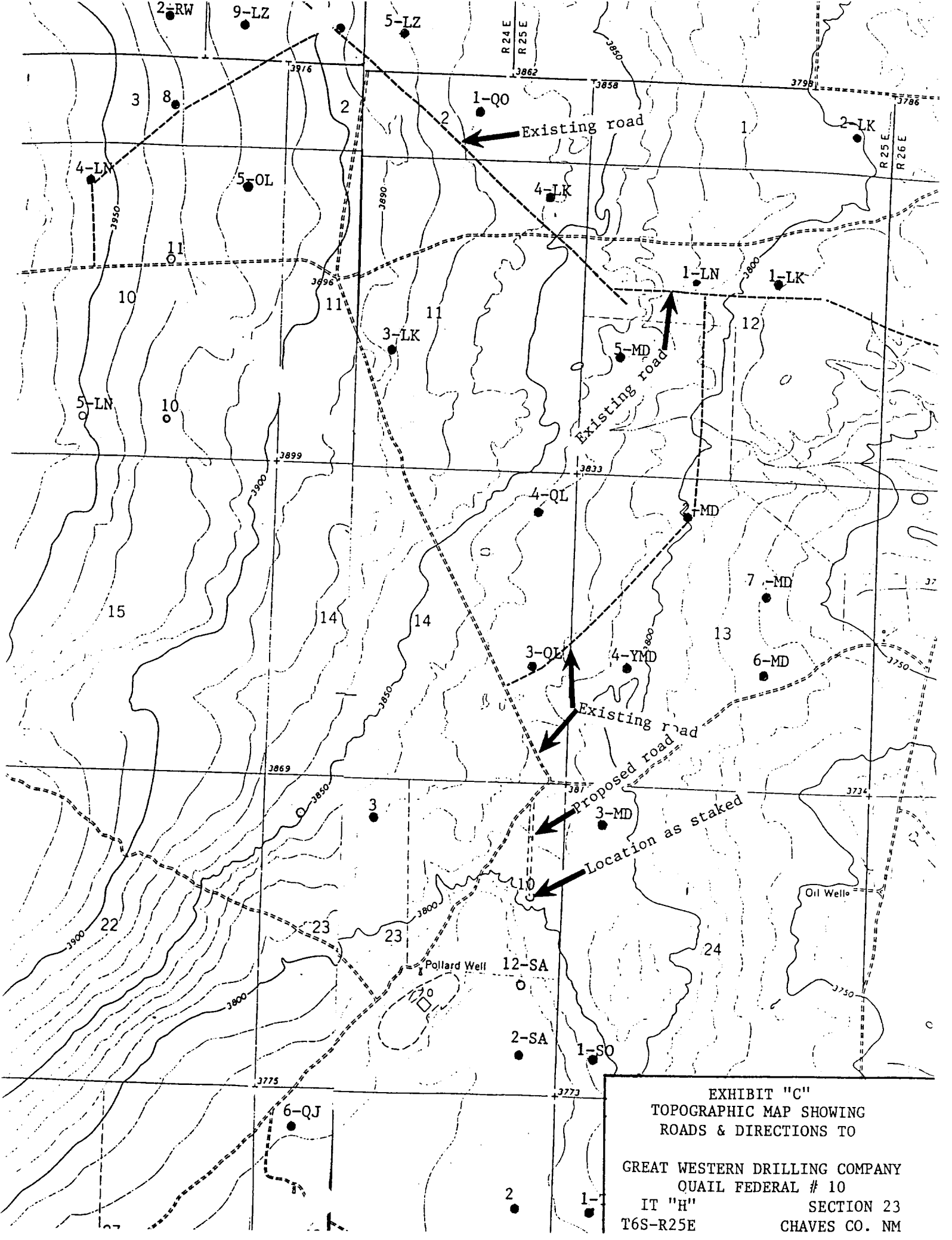
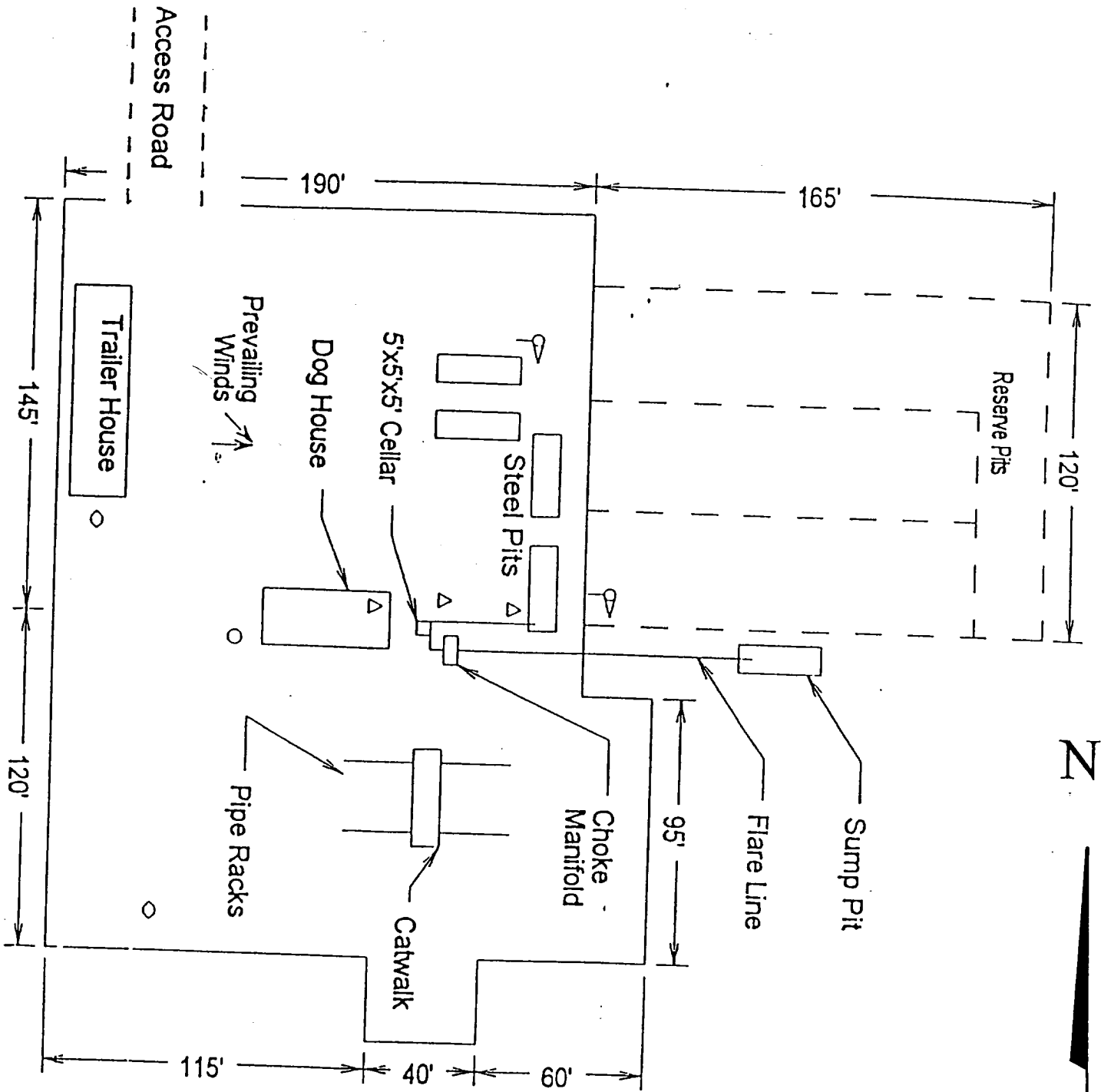


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO
GREAT WESTERN DRILLING COMPANY
QUAIL FEDERAL # 10
IT "H" SECTION 23
T6S-R25E CHAVES CO. NM

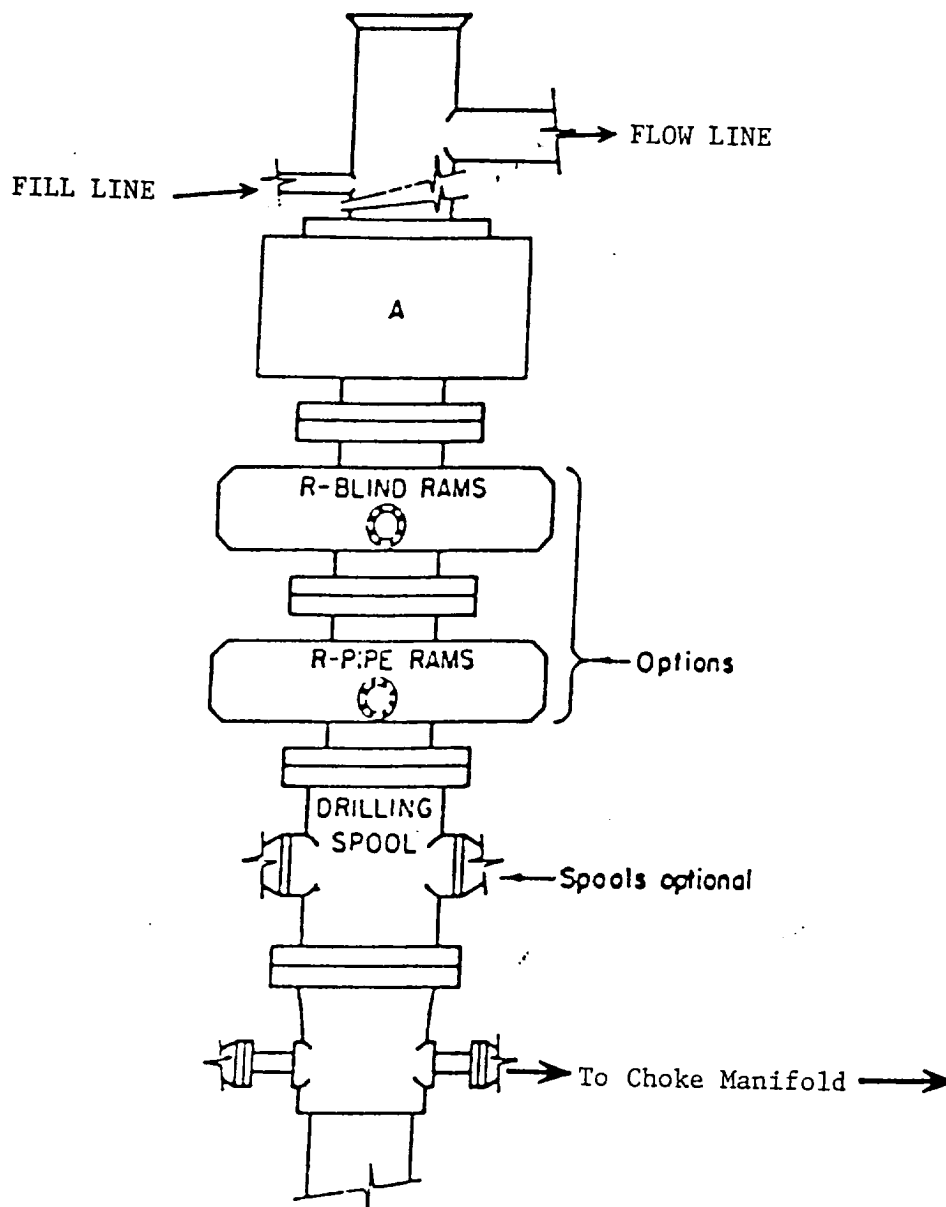


N

- ◑ Wind Direction Indicators (wind sock or streamers)
- ◒ H2S Monitors (alarms at bell nipple and shale shaker)
- ◐ Briefing Areas
- Remote BOP Closing Unit
- ◻ Sign and Condition Flags

EXHIBIT "D"
RIG LAY OUT PLAT

GREAT WESTERN DRILLING COMPANY
OUAIL FEDERAL # 10
UNIT "H" SECTION 23
T6S-R25E CHAVES CO. NM



ARRANGEMENT SRRA

900 Series
3000 PSI WP

EXHIBIT "E"
SKETCH OF B.O.P. TO BE USED ON
GREAT WESTERN DRILLING COMPANY
QUAIL FEDERAL # 10
T "H" SECTION 23
-R25E CHAVES CO. NM

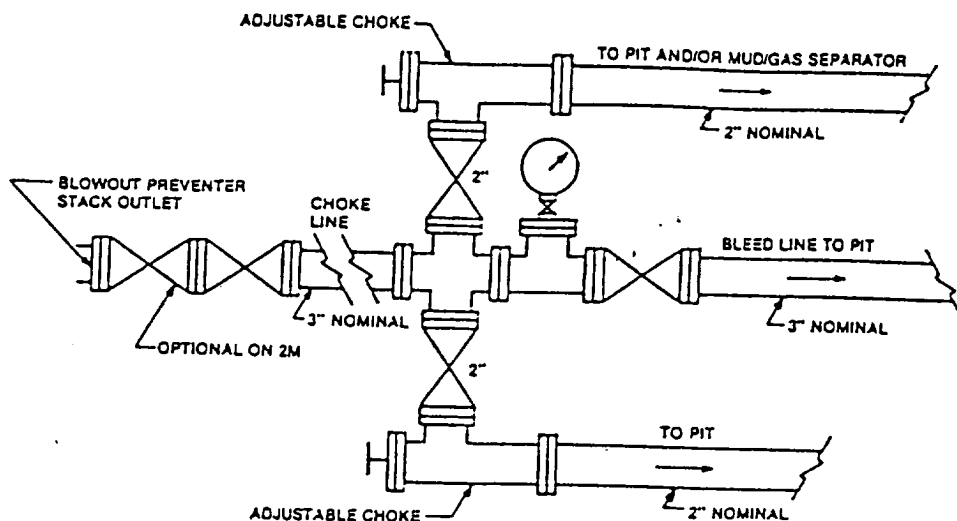


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

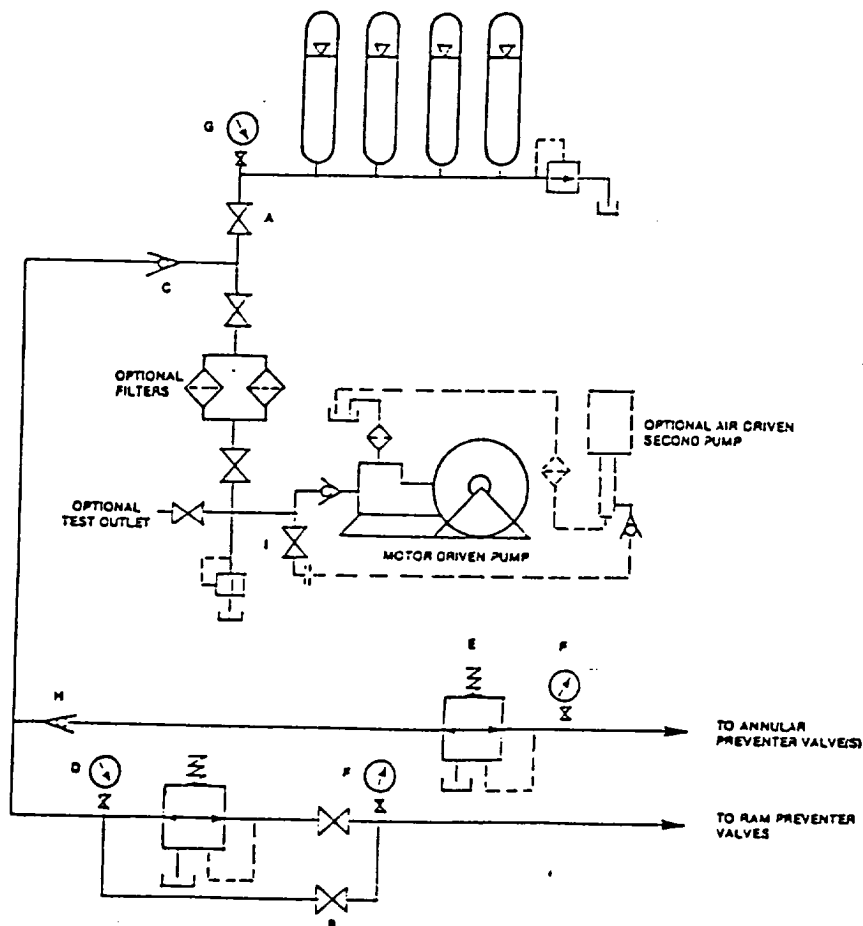


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT
GREAT WESTERN DRILLING COMPANY
QUAIL FEDERAL # 10
UNIT "H" SECTION 23
T6S-R25E CHAVES CO. NM

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT III

1000 Rio Branson Rd., Artesia, NM 87410

DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-005-63453	Pool Code	Pool Name
Property Code	Property Name QUAIL FEDERAL	Well Number 10
OGRID No.	Operator Name GREAT WESTERN DRILLING	Elevation 3801'

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	23	6-S	25-E		1980	NORTH	560	EAST	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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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 the the information contained herein is true and complete to the best of my knowledge and belief. Signature _____ Printed Name _____ Title _____ Date _____
	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. JUNE 21, 2001 Date Surveyed _____ AWB Signature & Seal of Professional Surveyor _____ Gary J. Edson 8/22/01 01-11-0743
	Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641