

Form 3160-3
(November 1983)
(formerly 9-331C)

NM Oil Cons. Commission

Drawer DD

Artesia, NM 88210

SUBMIT IN DUPLICATE
(Other instructions on
reverse side)

38-005-62786
Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

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 ☐

RECOMBINED
ZONE ☐

2. NAME OF OPERATOR

McClellan Oil Corporation

3. ADDRESS OF OPERATOR

P. O. Drawer 730

Roswell, NM 88202

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

At surface

330' FSL & 660' FWL

At proposed prod. zone

Same

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

17 miles N. of Loco Hills, NM

16. DISTANCE FROM PROPOSED*

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

330'

18. NO. OF ACRES IN LEASE

240

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.

990'

19. PROPOSED DEPTH

1900'

20. ROTARY OR CABLE TOOLS

Rotary Air

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

3902' G.L.

22. APPROX. DATE WORK WILL START*

May 7, 1990

23.

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#	300'	200 sx "C" circulated
7 7/8"	4 1/2"	10.5#	1900'	250 sx "C"

MUD PROGRAM: None planned since well to be drilled with air. Will mud up if unexpected abnormal pressures are encountered or excessive water is encountered. Will drill to top of Queen with rotary air and will drill the Queen pay with cable tool.

BOP PROGRAM: A 10" rotating head with an 8" manual double ram BOP with 2,000 psi wp will be installed and tested daily. A 2,000 psi BOP will be used since previous experience from off setting wells has not indicate any abnormal pressures or problem.

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 details of any preventer program, if any.

24.

SIGNED George Smith Agent TITLE McClellan Oil Corp. DATE April 12, 1990

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY S/Levi Doike, Acting TITLE Area Manager DATE MAY 9 1990

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH ARE NECESSARY TO CONDUCT OPERATIONS THEREON. PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF ROAD OR PAD WITHOUT PAYMENT TO THE APPLICANT. THE APPLICANT SHALL BE RESPONSIBLE FOR KNOWINGLY AND WILLFULLY TO MAKE TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES.

All distances must be from the outer boundaries of the Section.

Operator McClellan Oil Corporation		Lease Shell 15 Federal		Well No. #4
Unit Letter M	Section 10	Township 15 South	Range 29 East	County Chaves
Actual Postage Location of Well: 330 feet from the South line and 660 feet from the West line				
Ground Level Elev. 3902	Producing Formation Queen	Pool Lucky Lake Queen	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 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 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 interests, has been approved by the Division.

Section 10, T. 15S., R. 29E., NMPM

NM-54400
McClellan Oil Corp.

660'

330'

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

George R. Smith
Name

George R. Smith

Position

Agent for:

Company

McClellan Oil Corp.

Date

April 16, 1990

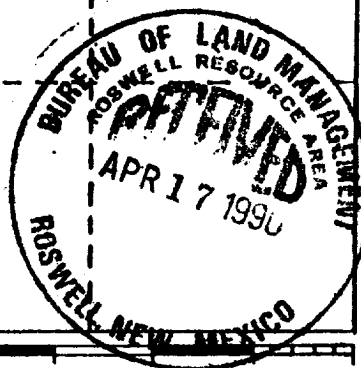
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

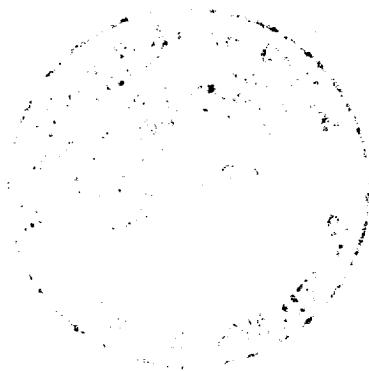
John D. Jaquess
Date Surveyed

NEW MEXICO
Registered Professional Engineer
and/or Land Surveyor

John D. Jaquess, P.E. & L.S.

Certificate No. 6290





APPLICATION FOR DRILLING
McCLELLAN OIL CORPORATION
Shell 15 Federal, Well No. 4
330' FSL & 660' FWL, Sec. 10-T15S-R29E
Chaves County, New Mexico
Lease No.: NM-54400
(Development Well)



In conjunction with Form 3160-3, Application for Permit to Drill subject well, McClellan Oil Corporation 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:

Salt	368'
Yates	1123'
7-Rivers	1650'
Queen	1848'
T.D.	1900'
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 Queen below 1848'.

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.

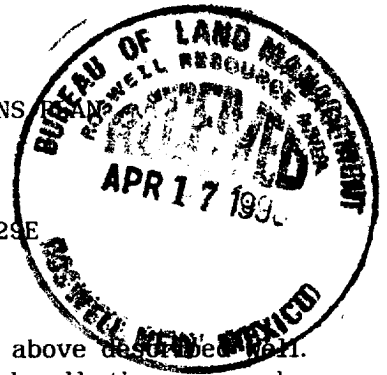
Logging: T.D. to surface casing: GR-CNL-LDT, and DLL.

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.
10. Anticipated starting date: May 7, 1990.

Anticipated completion of drilling operations: Approximately 8 days.

MULTI POINT SURFACE USE AND OPERATIONS

McCLELLAN OIL CORPORATION
Shell 15 Federal, Well No. 4
330' FSL & 660' FWL, Sec. 10-T15S-R29E
Chaves County, New Mexico
(Development 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 28 road miles southeast of Hagerman, New Mexico or 17 miles north of Loco Hill, NM. Traveling east from Hagerman, there will be approximately 25.4 miles of paved highway and 2.3 miles of gravel ranch/oilfield roads.
- B. Directions: Travel East from Hagerman, NM on New Mexico Highway 31 for 23.5 miles to the paved Chaves County road No. 22 (Hagerman Cutoff Rd.). Turn south on Rd. 22 for 1.9 miles then right (west) onto a gravel oilfield/ranch road for 2.2 miles to the Shell 15 Fed., Well No. 1 well site. Turn north following gravel road for .2 mile to start of the proposed access road on the left, which runs north for approximately 200 feet to the southeast corner of the staked well site.

2. PLANNED ACCESS ROAD:

- A. Length and Width: There will be approximately 200 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 will be constructed by grading and topping with compacted caliche. The surface will be properly drained.
- C. Turnouts: No turnouts are planned.
- D. Culverts: None required.
- E. Cuts and Fills: None required.
- F. Gates, Cattleguards: None required.
- G. Off Lease R/W: None required. The existing access road is covered by previously issued Right of Way.

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 production facilities on the lease at this time.
- B. If the well proves to be commercial, the necessary production facilities, gas separation-process equipment will be installed on the drilling pad and flow lines will be run adjacent to and parallel with the access road to the tank battery on the Shell 15 Fed., #1 well 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 private or commercial sources and will be transported over the existing and proposed access roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. If needed, caliche for surfacing the proposed access road and well site pad will be obtained from an approved Federal pit in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 13-T15S-R29E. Some or all caliche may be obtained from the well site. 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 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 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 and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt, or a commercial dumpster will be used. All waste material will be contained to prevent scattering by the wind.
- H. All trash and debris will be buried or removed from the well site 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'. The location shown is for a rotary air rig, which will drill down to the top of the queen. A cable tool rig will complete the well.
- B. Mat Size: Maximum size: 200' X 170' plus reserve pits.
- C. Cut & Fill: There will be a 1 foot cut on the northeast with fill to the southwest.
- 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 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 Bureau of Land Management 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 proposed well site is located on a relatively level area with a 1% west/southwesterly slope from an elevation of 3902' G.L.
- B. Soil: The topsoil at the well site is a fine sandy loam with caliche scatter and caliche underlaying the surface. The soils are of the Simona Series.
- C. Flora and Fauna: The vegetation cover is a fair to poor grass cover of dropseed, fluffgrass, grama, and three-awn, along with plants of mesquite, yucca, broom snakeweed, creosote bush, cacti, thistle, and miscellaneous weeds and wildflowers. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, 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 well site equipment to the south.
- F. Land Use: Cattle grazing.
- G. Surface Ownership: The proposed well site and access road is on Federal surface and minerals.

11. OTHER INFORMATION; cont.....

- 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:

Hal Crabb
McClellan Oil Corporation
P. O. Drawer 730
Roswell, New Mexico 88202
Office Phone: (505) 622-3200
Home Phone: (505) 625-1234

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 McClellan Oil 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.

April 11, 1990

George R. Smith
George R. Smith
Agent for: McClellan Oil Corporation



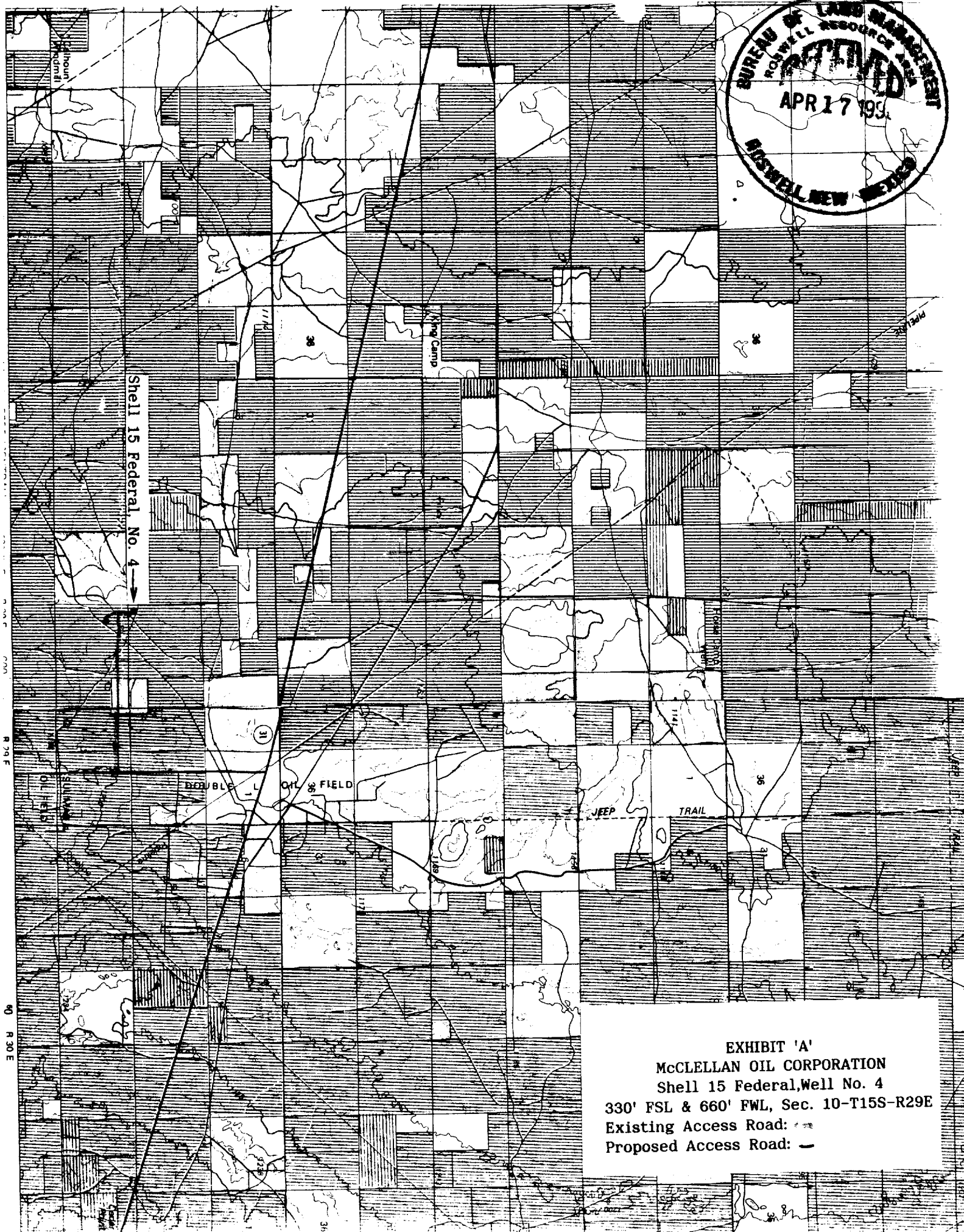
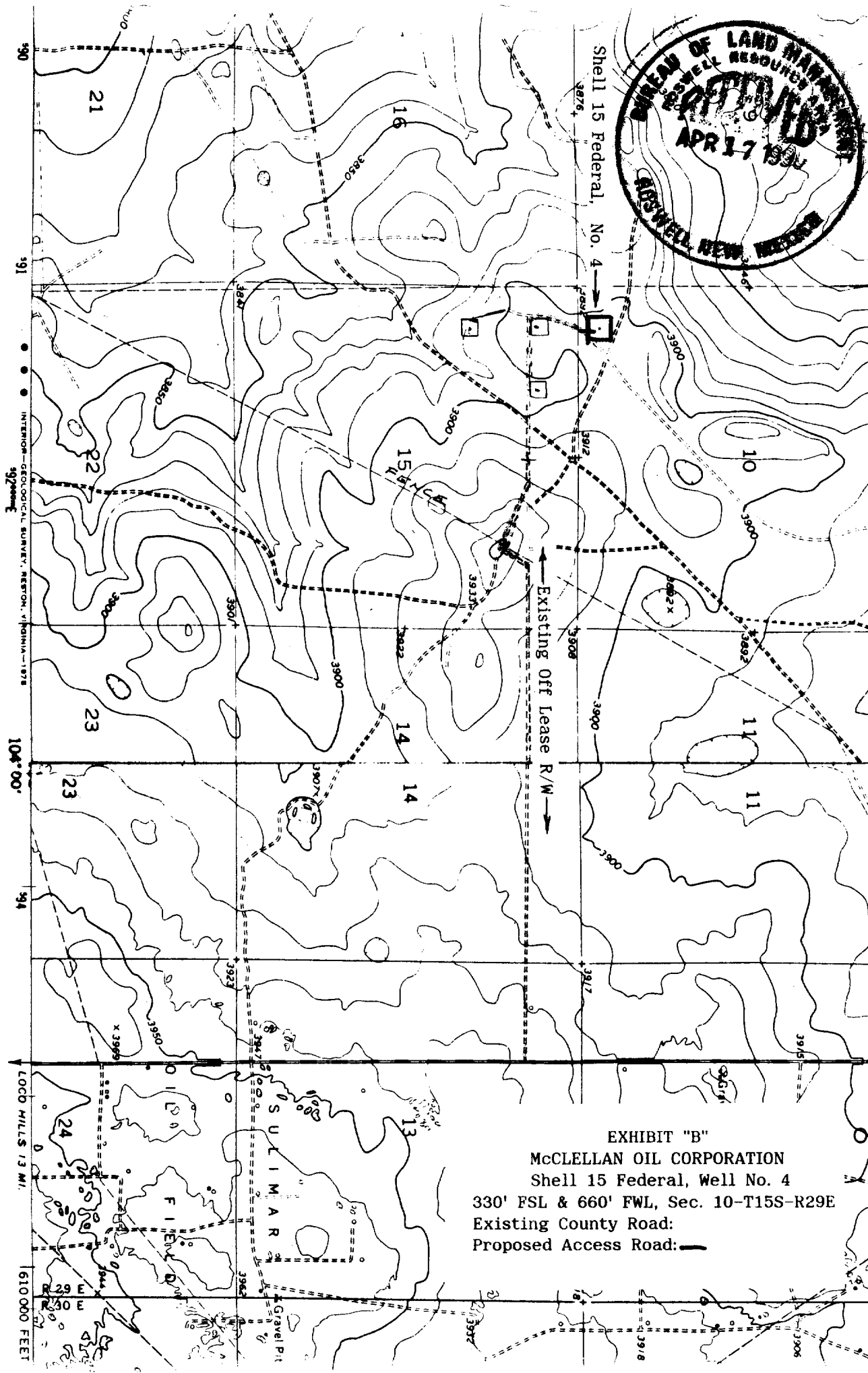


EXHIBIT 'A'
McCLELLAN OIL CORPORATION
Shell 15 Federal, Well No. 4
330' FSL & 660' FWL, Sec. 10-T15S-R29E
Existing Access Road: —
Proposed Access Road: —



Shell 15 Federal, No. 4

EXHIBIT "B"
McCLELLAN OIL CORPORATION
Shell 15 Federal, Well No. 4
330' FSL & 660' FWL, Sec. 10-T15S-R29E
Existing County Road:
Proposed Access Road:



ROAD CLASSIFICATION

- Primary highway, all weather, hard surface
- Secondary highway, all weather, hard surface
- Light-duty road, all weather, improved surface
- Unimproved road, fair or dry weather
- Interstate Route
- U. S. Route
- State Route

Mapped, edited, and published by the Geological Survey

Control by USGS and NOS/NOAA

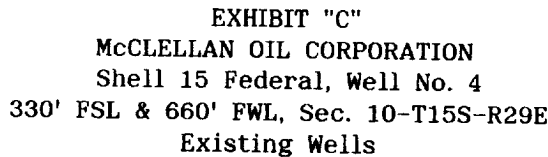
Topography by photogrammetric methods from aerial photographs taken 1972. Field checked 1973

Projection and 10,000-foot grid ticks: New Mexico coordinate system, east zone (transverse Mercator)

1000-meter Universal Transverse Mercator grid ticks, zone 13, shown in blue

1927 North American Datum





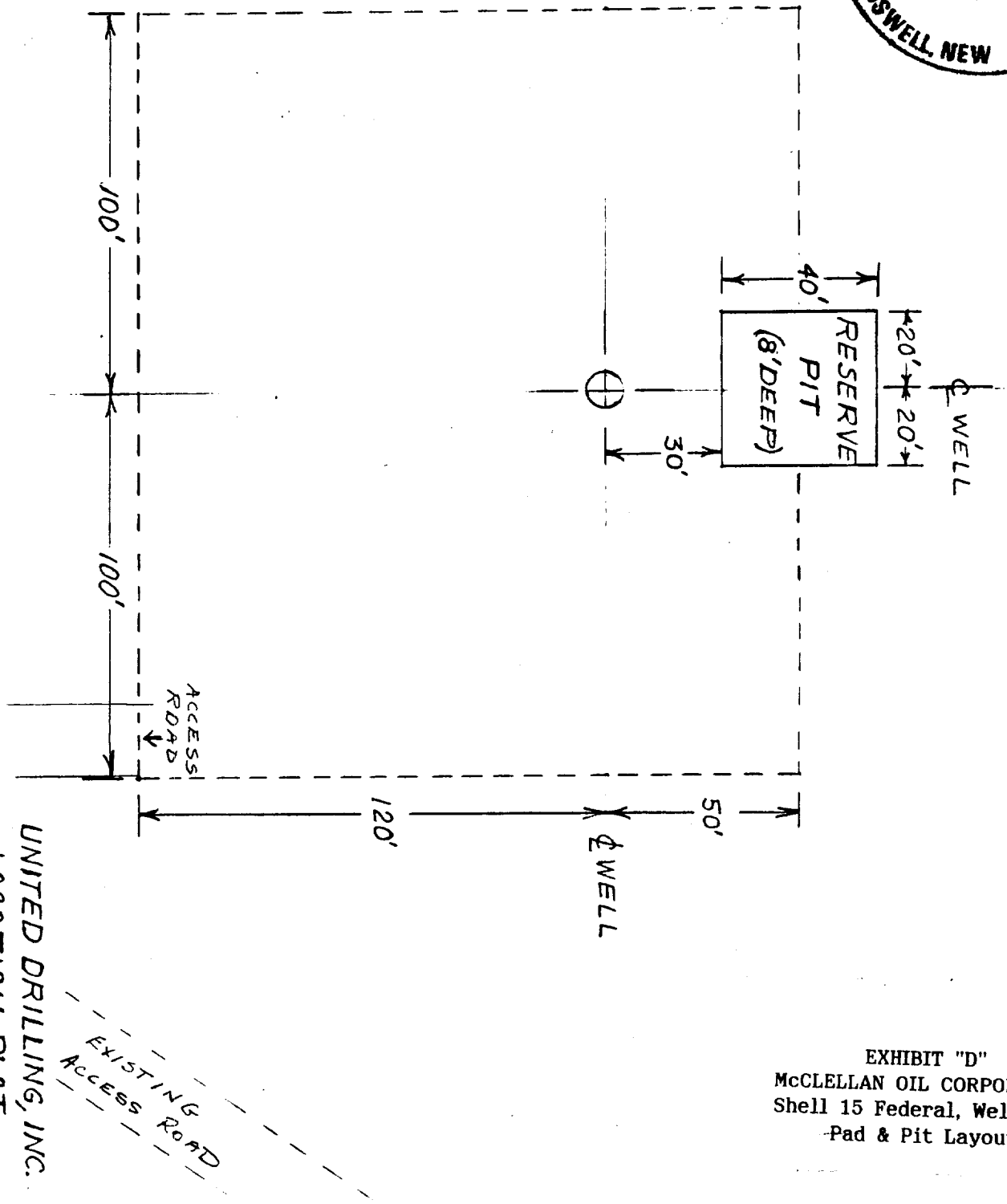


EXHIBIT "D"
McCLELLAN OIL CORPORATION
Shell 15 Federal, Well No. 4
Pad & Pit Layout

UNITED DRILLING, INC.
LOCATION PLAT
RIGS 1 & 4
AIR DRILLING

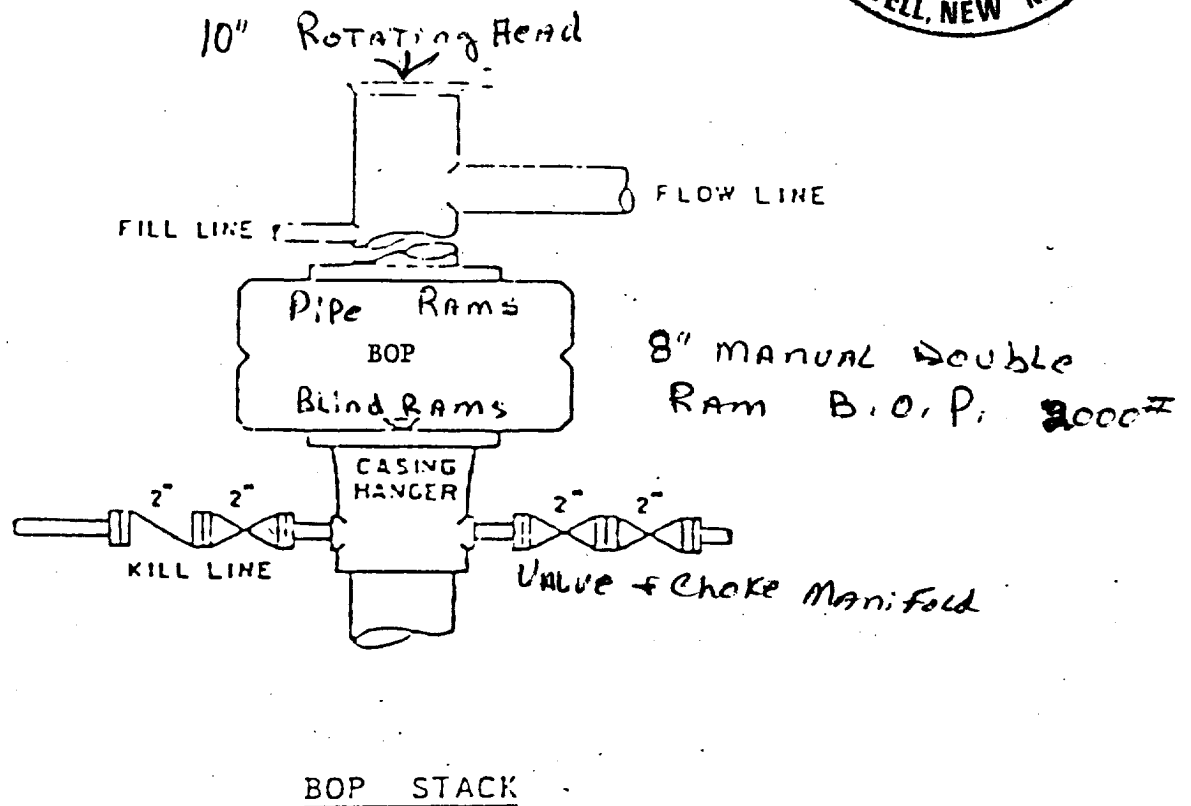


EXHIBIT "E"
McCLELLAN OIL CORPORATION
Shell 15 Federal, Well No. 4
BOP Specifications