

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Form approved,
Budget Bureau No. 42-R1425.

30-015-25589

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
McClellan Oil Corporation

3. ADDRESS OF OPERATOR
P.O. Box 730, Roswell, NM 88202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 660 FSL & 1980 FWL
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
10 miles North of Loco Hills, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'

16. NO. OF ACRES IN LEASE 1600

17. NO. OF ACRES ASSIGNED TO THIS WELL 320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 10,900

19. PROPOSED DEPTH 10,900

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3714 FR

22. APPROX. DATE WORK WILL START*
September 1, 1989

5. LEASE DESIGNATION AND SERIAL NO.
NM-0916

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Golden Bear Federal

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Wildcat Morrow

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 24-T16S-R29E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
	13 3/8"	48	500	In hole-Circulated
	8 5/8"	32	2,600	In hole-1430 sx
	5 1/2"	17# N-80	10,900	700 sx

Proposed to re-enter existing well, drill out cement plugs and deepen from 10,000 ft. to 10,900 ft. to test the Morrow sand. If logs and/or D.S.T.'s warrant, production casing will be ran and completion attempted.

Gas is not dedicated.

BOP's will be a 3000 psi, double ram-hydril.

Post ID-1
9-22-89
Re-entry

Former:
Citation Oil & Gas Co.
Bear Fed. #1
OTD - 10,000
P4A - 5-2-86

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 blowout preventer program, if any.

SIGNED Paul Ragsdale TITLE Operations Manager DATE 8/21/89

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY Carl J. Jones TITLE AREA MANAGER DATE 9-18-89
CONDITIONS OF APPROVAL, IF ANY: _____

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 McClellan Oil Corporation			Lease Bear Federal		Well No. 1
Unit Letter N	Section 24	Township 16S	Range 29E	County NMPM Eddy	
Actual Footage Location of Well: 660 feet from the South line and 1980 feet from the West line					
Ground level Elev. 3713.9	Producing Formation Morrow		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 _____ing such interest, has been approved by the Division.

McClellan Oil Corporation	
NM-0916	
Sec. 24	

OPERATOR CERTIFICATION

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

Signature

Paul Ragsdale

Printed Name

Paul Ragsdale

Position

Operations Manager

Company

McClellan Oil Corporation

Date

August 11, 1989

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

Signature & Seal of
Professional Surveyor

See Attached Plat

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVIS.
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

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

Operator Citation Oil & Gas Corp.			Lease Bear-Federal		Well No. 1
Unit Letter N	Section 24	Township T 16	Range R 29 E	County Eddy	
Actual Postage Location of Well: 660 feet from the South line mid 1980 feet from the West line					
Ground Level Elev. 3713.9	Producing Formation Penn Reef		Pool	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		24	
1980'			

CERTIFICATION

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

George Lapaseotes
Name
George Lapaseotes

Position
President

Company
Powers Elevation

Date
February 20, 1986

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

2-20-86
Date Surveyed

Registered Professional Engineer
in New Mexico

8894

Certificate No.

APPLICATION FOR DRILLING

McCLELLAN OIL CORPORATION
Golden Bear Fed. #1
660 FSL & 1980 FWL, Sec. 24-T16S-R29E
Eddy County, New Mexico
Lease No. NM-0916
(Wildcat 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 tops of geologic markers are as follows:

Glorietta	4114'	Abo	6158'	Atoka	10800'
Tubb	5434'	Wolfcamp	7103'	TD	10900'
		Strawn	9844'		

3. The estimated depths at which water, oil or gas formations are anticipated to encountered:

Water: Surface water between 100' to 300'.

Oil: Slight oil shows in San Andres at 1500'.

Gas: Anticipated Wolfcamp, Strawn, Atoka zones will be gas bearing.

4. Proposed Casing Program: See Form 3160-3.
5. Pressure Control Equipment: See Form 3160-3 and Exhibit "E".
6. Mud Program: 10 ppg, 40 Vis, 10 WL.
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: Possible DST in Atoka-Morrow.

Logging: From surface Casing to T.D.: G/R, CNL-LDT, DLL, MSFL

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.
10. Anticipated starting date: September 20, 1989.
Anticipated completion of drilling operations: Approximately 10 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

McCLELLAN OIL CORPORATION
Golden Bear Fed. #1
660 FSL & 1980 FWL
Eddy County, New Mexico
Lease No. NM-0916
(Wildcat 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 after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operations.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of the BLM color quad map showing the location of proposed well and access road as staked, in relation to existing roads and highway. The well is approximately 10 miles north of Loco Hill, NM.
- B. Directions: Go west of Loco Hills, NM to county road 215 (Kewanee Road). Go north on county road 215 at 2.8 miles past the pipeline pump stations, make a slight jog, continue north (road narrows to 10-20' bladed, no grade) for approximately 2.7 miles to a "Y". Go right, cross cattle guard at 750'; proceed $\frac{1}{2}$ mile to location. Exhibit B is a map.

2. PLANNED ACCESS ROAD- No access road is required as location sits on the county road.

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 this lease at the present time.
- B. If the well proves to be commercial, the necessary production facilities, gas separation-process equipment and tank battery will be installed on the drilling pad. Pipeline well be determined after completion.

5. LOCATION & TYPE OF WATER SUPPLY

- A. It is planned to drill the proposed well with fresh water which will be obtained from commercial or private sources. The water will be transported over existing and proposed access roads.

6. SOURCE OF CONSTRUCTION MATERIALS- No materials are required as the existing location needs to be bladed only.

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. All waste material will be contained to prevent scattering by the wind using either a dumpster or netting.
- H. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILIARY FACILITIES:

- A. None Required.

9. WELLSITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area has been staked and flagged.
- B. Mat Size: Max. Pad size: 270' x 210', plus 100' x 100' reserve and working pits with a 20 x 20 stinger.
- C. Cut and Fill: No new construction is required.

- D. The surface will be compacted after leveling. The reserves will be plastic lined pits.

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 wellsite contoured as before construction.
- B. Any unguarded pits containing fluids will be fenced 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: From the wellsite elevation of 3714', the land surface in the vicinity of the wellsite is on a 1.1':100' northwest facing slope. The location is located in sandy hummocks.
- B. Soil: The topsoil at the wellsite is sandy, loamy soil.
- C. Flora and Fauna: The vegetative cover consists of grass, mainly grama, dropseed, along with mesquite, yucca, cacti and miscellaneous wildflowers. The wildlife consists of rabbits, coyotes, antelope, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Residences and Other Structures: None in the area.
- E. Ponds and streams: None.
- F. Land Use: Cattle grazing.
- G. Surface Ownership: The proposed wellsite and access road are on Federal surface. The minerals are also Federal.
- H. There is no visible evidence of archaeological, historical or cultural sites in the area. An archaeological survey has been conducted previously by Citation Oil & Gas. Since no new area will be disturbed no additional report is required.

12. OPERATOR'S REPRESENTATIVE:

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

Paul Ragsdale
McClellan Oil Corporation
P.O. Box 730 or 601 Moore Dr.
Roswell, New Mexico 88202
Office Phone: (505) 622-3200
Home Phone: (505) 623-3940
Mobile Phone: 623-0989 #9125

13. 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 to the best of my knowledge, are true and correct; and, that the work associated with the operations proposed herein will be performed by McClellan Oil Corporation and its contractors and sub-contractors 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 filing a false statement.

August 18, 1989


Paul Ragsdale
McClellan Oil Corporation

New Mexico

Industrial Park

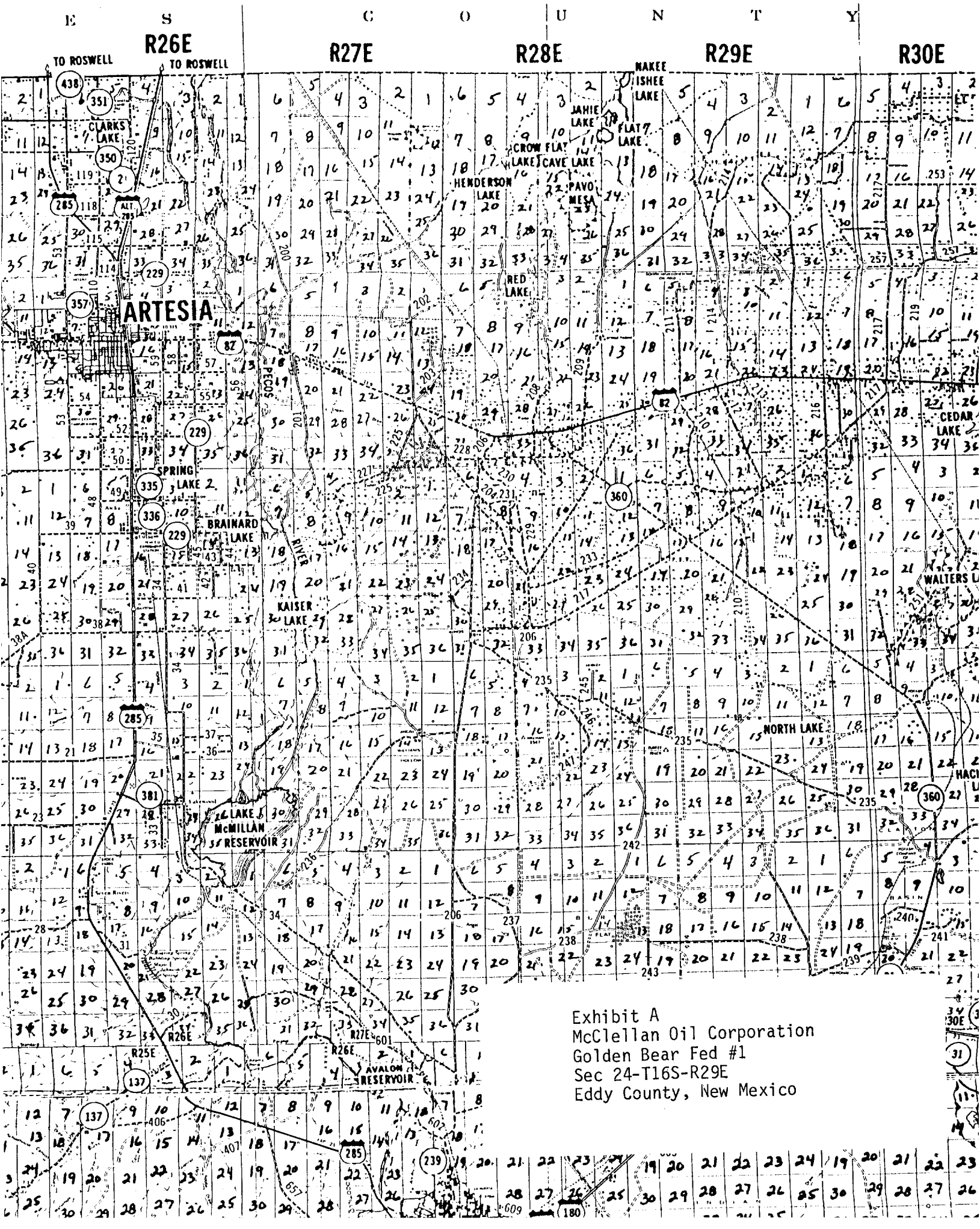
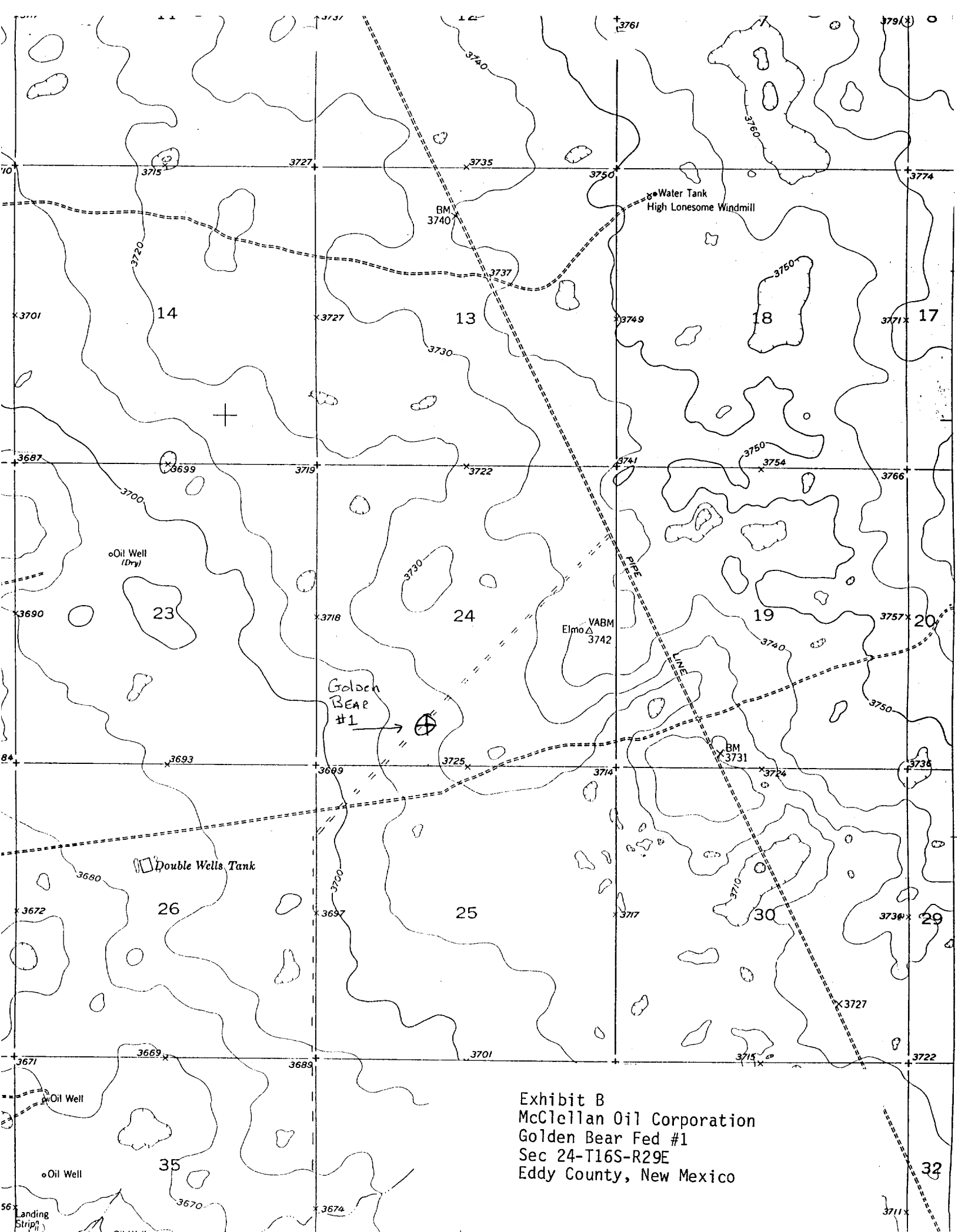


Exhibit A
 McClellan Oil Corporation
 Golden Bear Fed #1
 Sec 24-T16S-R29E
 Eddy County, New Mexico



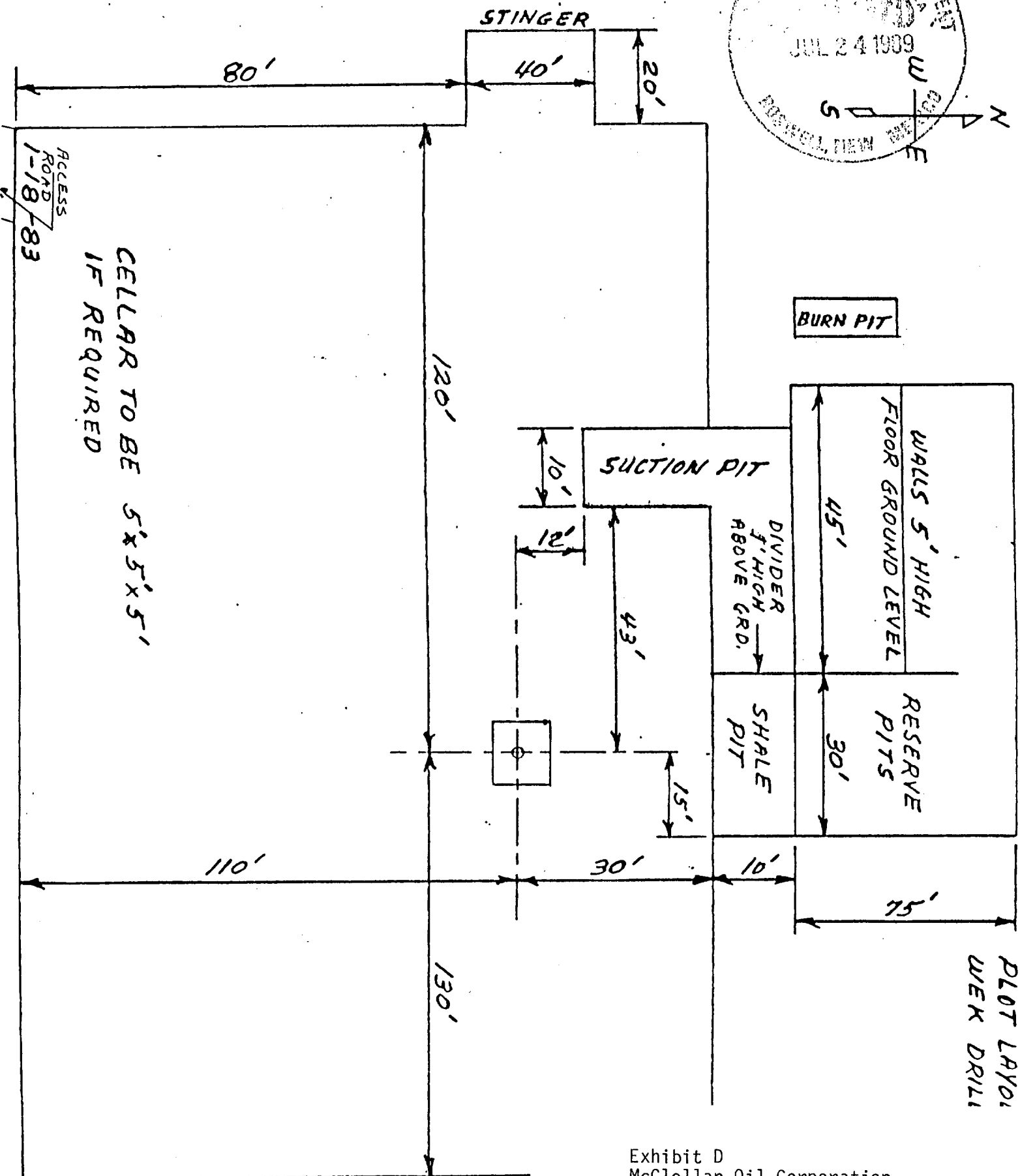
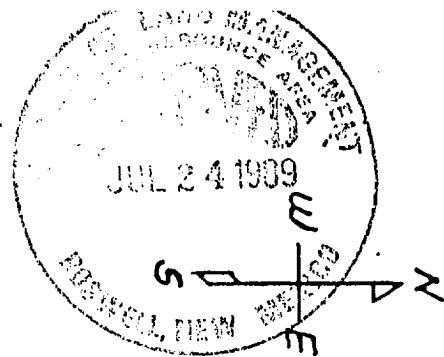


Exhibit D
McClellan Oil Corporation
Golden Bear Fed #1
Sec 24-T16S-R29E
Eddy County, New Mexico

WEK DRILLING CO., INC. - Rig 2
BLOWOUT PREVENTER SPECIFICATION

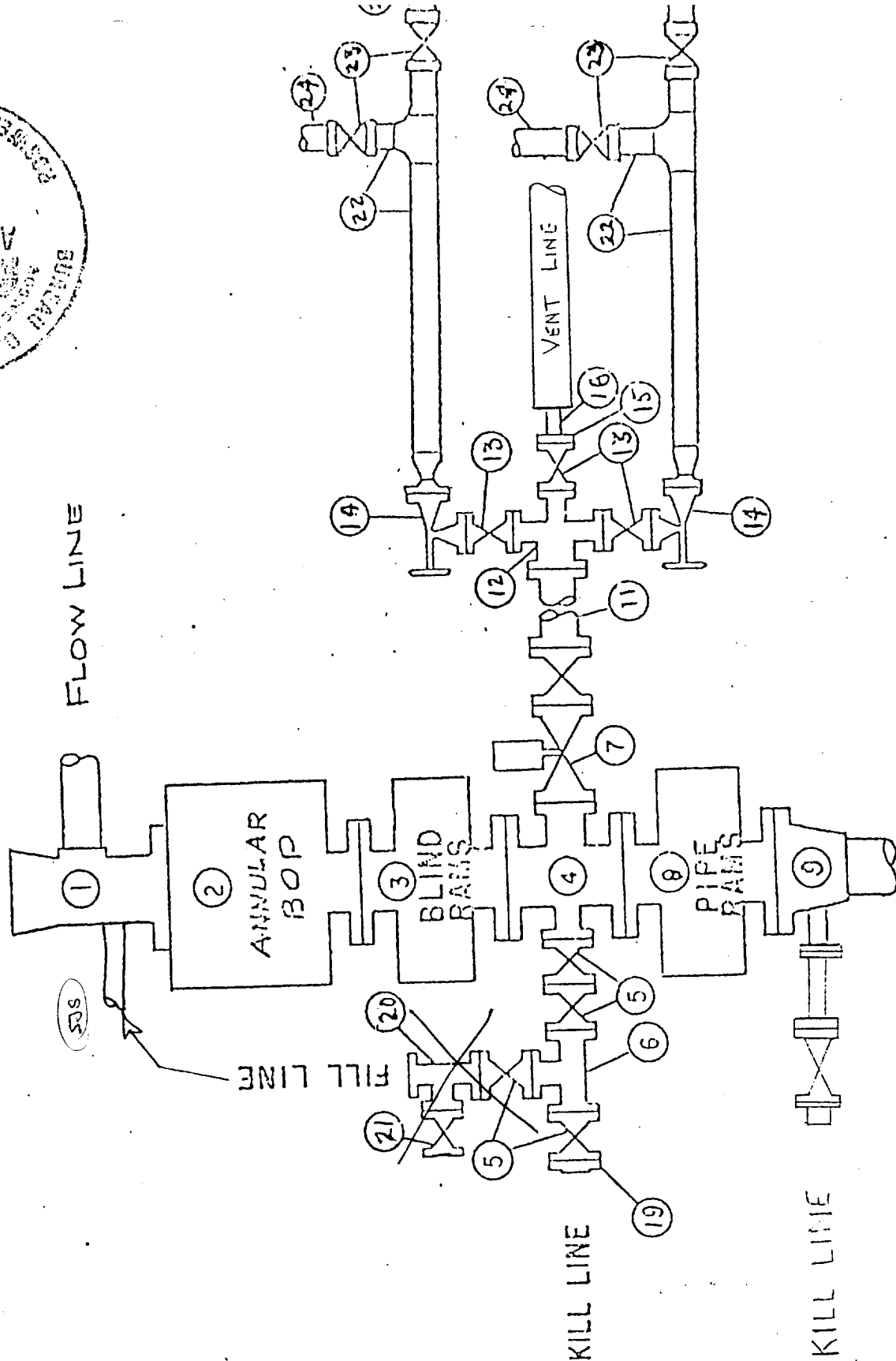


Exhibit E
 McClellan Oil Corporation
 Golden Bear Fed #1
 Sec 24-T16S-R29E
 Eddy County, New Mexico

10/15/74