

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
March 4, 2004

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

Operator Name and Address Capataz Operating Inc		OGRID Number 3659
Property Code 35976	Property Name White Owl	API Number 30-025-1
		Well No. 1

**7 Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	Country
D	2	20S	38E		500	North	330'	West	Lea

**8 Proposed 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	Country
D	2	20S	38E		1300'	North	330'	West	Lea

Proposed Pool 1 House, Abo	Proposed Pool 2 House, Tubb
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**Drilling Pit Location and Other Information**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	Country
D	2	20S	38E		465	North	270	West	Lea

Depth to ground water  
45' as per S.O.F.

Distance from nearest fresh water well  
> 200'

Distance from nearest surface water  
> 1000'

Work Type Code New Drill	Well Type Code 0	Cable/Rotary Rotary	Lease Type Code F	Ground Level Elevation 3573
Multiple Y	Proposed Depth 7800'	Formation Abo	Contractor Patterson	Spud Date 6/15/04

**21 Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17"	13-3/8"	48#	100'	200	Surf
12-1/4"	8-5/8"	24#	1650'	975	Surf
7-7/8"	5-1/2"	17#	7800'	1100	Surf

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.  
MIRU Drilling rig on or about June 15, 2004. Drill 17" hole 100' & set 100' 13-3/8" conductor pipe. Cement to Surface. Drill 12-1/4" hole to 1600' @ circulate cement to surface. Drill out casing shoe & drill to 4500' @ run directional tools in hole. Drill hole to 7800' @ 1300' FMS @ 330' F

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMCD guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Run OH logs. Case w/ 5 1/2" 17# csq if ne

OIL CONSERVATION DIVISION

Signature:

Printed name: H Scott Lavis

Title: Agent

E-mail Address: capatazhds@aol.com

Date: 4-27-04

Phone: 432-620-8820

Approved by:

*Paul F. Hardy*

Title: PETROLEUM ENGINEER

Approval Date: MAY 06 2004

Expiration Date:

Conditions of Approval:

Attached ☐

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway

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State of New Mexico

Energy, Minerals, and Natural Resources Department

**OIL CONSERVATION DIVISION**

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

Form C-102

Revised August 15, 2000

Submit to Appropriate District Office

State Lease - 4 copies

Fee Lease - 3 copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-825-33689	<sup>2</sup> Pool Code 33210	<sup>3</sup> Pool Name House, Abo
<sup>4</sup> Property Code 33976	<sup>5</sup> Property Name WHITE OWL	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 3659	<sup>8</sup> Operator Name CAPATAZ OPERATING COMPANY	<sup>9</sup> Elevation 3573'

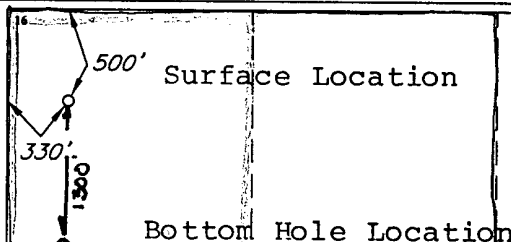
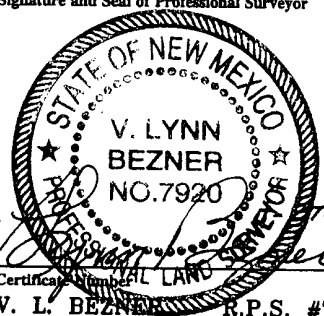
<sup>10</sup> Surface Location

UL or lot no. D	Section 2	Township 20 SOUTH	Range 38 EAST, N.M.P.M.	Lot Idn	Feet from the 500'	North/South line NORTH	Feet from the 330'	East/West line WEST	County LEA
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. D	Section 2	Township 20South	Range 38 East	Lot Idn	Feet from the 1300'	North/South line North	Feet from the 330	East/West line West	County Lea
<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

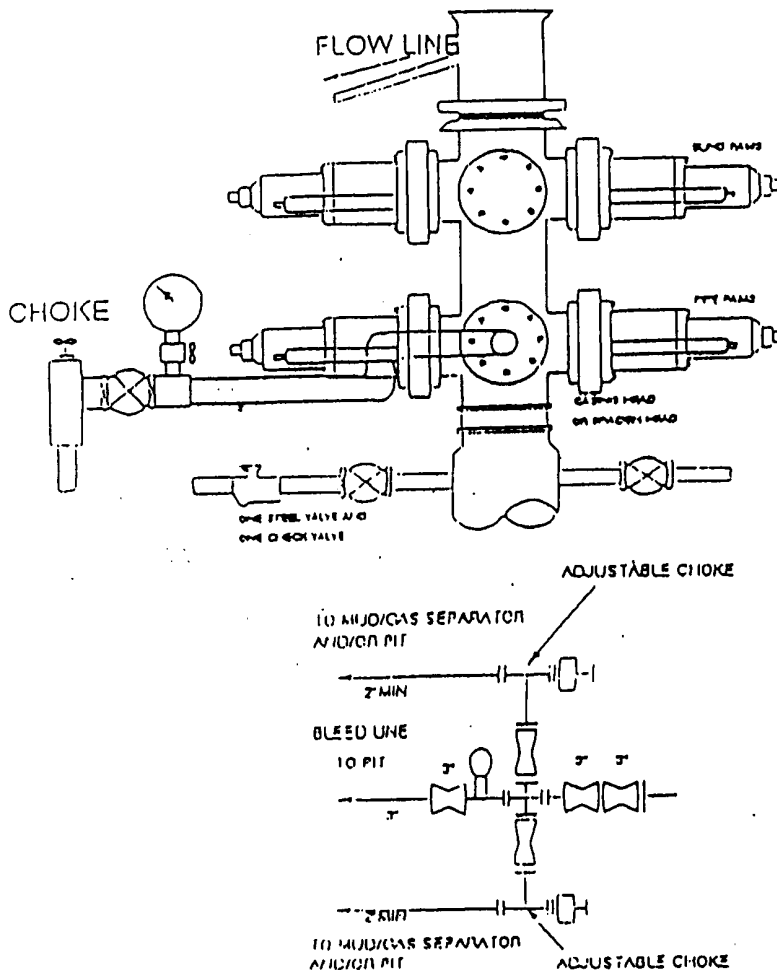
	<b><sup>17</sup> OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature H Scott Davis Printed Name President Title 4-27-04 Date
	<b><sup>18</sup> SURVEYOR CERTIFICATION</b> I hereby certify that the well 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.  JANUARY 22, 2004 Date of Survey Signature and Seal of Professional Surveyor  V. L. BEZNER R.P.S. #7920 JOB # 92448 / 70 SE / E.U.O.

## BLOWOUT PREVENTER

3000 PSI WP

### THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- A. One double gate blowout preventer with lower rams for pipe and upper rams blind, all hydraulically controlled.
- B. Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter.
- C. All connections from operating manifold to preventers to be all steel hose or tube a minimum of one inch in diameter.
- D. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate (close, open and re-close) the preventers.
- E. All connections to and from preventers to have a pressure rating equivalent to that of the BOP's.
- F. Manual controls to be installed before drilling cement plug.
- G. Valve to control flow through drill pipe to be located on rig floor.
- H. All chokes will be adjustable. Choke spool may be used between rams.



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Form C-144  
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Capataz Operating Inc Telephone: 432-620-8820 e-mail address: capatazhsd@aol.com  
Address: PO Box 10549, Midland, TX 79702  
Facility or well name: White Owl API #: \_\_\_\_\_ U/L or Qtr/Qtr D Sec 2 T 20 R 38F  
County: Lea Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

<b>Pit</b> Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>20</u> mil Clay <input type="checkbox"/> Volume <u>5000</u> bbl	<b>Below-grade tank</b> Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____						
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) <u>45'</u> Est. by SOE	<table border="1"><tr><td>Less than 50 feet</td><td>(20 points)</td></tr><tr><td>50 feet or more, but less than 100 feet</td><td>(10 points)</td></tr><tr><td>100 feet or more</td><td>(0 points)</td></tr></table> <p style="text-align: right;">20</p>	Less than 50 feet	(20 points)	50 feet or more, but less than 100 feet	(10 points)	100 feet or more	(0 points)
Less than 50 feet	(20 points)						
50 feet or more, but less than 100 feet	(10 points)						
100 feet or more	(0 points)						
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	<table border="1"><tr><td>Yes</td><td>(20 points)</td></tr><tr><td>No</td><td>(0 points)</td></tr></table> <p style="text-align: right;">0</p>	Yes	(20 points)	No	(0 points)		
Yes	(20 points)						
No	(0 points)						
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	<table border="1"><tr><td>Less than 200 feet</td><td>(20 points)</td></tr><tr><td>200 feet or more, but less than 1000 feet</td><td>(10 points)</td></tr><tr><td>1000 feet or more</td><td>(0 points)</td></tr></table> <p style="text-align: right;">0</p>	Less than 200 feet	(20 points)	200 feet or more, but less than 1000 feet	(10 points)	1000 feet or more	(0 points)
Less than 200 feet	(20 points)						
200 feet or more, but less than 1000 feet	(10 points)						
1000 feet or more	(0 points)						
Ranking Score (Total Points) <span style="float: right;">20</span>							

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an attached alternative OCD-approved plan ☐.

Date: 4-27-04

Printed Name/Title H Scott Davis, President Signature \_\_\_\_\_

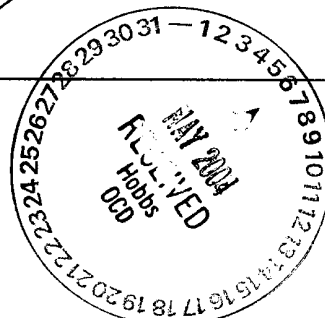
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

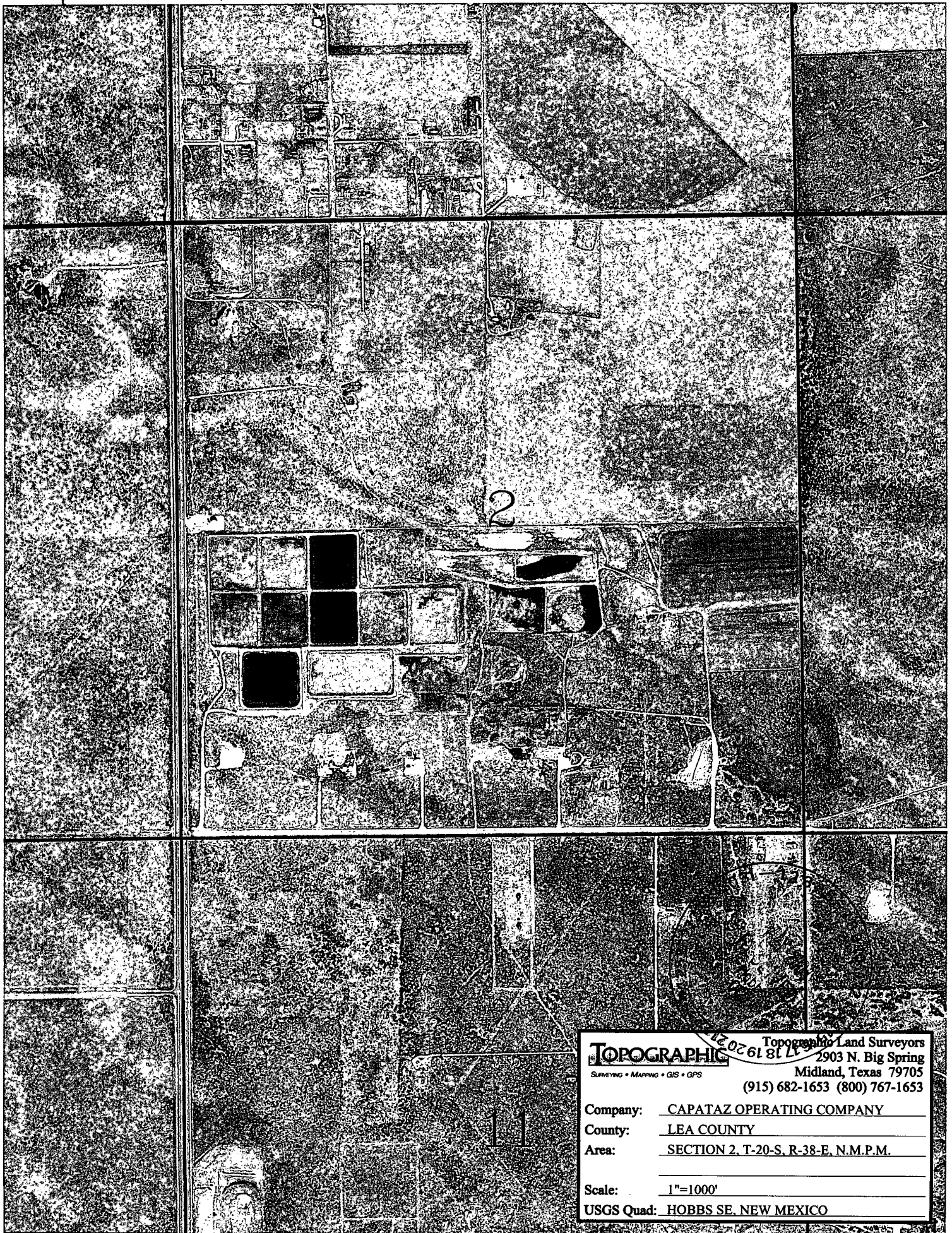
Approval:

Date: 5/6/04

Printed Name/Title \_\_\_\_\_

Signature \_\_\_\_\_



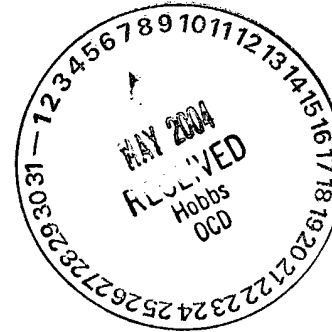
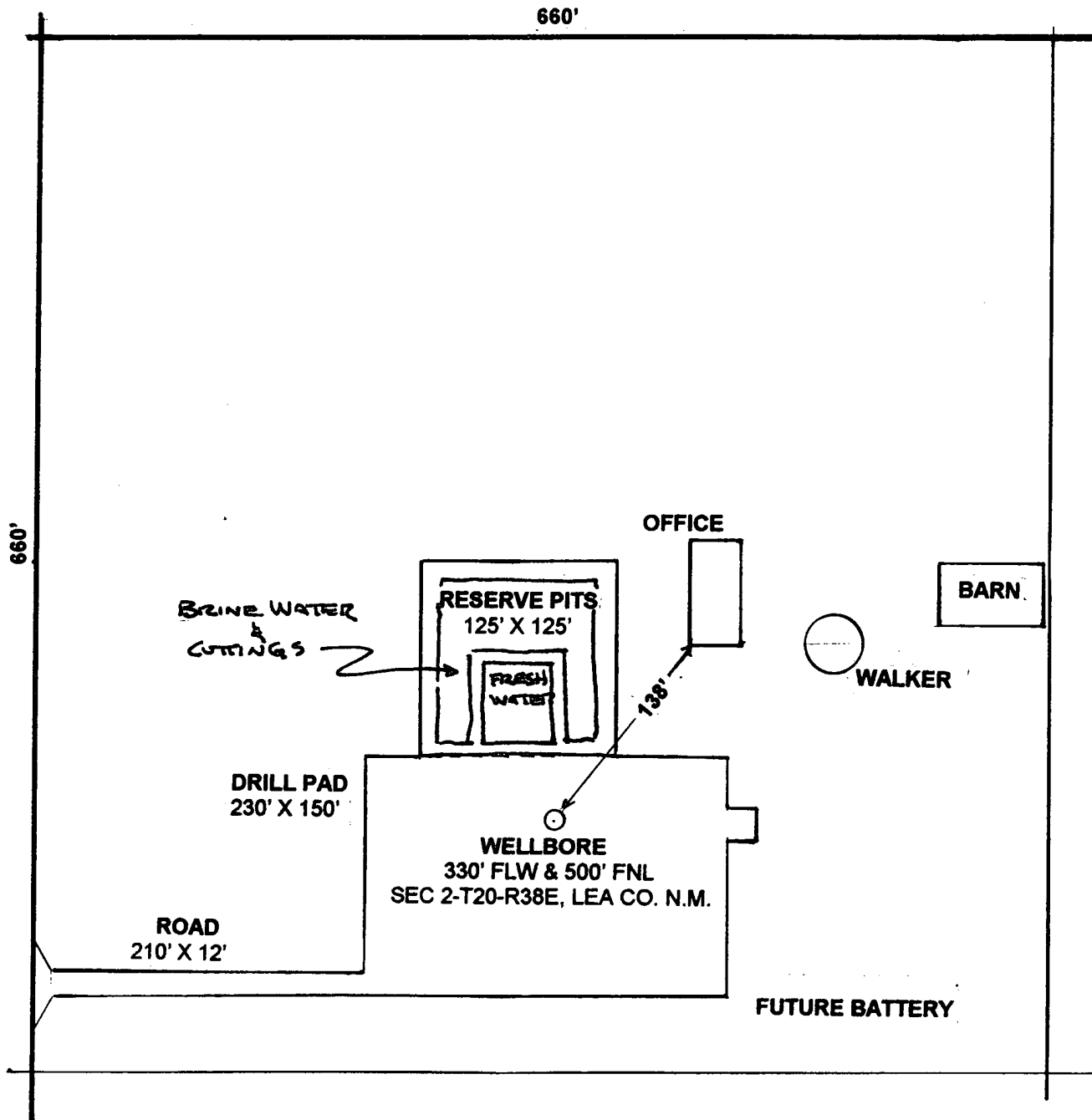


**TOPOGRAPHIC** Topographic Land Surveyors  
2903 N. Big Spring  
Midland, Texas 79705  
(915) 682-1653 (800) 767-1653

Company: CAPATAZ OPERATING COMPANY  
County: LEA COUNTY  
Area: SECTION 2, T-20-S, R-38-E, N.M.P.M.

Scale: 1"=1000'

USGS Quad: HOBBS SE, NEW MEXICO



**JUAREZ PROPERTY**  
 N/2 NW/4 NW/4  
 SECTION 2, T20S-R38E  
 LEA COUNTY, NEW MEXICO



PIT = 15,625 sq. ft.  
 PAD = 34,500 sq. ft.  
 ROAD = 2,520 sq. ft.

TOTAL 52,645 sq. ft.

52,645 sq. ft. = 1.20859 ACRES  
 43,560 sq. ft.

SCALE 1" = 100'

# C-101/C-144 DRILLING PIT REGISTRATION CODITIONS OF APPROVAL

API number:	30-025-36689		
OGRID:		Operator:	CAPATAZ OPERATING INC
			PO BOX 10549
			MIDLAND TX
		Property:	WHITE OWL # 1

surface	ULSTR:	D	2	T	20S	R	38E
			500	FNL	330	FWL	

XXXXXX	Pit must be lined with a minimum of a <b>12 mil</b> re-enforced or <b>20 mil</b> re-enforced liner.
XXXXXX	The pit must be deep enough so that when pit is closed it can be covered with 3 feet of dirt and surface leveled
XXXXXX	If the pit is to be encapsulated in place, the liner is to be a minimum thickness of <b>20 mil</b> re-enforced liner
	When using a <b>12 mil</b> nylon re-enforced liner. The contents of the pit must be removed along with the liner and disposed of in an approved facility within 6 months of completion of the well.
XXXXXX	When using a <b>20 mil</b> liner. The pit must be closed within 6 months of completion of the well.
XXXXXX	This site has a <b>Ranking Score of 20 points or higher</b> . The contents of the pit must be removed along with the liner and disposed of in an approved facility within 6 months of completion of the well.
XXXXXX	Before pit is closed, submit a subsequent Form C-144 along with any additional information which may be applicable to the appropriate NMOCD District Office for approval.
XXXXXX	Notify appropriate NMOCD District Office by E-mail 48 hrs prior to closing pit.
XXXXXX	The operator is required to comply with NMOCD guidelines.
XXXXXX	OCD approval does not release the operator of its responsibilities for compliance with any other federal, state, or local laws and/or regulations.

## Drilling Pit Registration Approval

District Supervisor Chris Williams  
District Geologist Paul F Kautz

505-393-6161  
ext 102  
ext 104

## Drilling Pit closure

Environmental Spec Larry Johnson  
Environmental Spec Paul Sheeley

505-393-6161  
ext 111 [lwjohnson@state.nm.us](mailto:lwjohnson@state.nm.us)  
ext 113 [psheeley@state.nm.us](mailto:psheeley@state.nm.us)

