

New Mexico Oil Conservation Division, District I  
1625 N. French Drive  
Hobbs, NM 88240

Form 3160-3  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

5. Lease Serial No.  
NM-030398

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.  
EOG 11 Federal, Well No. 1

9. API Well No.

30-025-36875

10. Field and Pool, or Exploratory  
EK, Yates, 7 Rivers, Queen

11. Sec., T., R., M., or Blk. and Survey or Area

Sec. 11-T18S-R33E

12. County or Parish  
Lea

13. State  
NM

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator

Seely Oil Company

3a. Address

815 W. 10th St. Ft. Worth, TX 76102

3b. Phone No. (include area code)

(817) 332-1377

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)

At surface 990' FSL & 330' FWL

At proposed prod. zone same

Unit m

14. Distance in miles and direction from nearest town or post office\*

30 miles to Hobbs, NM

15. Distance from proposed\*  
location to nearest  
property or lease line, ft.  
(Also to nearest drig. unit line, if any) 330'

16. No. of Acres in lease

240

17. Spacing Unit dedicated to this well

40

18. Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft.

467'

19. Proposed Depth

4,700'

20. BLM/BIA Bond No. on file

MM-1816

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

3986' GL

22. Approximate date work will start\*

August 23, 2004

23. Estimated duration

3 weeks

24. Attachments

CAPITAN CONTROLLED WATER BASIN

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

George R. Smith

Name (Printed/Typed)

George R. Smith

Date

07/14/04

Title

Agent for Seely Oil Company

Approved by (Signature)

/s/ Joe G. Lara

Name (Printed/Typed)

/s/ Joe G. Lara

Date

15 SEP 2004

Title

FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

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, are attached.

APPROVAL FOR 1 YEAR

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.

\*(Instructions on reverse)

Lease Responsibility Statement: Seely Oil Company accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof.

George R. Smith, agent

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATION  
ATTACHED

OPER. OGRID NO. 20497

PROPERTY NO. 34303

POOL CODE 19950

EFF. DATE 9/23/04

API NO. 30-025-36875

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 and Natural Resources Department

Form C-102  
Revised March 17, 1999

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

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-36875</b>	Pool Code <b>95340 19950</b>	Pool Name <b>EK Yates, 7 Rivers, Queen</b>
Property Code <b>34300</b>	Property Name <b>E.O.G. "11" FEDERAL</b>	Well Number <b>1</b>
OGRID No. <b>41816</b>	Operator Name <b>SEELY OIL COMPANY</b>	Elevation <b>3986</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>11</b>	<b>18 S</b>	<b>33 E</b>		<b>990</b>	<b>SOUTH</b>	<b>330</b>	<b>WEST</b>	<b>LEA</b>

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 <b>40</b>	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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>George R. Smith</i> Signature <b>George R. Smith</b> Printed Name <b>Agent</b> Title <b>July 14, 2004</b> Date</p> <p><b>SURVEYOR CERTIFICATION</b></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><b>JUNE 14, 2004</b> Date Surveyed Signature &amp; Seal of <b>ONES</b> Professional Surveyor <b>NEW MEXICO</b> <b>7977</b> <b>W.O. No. 4354</b> Certificate No. <b>Gary L. Mohr</b> <b>7977</b> <b>JLP</b> <b>DASIN SURVEYS</b></p>
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**APPLICATION FOR DRILLING**  
**SEELY OIL COMPANY.**  
EOG 11 Federal, Well No. 1  
990' FSL & 330' FWL, Sec. 11-T18S-R33E  
Lea County, New Mexico  
Lease No.: NM-030398  
(Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Seely Oil Co. 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:

Rustler	1,730'	7-Rivers	3,660'
Top of Salt	1,850'	Queen	4,350'
Base of Salt	3,000'	T.D	4,700'
Yates	3,150'		

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

Water: Surface water in the Triassic between 80' - 230'.  
Oil: Possible in the Queen below 4,350'.  
Gas: None expected.

4. Proposed Casing Program:

HOLE SIZE	CASING SIZE	WEIGHT	GRADE	JOINT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8 "	24.0#	J-55	ST&C	1,750'	Circ. 580 sx "C" <b>WITNESS</b>
7 7/8"	5 1/2"	15.5#	J-55	ST&C	4,700'	200 sx H/Lite + 450 sx H/Pozmix

5. Proposed Control Equipment: See Exhibit "E":

BOP Program:

A 10" 3000 psi wp Cameron Space Saver, double ram BOP, will be installed on the 8 5/8" casing and used as a 2000 psi wp system. Casing and BOP will be tested as described in Onshore Order No. 2 before drilling out with 7 7/8". Request waiver to test to a maximum of 1000 psi wp, which is the maximum expected surface pressure.

6. Mud Program:

		MUD WEIGHT	VIS.	W/L CONTROL
0' - 1750':	Fresh water mud	9.3 ppg	33	No W/L control
1750' - 4100':	Brine mud:	10.0 ppg	32	No W/L control
4100' - 4600':	Cut Brine mud w/gel:	8.8 ppg	32	W/L control 15 cc+/-

7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock,.

8. Testing, Logging, and Coring Program:

Drill Stem Tests: None unless warranted.  
Logging: T.D. to 1750': G/R-Density Neutron, Dual Induction Log  
1750' to surface: G/R, Neutron  
Coring: None planned unless warranted.

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. Estimated surface pressure = 1034 psi (part. evac. hole) with BH temperature of 107°.
10. H<sub>2</sub>S: None expected. None in previously drilled wells.
11. Anticipated starting date: August 9, 2004.  
Anticipated completion of drilling operations: Approx. 3 weeks.

## **MULTI POINT SURFACE USE AND OPERATIONS PLAN**

**SEELY OIL CO.**  
EOG 11 Federal, Well No. 1  
990' FSL & 330' FWL, Sec. 13-T18S-R33E  
Lea County, New Mexico  
Lease No.: NM-030398  
(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 USGS/BLM Topo map showing the location of the proposed well as staked. The well site location is approximately 50 road miles southeast of Artesia, New Mexico or 30 road miles northwest of Hobbs, NM. Traveling east from Artesia there will be approximately 49 miles of paved highway and 1.2 miles of gravel oilfield road.
- B. Directions: Travel east from Artesia, NM on U.S. Highway 82 for approximately 34 miles; turn southeast on NM Highway 529 for approximately 14.6 miles. Turn southwest .6 mile east of MM 14 at a cattle guard onto an oil field road with a "Water for Sale" sign. Continue southwest for .6 mile on an oilfield road to a road on the east turning southeast for .3 mile. Turn east, at two large oilfield water tanks, for .3 mile to the location north of the road. The existing access road will access the southwest corner of the proposed well pad.

### **2. PLANNED ACCESS ROAD:**

- A. Length and Width: The existing access road will be repaired and constructed to a width of 12 feet. The existing access road is color coded red on Exhibit "A".
- B. Construction: The existing access road will be repaired and constructed by grading and topping with compacted caliche and will be properly drained. .
- C. Turnouts: None will be required.
- D. Culverts: None required.
- E. Cuts and Fills: None required.
- F. Gates, Cattle guards: None required.
- G. Off Lease R/W: The fee surface Right of Way has been negotiated with the surface owner. .

### **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. Seely Oil Company has no oil production facilities on the lease at this time.
- B. If the well proves to be commercial, the necessary production facilities, gas production-process equipment and tank battery will be installed on the drilling 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 access roads or by surface fast line.

**6. SOURCE OF CONSTRUCTION MATERIALS:**

- A. Caliche for surfacing the proposed access road and well site pad will be obtained on location, if available, or from a Federal pit in the SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 18-T18S-R34E. 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 and wildlife 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 contained in trash bins to prevent scattering and will be removed for deposit in an approved sanitary landfill 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, reserve pits, and major rig components.
- B. Mat Size: 145' X 220', plus 60' X 100' reserve pits. The pits will be on the north. An existing surface poly line on the south side of the pad will be moved toward the road.
- C. Cut & Fill: Surface is level requiring no cutting and filling..
- 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 required 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 until they are filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Fee surface owner will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled as soon as they are dry enough to work after abandonment.

**11. OTHER INFORMATION:**

- A. Topography: The proposed well site and access road is located in the Querecho Plains on the southwest slope of the Mescalero Ridge (Caprock). The location has a southwesterly slope of 1% from an elevation of 3986'.
- B. Soil: The topsoil at the well site is a dark sandy loam of the Simona fine sandy loam soil series
- C. Flora and Fauna: The vegetation cover is a poor to fair grass cover of three-awn, dropseed, fluff grass, sacaton, and other miscellaneous native grasses along with plants of mesquite, yucca, sand sage, broomweed, javalina and miscellaneous weeds and wildflowers. The wildlife consists of antelope, rabbits, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.
- D. Ponds and Streams: None in area.
- E. Residences and Other Structures: There is a "Water for Sale" tank battery 700' west of the location plus other oil field production equipment in the vicinity.
- F. Land Use: Cattle grazing.

11. OTHER INFORMATION: cont.....

- G. Surface Ownership: The proposed well site and access road are on Fee surface of the Caviness Cattle Co., Portales, NM phone number (505) 356-6545 or Herschel Caviness (505) 273-4243 in Causey, NM. An agreement has been made to compensate for surface damages.
- H. There is no evidence of archaeological, historical or cultural sites on the well site. Archaeological Survey Consultants, P. O. Box D, Roswell, NM 88202 are conducting an archaeological survey and their report will be submitted to the appropriate government agencies.

12. OPERATOR'S REPRESENTATIVE:

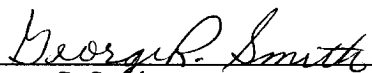
- A. The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

David Henderson  
SEELY OIL CO.  
815 W. 10th St.  
Ft. Worth, TX 76102  
Office Phone: (817) 332-1377

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 Seely Oil Co. 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.

July 14, 2004

  
George R. Smith  
Agent for: Seely Oil Co.



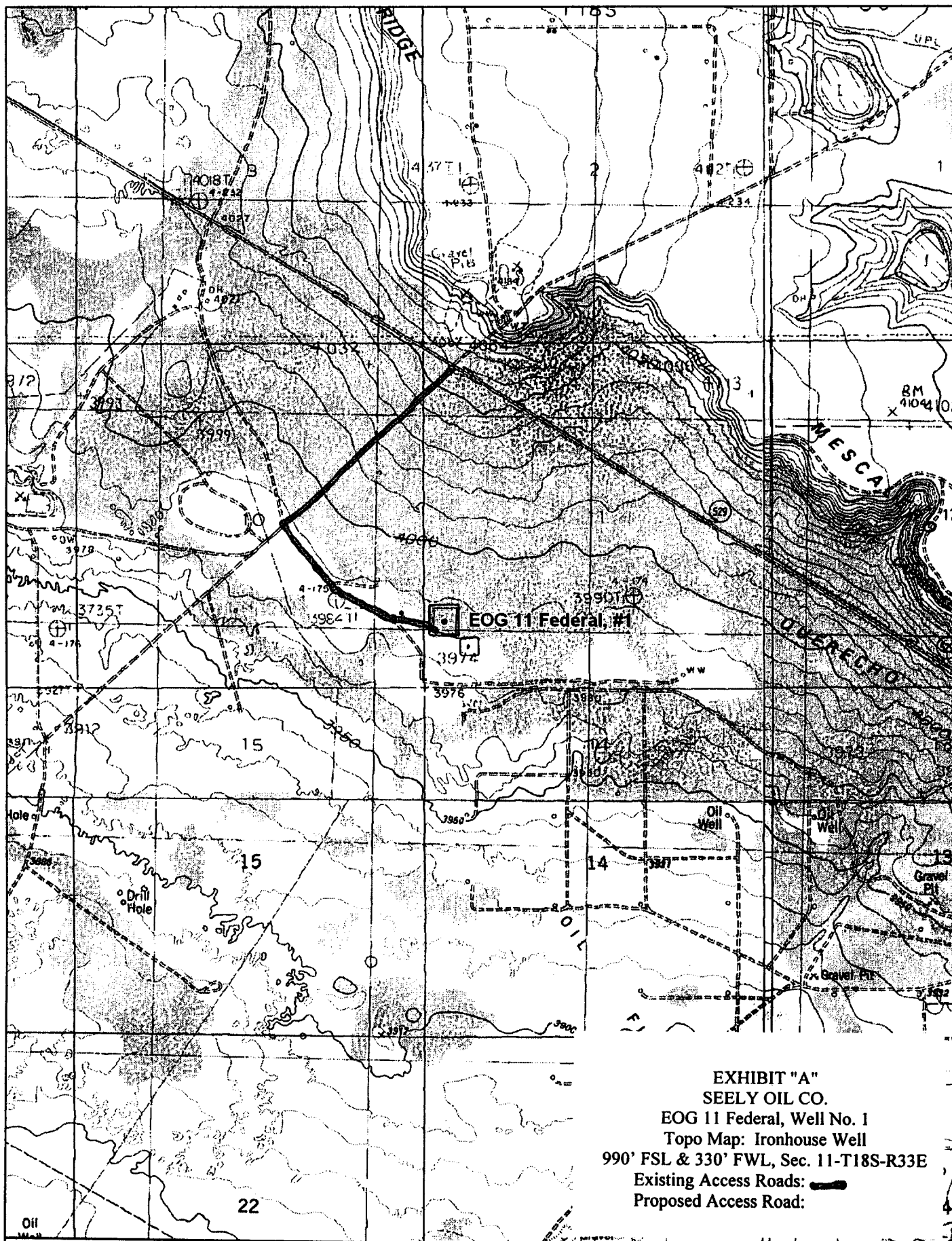
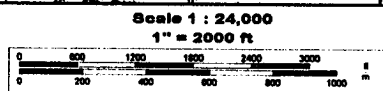


EXHIBIT "A"  
 SEELY OIL CO.  
 EOG 11 Federal, Well No. 1  
 Topo Map: Ironhouse Well  
 990' FSL & 330' FWL, Sec. 11-T18S-R33E  
 Existing Access Roads:   
 Proposed Access Road:

DEORME

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[www.delorme.com](http://www.delorme.com)



**EXHIBIT "C"**  
**SEELY OIL CO.**  
**EOG 11 Federal, Well No. 1**  
**990' FSL & 330' FWL, Sec. 11-T18S-R33E**  
**Existing Wells**

FLAT FOR PIT LOCATION FOR ARTESIA FISHING TOOL

Rigs #1 & #2; L & H DRILLING #2 and LARUE

DRILLING #2

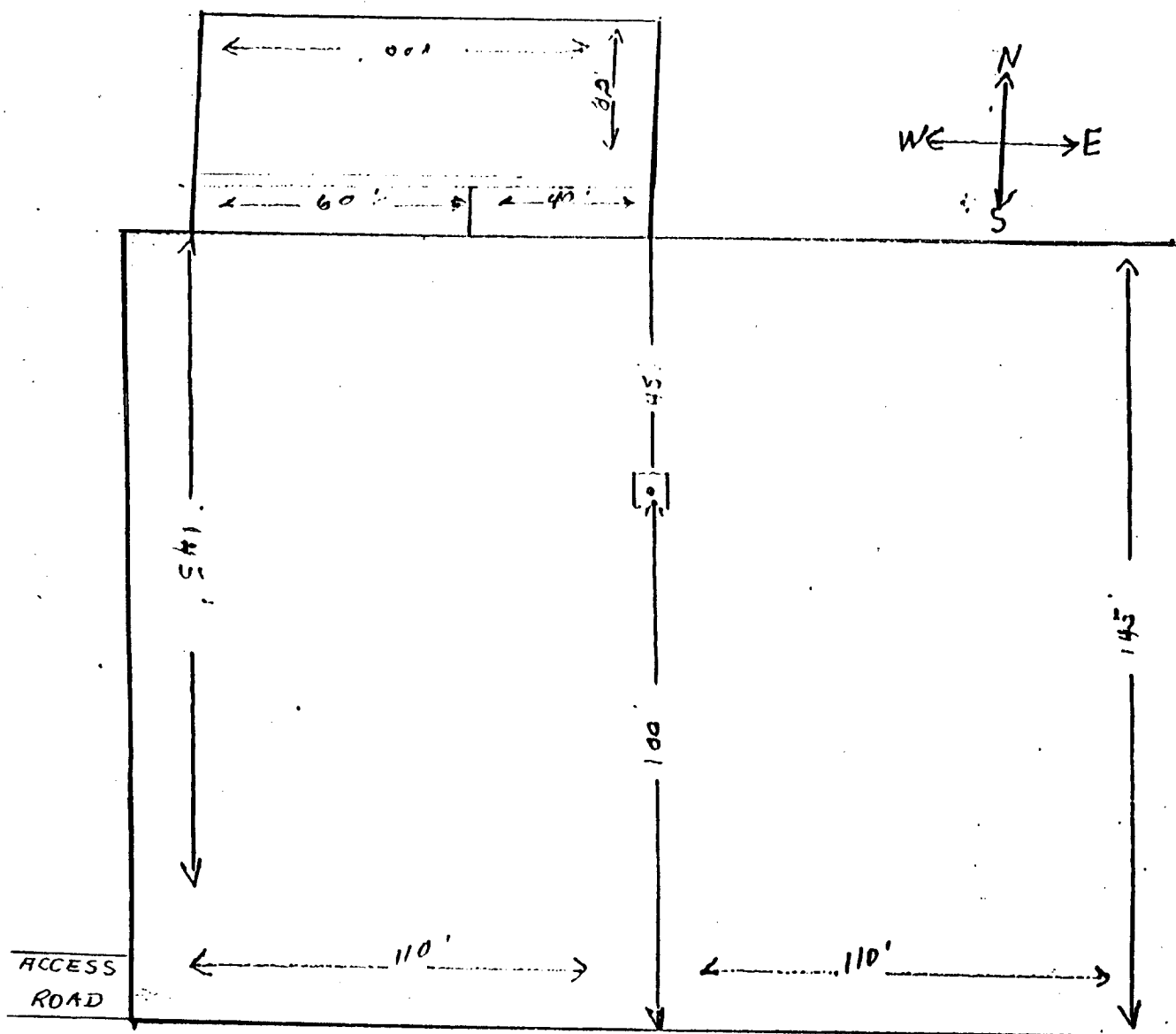
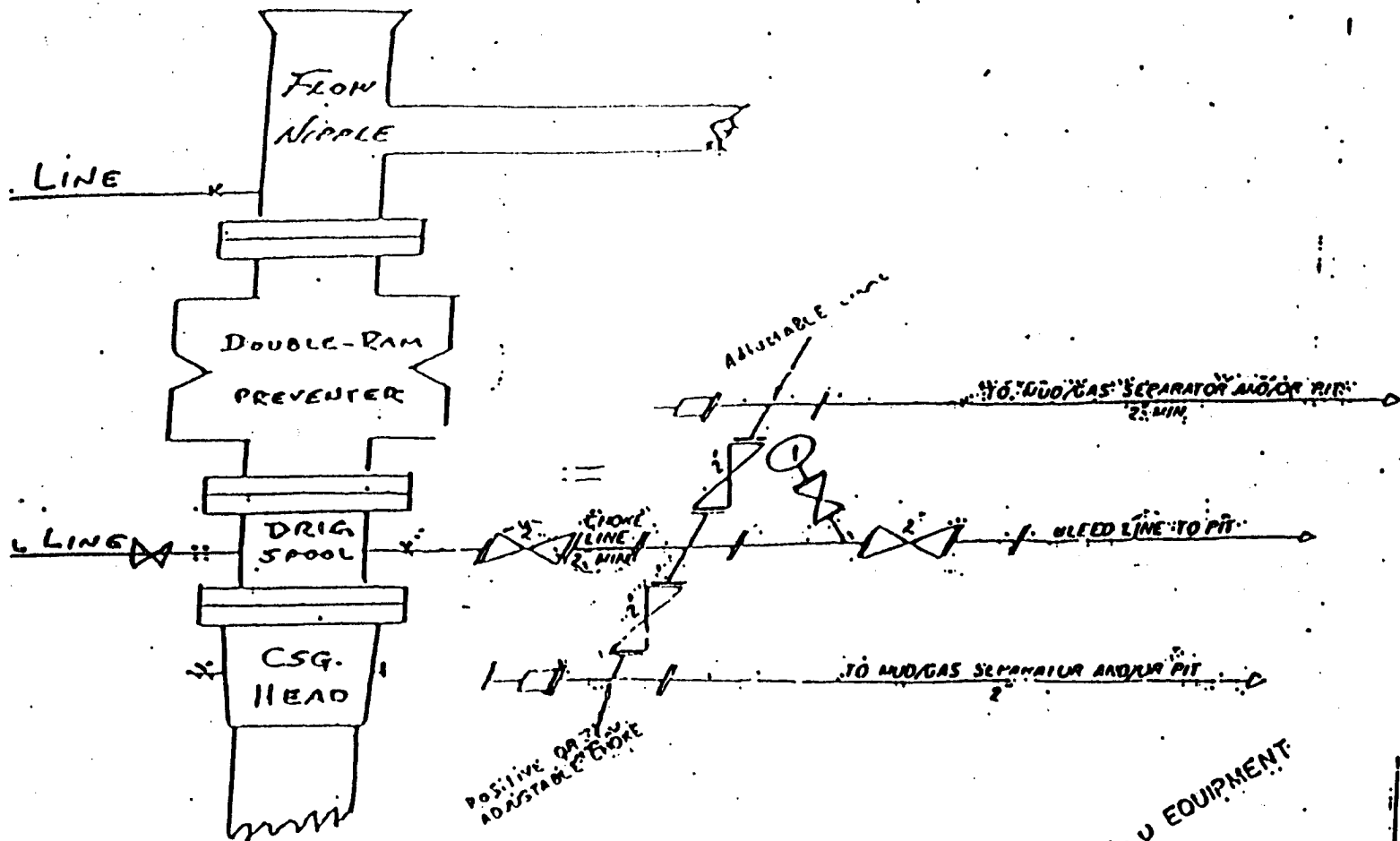


EXHIBIT "D"  
SEELY OIL CO.  
EOG 11 Federal, Well No. 1  
Pad & Pit Layout

# B O P & CHOKE MANIFOLD

10"/900 Cameron SS Space Saver  
 3000# Working Pressure  
 2000# Working Pressure Choke Manifold



2M CHOKE MANIFOLD EQUIPMENT

EXHIBIT "E"  
 SEELY OIL CO.  
 EOG 11 Federal, Well No. 1  
 BOP Specifications

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

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

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: Seely Oil Company Telephone: (817) 332-1377 e-mail address: \_\_\_\_\_

Address: 815 W. 10<sup>th</sup> St. Ft. Worth, TX

Facility or well name: EOG 11 Federal, Well #1 API #: 30-025-36875 U/L or Qtr/QtrSW/SW M Sec 11 T 18S R 33E

County: Lea Latitude N32°45'27.6" Longitude W103°38'28.6" NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☐ Private X Indian ☐

**Pit**

Type: Drilling X Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined X unlined ☐

Liner type: Synthetic X Thickness 12 mil Clay ☐ Volume \_\_\_\_\_ bbl

**Below-grade tank**

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not. \_\_\_\_\_

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more 140' AVE

(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.)

Yes

(20 points)

(No)

(0 points)

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

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)

-0-

**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 \_\_\_\_\_ ft. 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 X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: July 14, 2004

Printed Name/Title George R. Smith, agent George R. Smith 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: 9/23/04 **PETROLEUM ENGINEER**

Printed Name/Title \_\_\_\_\_ Signature Paul J. Kelly