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

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 15, 2009
Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-01634	21655	EK; Delaware

[4] Property Code	[5] Property Name	[6] Well Number
38181	Carper Sivley	9

[7] OGRID No.	[8] Operator Name	[9] Elevation
20497	Seely Oil Company	3932' G.L.

[10] Surface Location

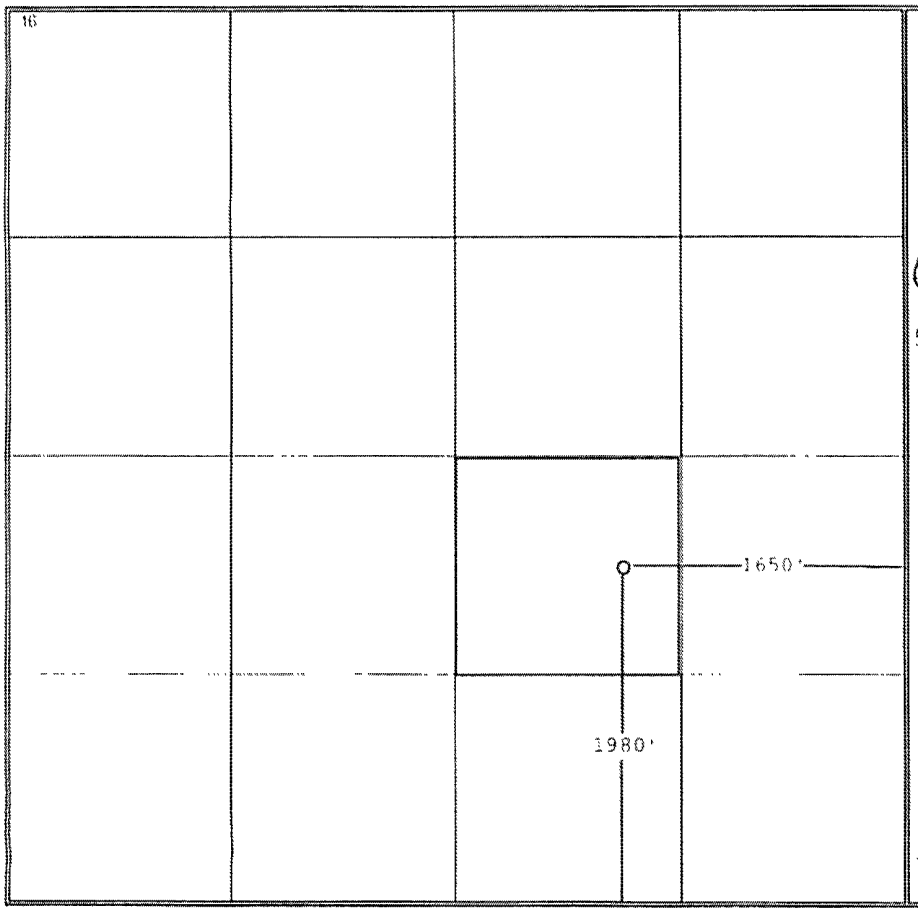
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	24	18S	33E		1980	South	1650	East	Lea

[11] 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

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
40			

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.



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Charles W Seely Jr 06/03/2010
Signature Date

Charles W. Seely, Jr., Vice-President
Printed Name

[18] 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.

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number

APPLICATION FOR DRILLING
SEELY OIL COMPANY
Re-entry: EK Queen Unit, Well 19
New "old" name: Carper Sivley Federal, Well No. 9
1980' FSL & 1650' FEL, Sec. 24-T18S-R33E
Lea County, New Mexico
Lease No.: NMNM-116168
(Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill (Deepen) subject well, Seely Oil Company 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	1,692'	Queen	4,417'
Top of Salt	1,850'	Penrose	4,697'
Base of Salt	3,025'	San Andres	4,985'
Yates	3,187'	Delaware	5,430'
7-Rivers	3,670'	T.D.	6,000'

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

Water: Surface water in the between 50' - 230'.
Oil: Possible in the, Delaware below 5,430' and in the Queen/Penrose below 4,417.
Gas: None expected.

4. **Proposed New Casing Program**:

HOLE SIZE	CASING SIZE	WEIGHT	GRADE	JOINT	SETTING DEPTH	COLLAPSE DESIGN FACTOR	BURST DESIGN FACTOR	TENSION DESIGN FACTOR
12 1/4"	8 5/8"	24.0#	J-55	8 Rnd	292'	Existing in	hole with	200 sx cmt
7 7/8"	5 1/2"	15.5#	J-55	8 Rnd	4,613'	"	"	600 sx cmt
NEW	CASING:							
4.7/8"	4"	9.5#	J-55	Flush JT	6,000'	1.72	1.83	2.6
						Connection	Yield=	1.69 SF

5. **Cement Program**

CASING	SETTING DEPTH	QUANITY OF CEMENT	YEILD
8 5/8"	292'	Casing existing in hole and cemented with 200 sacks	N/A
5 1/2"	4,625'	Casing existing in hole and cemented with 600 sacks TOC 2,200'	N/A
4.0"	6,000'	100 sx 50/50 Posmix, 6 lbs salt/sack, .0075% CFR 3. TOC 3600'	1.25

6. **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". The pipe rams will be operated and checked daily, plus each time drill pipe is out of hole. This will be documented on driller's log. See Exhibit "E".

7. Mud Program

MUD PROGRAM DEPTH	MUD	MUD WEIGHT	VIS.	W/L CONTROL
0 – 5500'	Fresh water mud	9.5 ppg	34	No W/L control
5500'.-.6000'	Fresh water mud	9.5 ppg	34	W/L control 10cc +/-

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

9. Testing, Logging, and Coring Program:

Drill Stem Tests: None unless warranted.
Logging: T.D. to 4625': G/R-Density Neutron, Dual Induction Log
4625' to surface: G/R, Neutron
Coring: None planned unless warranted.

10. 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 (evac) BHP=3120, surface pressure = 1800 psi (part. evac. hole) with BH temperature of 120°.

11. **H_2S**: None expected. None in previously drilled wells, but the Mud Log Unit will be cautioned to use a gas trap to detect H_2S and if any is detected the mud weight will be increased along with H_2S inhibitors sufficient to control the gas. The well will be shut down until a mud separator and flare line can be installed on the choke manifold, if the gas monitor approaches 10.

12. Anticipated starting date: June 16, 2010.
Anticipated completion of drilling operations: Approx. 3 –4 wks

MULTI POINT SURFACE USE AND OPERATIONS PLAN

SEELY OIL CO.
Carper Sivley, Well No. 9
Re-enter Current well: E-K; Queen Unit, Well No. 019
1980 FSL & 1650' FEL, Sec. 24-T18S-R33E
Lea County, New Mexico
Lease No.: NM-116168
(Development Well)

This plan is submitted with the Application for Permit to Drill (re-enter and deepen) 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 52 road miles southeast of Artesia, New Mexico or 30 road miles northwest of Hobbs, NM. Traveling east from Artesia there will be approximately 50 miles of paved highway and 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 16.8 miles. Turn south .8 mile east of MM 16 at a cattle guard onto an oil field road with Oryx and Baber signs. Continue south for 1.15 miles to a "Y" in the road; take right hand road for .5 mile to a road on the right. Turn west on an oilfield road for .1 mile, then right (north) for .2 mile to a well site with a pump jack on the left (west). This is the location and well to be re-entered.

2. PLANNED ACCESS ROAD:

A. Length and Width: There will be no new access road required. The existing access road is color coded red on Exhibit "A".

B. Construction: The existing access road will be repaired as needed.

C. Turnouts: None required.

D. Culverts: None required.

E. Cuts and Fills: None required.

F. Gates, Cattle guards: No cattle guard will be required.

G. Off Lease R/W: None required.

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 oil production facilities on the lease at this time. The existing pump jack will be moved.

B. If the well proves to be commercial, the necessary additional production facilities, gas production-process equipment and tank battery will be installed on the drilling pad. There is an existing flow line that will be used for a water line back to the injection pumping station.

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 repairing and surfacing the existing access road and well site, if required, will be obtained from a Federal pit in the SW¼NW¼ 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 a closed mud system to be hauled to a disposal site.

B. Drilling fluids will be trucked away to a disposal site.

C. No pits will need to be fenced.

D. Water produced during operations will be collected in tanks and then by pipeline to the pumping station for the injection wells.

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: 250' X 150', plus 100' X 250' working area for the closed mud system on the north.

C. Cut & Fill: None Required

D. The surface will be topped with compacted caliche as required.

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. The location will be cleaned of all trash and junk to leave the well site in an aesthetically pleasing a condition as possible

B. There will be no unguarded pits containing fluids.

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. There are no pits to be filled and leveled.

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 3% from an elevation of 3935'.

B. Soil: The topsoil at the well site is a light brown, non-calcareous fine sandy loam of the Pyote and Maljamar fine sands soils series.

C. Flora and Fauna: The vegetation cover is a poor to fair grass cover of three-awn, bluestem, sand and spike dropseed, fluff grass, and other miscellaneous native grasses along with plants of mesquite, yucca, shinnery oak brush, sage, broomweed, cacti 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 are no structures other than oilfield tanks, pump jacks and other oilfield equipment.

F. Land Use: Cattle grazing.

G. Surface Ownership: The proposed well site and access road are on Federal surface.

H. There is no evidence of archaeological, historical or cultural sites on the well site. There is an archaeological site north and east of the well site but the well pad area will not be enlarged to cause impact to the areas not cleared. .

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

SEELY OIL CO.
Carper Sivley, Well No. 9

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.

May 13, 2010

George R. Smith
Agent for: Seely Oil Co.

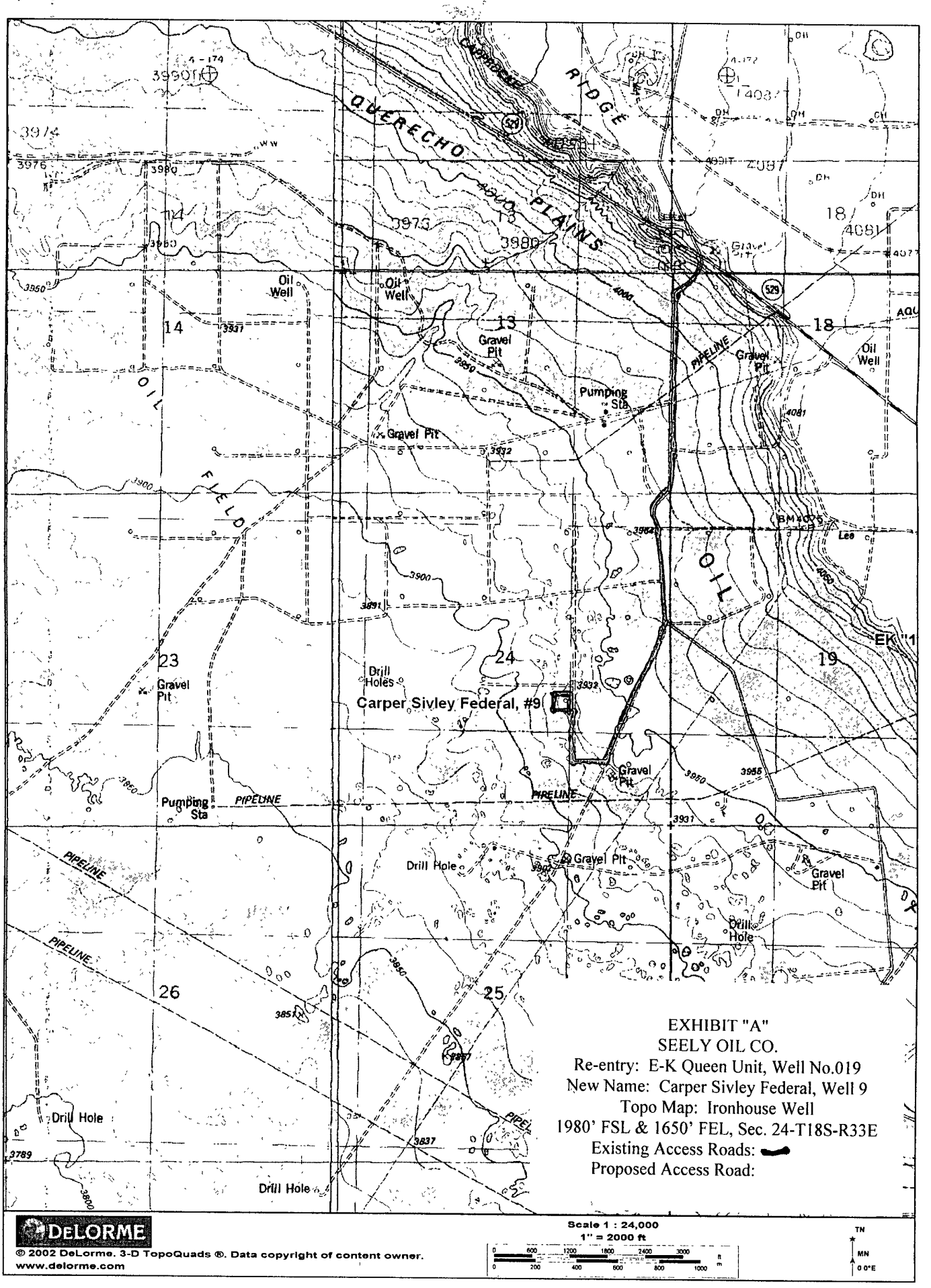

QUERECHO PLAINS
RIDGE
OIL FIELD
Oil Well
Gravel Pit
Pumping Sta
PIPELINE
Drill Holes
Carper Sivley Federal, #9
Drill Hole
Lea
EK "1
13
14
18
19
23
24
25
26
EXHIBIT "A"
SEELY OIL CO.
Re-entry: E-K Queen Unit, Well No.019
New Name: Carper Sivley Federal, Well 9
Topo Map: Ironhouse Well
1980' FSL & 1650' FEL, Sec. 24-T18S-R33E
Existing Access Roads:
Proposed Access Road:
DeLORME
© 2002 DeLorme. 3-D TopoQuads ®. Data copyright of content owner.
www.delorme.com
Scale 1 : 24,000
1" = 2000 ft

EXHIBIT "C"
SEELY OIL CO.
Carper Sivley Federal, Well No. 9
1980' FSL & 1650' FEL, Sec. 24-T18S-R33E
Existing Wells

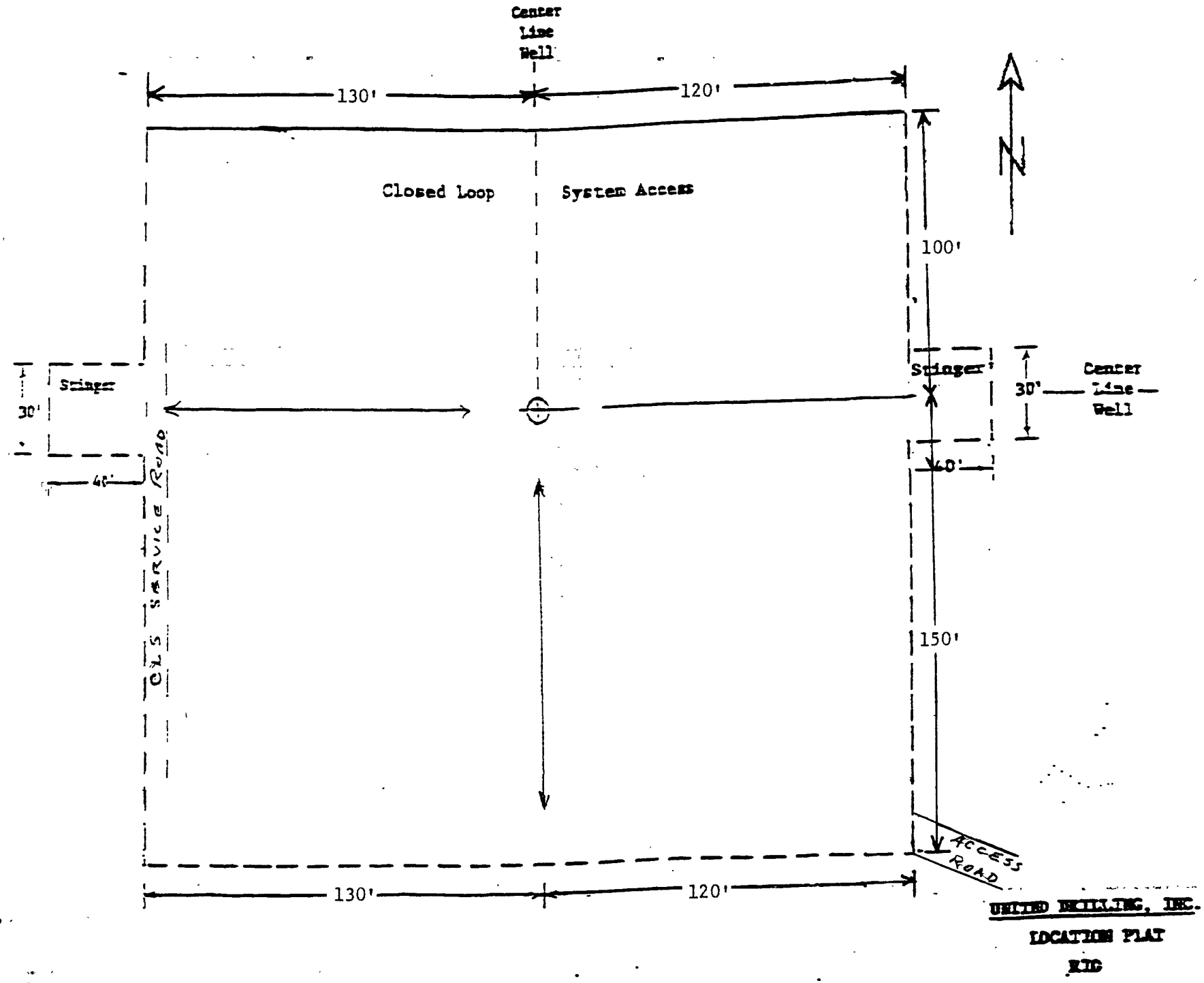


EXHIBIT "D"
SEELY OIL CO.
Carper Sivley Federal, Well No. 9
Pad & Pit Layout

BOP DIAGRAM
3000# SYSTEM

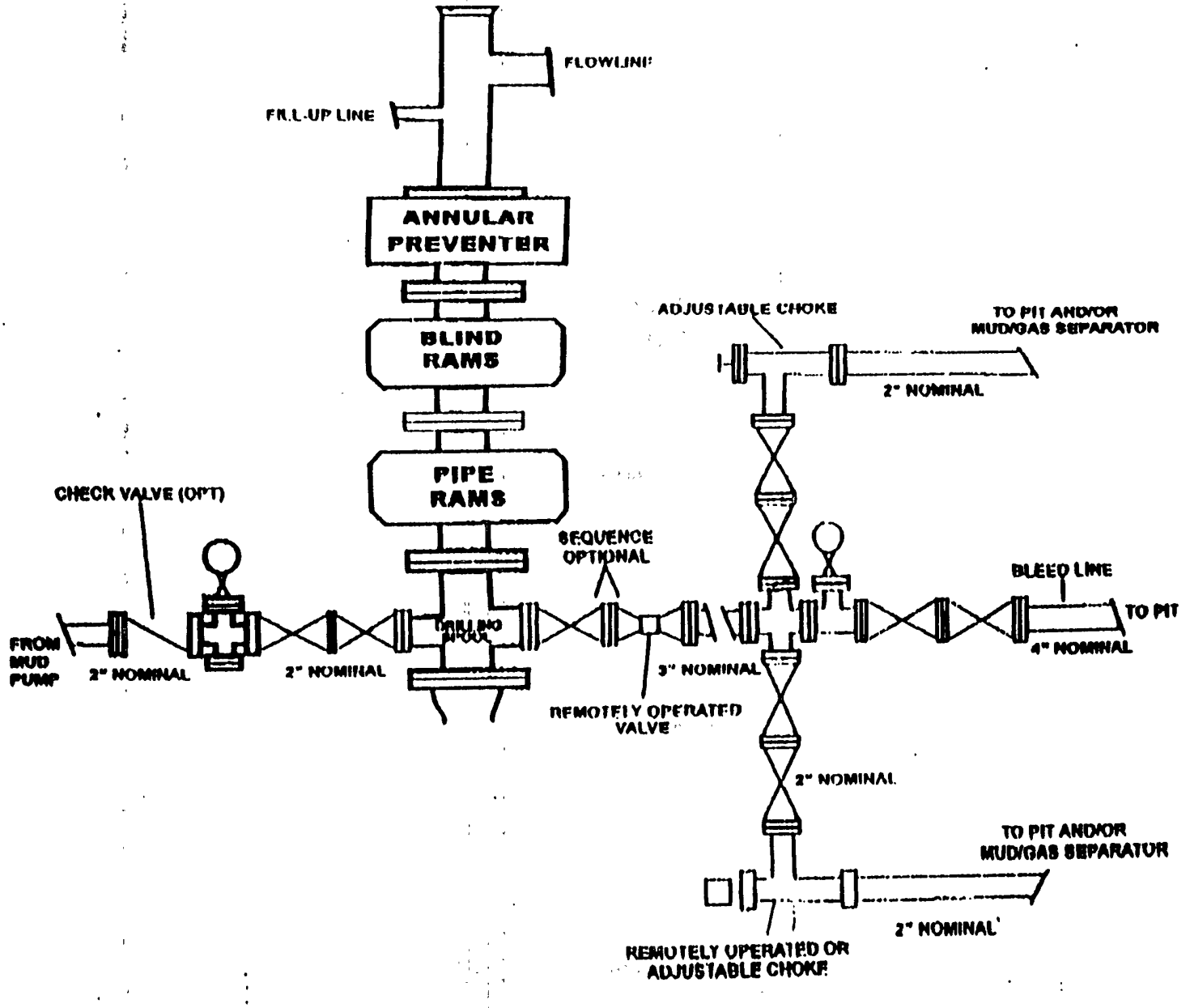
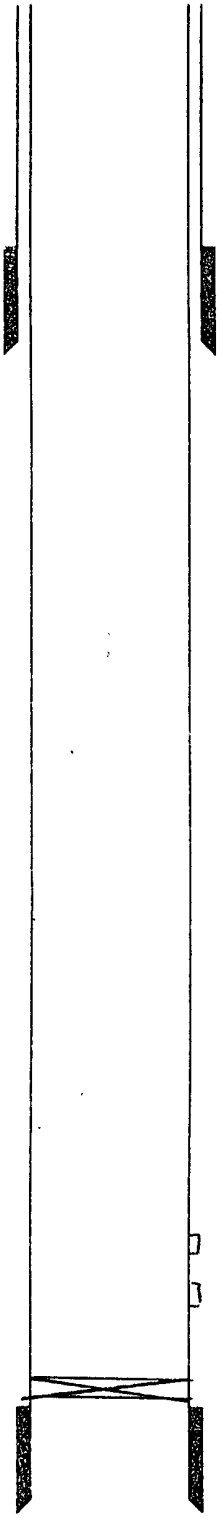


EXHIBIT "E"
SEELY OIL CO.
Carper Sivley Federal, Well No. 9
BOP Specifications

Current Status

DATE 4-16-10 WELL NO. 019 LEASE EK Queen Unit FIELD EK Yates 7R Qu



1980' FSL & 1650' FEL Section 24-18S-32E
UNIT Letter J
Lea County, New Mexico

8 5/8" @ 292' ~~RKB~~. 2-65-24# Cemented w/ 200 sxs.
Cement circulated to surface

Perfs: 4386-89, 4391-4400

CIBP @ 4590 w/ cmt on top

5 1/2" 15.5 lb/ft @ 4625' ~~RKB~~. Cemented with 600 sxs. Top of cement estimated to be 2200' from surface

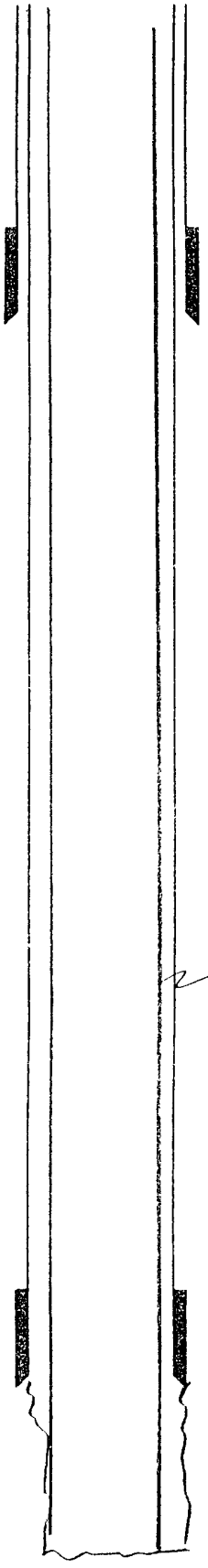
Tested Penrose Sand @ 4625-4650 (OH)
Non Commercial

TD - 4650'

(Use reverse side for additional remarks & sketches.)

Proposed

DATE 4-16-10 WELL NO. 9 LEASE Carper Sivley FIELD EK Delaware



1980' FSL & 1650' FEL UL J Sec 24-18S-33E
Lea County, New Mexico

8 5/8" 24 lb/ft @ 398' RKB. Cemented w/ 200 sks Circulated to surface

~~3 1/2" 11 lbs.~~
4" casing

Perfs: 4386-89, 4391-4400 Squeezed off

5 1/2" 15.5 lb/ft csg. set @ 4625' RKB. Cemented w/ 600 sks. TOC of cement estimated to be 2200' from surface.

Propose to set 4" FLUSH JOINT 9.5 lb/ft lbs @ TD and cement with sufficient cement to bring cement top up to 3,600'

TD- Proposed to be 6000' RKB.

(Use reverse side for additional remarks & sketches.)

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**Seely Oil Company**
LEASE NO.:	**NM-116168**
WELL NAME & NO.:	**Carper Sivley Federal #9**
SURFACE HOLE FOOTAGE:	**1980' FSL & 1650' FEL**
LOCATION:	**Section 24, T. 18 S., R 33 E., NMPM**
COUNTY:	**Lea County, New Mexico**

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

a. Spudding well
b. Setting and/or Cementing of all casing strings
c. BOPE tests

☒ **Lea County**
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
(575) 393-3612

1. A Hydrogen Sulfide (H2S) Drilling Plan should be activated 500 feet prior to drilling into the **Delaware** formation. **As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.**

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

3. **The record of the drilling rate along with the CAL/GR/N well log run from TD to surface will be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

A CIT is to be performed on the 5-1/2 inch casing per Onshore Oil and Gas Order 2.III.B.1.h prior to drilling the shoe plug. Test pressure to be 1500 psi.

1. The **8-5/8** inch surface casing is set at **292 feet** and cemented to the surface.

2. The **5-1/2** inch surface casing is set at **4613 feet** and cemented to 2200 feet.

3. The minimum required fill of cement behind the **4** inch production casing is:

   ☒ Cement should tie-back at least 1000 feet into previous casing string. Operator shall provide method of verification. **Additional cement may be needed – Excess cement calculates to 16%**

4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **5-1/2 inch** intermediate casing shoe shall be **2000 (2M)** psi.

3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

    a. Casing cut-off and BOP installation will not be initiated until the cement has had a minimum of 8 hours setup time for a water basin. The casing shall remain stationary and under pressure for at least eight hours after the operator places the cement. In the potash area, the minimum time is 12 hours and the casing shall remain stationary and under pressure during this time period. Casing shall be under pressure if the operator uses some acceptable means of holding pressure or if the operator employs one or more float valves to hold the cement in place. Testing the BOP/BOPE against a plug can commence after meeting the above conditions plus the BOP installation time.

    b. The tests shall be done by an independent service company utilizing a test plug.

    c. The results of the test shall be reported to the appropriate BLM office.

    d. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**

    e. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

DHW 052510