

New Mexico Oil Conservation District District
1625 N. Franklin St.
Hobbs, NM 88240

OPER. OGRID NO. 20497
PROPERTY NO. 24612
POOL CODE 19950
EFF. DATE 9-6-00
API NO. 30-025-01647

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

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. NM-0245247
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Seely Oil Company		7. If Unit or CA Agreement, Name and No.
3a. Address 815 W 10th Ft. Worth, TX 76102		8. Lease Name and Well No. McElvain Federal, Well No. 4
3b. Phone No. (include area code) (817) 332-1377		9. API Well No. 30-025-01647
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 660' FNL & 1969' FWL At proposed prod. zone Same		10. Field and Pool, or Exploratory EK Yates, 7 River, Queen
14. Distance in miles and direction from nearest town or post office* 30 miles NW of Hobbs, NM		11. Sec., T., R., M., or Blk. and Survey or Area 25 33 Sec. 25-T18S-R34E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of Acres in lease 1751.44	12. County or Parish. Lea
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1250'	19. Proposed Depth 6,500'	13. State NM
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3874' GL	22. Approximate date work will start* 09/04/00	23. Estimated duration 3 weeks
24. Attachments		

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

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>George R. Smith</i>	Name (Printed/Typed) George R. Smith	Date 08/10/00
Title Agent for: Seely Oil Company		
Approved by (Signature) <i>/S/LARRY D. BRAY</i>	Name (Printed/Typed) /S/LARRY D. BRAY	Date SEP 05 2000
Title Assistant Field Manager, Lands And Minerals		Office ROSWELL FIELD OFFICE
APPROVED FOR 1 YEAR		

Application approval does not warrant or certify the 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.

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.

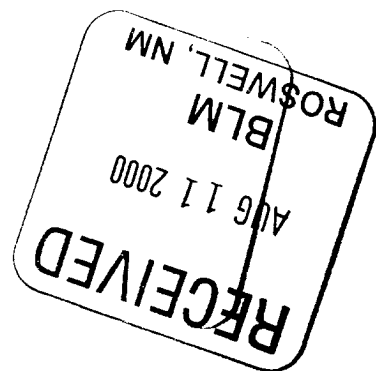
*(Instructions on reverse)

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

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

GRS
George R. Smith, agent

MP



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artesia, 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 30-025-01647	Pool Code 19950	Pool Name EK; Yates, 7 Rivers, Queen
Property Code 26412	Property Name McELVAIN FEDERAL	Well Number 4
OCRID No. 20497	Operator Name SEELY OIL COMPANY	Elevation 3874'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	25	18 S	33 E		660	NORTH	1969	WEST	LEA

Bottom Hole Location If Different From Surface

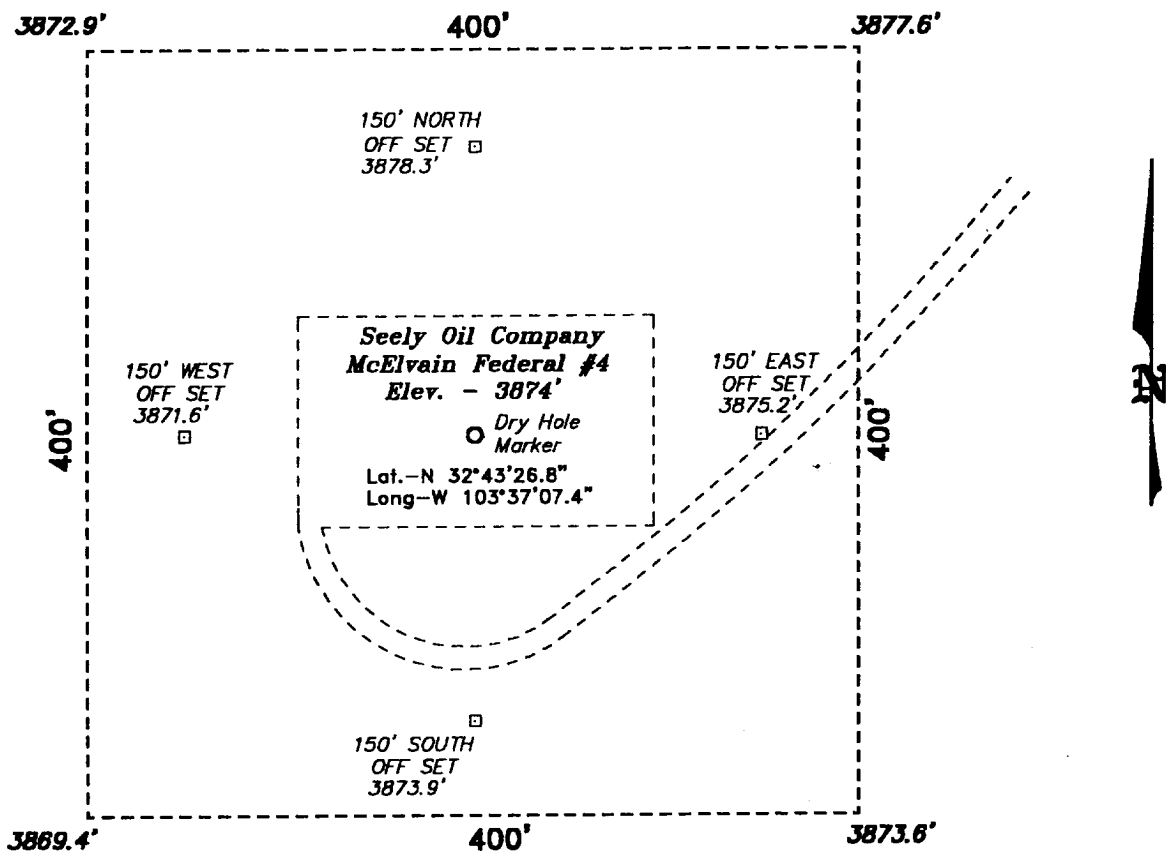
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

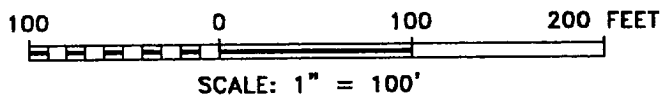
	<p>NM-0245247 McElvain et al</p> <p>LAT - N32°43'26.8" LONG - W103°37'07.4"</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>George R. Smith</i> Signature</p> <p>George R. Smith, agent for: Printed Name</p> <p>Seely Oil Company Title</p> <p>August 11, 2000 Date</p>
	<p>SURVEYOR CERTIFICATION</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>August 4, 2000 Date Surveyed</p> <p>Signature <i>ARY L. JONES</i> Professional Surveyor</p> <p>7977 W.C. No. 04320</p> <p>Certificate No. 7977 PROFESSIONAL LAND SURVEYOR</p>	

**SECTION 25, TOWNSHIP 18 SOUTH, RANGE 33 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.**



Directions to Location:

FROM THE JUNCTION OF STATE HWY 529 AND CO. RD. 125, GO SOUTH ON CO. RD. 125 APPROX. 1 MILE TO A LEASE ROAD; THENCE SOUTHWEST ON LEASE ROAD APPROX. 4200 FEET; THENCE WEST ON LEASE ROAD APPROX. 1900 FEET TO THE PROPOSED WELL LOCATION AND DRY HOLE MARKER.



Seely Oil Company

REF: McElvain Fed. No. 4 / Well Pad Topo

THE McELVAIN FEDERAL No. 4 LOCATED 660' FROM
THE NORTH LINE AND 1969' FROM THE WEST LINE OF
SECTION 25, TOWNSHIP 18 SOUTH, RANGE 33 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786—HOBBS, NEW MEXICO

Drawn By: **K. GOAD**

Date: 08-07-2000 Disk: KJG #122 - 0432A.DWG

Sheet 1 of 1 Sheets

Sheet 1 of 1 Sheets

**APPLICATION FOR DRILLING
SEELY OIL COMPANY**

Re-entry of:
McElvain Federal, Well No. 4
660' FNL & 1969' FWL, Sec. 25-T18S-R33E
Lea County, New Mexico
Lease No.: NM-0245247
(Development Well)

Seely Oil Company is proposing to re-enter and deepen the above captioned well that was drilled in April, 1956 and was P/A in September, 1981. Will drill out plugs at the surface and at 1255' to 1984'. The 8 5/8" casing was set and cemented to a depth of 1697 feet. 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	1,695'	Penrose	4,605'
Top of Salt	2,000'	San Andres	5,100'
Base of Salt	3,000'	Delaware	5,600'
Yates	3,152'	T.D.	6,500'
Queen	4,342'		

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 4,450', Penrose below 4,750' and the Delaware below 5,600'.

Gas: None expected.

4. Proposed Casing Program:

HOLE SIZE	CASING SIZE	WEIGHT	GRADE	JOINT	SETTING DEPTH	QUANTITY OF CEMENT
Existing Csg	8 5/8"	28.0#	N/A	N/A	1,697'	150 sx by Halliburton
7 7/8"	5 1/2"	17.0#	J-55	ST&C	6,500'	250 sx +/- of HL, + 560 sx Pozmix

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

BOP Program:

A 10" 3000 psi wp Schaffer Type E double ram BOP will be installed on the 8 5/8" casing. Casing and BOP will be tested before drilling out with 7 7/8".

6. <u>Mud Program:</u>		MUD WEIGHT	VIS.	W/L CONTROL
0' - 1697':	Fresh water mud	9.3 ppg	33	No W/L control
1697' - 4100':	Brine mud:	10.0 ppg	32	No W/L control
4100' - 6500':	Cut Brine mud w/gel:	8.8 ppg	32	W/L control 15 cc+/-

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 unless warranted.

Logging: T.D. to 1697': G/R-Density Neutron, Dual Induction Log

1697' to surface: G/R, Neutron

Coring: None planned unless warranted in the Queen.

Seely Oil Company
McElvain Federal, Well No. 4
Page 2

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 BHP = 2860 psi (evac. hole) with temperature of 125°.
10. H₂S: None expected. None in previously drilled wells.
11. Anticipated starting date: September 4, 2000.
Anticipated completion of drilling operations: Approx. 3 weeks.

MULTI POINT SURFACE USE AND OPERATIONS PLAN

SEELY OIL CO.

Re-entry of:

McElvain Federal, Well No. 4

660' FNL & 1969' FWL, Sec. 25-T18S-R33E

Lea County, New Mexico

Lease No.: NM-0245247

(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 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 2.3 mile 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 a county road with Oryx and Baber signs. Continue south for 1.1 miles on good gravel road to a crossroads. Take the right (southwest) road for .8 mile to Seely's McElvain Fed. No. 1 well site on the west side of the road. Turn west for .2 mile, then southwest for .1 mile to the old well site that has been restaked. The access road enters the well pad on the southeast corner.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The .3 mile of existing access roads will be repaired and constructed to a width of 12 feet. The proposed 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 required.
- D. Culverts: None required.
- E. Cuts and Fills: None required.
- F. Gates, Cattle guards: None 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".

SEELY OIL CO.

McElvain Federal , Well No. 4

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4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES;

- A. There are 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 or a 2", 125 psi PVC surface flow line will be run to the well pad of the McElvain Federal No. 1.

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 the bottoms of a closed Federal pit in the SE¼SE¼ of Section 24-T18S-R33E. 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 land fill 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: 185' X 210', plus 100' X 100' reserve pits. The pits will be on the north.
- C. Cut & Fill: A small amount of cutting may be required to enlarge the old pad with a 1 - 2 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 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 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 1.4% from an elevation of 3874'.
- B. Soil: The topsoil at the well site is a dark brown 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, grama and other miscellaneous native grasses along with plants of mesquite, yucca, fourwing saltbush, shinnery oakbrush, broomweed, sage, cacti 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 area.
- E. Residences and Other Structures: None, but existing oil field facilities.
- F. Land Use: Cattle grazing.

SEELY OIL CO.

McElvain Federal , Well No. 4

Page 4

11. OTHER INFORMATION; cont.....

- 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 proposed 400' X 400' site and existing access road right of way . An archaeological survey is being 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:

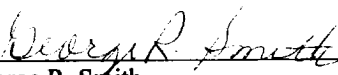
- A. The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

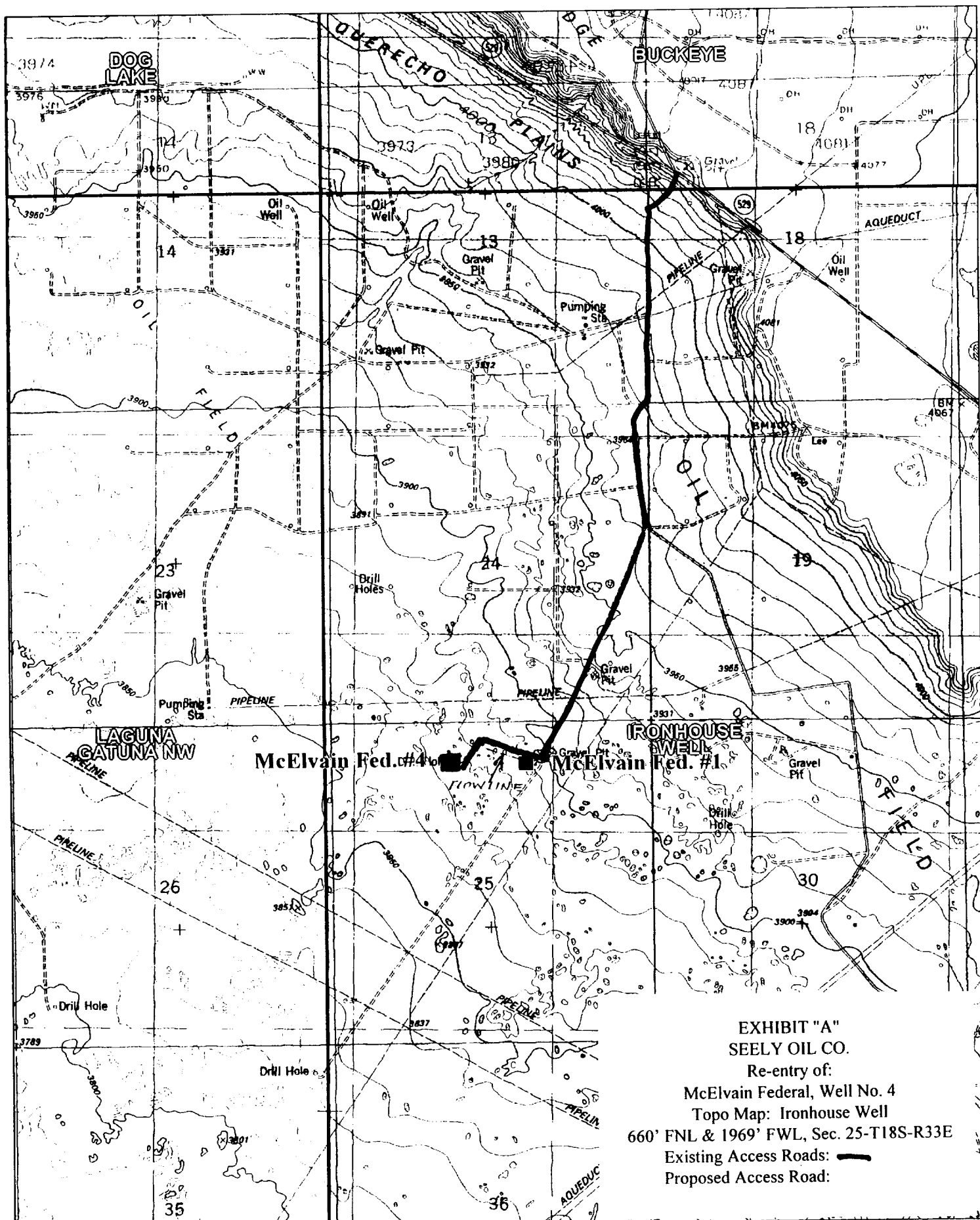
David Henderson
SEELY OIL CO.
815 W. 10th St.
Ft. Worth, TX 76102
Office Phone: (817) 332-1377

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.

August 11, 2000

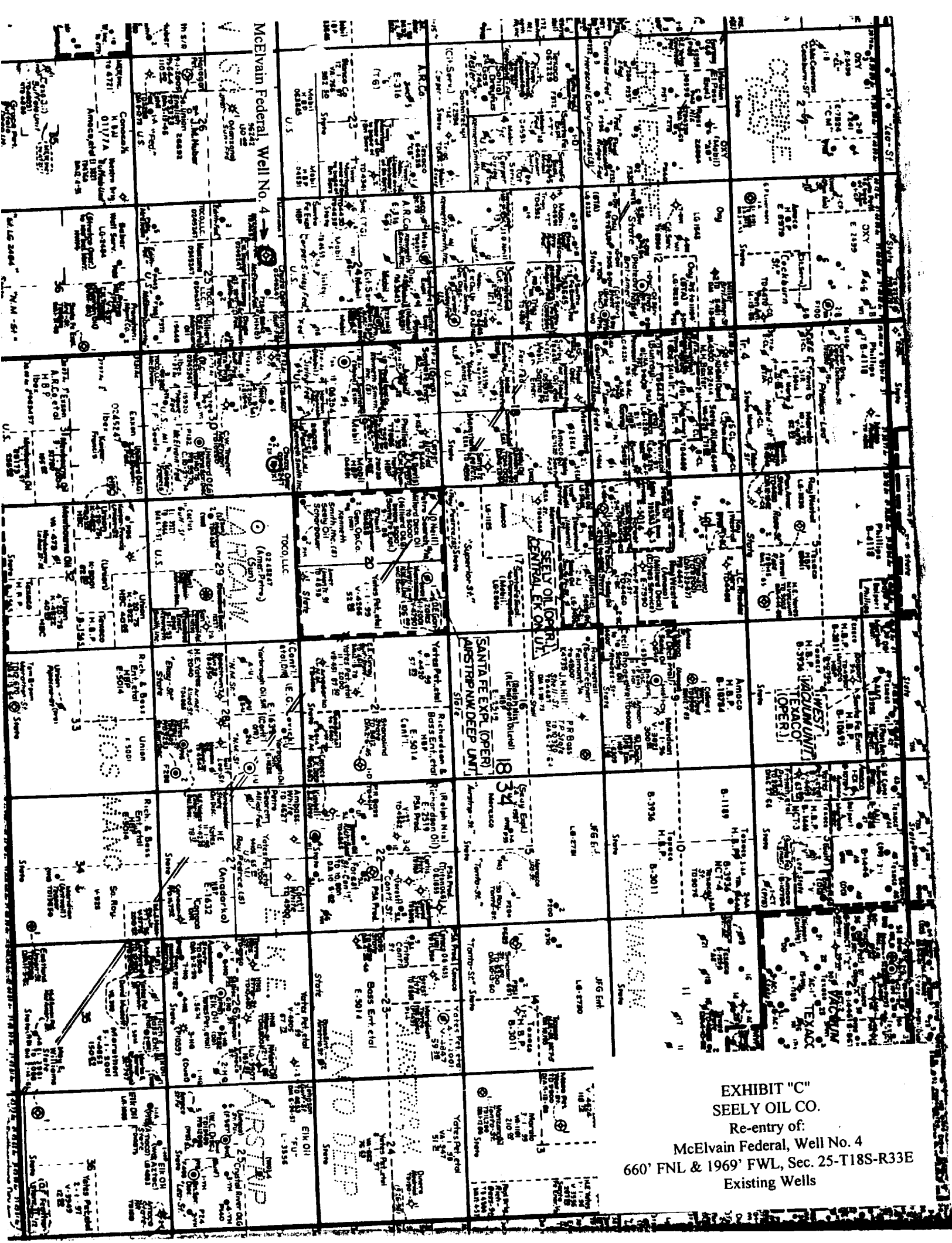

George R. Smith
Agent for: Seely Oil Co.





1

Received
Hobbs
09/11



400'

400'

400'

400'

10X20' BURN PIT

100'

RESERVE PIT

100'

BORROW PIT

(SIZED AS REQUIRED)

(4 Flag Lines)

TRASH BIN

MUD PITS

DRILLING RIG

WELL BORE

PPE
BACKS

30'

40'

110'

100'

130'

50'

Proposed 14" Resource Road

Drop pole with
transformer

Proposed OH Elec. Line

AREA ARCHAEOLOGICALLY CLEARED

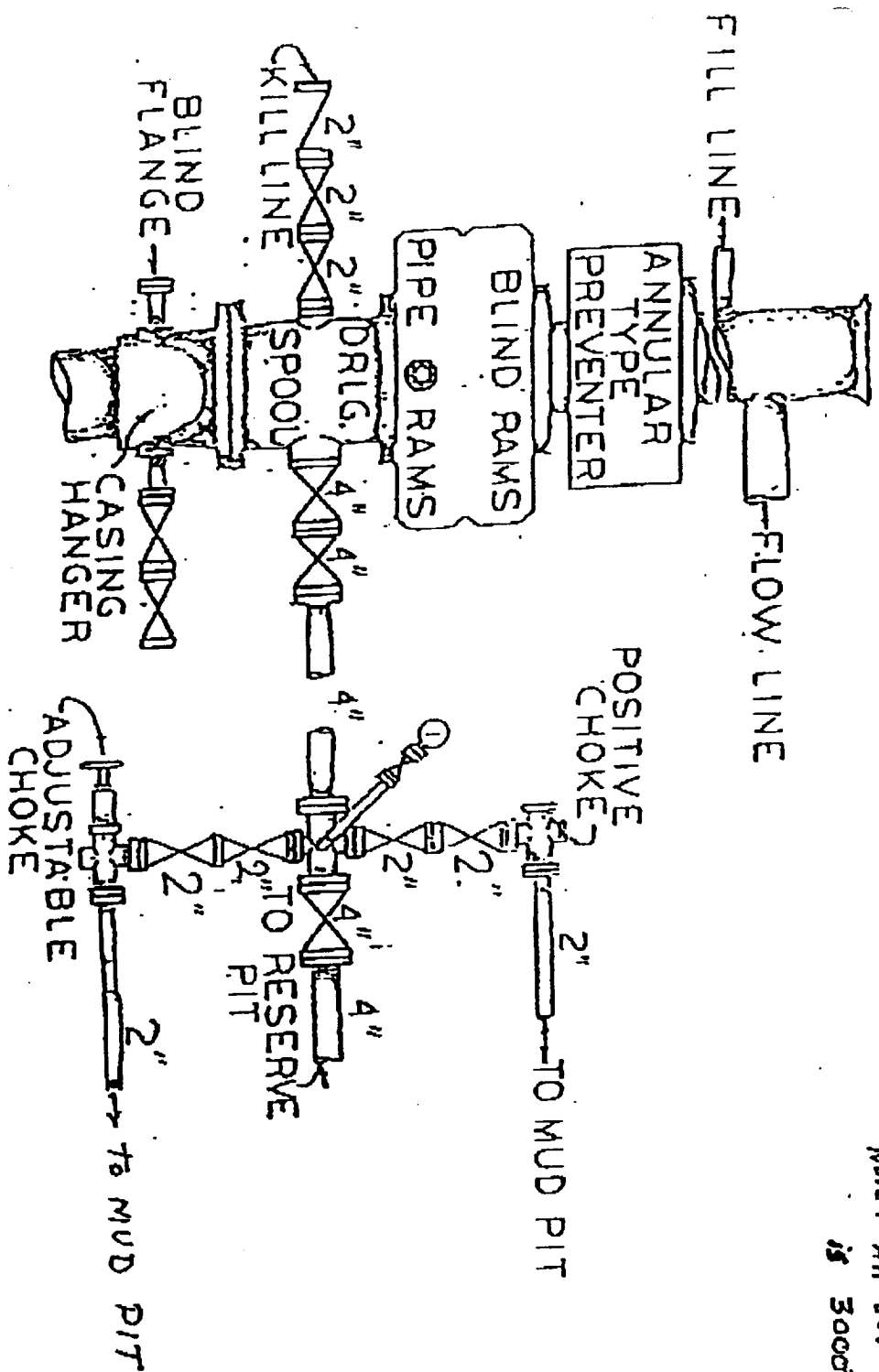


EXHIBIT "D"
SEELY OIL CO.
McElvain Federal, Well No. 4
Pad & Pit Layout

Received
Hobbs
000

13-24-25-26-27-28

B.O.P. ARRANGEMENT



Note: All BOP Equipment
is 3000psi working pressure