

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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

Cleary Petroleum Corporation

3. ADDRESS OF OPERATOR

P. O. Drawer 2358, Midland, Texas 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

FSL & 330' FEL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

5 miles NE of Halfway, New Mexico

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

330' to lease & 330' to unit lines

16. NO. OF ACRES IN LEASE

480

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

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

None

19. PROPOSED DEPTH

3300'

20. ROTARY OR CABLE TOOLS

Rotary

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

3587' GR

22. APPROX. DATE WORK WILL START*

8-1-78

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	1200'	850 sx (circulate)
7 7/8"	5 1/2"	14#	3300'	250 sx CIRCULATE

*ANTHONY TO PLANT TESTED
WELL DRILLING AND TESTING."

See attached sheet for casing and cementing programs. The well will be drilled to a depth of 3300' to test the 7 Rivers Sands. Dual 900 series ram type blowout preventers will be used. A saturated brine water system will be used in drilling this well.

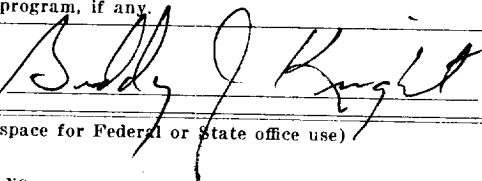
Unless Drilling Operations have
Commenced, this drilling approval
Expires **OCT 15 1978**

SEE ATTACHED FOR
CONDITIONS OF APPROVAL.

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.

24.

SIGNED



TITLE District Production Mgr.

DATE 6-1-78

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION FORM

Form C-102
 Supersedes C-128
 Effective 1-1-65

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

Operator CLEARY PETROLEUM CORP.			Lease HI-YO SILVER FEDERAL		Well No. 1
Unit Letter "P"	Section 25	Township -19-S	Range -32-E	County LEA	
Actual Footage Location of Well: 660 feet from the SOUTH line and 330 feet from the EAST line					
Ground Level Elev. 3579	Producing Formation SEVEN RIVERS		Pool UNDESIGNATED	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 Commission.

NOTE: This is a revised location due to archaeological requirements.

CLEARY PETROLEUM CORP.
"HI-YO SILVER FEDERAL"

40 ACRES

#1.

330

660

CERTIFICATION

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

Name
District Production Mgr.

Position
Cleary Petroleum Corporation

Company
6-27-78

Date

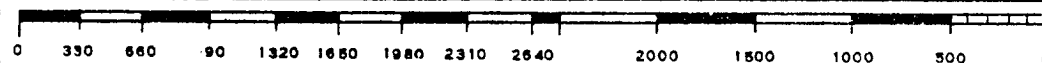
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
JUNE 26, 1978

Registered Professional Engineer and/or Land Surveyor

MAX A. SCHUMANN JR.

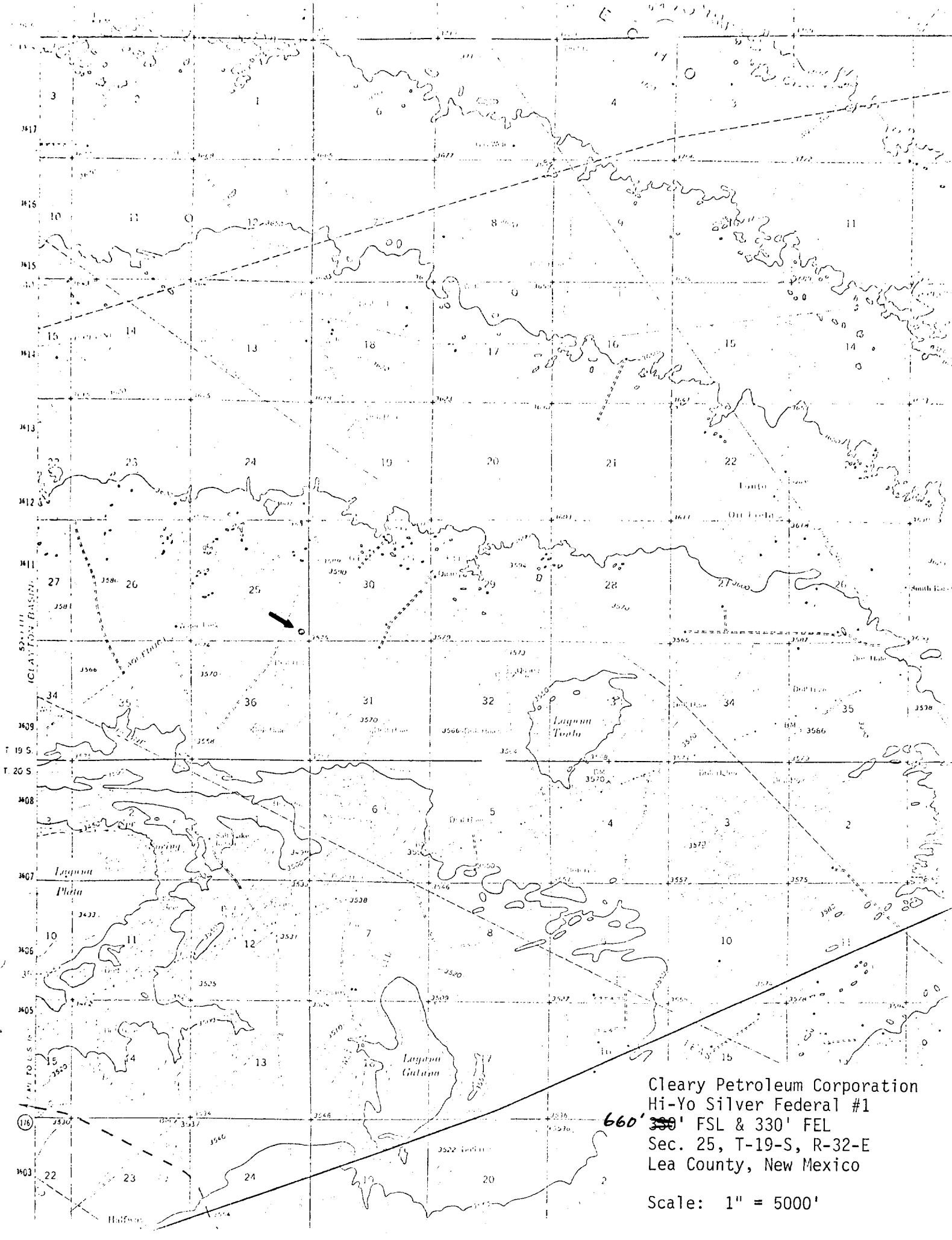
Certificate No.
1510



RECEIVED

JUN 28 1978

U. S. GEOLOGICAL SURVEY
HOBBS, NEW MEXICO



Cleary Petroleum Corporation
Hi-Yo Silver Federal #1
Sec. 25, T-19-S, R-32-E
Lea County, New Mexico

Scale: 1" = 5000'

June 1, 1978

United States Department of the Interior
Geological Survey
P. O. Box 1157
Hobbs, New Mexico 88240

Attention: Mr. Arthur R. Brown
District Engineer

Re: Cleary Petroleum Corporation
Hi-Yo Silver Federal #1
~~660' 330'~~ FSL & 330' FEL
Section 25, T-19-S, R-32-E
Lea County, New Mexico

Gentlemen:

In compliance with the NTL-6 requirements, the following information is provided with Form 9-331C, "Application for Permit to Drill, Deepen, or Plug Back":

1. Surface formation: See Attachment I, Drilling Program.
2. Estimated tops of important geologic markers: See Attachment I, Drilling Program.
3. Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered: See Attachment I, Drilling Program.
4. Proposed casing program: See Attachment II.
5. Information on the "Blowout Preventer Hook-Up" is shown on the Schematic, Attachment III.
6. Well will be drilled with a saturated brine water system.

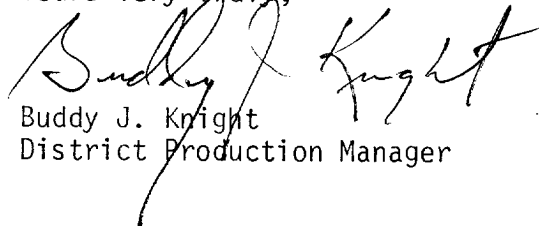
7. Auxiliary equipment: none required except those supplied by drilling contractor, including kelly cocks and stabbing valve.
8. Testing and logging program: See Attachment I, Drilling Program.
9. No abnormal pressure or hazards anticipated that cannot be controlled with proposed mud program and pressure control equipment.
10. Anticipated starting date is 8-1-78 and duration of the operation is expected to be 10 days.

In addition to the above, attached is "Multi-Point Surface Use and Operations Plan" for subject well with Exhibits A, B, C and D.

Also attached to Form 9-331C is C-102, "Well Location and Acreage Dedication Plat" and topo plat of the area.

Please advise if further information is needed.

Yours very truly,



Buddy J. Knight
District Production Manager

BJK:mlb

Attachments

CLEARY PETROLEUM CORPORATION

MIDLAND DISTRICT

June 1, 1978

DRILLING PROGRAM

WELL: Cleary Petroleum Corporation
Hi-Yo Silver Federal #1
660' ~~330'~~ FSL & 330' FEL
Section 25, T-19-S, R-32-E
Lea County, New Mexico

ELEVATION: 3587' GR

SURFACE FORMATION: Quaternary Alluvium and Bolson Deposits.

ESTIMATED FORMATION TOPS:

<u>Formation</u>	<u>Estimated Depth</u>	<u>Remarks</u>
B/Red Beds-T/Anhydrite	1180'	No show
T/Salt	1320'	No show
B/Salt	2675'	No show
Yates	2895'	Prob. Oil
7 Rivers	3085'	Prob. Oil
Total Depth	3300'	

ESTIMATED DRILLING TIME: 10 days

SAMPLES: 10' samples to 2750'
5' samples 2750' to T.D.

DRILLING TIME RECORD: Geolograph to T. D.

CORING: None

CLEARY PETROLEUM CORPORATION
HI-YO SILVER FEDERAL #1
LEA COUNTY, NEW MEXICO

CASING & CEMENTING PROGRAM

Surface Casing:

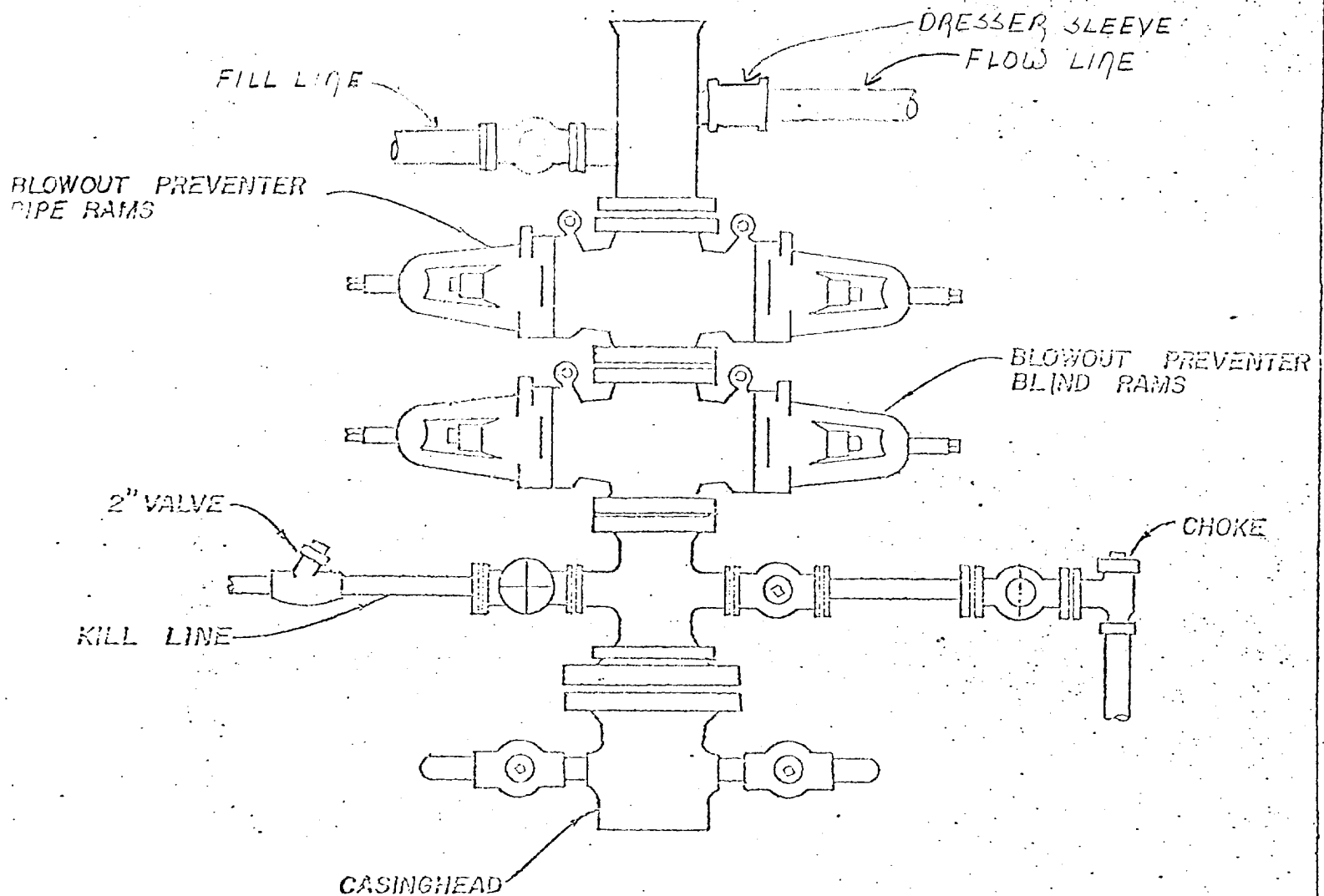
12 $\frac{1}{4}$ " hole size; set approximately 1200' of 8 5/8", 24#, K-55 new casing using 600 sx, 50/50 Poz w/5% salt and $\frac{1}{4}$ #/sx flocele and tail w/250 sx Class "H" w/2% CC, $\frac{1}{4}$ #/sx flocele, 3/4% CFR-2.

Production String:

7 7/8" hole size; set 5 $\frac{1}{2}$ ", 14#, K-55, ST&C from 3300' to surface. Cmt. with 250 sx Class "H" w/2% CC, 3/4% CFR-2, and $\frac{1}{4}$ #/sx flocele.

BLOWOUT PREVENTER HOOK-UP

3000 PSI WORKING PRESSURE



ATTACHMENT III

CLEARY PETROLEUM CORPORATION
HI-YO SILVER FEDERAL #1
660' ~~330'~~ FSL & 330' FEL
Section 25, T-19-S, R-32-E
Lea County, New Mexico

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

CLEARY PETROLEUM CORPORATION

Hi-Yo Silver Federal # 1

660' ~~330'~~ FSL & 330' FEL, Sec. 25, T-19-S, R-32-E
LEA COUNTY, NEW MEXICO
LEASE NEW MEXICO 12413

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, the magnitude of necessary surface disturbance involved, and the procedures 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 operation.

1. EXISTING ROADS

- A. Exhibit "A" is a portion of a highway map showing the location of the proposed well as staked. Five miles northeast of Halfway, New Mexico, and 38 miles northeast of Carlsbad, New Mexico on U. S. Highway 62. A paved road located 4.4 miles northwest on State Highway 176 from intersection of U. S. Highway 62-180 goes north for 5.8 miles. Right for approximately 6 miles east and 2.6 miles south to Wallen Production Company Wallen-Tonto Federal #2. New road will be constructed 0.3 mile to the southwest to proposed wellsite.
- B. Exhibit "B" is a plat showing all existing roads within a one mile radius of the wellsite, and the planned access road.
- C. Entry and exit to the proposed location will be from State Highway 176 north on paved road by Phillips' Lusk Gasoline Plant for 5.8 miles, right for approximately 6 miles east and 2.6 miles south to Wallen Production Company Wallen-Tonto Federal #2 and additional 0.3 mile over new caliche road.

2. PLANNED ACCESS ROADS:

- A. Length and Width: New road required will be 12 feet wide and 1726 feet long to connect to existing lease road to northeast. This new road is labeled and color coded red on Exhibit "B". The Center line of the proposed new road from the beginning to the wellsite has been staked and flagged with the stakes being visible from any one to the next.
- B. Surfacing Material: Six inches of caliche, water, compacted, and graded.

- C. Maximum Grade: 3 percent.
- D. Turnouts: No new turnouts will be needed.
- E. Drainage Design: New road will have a drop of 6 inches from center line on each side.
- F. Culverts: None required.
- G. Cuts and fills: None required.
- H. Gates, Cattleguards: No additional gates or cattleguard will be required.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a one-mile radius are shown on Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. Location of the proposed tank battery production unit and flow line from Hi-Yo Silver Federal No. 1 are shown on Exhibit "C". Salt water will be collected in a 210 barrel fiberglass tank by the production unit. It will initially be hauled to disposal to Laguna Gatuna Salt Lake.
- B. If the proposed well is completed for production, the tank battery, production unit, and flow line will be located on the well pad. The well pad will be extended to accommodate the necessary facilities (as shown on Exhibit "C").

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. There is no adequate water supply in the area for drilling. Water will be purchased and trucked to the wellsite over the existing and proposed roads shown on Exhibit "A" and "C".

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the road and the well pad will be obtained from an existing pit in Unit I of Sec. 15, T-19-S, R-32-E. The pit is on land owned by the Bureau of Land Management. Location of the pit is shown on Exhibit "B". Royalty will be paid to the Bureau of Land Management by the road and location construction company.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. 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. Location of trash pits are shown on Exhibit "D".
- F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELLSITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, mud pits, reserve pit, trash pits and location of major rig component.
- B. Only minor levelling of the wellsite will be required. No significant cuts and fills will be necessary.
- C. The reserve pit will be plastic lined.
- D. The pad and pit area has been staked and flagged.

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 location cleaned of all trash and junk to leave the wellsite in an aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until all are filled.

- C. After abandonment of the well, surface restoration will be in accordance with the Bureau of Land Management requirements. Pits will be filled and location will be cleaned. The pit area, well pad, and all unneeded access road will be ripped to promote revegetation. Rehabilitation should be accomplished within 90 days after abandonment. Any special rehabilitation and/or revegetation requirements of the surface management agency will be complied with and accomplished as expeditiously as possible. All pits should be filled and levelled within 90 days after abandonment.

11. OTHER INFORMATION:

- A. Topography: Land surface is gently sloping to the south. From the wellsite, the land surface slopes gently to the south at about 20 feet per mile.
- B. Soil: Soil is a deep fine sand underlain by caliche.
- C. Flora and Fauna: The vegetative cover is generally sparse and consists of mesquite, yucca, shinnery oak, sandsage and perennial native range grasses. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove, quail, and an occasional antelope.
- D. Ponds and Streams: There is an aqueduct approximately ½ mile northwest of the proposed location.
- E. Residences and Other Structures: The nearest occupied dwelling is a ranch house 2 miles southwest of the wellsite.
- F. Archaeological, Historical and Cultural Sites: None observed in the area.
- G. Land Use: Grazing and hunting in season.
- H. Surface Ownership: Wellsite and new roads are on Federal surface.

12. OPERATOR'S REPRESENTATIVE:

The field representative responsible for assuring compliance with the approved surface use and operations plan are as follows:

Buddy J. Knight
District Production Manager
P. O. Drawer 2358
Midland, Texas 79702
Office Phone: (915) 683-4793
Home Phone: (915) 684-6263

Douglas W. Rice
Assistant District Production Manager
P. O. Drawer 2358
Midland, Texas 79702
Office Phone: (915) 683-4793
Home Phone: (915) 684-4724

13. CERTIFICATIONS:

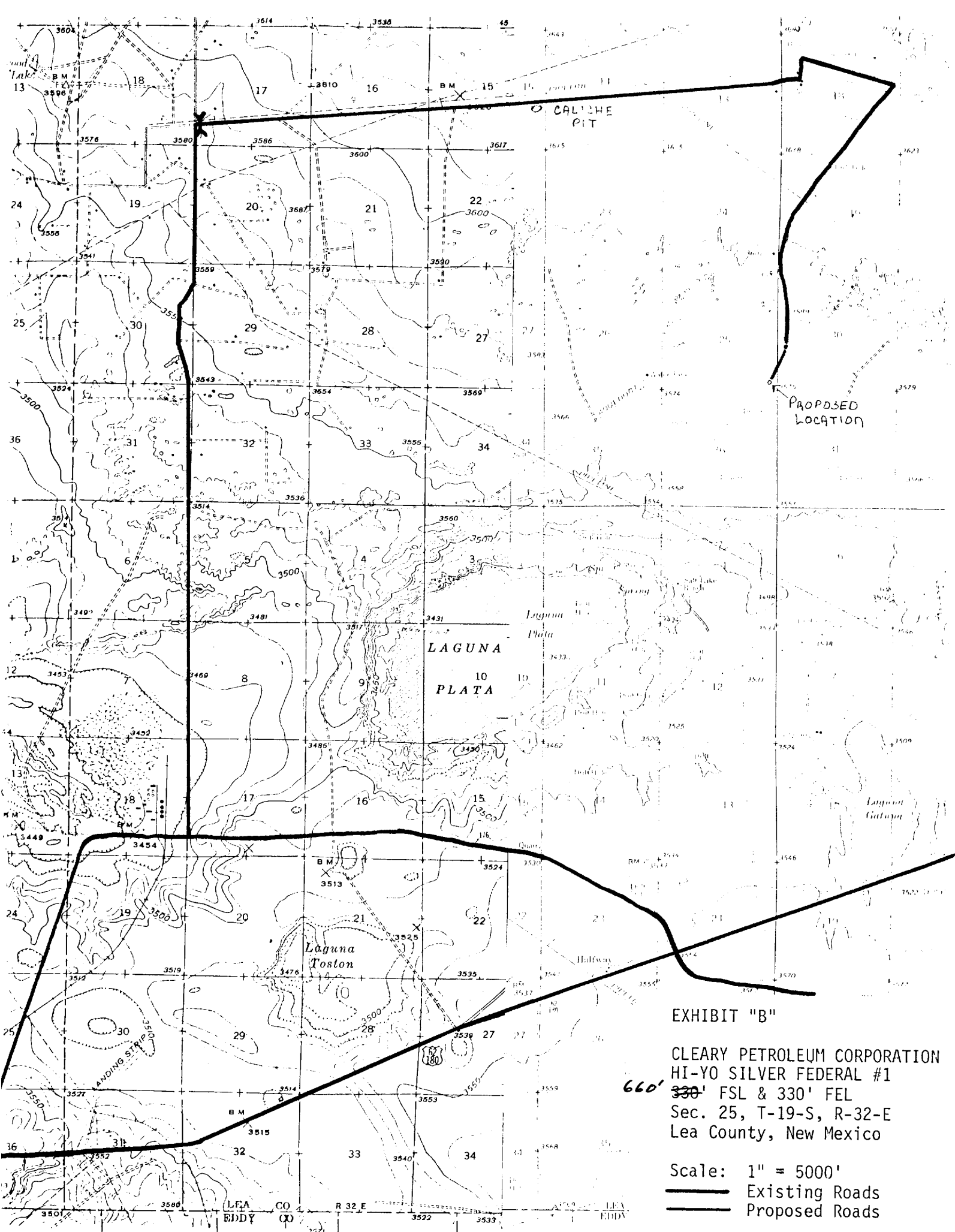
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; and, that the work associated with the operations proposed herein will be performed by Cleary Petroleum Corporation and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

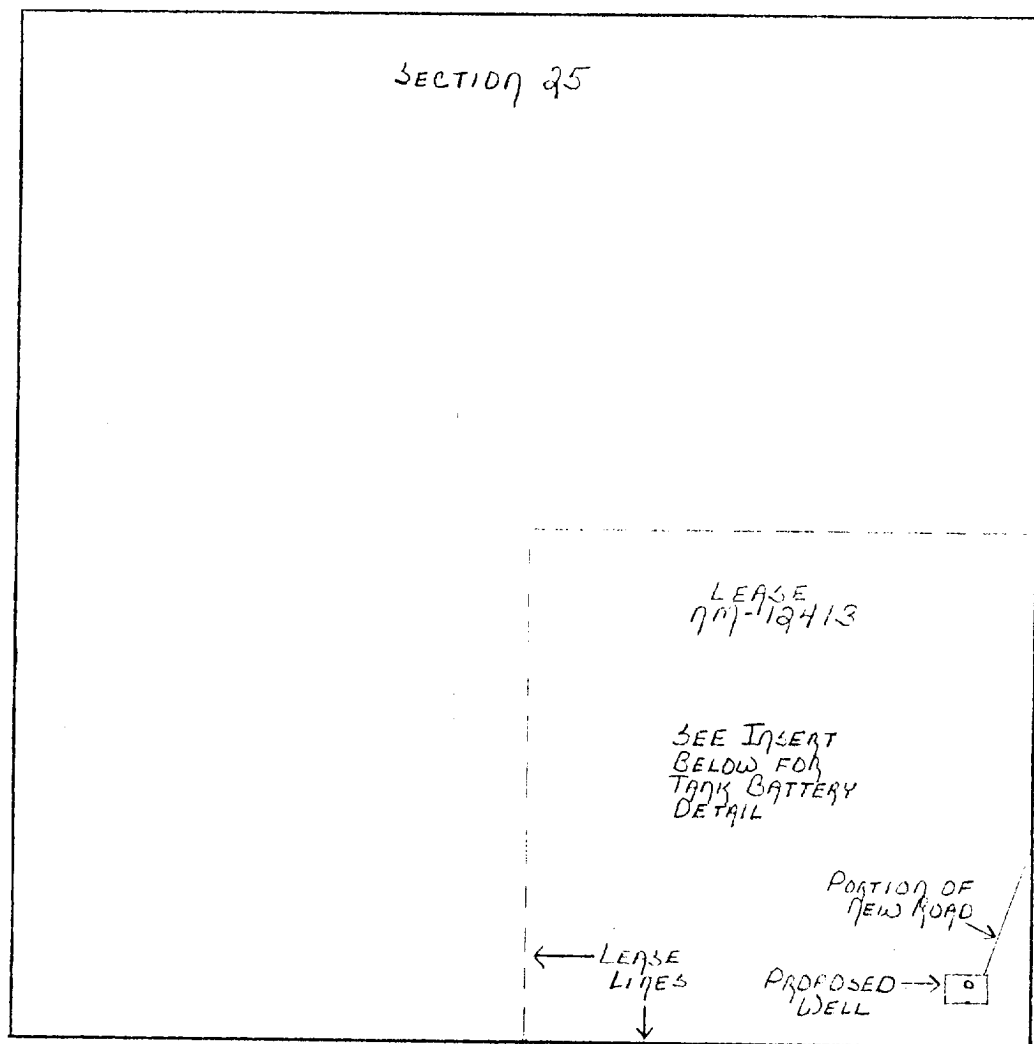
June 1, 1978



Buddy J. Knight
District Production Manager

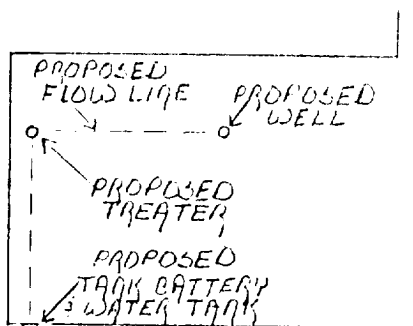
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SCALE: 1" = 1000'

DETAIL OF TANK BATTERY



SCALE: 1" = 100'

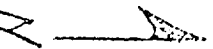
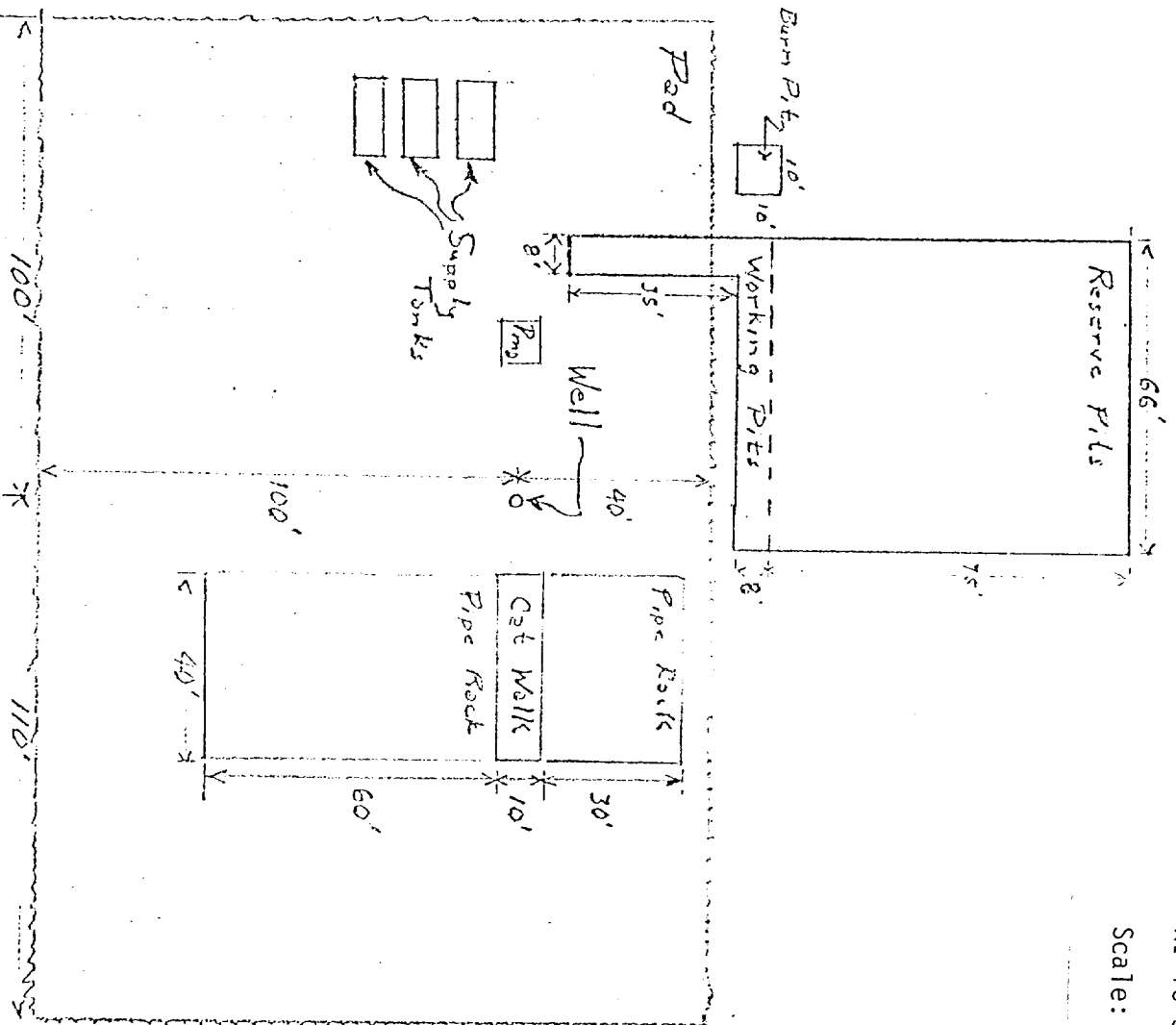
EXHIBIT "C"

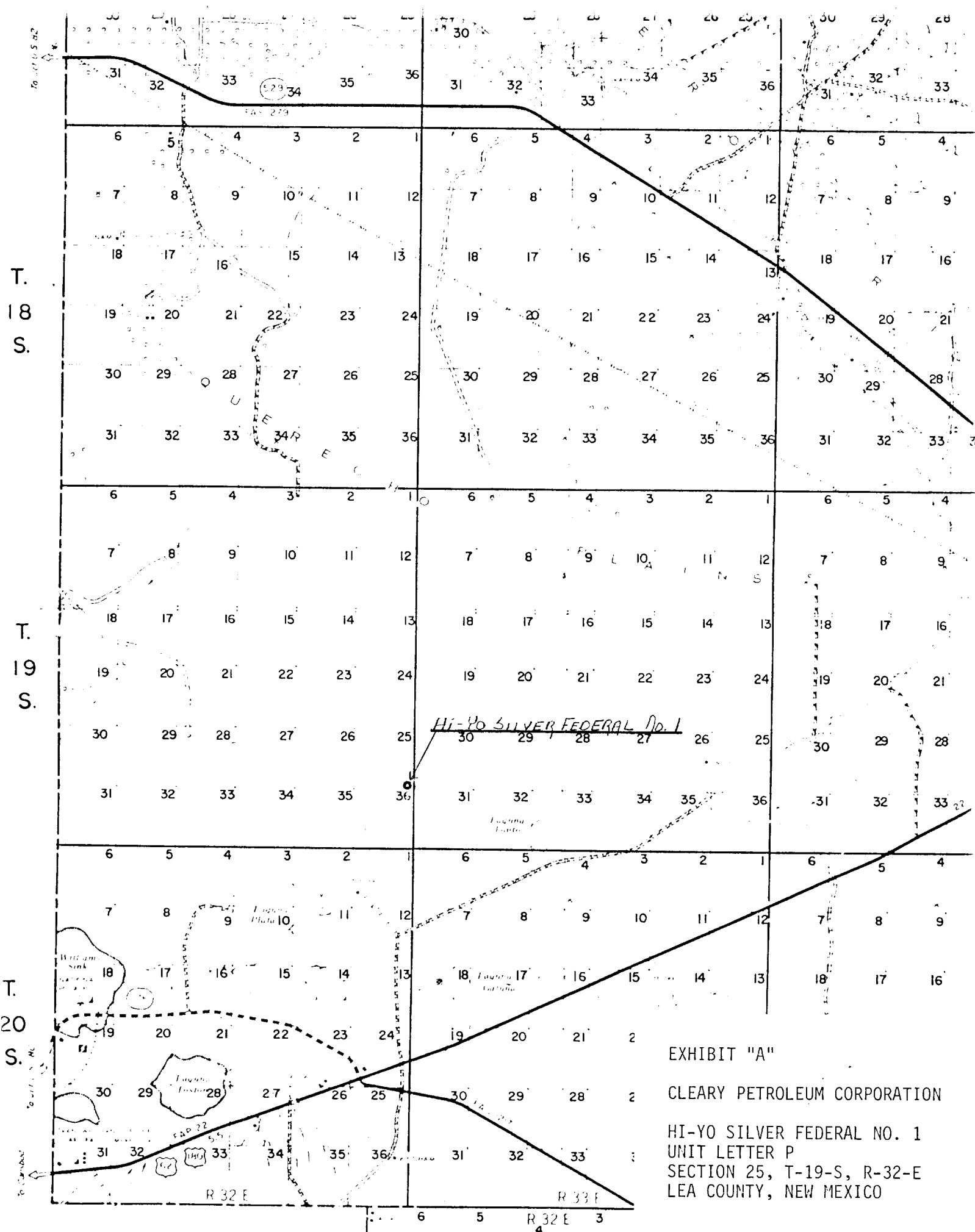
CLEARY PETROLEUM CORPORATION
HI-YO SILVER FEDERAL #1
660' 330' FSL & 330' FEL
Section 25, T-19-S, R-32-E
Lea County, New Mexico

EXHIBIT "D"

RIG LAYOUT
CLEARY PETROLEUM CORPORATION
HI-YO SILVER FEDERAL #1

Scale: 1" = 40'





SCALE: 1" = 2 miles