

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Seely Oil Co.

817/332-1377

3. ADDRESS AND TELEPHONE NO.

815 W. 10th

Ft. Worth, TX 76102

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

At surface

990' FNL & 990' FEL

At proposed prod. zone

Same

Unit A

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

27 Miles NW of Hobbs, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

990'

16. NO. OF ACRES IN LEASE

1,074.69

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

660'

4,700'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

4025' GL

22. APPROX. DATE WORK WILL START*

Sept. 1, 1998

23. PROPOSED CASING AND CEMENT

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8" J-55	23.0#	1,750'	Circ. 580 sx WITNESS
7 7/8"	5 1/2" J-55	15.5#	4,700'	200 sx HL + 150sx Poz

MUD PROGRAM:

0' - 1750': Fresh water spud mud:

1750' - 4100': Brine mud:

4100' - 4700': Cut Brine mud w/gel:

MUD WT.

9.3 ppg

10.0 ppg

8.8 ppg

VIS.

33

32

32

W/L Control

No W/L control.

No W/L control.

W/L control 15cc.

BOP PROGRAM:

A 10" 3000 psi wp 900 Cameron Space Saver, double ram BOP, will installed on the 8 5/8" casing. Casing and BOP will be tested before drilling out with 7 7/8". The BOP will be used as a 2000 psi system and will be tested daily.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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

George D. Smith

TITLE

Agent for:
Seely Oil Co.

DATE

Feb. 6, 1998

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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:

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

18 U.S.C. Section 1001, makes 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.

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-4324	Pool Code 19950	Pool Name E-K Yates, Seven Rivers, Queen
Property Code 22434	Property Name E.K. Queen Unit Tract 2	Well Number 28
OGRID No. 20497	Operator Name Seely Oil Company	Elevation 4025'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	13	18 S	33 E		990	North	990	East	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.						

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

	LC-063645 Seely Oil Co., unit operator	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>George R. Smith</u> Signature George R. Smith, agent for Printed Name Seely Oil Co. Title February 6, 1998 Date
	Date Surveyed Signature & Seal of Professional Surveyor W.O. No. 8019a Certificate No. GARY L. JONES 7977 BASIN SURVEYS	

APPLICATION FOR DRILLING
SEELY OIL CO.
E-K Queen Unit Tract 2, Well No. 8
990' FNL & 990' FEL, Sec. 13-T18S-R33E
Lea County, New Mexico
Lease No.: LC-063645
(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'
Base of Salt	3,130'
Yates	3,260'
Queen	4,380'
T. D.	4,700'
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 Yates below 3320', Seven Rivers below 3,590', Queen below 4,380'

Gas: None expected.
4. Proposed Casing Program: See Form 3160-3.
5. Proposed Control Equipment: See Form 3160-3 and Exhibit "E".
6. Mud Program: See Form 3160-3.
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 1750':	G/R-Density Neutron, Dual Induction Log
	1750'. to surface;	G/R, neutron
Coring:	None planned.	
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 = 1880 psi (evac. hole) with temperature of 107^o.
10. H₂S: None expected. None in previously drilled wells.
11. Anticipated starting date: September 1, 1998.
Anticipated completion of drilling operations: Approx. 3 weeks.

MULTI POINT SURFACE USE AND OPERATIONS PLAN

SEELY OIL CO.

E-K Queen Unit Tract 2, Well No. 8
990' FNL & 990' FEL, Sec. 13-T18S-R33E
Lea County, New Mexico
Lease No.: LC-063645
(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 27 road miles northwest of Hobbs, NM. Traveling east from Artesia there will be approximately 50 miles of paved highway and .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 16.5 miles. Turn south .8 mile east of MM 16 at a cattle guard onto a county road with Oryx and Baber signs. Continue southwest for 800 feet to a side road that runs west (right). Approximately 500 feet west of the turnoff, the road will run through the north edge of the 400 foot marked location of the proposed well site of the E-K Queen Unit Tract #2, Well No. 9. The proposed access road will start at the NE corner and run northwest for approximately 700 feet to the southeast corner of the proposed site.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The proposed of access road will be constructed to a width of 12 feet and will be approximately 700 feet in length. The proposed access road is color coded red on Exhibit "A".
- B. Construction: The proposed access road will be 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.
- 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".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES;

- A. There are oil production facilities on the lease and unit at this time.
- B. If the well proves to be commercial, the necessary production facilities, gas production-process equipment and flow line will be installed on the drilling pad. A 2", 125 PSI PVC surface flow line will be run to a tank battery in the NE/4SE/4 Sec. 13-T18S-R33E.

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 from an approved 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 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.

SEELY OIL CO.

E-K Queen Unit Tract 2, Well No. 8

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9. WELL SITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area has been staked and flagged, 400' X 400'.
- B. Mat Size: 145' X 220', plus 60' X 100' reserve pits. The pits will be on the north.
- C. Cut & Fill: There will be a 2 - 3 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 the Mescalero Ridge (Caprock). The location has a southwesterly slope of 3.5% from an elevation of 4025'.
- B. Soil: The topsoil at the well site is a light brown fine sand of the Pyote and Maljamar Fine Sands Soils Series.
- C. Flora and Fauna: The vegetation cover is a fair grass cover of three-awn, sand and spike dropseed, grama 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 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 New Mexico Highway No. 529 Right of Way is approximately 225 feet northeast of the location. (325 feet to the highway)
- F. Land Use: Cattle grazing.

SEELY OIL CO.

E-K Queen Unit Tract 2, Well No. 8

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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 access road. 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:

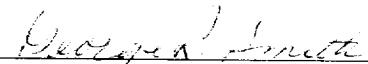
- A. The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

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

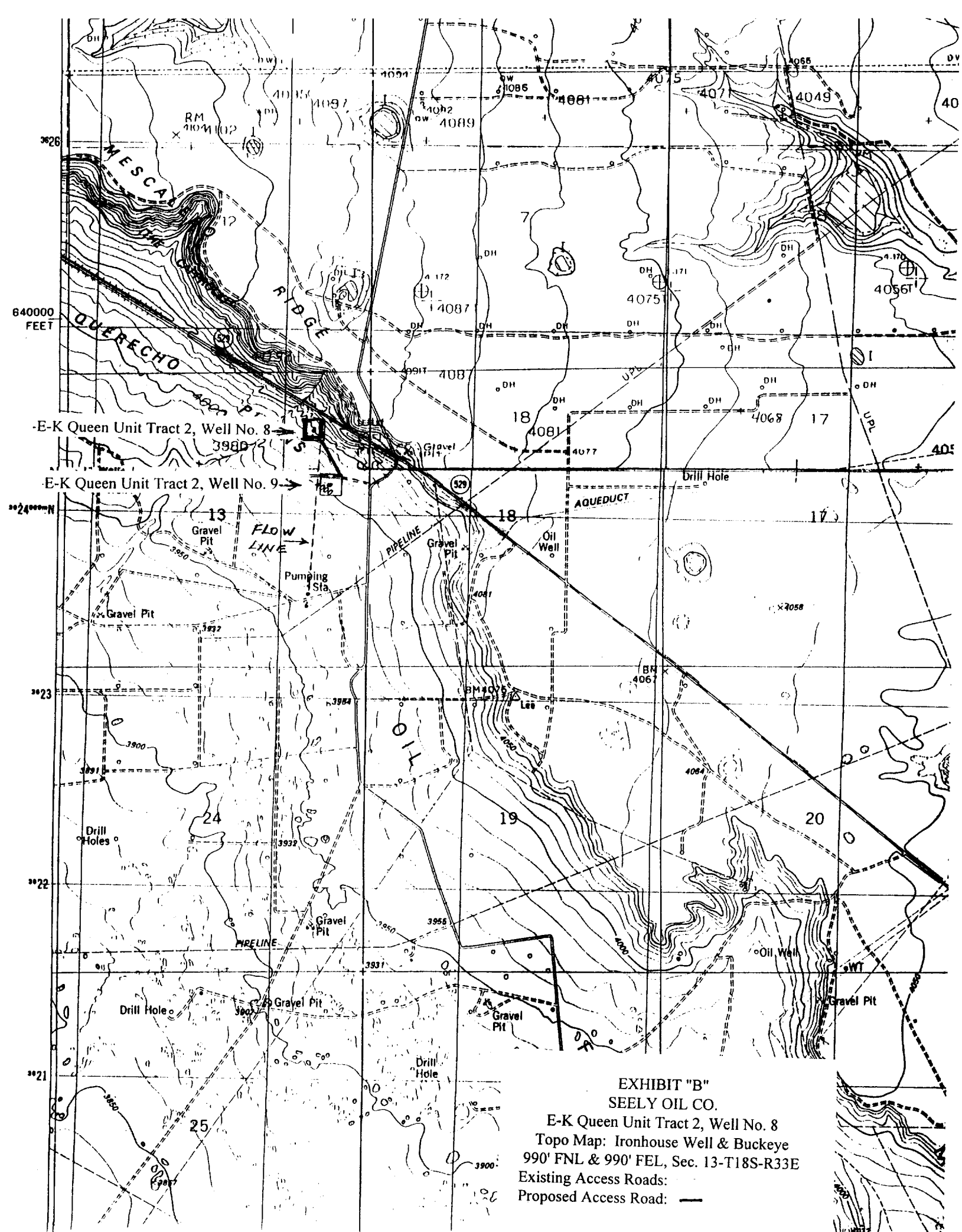
13. CERTIFICATION:

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.

February 5 1998



George R. Smith
Agent for: Seely Oil Co.



1000' Phillips Dist.
No. 10
State (1981) Devon, ST

1000' Leamer
No. 10
State

1000' Leamer
No. 10
State

1000' Leamer
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1000' Phillips
No. 10
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1000' Phillips
No. 10
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1000' Phillips
No. 10
State

JOCK MALJAMAR
OIL (OPER.)

SEELY OIL COMPANY
E-K QUEEN UNIT
E-K YATES-SEVEN RIVERS-QUEEN FIELD
LEA COUNTY, NEW MEXICO

PROPOSED 4700' QUEEN TESTS

● TRACT 2 WELL NO. 8
990' FNL AND 990' FEL
SECTION 13, T18S, R33E, NMPM

○ TRACT 2 WELL NO. 9
1980' FNL AND 660' FEL
SECTION 13, T18S, R33E, NMPM

FEDERAL LEASE NO. LC-063645

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Chaparral
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PLAT FOR PIT LOCATION FOR ARTESIA FISHING TOOL

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

DRILLING #2

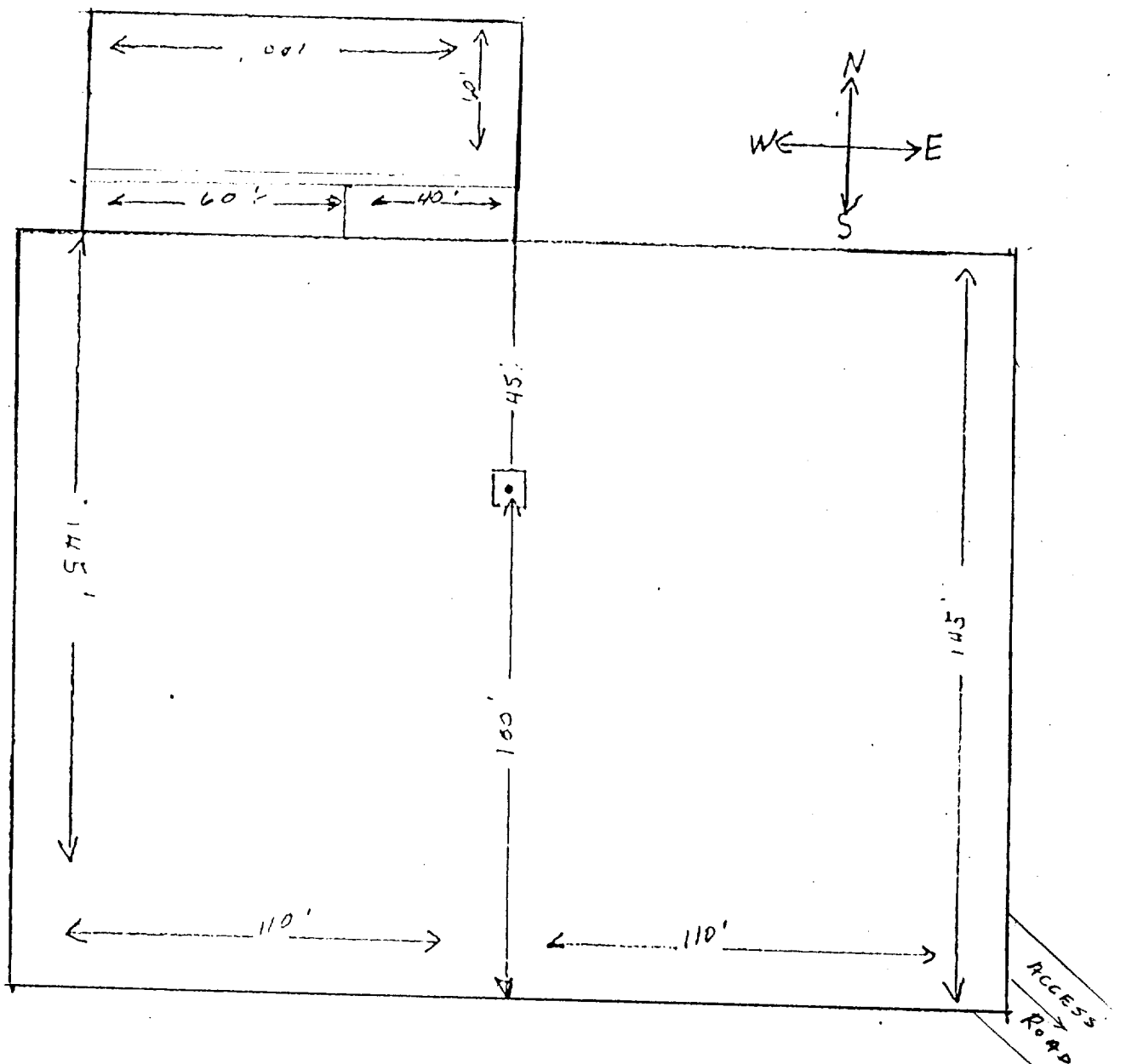


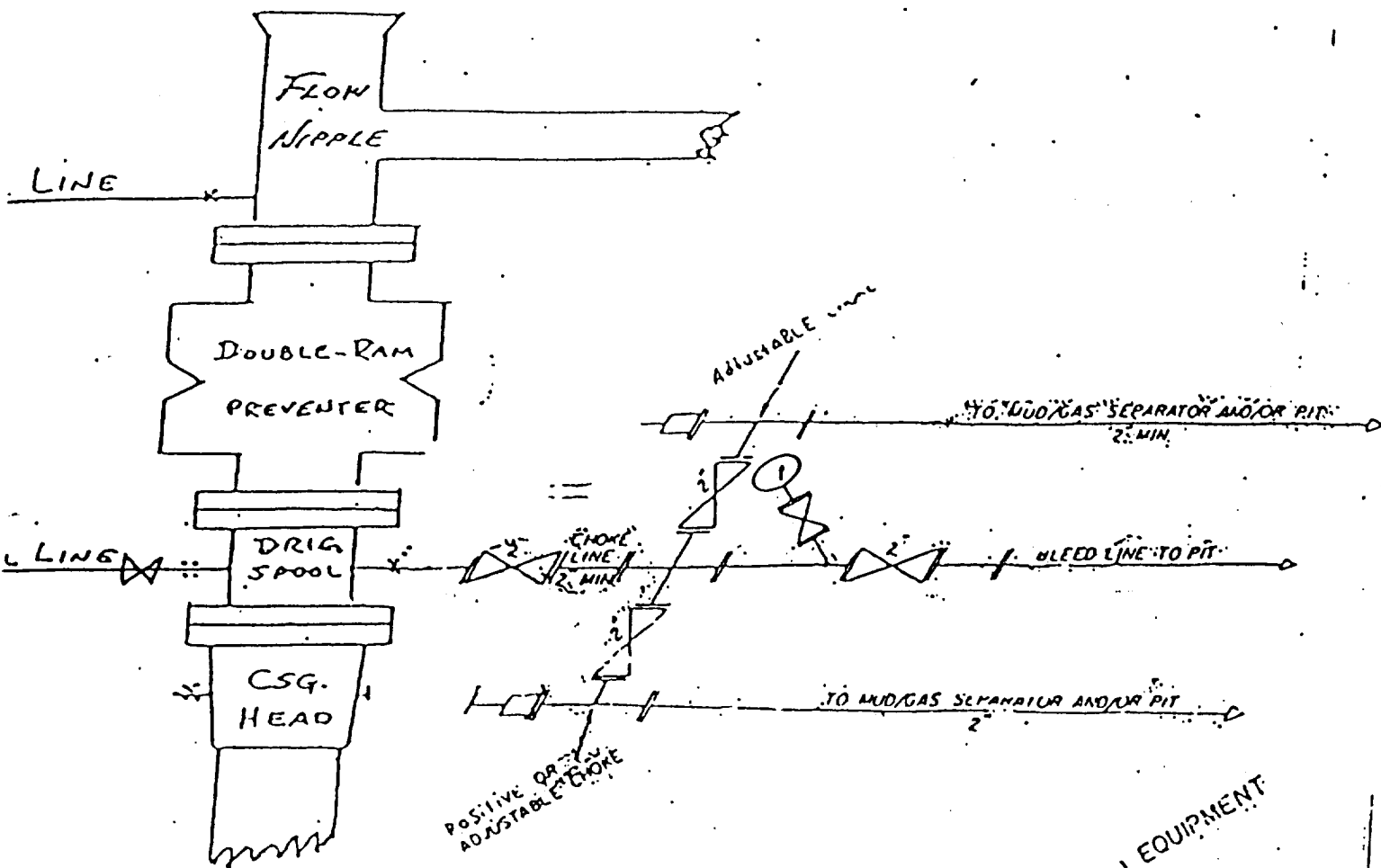
EXHIBIT "D"
SEELY OIL CO.
E-K Queen Unit Tract 2, Well No. 8
Pad & Pit Layout

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.
E-K Queen Unit Tract 2, Well No. 8
BOP Specifications