

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. LC-063645

6. If Indian, Allottee or Tribe Name

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 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 1650' FSL & 330' FEL I
At proposed prod. zone Same

14. Distance in miles and direction from nearest town or post office*
28 miles NW of Hobbs, NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 3398' Unit

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 467' P&A

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3977' GL

16. No. of Acres in lease
1074.69

19. Proposed Depth
4,700'

22. Approximate date work will start*
04/01/00

17. Spacing Unit dedicated to this well
40

20. BLM/BIA Bond No. on file
NM-1816

7. If Unit or CA Agreement, Name and No. E-K Queen Unit Tract #10
8. Lease Name and Well No.
9. API Well No. 30-025-35000
10. Field and Pool, or Exploratory EK Yates, 7 River, Queen
11. Sec., T., R., M., or Blk. and Survey or Area Sec. 13-R18S-R33E
12. County or Parish. Lea
13. State NM

24. Attachments

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 03/06/00

Title Agent for: Seely Oil Company

Approved by (Signature) *Assistant Field Manager* Name (Printed/Typed) Assistant Field Manager Date

Title Acting Lands And Minerals Office

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)

FILED NO. 20497
FILED NO. 22434
FILED NO. 19950
FILED NO. 4-6-00
FILED NO. 30-025-35000

GWV

AND

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2000 MAR -7 A 11:20

BUREAU OF LAND MGMT.
ROSWELL OFFICE

DISTRICT I
1525 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 30-025-35000	Pool Code 19950	Pool Name E-K Yates; Seven Rivers - Queen
Property Code 22434	Property Name E.K. QUEEN TRACT 1 UNIT	Well Number 10
OGRID No. 20497	Operator Name SEELY OIL COMPANY	Elevation 3977'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	13	18 S	33 E		1650	SOUTH	330	EAST	LEA

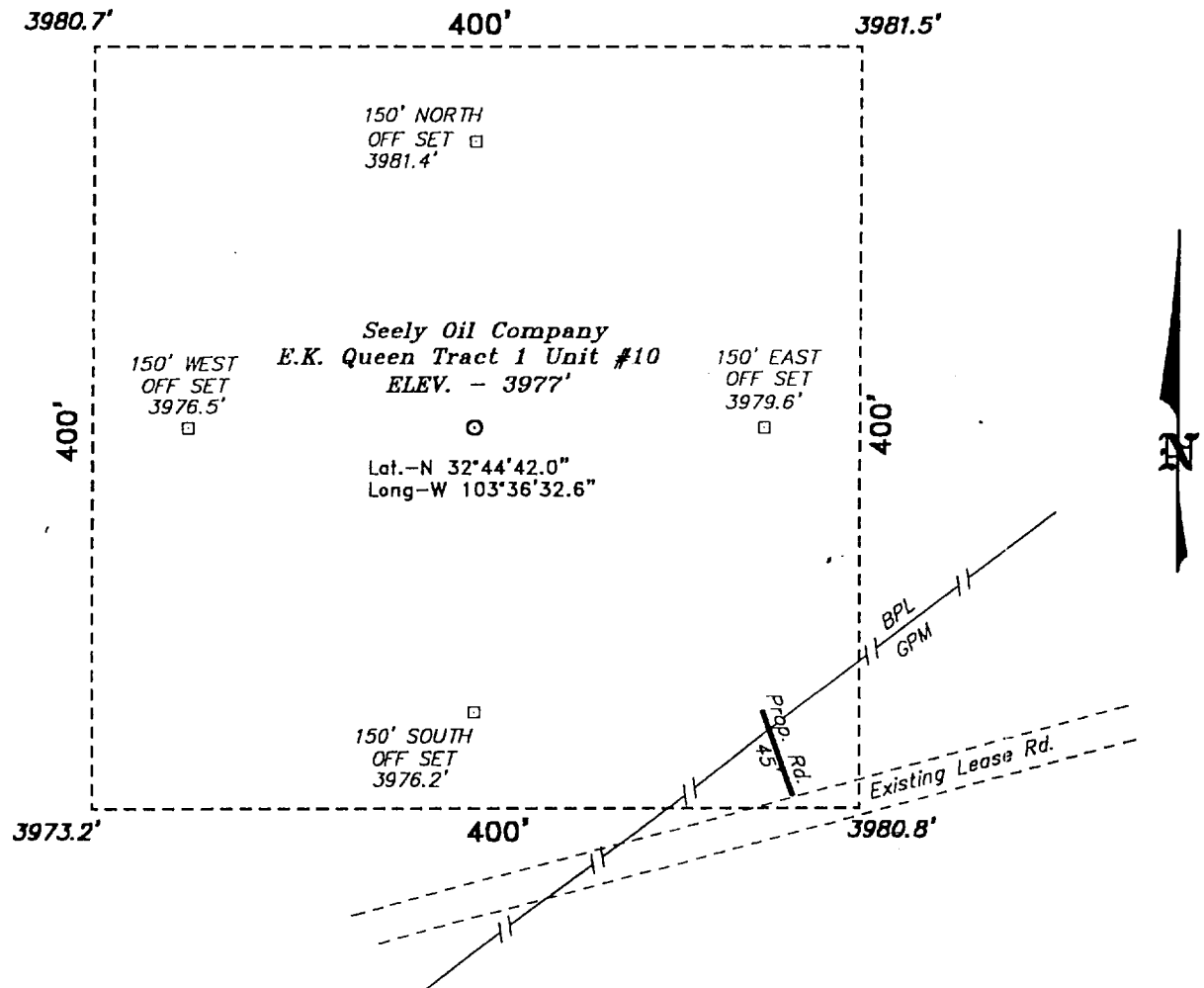
Bottom Hole Location If Different From Surface

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

	<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>Signature _____</p> <p>George R. Smith, agent for Printed Name Seely Oil Company Title March 6, 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>February 24, 2000</p> <p>Date Surveyed _____</p> <p>Signature _____ Seal _____ Professional Surveyor NEW MEXICO</p> <p>W.O. No. 0195A</p> <p>Certificate No. Gary Jones 7977</p> <p>BARON SURVEYS</p>

SECTION 13, TOWNSHIP 18 SOUTH, RANGE 33 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



Directions to Location:

FROM JUNCTION US 62/180 AND STATE HWY 529,
GO WEST AND NORTHWEST ON HWY 529 APPROX. 14
MILES TO CO. RD. C-125; THENCE SOUTH ON
C-125 APPROX. 2300 FEET TO A LEASE ROAD;
THENCE WEST ON LEASE ROAD APPROX. 200 FEET
TO A PROPOSED LEASE ROAD WHICH LIES AT THE
SOUTHEAST CORNER OF THE PROPOSED WELL
LOCATION.



SCALE: 1" = 100'

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

W.O. Number: 0105 Drawn By: K. GOAD

Date: 02-25-2000 Disk: KJG #122 - 0105A.DWG

Seely Oil Company

REF: E.K. Queen Tract 1 Unit No. 10 / Well Pad Topo

THE E.K. QUEEN TRACT 1 No. 10 LOCATED 1650' FROM
THE SOUTH LINE AND 330' FROM THE EAST LINE OF
SECTION 18, TOWNSHIP 18 SOUTH, RANGE 33 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 02-24-2000 Sheet 1 of 1 Sheets

APPLICATION FOR DRILLING
SEELY OIL CO.
E-K Queen Unit Tract No. 1, Well No. 10
1650' FSL & 330' 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	3,000'
Yates	3,150'
Queen	4,350'
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 3150', Seven Rivers below 3,500', 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"	23.0#	J-55	ST&C	1,750'	Circ. 580 sx "C"	WITNESS
7 7/8"	5 1/2"	15.5#	J-55	ST&C	4,700'	200 sx +/- of HL, + 450 sx 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. 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.

6. <u>Mud Program:</u>		<u>MUD WEIGHT</u>		<u>VIS.</u>	<u>W/L CONTROL</u>
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' - 4700':	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 1750': G/R-Density Neutron, Dual Induction Log

1750' to surface: G/R, Neutron

Coring: None planned unless warranted in the Queen.

Seely Oil company

E-K Queen Unit Tract 1, Well No. 10

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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 -2350 psi (evac. hole) with temperature of 107^o.
10. H₂S: None expected. None in previously drilled wells.
11. Anticipated starting date: April 1, 2000.
Anticipated completion of drilling operations: Approx. 3 weeks.

MULTI POINT SURFACE USE AND OPERATIONS PLAN

SEELY OIL CO.

E-K Queen Unit Tract 1, Well No. 10
1650' FSL & 330' 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 .5 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, then south for approximately 1700 feet to an access road on the right (west) running to a Pump Station and tank battery. The start of the proposed access road is approximately 200 feet southwest of the turnoff on this road. The proposed access road will run 50 feet northwest to the southeast corner of the proposed location.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The access road will be constructed to a width of 12 feet and will be approximately 50 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".

SEELY OIL CO.

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 parallel to the existing road, on the north side, to the tank battery 500 feet to the southwest 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 1, Well No. 10

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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.
- B. Mat Size: 145' X 220', plus 60' X 100' reserve pits. The pits will be on the north.
- C. Cut & Fill: A 1.5 - 2 foot cut will be required on the north and east with fill to the south and 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 1.7% from an elevation of 3977'.
- 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 fair grass cover of three-awn, sand and spike dropseed, grama and other miscellaneous native grasses along with plants of mesquite, yucca, fourwing saltbush, 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 existing oil field facilities.
- F. Land Use: Cattle grazing.

SEELY OIL CO.

E-K Queen Unit Tract 1, Well No. 10

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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 pipeline right of way along the 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:

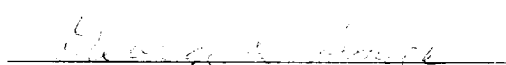
A. The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

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.

March 6, 2000


George R. Smith
Agent for: Seely Oil Co.

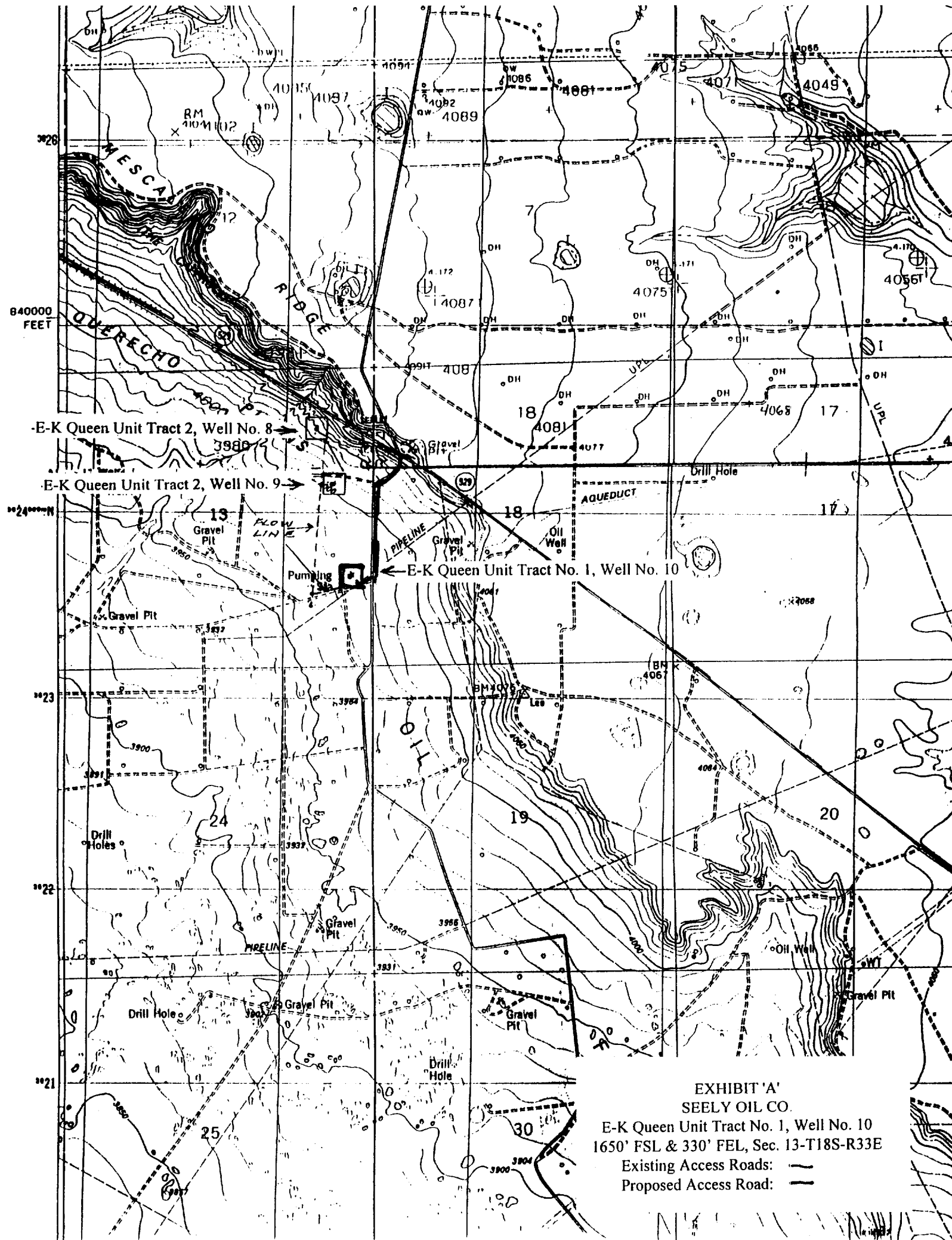


EXHIBIT 'A'
SEELY OIL CO.
E-K Queen Unit Tract No. 1, Well No. 10
1650' FSL & 330' FEL, Sec. 13-T18S-R33E
Existing Access Roads: —
Proposed Access Road: - - -

PLAT FOR PIT LOCATION FOR ARTESIA FISHING TOOL

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

DRILLING #2

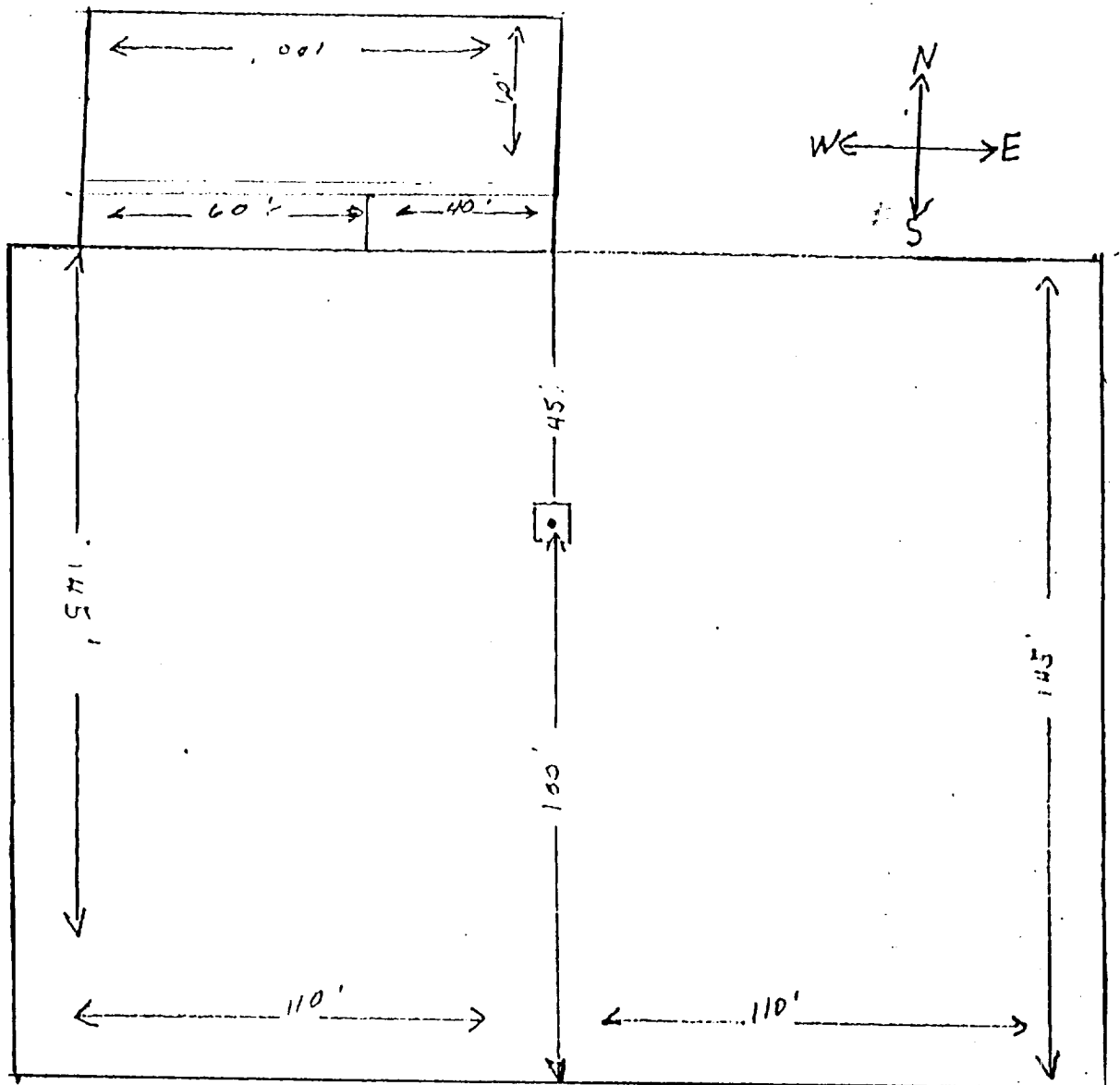


EXHIBIT "D"
SEELY OIL CO.
E-K Queen Unit Tract No. 1, Well No. 10
Pad & Pit Layout

B O P & CHOKE MANIFOLD

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

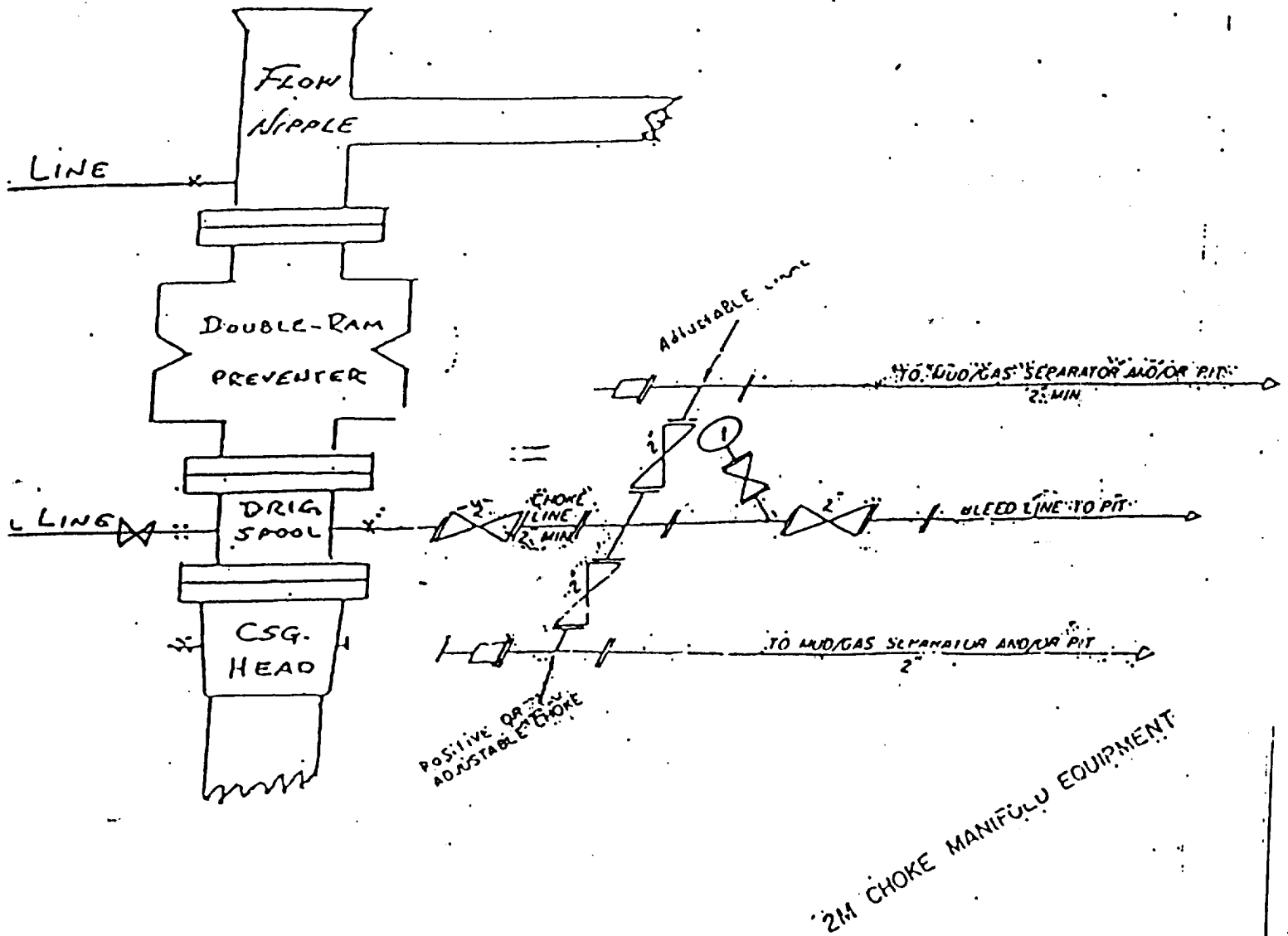


EXHIBIT "E"
 SEELY OIL CO.
 E-K Queen Unit Tract No. 1, Well No. 10
 BOP Specifications

ABOVE DATE DOES NOT
INDICATE WHEN
CONFIDENTIAL LOGS
WILL BE RELEASED

ELF

