

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1079

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 St. F. 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' FNL & 2310' FWL

At proposed prod. zone same

14. Distance in miles and direction from nearest town or post office*

30 miles to Hobbs, NM

15. Distance from proposed*

location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any) 1650'

16. No. of Acres in lease

112.95

17. Spacing Unit dedicated to this well

40

18. Distance from proposed location*

to nearest well, drilling, completed,
applied for, on this lease, ft. 1600'

19. Proposed Depth

6,200' 4800'

20. BLM/BIA Bond No. on file

MM-1816

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

3969' GL

22. Approximate date work will start*

October 15, 2001

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:

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

07/27/01

Title

Agent for Seely Oil Company

Approved by (Signature)

JOE G. LARA

Name (Printed/Typed)

JOE G. LARA

Date

AUG 29 2001

Title

FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

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, are attached.

APPROVAL FOR 1 YEAR

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)

Capitan Controlled Water Basin

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

George R. Smith, agent

OPEP. OGRID NO. 20497
PROPERTY NO. 22434
POOL CODE 1995C
EFF. DATE 8-31-01
API NO. 30-025-35684

121 JOE G. LARA

121 JOE G. LARA

RECEIVED
2001 JUL 27 PM 2:07
BUREAU OF PRISON
HOUSTON, TEXAS

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
611 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 30-025-35684	Pool Code 19950	Pool Name E.K. Yates, 7-Rivers, Queen
Property Code 22434	Property Name E.K. QUEEN UNIT	Well Number 43
OGRID No. 20497	Operator Name SEELY OIL COMPANY	Elevation 4081'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	18	18 S	34 E		1650	NORTH	2310	WEST	LEA

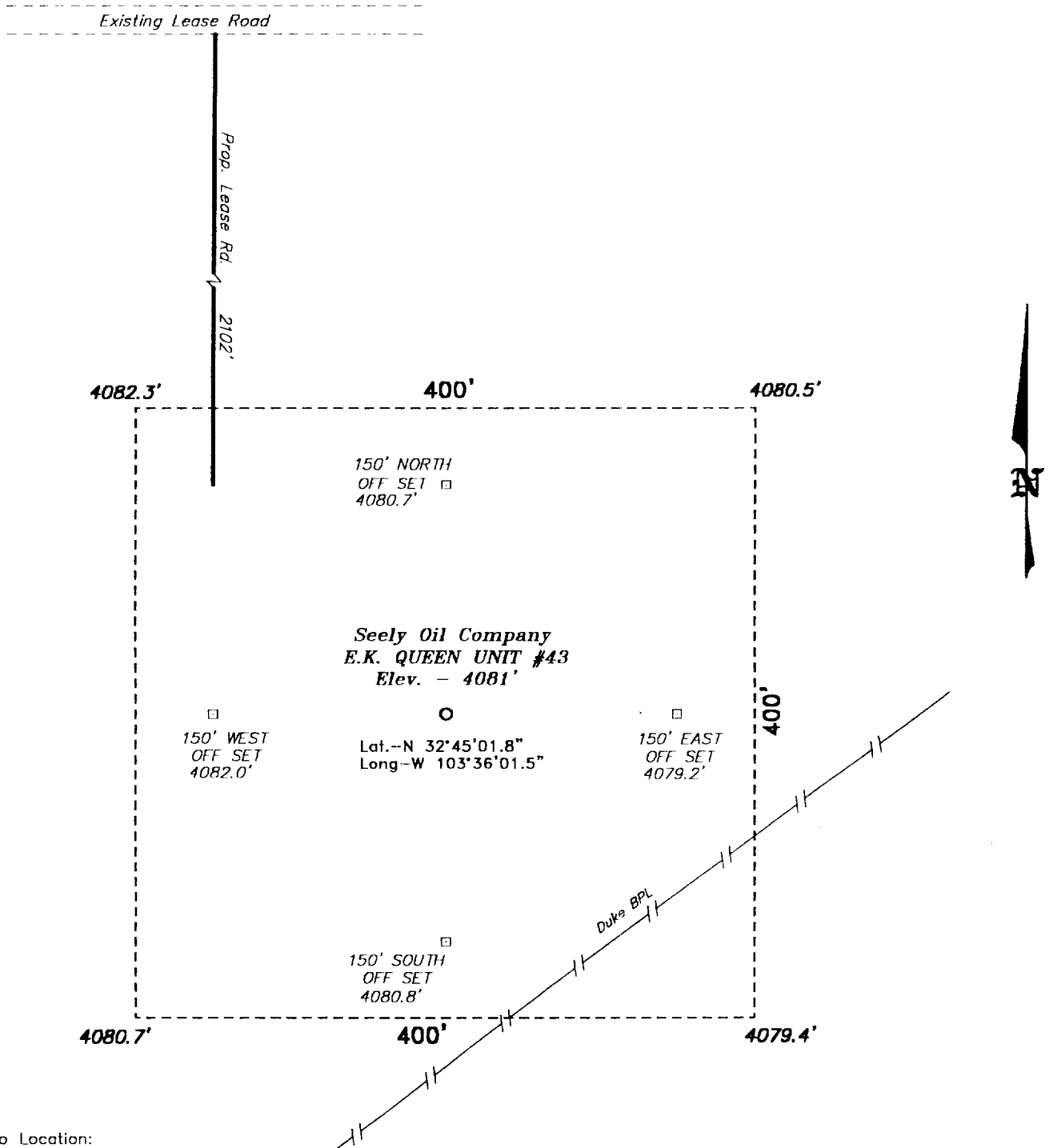
Bottom Hole Location If Different From Surface

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.						

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

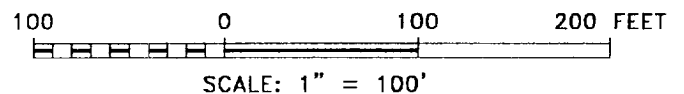
	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>George R. Smith</u> Signature</p> <p>George R. Smith, agent for: Printed Name</p> <p>Seely Oil Company Title</p> <p>July 27, 2001 Date</p> <p>SURVEYOR 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>June 21, 2001 Date Surveyed</p> <p><u>[Signature]</u> Signature & Seal of Professional Surveyor</p> <p>W.O. No. 1812A Certificate No. Gary L. Jones 7977</p> <p>PROFESSIONAL SURVEYOR BRAIN SURVEYS</p>
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**SECTION 18, TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.**



Directions to Location:

ON STATE HWY 429, GO WEST PAST MILE MARKER #17; THENCE NORTHWEST ON CO. RD. #125 FOR 0.5 MILE TO LEASE ROAD; THENCE EAST ON LEASE ROAD FOR 0.4 MILE TO PROPOSED LEASE ROAD.



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

W.O. Number: 1613 Drawn By: K. GOAD

Date: 06-24-2001 Disk: KJG CD#3 - 1613A.DWG

Seely Oil Company

REF: E.K. Queen Unit #43/ Well Pad Topo

THE E.K. QUEEN UNIT #43 LOCATED 1650' FROM THE NORTH LINE AND 2310' FROM THE WEST LINE OF SECTION 29, TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 06-21-2001 Sheet 1 of 1 Sheets

APPLICATION FOR DRILLING
SEELY OIL COMPANY.
E. K. Queen Unit Well No. 43
1650' FNL & 2310' FWL, Sec. 18-T18S-R34E
Lea County, New Mexico
Lease No.: LC-065394-B
(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	1,780'	7-Rivers	3,660'
Top of Salt	1,880'	Queen	4,390'
Base of Salt	3,030'	T.D	4,800'
Yates	3,220'		

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 4,390'.
Gas: None expected.

4. Proposed Casing Program:

HOLE SIZE	CASING SIZE	WEIGHT	GRADE	JOINT	SETTING DEPTH	QUANTITY OF CEMENT	WITNESS
11"	8 5/8"	24.0#	J-55	ST&C	1,800'	Circ. 160 sx "C" & 380 sx lite	
7 7/8"	5 1/2"	15.5#	J-55	ST&C	4,800'	500 sx Lite + 400 sx "H"/Pozmix	

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

BOP Program:

A 10" 3000 psi wp Shaffer, Type E, 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". Request waiver to test to a maximum of 1400 psi wp, which is the maximum expected surface pressure.

6.

<u>Mud Program:</u>		<u>MUD WEIGHT</u>	<u>VIS.</u>	<u>W/L CONTROL</u>
0' - 1800':	Fresh water mud	9.3 ppg	33	No W/L control
1800' - 4100':	Brine mud:	10.0 ppg	32	No W/L control
4100' - 4800':	Cut Brine mud w/gel:	8.8 ppg	32	W/L control 15 cc+/-

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

8. Testing, Logging, and Coring Program:

Drill Stem Tests: None unless warranted.

Logging: T.D. to 1800': G/R-Density Neutron, Dual Induction Log
1800' to surface: G/R, Neutron

Coring: None planned unless warranted in the Queen.

Seely Oil Company

E. K. Queen Unit Well No. 43

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 surface pressure = 1364 psi (evac. hole) with BH temperature of 108°.
10. H₂S: None expected. None in previously drilled wells.
11. Anticipated starting date: September 20, 2001.
Anticipated completion of drilling operations: Approx. 3 weeks.

MULTI POINT SURFACE USE AND OPERATIONS PLAN

SEELY OIL CO.

E. K. Queen Unit, Well No. 43
1650' FNL & 2310' FWL, Sec. 18-T18S-R34E
Lea County, New Mexico
Lease No.: LC-065394-B
(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 53 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 1 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 north .8 mile east of MM 16 onto an oil field gravel road. Continue north for .5 mile on oilfield road to a crossroads; then take the east road for .5 mile to the Central E.K. Queen, Well No. 13 well site south of the road. Turn south to the above well pad. The start of the proposed access road is on the southwest corner of the well pad and will run south for 1950 feet to the northwest corner of the proposed well site.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The access road will be constructed to a width of 12 feet and will be approximately 1950 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: One turnout will be required increasing the width to 20 feet for passing.
- 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".

Post-It™ Fax Note 7671		Date 8/27/01	# of pages ▶
To TIFANY SULLIVAN		From GEORGE R. SMITH	
Co./Dept. BLM-		Co. ENERGY ADMIN. SRV	
Phone # 234-5980		Phone # 623-4940	
Fax # 885-9264		Fax # 1. "	

SEELY OIL CO.
E. K. Queen Unit, Well No. 43
Page 2

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 will be installed on the drilling pad. A 2", 125 psi PVC surface flow line will run parallel to the proposed access road back to the Central E.K. Queen, No. 13 well site in the SE¼SW¼ Sec 7-T18S-R34E. A 2' plastic SDR 11, 250/psi surface flow line for produced water will also be run parallel to the road and back to the above well site. A power line will also be run parallel to the proposed access road. A separate ROW will be submitted to cover any additional lines required.

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 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 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: 170' X 260', plus 100' X 100' reserve pits. The pits will be on the north.
- C. Cut & Fill: None required.
- 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 required 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 on the topside of the Mescalero Ridge (Caprock). The location has an easterly slope of .33% from an elevation of 4081'.
- B. Soil: The topsoil at the well site is a brown fine sandy loam with a heavy scatter of caliche gravel on the surface and underlain with caliche oil and Dune Land Soils Series.
- C. Flora and Fauna: The vegetation cover is a poor to fair grass cover of three-awn, dropseed, fluff grass, and other miscellaneous native grasses along with plants of mesquite, yucca, Mormon tea, Javelina bush, 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: None in the area except oil field 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 or access road. Archaeological Survey Consultants, P. O. Box D, Roswell, NM 88202 are conducting an archaeological survey, and their report will be submitted to the appropriate government agencies.

11. OTHER INFORMATION: cont.....

12. OPERATOR'S REPRESENTATIVE:

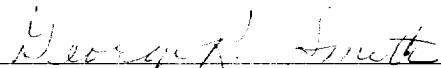
- A. The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

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.

July 27, 2001



George R. Smith
Agent for: Seely Oil Co.

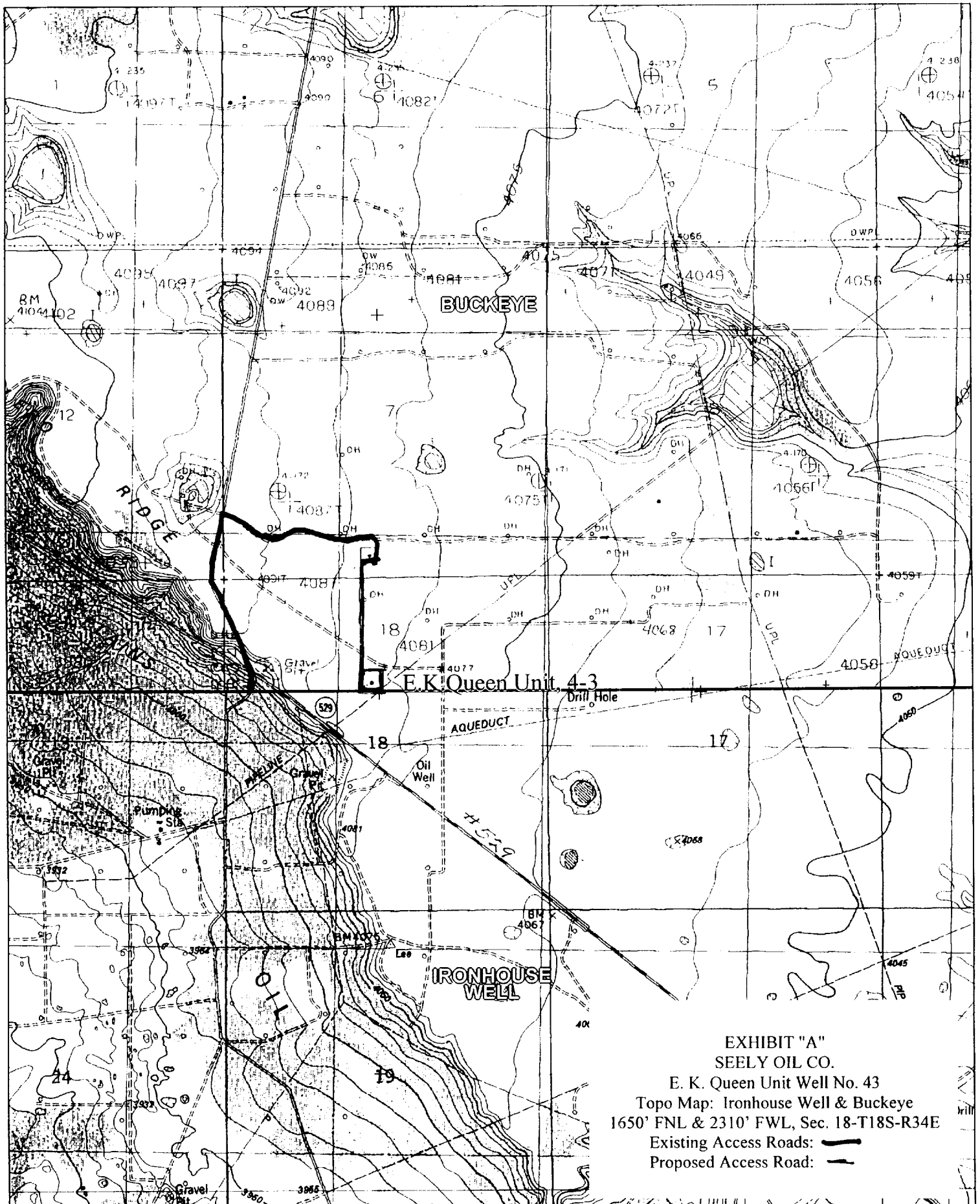


EXHIBIT "A"
SEELY OIL CO.

E. K. Queen Unit Well No. 43

Topo Map: Ironhouse Well & Buckeye
1650' FNL & 2310' FWL, Sec. 18-T18S-R34E

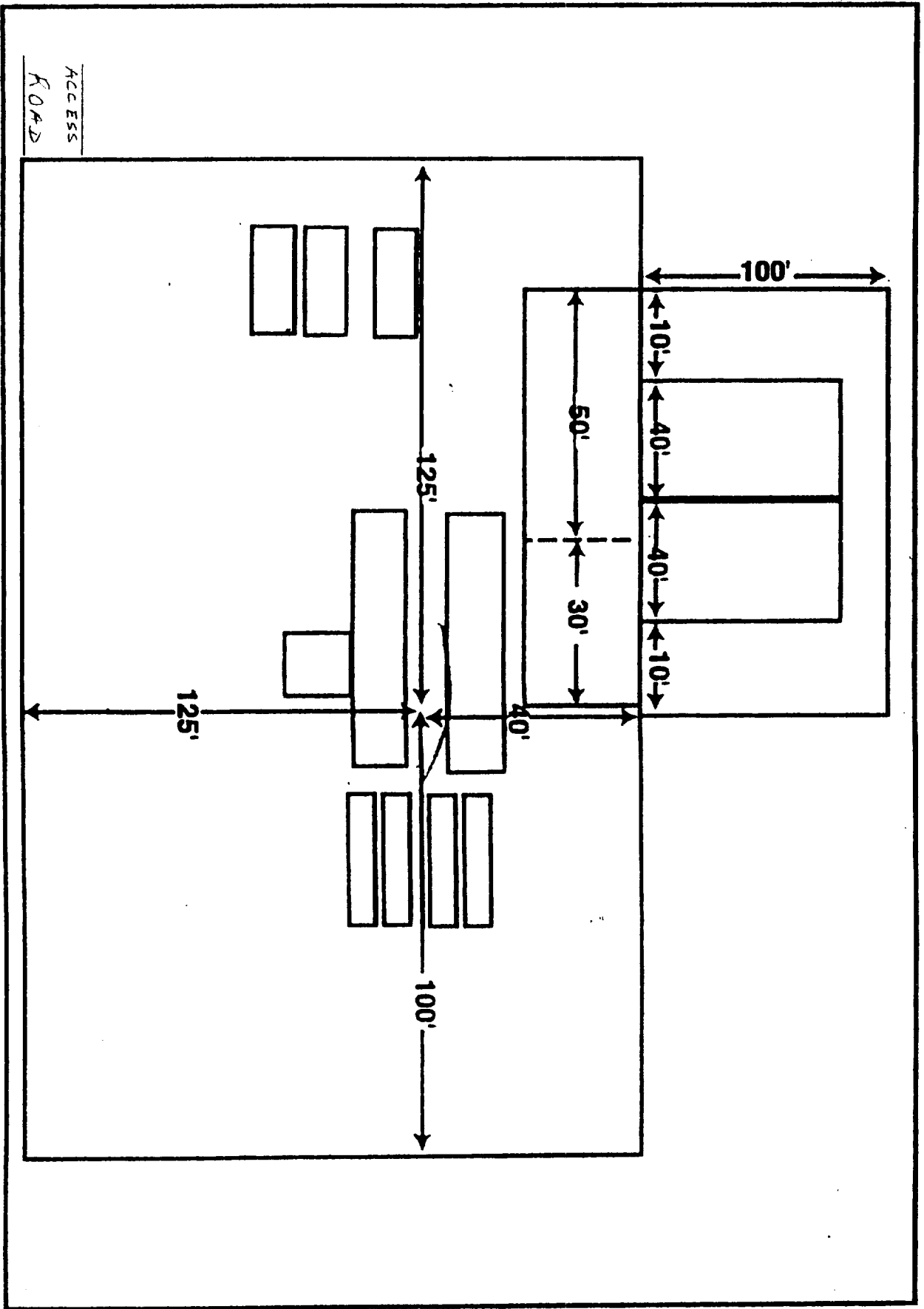
Existing Access Roads: —

Proposed Access Road: —



EXHIBIT "C"
SEELY OIL CO.

E. K. Queen Unit Well No. 43
1650' FNL & 2310' FWL, Sec. 18-T18S-R34E
Existing Wells



Rig 65

EXHIBIT "D"
SEELY OIL CO.
E. K. Queen Unit Well No. 43
Pad & Pit Layout

RIG #

BLOWOUT PREVENTOR ARRANGEMENT

2M SYSTEM

10" SHAFFER TYPE "E", 3000 psi WP

80 GALLON, 4 STATION KOOMEY ACCUMULATOR

3000 psi WP CHOKE MANIFOLD

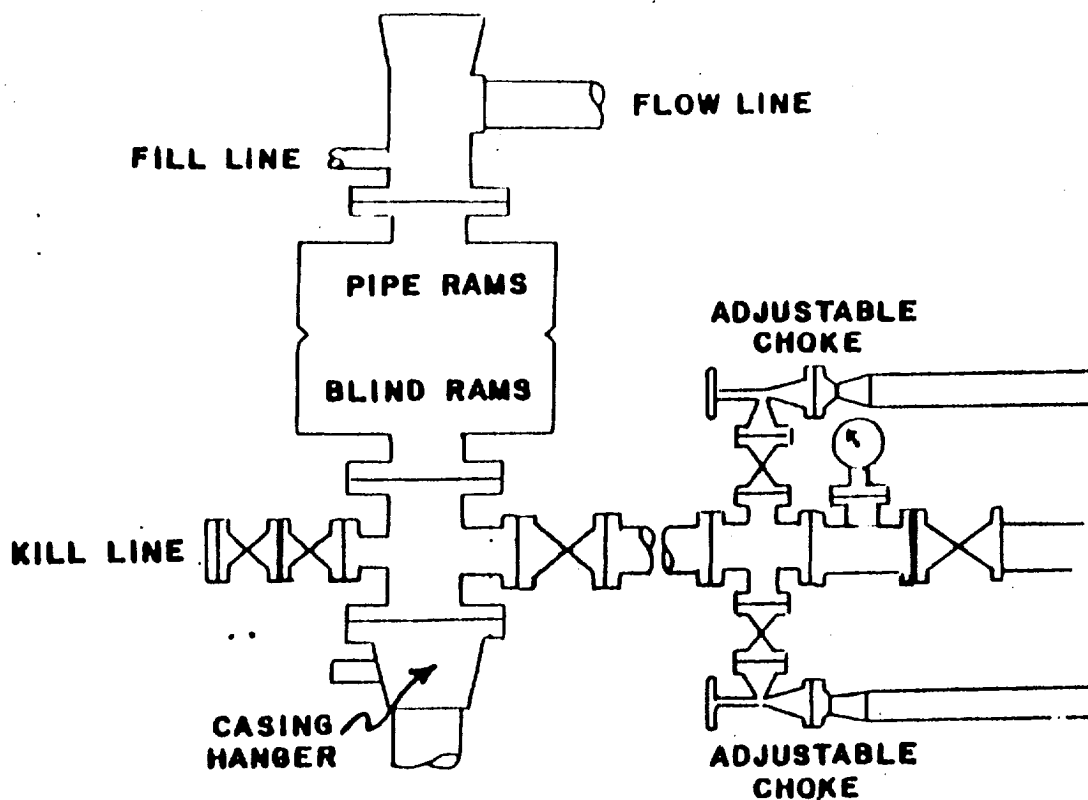


EXHIBIT "E"
SEELY OIL CO.
E. K. Queen Unit Well No. 43
BOP Specifications