

EXHIBIT "A"

DRILLING PROGRAM

I. **NOTE:** All Geological information, casing & cement programs, ect. regarding this well are contained within the BLM Roswell District Office files under **C.C. Cagle "C" # 3 well,** which is the original well that is being re-entered.

II. Estimated Tops of Geological Markers:

FORMATION

DEPTH

III. Estimated depths at which water, oil, gas, or other mineral-bearing formations are expected to be encountered:

SUBSTANCE

DEPTH

Fresh Water

Oil

Gas

IV. A. Proposed Casing Program:

<u>HOLE</u> <u>SIZE</u>	<u>CASING</u> <u>SIZE</u>	<u>GRADE</u>	<u>WEIGHT</u> <u>PER FOOT</u>	<u>DEPTH</u>
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- B. Proposed Cement Program:
See original cement program on existing well

V. Proposed Mud Program:

The well will be drilled to total depth using brine & fresh water. Depths of systems are as follows: See original mud program on existing well.

<u>INTERVAL</u>	<u>MUD TYPE</u>	<u>MUD WT.</u>	<u>VISCOSITY</u>
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VI. Proposed Control Equipment:

Will install on Proposed the 8 5/8" surface casing a 10" Series 900 Type "E" Shaffer Double Hydraulic BOP and will test before drilling. BOP working pressure: 3000 psi. See Exhibit "I" for BOP layout.

VII. Auxiliary Equipment:

Blowout preventor, gas detector, kelly cock, pit level monitor, flow sensors, and stabbing valve.

VIII A. Testing Program:

Drill Stem Tests: None planned

B. Logging Program:

LOG

Interval

As outlined on page one of APD

C. Coring Program:

None planned

IX 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.

EXHIBIT "B"

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

I. Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

II. H₂S Safety Equipment and Systems

Note: All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating, the first zone containing, or reasonably expected to contain, H₂S.

1. Well Control Equipment:
 - A. Flare line with electronic igniter or continuous pilot.
 - B. Choke manifold with a minimum of one remote choke.
 - C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
 - D. Auxiliary equipment to include annular preventer, mud-gas separator, rotating head, and flare gun with flares.
2. Protective equipment for essential personnel:
 - A. Mark II Surviveair 30-minute units located in the dog house and at briefing areas, as indicated on attached diagram.
3. H₂S detection and monitoring equipment:
 - A. Two portable H₂S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H₂S levels of 20 ppm are reached.
 - B. One portable SO₂ monitor positioned near flare line.
4. Visual warning systems:
 - A. Wind direction indicators as shown on attached diagram.
 - B. Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used when appropriate.
5. Mud program:
 - A. The mud program has been designed to minimize the volume of H₂S circulated to the surface. Proper mud weight, safe drilling practices, and the use of H₂S scavengers will minimize hazards when penetrating H₂S-bearing zones.
 - B. A mud-gas separator and an H₂S gas buster will be utilized.

6. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H₂S service.
- B. All elastomers used for packing and seals shall be H₂S trim.

7. Communication:

- A. Radio communications in company vehicles including cellular telephone and 2-way radio.
- B. Land Line (telephone) communications at field office.

8. Well testing:

- A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity which are necessary to safely and adequately conduct the test. The drill stem testing will be conducted during daylight hours, and formation fluids will not be flowed to the surface. All drill stem testing operations conducted in an H₂S environment will use the closed chamber method of testing.

EXHIBIT "C"

SURFACE USE AND OPERATIONS PLAN

CULTURAL RESOURCES SURVEY

APPROXIMATE REHABILITATION SCHEDULE

LOCALITY: C.C. Cagel "C" # 3

LOCATION: NW¼NW¼ OF SECTION 3, T26S-R37E, N.M.P.M.
LEA COUNTY, NEW MEXICO

OPERATOR: SEAY EXPLORATION INC.

SUBMITTED TO:

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

ROSWELL AREA OFFICE

2909 WEST 2ND STREET

ROSWELL , NEW MEXICO 88201

TELEPHONE (505) 627-0272

This plan is submitted to provide permitting agencies with information necessary to allow an appraisal of the environmental effects associated with the proposed drilling operations. Within the context of typical drilling operations, this plan provides for protection of surface resources and other environmental components. This plan has been developed in conformity with the United States Geological Survey NTL-6 guidelines, Bureau of Land Management Oil and Gas Order No. 1, and in connection and consultation with the private surface owner of record, if other than the United States of America, as well as the Carlsbad Area Resource Office for the Bureau of Land Management and the United States Department of the Interior personnel.

PART #1:

1) Surface Location:

NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3, Township 26 South, Range 37 East, N.M.P.M.
Lea County, New Mexico
660' FNL and 660' FWL, Unit D

2) Bottom Hole Location:

NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3, Township 26 South, Range 37 East, N.M.P.M.
Lea County, New Mexico
660' FNL and 660' FWL, Unit D

3) Leases Issued:

a) LC-030176-B

4) Record Lessee:

a)	Oxy USA, Inc.	50.00%
	Amerada Hess Corp.	50.00%

5) Acres in Lease:

a) Section 3: All	640.0000
Section 10: NE/4, E/2NW/4, NW/4NW/4	280.0000
Section 15: S/2	<u>320.0000</u>
	1240.0000

6) Acres Dedicated to Well:

There are 160.00 acres dedicated to this well which takes in the NW¼ of Section 3, Township 26 South, Range 37 East, Lea County, New Mexico.

PART #2:

1) Existing Roads:

Exhibit "F" is a map showing the location of the existing well, in relation to existing roads and Highway 18. The well is ± 3.5 miles southeast of Jal, New Mexico. From Jal, New Mexico, go southeast approximately 3 miles on Hwy. 18. Turn east on lease road and go ½ to ¾ miles, turn south to location.

2) Planned Access:

A. Length and Width: **Will use existing roads, now new construction needed.**

B. Construction: **N/A**

C. Turnouts: None required.

D. Culverts: None required.

E. Cuts and Fills: None required.

F. Gates and Cattleguards: None required.

3) Location of Existing Wells:

Existing wells within a one-mile radius of the existing well are shown on Exhibit "G".

4) Location of Existing and/or Proposed Facilities:

- A. There are existing production facilities on the C.C. Cagle "C" # 2 at this time.
- B. If the gas well proves to be commercial, the necessary production facilities will be installed on the drilling pad, and flow lines will be installed along the proposed and existing roads to the production facilities and storage tanks.

5) Location and Type of Water Supply:

Seay Exploration Inc. plans to drill the re-entry well with fresh and brine water which will be obtained from commercial sources. The water will be transported over proposed and existing access roads.

6) Source of Construction Materials:

Not applicable, using existing roads.

7) Method of Handling Waste Material:

- A. Drill cuttings will be disposed of in the steel tanks on site.
- B. Drilling fluids will be collected in steel tanks on site.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system.
- D. Seay Exploration Inc. with current laws and regulations pertaining to the disposal of human waste.
- E. All waste materials will be contained to prevent scattering by the wind and will be removed from the well site within 30 days after drilling and/or completion operations are finished.

8) Ancillary Facilities: None required.

9) Well Site Layout:

Existing well pad and site will be used. No new construction or dirt work will be required.

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. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. If the proposed well is non-productive, The Wiser Oil Company will comply with all rehabilitation and/or vegetation requirements of the Bureau of Land Management, and such rehabilitation will be accomplished as expeditiously as possible.

11) Other Information:

- A. Topography: The wellsite and access road are located in the Querecho Plains. The site is relatively flat.

B. Soil:

The proposed location, access road, and production facilities consist of sandy soil. Slope in the proposed area ranges from zero (0) to five (5) degrees.

C. Flora and Fauna:

Vegetation is one of a grassland environment and a scrub-grass, scrub disclimax community. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail, and other wildlife typical of the semi-arid desert land.

D. Ponds and Streams: There are no ponds, lakes, streams, or feeder creeks in the immediate area.

E. Residences and Other Structures:

There are no occupied residences or other structures on or near the proposed location.

F. Land Use: The land is used for grazing cattle.

G. Surface Ownership: The surface is owned by the United States of America.

H. Archaeological, Historical, and Other Cultural Sites: None required, this work is done on a pre-existing well pad and no additional surface disturbance will be made.

I. Operator's Senior Representative:

Steve Snelson
Seay Exploration Inc.
407 N. Big Spring, Suite 200
Midland, Texas 79701
(915)682-5736

J. Person in Charge of Overall Project:

Same as above

K. Person in Charge of Drilling Operations:

Same as above

CERTIFICATION

I hereby certify that I have inspected the proposed drillsite 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 The Wiser Oil Company 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.



Michael R. Burch, CPL, Agent for Seay Exploration Inc.
C/O J. O. Easley, Inc.
P. O. Box 245
Artesia, New Mexico 88210
(505) 746-1070 FAX (505) 746-1073

Date: 10-15-97