

Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

5. Lease Serial No. *Nm-01148*
LC-01148(2)

6. If Indian, Allottee or Tribe Name
NOT APPLICABLE

7. If Unit or CA Agreement, Name and No.
NOT APPLICABLE

8. Lease Name and Well No.
THROCKMORTON 32 FED COM #1

9. API Well No.
30-015-32884

10. Field and Pool, or Exploratory
CARLSBAD MORROW, EAST

11. Sec., T., R., M., or Blk, and Survey or Area
S32, T21S-R28E, N.M.P.M.

12. County or Parish
EDDY

13. State
NEW MEXICO

1a. Type of Work: ☒ DRILL ☐ REENTER

b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
MYCO INDUSTRIES, INC.

3A. Address *P.O. Box 840*
Artesia, New Mexico 88211-0840

3b. Phone No. (include area code)
(505) 748-4280

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface *660' FNL & 660' FEL (Unit A)*

At proposed prod. Zone *N/A*

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

ONE-MILE NE OF CARLSBAD, NM CITY LIMITS

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

660'

16. No. of Acres in lease

440

17. Spacing Unit dedicated to this well

320-ACRES (E/2)

18. Distance from proposed*
to nearest well, drilling, completed,
applied for, on this lease, ft.

1320' East

19. Proposed Depth
12,100'

20. BLM/BIA Bond No. on file
On File

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3177' GL

22. Approximate date work will start*
April 2003

23. Estimated duration
45-Days

24. Attachments

CARLSBAD CONTROLLED WATER BASIN

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized office.

25. Signature
A.N. Muncy, PELS

Name (Printed/Typed)
A.N. Muncy, PELS

Date
3/21/2003

Title:

Operations - Engineering Manager

Approved by (Signature)

/s/ Joe G. Lara

Name (Printed/Typed)

/s/ Joe G. Lara

Date

16 JUL 2003

Title

ACTING 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.

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)

* NOTICE OF STAKING AND FORM (C-102) WELL LOCATION AND ACREAGE DEDICATION PLAT FILED: 3/14/2003

APPROVAL FOR 1 YEAR
APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name THROCKMORTON 32 FEDERAL COM #1	Well Number 1
OGRID No.	Operator Name MYCO INDUSTRIES, INC.	Elevation 3177'

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	32	21-S	28-E		660	NORTH	660	EAST	EDDY

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

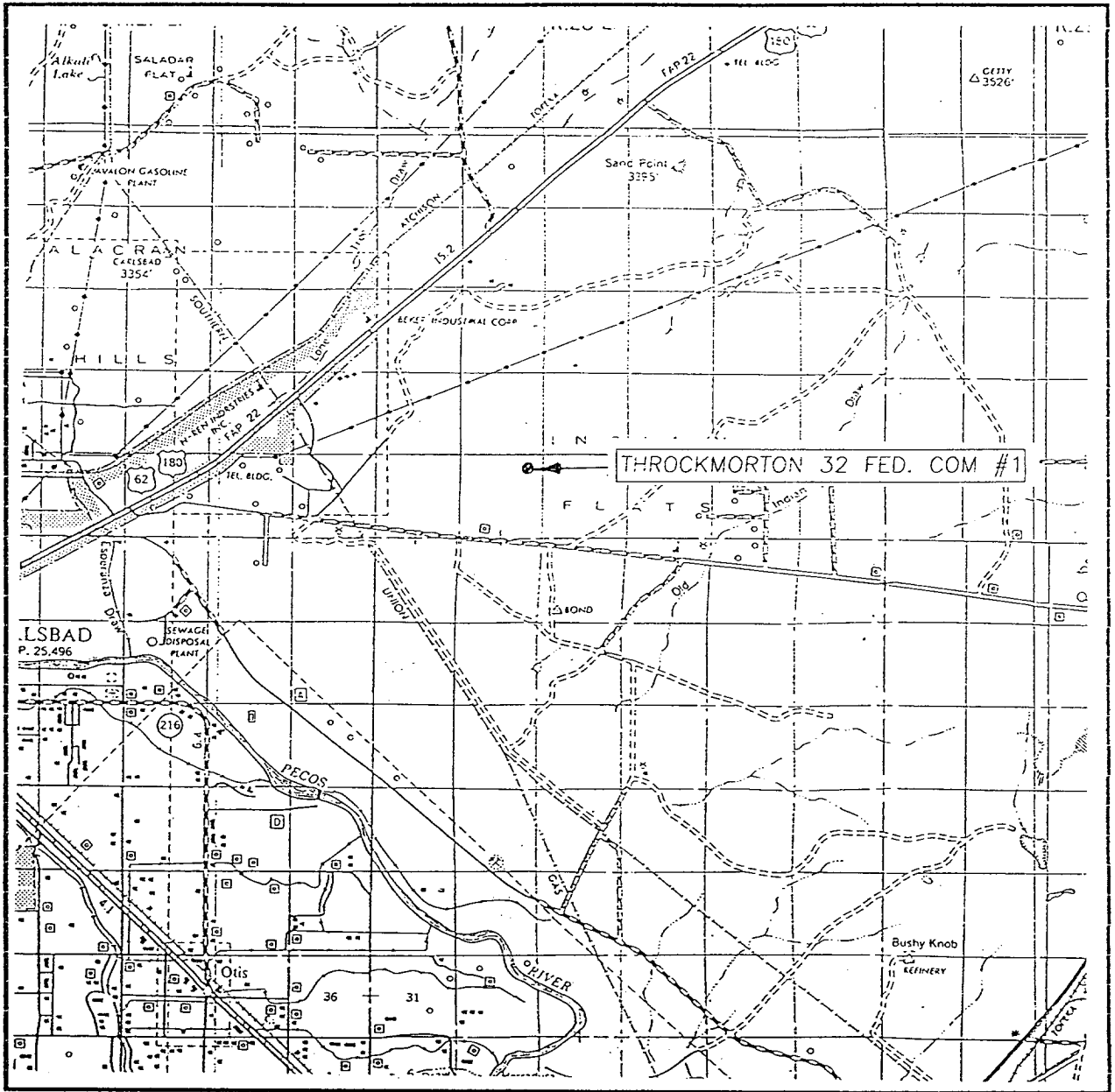
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<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>A. N. Muncy, PELS</u> Signature <u>A. N. Muncy</u> Printed Name <u>OPER-ENGR MGR</u> Title <u>3-12-03</u> 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><u>MARCH 8, 2003</u> Date Surveyed <u>[Signature]</u> Signature & Seal of Professional Surveyor <u>RONALD J. EIDSON</u> Certificate No. 3239 <u>GARY EIDSON</u> 12641</p>

(N/2)

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 32 TWP. 21-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 660' FNL & 660' FEL

ELEVATION 3177'

OPERATOR MYCO INDUSTRIES, INC.

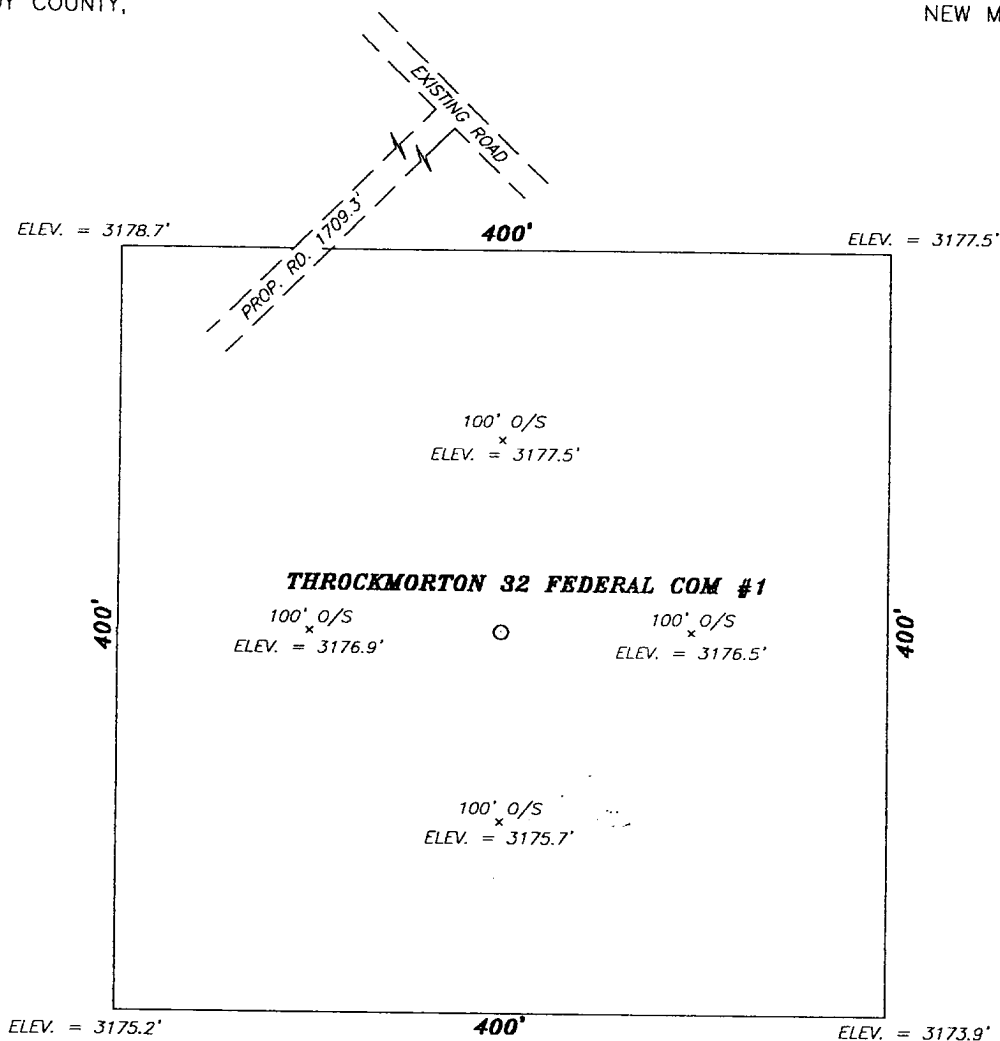
LEASE THROCKMORTON 32 FEDERAL COM

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

SECTION 32, TOWNSHIP 21 SOUTH, RANGE 28 EAST, N.M.P.M.,

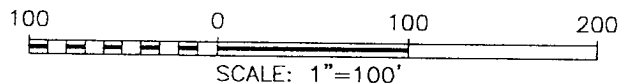
EDDY COUNTY,

NEW MEXICO.



DIRECTIONS

ON HWY 62-180 EAST OF CARLSBAD AT MILE MARKER 42.5. TURN SOUTHEAST AT "MYCO INDUSTRIES, INC." SIGN WITH ARROW POINTING SOUTHEAST. GO SOUTHEAST ALONG CALICHE ROAD 2.3 MILES TO THE BEGINNING OF A PROPOSED ROAD. THE LOCATION IS APPROX. 1725 FT. SOUTHEAST ALONG PROPOSED ROAD SURVEY.



NAD 27 GEOGRAPHIC COORDINATES

LAT. - 32°26'31.30"N
LONG. - 104°06'06.65"W

JOHN WEST SURVEYING COMPANY
412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117

MYCO INDUSTRIES, INC.

THE THROCKMORTON 32 FED. COM #1
660 FEET FROM THE NORTH LINE AND
660 FEET FROM THE EAST LINE OF
SECTION 32, TOWNSHIP 21 SOUTH,
RANGE 28 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO

Survey Date: 3/08/03	Sheet 1 of 1 Sheets
W.O. Number: 03.11.0294	Drawn By: LA
Date: 3/10/03	DISK: CD#2
03110294	Scale: 1"=100'

MYCO INDUSTRIES, INC.

DRILLING PROGRAM

NAME OF WELL: Throckmorton 32 Federal Com #1

LEGAL DESCRIPTION – SURFACE: 660' FNL & 660' FEL (Unit A), Section 32, T21S, R28E,
Eddy County, New Mexico NMPM

ESTIMATED TOPS, WATER, OIL, GAS AND/OR MINERAL BEARING FORMATIONS:

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ZONE</u>
T/Lamar Lime	3,084'	Barren
T/Delaware Sands	3,089'	Oil/Gas
T/Bone Spring	5,706'	Barren
T/Wolfcamp	9,406'	Oil/Gas
T/Canyon	10,406'	Oil/Gas
T/Strawn	10,901'	Oil/Gas
T/Atoka	12,081'	Oil/Gas
T/Morrow	11,521'	Oil/Gas
TD	12,100'	

THE PROPOSED CASING AND CEMENTING PROGRAM:

<u>CASING</u>	<u>CEMENT</u>	<u>INTERVAL</u>
20" CONDUCTOR	CIRC. CMT.	0 – 40' (+)
*13-3/8", 54.5 #, J-55	1200-SXS CIRC.	0 – 500'
* 9-5/8", 40 #, K-55 & N-80	900-SXS CIRC.	0 – 3125'
7", 26 #, P-110 <u>or</u> 5", 18 #, P-110	3000 + - SXS CIRC.	0 – 12,100' * DRILL 8-3/4" HOLE
* WITNESS		

PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM):

A rotating head will be nipped up on the surface casing. The rotating head will not be hydro-tested.

A BOP equivalent to Diagram 1 will be nipped up on the first and second intermediate casings. The BOP stack, choke, kill lines, Kelly cocks, inside BOP, etc. will be hydro-tested to 5,000 psi on the first intermediate and the second intermediate casing. The annular will be tested to 2500 psi. In addition to the rated working pressure test, a low pressure (250 psi) test will be required. These tests will be performed.

- (a) Upon installation
- (b) After any component changes
- (c) Twenty-one days after a previous test
- (d) As required by well conditions

A function test to insure that the preventer are operating correctly will be performed on each trip. See the attached Diagram 1 for the minimum criteria for the choke manifold. Mud – Gas separator will be installed and tested before top of Wolfcamp.

MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Depth</u>	<u>Mud Type</u>	<u>Weight</u>	<u>FV</u>	<u>PV</u>	<u>YP</u>	<u>FL</u>	<u>PH</u>
0-508'	FW	8.5-9.2	45-35	NC	NC	NC	9.5
508'-3,134'	FW	9.2-10.0	28-30	NC	NC	NC	9.5
3,134'-9308'	FW	8.6-8.9	28-30	4	2	NC	9.5
9,308'-11,508'	CBW	8.9-11.5	28-30	6	4	<20	9.5
11,508'-TD	CBW/Polymer	9.0-9.5	32-55	12-20	12-22	10-15	9.5-10.0

TECHNICAL STAGES OF OPERATION:

1. **TESTING:**

Drill stem tests may be performed on significant shows in zones of interest, but none are anticipated.

2. **LOGGING:**

Schlumberger Platform Express from TD to Base of Intermediate with G/R to surface.

3. **CORING:**

No cores are anticipated.

ANTICIPATED RESERVOIR CONDITIONS:

Normal pressures are anticipated throughout the Delaware, Bone Spring & Wolfcamp sections. The Canyon may be abnormally pressured with expected BHP of 5200 psi (max) or an equivalent mud weight of 10.0 ppg. The Morrow will be normally pressured. Due to the tight nature of the reservoir rock (high pressure, low volume), the well will be drilled under balanced utilizing a rotating head. The expected BHT at TD is 175 degrees Fahrenheit. No H2S is anticipated.

OTHER PERTINENT INFORMATION:

1. **AUXILIARY EQUIPMENT:**

Upper and lower Kelly cocks. Full opening stab in valve on the rig floor.

2. **ANTICIPATED STARTING DATE:**

Upon approval 45 days drilling operations. 20 days completion operation.

A.N. Muncy, PELS

A.N. Muncy, PELS
Operations - Engineering Manager
(505)365-8840
March 21, 2003

IL/il

MYCO INDUSTRIES, INC.
TYPICAL 5,000 p.s.i.
BLOWOUT PREVENTER & CHOKE MANIFOLD SCHEMATIC

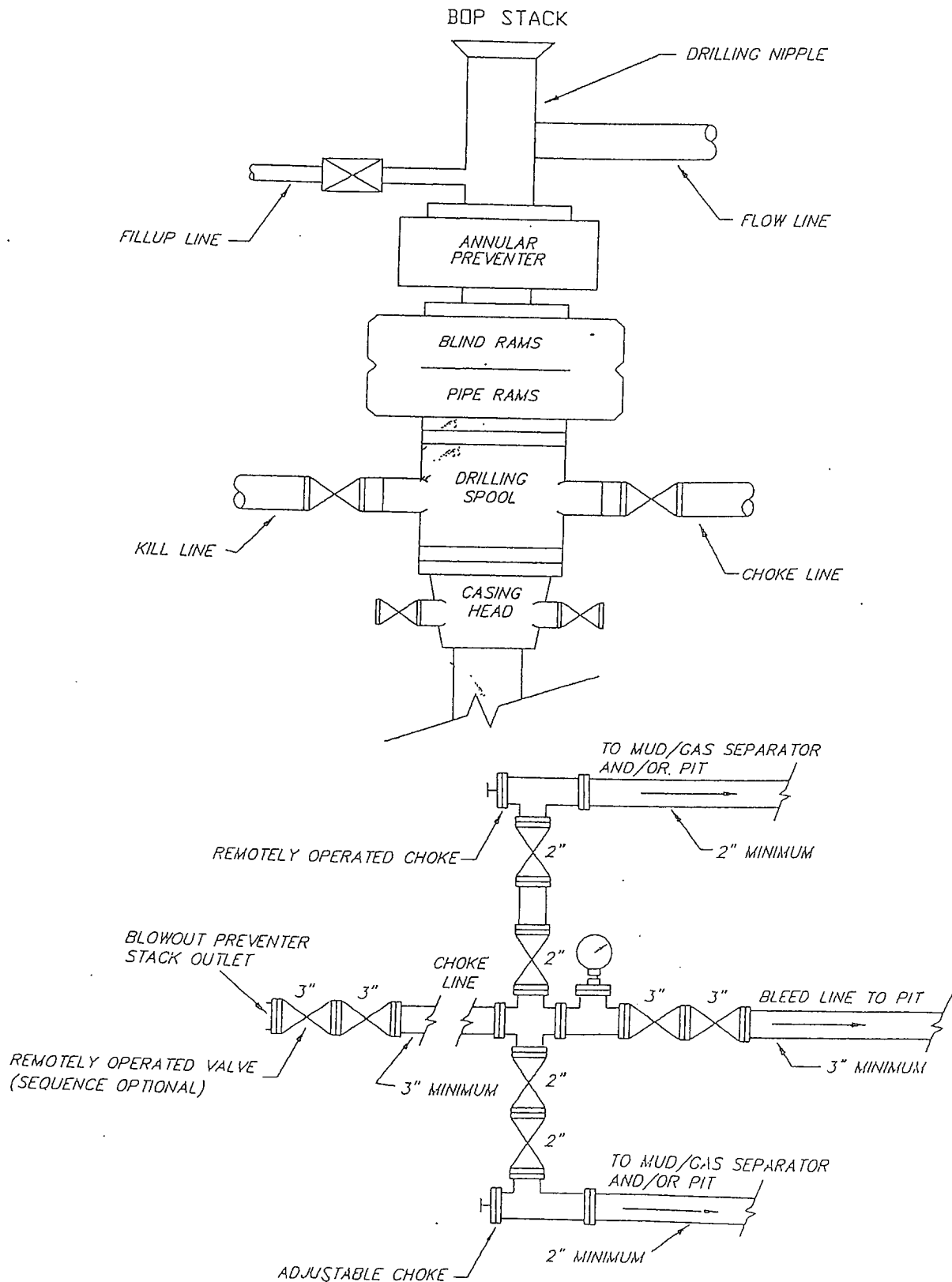


DIAGRAM -1

Exhibit "D"

WELL PAD SPECIFICATIONS PATTERSTON-UTI DRILLING COMPANY

8,000-12,500

DRAWWORKS

Skytop Brewster N-46 (700HP) w/Parmac V-80
Hydromatic brake, 2 engine compound

ENGINES

2 – Caterpillar Model 3408 diesels rated at
400HP each with National C-195-80 Torque
converters

DERRICK

Ideal 132'-390,500# static hook load; 500,000#
GNC

SUBSTRUCTURE

15' Ideal-550,000# GNC

MUD PUMPS

Continental EMSCO DC-7000, 5-1/2" x 16"
compound driven
Continental D-375, 5-1/2"x14" powered by CAT
D398 – Brewster 750.

DRILL STRING

32 6" DC – 5-8" DC X-95 8520, 65 x 9520#
1950 = 10,470. 24-6-1/4" and 5-8" drill collars

BLOWOUT PREVENTERS

Shaffer LWS 11" 5000# Double Ram Preventer;
Hydril GK 11" 5000# Annular Preventer, Koomey
5-station closing unit and 80 gal Accumulator

MUD SYSTEM

2-6'x10'x40' Steel pits with 6 total compartments;
high/low pressure guns and Jet; 3 Brandt MA
mud agitators; Harrisburg shale shaker; 2-cone
desander; 10-cone desilter

MUD HOUSE

COMMUNICATIONS

24 hour direct cellular telephone

OTHER EQUIPMENT

Blocks. Continental EMSCO RA-36 250-ton.

Hook. Web Wilson Hydra Hook 250-ton

Swivel. Oilwell 300PC

Electrical Power. 2 – Caterpillar 3306 diesel
electric sets, 155KW prime power

Fresh Water Storage. Housing. 2 – 500 bbl
tanks

"Hole Requirements will dictate actual Reserve Pit size (TOOLPUSHER SHOULD BE CONSULTED)"

