

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

NSL 11/19/97

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

October 24, 1997

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87508

RE: Application for Unorthodox Location
Indian Hills ARG St. #1
Wildcat Morrow Gas Pool
W/2 Section 36, T21S, R24E
Eddy County, New Mexico

Dear Mr. Stogner:

Yates Petroleum Corporation respectfully requests administrative approval for an unorthodox Morrow gas well, the Indian Hills ARG State #1. The well is located on State of New Mexico minerals, 660' FSL and 660' FWL of Section 36, T21S-R24E. The existing wellbore was originally drilled to a TD of 8000' by Mitchell Energy Corporation and abandoned as a dry hole in January of 1984. Yates proposes to re-enter and deepen the borehole to 10,600' to test the Morrow and any unpenetrated Canyon section.

The Indian Hills ARG St. #1 is an excellent candidate to re-enter and deepen both from an economic standpoint as well as a geologic standpoint. Yates will have 8000' of hole that has already been drilled which will require only another 2600' of drilling to penetrate and test the Morrow formation.

Geologically, the best location is in the SW/4 of Section 36 because of the Morrow sand thickness. A sand isolith map is enclosed. The isolith represents sands of the Morrow Clastics and shows the limits of sand deposition. The isolith is a "clean sand" map with a gamma ray cutoff of 50 API units or less. The map shows a sand thick trending northwest to southeast and southwest of the proposed location. The proposed location should encounter 40' to 50' of sand which should be a sufficient thickness for commercial production.

Notification to the offset operators to the west and south was made by certified mail on October 27, 1997, including a copy of this application letter with all attachments.

Yates requests that this unorthodox location be administratively approved if no objections are received within the cited twenty (20) days as required by OCD regulations, or earlier if waivers are received.

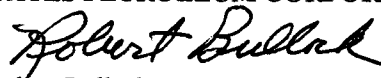
Enclosed with the isolith map are Forms C-101, C-102 and a land plat showing all offset operators.

Please call me at (505) 748-4351 if you need further information.

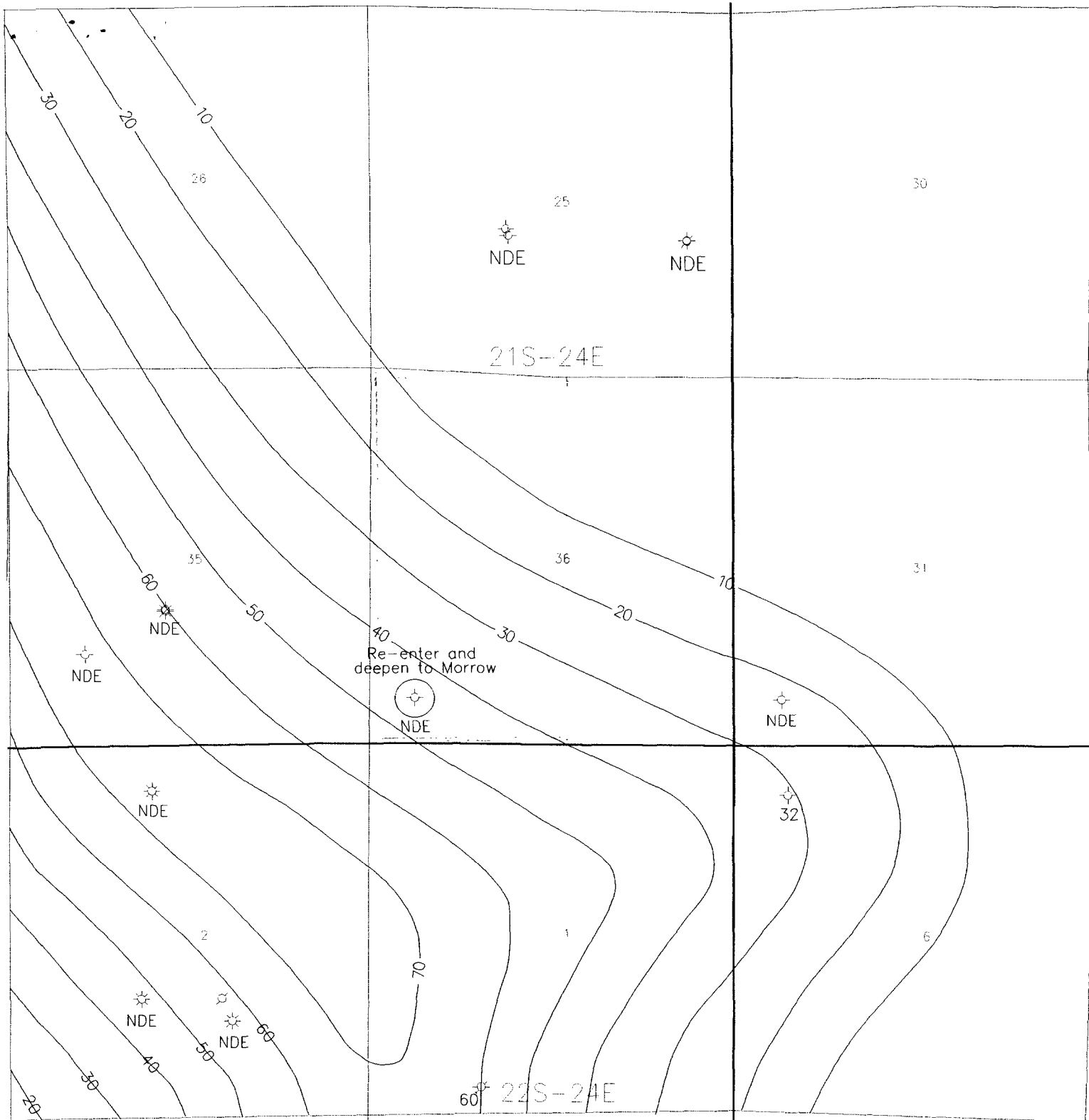
Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION


Robert Bullock
Landman

RB:bn
enclosure(s)



YATES PETROLEUM CORPORATION

Indian Hill "ARG" State #1
Sand Isolith - Middle Morrow Sands
GR \leq 50 API Units

Geol: B. May

10/13/97

S. Donaldson

Pres. sd2125bm.gpf

Scale 1:24000

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-101
Revised February 10, 1994

District I
PO Box 1970, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

Revised

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: YATES PETROLEUM CORPORATION 105 South Fourth Street Artesia, New Mexico 88210		OGRID Number 025575
		API Number 30 - 0
Property Code	Property Name Indian Hills ARG State	Well No. 1

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
M	36	21S	24E		660'	South	660'	West	Eddy

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Proposed Pool 1 Wildcat Morrow					Proposed Pool 2				

Work Type Code E	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3814'
Multiple N	Proposed Depth 10,700'	Formation Morrow	Contractor Not determined	Spud Date ASAP

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	54.5#	349'	In place	Circulate
12 1/4"	8 5/8"	24.0#	1650'	In place	Circulate
7 7/8"	5 1/2"	15.5#&17.0#	10700'	1400 sx	As warranted

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Yates Petroleum Corporation proposes to re-enter and deepen this well which was P/A'd by Mitchell Energy Corporation in January, 1984. We plan to clean out to 8000' then deepen well to 10700'. Will run 5 1/2" casing to 10700' and test and complete well for all potential zones.

Cut Brine Salt/Gel Starch 0-8000'; Cut Brine Salt/Gel Starch 8000' to TD.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

Ken Beardemphl

Title:

Landman

Date:

October 20, 1997

Phone:

(505) 748-1471

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐

District I
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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Wildcat Morrow		
4 Property Code		5 Property Name Indian Hills ARG State			6 Well Number 1	
7 OGRID No. 025575		8 Operator Name YATES PETROLEUM CORPORATION			9 Elevation 3814	

10 Surface Location

UL or lot no. M	Section 36	Township 21S	Range 24E	Lot Idn	Feet from the 660	North/South line South	Feet from the 660'	East/West line West	County Eddy
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11 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
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 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

16 				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
				Signature 	
				Printed Name Ken Beardemphl	
				Title Landman	
				Date October 20, 1997	
				18 SURVEYOR CERTIFICATION 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.	
				Date of Survey	
				Signature and Seal of Professional Surveyer:	
				REFER TO ORIGINAL PLAT.	
				Certificate Number	

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MITCHELL ENERGY Corporation			Lease INDIAN HILLS "36" STATE		Well No. #1
Unit Letter M	Section 36	Township 21S.	Range 24E.	County EDDY	
Actual Footage Location of Well: 660 feet from the SOUTH line and 660 feet from the WEST line					
Ground level Elev. 3814	Producing Formation Upper Pennsylvanian		Pool Indian Basin-Upper Penn. Assoc.		Dedicated Acreage: 320 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

SECTION 36, T.21S., R.24E., N.M.P.M.

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to best of my knowledge and belief.

Signature George Mullen
Printed Name George Mullen
Position Reg. Affairs Specialist
Company Mitchell Energy Corp.
Date October 20, 1993

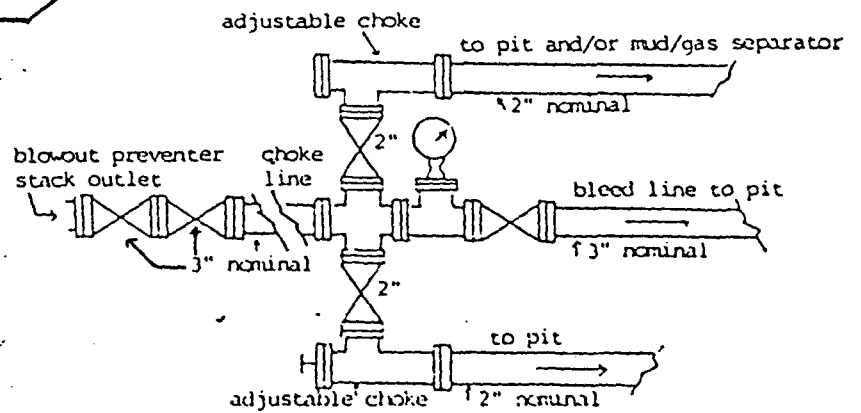
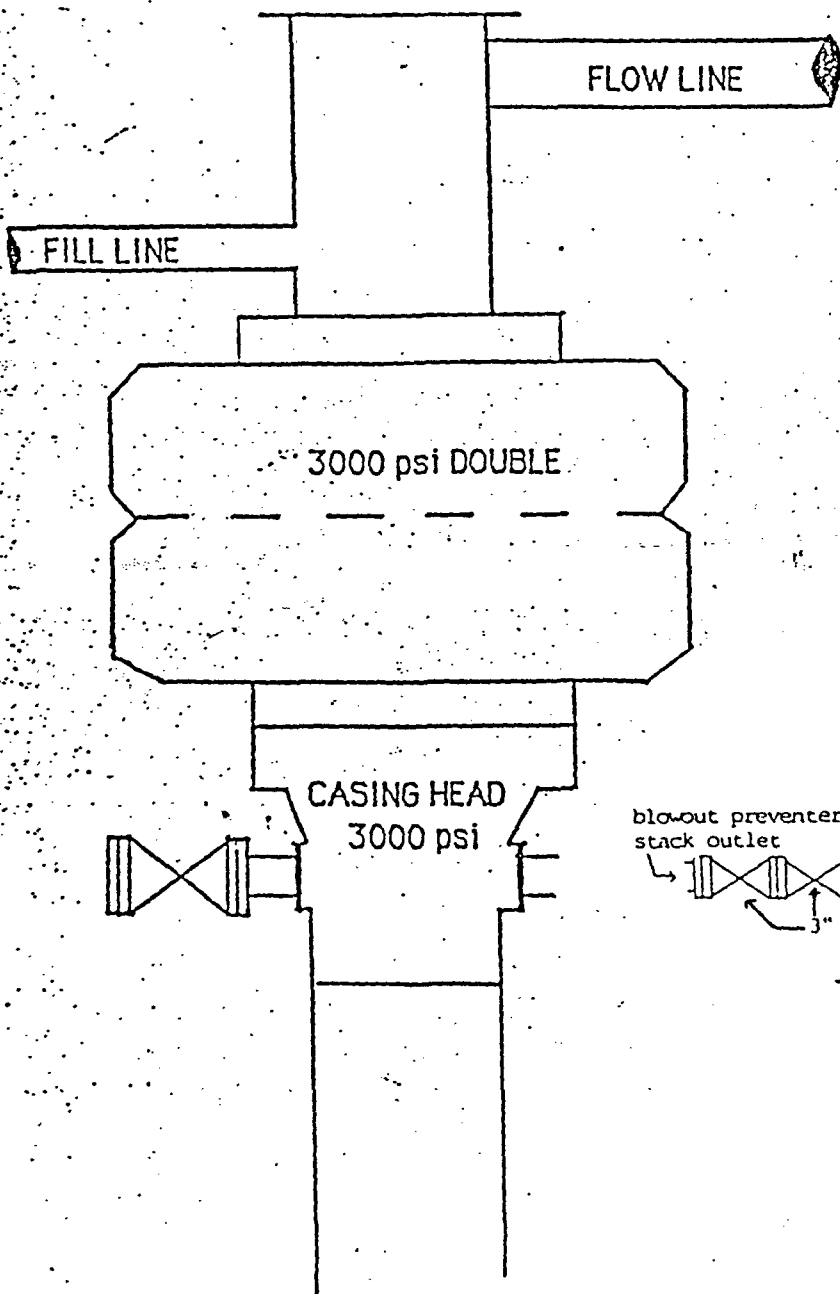
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes, actual surveys made by me or under supervision, and that the same is true correct to the best of my knowledge and belief.

Date Surveyed 10/24/93
Signature & Seal of J. O. JACQUES
Professional Surveyor
Certificate No. 6290
INDIAN HILLS

YATES PETROLEUM CORPORATION

EXHIBIT B

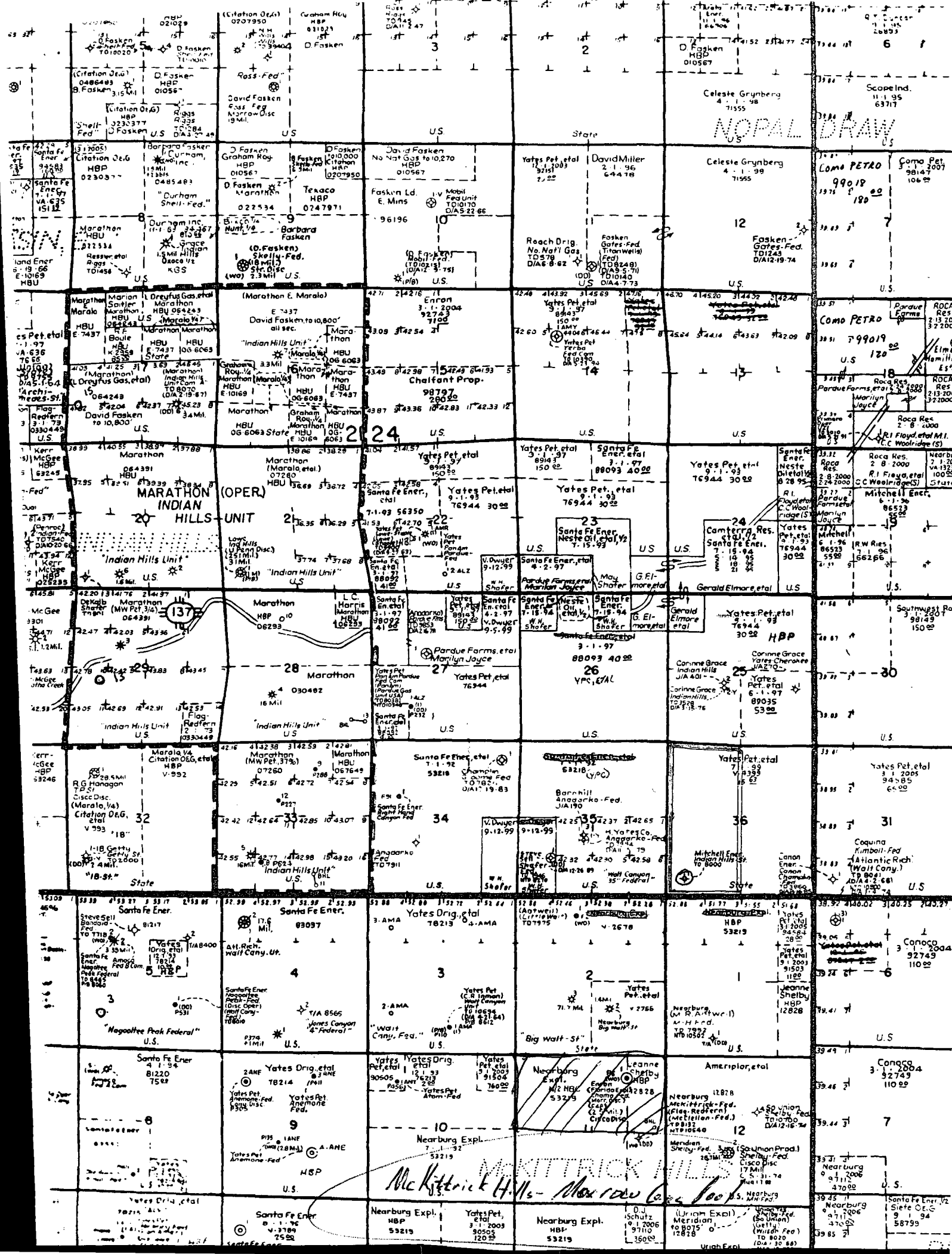


typical choke manifold assembly for 3M rated
working pressure service-surface installation

BLOWOUT PREVENTER
3M SYSTEM

NOTIFICATION LIST OF OFFSET OPERATORS
UNORTHODOX LOCATION
INDIAN HILLS ARG ST. #1
TOWNSHIP 21 SOUTH, RANGE 24 EAST
SECTION 36: 660' FSL & 660' FWL
EDDY COUNTY, NEW MEXICO

1. Nearburg Exploration Company, L.L.C.
3300 North "A" Street
Building 2 - Suite 120
Midland, Texas 79705
2. Santa Fe Resources, Inc.
550 W. Texas - Suite 1330
Midland, Texas 79701
3. T. Verne Dwyer
300 W. Texas - Suite 333
Midland, Texas 79701



NOPAL DRAW

McKITTERICK HILLS

McKitterick Hills - Max road base

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

WELL API NO. 30-015-27728
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-2746
7. Lease Name or Unit Agreement Name Indian Hills "36" State
8. Well No. 1
9. Pool name or Wildcat Indian Basin - Upper Penn

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	JAN 12 1994
2. Name of Operator Mitchell Energy Corporation	8. Well No. 1
3. Address of Operator P. O. Box 4000, The Woodlands, Texas 77387-4000	9. Pool name or Wildcat Indian Basin - Upper Penn
4. Well Location Unit Letter M : 660 Feet From The South Line and 660 Feet From The West Line Section 36 Township 21S Range 24E NMPM Eddy County	10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3814' GL, 3829.5' KB

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

See attached page

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE E. R. Earles TITLE District Production Manager DATE 1/10/94
(915)
OR PRINT NAME E. R. Earles TELEPHONE NO. 682-5396

(Space for State Use)

APPROVED BY Ken Livingston TITLE FOT DATE 11-8-95

CONDITIONS OF APPROVAL, IF ANY:

Proposed or Completed Operations:

12/11/93 - 1/5/94 Drld 7-7/8" hole to 8000'. Ran open-hole logs.

1/6/94 - 1/7/93 Ran DST #1: 7896-8000'.

1/8/94 Spot the following cmt plugs:

- Plug #1: 40 sx Class H @ 7908'
- Plug #2: 35 sx Class H @ 7383'
- Plug #3: 35 sx Class H @ 6981'
- Plug #4: 45 sx Class H @ 3058'
- Plug #5: 75 sx Class H @ 1699'
- Tagged top of Plug #5 @ 1630'
- Plug #6: 40 sx Class H @ 1608'
- Plug #7: 50 sx Class H @ 402'
- Plug #8: 60 sx Class H @ surf
- Tagging of Plug #5 witnessed by
- Mike Stufflefield, NMOCD, Hobbs, NM

ND BOPs and set out. Cut off WH and weld on dry hole marker. Clean pits. Released rig @ 2300 1/8/94. Well is P&A.

Submit 3 Copies
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1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
RECEIVED
JAN 7 7 AM 7
H.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-103
Revised 1-1-89

WELL API NO. 30-015-27728
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-2746
7. Lease Name or Unit Agreement Name Indian Hills "36" State
8. Well No. 1
9. Pool name or Wildcat Indian Basin - Upper Penn

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator Mitchell Energy Corporation
3. Address of Operator P. O. Box 4000, The Woodlands, Texas 77387-4000
4. Well Location Unit Letter M : 660 Feet From The South Line and 660 Feet From The West Line Section 36 Township 21S Range 24E NMPM Eddy County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3814' GL, 3829.5' KB

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: Spudding, Csg & Cmtg <input checked="" type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

See attached page

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE G. W. Tullos TITLE District Drilling Manager DATE 12/10/93
TYPE OR PRINT NAME G. W. Tullos TELEPHONE NO. (915) 682-5396

(This space for State Use)

APPROVED BY M. Morgan TITLE SS DATE DEC 29 1993
CONDITIONS OF APPROVAL, IF ANY

Proposed or Completed Operations:

11/30/93-12/5/93 MI & RU McGee Rig #2. Spudded @ 2200 hrs MST 11/30/93. Drld 17-1/2" hole to 349'. Ran 8 jts (349') 13-3/8" 54.5# K-55 ST&C (Mann) csg. Set shoe @ 349', FC @ 303'. Pump 50 BFW and cmted w/ 100 sx 35:65 Poz/C + 6% gel + 1/4#/sx CF + 2% CaCl₂ + 10#/sx salt (12.7 ppg, 1.99 ft³/sx) and 100 sx Class H Thixotropic (14.1 ppg, 1.61 ft³/sx) and 200 sx Class C + 1/4#/sx CF + 2% CaCl₂ (14.8 ppg, 1.32 ft³/sx). PD @ 0200 hrs 12/2/93 w/530 psi. No circ thruout entire job. Ran WL and tagged TOC @ 45'. Cmtg witnessed by M. Stubblefield, NMOCD. Agreed to top out w/Redi-mix after installing csghd. WOC. Cut off 13-3/8" and weld on head. Weld on 13-3/8" x 3000 psi csghd. NU BOPs and chk man. PU BHA and GIH. Test BOPs to 1000 psi. DOC.

12/6/93-12/10/93 Drld 12-1/4" hole to 1650'. Ran 37 jts (1654') 8-5/8" 32# K-55 LT&C (NSS) csg. Set FS @ 1650'; FC @ 1604'. Cmt w/100 sx 12-2 RPU H Thixotropic (14.1 ppg, 1.61 ft³/sx) and 520 sx 35:65 Poz C + 6% gel + 1/4#/sx CF + 2% CaCl₂ (13.1 ppg, 1.77 ft³/sx) and 200 sx Class C + 2% CaCl₂ (14.8 ppg, 1.32 ft³/sx). PD @ 0900 hrs 12/6/93 w/1300 psi. No returns thruout job. Float held. WOC. Ran temp survey (TOC @ 940'). PU 1" tbg and GIH. Tag TOC @ 960'. Cmtg thru 1" tbg as follows:

- from 960' - 50 sx Class C + 2% CaCl₂ - no fill
- from 960' - 50 sx Class C + 2% CaCl₂ - no fill
- from 960' - 100 sx Class C + 2% CaCl₂ - no fill
- dump pea gravel down annulus - 25' fill
- from 900' - 50 sx Class C + 2% CaCl₂ - 40' fill
- dump pea gravel down annulus - 25' fill
- from 810' - 50 sx Class C + 2% CaCl₂ - 110' fill
- from 690' - 100 sx Class C + 2% CaCl₂ - 170' fill
- from 510' - 130 sx Class C + 2% CaCl₂ - Circ 10 sx cmt to surface

All cmtg witnessed by M. Stubblefield, NMOCD. ND BOPs, set 8-5/8" slips w/54000#. Cut off 8-5/8" csg and NU 13-5/8" x 3000 psi csg spool. Test seals to 2000 psi. NU BOPs and chk man. Test BOP, chk lines and man to 3000 psi; hydrl to 1500 psi. Repair various leaks. Pressure test csg to 1000 psi - no leak off.

RECEIVED

DEC 13 1993

WOBBS

OF

Submit to Appropriate
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Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION
OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

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

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

API NO. (assigned by OCD on New Wells)

30-015-27728

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

V-2746

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐

b. Type of Well:

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

2. Name of Operator

Mitchell Energy Corporation

7. Lease Name or Unit Agreement Name

Indian Hills "36" State

3. Address of Operator

P.O. Box 4000, The Woodlands, Texas 77387-4000

8. Well No.

1

9. Pool name or Wildcat

Indian Basin-Upper Penn. Asso

4. Well Location

Unit Letter M : 660 Feet From The South Line and 660 Feet From The West Line

Section 36 Township 21S Range 24E NMPM Eddy County

10. Proposed Depth

8,200

11. Formation

Upper Penn.

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3814 GR

14. Kind & Status Plug. Bond

Blanket on File

15. Drilling Contractor

16. Approx. Date Work will start

ASAP

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24#	1600'	Lite + Class "C"	Surface
7-7/8"	5-1/2"	17#	TD	50/50 POZ	5000'
17 1/2"	13 7/8"	54.5#	350'	CLASS C	SURFACE

Mitchell proposes to drill to a depth sufficient to test the Upper Pennsylvanian formation for gas. If productive, 5 1/2" casing will be cemented at TD. If non-productive, the well will be plugged and abandoned in a manner consistent with State of New Mexico regulations. Blowout preventer schematic attached as Exhibits 1 & 1A.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

George Mullen

TITLE

Reg. Affairs Specialist

DATE 10-21-93

TYPE OR PRINT NAME

George Mullen

(713)377-5855
TELEPHONE NO.

(This space for State Use)

APPROVED BY

Mike Walker

TITLE

SUPERVISOR, DISTRICT II

DATE

NOV 2 1993

CONDITIONS OF APPROVAL, IF ANY:

* AS NOTED ABOVE

NOTIFY N.M.O.C.D. IN SUFFICIENT
TIME TO WITNESS CEMENTING THE
13 7/8" CASING

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 4-28-94
UNLESS DRILLING UNDERWAY

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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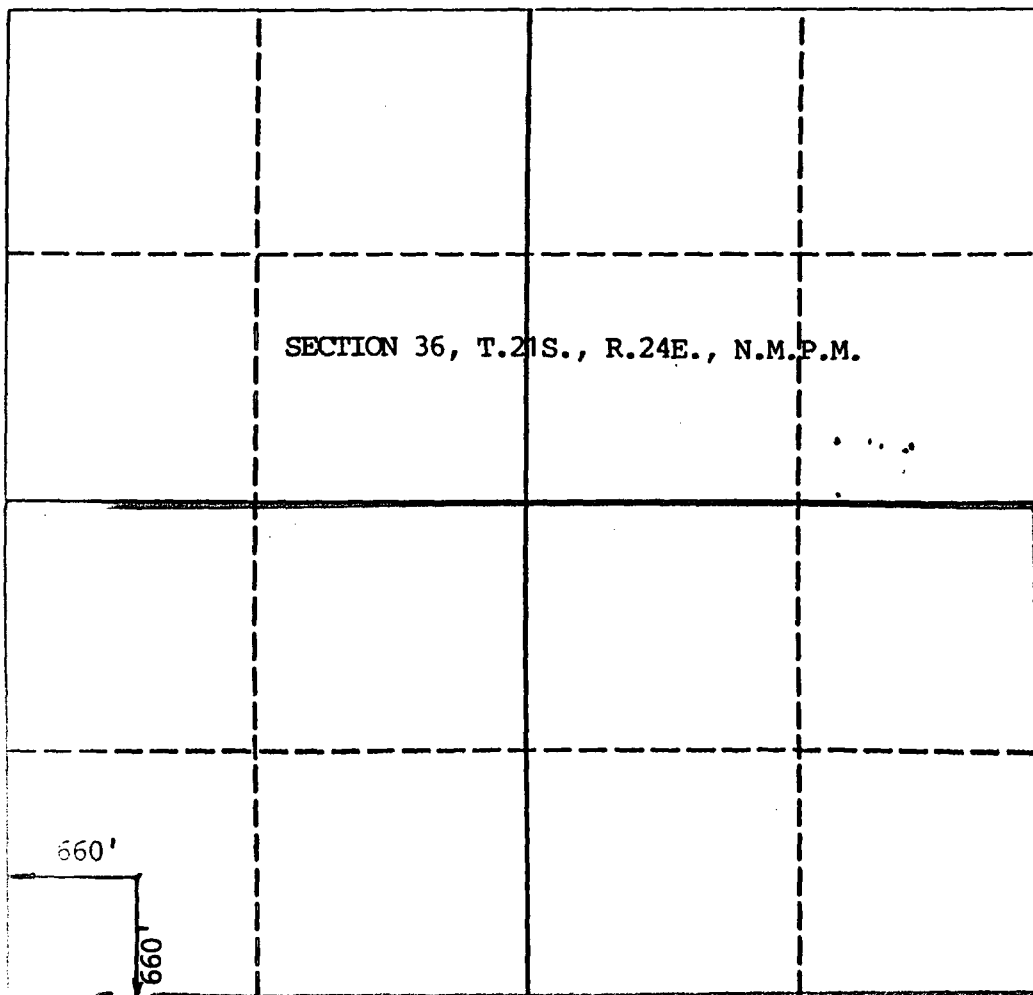
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MITCHELL ENERGY Corporation			Lease INDIAN HILLS "36" STATE		Well No. #1
Unit Letter M	Section 36	Township 21S.	Range 24E.	County EDDY	
Actual Footage Location of Well: 660 feet from the SOUTH line and 660 feet from the WEST line					
Ground level Elev. 3814	Producing Formation Upper Pennsylvanian		Pool Indian Basin-Upper Penn. Assoc.		Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary). _____
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein in true and complete to the best of my knowledge and belief.

Signature
George Mullen

Printed Name
George Mullen

Position
Reg. Affairs Specialist

Company
Mitchell Energy Corp.

Date
October 20, 1993

SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed
10/24/93

Signature & Seal
John D. Jaques

Professional Surveyor
6290

Certificate No.
6290

INDNHILL

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

EXHIBIT # 1
Indian Hills "36" State No
Eddy County, New Mexico

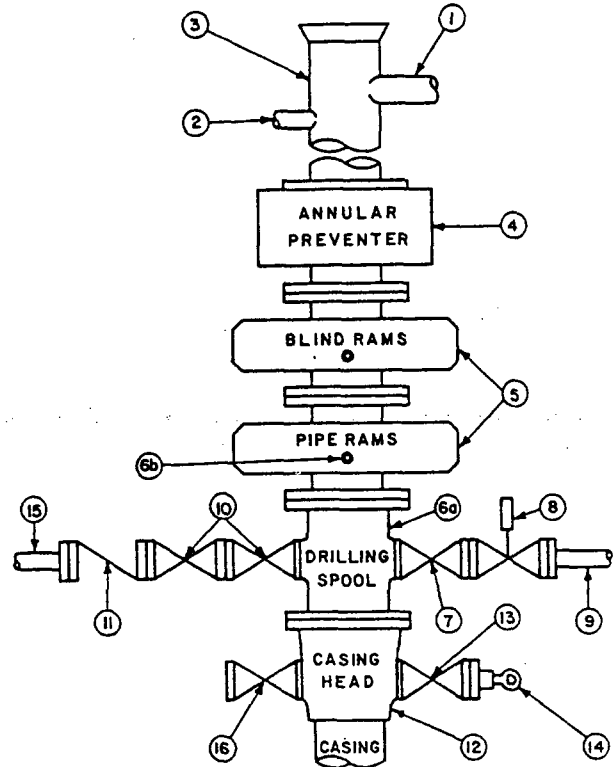
STACK REQUIREMENTS

No.	Item	Min. I.D.	Min. Nominal
1	Flowline		
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above.)		
7	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/>	3-1/8"	
8	Gate valve—power operated	3-1/8"	
9	Line to choke manifold		3"
10	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/>	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/>	1-13/16"	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

OPTIONAL

16	Flanged valve	1-13/16"	
----	---------------	----------	--

CONFIGURATION A



CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
2. Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
3. BOP controls, to be located near drillers position.
4. Kelly equipped with Kelly cock.
5. Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly saver-sub equipped with rubber casing protector at all times.
7. Plug type blowout preventer tester.
8. Extra set pipe rams to fit drill pipe in use on location at all times.
9. Type RX ring gaskets in place of Type R.

MEC TO FURNISH:

1. Bradenhead or casinghead and side valves.
2. Wear bushing, if required.

GENERAL NOTES:

1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke. Valves must be full opening and suitable for high pressure mud service.
3. Controls to be of standard design and each marked, showing opening and closing position.
4. Chokes will be positioned so as not to hamper or delay changing of choke beans. Replaceable parts for adjustable choke, other bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.
5. All valves to be equipped with handwheels or handles ready for immediate use.
6. Choke lines must be suitably anchored.

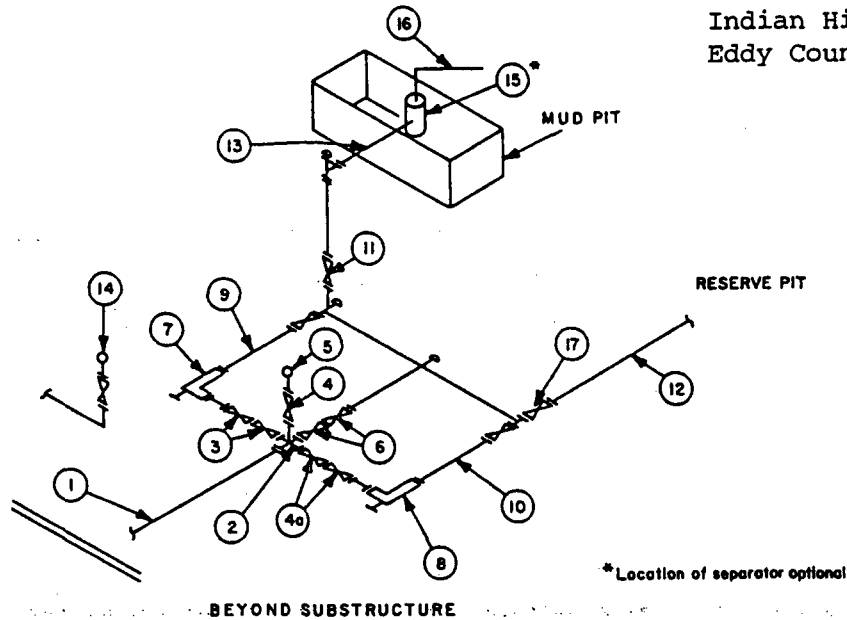
7. Handwheels and extensions to be connected and ready for use.
8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
9. All seamless steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
10. Casinghead connections shall not be used except in case of emergency.
11. Do not use kill line for routine fill-up operations.

MINIMUM CHOKE MANIFOLD
3,000, 5,000 and 10,000 PSI Working Pressure

3 MWP - 5 MWP - 10 MWP

EXHIBIT 1-A

Indian Hills "36" State No. 1
Eddy County, New Mexico



MINIMUM REQUIREMENTS										
No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING
1	Line from drilling spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3"x3"x3"x2"			3,000			5,000			
	Cross 3"x3"x3"x3"									10,000
3	Valves ⁽¹⁾ Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	1-13/16"		3,000	1-13/16"		5,000	1-13/16"		10,000
4a	Valves ⁽¹⁾	2-1/16"		3,000	2-1/16"		5,000	3-1/8"		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
7	Adjustable Choke ⁽³⁾	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		3"	10,000
11	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
12	Lines		3"	1,000		3"	1,000		3"	2,000
13	Lines		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2'x5'			2'x5'			2'x5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000

(1) Only one required in Class 3M.

(2) Gate valves only shall be used for Class 10M.

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using bull plugged tees.
- Discharge lines from chokes, choke bypass and from top of gas separator should vent as far as practical from the well.

WRS COMPLETION REPORTREISSUES SEC 36 TWP 21S RGE 24E
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NMEX EDDY * 660FSL 660FWL SEC SW SW
STATE COUNTY FOOTAGE SPOT
MITCHELL ENERGY D D
OPERATOR WELL CLASS INIT FIN
1 INDIAN HILLS "36" STATE
WELL NO. LEASE NAME
3830KB 3814GR INDIAN BASIN
OPER ELEV FIELD/POOL/AREA
API 30-015-27728-0000
LEASE NO. PERMIT OR WELL I.D. NO.
12/01/1993 01/09/1994 ROTARY VERT D&A-G
SPUD DATE COMP. DATE TYPE TOOL HOLE TYPE STATUS
8200 PNSLVN U MCGEE DRLG 2 RIG SUB 14
PROJ. DEPTH PROJ. FORM CONTRACTOR
DTD 8000 FM/TD PNNSYLVN
DRILLERS T.D. LOG T.D. PLUG BACK TO OLD T.D. FORM T.D.

LOCATION DESCRIPTION

15 MI S LAKEWOOD, NM

CASING/LINER DATA

CSG 13 3/8 @ 349 W/ 400 SACKS
CSG 8 5/8 @ 1650 W/ 1350 SACKS
CMT PLUGS: 7908 W/40 SX, 7383 W/35 SX, 6981 W/35 SX,
3058 W/45 SX, 1699 W/75 SX, 1608 W/40 SX, 402 W/50 SX,
SURF W/60 SX

FORMATION TEST DATA

DST 1 7896- 8000 CISCO S
REC 1204.0 FT GAS 414.0 FT GCM
REC 4159.0 FT SULW .1 CFT GAS
REC 2500.0 CC WTR
INIT OP 30M IFP 343 FFP 1913
FINAL OP 40M IFP 1943 FFP 2022
ISIP 2022 1H 3M FSIP 2022 38M IHP 3537
SPL CHAM PRESS FINAL 290

DRILLING PROGRESS DETAILS

MITCHELL ENERGY
400 W ILLINOIS
STE 1000
MIDLAND, TX 79701

CONTINUED IC# 300157058493

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Form No 187

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MITCHELL ENERGY
1 INDIAN HILLS "36" STATE

D D

DRILLING PROGRESS DETAILS

	915-682-5396
11/03	LOC/1993/
12/15	DRLG 3447
12/20	DRLG 4472
01/06	8000 TD, RNG LOGS
01/11	8000 TD, HOLDING FOR DATA
	TD REACHED 01/05/94 RIG REL 01/09/94
05/17	8000 TD
	COMP 1/9/94, D&A
	NO CORES, ONE DST RPTD
07/12	REISSUED TO ADD DST
	REPLACEMENT FOR CT ISSUED 5/20/94