NSL 1/19/97

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



S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT

PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON

DENNIS G. KINSEY

105 SOUTH FOURTH STREET

ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1471

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, <u>T21S-R24E</u>. 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,

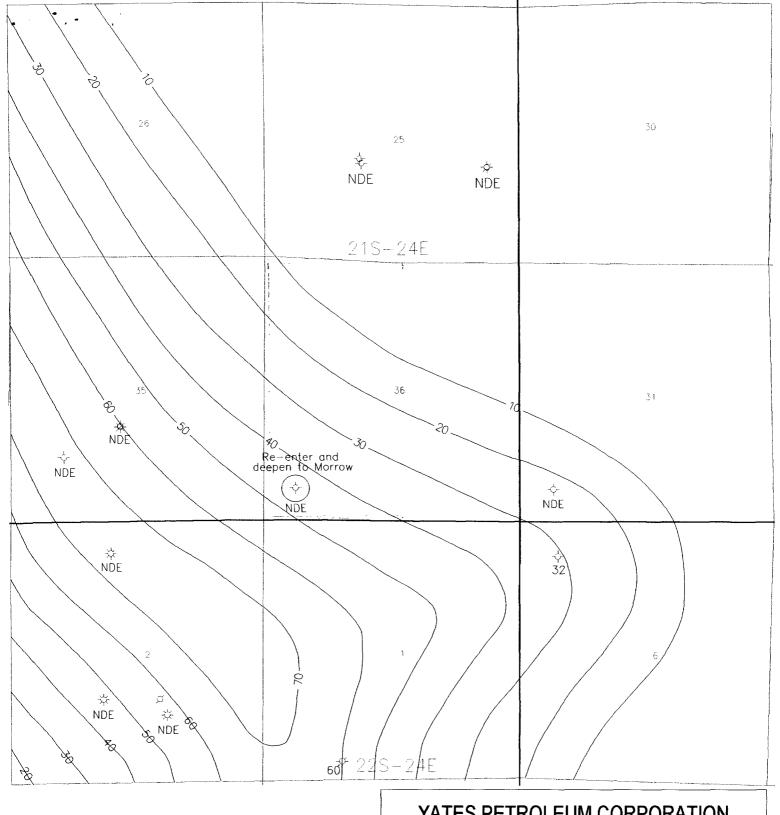
YATES PETROLEUM CORPORATION

Solur Bullak

Robert Bullock

Landman

RB:bn enclosure(s)



## YATES PETROLEUM CORPORATION

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

Geol: B. May	10/13/97	S. Donaldson		
Pres. sd2125bm.gpf	Scale 1:24000			

## PO Ebx 1973, Robbs, NM 88241-1980 District II PO Di 10 Di

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-101 Revised February 10, 1994 Instructions on back Submit to Appropriate District Office State Lease - 6 Copies Fee Lease - 5 Copies

VATION DIVISION 2088

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00 Rio Brizos Rd., Azicc, NM \$7410	Santa Fe, NM 87504-2
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Box 2088, Santa PcNM 87504-2088	Reulson

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October 20, 1997 (505) 748-1471 Ausched a											ł	

District I
PO Box 1980, 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

API Number

# 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 State Lease - 4 Copies

<sup>3</sup> Pool Name

Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>2</sup> Pool Code

		]				Wildcat	Morrow					
<sup>4</sup> Property Code	_ <del></del>			5 Property				' Well Number				
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# State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

## DISTRICT | P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION
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., Aziec, NM 87410

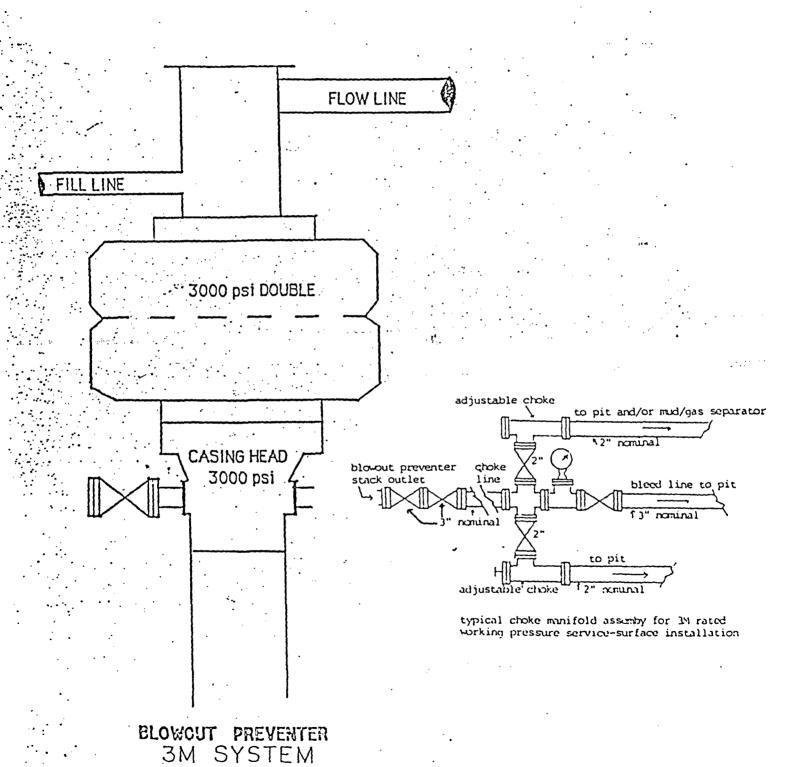
## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

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## YATES PETROLEUM CORPORATION

## EXHIBIT B



# 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

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

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Submit 3 Copies to Appropriate District Office

HAVORPEA PO ZNOMICE:

# State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

District Office Energy, Minerals and Natural Resources Department	Revised 1-1-89
DISTRICT I P.O. Box 1980, Hobbs, NM 88240  DISTRICT II P.O. Drawer DD, Artesia, NM 88210 (1980)  DISTRICT III	WELL API NO.
P.O. Drawer DD, Arteria NM 88210 . JED Santa Fe, New Mexico 87504-2088	30-015-27728  5. Indicate Type of Lease
DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410 ATT 8 52	STATE X FEE  6. State Oil & Gas Lease No.
105 NU 11	V-2746
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.)	7. Lease Name or Unit Agreement Name
1. Type of Well:	Indian Hills "36" State
OLL WELL X OTHER JAN 1 2 1904	
2. Name of Operator Mitchell Energy Corporation	8. Well No.
3. Address of Operator	9. Pool name or Wildcat
P. 0. Box 4000, The Woodlands, Texas 77387-4000	Indian Basin - Upper Penn
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	60 Feet From The West Line
26 215 215	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, R	eport, or Other Data
	SEQUENT REPORT OF:
PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK	ALTERING CASING
TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING	
PULL OR ALTER CASING CASING TEST AND CE	EWEN1 208 []
OTHER: OTHER:	
<ol> <li>Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, inclu- work) SEE RULE 1103.</li> </ol>	ding estimated date of starting any proposed
worky size Ross 1103.	
See attached page	
errory certify that the information above is tool and complete to the best of my knowledge and belief.	1/10/01
me District Produ	uction Manager DATE 1/10/94 (915)
CE OR PRINT NAME E. R. Earles	тецерноне мо. 682-5396
a space for State Use)	
Man 7 - i & FA	7 11-0-9
ROVED BY TITLE	DATE //

## 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

4

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 to Appropriate District Office  State of New Months and Natural R  RECEVED	exico esources Department	Form C-103 Revised 1-1-89
DISTRICT I P.O. Box 1980, Hobbs, NM 88240 DISTRICT II  OIL CONSERVATIO FOR Box 200 Santa Fe, New Mexico	88	WELL API NO. 30-015-27728
P.O. Drawer DD, Artesia, NM 88210	87304-2088	5. Indicate Type of Lease STATE X FEE
DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410		6. State Oil & Gae Lease No. V-2746
SUNDRY NOTICES AND REPORTS ON WE ( DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN	LLS LOB PLUG BACK TO A	
DIFFERENT RESERVOIR. USE "APPLICATION FOR PE (FORM C-101) FOR SUCH PROPOSALS.)		7. Lease Name or Unit Agreement Name  Indian Hills "36" State
1. Type of Well: OIL GAS WELL X /OTHER	IFC 1 4 1993	
2. Name of Operator Mitchell Energy Corporation	<u>  [ ]                                  </u>	8. Well No.
3. Address of Operator P. O. Box 4000, The Woodlands, Texas 773	87-4000	9. Pool name or Wildcat Indian Basin - Upper Penn
4. Well Location  In: Lorse M . 660 Feet From The South	Line and 660	
Unit Letter : 860 Feet From The South	Line and DOC 24E	Feet From The West Line
Section Township 213 R	ange	NMPM Eddy County
	, 3829.5' KB	
11. Check Appropriate Box to Indicate NOTICE OF INTENTION TO:		eport, or Other Data SEQUENT REPORT OF:
PERFORM REMEDIAL WORK PLUG AND ABANDON	REMEDIAL WORK	ALTERING CASING
TEMPORARILY ABANDON CHANGE PLANS	COMMENCE DRILLING	
PULL OR ALTER CASING	CASING TEST AND CE	EMENT JOB
OTHER:	E .	ng, Csg & Cmtg X
12. Describe Proposed or Completed Operations (Clearly state all pertinent details, a	nd give pertinent dates, inclu	ding estimated date of starting any proposed
work) SEE RULE 1103.		
•		
See attach	ed page	
occ accasi	or page	
I hereby certify that the information above is true and complete to the best of my knowledge and		lling Manager DATE 12/10/93
TYPEOR PRINT NAME G. W. Tullos	ne <u>Protifict Bill</u>	(915) TELEPHONE NO. 682-5396
(This space for State Use)		IELEPHONE MO. OUZ 3330
M/Mara au	· 50	DEC 2 9 1993
APPROVED BY TI	TLE	DATE
		•

## Proposed or Completed Operations:

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 cmtd w/ 100 sx 35:65 Poz/C + 6% gel + 1/4#/sx CF + 2% CaCl<sub>2</sub> + 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% CaCl<sub>2</sub> (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 RFC H Thixotropic (14.1 ppg, 1.61 ft³/sx) and 520 sx 35:65 Poz C + 6% Lel + 1/4#/sx CF + 2% CaCl<sub>2</sub> (13.1 ppg, 1.77 ft³/sx) and 200 sx Class C + 2% CaCl<sub>2</sub> (14.8 ppg, 1.32 ft²/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% CaCl<sub>2</sub> - no fill
from 960' - 50 sx Class C + 2% CaCl<sub>2</sub> - no fill
from 960' - 100 sx Class C + 2% CaCl<sub>2</sub> - no fill
dump pea gravel down annulus - 25' fill
from 900' - 50 sx Class C + 2% CaCl<sub>2</sub> - 40' fill
dump pea gravel down annulus - 25' fill
from 810' - 50 sx Class C + 2% CaCl<sub>2</sub> - 110' fill
from 690' - 100 sx Class C + 2% CaCl<sub>2</sub> - 170' fill
from 510' - 130 sx Class C + 2% CaCl<sub>2</sub> - 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; hydril to 1500 psi. Repair various leaks. Pressure test csg to 1000 psi - no leak off.

# Mexico

Form	C-101
Revis	nd 1-1-89

Submit to Appropriate	State of New Mex
District Office	Energy, Minerals and Natural Res
State Lease 6 copies	N DIVISION
Eng I man - 4 man-s	- · · · · · · · · · · · · · · · · · · ·

Form C-101 Revised 1-1-89	
	1 1

Sinte Lease — 6 copies Fee Lease — 5 copies	ONSERYS IN	MULLIANS AND VICTOR VIC	source Department	•	Kearer 1-1-22
DISTRICT I	ROLL	CONSERVATIO	IN DIATOTO IA	API NO. (assigned by OCD	on New Wells)
P.O. Box 1980, Hobbs, NM	88240	on 0 27.0. Box 208	8	30-015-2	
DISTRICT II	193 NO 5 5	27.O. Box 208	87 <b>504-2</b> 088	5. Indicate Type of Lease	
P.O. Drawer DD, Artesia, N	IM 88210	· GCT &	Ú 1300	STA	ATE X FEE
DISTRICT III 1000 Rio Brazos Rd., Azteo	NN 97410	Q. 4.	. D.	6. State Oil & Gas Lease N	
<u></u>	·			V-2746	
	ION FOR PERMIT	TO DRILL, DEEPEN, C	OR PLUG BACK	<i>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>	
1a. Type of Work:			· .	7. Lease Name or Unit Ag	reement Name
DRILL	X RE-ENTER	DEEPEN 🗍	PLUG BACK	Indian Hills	26# Ctata
b. Type of Well: OIL GAS		SINCLE	MULTELE	Ingram mirrs	30 State
WELL WELL X	Отнех	ZONE			
2. Name of Operator	_	/		8. Well No.	
	gy Corporation	<del></del>	- <del> </del>	9. Pool name or Wildcat	· · · · · · · · · · · · · · · · · · ·
3. Address of Operator	), The Woodland	o Move - 77307	1000		ner Denn Acco
	, the woodland	s, Texas 77387-4	<u> १००० ५०८</u>	Indian Basin-op	per remr. Maso
4. Well Location Unit Letter	1 : 660 Feet F	rom The South	Line and 660	Feet From The	West Line
		· <del> </del>			
Section	36. Town	ship 21S Ra	nge. 24B	NMPM Eddy	7 County
		10. Proposed Depth		Formation	12. Rotary or C.T.
		<i></i>		Upper Penn.	Rotary
13. Elevations (Show whether 3814)	r DF, RT, GR, aic.) 4 GR	14. Kind & Sumus Plug. Bond Blanket on File	15. Drilling Contracto	r 16. Approx. 1	Date Work will start ASAP
17.		ROPOSED CASING A	UD CEMENT PROG	DAM	·
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'	
7-7/8"	5-1/2*	17#	TD	50/50 POZ	5000'
1742"	13/19"	54.5#	350	<6455 C	SURFACE
		en e			
		_	_		
				Upper Pennsylvan	
		_		If non-productive	-
				te of New Mexico	regulations.
prowout brevent	er schematic at	tached as Exhibi	ts 1 & IA.		
			•		
,					
IN ABOVE SPACE DESC	CRIBE PROPOSED PROC	RAM: IF PROPOSAL IS TO DEEP	EN OR PLUG BACK, GIVE DATA	ON PRESENT PRODUCTIVE ZONE A	ND PROPOSED NEW PRODUCTI
ZONE GIVE BLOWOUT PREVI	<del></del>				
I hereby certify that the inform	nation above is true and comple	ste to the best of my knowledge and	s belief.		
SKONATURE / JEON	ge Mulles	π	Reg. Affairs	Specialist DA	TE 10-21-93
	<b>U</b>				(713)377-5855
TYPE OR PRINT NAME	George Mullen			TE	LEPHONE NO.
(This space for State Use)	`	·			
	1	<b>a</b> (	CUBEAUCAT	NICTOICT II	NOV = 2 199(
APPROVED BY	he WATh	т	TE	DISTRICT II	
CONDITIONS OF APPROVAL, I	FANY:				100

\* AS NOTED ABOVE

NOTHEY N.M.O C.D. IN SUFFICIENT
THAT TO VEHINESS CEMENTING THE
1376 STG CASING

APPROVAL VALID FOR 180 DAY:
PERMIT EXPINES 4-28-44 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

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

OIL CONSERVATION DIVISION
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

			ופוע וויר	ances must be		- DOUINGIES (	DI DIE BECCOIS			
Operator MITCHELL	ENERG	Y Corpo	ration		Lease INDIAN	HILLS "	36" STATE		Well No. #1	
Unit Letter M	l	6	Township 21S	•	Range 2	4E.	NMI	County EDDY		
Actual Footage Loca 660	lion of W	n the	OUTH	line and	660		feet fro	WEST	line	
Ground level Elev. 3814		_	Formation ennsylvan.	ian .	Pool Indian	Basin-Up	per Penn.	Assoc.	Dedicated Acres	eage: Acres
	•	•	to the subject we cated to the well,	•	icil or hachure i	narks on the pl	izi below.	rking interest and r		
unitizat  If answer this form	ion, force Yes is "no" lis if neccess	pooling, etc.	7 No If an and tract descript	swer is "yes" ty ions which have	pe of consolidat actually been o	onsolidated. (	Use reverse side			
			the well until all inating such inter				tization, unitizat	ion, forced-pooling	g, or otherwise)	
						 		1	in true and	the information complete to the
								Printed Name (George Mi Position Reg. Affi		cialist
		SECTION	ON 36, T.2	1S., R.24	1E., N.M.	P.M.		Company Mitchell Date October	20, 1993	
·	)							I hereby certify on this plat we actual surveys supervison, and correct to the belief.  Date Surveyed Signature & See	as plotted fron made by me I that the san best of my	location shown n field notes of or under m ne is true and knowledge and
660 <b>'</b>								Signature & See Professional San Certificate No.	6298	ak .
o <b>660</b>	990 13	20 1650	1980 2310 26	640 200	00 1500	1000	500 0	INDNHILI		

## MINIMUM BLOWOUT PREVENTER REQUIREMENTS

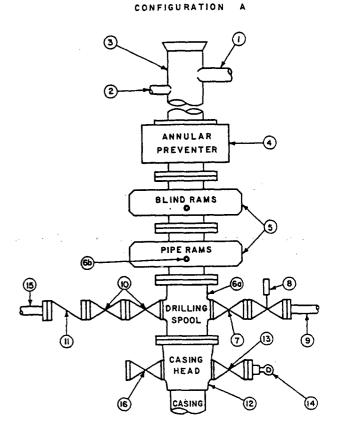
## 3,000 psi Working Pressure

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 hydoperated rams			
6a	Drilling spool with 2" min. 3" min choke line outlets			
6b	2" min. kill line and 3" mir outlets in ram. (Alternate t			
7	Valve	Gate □ Plug □	3-1/8"	
8	Gate valve-power operat	3-1/8"		
9	Line to choke manifold	* * . *		3″
10	Valves	Gate □ Plug □	2-1/16"	
11	Check valve		2-1/16"	
12	Casing head			
13	Valve	Gate □ .Plug □	1-13/16"	
14	Pressure gauge with need			
15	Kill line to rig mud pump r		2"	



OPTIONAL						
16	Flanged valve		1-13/16"			

## CONTRACTOR'S OPTION TO FURNISH:

- All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
- Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
- BOP controls, to be located near drillers position.
- 4. Kelly equipped with Kelly cock.
- Inside blowout prevventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
- Kelly saver-sub equipped with rubber casing protector at all times.
- 7.Plug type blowout preventer tester.
- 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:

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

## **GENERAL NOTES:**

- 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.
- 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.
- All valves to be equipped with handwheels or handles ready for immediate use.
- 6. Choke lines must be suitably anchored.

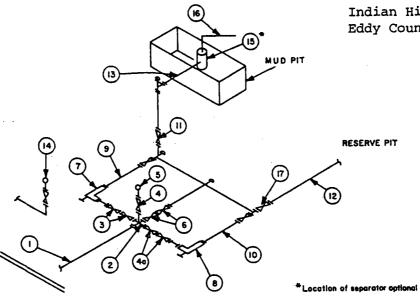
- 7. Handwheels and extensions to be connected and ready for use.
- 8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
- All seamless steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
- 10.Casinghead 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



BEYOND SUBSTRUCTURE

			MINI	<b>NUM REQU</b>	IREMENT:	S				
		3,000 MWP			5,000 MWP				10,000 MWF	
No.		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 □ Plug □(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate □ Valve Plug □(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 □ Plug □(2)	3-1/8"		3,000	3-1/8*		5,000	3-1/8"		10,000
7	Adjustable Choke(3)	2"	<del>                                     </del>	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 □ Plug □(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 □ Plug □(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.

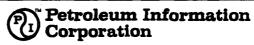
### **EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS**

- 1. All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- 2. All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- 3. All lines shall be securely anchored.
- 4. Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- 5. 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.
- 7. Discharge lines from chokes, choke bypass and from top of gas separator should vent as far as practical from the well.

WRS COMPLETION REPOR REISSUES SEC 36 PT# 30-T-0004 07/15/94 30-015-2	TWP 21S RGE 24E 7728-0000 PAGE 1					
NMEX EDDY * 660FSL 66						
MITCHFLL FNERGY	D D					
OPERATOR  1 INDIAN HILLS "36 WELL NO. LEASE NAME.	" STATE					
3830KB 3814GR OPER ELEV	INDIAN BASIN					
	API 30-015-27728-0000					
12/01/1993 01/09/1994 ROTARY	VERT D&A-G					
SPUD DATE COMP. DATE TYPE TOOL SERVICE STATES OF THE STATE	POLE TYPE RIG SUB 14					
DTD 8000	FM/ID PNNSILAN					
DRILLERS T.DLOG T.D						
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/ 3058 W/45 SX, 1699 W/75 SX, 1608 SURF W/60 SX	/35 SX, 6981 W/35 SX, 3 W/40 SX, 402 W/50 SX,					
FORMATION TEST DA	ATA					
DST 1 7896- 8000 CISCO REC 1204.0 FT GAS 414.0 I REC 4159.0 FT SULW .1 ( REC 2500.0 CC WTR	FT GCM CFT GAS					
REC 2500.0 CC WTR INIT OP 30M IFP 343 FFP 19 FINAL OP 40M IFP 1943 FFP 202 ISIP 2022 1H 3M FSIP 2022 38 SPL CHAM PRESS FINAL	913 22 BM IHP 3537 290					
DRILLING PROGRESS DETAILS						
MITCHELL ENÈRGY 400 W ILLINOIS STE 1000 MIDLAND. TX 79701						

CONTINUED IC# 300157058493

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PI-WRS-GET Form No 187 REISSUES
PI# 30-T-0004 07/15/94 30-015-27728-0000 PAGE 2

MITCHELL ENERGY
1 INDIAN HILLS "36" STATE

DRILLING PROGRESS DETAILS

915-682-5396
10C/1993/
12/15 DRLG 3447
12/20 DRLG 4472
01/06 8000 TD, RNG LOGS
01/11 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
REISSUED TO ADD DST
REPLACEMENT FOR CT ISSUED 5/20/94