

October 13, 1993

OIL CONSERVATION DIVISION  
RECEIVED

'93 OCT 18 AM 9 27

Mr. Mike Stogner  
New Mexico Oil Conservation Division  
310 Old Santa Fe Trail  
P.O. Box 2088  
State Land Office Building  
Santa Fe, New Mexico 87504

Re: **ADMINISTRATIVE ORDER NSL-3310**  
*Application of Mitchell Energy Corporation  
for Non-Standard Gas Well Location  
Apache "24" Federal Well No. 2  
Sec. 24, T22S, R30 East, NMPM  
Eddy County, New Mexico*



Dear Mr. Stogner:

On September 16, 1993, the Oil Conservation Division (OCD) approved a non-standard location for the subject well at a location 660 feet from the north and east lines of Section 24, Township 22 South, Range 30 East, Eddy County, New Mexico. However, on September 27, the Bureau of Land Management (BLM) denied the Application for Permit to Drill (APD) for this location due to potash restrictions and indicated the closest approvable location was 330 feet due east. An amended APD was filed with BLM for a location 330 feet from the east line and 660 feet from the north line of Section 24. It is requested that the OCD amend the subject order to reflect this change in location.

A plat showing the ownership of all tracts offsetting the spacing unit for this well is attached. Also attached are copies of the BLM's September 27 letter denying the original APD and the new APD filed with the BLM on October 8. A copy of this application has been sent to all offsetting oil and gas interest owners, Western Ag Minerals Company (the closest potash lessee), and the Department of Energy.

If you have any questions, please call me at 713-377-5818.

Sincerely,

MITCHELL ENERGY CORPORATION

Mark N. Stephenson  
Manager  
Production-Regulatory Affairs

377-5885

MNS:mtb  
nsl3310.mns

cc: All Parties on Attached Service List

enc.

**SERVICE LIST**

APPLICATION OF MITCHELL ENERGY CORPORATION  
FOR UNORTHODOX WELL LOCATION  
APACHE "24" FEDERAL COM. WELL NO. 2  
EDDY COUNTY, NEW MEXICO

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Arco Oil & Gas Company  
Attn: John Lodge  
P.O. Box 1610  
Midland, Texas 79702

Perry R. Bass, Inc.  
Lee M. Bass, Inc.  
Sid R. Bass, Inc.  
Thru Line, Inc. & Keystone, Inc.  
c/o Bass Enterprises Production Co.  
Attn: Jens Hansen  
201 Main Street  
Ft. Worth, Texas 76102-3105

Dept. of Energy  
Waste Isolation Pilot Project  
P.O. Box 2078  
Carlsbad, New Mexico 88221

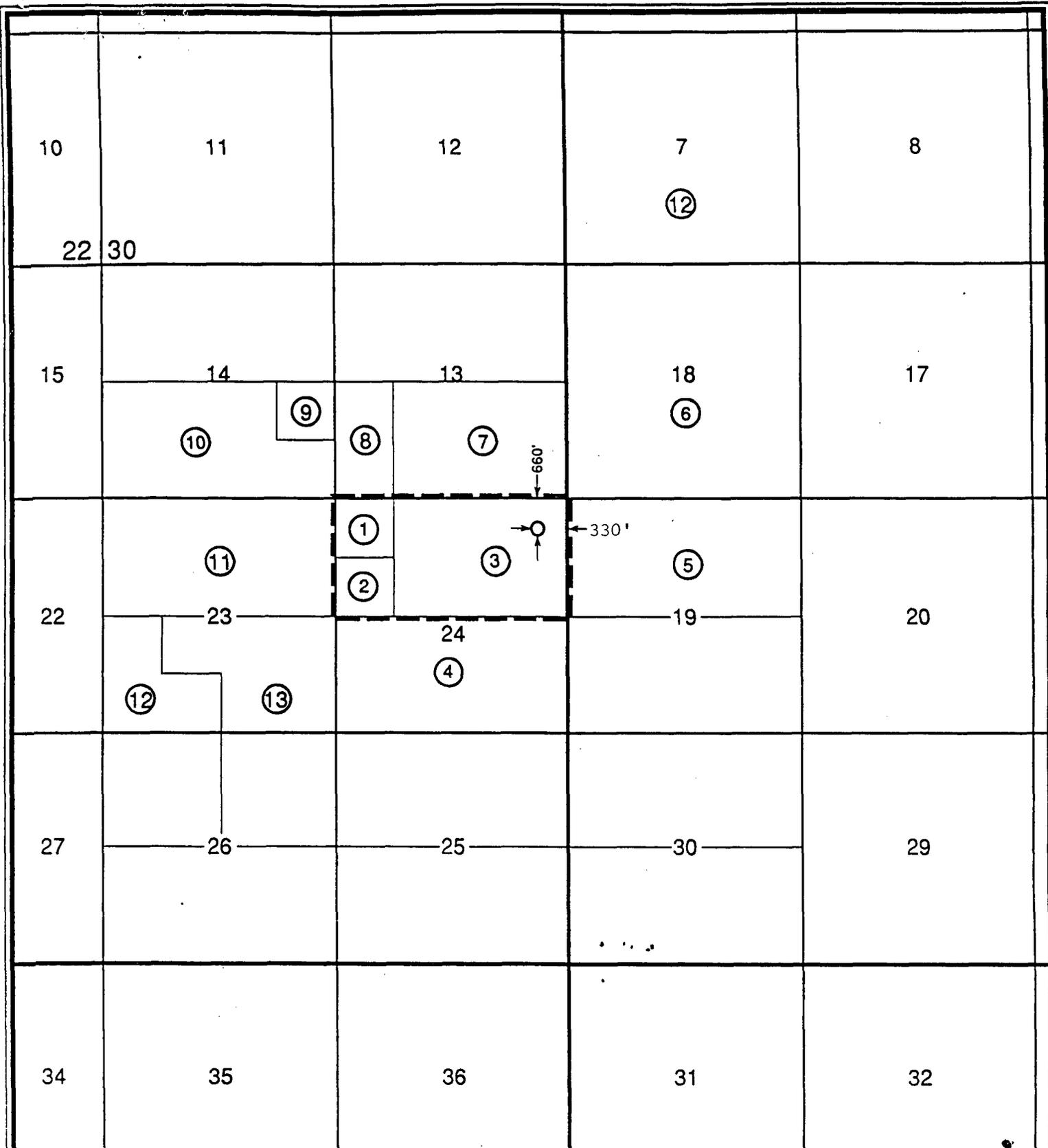
Edward R. Hudson &  
Francis Hudson  
Delmar H. Lewis  
616 Texas Street  
Ft. Worth, Texas 76102

Phillips Petroleum Company  
Attn: Paul Hall  
4001 Penbrook  
Odessa, Texas 79762

Kenneth Mark Smith,  
William Creed Smith & Lora Nell Smith  
P.O. Box 727  
Lovington, New Mexico 88260

Green London, Indiv. & Georgia Lou London Bergsten,  
Trustee of the Margaret S. London Test. Trust  
2303 Inez Drive NE  
Albuquerque, New Mexico 87101

Western Ag Minerals Company  
Attn: Ben Zimmerly  
P.O. Box 511  
Carlsbad, NM 88220



**LEGEND**

Plat Tracts

- 1,8,11,13 Arco Oil & Gas Company
- 2 Keneth Mark Smith et al
- 3,4,7 Mitchell Energy Corporation
- 5,6 Department of Energy (WIPP)
- 1,8,11,12,13 Perry R. Bass, Inc. et al
- 9 Phillips Petroleum Company
- 10 Edward R. Hudson et al



**Mitchell Energy Corporation**  
 P.O. BOX 4000 THE WOODLANDS, TEXAS 77387-4000

Offset Operators for Unorthodox Well Location  
 Apache "24" Fed Com Well No. 2  
 Sec. 24, T22S, R30E  
 Eddy County, New Mexico

DATE: 7-23-93

SCALE: 1"=3000'



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

New Mexico State Office  
1474 Rodeo Rd.  
P.O. Box 27115  
Santa Fe, New Mexico 87502-0115



IN REPLY REFER TO:

3160 (067)  
NMNM-89051

SEP 27 1993

CERTIFIED RETURN RECEIPT REQUESTED  
P 217 224 663

Mitchell Energy Corporation  
Attention: G. Mullen  
P. O. Box 4000  
The Woodlands, TX 77387-4000

RE: NMNM-89051 Apache "24" Federal Well No. 2  
660' FNL & 660' FEL, Sec. 24, T22S, R30E  
Eddy County, New Mexico

Dear Mr. Mullen:

Your proposed oil/gas well is located in the Secretary of the Interior's Potash Area as described by 1986 Secretarial Order. In accordance with the order, we have designated areas within the Potash Area as a Potash Enclave. The enclave contains measured potassium mineral resources of sufficient quality and quantity to be technologically and economically minable, using standard mining practices.

Regrettably, your proposed well must be denied. Drilling at the proposed location would likely interfere with potash mining and result in undue waste of known enclave reserves. It could also prove hazardous to the health and safety of potash miners.

We are returning your copies of the application. By using the enclosed 1842-1 form, this decision may be appealed to the Interior Board of Land Appeals in accordance with 43 CFR 3165.4. However, we have the discretion of approving your well at a safe alternate location. The closest location that appears open is approximately 330 feet due East. This location is 330 feet from the Waste Isolation Pilot Project withdrawal area.

Please contact Alton C. Watters of our Carlsbad Resource Area Office at (505) 887-6544, should you have questions or need other assistance.

Sincerely,

Frank Splendoria  
Acting State Director

2 Enclosures

RECEIVED

OCT 1 1993

PRODUCTION  
REGULATORY AFFAIRS

**VIA FEDERAL EXPRESS**

October 8, 1993

United States Department of  
the Interior  
Bureau of Land Management  
101 E. Mermod  
Carlsbad, NM 88220

Re: APPLICATION FOR PERMIT TO DRILL  
APACHE "24" FED COM NO. 2  
Eddy County, New Mexico

Gentlemen:

Enclosed you will find an original and five (5) copies of Form 3160-3 and various other information to aid you in permitting the subject well.

Thank you in advance for your prompt attention to this matter and if I can be of any further help, kindly advise.

Very truly yours,

MITCHELL ENERGY CORPORATION

Original Signed By  
GEORGE MULLEN

George Mullen  
Regulatory Affairs Specialist

GM:mw  
3160-3.GM

Enclosures

bcc: Mark Whitley - MND-4N  
Ed Earles - Midland  
Jack Stanley - Midland  
George Tullos - Midland  
Bennie Davis - 2002-5  
Carol Osborne - MND-3N  
Betty Porter - MND-1N  
Susan Norman - OB3  
Central Records - MND-2N

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
 DRILL  DEEPEN

b. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
 Mitchell Energy Corporation

3. ADDRESS AND TELEPHONE NO.  
 P.O. Box 4000, The Woodlands, Texas 77387-4000

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface  
 660' FNL and 330' FEL (NE/NE)  
 At proposed prod. zone  
 660' FNL and 330' FEL (NE/NE)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 23 miles east of Carlsbad, NM

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)  
 330

16. NO. OF ACRES IN LEASE  
 1,040

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 320

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
 3420

19. PROPOSED DEPTH  
 15,750

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 3387 GR

22. APPROX. DATE WORK WILL START\*  
 12-01-93

5. LEASE DESIGNATION AND SERIAL NO.  
 NM 89051

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 N/A

7. UNIT AGREEMENT NAME  
 N/A

8. FARM OR LEASE NAME WELL NO.  
 Apache "24" Fed Com No. 2

9. AN WELL NO.

10. FIELD AND POOL, OR WILDCAT  
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Sec. 24, T22S, R30E

12. COUNTY OR PARISH  
 Eddy

13. STATE  
 NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-1/3", K	54.5#	550'	750 sx "C" to Surface
12-1/4"	9-5/8", K	40#	3810'	2100 sx Lite + 300 sx "C"-TOC=Surf
8-3/4"	7", N,S	26#	11,900'	800 sx Lite + 300 sx "H"-TOC-3500'
6"	4-1/2", S	13.5#	TD	600 sx "H" to TOL

The operator proposes to drill to a depth sufficient to test the Devonian formation for gas. If productive, 4 1/2" casing will be cemented at TD. If non-productive, the well will be plugged and abandoned in a manner consistent with federal regulations. Specific programs as per Onshore Oil & Gas Order #1 are outlined in the following attachments:

Drilling Program  
Surface Use & Operating Plan

- Exhibit #1 & 1A - Blowout Preventer Equipment
- Exhibit #2 - Location & Elevation Plat
- Exhibit #3 - Planned Access Roads
- Exhibit #4 - One-mile Radius Map
- Exhibit #5 - Production Facilities Layout
- Exhibit #6 - Drilling Rig Layout
- Exhibit #7 - Cultural Resources Examination

ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED George Mullen TITLE Regulatory Affairs Specialist DATE 10-08-93

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

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:

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

## DRILLING PROGRAM

Attached to Form 3160-3  
Mitchell Energy Corporation  
Apache "24" Fed Com No. 2  
660' FNL & 330' FEL  
NE/NE, Sec. 24, T22S, R30E  
Eddy Co., New Mexico

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

Permian	Surface	Strawn	12590'
Top Salt	630'	Atoka	12840'
Base Salt	3660'	Morrow	13090'
Delaware	3945'	Mississippian	14780'
Bone Spring	7760'	Woodford	15315'
Wolfcamp	11280'	Devonian	15475'
		Total Depth	15750'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Upper Permian Sands to 100'		Fresh water
Delaware	4500' - 7500'	Oil
Wolfcamp	11,280'	Gas/Cond
Strawn	12,590'	Gas/Cond
Atoka "AC"	12,940'	Gas
Atoka Bank	13,020'	Gas
Morrow "B" SS	13,770'	Gas
Devonian	15,475'	Gas

No other formations are expected to give up oil, gas, or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 13-3/8" casing at 550' and circulating cement back to surface. Any zones above TD which contain commercial quantities of oil and/or gas will have cement circulated across them behind the 9-5/8" or 7" intermediate casing or the 4-1/2" liner, which will be cemented on bottom.

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OD Casing</u>	<u>Weight, Grade, Jt, Cond, Type</u>
26"	0-40'	20"	Conductor, 0.3" wall thickness
17-1/2"	Surf-550'	13-3/8"	54.5#, K-55, ST&C, New, R-3
12-1/4"	Surf-3810'	9-5/8"	40#, K-55, LT&C, New, R-3
8-3/4"	Surf-11,900'	7"	26#, N-80, S-95, LT&C, New, R-3
			S-95 0 - 2000'
			N-80 2000' - 10,800'
			S-95 10,800' - 11,900'
6"	11,600' - TD	4-1/2"	13.5#, S-95, FJ, New, R-3

Cement Program:

13-3/8" Surface Casing  
@ 550':

Cemented to surface with 500 sacks of Class "C" + 4% gel + 2% CaCl<sub>2</sub> and 250 sx Class "C" + 2% CaCl<sub>2</sub>.

9-5/8" Intermediate Casing  
@ 3810':

Cemented to surface with 2100 sacks Halliburton Lite + 15#/sx salt + 1/4#/sx Flocele and 300 sx Class "C" + 2% CaCl<sub>2</sub>.

7" Intermediate Casing  
@ 11,900':

Cemented with 800 sacks Lite + 300 sx Class "H" + 5#/sx salt. TOC @ 3500'. Shallow productive zones, if present, will be cemented by placing a cementing stage tool below the zone of interest and cementing with Class "C" cement.

4-1/2" Liner @ TD:  
(TOL @ 11,600')

Cemented with 600 sacks Class H + 4% TF-4 + 0.6% CF-9 + 0.6% Flo-LOK-1 + 5#/sx KCl.  
Cemented to TOL.

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (5000 psi WP) preventer and a bag-type (hydril) preventer (5000 psi WP). Both units will be hydraulically operated and the ram-type preventer will be equipped with blind rams on top and 4-1/2" drill pipe rams on bottom. Both BOP's will be nipped up on the 13-3/8" & 9-5/8" casing and used continuously until 11,900'. All BOP's and accessory equipment will be tested to 1000 psi before drilling out of surface casing. Before drilling out of 9-5/8" intermediate casing, the ram-type BOP and accessory equipment will be tested to 5000 psi and the hydril to 70% of rated working pressure (3500 psi).

After the 7" casing is cemented at 11,900', a 10,000 psi double ram-type preventer and a 5000 psi bag-type (hydril) preventer will then be used continuously until TD is reached. All of this equipment and accessories will be tested to 10,000 psi (hydril to 3,500 psi) before drilling out of 7" casing and after any use under pressure during the drilling of the well.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and 3" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor

safety valve (inside BOP) and choke lines and choke manifold with 10,000 psi WP rating.

6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with a combination brine, fresh water, cut brine, and polymer/KCl mud system. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity (sec)</u>	<u>Waterloss (cc)</u>
0- 550'	Freshwater (spud)	8.5	40-45	N.C.
550- 3810'	Brine Water	10.0	30	N.C.
3810- 7700'	Fresh Water/Gel	8.5	30	50
7700-10500'	Cut Brine	8.8-9.2	30	N.C.
10500-11900'	Cut Brine/Polymer	9.2-10.0	32-34	40
11900-13600'	Brine/Polymer	10.5-11.5	34-38	10
13600-TD	Brine/Polymer/KCl	10.5-11.5	45-48	10

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times. The 7" casing shoe will be tested to an EMW equal to the maximum expected mud weight required for drilling the Atoka formation.

7. Auxiliary Well Control and Monitoring Equipment:

- A. A kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- C. An electronic pit-volume-totalizer system will be used continuously below 10,500' to monitor the mud and pump system. The drilling fluids system will also be visually monitored at all times.
- D. A mud logging unit complete with H<sub>2</sub>S detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 3800' to TD.
- E. A rotating head, mud-gas separator and vacuum degasser will be operational at all times below 10,500' to facilitate handling a gas kick or gas cutting of the mud until the mud weight can be increased.
- F. Drill pipe protectors will be used at all times while drilling inside the 7" casing, which will eventually become the production casing above the 4-1/2" liner top.

8. Logging, Testing and Coring Program:

- A. Drillstem tests will be run on the basis of drilling shows. At least two tests are anticipated.
- B. The electric logging program will consist of GR-Dual Laterolog-MSFL or GR/AIT and GR-Sonic from TD to surface casing @ 550' and GR-Compensated Neutron-Density from TD to surface. Selected SW cores will be taken in zones of interest.
- C. No conventional coring is anticipated.
- D. Further testing procedures will be determined after the 4-1/2" production liner has been cemented at TD based on drill shows, log evaluation and drill stem test results.

9. Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom-hole temperature (BHT) at TD is 200°F and estimated bottom-hole pressure (BHP) is 8000 psig. No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. All wells on the Apache leases in Sec. 13 and 25 have experienced moderate to severe loss circulation in the Delaware/Upper Bone Spring interval from 4000' to 8000'.

10. Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the BLM. The anticipated spud date is December 1, 1993. Once commenced, the drilling operation should be finished in approximately 60 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.

## SURFACE USE AND OPERATING PLAN

Attached to Form 3160-3  
Mitchell Energy Corporation  
Apache "24" Fed Com No. 2  
660' FNL & 330' FEL  
NE/NE, Sec. 24, T22S, R30E  
Eddy Co., New Mexico

### 1. Existing Roads:

- A. The well site and elevation plat for the proposed well is shown in Exhibit #2. It was staked by John Jacquess Consulting Engineers, Artesia, New Mexico.
- B. All roads to the location are shown in Exhibit #3. The existing roads are illustrated in red and are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary as determined during the onsite inspection.
- C. Directions to Location: From Loving, N.M., take Hwy 31 northeast for 8.0 miles. Turn east on Hwy 128 and go 8.2 miles. At MM 8+, turn north on Cimarron Road and go 2.7 miles. Turn east on lease road and El Paso Pipeline ROW and go 2.1 miles. Turn north and go 0.25 mile on lease road. Turn west on new road and go 50' to location.
- D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

### 2. Proposed Access Road:

Exhibit #3 shows the 50 feet of new access road to be constructed and is illustrated in yellow. The road will be constructed as follows:

- A. The maximum width of the running surface will be 15'. The road will be crowned and ditched and constructed of 6" of rolled and compacted caliche. Ditches will be at 3:1 slope and 4 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns. BLM may specify any additions or changes during the onsite inspection.
- B. The average grade will be less than 1%.
- C. No turnouts are planned.
- D. No cattleguards, culverts, gates, low-water crossings, or fence cuts will be necessary.
- E. Surfacing material will consist of native caliche. Caliche will be obtained from the nearest BLM-approved caliche pit. Any additional materials that are required will be purchased from the dirt contractor.

F. The proposed access road as shown in Exhibit #3 has been centerline flagged by John Jacquess Consulting Engineers, Artesia, New Mexico.

3. Location of Existing Wells:

Exhibit #4 shows that there are no existing wells within a one-mile radius of this well.

4. Location of Existing And/Or Proposed Facilities:

A. There are no existing facilities or pipelines of any kind owned or controlled by Mitchell Energy on this lease or within a one-mile radius of proposed well. However, Apache "13" Fed No. 1 (0.8 mile north) is currently being completed and the Apache "24" Fed No. 1 (0.6 mile south) is currently drilling.

B. If the well is productive, contemplated facilities will be as follows:

- (1) Production facilities are shown in Exhibit #5 and will be located on the caliche drilling pad and within the 350' x 350' area of the pad.
- (2) The tank battery and facilities including all flowlines and piping will be installed according to API specifications.
- (3) Any additional caliche which is required for firewalls, etc. will be obtained from a BLM-approved caliche pit. Any additional construction materials will be purchased from contractors.
- (4) No power will be required if the well is productive of gas. However, if productive of oil, an electric, gas or LPG-fueled, self-contained pumping unit may be required.

C. If the well is productive, rehabilitation plans are as follows:

- (1) The reserve pit will be back-filled after the contents of the pit are dry (within 120 days after the well is completed).
- (2) Caliche from unused portions of the drill pad will be removed. Topsoil removed from the drill site will be used to recontour the pit area and any unused portions of the drill pad to the original natural level, as nearly as possible, and reseeded as per BLM specifications.

D. In the event that gas production is established, plans for permanent gas lines will be submitted to the appropriate agencies for ROW approval.

5. Location and Type of Water Supply:

The well will be drilled with a combination brine and fresh water mud system as outlined in the drilling program. Fresh water will be obtained from commercial water stations in the area and hauled to the location by transport truck over the existing access roads as shown in Exhibit #3. If a commercial fresh water source is nearby, pipeline may be laid along existing road ROW's and fresh water pumped to the well. No water well will be drilled on the location.

6. Source of Construction Materials:

Any caliche required for construction of the drill pad and the proposed new access road (approximately 4800 cubic yards) will be obtained from a BLM-approved caliche pit. All roads and pads will be constructed of 6" of rolled and compacted caliche.

7. Methods of Handling Waste Disposal:

- A. Drill cuttings not retained for evaluation purposes will be disposed into the reserve pit.
- B. Drilling fluids will be contained in steel mud tanks. The reserve pit will contain any excess drilling fluid or flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 150' x 150' x 6' deep and fenced on three sides prior to drilling. It will be fenced on the fourth side immediately following rig removal. The reserve pit will be plastic-lined (5-7 mil thickness) to minimize loss of drilling fluids and saturation of the ground with brine water.
- C. Water produced from the well during completion may be disposed into the reserve pit or a steel tank (depending on the rates). After the well is permanently placed on production, produced water will be collected in tanks (fiberglass or steel) until hauled by transport to an approved disposal system; produced oil will be collected in steel tanks until sold.
- D. A portable chemical toilet will be provided on the location for human waste during the drilling and completion operations.
- E. Garbage and trash produced during drilling or completion operations will be contained in a trash bin and properly disposed of in an approved dump site. All waste material will be contained to prevent scattering by the wind. All water and fluids will be disposed of into the reserve pit. Salts and other chemicals produced during drilling or testing will be disposed into the reserve pit. No toxic waste or hazardous chemicals will be produced by this operation.

F. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned up within 30 days. No adverse materials will be left on the location. The reserve pit will be completely fenced and netted and kept closed until it has dried. When the reserve pit is dry enough to breakout and fill and, as weather permits, the unused portion of the well site will be leveled and reseeded as per BLM specifications. Only that part of the pad required for production facilities will be kept in use. In the event of a dry hole, only a dry hole marker will remain.

8. Ancillary Facilities:

No airstrip, campsite, or other facilities will be built as a result of the operations on this well.

9. Well Site Layout:

A. The drill pad layout, with elevations staked by Jacquess Engineers, is shown in Exhibit #6. Dimensions of the pad and pits and location of major rig components are shown. Topsoil, if available, will be stockpiled per BLM specifications as determined at the on-site inspection. Because the pad is almost level no major cuts will be required.

B. Exhibit #6 shows the planned orientation for the rig and associated drilling equipment, reserve pit, pipe racks, turn-around and parking areas, and access road. No permanent living facilities are planned but 2 temporary foreman/toolpusher trailers may be on location during the drilling operations.

C. The reserve pit will be lined with a high-quality plastic sheeting (5-7 mil thickness).

10. Plans for Restoration of the Surface:

A. Upon completion of the proposed operations, if the well is to be abandoned, the caliche will be removed from the location and road and returned to the pit from which it was taken. The pit area, after allowing to dry, will be broken out and leveled. The original top soil will be returned to the entire location which will be leveled and contoured to as nearly the original topography as possible. All trash and garbage will be hauled away in order to leave the location in an aesthetically pleasing condition. All pits will be filled and the location leveled within 120 days after abandonment.

B. The disturbed area will be revegetated by reseeding during the proper growing season with a seed mixture of native grasses as recommended by the BLM.

- C. Three sides of the reserve pit will be fenced prior to drilling operations. At the time that the rig is removed, the reserve pit will be fenced on the rig (fourth) side and netted to prevent livestock or wildlife from being entrapped. The fencing and netting will remain in place until the pit area is cleaned up and leveled. No oil will be left on the surface of the fluid in the pit.
- D. Upon completion of the proposed operations, if the well is completed, the reserve pit area will be treated as outlined above within the same prescribed time. The caliche from any area of the original drillsite not needed for production operations or facilities will be removed and used for construction of thicker pads or firewalls for the tank battery installation. Any additional caliche required for facilities will be obtained from a BLM - approved caliche pit. Topsoil removed from the drill site will be used to recontour the pit area and any unused portions of the drill pad to the original natural level and reseeded as per BLM specifications.

11. Surface Ownership:

The wellsite and lease is located entirely on Federal surface. Kenneth Smith, Carlsbad, N.M. has the Federal grazing lease on this surface.

12. Other Information:

- A. The area around the well site is grassland and the top soil is sandy. The vegetation is native scrub grasses with abundant oakbrush, sagebrush, yucca, and prickly pear.
- B. There is no permanent or live water in the immediate area.
- C. There is no evidence of any archaeological, historical, or cultural sites in the vicinity of the location. The Cultural Resources Examination is included as Exhibit #7.

13. Lessee's and Operator's Representative:

The Mitchell Energy Corporation representative responsible for assuring compliance with the surface use plan is as follows:

George W. Tullos, District Drilling Manager  
Mitchell Energy Corporation  
400 W. Illinois, Suite 1000  
Midland, Texas 79701  
Phone: (915) 682-5396 (office)  
(915) 687-3711 (home)

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Mitchell Energy Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date: October 8, 1993

Signed: \_\_\_\_\_

*Patrick J. Noyes*

Patrick J. Noyes

Regional Engineering Manager

Attachment

3DRL24FC.GM

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

10,000 psi Working Pressure

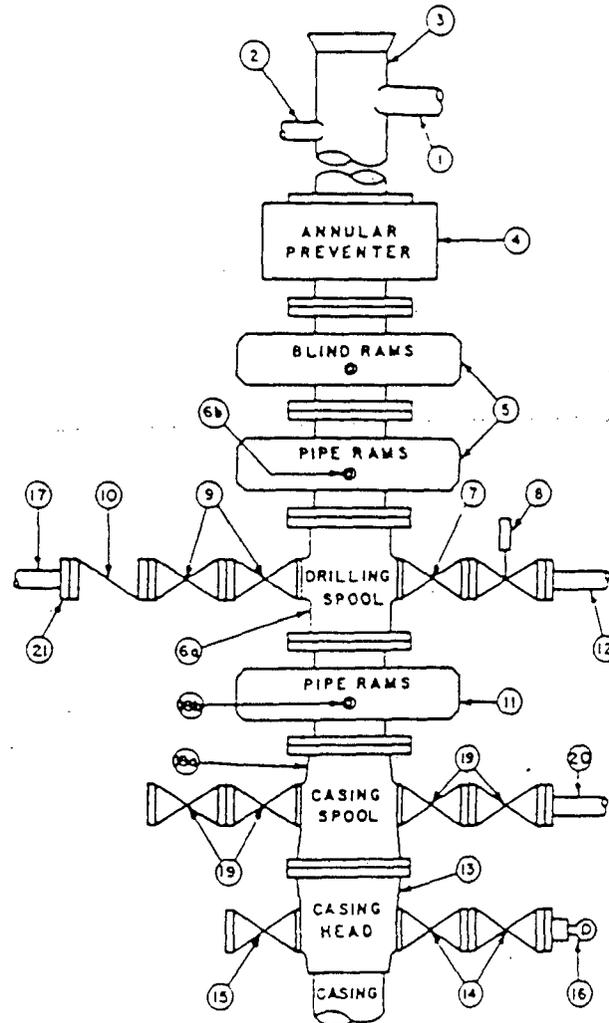
10 MWP

EXHIBIT #1  
Apache "24" Fed. Com. No. 2  
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	Gate valve	3-1/8"	
8	Gate valve—power operated	3-1/8"	
9	Gate valves	2-1/16"	
10	Check valve	2-1/16"	
11	Single hydraulically operated ram		
12	Line to choke manifold		3"
13	Casing head		
14	Gate valves	1-13/16"	
15	Gate Valve or Flanged Valve w/Control Plug.	1-13/16"	
16	Pressure gauge with needle valve		
17	Kill line to rig mud pump manifold		2"

OPTIONAL			
18a	Casing spool with 2" outlet	or	
18b	2" outlet in ram preventer		
19	Gate valves	2-1/16"	
20	Auxiliary choke line (emergency only)		2"
21	Roadside connection to kill line		2"
22	Shear ram blocks for blind rams		



CONTRACTOR'S OPTION TO FURNISH:

- All equipment and connections above bradenhead or casinghead.
- 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, including control for hydraulically operated wing valve, to be located near drillers position with remote controls located away from rig floor.
- Kelly equipped with Kelly cock and Hydril Kelly valve, or its approved equivalent.
- Hydril Kelly valve or its approved equivalent and approved inside blow-out preventer to fit drill pipe in use on derrick floor at all times.
- Kelly saver-sub equipped with rubber casing protector at all times.
- Extra set of pipe rams to fit pipe being used on location.
- Plug type blowout preventer tester.
- Type RX ring gaskets in place of Type R.

10. Outlet for Halliburton on kill line.

MEC TO FURNISH:

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

GENERAL NOTES:

- Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
- 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. 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.
- 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.

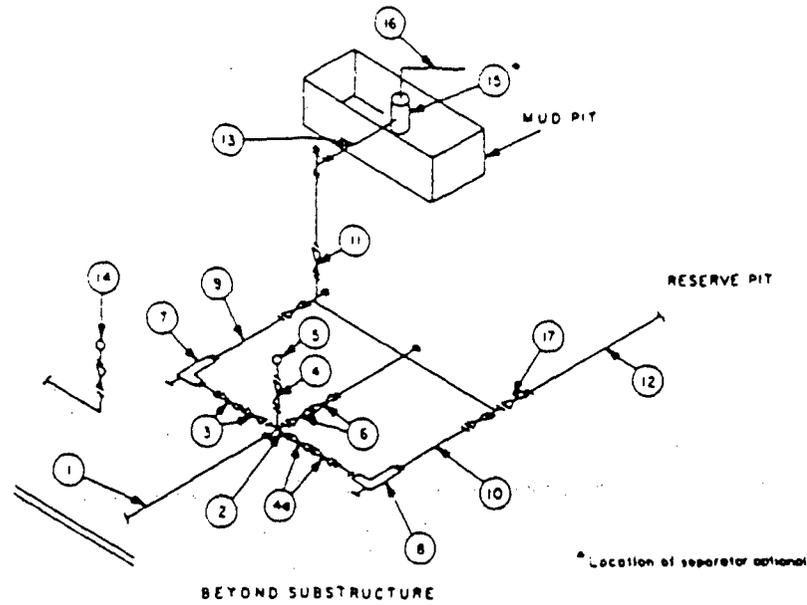
- All valves to be equipped with handwheels or handles ready for immediate use.
- Choke lines must be suitably anchored.
- Handwheels and extensions to be connected and ready for use.
- Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
- All seamless steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Approved hoses will be permitted.
- Casinghead connections shall not be used except in case of emergency.
- Do not use kill line for routine fill-up operations.
- Rig pumps ready for hook-up to BOP control manifold for emergency use only

Attachment to Exhibit #1  
NOTES REGARDING THE BLOWOUT PREVENTERS  
Apache "24" Fed Com No. 2  
Eddy County, New Mexico

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition, 10,000 psi W.P. minimum below 7" casing point.
4. All fittings to be flanged.
5. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 10,000 psi W.P. minimum below 7" casing point.
6. All choke and fill lines to be securely anchored, especially ends of choke lines.
7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
8. Kelly cock on kelly.
9. Extension wrenches and hand wheels to be properly installed.
10. Blow out preventer control to be located as close to driller's position as feasible.
11. Blow out preventer closing equipment to include minimum 80 gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.

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

**EXHIBIT 1-A**  
 Apache "24" Fed. Com. No. 2  
 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 □ Plug □(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate □ 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"		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.
6. 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 to atmosphere.

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

Exhibit #2  
 Apache "24" Fed Com No. 2  
 Eddy County, New Mexico

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

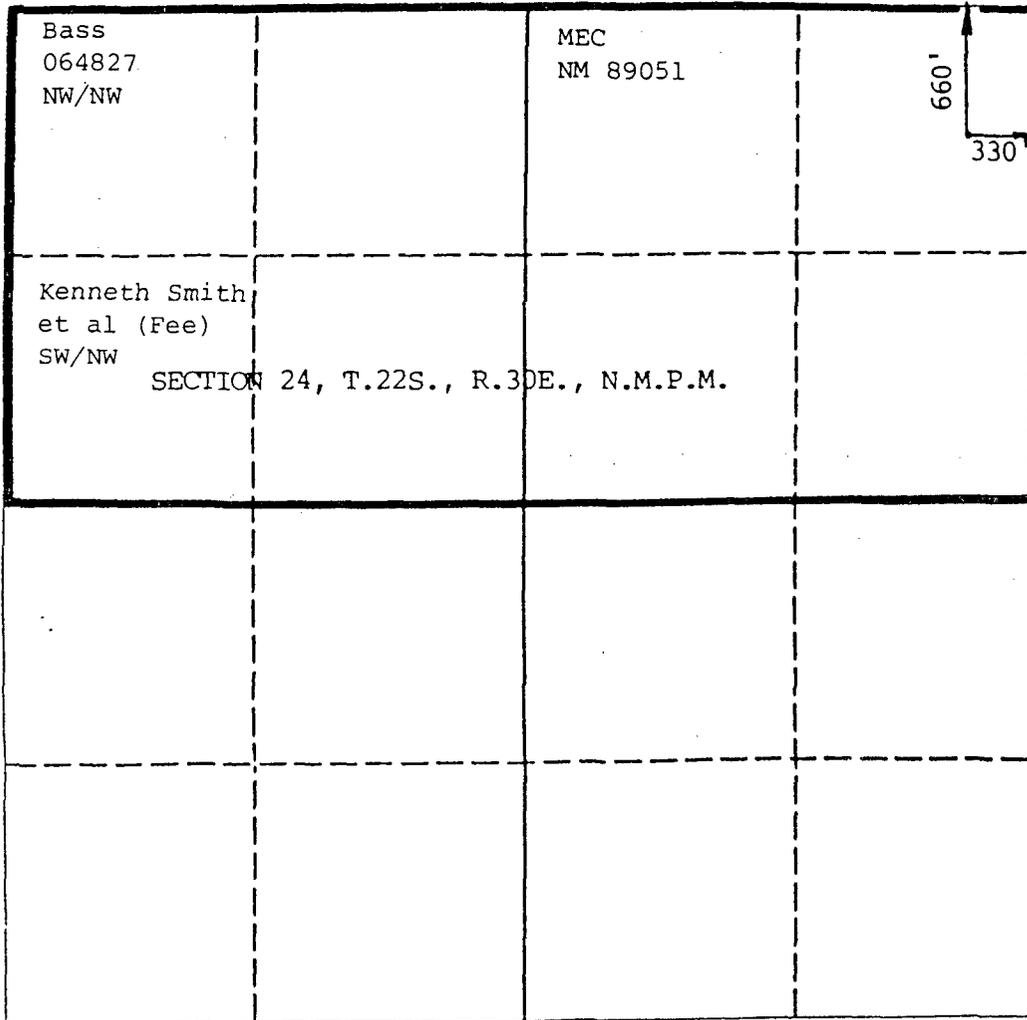
DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT  
 All Distances must be from the outer boundaries of the section

Operator MITCHELL ENERGY Corporation			Lease APACHE "24" FED COM		Well No. #2
Unit Letter A	Section 24	Township 22S.	Range 30E.	County EDDY	
Actual Footage Location of Well: 660 feet from the NORTH line and 330 feet from the EAST line					
Ground level Elev. 3387	Producing Formation Devonian		Pool Wildcat	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.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is 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 8, 1993

SURVEYOR CERTIFICATION

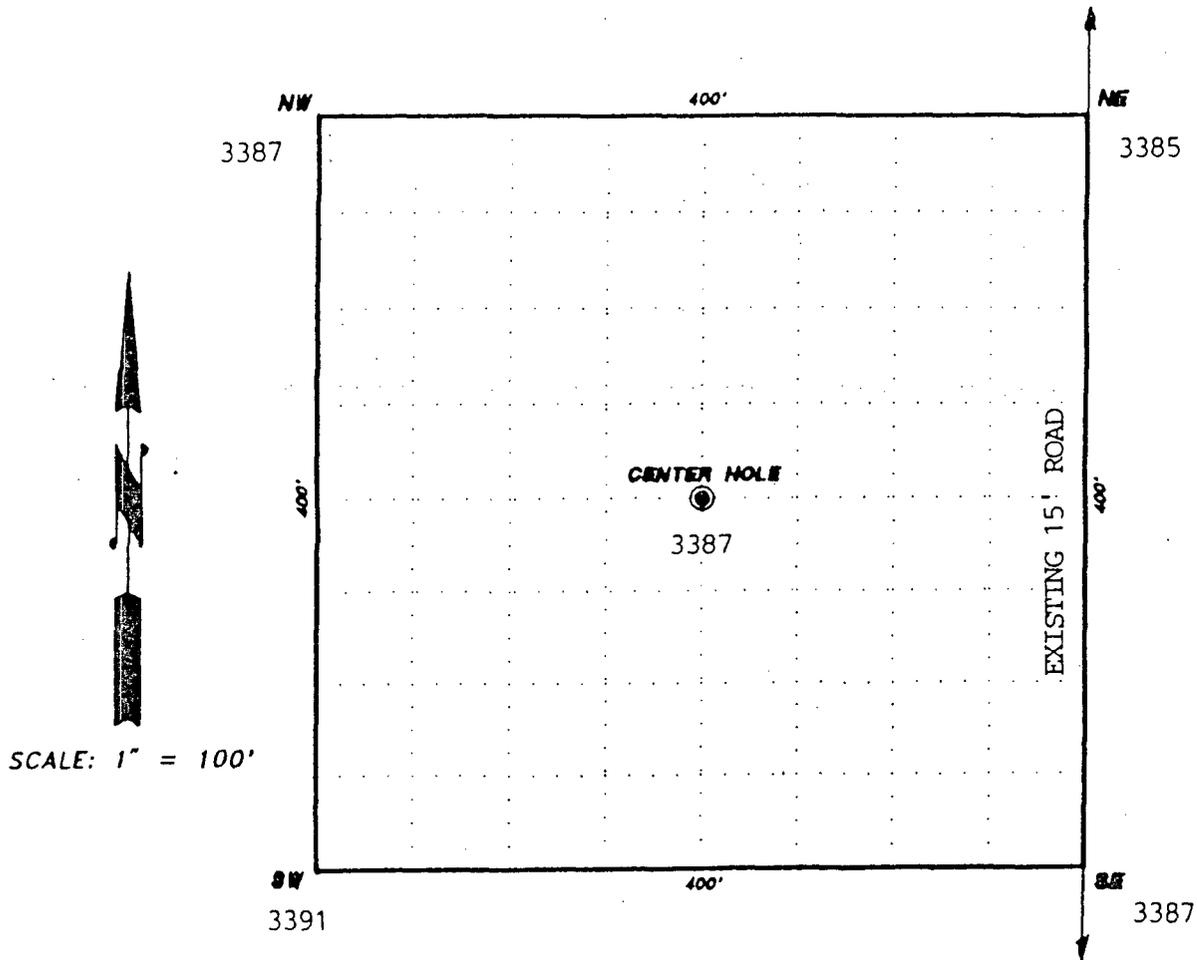
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 9/10/93  
 Signature & Seal of Professional Surveyor: *Jaques*  
 Certificate No: 6290  
 PROFESSIONAL SURVEYOR

24APACHE2

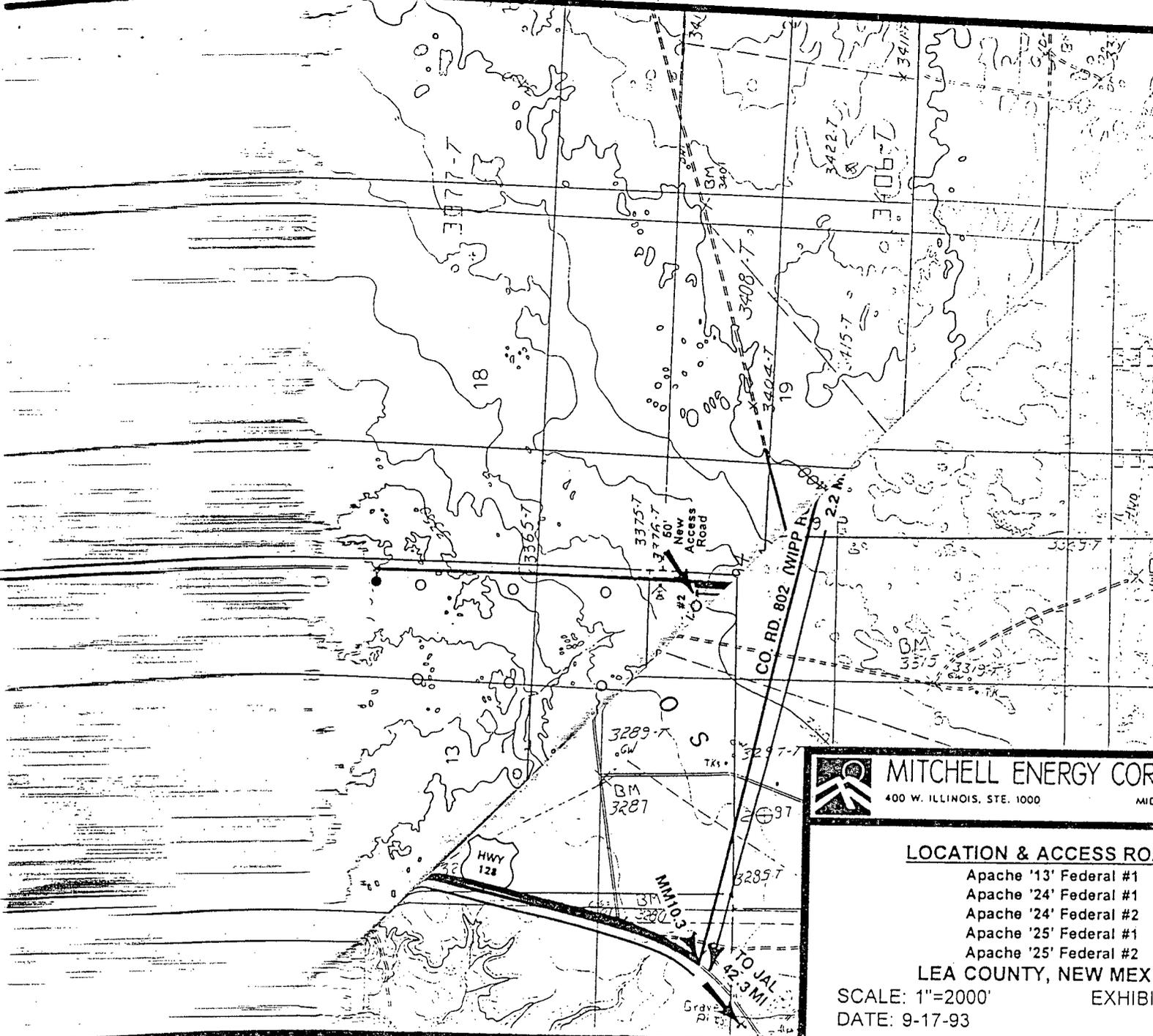
# GRID ELEVATIONS

JOHN D. JAGLESS & ASSOCIATES  
CONSULTING ENGINEERS



## WELL INFORMATION

Attachment to Exhibit #2  
APACHE 24 FED COM #2  
660 FNL, 330 FEL  
SECTION 24, T.22S., R.30E., N.M.P.M.



**MITCHELL ENERGY CORP.**  
 400 W. ILLINOIS, STE. 1000  
 MID

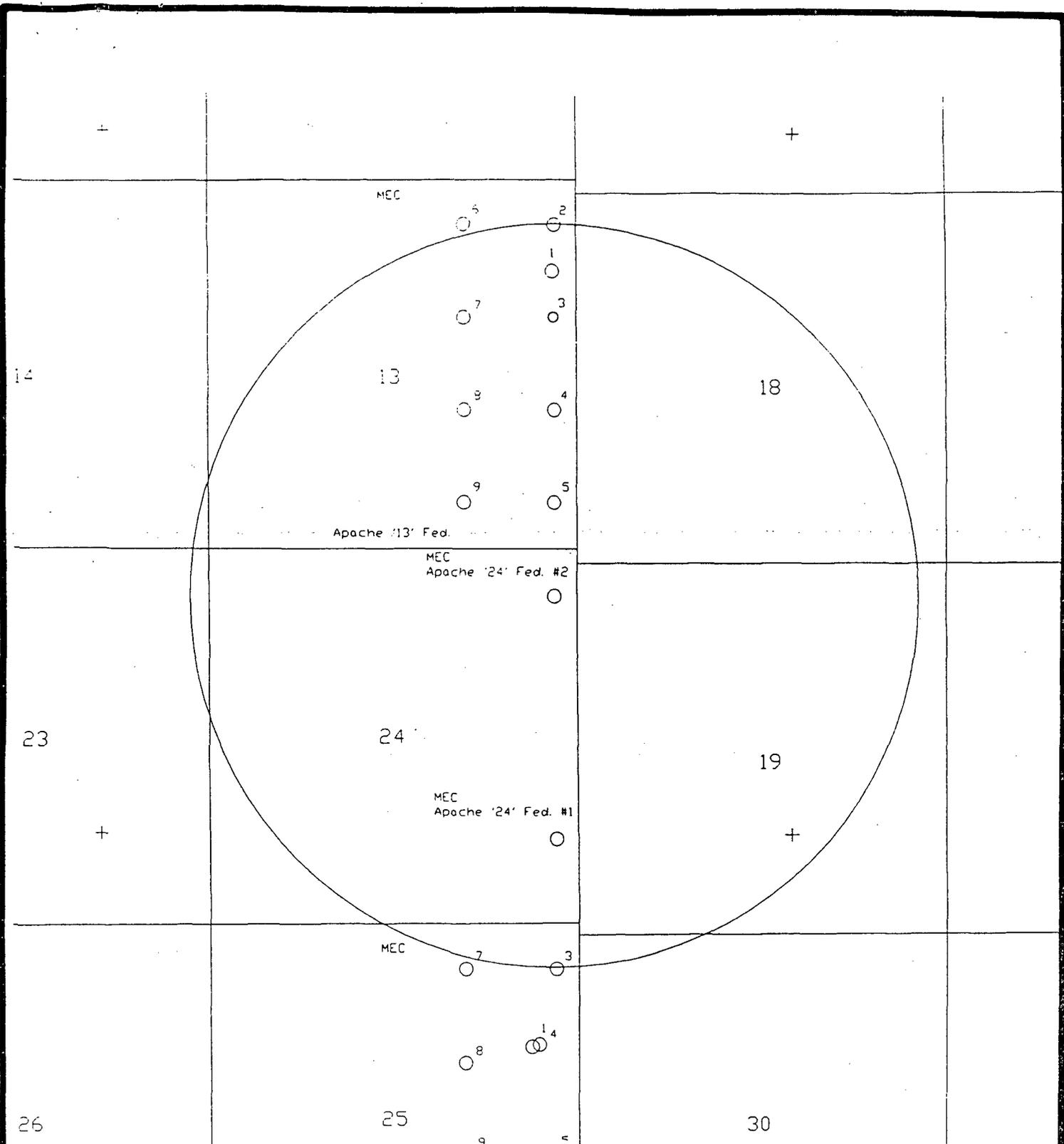
**LOCATION & ACCESS ROAD**

- Apache '13' Federal #1
- Apache '24' Federal #1
- Apache '24' Federal #2
- Apache '25' Federal #1
- Apache '25' Federal #2

**LEA COUNTY, NEW MEXICO**

SCALE: 1"=2000'  
 DATE: 9-17-93

EXHIBIT



 MITCHELL ENERGY CORPORATION

ONE-MILE RADIUS MAP  
APACHE '24' FEDERAL #2

EDDY COUNTY, NEW MEXICO

SCALE: 1"=2000'  
DATE: 9-27-93

EXHIBIT 4

ATTACHMENT TO EXHIBIT #4

STATUS OF WELLS WITHIN ONE-MILE RADIUS

Apache "24" Federal #2.  
Sec. 24-T22S-R30E  
660' FNL/330' FEL  
Eddy County, New Mexico  
September 1993

Sec. 24-T22S-R30E

Mitchell Energy	Apache "24" Fed. #1	1200' FSL/330' FEL	Drilling
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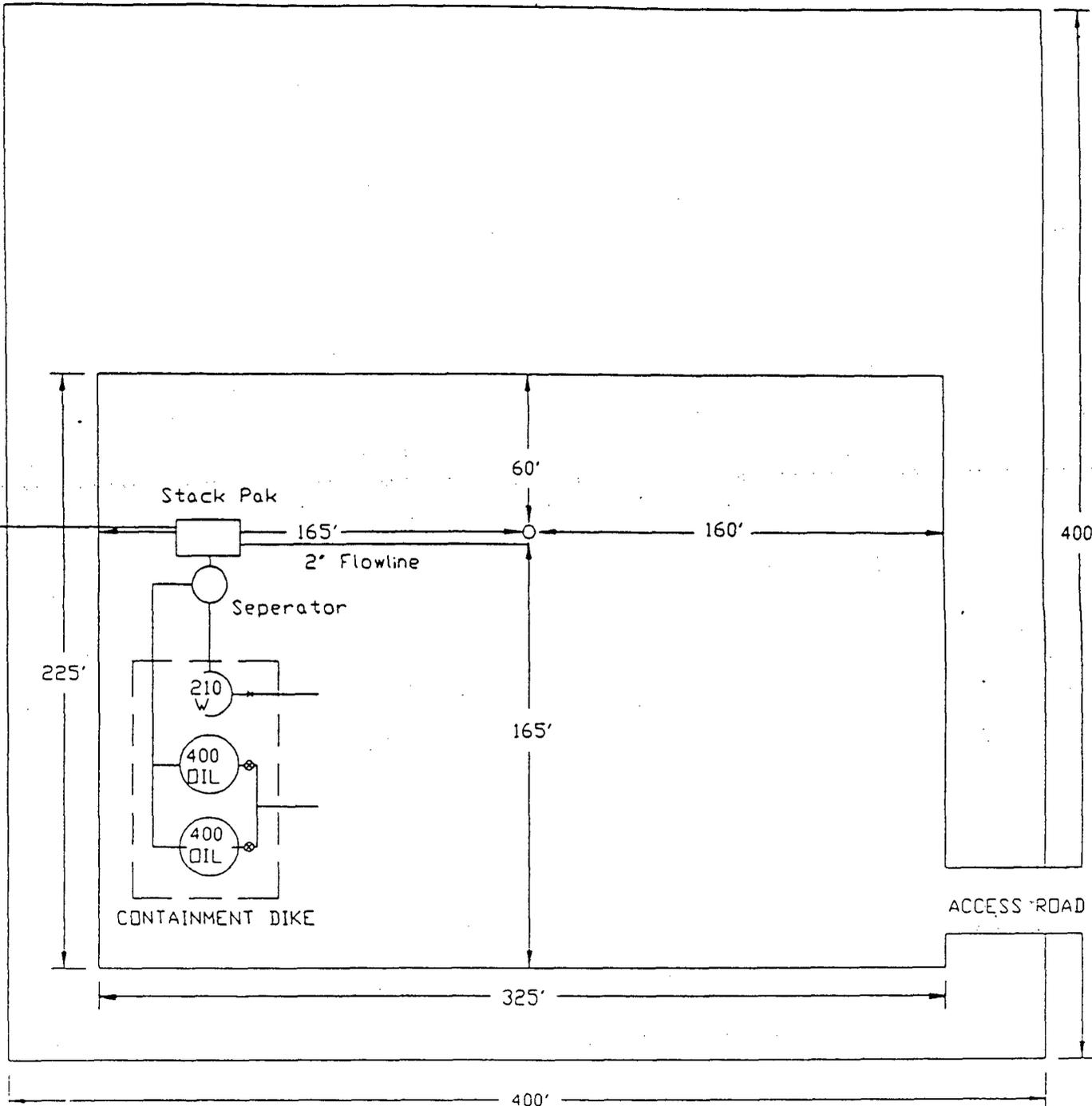
Sec. 13-T22S-R30E

Mitchell Energy	Apache "13" Fed. #1	1330' FNL/330' FEL	SI Gas Well
Mitchell Energy	Apache "13" Fed. #2	660' FNL/330' FEL	Staked Location
Mitchell Energy	Apache "13" Fed. #3	1980' FNL/330' FEL	Staked Location
Mitchell Energy	Apache "13" Fed. #4	1980' FSL/330' FEL	Staked Location
Mitchell Energy	Apache "13" Fed. #5	660' FSL/330' FEL	Staked Location
Mitchell Energy	Apache "13" Fed. #7	1980' FNL/1650' FEL	Staked Location
Mitchell Energy	Apache "13" Fed. #8	1980' FSL/1650' FEL	Staked Location
Mitchell Energy	Apache "13" Fed. #9	660' FSL/1650' FEL	Staked Location

Sec. 25-T22S-R30E

Mitchell Energy	Apache "25" Fed. #3	660' FNL/330' FEL	Staked Location
-----------------	---------------------	-------------------	-----------------

SALES



◆ SEALED VALVE



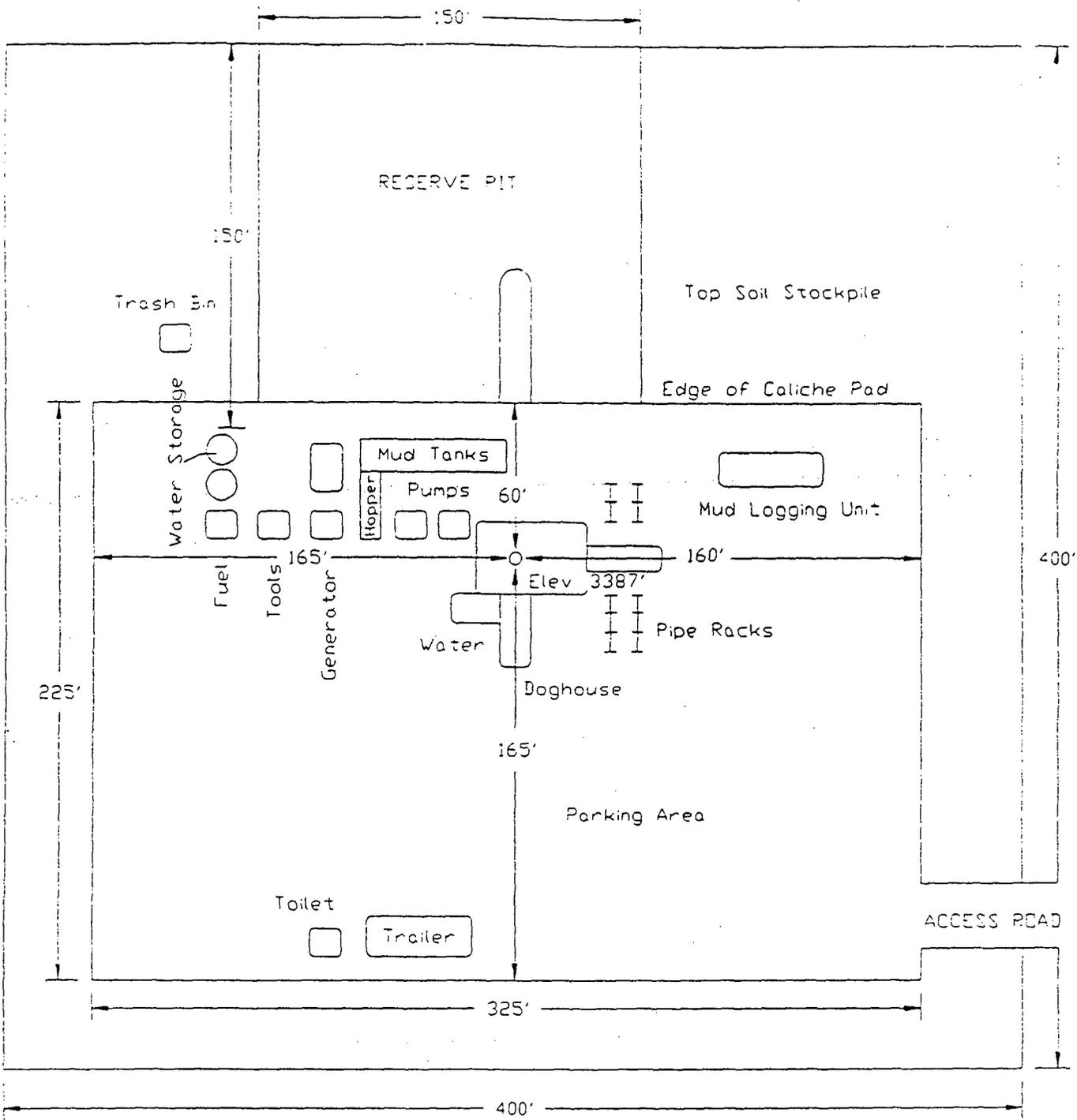
**MITCHELL ENERGY CORP.**

PRODUCTION FACILITIES LAYOUT FOR  
APACHE '24' FEDERAL #2

EDDY COUNTY, NEW MEXICO

SCALE: 1"=60'  
DATE: 6-25-93

EXHIBIT 5



**MITCHELL ENERGY CORP.**

DRILLING RIG LAYOUT AND ELEVATIONS  
APACHE '24' FEDERAL #2

EDDY COUNTY, NEW MEXICO

SCALE: 1"=60'  
DATE: 9-17-93

EXHIBIT 6

ARCHAEOLOGICAL SURVEY CONSULTANTS  
P.O. Drawer D  
Roswell, New Mexico 88202  
Phone: 505-623-5012

on lands administered by the  
Department of the Interior  
Bureau of Land Management  
Roswell District, New Mexico

ASC PERMIT NO.: 18-2920-92-F  
ASC JOB NO.: 93-241; Mitchell  
Energy Corp. Apache 24 Federal  
Well No. 2 Relocation No. 2

TO: Michael Kyte, Area Archaeologist, Carlsbad Resource Area, Roswell District,  
Bureau of Land Management.

FROM: J.V. Sciscoenti, ARCHAEOLOGICAL SURVEY CONSULTANTS, P.O. Drawer D, Roswell, New  
Mexico 88202

SUBJECT: MITCHELL ENERGY CORPORATION APACHE 24 FEDERAL WELL NO. 2 RELOCATION. T22S,  
R30E, SECTION 24, NE¼NE¼ [660 FNL, 330 FEL]. EDDY COUNTY, NEW MEXICO.

FEDERAL LAND SURFACE  
[U.S.G.S. 7.5 minute series, LIVINGSTON RIDGE, NEW MEXICO, 1985]

ASC Report 93-241

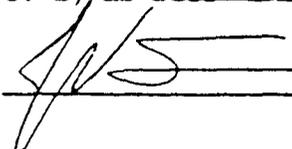
1. ABSTRACT: intensive archaeological survey of the Mitchell Energy Corporation Apache 24 Federal Well No. 2 Relocation (400 ft. square), with a total federal land surface of 3.67 acres, inspected for cultural remains. No access is required, since the well pad abuts the extant NS caliche, oilfield road. It should be noted that this is the second relocation of the proposed well pad.

The project is situated SE of Livingston Ridge, ca. 0.75 miles E of Hill Tank; except where impeded by dune ridges and small sunken basins, the area drains N/NW towards Livingston Ridge/Nash Draw. The project is situated in a relatively barren area of low coppice dunes, abundant caliche float on the interdunal areas, some sheet wash to the N/NW, and an incipient arroyo (developed on a cattle trail ?) which traverses the well pad. A low rise/ridge occurs to the SW of the well pad. The soils consist of Pajarito loamy fine sands.

The archaeological survey was conducted on September 8, 1993, with some 1.5 work hours spent on ground during the survey.

Archaeological survey of the Mitchell Energy Corporation Apache 24 Federal Well No. 2 Relocation did not reveal any cultural resources.

Therefore, archaeological clearance for the Mitchell Energy Corporation Apache 24 Federal Well No. 2 Relocation (No. 2) is recommended.

Principal Investigator:  \_\_\_\_\_

Date: September 10, 1993



CONSERVATION DIVISION  
RECEIVED

93 NOV 8 AM 8 47

**Department of Energy**  
Albuquerque Operations Office  
Waste Isolation Pilot Plant Project Office  
P. O. Box 3090  
Carlsbad, New Mexico 88221

NOV 01 1993

Mr. Michael Stogner  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, N.M. 87504-2088

Dear Mr. Stogner:

We have completed a review of the request from Mitchell Energy Corporation for a non-orthodox well location for the proposed well, Section 24, T22S, R30E (Apache 24).

The non-orthodox location does not encroach on the WIPP 16 section withdrawal area. However, due to the nearness (330 feet) from the WIPP boundary, we are requesting that your final approval stipulate that Mitchell Energy Corporation submit a set of daily drilling logs to verify that the horizontal displacement of the drill hole towards the withdrawal area does not exceed the 330 feet between center hole location and the WIPP boundary. If this distance is exceeded, a trespass condition will exist and the driller should be required to stop all drilling, plug and seal the area of trespass in accordance with applicable regulations before resuming drilling.

The daily drilling logs should be sent to me via fax. The fax number is (505) 887-0707. The Mitchell Energy Corporation is presently sending the DOE drilling information on other similarly located well sites and have been willing to cooperate with us in our effort. If you have any questions, please call me at (505) 234-8117 or (505) 234-7337.

Sincerely,

Patty Baratti-Sallani  
Environmental Specialist

- cc:
- D. Mercer, WPIO
- K. Hunter, WPSO
- T. J. Reese, WPSO
- J. Cotton, WID

Via Fax

November 16, 1993

Ms. Patty Baratti-Sallani  
Environmental Specialist  
Dept. of Energy  
Albuquerque Operation Office  
Waste Isolation Pilot Plant Project Office  
P.O. Box 3090  
Carlsbad, NM 88221

Re: **Special Stipulation for Apache "24" Well No. 2**  
**Section 24, T22S, R30E, N.M.P.M.**  
**Eddy County, New Mexico**



Dear Ms. Baratti-Sallani:

Attached is a copy of the proposed stipulation which I understand that the BLM and DOE have agreed to include in drilling permit approvals for wells within 330 feet of the WIPP boundary. Mitchell Energy Corporation has no objection to the inclusion of this stipulation in the drilling permit issued by the BLM for the Apache "24" Well No. 2. We note, however, that this stipulation is not consistent with the stipulation you asked Mike Stogner, with the NMOCD, to include in the non-standard location approval for the subject well. Mitchell does not see the need for redundancy by including a special stipulation in both the BLM and OCD approvals, particularly since the BLM is the agency responsible for approval of the actual drilling permit. If the DOE is insistent on inclusion of a stipulation by the OCD, Mitchell requests that it be identical to the BLM/DOE agreed-to stipulation which is attached.

Mitchell intends to continue to cooperate with BLM and DOE on wells drilled near the WIPP site and we only ask that the cooperation and communication be reciprocal.

Please call me at 713-377-5818 and let me know how you plan to proceed with this matter.

Sincerely,

MITCHELL ENERGY CORPORATION

Mark N. Stephenson  
Manager  
Production-Regulatory Affairs

MNS:mtb  
apachestp.mns

cc: Tim O'Brien/Gary Bowers - BLM-Carlsbad  
Mike Stogner - OCD Santa Fe

enc. MITCHELL ENERGY CORPORATION 2001 TIMBERLOCH PLACE  
P.O. BOX 4000, THE WOODLANDS, TEXAS 77387-4000 713/377-5500  
A subsidiary of Mitchell Energy & Development Corp.

from the

BUREAU OF LAND MANAGEMENT  
P. O. BOX 1778  
CARLSBAD, NM 88221-1778

COM (505) 887-6544  
FAX (505) 885-9264



RIPIARIAN &  
WILDLIFE HABITAT



OIL & GAS  
DEVELOPMENT



CULTURAL  
RESOURCES



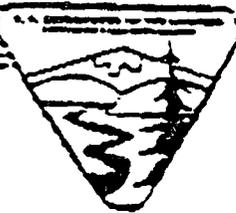
LAND EXCHANGES  
& REALTY



VOLUNTEERISM



FIRE  
MANAGEMENT



RESOURCE  
PROTECTION



CAVES



POTASH MINING



HAZARDOUS  
MATERIALS MANAGEMENT



RANGE



RECREATION

TO: Mark Stephenson (FAX #713-377-6637)

FROM: Tim O'Brien

NUMBER  
OF PAGES: 1  
(INCLUDING THIS ONE)

DATE 11-15-93

MESSAGE: BLM/DOE agreed to condition of approval  
for proposed wells within 330 ft of WIPP boundary

Operators of wells within 330 feet of the Department of Energy's (DOE) Waste Isolation Pilot Plant (WIPP) boundary will be required to submit "deviation" surveys to DOE for monitoring during drilling. If DOE determines that the drilling may have penetrated the vertical WIPP boundary, DOE will notify BLM and BLM will require the operator to cease drilling operations and conduct a directional survey. If DOE determines, based on the directional survey, that the boundary has been penetrated, the operator shall take the necessary steps to correct such condition before drilling may resume.



CONSERVATION DIVISION  
RECEIVED

**Department of Energy**  
Albuquerque Operations Office  
Waste Isolation Pilot Plant Project Office  
P. O. Box 3090  
Carlsbad, New Mexico 88221

93 NOV 8 AM 8 47

NOV 01 1993

Mr. Michael Stogner  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, N.M. 87504-2088

Dear Mr. Stogner:

We have completed a review of the request from Mitchell Energy Corporation for a non-orthodox well location for the proposed well, Section 24, T22S, R30E (Apache 24).

The non-orthodox location does not encroach on the WIPP 16 section withdrawal area. However, due to the nearness (330 feet) from the WIPP boundary, we are requesting that your final approval stipulate that Mitchell Energy Corporation submit a set of daily drilling logs to verify that the horizontal displacement of the drill hole towards the withdrawal area does not exceed the 330 feet between center hole location and the WIPP boundary. If this distance is exceeded, a trespass condition will exist and the driller should be required to stop all drilling, plug and seal the area of trespass in accordance with applicable regulations before resuming drilling.

The daily drilling logs should be sent to me via fax. The fax number is (505) 887-0707. The Mitchell Energy Corporation is presently sending the DOE drilling information on other similarly located well sites and have been willing to cooperate with us in our effort. If you have any questions, please call me at (505) 234-8117 or (505) 234-7337.

Sincerely,

*Doug Lynn  
505-887-8739*

*Patty Baratti-Sallani*  
Patty Baratti-Sallani  
Environmental Specialist

- cc:  
D. Mercer, WPIO  
K. Hunter, WPSO  
T. J. Reese, WPSO  
J. Cotton, WID

Post-It™ brand fax transmittal memo 7671		# of pages ▶
To <i>Mark Stevenson</i>	From <i>Mike Stogner</i>	
Co. <i>Mitchell Energy</i>	Co. <i>NAOCD</i>	
Dept.	Phone #	
Fax # <i>713-377-5885</i>	Fax # <i>505-827-5811</i>	