Form 9-331 C (May 1963)

NM OIL CONS. COMMISSION
Drawer DD
Artesia, NM 88210

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

Form approved. Budget Bureau No. 42-R1425.

30-015-24711

RECEIVED BY
DEC 08 1983
O. C. D.
ARTESIA, OFFICE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: LC-028784-028793b

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

7. UNIT AGREEMENT NAME:

b. TYPE OF WELL: OIL WELL [XX] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME: Burch BB Fed.

2. NAME OF OPERATOR: Phillips Oil Company (Sucessor to General American Oil Co. of Texas by Merger 3-8-83)

9. WELL NO.: 36

3. ADDRESS OF OPERATOR: 4001 Penbrook, Odessa, Texas 79762

10. FIELD AND POOL, OR WILDCAT: Grayburg-Jackson (SR-Q - Gb-SA)

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1300' FSL & 530' FWL — ut. M
At proposed prod. zone:

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 23, T-17-S, R-29-E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 4 miles west of Loco Hills, New Mexico

12. COUNTY OR PARISH: Eddy — 13. STATE: New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. line, if any):

16. NO. OF ACRES IN LEASE: 160±

17. NO. OF ACRES ASSIGNED TO THIS WELL: 40

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

19. PROPOSED DEPTH: 3500'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): ~~Advise later~~ 3579'

22. APPROX. DATE WORK WILL START*: on approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#/Ft. K-55	350'	350 sx Cl "C" + 2% $CaCl_2$ @ 14. ppg. Circ. to Surface
7 7/8"	4 1/2"	11.6#/Ft, N-80	3500'	Caliper vol. + 30%, Cl "C" + 5#/sx salt @ 14.8 ppg. Circ. to Surface.

BUREAU OF LAND MANAGEMENT
RECEIVED
NOV 14 1983
DIST. 6 N. M.
ROSWELL, NEW MEXICO

NOTE: It is understood that the oil allowable assignment to this well is subject to the approval by NMOCD of this unthrodox location.

Posted API
ID-1 & NL Dook
12-9-83

Use mud additives as required for control (see attached mud program)
BOP Equipment: See attached sketch.

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. 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.

24. SIGNED W. J. Mueller TITLE Sr. Engineering Specialist DATE 11-10-83

(This space for Federal or State office use)

PERMIT NO. ______ APPROVAL DATE ______

APPROVED BY (ORIG. SGD.) ARMANDO ... TITLE Acting District Manager DATE DEC 06 1983

CONDITIONS OF APPROVAL, IF ANY: APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

*See Instructions On Reverse Side

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

U.S. GOVERNMENT PRINTING OFFICE: 1963—O-685231

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator	Lease	Well No.
Phillips Oil Company (Sucessor to General American Oil Co. Of Texas by merger 3-8-83)	BURCH B	36

Unit Letter	Section	Township	Range	County
M	23	17S	29E	EDDY

Actual Footage Location of Well:
1300 feet from the SOUTH line and 530 feet from the WEST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3579.0 (Unprepared)	SR-Q - Gb-SA	Grayburg-Jackson (SR-Q - Gb-SA)	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

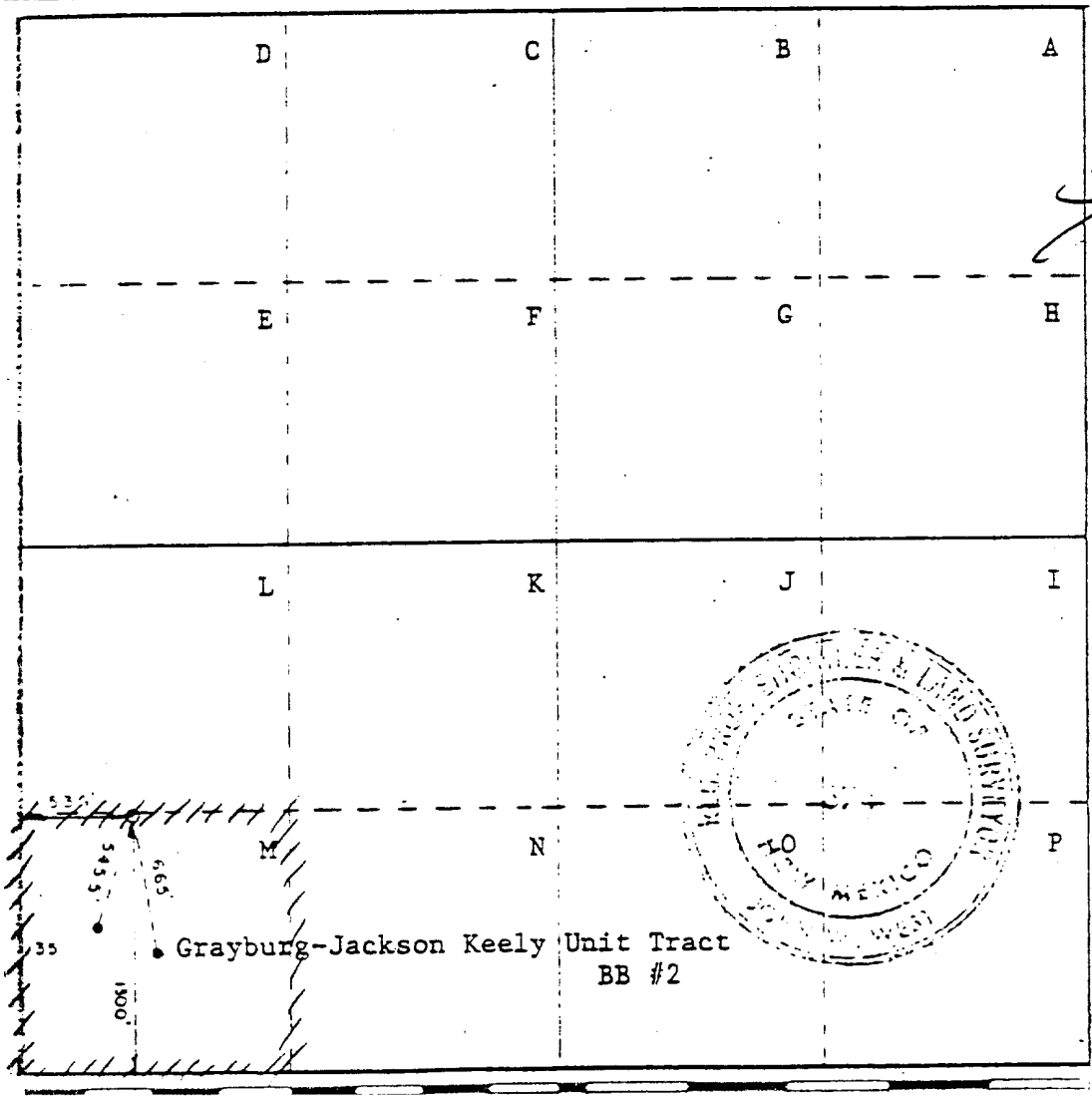
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Name: W. J. Mueller

Position: Sr. Engineering Specialist

Company: Phillips Oil Company

Date: 11-10-83

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: 11/2/83

Registered Professional Engineer and/or Land Surveyor

Certificate No. JOHN W. WEST 676

PHILLIPS OIL COMPANY

Blowout Preventer Requirements

Well Name: Burch-B Fed No. 36

I. Blowout preventer equipment, installation, testing and responsibilities will be in accordance with Phillips Company's Blowout Preventer Standards.

II. Figure Nos. 7-9 or 7-10 (Drawing Attached); Casing String 8 5/8"
BOP Size - - -; Working Pressure 2000 psi

III. Equipment to be furnished by Contractor:

A. Ram Type BOPs:
1. No. Required 2
2. Acceptable Manufacturers & Types
   a. Cameron Iron Works: QRC; F; SS; U
   b. Shaffer Tool Works: B; E; LWS; LWP
   c. Hydril

B. Annular Type BOPs:
1. No. Required - - - -
2. Acceptable Manufacturers & Types
   a. Hydril - GK
   b. Shaffer - Spherical
   c. Cameron - D

C. Preventer Operating Equipment
1. Hydraulic Pump - air, steam or electrically operated of sufficient volume and pressure capacity to close the largest ram type preventer in less than 30 seconds. Electrically operated pump must be equipped with explosion proof motor and controls.
2. Manifold with a control valve for each preventer.
3. A Hydril or equivalent regulator for each annular type preventer.
4. Accumulator of sufficient volume and pressure capacity to close all preventers in the assembly without recharging. If the pump in C.1. is incapable of recharging the accumulator in excess of 1500 psi, a separate pump capable of this is to be furnished.
5. Remote control panel with a station for each preventer control valve.
6. Steel piping to connect hydraulic closing units to preventers.
7. Choke manifold with seamless steel piping and flanged or clamp hub connections. Choke manifold assembly and piping sizes as specified, on the attached drawing. All working lines, except hydraulic closing lines, shall have flanged or clamp hub connections to preventers, spools and casing heads.
8. Full opening drill string safety valve (I.D. equal or larger than I.D. of tool joint in use). Working pressure to equal or exceed specified BOP working pressure. O.D. and configuration such that valve can be run in the hole with adequate clearance.
9. Full opening upper Kelly cock. Working pressure to equal or exceed specified BOP working pressure.

III. C. (continued)

10. Hydraulic pump of sufficient pressure rating to test preventer assembly to rated working pressure with necessary hose and fittings to connect the pump to drill pipe box or safety valve pin.
11. Drilling spool for use with single ram type preventers or with dual ram type preventers which do not have outlets between the rams.
12. Two valves on each side of drilling spool or dual preventers, one side for choke manifold connection and the other for kill line connection.
13. Hand wheels and extensions for manual operation of the ram type preventers. U-joints, extension guides, working platform(s) as necessary.
14. A 1" - 5000 psi WP plug valve on the closing side of the annular type preventer using a XXH 1" x 4" nipple.
15. Flowlines from choke manifold to pits.
16. Pressure gauge with pressure range at least equivalent to BOP WP.

IV. Equipment to be furnished by Phillips:

A. Test plug to seat in casing head.

B. Remote controlled chokes, if installed.

C. Casinghead with valves on outlets.

D. Inside blowout preventer, if required.

E. Mud-gas separator, if required, and necessary piping.

V. Location of Equipment & Controls:

A. Remote control panel on the rig floor adjacent to drillers position and stairway exit from the floor.

B. Accumulator-Hydraulic Control Valve Unit to be placed minimum of 50 feet from well bore in easily accessible location.

C. Choke Manifold located 5 feet or more from the BOPs with minimum number of turns in the run.

D. Manual closing facilities installed so handwheels are outside the substructures in unobstructed location. U-joints, extension guides and working platforms installed as necessary for proper and safe operation.

E. Choke Manifold connection, where possible, is to be made between the two bottom ram type preventers through use of a drilling spool or by connecting between rams of dual type units with outlets so installed.
   1. On dual type preventers where outlets are not installed between rams, connection is to be made to a drilling spool installed between the ram type and annular type preventers.

F. Position and Type Rams will be as shown on the attached drawing.

G. Fill up line to be tied into the bell nipple above annular preventers.

H. Safety Valve, open with connections and/or subs available to fit any tool joint in use, shall be on the rig floor at all times.

VI. Testing

A. Initial Installation Test

Immediately after installation, each component part of the blowout preventer assembly including choke lines, valves and closing facilities will be tested individually by steps as outlined in the Blowout Preventer Testing Procedure section of Phillips' Blowout Preventer Standards. The test pressure will be at the working pressure specified in Item II. All components must be satisfactorily tested before drilling out.

B. Ram Change or Repair Test

1. After each ram change or when any component part of the preventer assembly, including lines and valves, is disturbed, the disturbed portion is to be tested to working pressure specified in Item II.
2. Installation of casing rams is not required for running casing.

C. Weekly Pressure Test

The first trip out of the hole after 12:01 AM, Tuesday, weekly test will be performed as outlined in the Blowout Preventer Testing Procedure which includes testing the entire assembly with water to 1/2 the specified working pressure for 10 minutes. The Kelly cock and safety valve are to be tested to the specified working pressure. The weekly test is not required where the test falls within three days after the initial installation test.

D. Operational Test

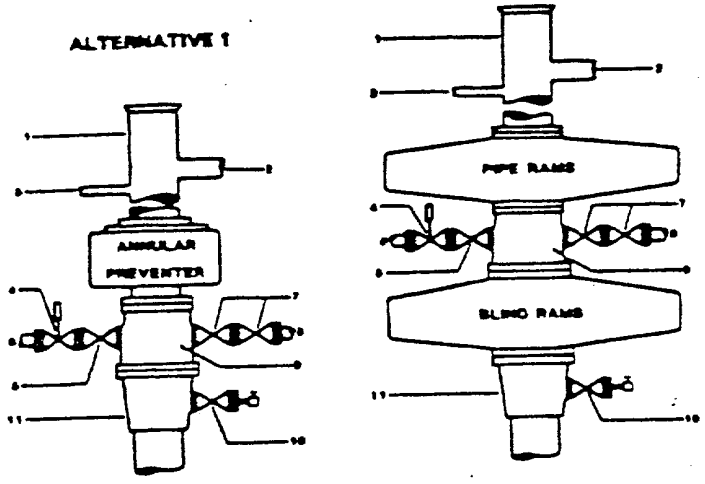
Each preventer unit is to be closed and opened on each trip or at least once each 48 hours (trip is not required just to actuate blind rams or pipe rams that do not fit top section of tapered string).

VII. Responsibilities

A. Contractor is to install and test the blowout preventer assembly as specified.

B. The driller is to check and record the accumulator pressure on the daily drilling report at the beginning of each tour.

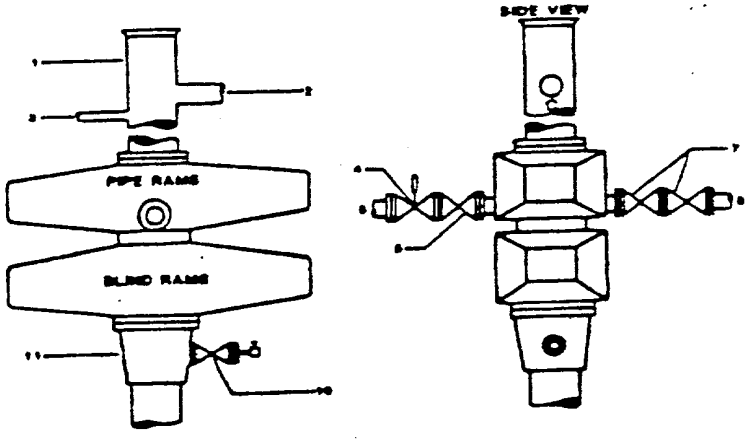
C. Expense of rig time and pressure testing services for initial and weekly tests will be borne by:
1. Contractor while on footage contract.
2. Owner while on daywork contract.



1. BELL NIPPLE
2. FLOW LINE
3. FILL-UP LINE
4. 2" FE PRESSURE OPERATED CHOKE LINE VALVE
5. 2" FE GATE VALVE
6. 2" FE CHOKE LINE TO MANIFOLD
7. 2" FE GATE VALVES
8. 2" FE KILL LINE
9. DRILLING SPOOL
10. 2" SE OR FE GATE-VALVE WITH NEEDLE VALVE
11. CASING HEAD HOUSING

NOTE: THE DRILLING SPOOL MAY BE LOCATED BELOW BOTH SETS OF RAMS IF A DOUBLE PREVENTER IS USED AND IT DOES NOT HAVE SUITABLE OUTLETS BETWEEN RAMS

Figure 7-9. Standard Hydraulic Blowout Preventer Assembly (2 M or 3 M Working Pressure)



1. BELL NIPPLE
2. FLOW LINE
3. FILL-UP LINE
4. 2" FE PRESSURE-OPERATED CHOKE LINE VALVE
5. 2" FE GATE VALVE
6. 2" FE CHOKE LINE TO MANIFOLD
7. 2" FE GATE VALVES
8. 2" FE KILL LINE
10. 2" SE OR FE GATE VALVE WITH NEEDLE VALVE
11. CASING HEAD HOUSING

Figure 7-10. Standard Hydraulic Blowout Preventer Assembly (2 M or 3 M Working Pressure) Alternative (without Drilling Spool)

BURCH LEASE WELL NO. 36, LC-028784-(793b

SW/4 SW/4 SECTION 23, T-17-S, R-29-E, Eddy CO., N.M.

1. Location of Proposed Well: 1300' FSL and 530' FWL, Sec. 23, T-17-S, R-29-E, Eddy County, New Mexico

2. Unprepared Ground Elevation: 3580.0

3. The geologic name of the surface formation is: (see attached archaeological clearance report).

4. Type of drilling tools will be standard rotary rig.

5. Proposed drilling depth is 3500' (San Andres).

6. The estimated tops of important geologic markers are as follows:

Tertiary Surface	Yates 1110'	Loco Hills 2160'
Dewey Lake 220'	Seven Rivers 1210'	Mextex 2280'
Rustler 270'	Queen 1600'	San Andres 2480'
Salt 370'	Grayburg 2000'	Lovington 2590'

7. The estimated depths at which anticipated oil, gas, or other mineral bearing formations are expected to be encountered are as follows:

Oil & Gas: Formation listed in Item 6

8. The proposed casing program is as follows:

Surface String (0-350') 8-5/8", 24#, K-55, ST&C
Production String (0-3500') 4-½", 11.6#, N-80, LT&C

9. Cement Program:

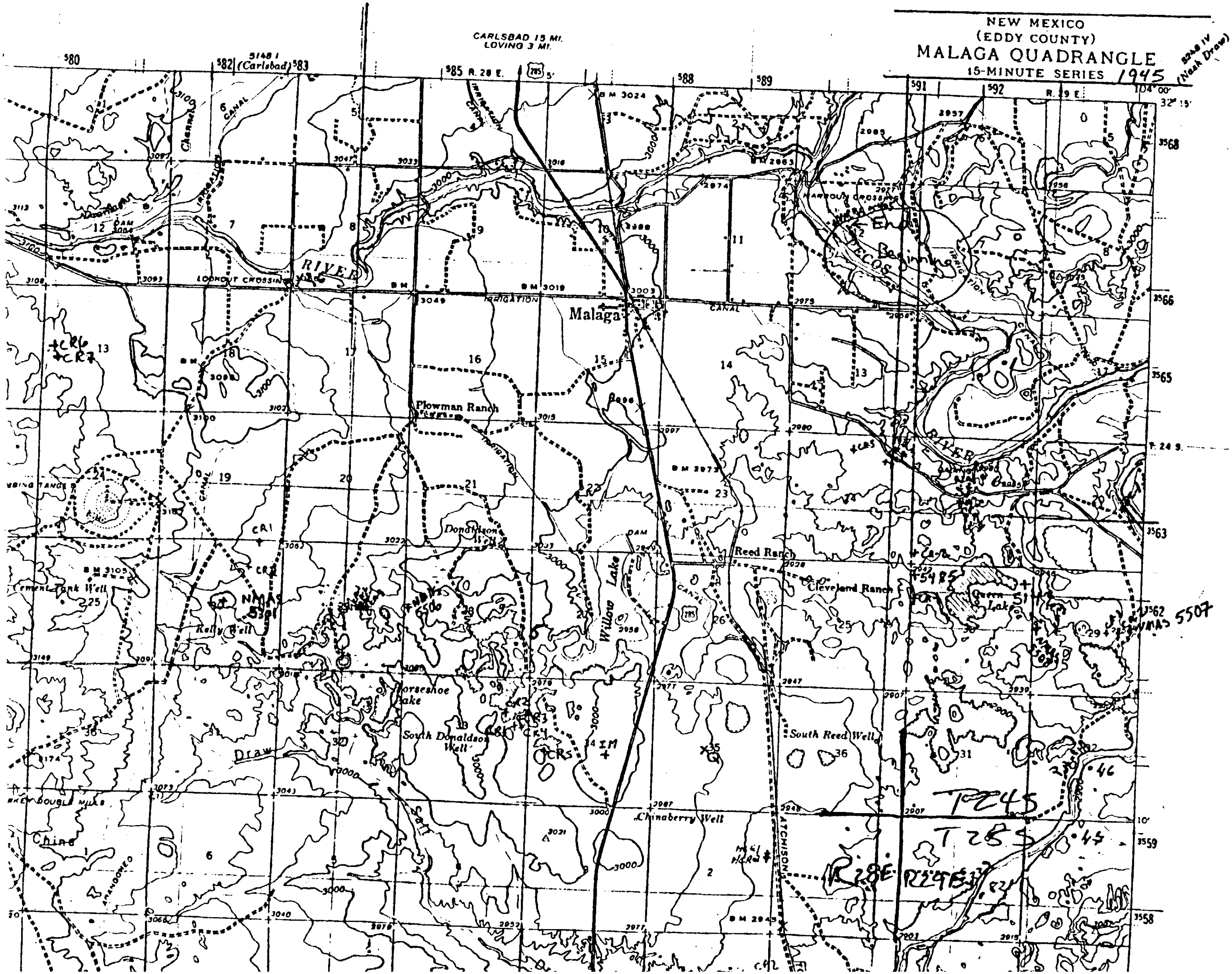
Surface String = Circulate to surface with 350/sx of Class 'C' + 2% $CaCl_2$ mixed at 14.8 ppg with 6.3 gal. of water per sack to yield 1.32 Cf/sk (TT = ±3:00 hrs., 8hr. strength = ±1200 psi). WOC 18 hrs. minimum prior to testing casing at 600 psi/30 minutes and drilling out.

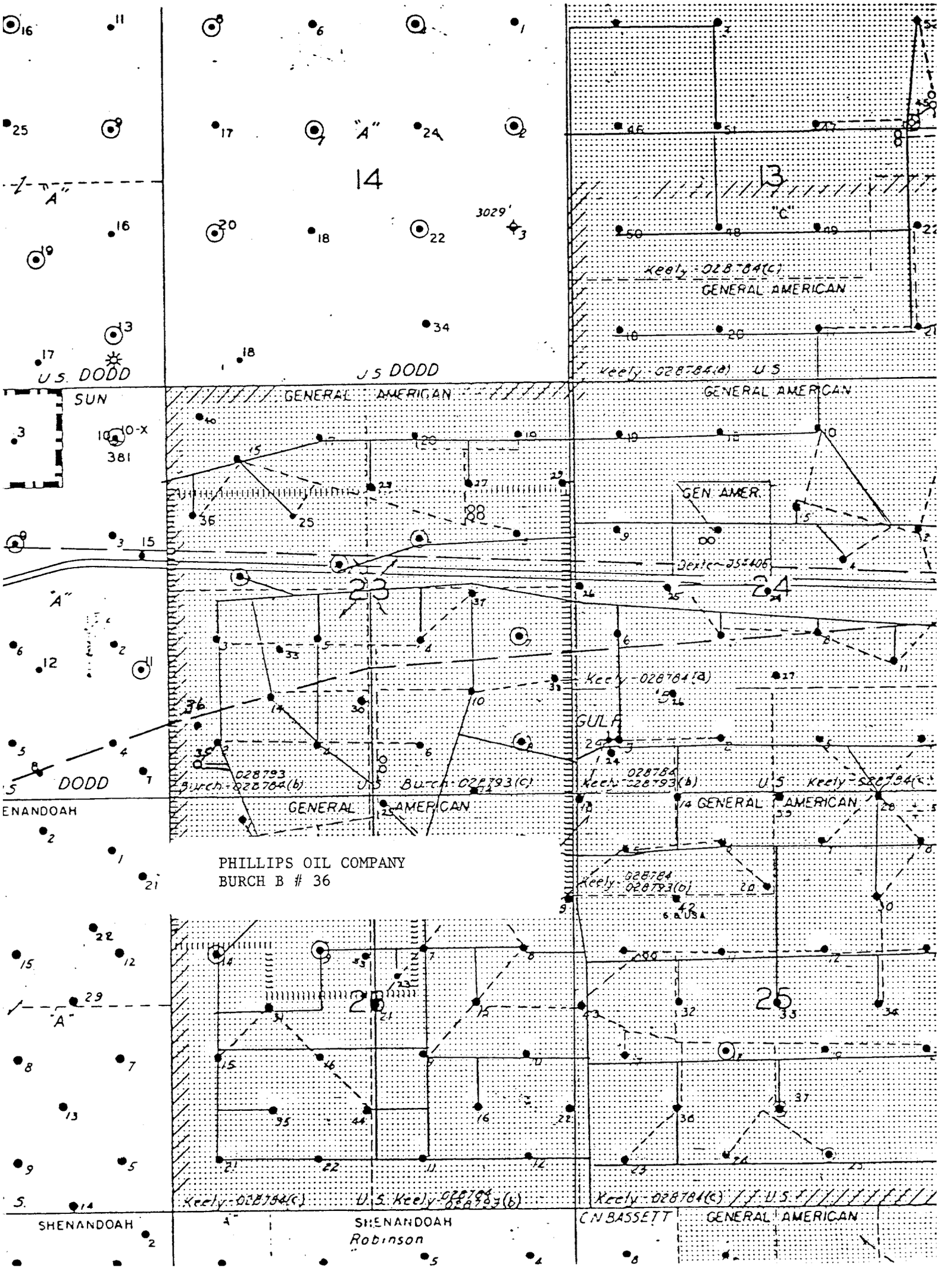
Production String = Circulate to surface with Caliper volume + 30% excess using Class 'C' + 5#/sx salt mixed at 14.8 ppg with 6.3 gallons of water per sack to yield 1.32 Cf/sk.

Displace plug w/10 bbls. of 10% Acetic Acid followed by 2% KCI FW. Centralizer & rotating scratcher points will be picked up by logging engineer.

10. The minimum specifications for pressure control equipment which are to be used, a schematic diagram thereof showing sizes, pressure ratings (or API series), and the testing procedure and testing frequency, are attached.

11. The proposed mud program is attached (see drilling specialties mud letter).


NEW MEXICO
(EDDY COUNTY)
MALAGA QUADRANGLE
15-MINUTE SERIES 1945
8248 IV (Nash Draw)
CARLSBAD 15 MI.
LOVING 3 MI.
5148 I (Carlsbad)
R. 28 E.
R. 29 E.
104°00'
32°15'
T. 24 S.
Malaga
PECOS RIVER
IRRIGATION CANAL
LOOKOUT CROSSING
HARROUN CROSSING
Plowman Ranch
Donaldson Well
Reed Ranch
Cleveland Ranch
Queen Lake
Willow Lake
Kelly Well
Horseshoe Lake
South Donaldson Well
South Reed Well
Chinaberry Well
ATCHISON
Draw
Salt
Tank Well
T24S
T25S
R28E
R29E
NMAS 5507


14
"A"
13
"C"
3029'
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GENERAL AMERICAN
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Robinson
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GENERAL AMERICAN