NM OIL CONS. COMMISSION
DRAWER DD
ARTESIA, NM 88210

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AUG 17 11 33 AM '93

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5 Lease Designation and Serial No.
LC 030570B6

6 If Indian, Allottee or Tribe Name

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

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SEP - 1 1993
O. C. D.
ARTESIA, OFFICE

7 If Unit or CA, Agreement Designation

1 Type of Well
[ ] Oil Well [X] Gas Well [ ] Other

8 Well Name and No.
Power Federal Com #2

2 Name of Operator
Anadarko Petroleum Corporation ✓

9 API Well No.
30-015-27508

3 Address and Telephone No.
PO Drawer 130, Artesia NM 88211-0130

10 Field and Pool, or Exploratory Area
Cedar Lake Morrow

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
Surface 1400' FSL & 660' FEL, Sec 26-T17S-R30E (ULI)
Pay zone 660' FSL & 660' FEL, Sec 26-T17S-R30E (ULP)

11 County or Parish, State
Eddy County, NM

12 CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
[X] Notice of Intent	[ ] Abandonment	[X] Change of Plans
[ ] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[X] Other Modify APD	[ ] Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Hereby request two modifications to APD.

1. Optional Caliche Source Pit
We now prefer to obtain our caliche from an alternate pit located in (ULO) SW/4 SE/4, Sec 23-T17S-R30E (see attached Exhibit G) instead of our original selection NW/4, Sec 35-T17S-R30E. Our dirt contractor (Globe Construction Co.) believes this alternate pit has been cleared by BLM.

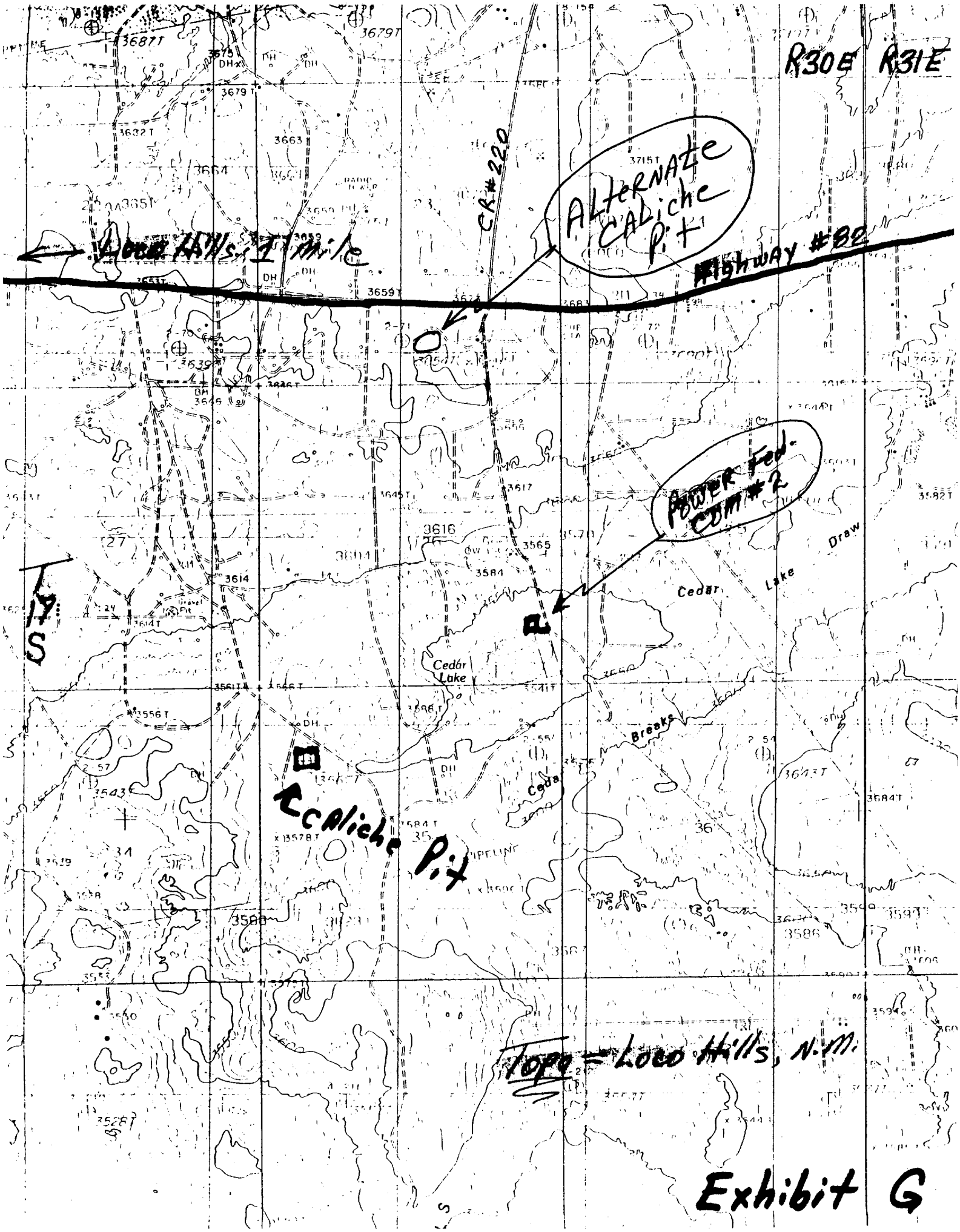
2. Optional Reserve Pit Design
Our drilling contractor hasn't been selected at this time. Once he is chosen we will be in a hurry to spud. Therefore, we hereby request an optional reserve pit design (ie: V-pit). This V-pit design (see attached literature) will only be used if approved by our drilling contractor; otherwise, we will revert back to our original rectangular design.

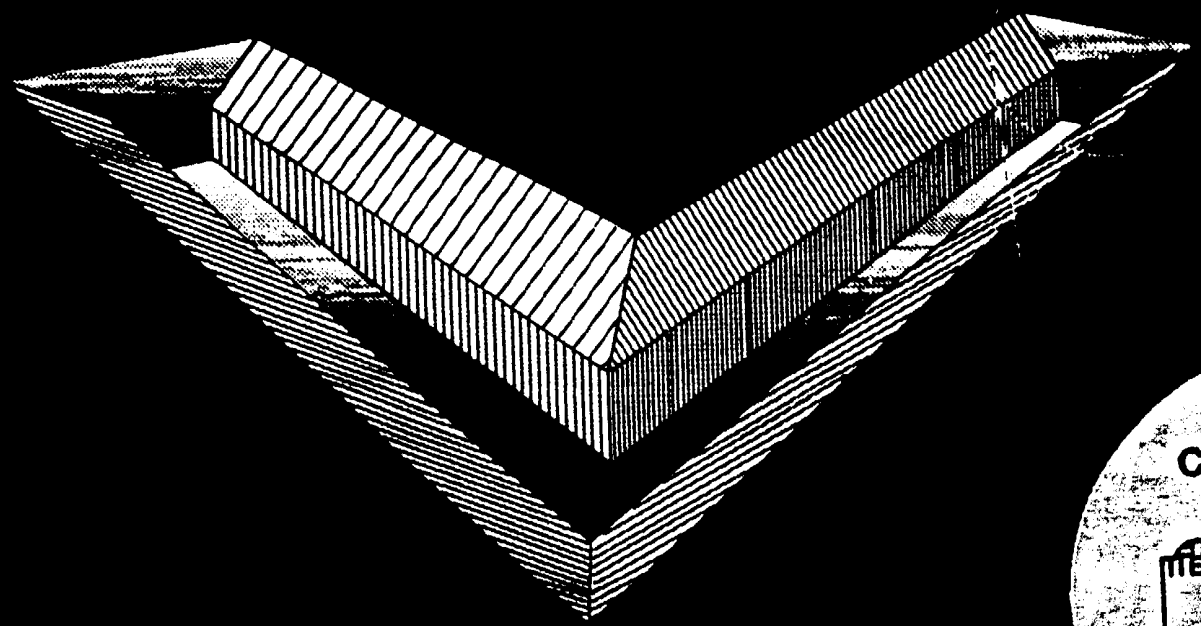
14 I hereby certify that the foregoing is true and correct
Signed Jerry E. Buckles Title Area Supervisor Date 08-17-93

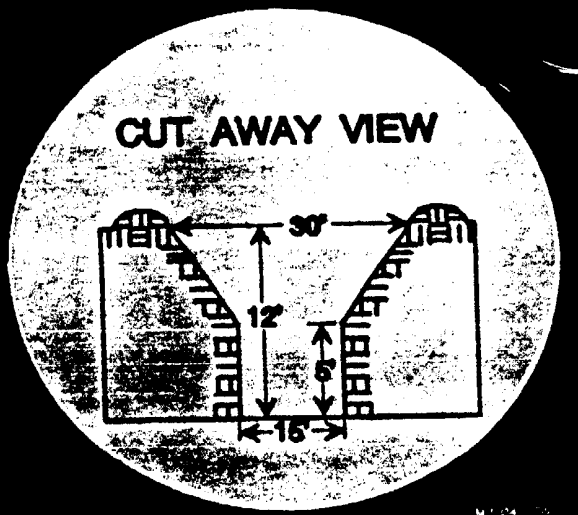
(This space for Federal or State office use)
Approved by [illegible] Title Petroleum Engineer Date AUG 26 1993
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

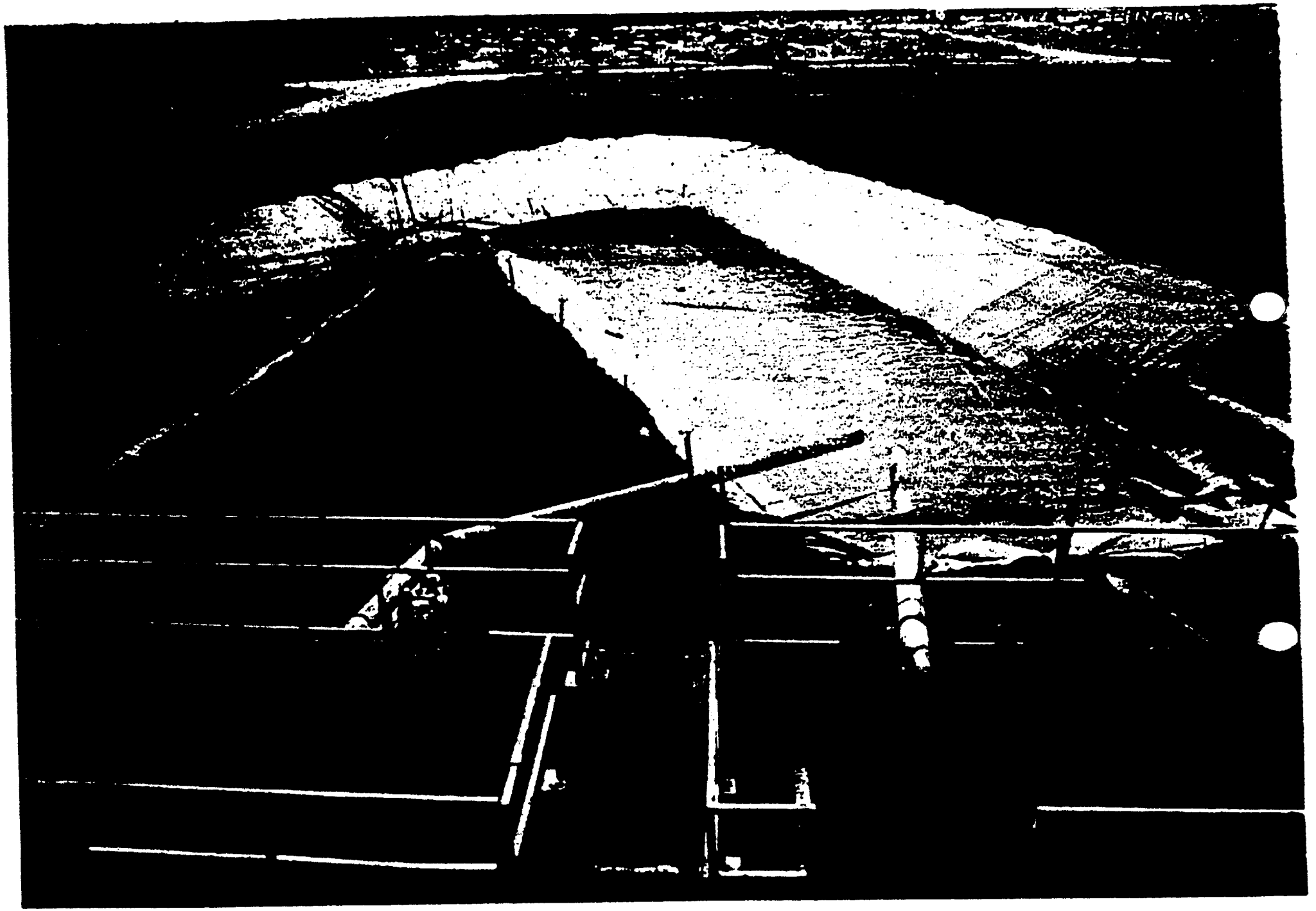
*See Instruction on Reverse Side


R30E
R31E
Alternate Caliche Pit
CR #220
Highway #82
Loco Hills 1 mile
Power Fed-Com #2
Cedar Lake
Draw
T 17 S
Caliche Pit
Breaks
Topo = Loco Hills, N.M.
Exhibit G





V-PIT DESIGN



• SLIDE 19 - "V" SHAPED RESERVE PIT ADVANTAGES

1. 60% LESS EXPENSIVE TO BUILD AND OPERATE.

- THE TEST PIT TOOK 20 HOURS TO CONSTRUCT VS. A CONTROL PIT WHICH TOOK 34 HOURS TO CONSTRUCT.
- WATER COST WAS SIGNIFICANTLY REDUCED DUE TO THE ABILITY TO GAIN SUCTION WITH THE PUMPS AT LOWER VOLUMES.
  - TO GET 3' OF WATER IN A 140' X 140' STANDARD PIT IT WOULD TAKE 10,472 BARRELS OF WATER.
  - TO GET 3' OF WATER IN THE 15'W X 200'L STEALTH PIT IT TAKES 1,603 BARRELS 653% REDUCTION.
  - BRINE USED TO INCREASE CHLORIDES TO 80,000 PPM WAS REDUCED 400%.
  - FRESH WATER ADDITIONS WERE REDUCED 62% (LOST RETURNS WERE EXPERIENCED ON BOTH WELLS.)

2. USES 400% LESS SURFACE AREA

- SURFACE AREA FOR A 140' X 140' STANDARD PIT IS 19,600 SQUARE FEET
- SURFACE AREA FOR THE STEALTH PIT IS 6,000 SQUARE FEET A 400% REDUCTION

3. SOLIDS SETTLING OF THE STEALTH PIT IS BETTER THAN THE STANDARD.

- THE TEST PIT SHOWED A 55% REDUCTION OF SOLIDS IN THE DRILLING FLUID AT THE END OF THE WELL.
- WATER FLOW STOPS WHEN IT HITS THE APEX OF THE PIT CAUSING MOST OF THE SOLIDS TO SETTLE BEFORE THE FLUID GETS PAST THE APEX OF THE PIT.
- SETTLING PATTERNS INDICATE THE SOLIDS BUILD UP AT THE APEX FIRST THEN BACK UP TO THE DISCHARGE SIDE, AND THE CYCLE STARTS AGAIN.

4. RECLAMATION OF THE PIT AREA IS QUICKER AND EASIER

- AFTER WATER IS REMOVED, THE FILL DIRT CAN BE PUSHED ON TOP OF THE CUTTINGS (WITHOUT DISTURBING THE LINER) AND ORIGINAL TOP SOIL REPLACED.
- SOLIDS ARE SETTLED BELOW GROUND LEVEL AND THEREFORE NO SPREADING IS REQUIRED.
- SEEDING, IN MANY CASES, IS NOT REQUIRED DUE TO THE USE OF THE ORIGINAL TOP SOIL CONTAINING QUANTITIES OF NATURAL OCCURRING SEED.