

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRI
APPROVAL (See instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

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

ARCO Permian

990

3. ADDRESS AND TELEPHONE NO.

P.O. Box 1610, Midland, TX 79702

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1650' FNL, 1750' FWL

At proposed prod. zone

SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

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

NA

16. NO. OF ACRES IN LEASE

40

19. PROPOSED DEPTH

3800

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

ROTARY

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

3575'

22. APPROX. DATE WORK WILL START*

1/98

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11'	8-5/8" J-55	24	1100'	700 FT ³
7-7/8"	5-1/2" K-55	15.5#	3800	1300 FT ³

SUBJECT WELL IS PLANNED AS A 3800' STRAIGHT HOLE.
3,000 PSI BOPE WILL BE USED FROM 1100' TO TD.

ATTACHMENTS ARE AS FOLLOWS:

1. CERTIFIED LOCATION PLAT
2. DRILLING PLAN WITH ATTACHMENTS
3. SURFACE USE PLAN WITH ATTACHMENTS

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN 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.

24.

SIGNED

Elizabeth H. Costen

TITLE

REGULATORY COMPLIANCE

DATE

2-3-99

(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

(ORIG. SGD.) ARMANDO A. LOPEZ

TITLE

Acting ADM. MINERALS

DATE

3-9-98

*See Instructions On Reverse Side

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.

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994
Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brancos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name RED LAKE (Q-GB-SA)
Property Code	Property Name VERMILLION "3" FEDERAL	Well Number 3
OGRID No. 000990	Operator Name ARCO PERMIAN	Elevation 3575

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	3	18 S	27 E		1650	NORTH	1750	WEST	EDDY

Bottom Hole Location If Different From Surface

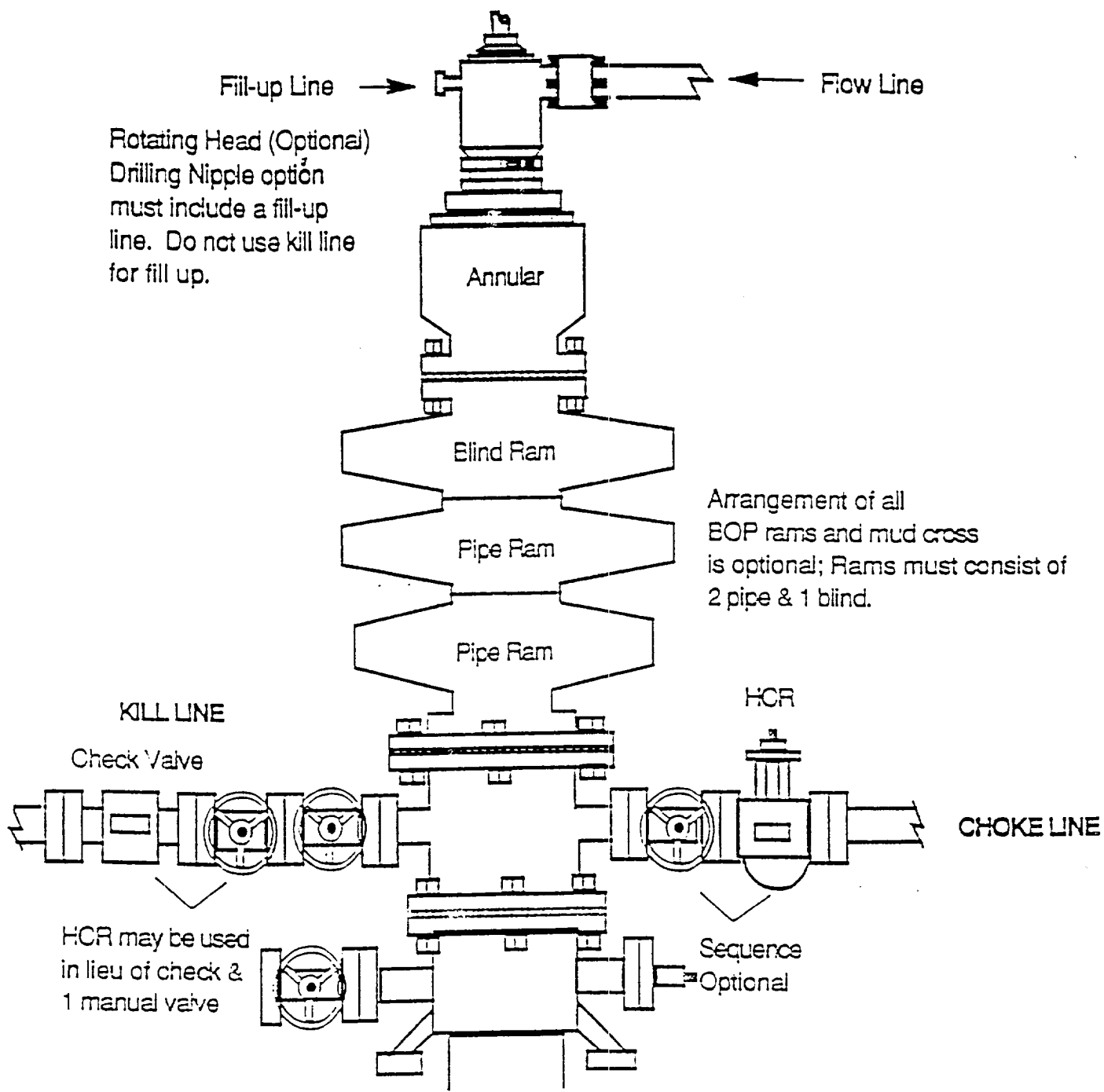
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

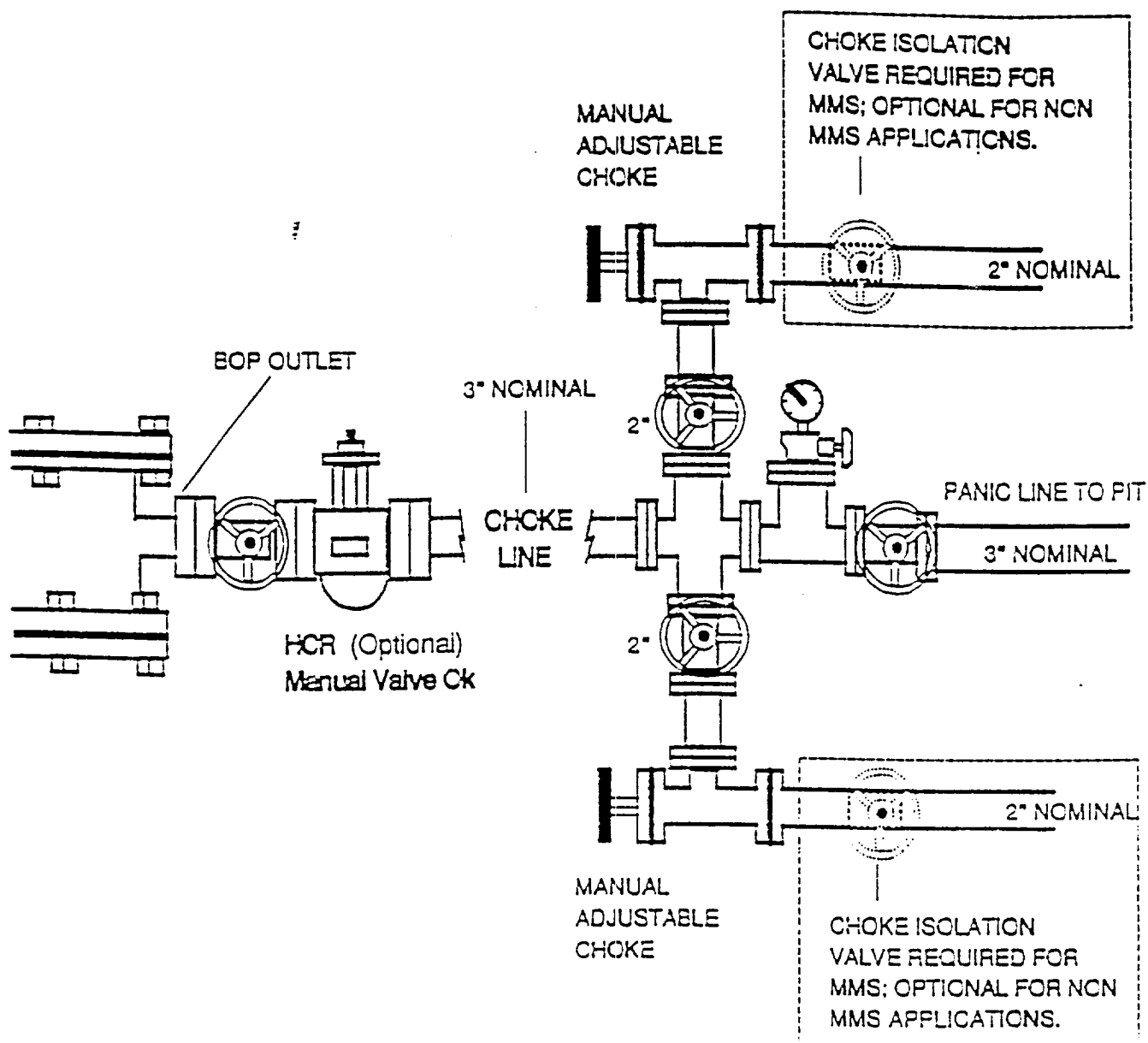
LOT 4 38.58 AC.	LOT 3 38.87 AC.	LOT 2 39.17 AC.	LOT 1 39.46 AC.
		<p>NAD27 SPC NME X=519844=E Y=647022=N</p>	
<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Elizabeth A. Casbeer</i> Signature ELIZABETH A. CASBEER Printed Name REG./COMP. ANALYST Title 2-3-98 Date</p>			
<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NOVEMBER 14, 1997</p> <p>Date Surveyed Signature & Seal of Professional Surveyor <i>Ronald G. Eidson</i> Professional Surveyor W.O. Num 97-11-1889 Certificate No. 878 JOHN C. WEST, 878 RONALD G. EIDSON, 3239 GARY G. EIDSON, 12641</p>			

EXHIBIT 1

DRILLING OPERATIONS
CLASS -1: NORMAL PRESSURE < 10PPG
OPTION - 2: MMS STANDARD; SINGLE SIZE DRILL STRING



DRILLING OPERATIC
CHOKE MANIFOLD
2M AND 3M SERVICE



BLOWOUT PREVENTION EQUIPMENT SPECIFICATIONS

1. All BOP equipment shall be fluid and/or mechanically operated.
2. BOP's and all fittings will be in good working condition.
3. Equipment through which the bit must pass shall be at least as large as the casing size being drilled.
4. The nipple above the BOP shall be at least the same size as the last casing set.
5. The upper kelly cock with handle and lower kelly cock shall be rated at the BOP working pressure.
6. A floor safety valve (full opening) or drill string BOP with appropriate pressure ratings shall be available on the rig floor with connections or subs to fit any tool joint in the string.
7. The minimum size choke line shall be 3 inches nominal diameter, with a minimum size for vent lines downstream of chokes of 2 inches nominal, and vent lines which by-pass shall be a minimum of 3 inches nominal and as straight as possible.
8. All valves, fittings and lines between the closing unit and the blowout preventer stack should be of steel construction with rated working pressure at least equal to working pressure rating of the stack. Lines shall be bundled and protected from damage.
9. Minimum size for kill line is 2 inches nominal.
10. Ram type preventers shall be equipped with extension hand wheels or hydraulic locks.