DISTRICT I P.O. Box 1980, Hobbs, NM 88841-1980

• .

1.5

DISTRICT II P.O. Drawer DD, Artesia, NM 58211-0719

DISTRICT III 1000 Nio Brazos Rd., Asteo, NM 87410

DISTRICT IV P.O. Buz 2086, Santa Fe, NM 87504-2088 State of New Mexico

Energy, Minerals and Natural Resources Department.

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

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number | | | P | ool Cod |) | RED LAKE (Q-GB-JA) | | | | | |
|--|---------|-----------------------|----------------|---------|-----------|--------------------|------------------|-----------|-----------------|--|-----------------------|
| Property Code | | | | Prop | erty Name | | | | Well-Number | | |
| | | LAGO ROSA "4" FEDERAL | | | | | | 5 | | | |
| OGRID No. | | Operator Name | | | | | | Elevation | | | |
| 000990 | | ARCO F | | | | AIAN | 3540 | | | | |
| | | £ | | | Surfa | ce Loca | ation | | | | |
| UL or lot No. Section | | Township | Range | Lot Ida | Feet fr | om the | North/South line | Fee | t from the | Bast/West line | County |
| 16 4 18 S | | 27 E | 7 E | | 50 | SOUTH | | 1115 | WEST | EDDY | |
| Bottom Hole Location If Different From Surface | | | | | | | | | | | |
| UL or lot No. | Section | Township | Range | Lot Idr | Foet fr | om the | North/South line | Tet | t from the | East/West line | County |
| | | | | | | | | | | | |
| Dedicated Acres | Joint c | or Infill C | onsolidation C | ode | Order No. | | | | | | |
| 40 | | | | | | | | | | | |
| NO ALLO | WABLE V | VILL BE A | SSIGNED T | о тн | S COMPLE | TION I | INTIL ALL INTE | REST | S HAVE BI | EEN CONSOLIDA | ATED |
| | | OR A | NON-STAN | DARD | UNIT HAS | BEEN | APPROVED BY | THE | DIVISION | | |
| LOT 8 39. | 92 AC. | LOT 7 3 | 39.37 AC, | LOT | 6 37.70 | AC. L | OT 5 37.73 A | 5. | OPERAT | OR CERTIFICA | TION |
| | 1 | | | | | 1 | | | I heret | y certify the the in | formation |
| 1 | 1 | | | | | 1 | | | | in is true and compl | ete to the |
| | 1 | | | | | 1 | | | pest of my sna | wledge and belief. | |
| | i i | | | | | 1 | | | 1, | 1 | |
| | 1 | | | | | ł | | | Klind | ent h. Cles | shee |
| | | | | | · | | | 1 ' | Signature | ut h. Cu | |
| LOT 9 38.9 | 93 AC. | LOT 10 3 | 8.43 AC. | LOT | 1 37.23 | AC. | OT 12 37.28 AC | . | ELIZAI | BETHA.C | ASBEER |
| | , I | | | | | | | | Printed Nan | AND ANA | UST |
| | l | | |] | | | | | | OMP. ANA | <u> </u> |
| | 1 | | | | | | | | 2-1- | 3-98 | |
| | | | | | | I | | | Date | | |
| | 1 | | | | 1 | l | | | SURVEY | OR CERTIFICA | TION |
| LOT 16 38.0 | 85 AC. | LOT 15 3 | 8.64 AC. | LOT | 14 37.82 | AC. L | OT 13 37.61 AC | | 1 herebu certii | y that the well local | tion shown |
| #4 | 1 | | | | | 1 | | | | vas plotted from fiel | d notes of |
| | l | | | | | 1 | | | supervison, a | : made by me er nd that the same i: | under my |
| | 1 | | | | | 1 | | | correct to t | he best of my beli | vf. |
| 3525 | 5.4 | 542.1' | | | | | | | NOVF | MBER 14, 199 | 7 |
| 1115' | -i=q | | | | | | | | Date Survey | ed. Employ | JLP |
| 353 | | 3553.8' | | ┝ | + | | | | Signature. & | | |
| | 9.0 . | | | | ! | ł | | | D W | | |
| | | NAD27 SPC | | | | 1 | | | Kasta | 22 M | (|
| | 550 | NME X≕513 | 965=E | | | ł | | | THE MALLAS | bunn st | 17-97 |
| | 15 | | 178=N | | | ł | | 14 | | um. 97-11=1 | 893 |
| 11 | | ł | | | | 1 | | | Certificate | NO. HOHNEW. WE | ST, 676 |
| LOT 17 38.0 | 64 Ad. | LOT 18 3 | 8.43 AC. | LOT | 9 38.01 | ac. Ili | OT 20 37.80 AC | . | annun | OFESSIONALD J. EIDS | ON, 3239 ON, 12641 |

ELHIBIT 1

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



DFILLING OPERAT. 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.



NEW MEXIC __NERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 South Pachece Street Santa Fe, New Mexico 67505 (805) 927-7131

April 6, 1998

GEACHIER.

| Post-It* Fax Note 7671 | Date 4/29/92 pages 4 | | | | |
|------------------------|----------------------|--|--|--|--|
| To Carmon | From Dave Pearcy | | | | |
| Co./Dept. OC) | CO. ARCO | | | | |
| Phone # | Phone # 915-688-5355 | | | | |
| Fax# 505-748-9720 | Fax # | | | | |

ARCO Permian P. O. Box 1610 Midland, Texas 79702-1610 Attention: Elizabeth A. Casbeer

Administrative Order NSL-3989(SD)

Dear Ms. Casbeer:

Reference is made to the following: (i) ARCO Permian's original application to the Division, dated February 4, 1998; (ii) the Division's initial response to said application by letter from Mr. Michael E. Stogner dated March 11, 1998; (iii) ARCO Permian's response by Mr. Dave Pearcy on March 20, 1998; and (vi) the records of the Division in Santa Fe: all concerning ARCO Permian's request for an unorthodox oil well location in the Red Lake Queen-Grayburg-San Andres Pool for the proposed Lago Rosa "4" Federal Well No. 5 to be drilled 1550 feet from the South line and 1115 feet from the West line (Lot 16/Unit L) of Section 4, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico. Lot 16 of said Section 4 is to be dedicated to said well in order to form a standard 38.85-acre oil spacing and proration unit for said pool.

The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

cotenber .ori-Wrotenberv Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia U. S. Bureau of Land Management - Carlsbad

Lago Rosa 4# 5