

October 15, 1984

Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87501
NGPA

Docket No.: N/A
Lease and Well No.: LC 065928-A 2
Lease Name: Federal Littlefield B0
Field Name: Brushy Draw

Gentlemen:

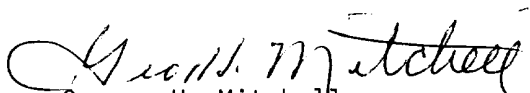
This statement under oath, provides that George H. Mitchell has caused to be made pursuant to his instruction, a diligent search of all records which are reasonable and contain information relevant to the determination of new on-shore production well.

Describing the search made, George H. Mitchell has complied with:

1. Well Classification Section Form-121 of the FERC
U.S. Department of Energy
2. Form C-132
3. Form C-102 with permit to drill
4. Surface drilling of subject well began after February 19, 1977
5. Subject well satisfies all federal and state well spacing requirements
6. Subject well is not within a proration unit as drilling began after February 19, 1977

This search and examination upon which has been concluded to the best of the available information, knowledge and belief, the well qualifies as a new on-shore production well; the production records, tax records, billing statements, or summaries of such records or billing statements relied upon in the application are correct. This statement provided by George H. Mitchell has no knowledge of any other information which is inconsistent with his conclusion that the well qualified as a new onshore production well.

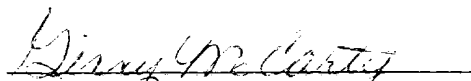
Sincerely yours,


George H. Mitchell

STATE OF TEXAS
COUNTY OF WINKLER

Before me the undersigned a Notary Public in and for said County and State, on this day personally appeared George H. Mitchell, known to me to be the person whose name is subscribed to this instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand seal of Office this the 15th day of October, 1984.



U.S. DEPARTMENT OF ENERGY
Federal Energy Regulatory Commission
Washington, D.C. 20426

**APPLICATION FOR DETERMINATION OF THE MAXIMUM LAWFUL
PRICE UNDER THE NATURAL GAS POLICY ACT (NGPA)
(Sections 102, 103, 107 and 108)**

PLEASE READ BEFORE COMPLETING THIS FORM:

General Instructions:

Complete this form if you are applying for price classification under sections 102, 103, 107 or 108 of the NGPA. A separate application is required for each well. If any reservoir qualifies for a category which differs from the category applicable to the producing well, separate applications must be made for the producing well and the reservoir. Complete each appropriate item on the reverse side of this page. The code numbers used in items 4.0 and 6.0 can be obtained from the Buyer/Seller Code Book. If there is more than one purchaser or contract, identify the additional information in the space below. Enter any additional remarks in the space below.

Submit the completed application to the appropriate Jurisdictional Agency as listed in title 18 of the CFR, part 270.103. If there are any questions, call (202) 275-4539.

Specific Instructions for Item 2.0, Type of Determination:

| <u>Section of NGPA</u> | <u>Category Code</u> | <u>Description</u> |
|------------------------|----------------------|---|
| 102 | 1 | New OCS Lease |
| 102 | 2 | New onshore well (2.5 mile test) |
| 102 | 3 | New onshore well (1,000 feet deeper test) |
| 102 | 4 | New onshore reservoir |
| 102 | 5 | New reservoir on old OCS Lease |
| 103 | — | New onshore production well |
| 107 | — | High cost natural gas |
| 108 | — | Stripper well |

Other Purchasers/Contracts:

| <u>Contract Date</u> (Mo. Day Yr.) | <u>Purchaser</u> | <u>Buyer Code</u> |
|---------------------------------------|---------------------|-------------------|
| N/A | Continental Oil Co. | N/A |
| | | |
| | | |

Remarks:

| | | | | | | | | | |
|--|---|--|---|----------------------------------|-----------------|---|--|--------------------------------|-----------------------|
| 1.0 APJ well number: (If not available, leave blank. 14 digits.) | | | | | | | | | |
| 2.0 Type of determination being sought: (Use the codes found on the front of this form.) | <u>103</u> Section of NGPA | | <u>N/A</u> Category Code | | | | | | |
| 3.0 Depth of the deepest completion location: (Only needed if sections 103 or 107 in 2.0 above.) | <u>4950-4998</u> feet | | | | | | | | |
| 4.0 Name, address and code number of applicant: (35 letters per line maximum. If code number not available, leave blank.) | <u>George H. Mitchell</u> Name | | <u>N/A</u> Seller Code | | | | | | |
| | <u>Box 963</u> Street | | | | | | | | |
| | <u>Kermit</u> City | <u>Texas</u> State | <u>79745</u> Zip Code | | | | | | |
| 5.0 Location of this well: [Complete (a) or (b).] (a) For onshore wells (35 letters maximum for field name.) | <u>Brushy Draw</u> Field Name | | | | | | | | |
| | <u>Eddy</u> County | | <u>N.M.</u> State | | | | | | |
| (b) For OCS wells: | <u>N/A</u> Area Name | | <u>N/A</u> Block Number | | | | | | |
| | Date of Lease: <u>N/A</u> Mo. Day Yr. | | <u>N/A</u> OCS Lease Number | | | | | | |
| (c) Name and identification number of this well: (35 letters and digits maximum.) | <u>Federal Littlefield B0 #2</u> | | | | | | | | |
| (d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.) | <u>N/A</u> | | | | | | | | |
| 6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.) | <u>Continental Oil Co.</u> Name | | <u>N/A</u> Buyer Code | | | | | | |
| (b) Date of the contract: | First Delivery of Gas <u> </u> Mo. Day Yr. | | | | | | | | |
| (c) Estimated annual production: | <u>16.4</u> MMcf. | | | | | | | | |
| | (a) Base Price (\$/MMBTU) | (b) Tax | (c) All Other Prices [Indicate (+) or (-).] | (d) Total of (a), (b) and (c) | | | | | |
| 7.0 Contract price: (As of filing date. Complete to 3 decimal places.) | <u>PERCENTAGE OF PROCEEDS</u> | | | <u> </u> | | | | | |
| 8.0 Maximum lawful rate: (As of filing date. Complete to 3 decimal places.) | <u>2.925</u> | <u>0.240</u> | <u> </u> | <u>3.165</u> | | | | | |
| 9.0 Person responsible for this application: | <table border="1"> <tr> <td>Agency Use Only</td> <td rowspan="3"> <u>George H. Mitchell</u> Name <u>George H. Mitchell</u> Signature <u>10-15-84</u> Date Application is Completed </td> <td rowspan="3"> <u>Owner</u> Title <u>915-586-6166</u> Phone Number </td> </tr> <tr> <td>Date Received by Juris. Agency</td> </tr> <tr> <td>Date Received by FERC</td> </tr> </table> | | | | Agency Use Only | <u>George H. Mitchell</u> Name <u>George H. Mitchell</u> Signature <u>10-15-84</u> Date Application is Completed | <u>Owner</u> Title <u>915-586-6166</u> Phone Number | Date Received by Juris. Agency | Date Received by FERC |
| Agency Use Only | <u>George H. Mitchell</u> Name <u>George H. Mitchell</u> Signature <u>10-15-84</u> Date Application is Completed | <u>Owner</u> Title <u>915-586-6166</u> Phone Number | | | | | | | |
| Date Received by Juris. Agency | | | | | | | | | |
| Date Received by FERC | | | | | | | | | |

FOR DIVISION USE ONLY:

DATE COMPLETE APPLICATION FILED _____

DATE DETERMINATION MADE _____

WAS APPLICATION CONTESTED? YES _____ NO _____

NAME(S) OF INTERVENOR(S), IF ANY: _____

Name of Operator

George H. Mitchell ✓

Address of Operator

Box 963

Location of well

UNIT LETTER A LOCATED 724 FEET FROM THE North LINE

660 FEET FROM THE east LINE OF SEC. 34 TWP. 26S RGE. 29E NEWMEX

Name and Address of Purchaser(s)

Continental Oil Co. 7408 Andrews Highway Odessa, Texas 79765

5A. Indicate Type of Lease

STATE ☐

FEED ☒

5. State Oil & Gas Lease No.

Unit Agreement Name

6. Farm or Lease Name

Federal Littfield B0

9. Well No.

2

10. Field and Pool, or Allotment

Brushy Draw
Cherry Canyon

12. County

Eddy

WELL CATEGORY INFORMATION

Check appropriate box for category sought and information submitted.

1. Category(ies) Sought (By NGPA Section No.) 103

2. All Applications must contain:

- ☒ a. C-101 APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK
☒ b. C-105 WELL COMPLETION OR RECOMPLETION REPORT
☐ c. DIRECTIONAL DRILLING SURVEY, IF REQUIRED UNDER RULE 111
☒ d. AFFIDAVITS OF MAILING OR DELIVERY

3. In addition to the above, all applications must contain the items required by the applicable rule of the Division's "Special Rules for Applications For Wellhead Price Ceiling Category Determinations" as follows:

A. NEW NATURAL GAS UNDER SEC. 102(c)(1)(J) (using 2.5 Mile or 1000 Feet Deeper Test)

☐ All items required by Rule 14(1) and/or Rule 14(2)

B. NEW NATURAL GAS UNDER SEC. 102(c)(1)(C) (new onshore reservoir)

☐ All items required by Rule 15

C. NEW ONSHORE PRODUCTION WELL

☒ All items required by Rule 16A or Rule 16B

D. DEEP, HIGH-COST NATURAL GAS, TIGHT FORMATION NATURAL GAS, AND PRODUCTION ENHANCEMENT NATURAL GAS

☐ All items required by Rule 17(1), Rule 17(2) or Rule 17(3), or Rule 17(4)

E. STRIPPER WELL NATURAL GAS

☐ All items required by Rule 18

HEREBY CERTIFY THAT THE INFORMATION CONTAINED
HEREIN IS TRUE AND COMPLETE TO THE BEST OF MY
KNOWLEDGE AND BELIEF.

George H. Mitchell

NAME OF APPLICANT (Type or Print)

SIGNATURE OF APPLICANT

Title Owner

Date 10-15-84

FOR DIVISION USE ONLY

☐ Approved

☐ Disapproved

The information contained herein includes all
of the information required to be filed by the
applicant under Subpart B of Part 274 of the
FERC regulations.

EXAMINED

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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

All distances must be from the outer boundaries of the Section

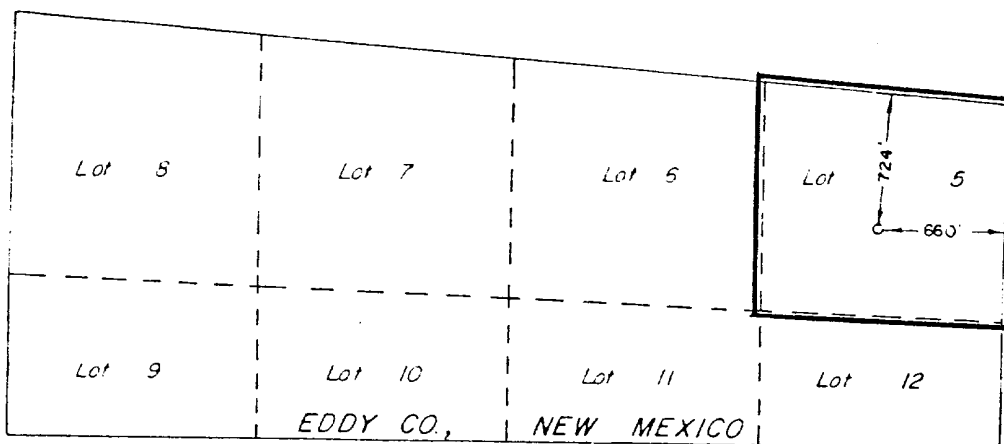
| | | | | | |
|--|---|---|--|---------------------------------------|----------------------|
| Owner GEORGE H. MITCHELL | | | Lease LITTLEFIELD BO FEDERAL | | Well No. 2 |
| Plot Letter A | Section 34 | Township 26 South | Range 29 East | County Eddy County | |
| Actual Well Location of Well: | | | | | |
| 660 feet from the East line and | | 724 feet from the North line | | | |
| Ground Level Elev 2902.2 | Producing Formation Cherry Canyon | Pool Brushy Draw--Cherry Canyon | | Dedicated Acreage: 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?

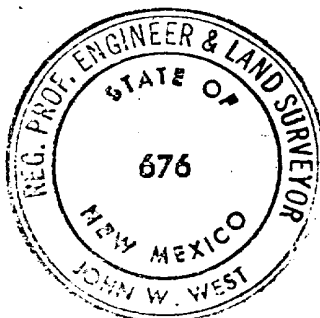
☐ Yes ☐ No If answer is "yes," type of consolidation _____

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.



EDDY CO., NEW MEXICO
LOVING CO., TEXAS



CERTIFICATION

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

James A. Knauf

Name

James A. Knauf

Position
Agent

Company
GEORGE H. MITCHELL

Date
June 21, 1983

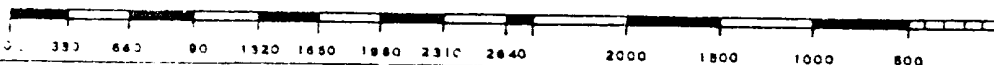
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
June 17, 1983

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No **JOHN W. WEST 676**



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | |
|---|--|---|
| 1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. LC 065928-A |
| b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME --- |
| 2. NAME OF OPERATOR GEORGE H. MITCHELL (Phone 915-586-6166) | | 7. UNIT AGREEMENT NAME --- |
| 3. ADDRESS OF OPERATOR P. O. Box 963, Kermit, Texas 79745 | | 8. FARM OR LEASE NAME LITTLEFIELD BO FEDERAL |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 724' FNL & 660' FEL of Section NE $\frac{1}{4}$ NE $\frac{1}{4}$ Unit "A" At proposed prod. zone same | | 9. WELL NO. 2 |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 32 air miles south-southeast of Carlsbad, NM | | 10. FIELD AND POOL, OR WILDCAT Brushy Draw--Cherry Canyon |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660' | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 34-26S-29E |
| 16. NO. OF ACRES IN LEASE 419.41 | | 12. COUNTY OR PARISH Eddy |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL 40 | | 13. STATE NM |
| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 990' | | 20. ROTARY OR CABLE TOOLS Rotary |
| 19. PROPOSED DEPTH 6300' Cherry Canyon | | 22. APPROX. DATE WORK WILL START* July 11, 1983 |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 2902 G.L. | | |

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|-------------------------|
| 12 1/4" | 9 5/8" | 29.3# | 350' | Sufficient to circulate |
| 8 1/2" | 7 " | 17.0# | 3050' | 200 sacks |
| 6 1/8" | 4 1/2" | 9.5# | 6300' | Sufficient to tie back |

Pay zone will be selectively perforated and stimulated as needed for optimum production.

Attached are: 1. Well Location & Acreage Dedication Plat
2. Supplemental Drilling Data
3. Surface Use Plan

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 James A. Knaut TITLE Agent DATE June 27, 1983
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY: