

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

NOV 25 1991

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

O. C. D.

ARTESIAN OFFICE

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☒

2. NAME OF OPERATOR

GP II ENERGY, INC.

3. ADDRESS AND TELEPHONE NO.

P.O. Box 50682, Midland, Texas 79710

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

2600' FNL and 675' FWL of Section 27

At proposed prod. zone 2960' FNL and 370' FEL of Section 28

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

16 Air miles south-southwest of Malaga, New Mexico

15. DISTANCE FROM PROPOSED*

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

675' (Surface)

16. NO. OF ACRES IN LEASE

1318.02

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.

1000' (Surf)

19. PROPOSED DEPTH

5200' TVD

20. ROTARY OR CABLE TOOL

Rotary

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

2890' GR

22. APPROX. DATE WORK WILL START*

Upon Approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	350'	Sufficient to circulate
7-7/8"	5-1/2"	9.5#	5200'	~800 Sacks (tie back)

AFTER SETTING PRODUCTION CASING, PAY ZONE WILL BE
PERFORATED AND STIMULATED AS NECESSARY.

SEE ATTACHED FOR: SUPPLEMENTAL DRILLING DATA
BOP SKETCH
SURFACE USE AND OPERATIONS PLAN

Post ID-1
12-6-91
New box + API

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

[Signature]

TITLE

President

DATE

10-25-91

(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

TITLE

DATE

11-27-91

*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.

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator G P II ENERGY		Lease SKINK FEDERAL 28 27		Well No. 1
Unit Letter E	Section 27	Township 26 SOUTH	Range 29 EAST	County EDDY
Actual Footage Location of Well:				
2600 feet from the NORTH line and		675 feet from the WEST line		
Ground level Elev. 2890.0	Producing Formation	Pool	Dedicated Acreage: 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 interest 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 interest, has been approved by the Division.

	<div style="border-bottom: 1px solid black; padding-bottom: 5px;"> <h3 style="text-align: center; margin: 0;">OPERATOR CERTIFICATION</h3> <p style="font-size: small; margin: 0;">I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center; margin: 0;"><i>George Mitchell</i></p> <p style="text-align: center; margin: 0;">Signature</p> <p style="text-align: center; margin: 0;">George Mitchell</p> <p style="text-align: center; margin: 0;">Printed Name</p> <p style="text-align: center; margin: 0;">President</p> <p style="text-align: center; margin: 0;">Position</p> <p style="text-align: center; margin: 0;">GP II ENERGY, INC.</p> <p style="text-align: center; margin: 0;">Company</p> <p style="text-align: center; margin: 0;">10-25-91</p> <p style="text-align: center; margin: 0;">Date</p> </div> <div style="border-bottom: 1px solid black; padding-bottom: 5px; margin-top: 10px;"> <h3 style="text-align: center; margin: 0;">SURVEYOR CERTIFICATION</h3> <p style="font-size: small; margin: 0;">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.</p> <p style="text-align: center; margin: 0;">Date Surveyed</p> <p style="text-align: center; margin: 0;">10-1-91</p> <p style="text-align: center; margin: 0;">Signature & Seal of Professional Surveyor</p> <div style="text-align: center; margin: 0;"> </div> </div>
--	---

SUPPLEMENTAL DRILLING DATA

GP II ENERGY, INC.
SKINK FEDERAL "27" #1
Sec. 27, T26S, R29E
Eddy County, New Mexico

1. SURFACE FORMATION: Quaternary

2. ESTIMATED GEOLOGIC TOPS:

Bell Canyon	2840
Ramsey Sand	2870
Cherry Canyon	3910
Brushy Canyon	4985

3. ANTICIPATED HYDROCARBON BEARING ZONES:

Delaware Sand (oil)
Cherry Canyon (oil)

4. PROPOSED CASING AND CEMENTING PROGRAM:

<u>CASING SIZE</u>	<u>FROM</u>	<u>TO</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>JOINT</u>
8 5/8"	0	350'	24#	K-55	STC
5 1/2"	0	5200'	14#	K-55	STC

8 5/8" casing will be cemented with approximately 150 sacks of Class "C" with 2% CaCl. Cement will be circulated.

5 1/2" casing will be cemented with sufficient Light cement, tailed in with 200 sacks of POZMIX A, to fill back to the base of the salt section at approximately 2640'.

5. PRESSURE CONTROL EQUIPMENT:

A 3000 psi working pressure, double ram blow out preventer will be used while drilling below the surface casing.
(see Exhibit "E")

6. CIRCULATING MEDIUM:

Surface to 350 feet: Fresh water with lime or gel as needed to maintain a viscosity of 28 to 30.

350 feet to 4800 feet: Brine conditioned to control seepage, Ph, and maintain a viscosity of 28 to 32.

4800 feet to 5200 feet: Brine conditioned to control seepage, Ph, and maintain a viscosity of 35 to 40.

7. AUXILIARY EQUIPMENT:

Drill string safety valves will be maintained on the rig floor while drilling operations are in progress.

8. DIRECTIONAL DRILLING PROCEDURE:

Due to surface constraints, the well will be deviated to the west. The well will be kicked off at 1000'. A Multishot survey will be run from KOP at 1000' back to casing at 350'. A downhole motor will be run and angle built to at least 17.6 degrees. This angle will produce the wellbore depicted on Exhibit F. At TD another Multishot survey will be run from TD to the KOP. (see Exhibit "F" and "G")

9. TESTING, LOGGING, AND CORING PROGRAMS:

No drillstem tests are planned.

Electric logs will include GR-CNL-FDC, GR-DLL with MSFL.

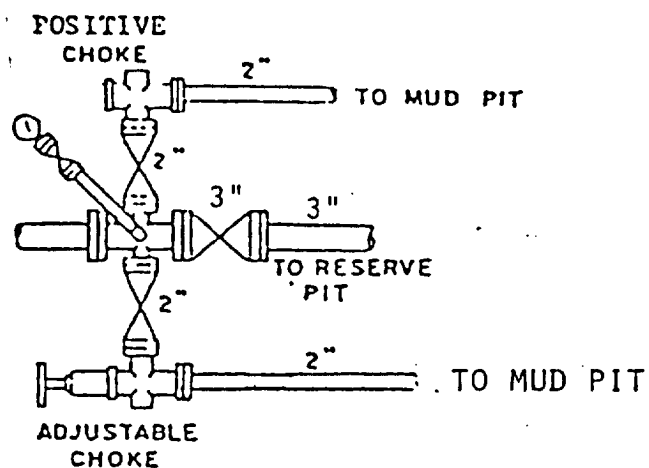
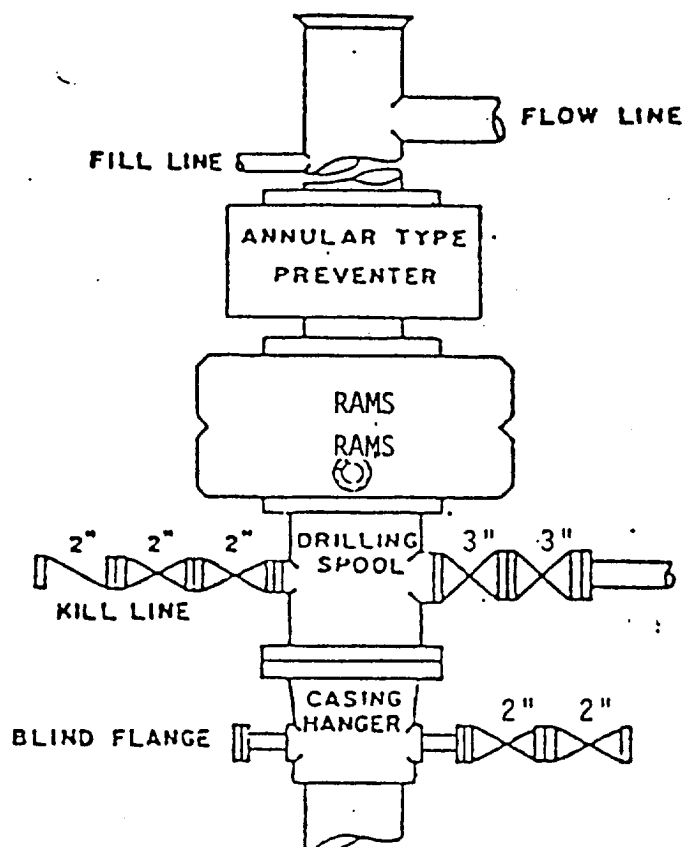
No coring is planned.

10. ABNORMAL PRESSURES, TEMPERATURE, OR HYDROGEN SULFIDE GAS:

No abnormal pressures or temperatures are anticipated.

11. ANTICIPATED START DATE:

The well is anticipated to commence on or about November 30, 1991 with drilling, completion, and testing operations to last about 30 days.



BOP STACK

3000 PSI WORKING PRESSURE

EXHIBIT 'E'

BOP ARRANGEMENT

GP II ENERGY, INC.
SKINK FEDERAL '27' NO. 1
2600' FSL, 675' FWL (SURFACE LOCATION)
SEC. 27, T.26S., R.29E

SURFACE USE AND OPERATIONS PLAN

GP II ENERGY, INC.
Skink Federal "27" #1
Sec. 27, T26S, R29E
Eddy County, New Mexico

LOCATED: 16 air miles south-southeast of Malaga, New Mexico

FEDERAL LEASE NUMBER: NM-38636

DATE OF ISSUE: Lease issued February 1, 1980, for 10 years.
Lease is currently productive.

LESSEE OF RECORD: Amoco

LEASE AREA: 1318.02 Acres

SURFACE OWNERSHIP: Federal

POOL DESIGNATION: Brushy Draw Delaware

POOL RULES: Statewide - 40 Acre spacing for oil

EXHIBITS:

- A. Road Map
- B. Plat with existing wells and roads
- C. Topographic Plat
- D. Drilling Rig Layout
- E. BOP Arrangement
- F. Wellbore Projection
- G. Lease Plat with Wellbore Projection

EXISTING ROADS:

- A. Exhibit "A" depicts the road map and shows the location of the proposed well as staked. Point "A" on the plat is on US 285 at milepost 3.8, approximately 12 miles south of Malaga, New Mexico, where a paved road goes east. Exit US 285 at this point and proceed east 3.7 miles to the Pecos River low water crossing. Cross the river and continue southerly on Eddy County 725 3.4 miles where the county road turns east. Continue south 0.1 miles to a Caliche road. Turn west and continue 1.2 miles to the proposed well site.
- B. Exhibit "B" shows existing pertinent roads in the vicinity of the proposed well site. Existing roads are color coded.

PLANNED ACCESS ROAD:

- A. Length and width: The proposed drill site will require the drill pad to overlay part of the existing road. It will not be necessary to construct an access to the pad but it will be necessary to construct a detour section of new road around the proposed drilling pad. The new road will be approximately 200' in length from the existing road just north of the drilling pad, along the east side of the pad and intersect the existing road just south of the drilling pad. The detour road will be 25 feet in width (driving surface).
- B. Surfacing material: The new access road will use in-place material for the road surface. If additional surfacing material is needed, caliche will be used.
- C. Maximum Grade: Possibly 2 percent
- D. Turnouts: None needed
- E. Drainage Design: The access road will be crowned with drainage to the sides.
- F. Culverts: None necessary
- G. Cuts and Fills: None necessary
- H. Gates and Cattle Guards: None necessary

LOCATION OF EXISTING WELLS:

Existing wells in the immediate area are shown on exhibit "B".

LOCATION OF PROPOSED FACILITIES:

If the well is completed as a producer, a tank battery will be constructed at a mutually agreeable site near the producing well.

SOURCE OF CONSTRUCTION MATERIALS:

Construction material, other than that available on-site will be taken from an existing caliche pit located south of the Texas - New Mexico state line in Texas.

WATER SUPPLY:

A water well will not be drilled. Water required for drilling operations will be purchased and trucked to the well or supplied by a temporary pipeline laid along existing and proposed roads, where possible.

ADDITIONAL PROCEDURES:

- A. Dry cuttings and drilling fluid will be removed from the location. No earthen reserve or circulating pit will be constructed. Circulating mud system will be contained by steel pits from spud to total depth.
- B. Permanent production equipment will be painted juniper green to minimize the visual impact.
- C. G.P. II Energy, Inc. will utilize the smallest practical pumping unit.
- D. Flow lines from the pumping unit to the tank battery will be buried.
- E. The production pad will be reduced to the smallest practical size.
- F. Water produced during tests will be contained in steel tanks and disposed of off site.
- G. Oil produced during tests will be stored in steel tanks until sold.
- H. Trash, waste paper, garbage, and junk will be contained in a covered steel container and removed from the drill site within thirty days after drilling and/or completion operations cease.

ANCILLARY FACILITIES:

None required

WELL SITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, steel pits, and the location of major drilling rig components.
- B. The well site is located on a broad flat area with drainage to the east and west.
- C. Any cut and fill necessary will be minimal. However, clearing and leveling of the pad will be required. The pad is staked.

SURFACE RESTORATION:

- A. Upon completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. The pad area will be cleaned and restored to as aesthetically pleasing a condition as possible.

ADDITIONAL INFORMATION:

- A. The land surface slopes regionally to the southeast but locally drains to the Pecos River about a quarter mile to the west. (Exhibit "C")
- B. The top soil in the area is a gravelly loam that includes loose sands and river gravels.
- C. Locally the vegetative cover is moderate and comprises range grasses, yucca, weeds, mesquite, typical of semi-arid Chihuahuan desert. Wildlife in the area includes coyotes, rabbits, rodents, reptiles, and a variety of birds.
- D. There are no occupied dwellings within a mile of the proposed drill site.
- E. Primary use for the land is oil and gas production, grazing, and wildlife habitat.
- F. The wellsite is located on federal surface.
- G. There is no evidence of any archaeological, historical, or cultural sites in the vicinity of the location.

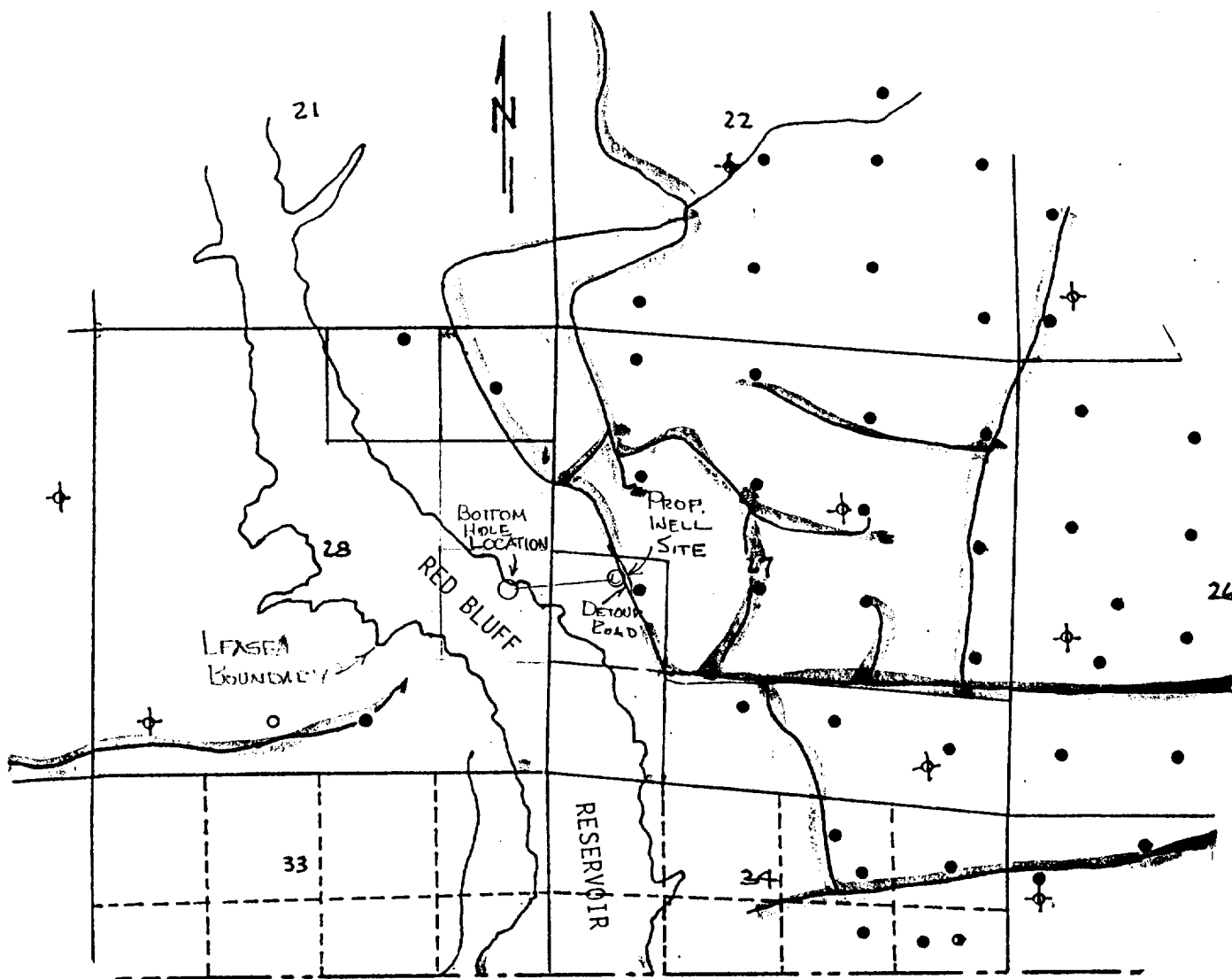
OPERATOR'S REPRESENTATIVE:

George P. Mitchell, President
GP II ENERGY, INC.
P.O. Box 50682
Midland, Texas 79710
Phone: (915) 684-4748

CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operation proposed herein will be performed by GP II Energy, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S. C. 1001 for the filing of a false statement.

BY: *George P. Mitchell* DATE: 10-25-91



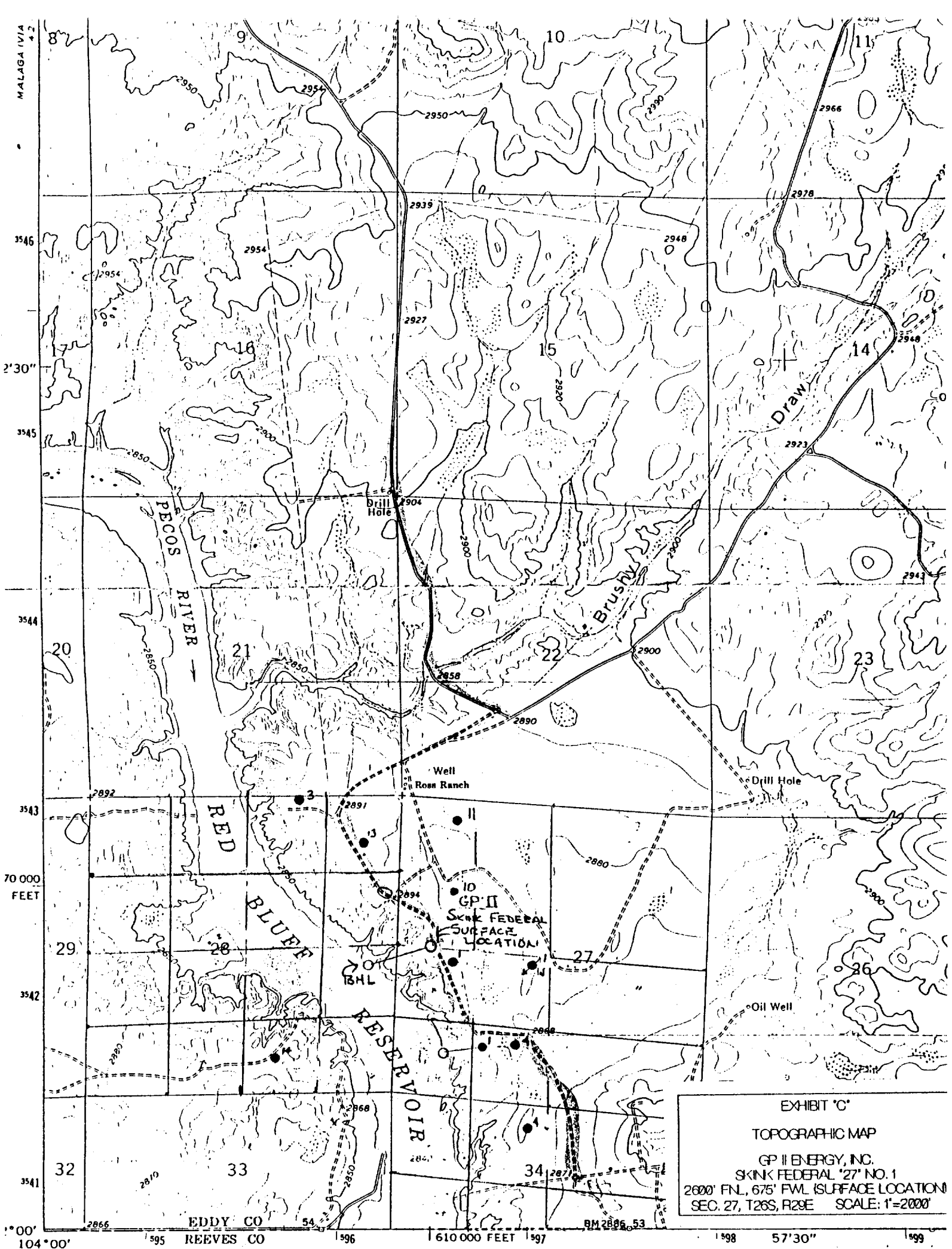
LEGEND:

- Oil Well
- ⊕ Plugged Well
- Proposed Well
- Existing Road
- - - Proposed New Road

EXHIBIT 'B'

LEASE FLAT SHOWING EXISTING WELLS

GP II ENERGY, INC.
 SKINK FEDERAL "27" NO. 1
 2600' FNL, 675' FWL (SURFACE LOCATION)
 SEC. 27, T.26S., R.29E SCALE: 1"=1000'



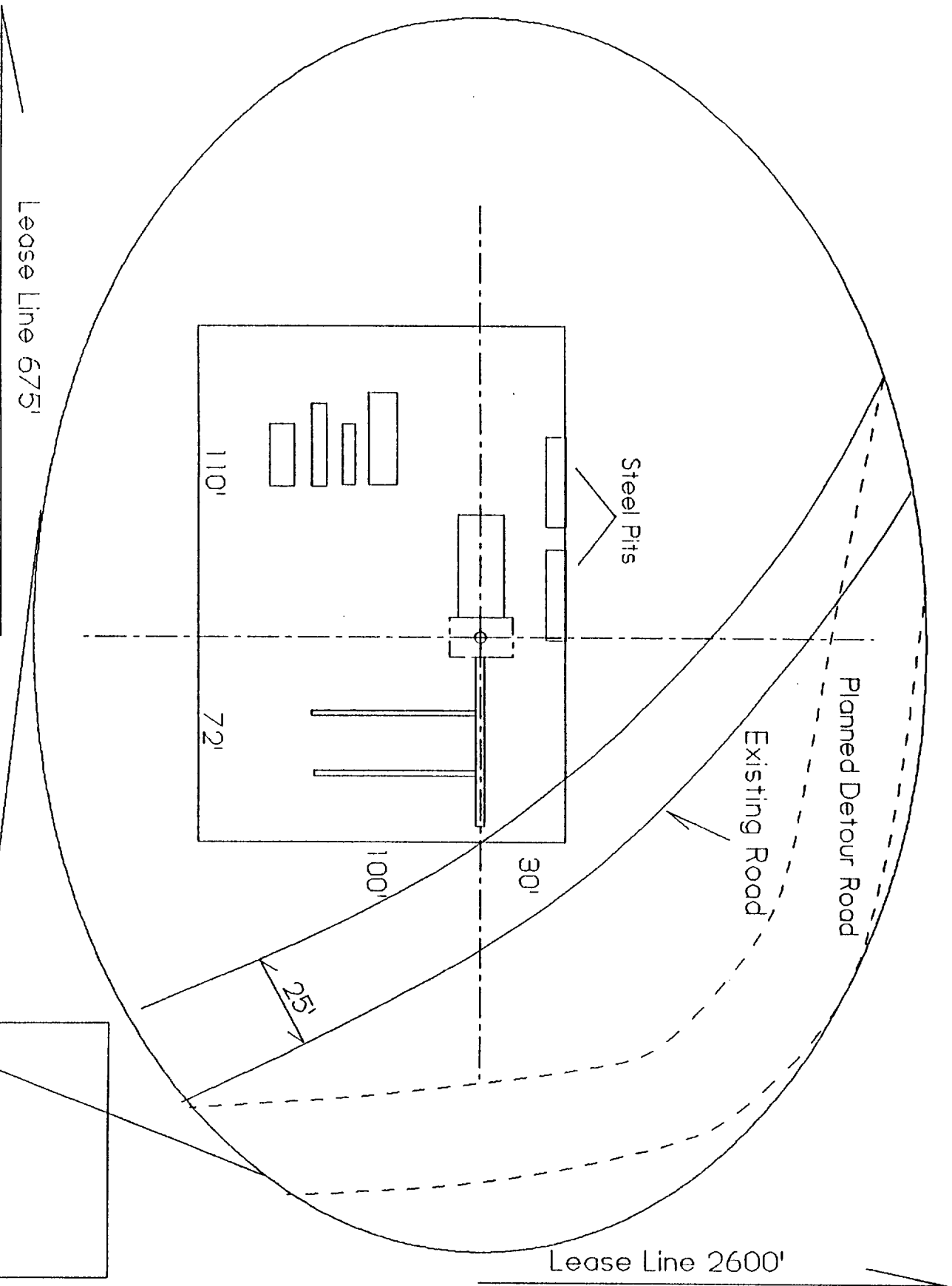
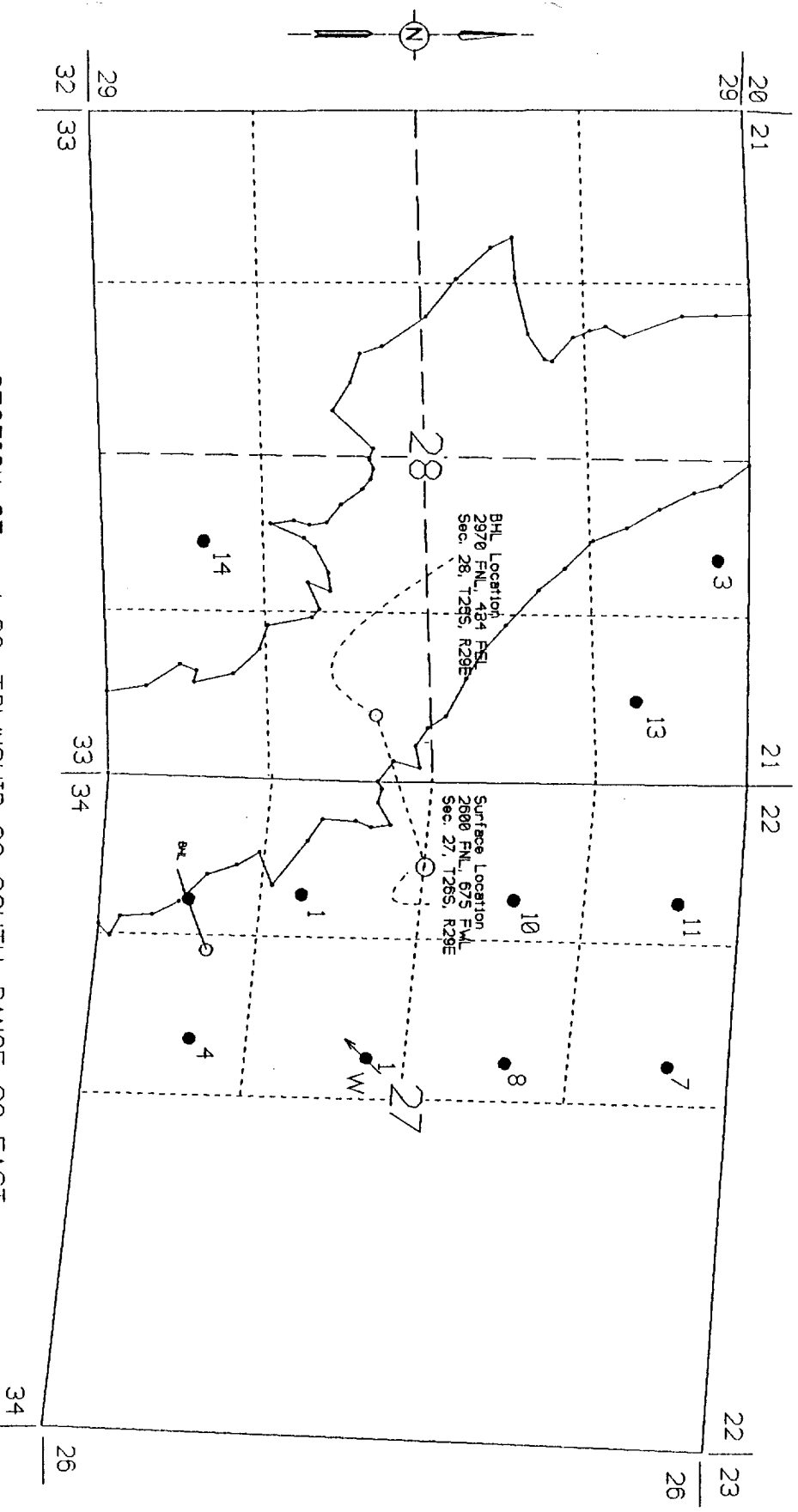


Exhibit "D"
GP II ENERGY
Sink Federal "27" #1
Drilling Rig Layout

Not to scale!

Sec. 27, T26S, R29E
Fddv County, New Mexico



SECTION 27 and 28, TOWNSHIP 26 SOUTH, RANGE 29 EAST
 Plat showing proposed surface and bottom hole location of
 GP II ENERGY, Skink Federal #1, Sec. 27, T26S, R 29E

EXHIBIT 'G'
 LEASE PLAT WITH WELLBORE PROJECTION
 GP II ENERGY, INC.
 SKINK FEDERAL #1 NO. 1
 2600 FNL, 675 FSL SURFACE LOCATION

AVALON ENERGY CORP
GP 2 ENERGY
SKINK FED #1
EDDY COUNTY, NEW MEXICO

File: ava_p.dat Wed Oct 16 1991

VERTICAL SECTION
SCALE: 750 FEET/DIVISION
REFERENCE: WELL HEAD

HORIZONTAL PLAN
SCALE: 500 FEET/DIVISION
REFERENCE: WELL HEAD

