

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT NM 88210

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Enron Oil & Gas Company ✓

3. ADDRESS OF OPERATOR

P. O. Box 2267, Midland, Texas 79702

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

At surface

500' FNL & 2126' FWL

At proposed prod. zone

SAME

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

12 miles SE from Loco Hills

15. DISTANCE FROM PROPOSED*

500

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

500

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1193'

16. NO. OF ACRES IN LEASE

299

19. PROPOSED DEPTH

8700'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3609.2' GR

22. APPROX. DATE WORK WILL START*

6/4/90

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	42# H40 ST&C	700'	750 sx Circulated
11"	8-5/8"	28#, 32# K55, N80, ST&C	2500'	1000 sx Circulated
7-7/8"	5-1/2"	17# K85 LT&C	8700'	1550 sacks

BOP - Install at 2500' with 5000# cap.

Gas is dedicated.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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

Butch Gildon

Gildon

TITLE Regulatory Analyst

DATE 6/4/90

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

For [Signature]

TITLE

DATE

6-20-90

CONDITIONS OF APPROVAL, IF ANY:

*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.

MISSION

34-215-26416

NM 260

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Canadian Kenwood 18 Federal

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Shugart, North Bone Spring

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec. 18, T18S, R31E

12. COUNTY OR PARISH

Eddy

13. STATE

NM

RECEIVED

JUN 22 '90

Q & Q
ARTESIA OFFICE

Post ID-1
7-6-90
New Loc & API

JUN 5 10 35 AM '90

RECEIVED

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2083
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

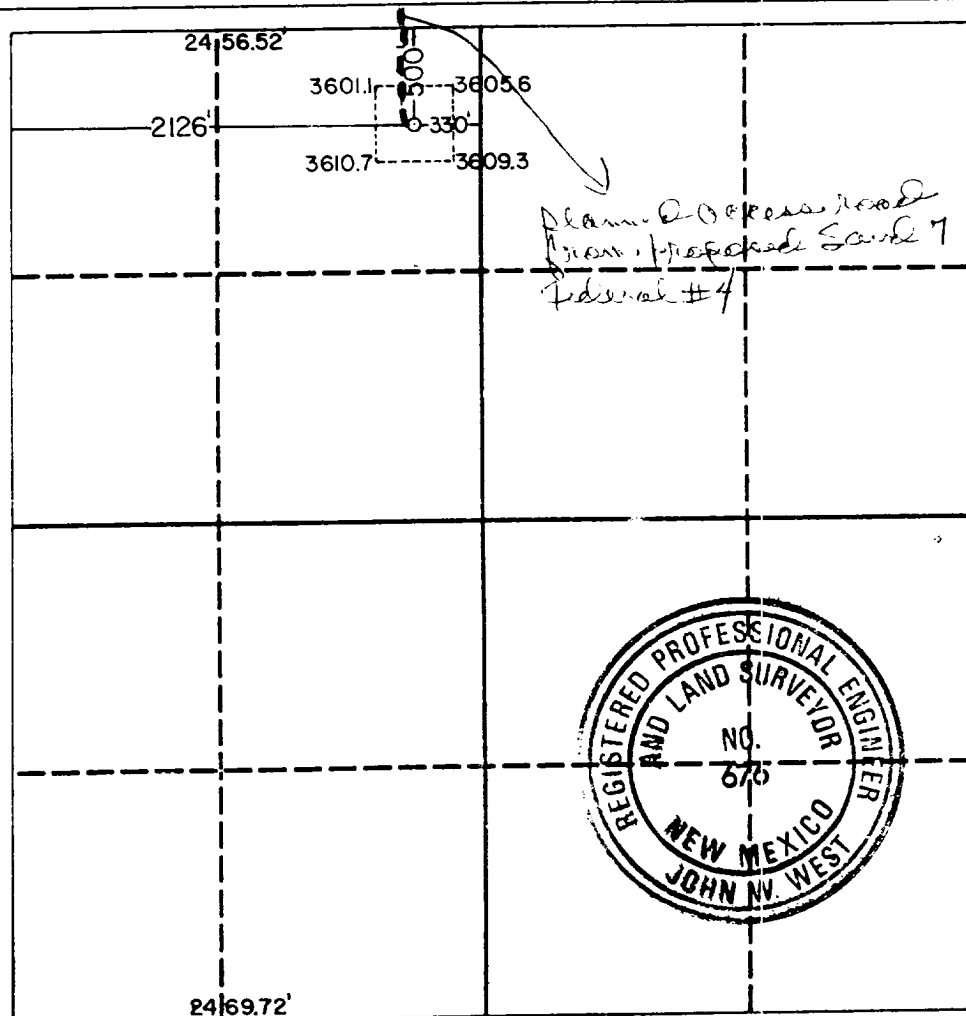
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator ENRON OIL & GAS COMPANY			Lease Canadian Kenwood 18 Federal		Well No. 2
Unit Letter C	Section 18	Township 18 South	Range 31 East	County Eddy	
Actual Footage Location of Well: 500 feet from the North line and 2126 feet from the West line					
Ground level Elev. 3609.2	Producing Formation Bone Spring		Pool Shugart, North	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.



OPERATOR CERTIFICATION

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

Signature
Betty Gildon
Printed Name
Betty Gildon
Position
Regulatory Analyst
Company
Enron Oil & Gas Company
Date
6/4/90

SURVEYOR CERTIFICATION

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
May 20, 1990
Signature & Seal of
Professional Surveyor

Certification No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

APPLICATION FOR PERMIT TO DRILL

1. The geologic surface formation is Quaternary.

2. The estimated tops of important geologic markers are:

- | | | |
|-------------------------------------|--------------|-----------|
| 1. <u>1st Bone Spring Sand</u> | <u>7400'</u> | 6. _____ |
| 2. <u>2nd Bone Spring Carbonate</u> | <u>7730'</u> | 7. _____ |
| 3. <u>Roche Sand Zone</u> | <u>8390'</u> | 8. _____ |
| 4. _____ | | 9. _____ |
| 5. _____ | | 10. _____ |

3. Depths at which oil, water, or gas bearing formations are expected to be encountered.

Bone Spring 7400'- 8700'

4. Brief description of testing, logging, and coring programs.

Drill Stem test as necessary

Gamma Ray: Surface to TD

Sonic and/or Neutron Density 2300' +/- to TD

Mud Logger 2300' +/- to TD

No coring anticipated.

5. Any anticipated abnormal pressures or temperatures expected? Any potential hazards - H₂S?

No abnormal pressures/temperatures anticipated.

No H₂S zones expected.

1. (A) Pressure control equipment to be used.
1 - 5000# WP Cameron Iron Works double type "U" blowout preventor with pipe and blind rams.
- (B) Pressure ratings (or API series).
1 - 1500 series - 5000# WP
- (C) Testing procedures and frequency.
BOP will be tested at installation point as indicated on Application for Permit to Drill.
- (D) Schematic Diagram.
See attached Exhibit "C"

2. Mud Program

Type and Characteristics

0 - 700' 8.5 - 8.8 Native
700'-2500' 10.0 brine water
2500'-8700' 8.4 fresh water

Quantities and types of weighting material to be maintained

500 sacks barite on location.

ENRON OIL & GAS COMPANY

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Canadian Kenwood 18 Federal, Well No. 2
500' FNL & 2126' FWL
Section 18, T18S, R31E
Eddy County, New Mexico

This plan is submitted with the Application for Permit to Drill the above-described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations, the magnitude of necessary surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operation

1. EXISTING ROADS:

See Figure 1 of NMAS - 2920-90-J attached.

2. PLANNED ACCESS ROADS:

Proposed road measures 100 x 200 feet.

3. LOCATION OF EXISTING WELLS:

Existing wells in the surrounding area include Enron's Canadian Kenwood 18 Federal #1 located 1193 feet to the south of our location, and Enron's Roche Federal #1 located approx 1300' to the northeast in Section 7.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

There are no existing production facilities. If production is encountered, a temporary facility will be established on the drill pad, and if warranted a production facility would be built at a later date in the immediate area of the drill-pad location. If the well is productive, the flowline would also be located on the drill-pad site and no additional disturbance will occur.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased from commercial sources and transported to the well site over the roads as shown.

6. SOURCE OF CONSTRUCTION MATERIALS:

Will use Federally-owned pit located in the SE/4 NE/4 of Section 13, T18S, R30E.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Location of the trash pit is shown on Exhibit "B".
- F. All trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completion of operations.

8. ANCILLARY FACILITIES:

None required.

9. WELLSITE LAYOUT:

- A. Exhibit "B" shows the relative location and dimensions of the well pad, mud pits, trash pit and location of major rig components.
- B. Only minor levelling of the well site will be required.
- C. The reserve pit will be plastic lined.
- D. The pad and pit area have been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and locations cleaned of all trash and junk to leave the well in an aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluid will be fenced until they are filled.
- C. After abandonment of the well, surface restoration will be in accordance with current Federal laws and regulations. Pits will be filled and location will be cleaned. The pit area, and well pad will be removed to promote vegetation.

11. OTHER INFORMATION:

- A. Topography: Land surface is undulatory and duned; slope is 0.50⁰
- B. Soil: Soils are made up of loose lime-free sandy loams and loamy sands.
- C. Flora & Fauna: Vegetation primarily consists of shinnery oak, sand sage, plains yucca, and various other grasses native to the area. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles and some birds.
- D. Ponds & Streams: None in the immediate vicinity
- E. Residences & other structures: None
- F. Archaeological, Historical & Cultural Sites:
None

12. OPERATOR'S REPRESENTATIVE:

The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

Mr. John R. Frick
3406 Meadowridge Lane
Midland, Texas 79701

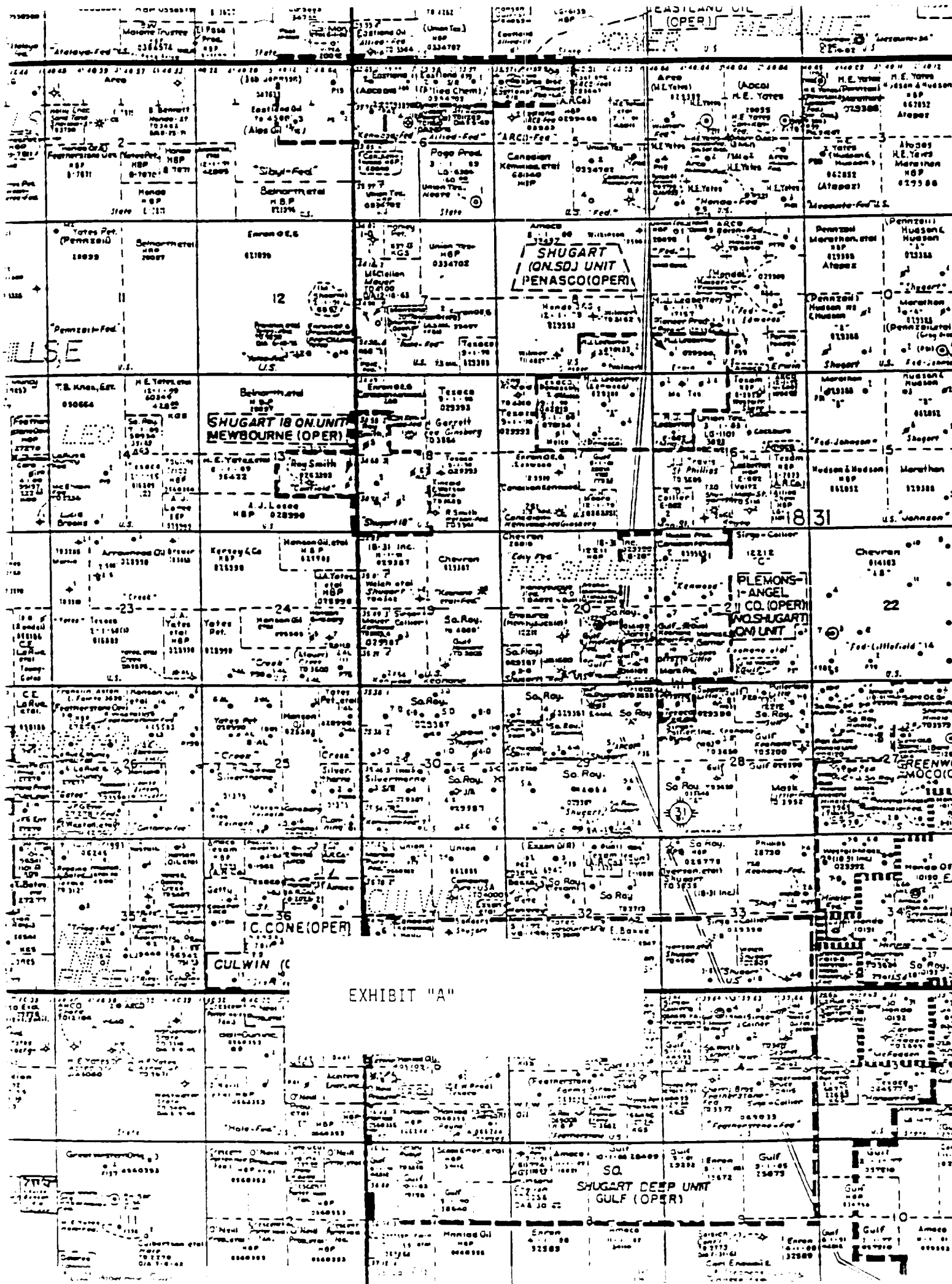
Phones: Business: (915) 686-3725
Home: (915) 694-4323

913. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Enron Oil & Gas Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

A handwritten signature in black ink, appearing to read 'Ray L. Ingle', is written over a horizontal line.

Ray L. Ingle
Operations Manager



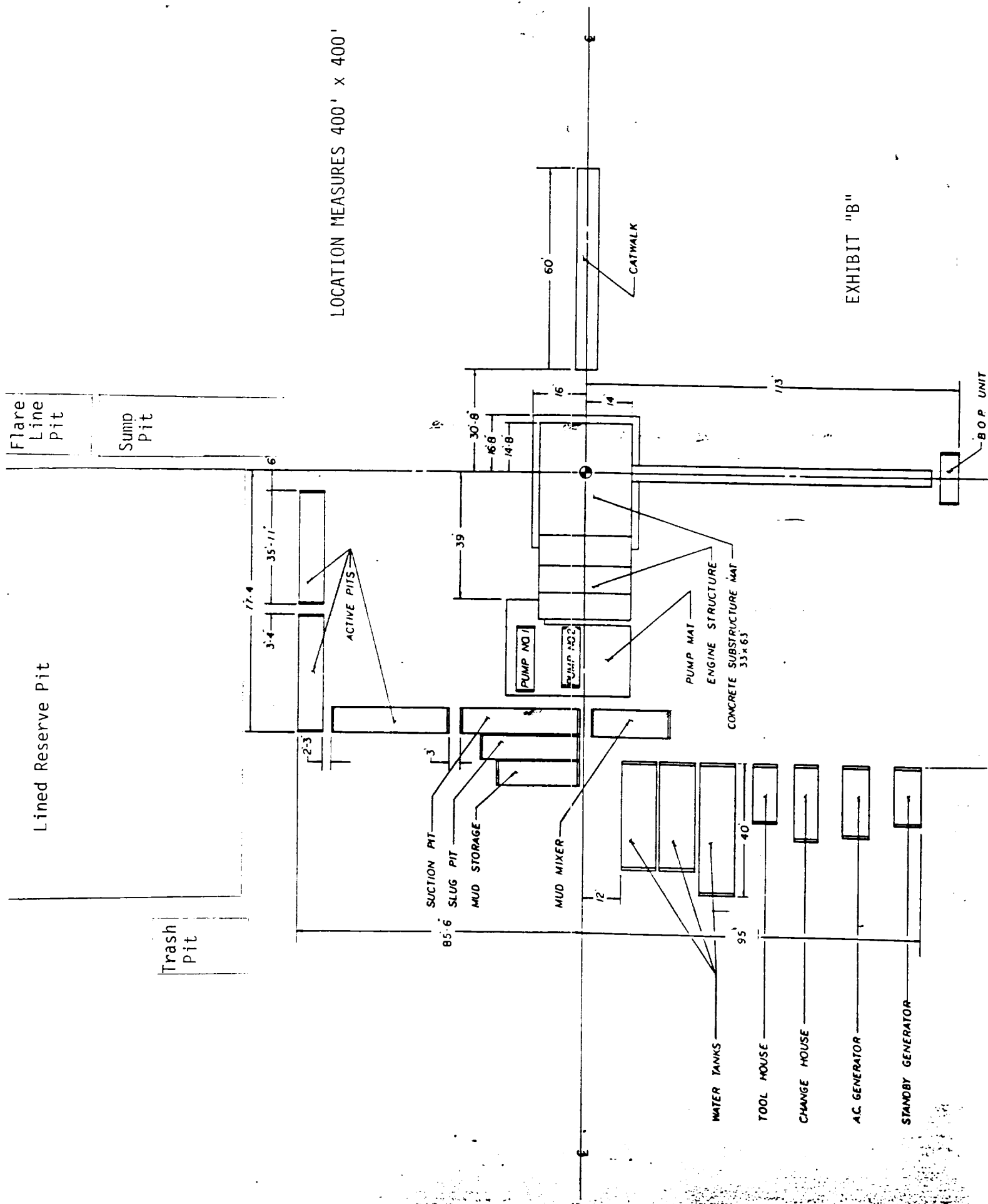


EXHIBIT "B"

EXHIBIT "C"

