

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

30-015-26925
Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

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

GP II Energy

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

2130' FSL & 1980' FEL

At proposed prod. zone

Same

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

1.75 Miles east south-east of White City, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

1980'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

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

3480.7' GR

5. LEASE DESIGNATION AND SERIAL NO.

NM-71560

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

White City #1 Fed. "1"

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT

Wildcat

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

Sec. 1, T25S, R25E

12. COUNTY OR PARISH

Eddy

NM

16. NO. OF ACRES IN LEASE

640.4

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40 Acres

19. PROPOSED DEPTH

3800'

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

Nov. 1, 1991

PROPOSED CASING AND CEMENTING PROGRAM

Carlsbad Controlled Water Basin

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24	350'	Suff. to circulate
7 7/8"	5 1/2"	15.5	3800'	150 sacks - SEE STIPS.

SEE ATTACHEMENTS FOR: SUPPLEMENTAL DRILLING DATA

BOP SKETCH

SURFACE USE AND OPERATIONS PLAN

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

[Signature]

DATE

9-30-91

(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

1-15-92

*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.

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 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

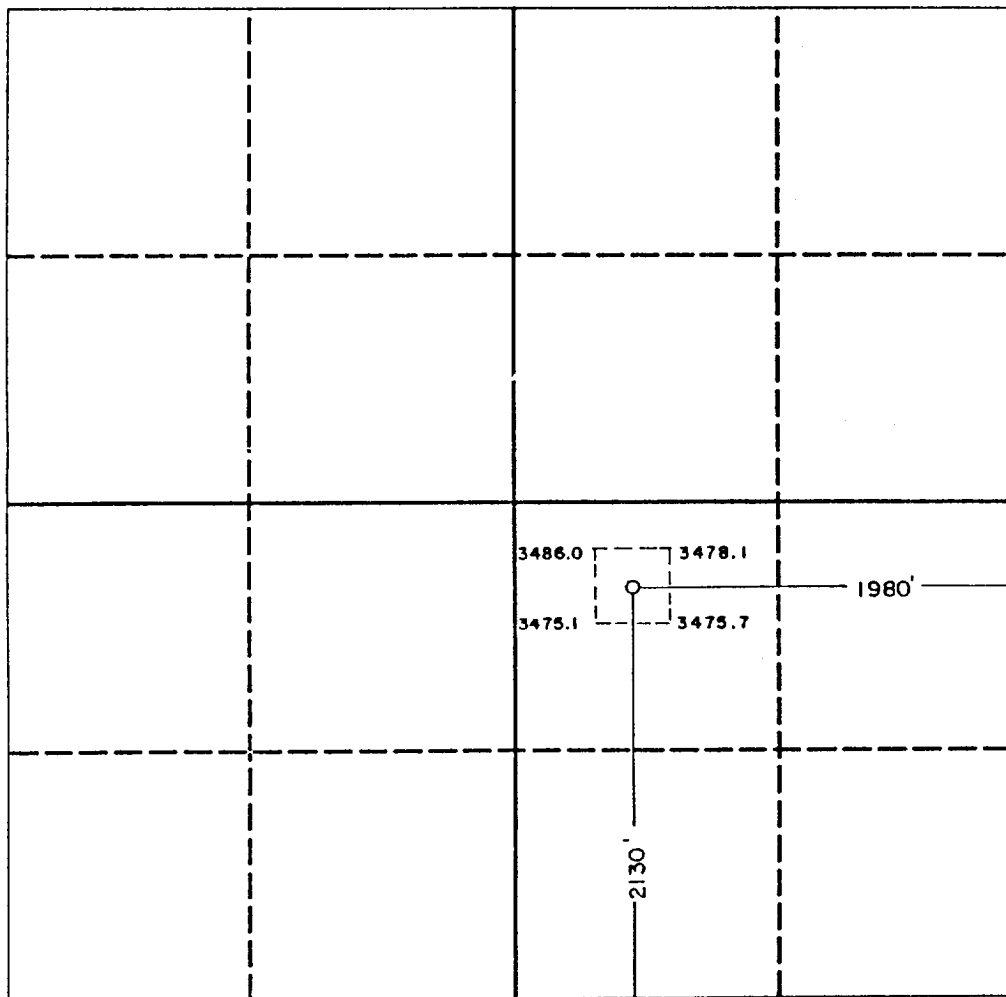
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator G P II ENERGY			Lease WHITES CITY FEDERAL		Well No. 1
Unit Letter J	Section 1	Township 25 SOUTH	Range 25 EAST	County EDDY	
Actual Footage Location of Well: 2130 feet from the SOUTH line and 1980 feet from the EAST line					
Ground level Elev. 3480.7	Producing Formation Cherry Canyon		Pool Undesignated	Dedicated Acreage: 40.00 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
GEORGE P. MITCHELL
Printed Name
PRESIDENT
Position
GP II ENERGY
Company
10/4/91
Date

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
9-26-91
Signature & Seal of Professional Surveyor
Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

SUPPLEMENTAL DRILLING DATA

GP II ENERGY, INC.
WHITE CITY #1 FEDERAL "1"
Sec. 1, T25S, R25E
Eddy County, New Mexico

1. SURFACE FORMATION: Quaternary

2. ESTIMATED GEOLOGIC TOPS:

Base of Salt	1352
Delaware Sand	1611
Manzanita Marker	2626
Brushy Canyon	3320

3. ANTICIPATED HYDROCARBON BEARING ZONES:

Delaware Sand (oil)	3320
Cherry Canyon (oil)	3535

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	3800'	15.5#	K-55	STC

Production casing will be 5 1/2" OD.

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 150 sacks of POZMIX A, to fill back to the base of the salt section at approximately 1352'.

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 3200 feet: Brine conditioned to control seepage, Ph, and maintain a viscosity of 28 to 32.

3200 feet to 3800 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. TESTING, LOGGING, AND CORING PROGRAMS:

No drillstem tests are planned.

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

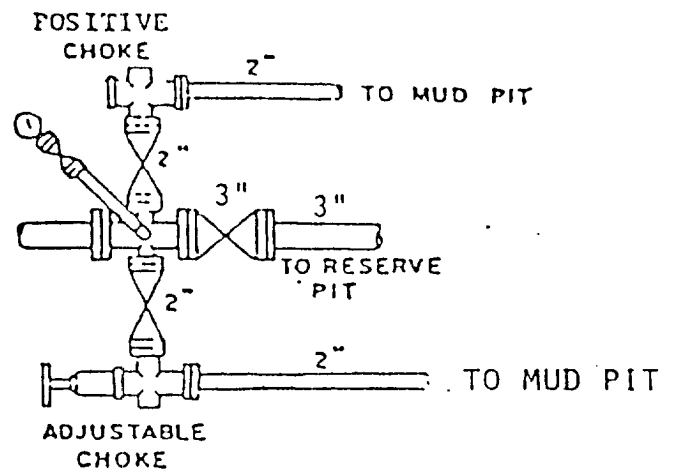
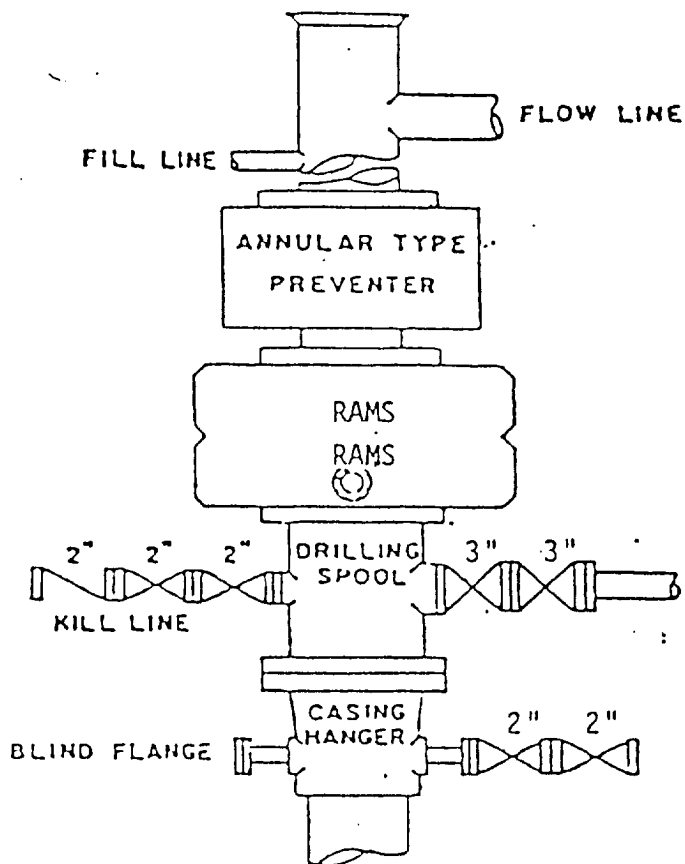
No coring is planned.

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

No abnormal pressures or temperatures are anticipated.

10. ANTICIPATED START DATE:

The well is anticipated to commence on or about November 1, 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.
 WHITE CITY FEDERAL "1" NO. 1
 1980' FSL & 1980' FEL
 SEC. 1, T25S, R25E

SURFACE USE AND OPERATIONS PLAN

GP II ENERGY, INC.
White City #1 Federal "1"
Sec. 1, T25S, R25E
Eddy County, New Mexico

LOCATED: 1.75 miles east-southeast of White City, New Mexico

FEDERAL LEASE NUMBER: NM-71560

DATE OF ISSUE: Lease issued February 1, 1988, for 10 years.
Lease is not currently
productive.

LESSEE OF RECORD: Caroline B. Bunn

LEASE AREA: 640.4 Acres

SURFACE OWNERSHIP: Federal

POOL DESIGNATION: Wildcat

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

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 at the intersection of US 180 and NM 426 approximately 3/4 mile east of White City, New Mexico. Exit US 180 at this point and proceed east by the Carlsbad Caverns Airpark 1.3 miles to a section line road, turn south and proceed 1.7 miles. The proposed well site is approximately 1700 feet west of this point, just north of a fence line road.
- B. Exhibit "B" shows existing pertinent roads in the vicinity of the proposed well site.

PLANNED ACCESS ROAD:

- A. Length and width: No new road will be built. Existing roads will be utilized. The existing fence line roads will be widened to 12' (driving surface), except at the point of origin where the fence line road turns south off of NM 426 where additional width will be necessary for heavy trucks and equipment to turn.
- 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 7 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 facility will be constructed at mutually agreeable site near the existing road.

SOURCE OF CONSTRUCTION MATERIALS:

Construction material, other than that available on-site will be taken from an existing caliche pit located in T24S, R26E.

WATER SUPPLY:

A water well will not be drilled. Water required for drilling operations will be purchased and trucked to the well.

ADDITIONAL PROCEDURES:

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits.
- D. Oil produced during tests will be stored in steel test tanks until sold.
- 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 "D".
- F. All trash and debris will be buried or removed from the well site within thirty days after finishing drilling and/or completion operations.

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 relatively flat area between two drainages. The drainage to the east is shallow and flat bottomed and the drainage to the west

is possesses more relief.

- 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 trash pit will be filled and the pad area cleaned and restored to as aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced until the pits are dry.
- C. After abandonment, all equipment, trash and junk will be removed and the well site will be cleaned. any special rehabilitation and/or special re-vegetation requirement of the surface management agency will be complied with and will be accomplished as rapidly as possible.

ADDITIONAL INFORMATION:

- A. The land surface slopes to the south south-east and is incised by minor drainages which drain into Black River about two miles south of the location.
- B. The top soil in the area is a sandy loam that comprises loose sands and some carbonate detritus.
- C. Locally the vegetative cover is moderate and comprises range grasses, yucca, weeds, and white thorn acacia, 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:

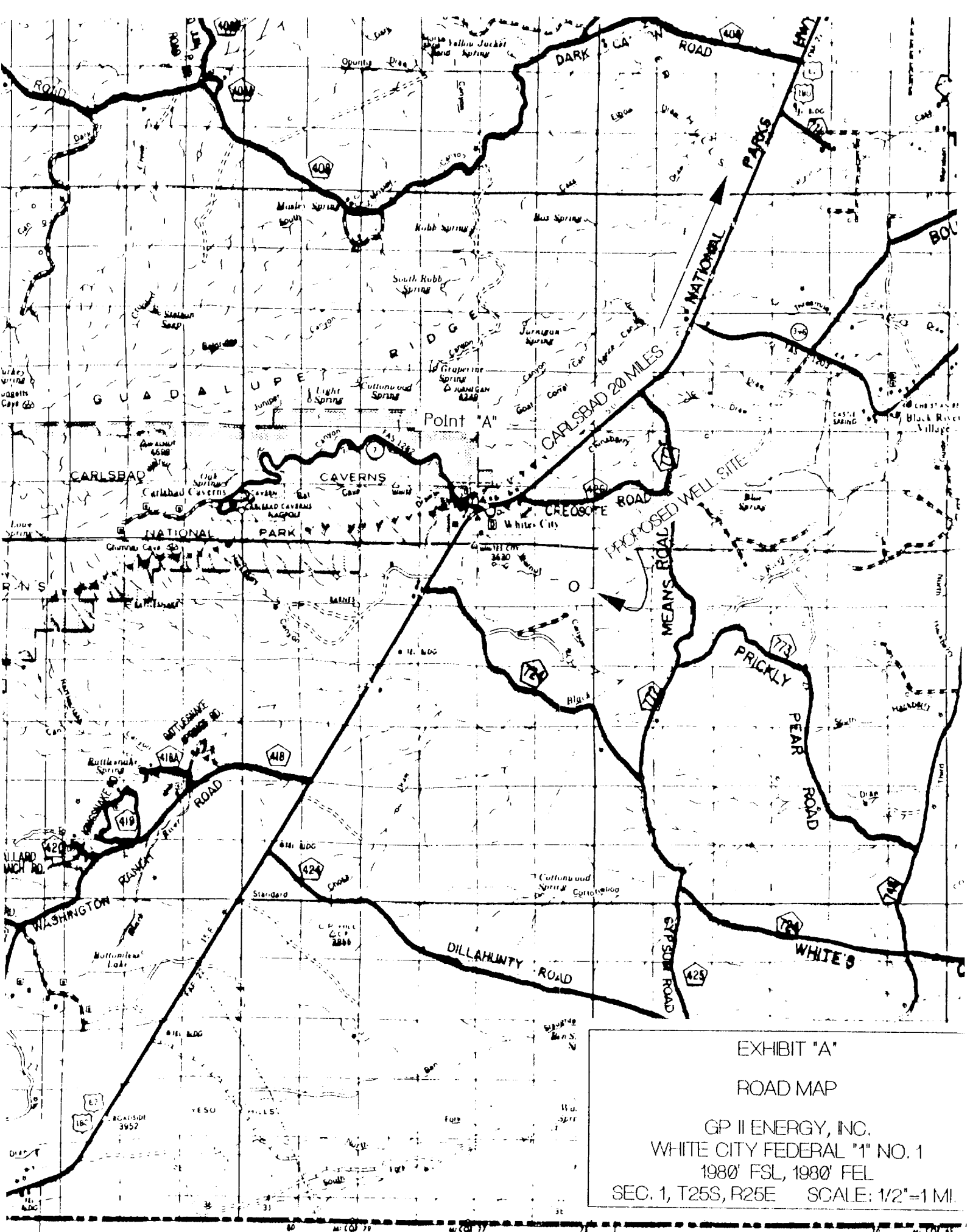
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated 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: _____

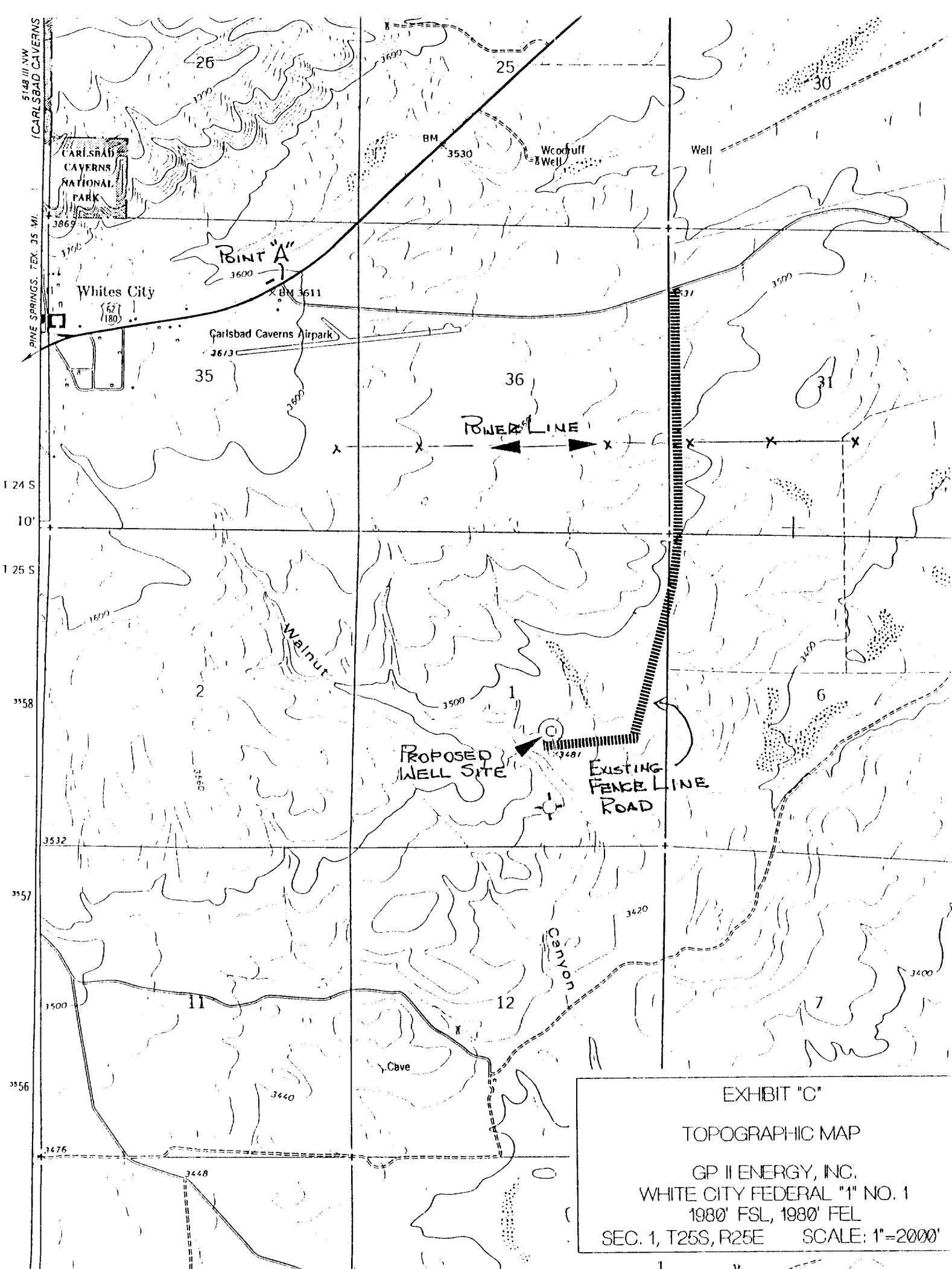
9-30-91

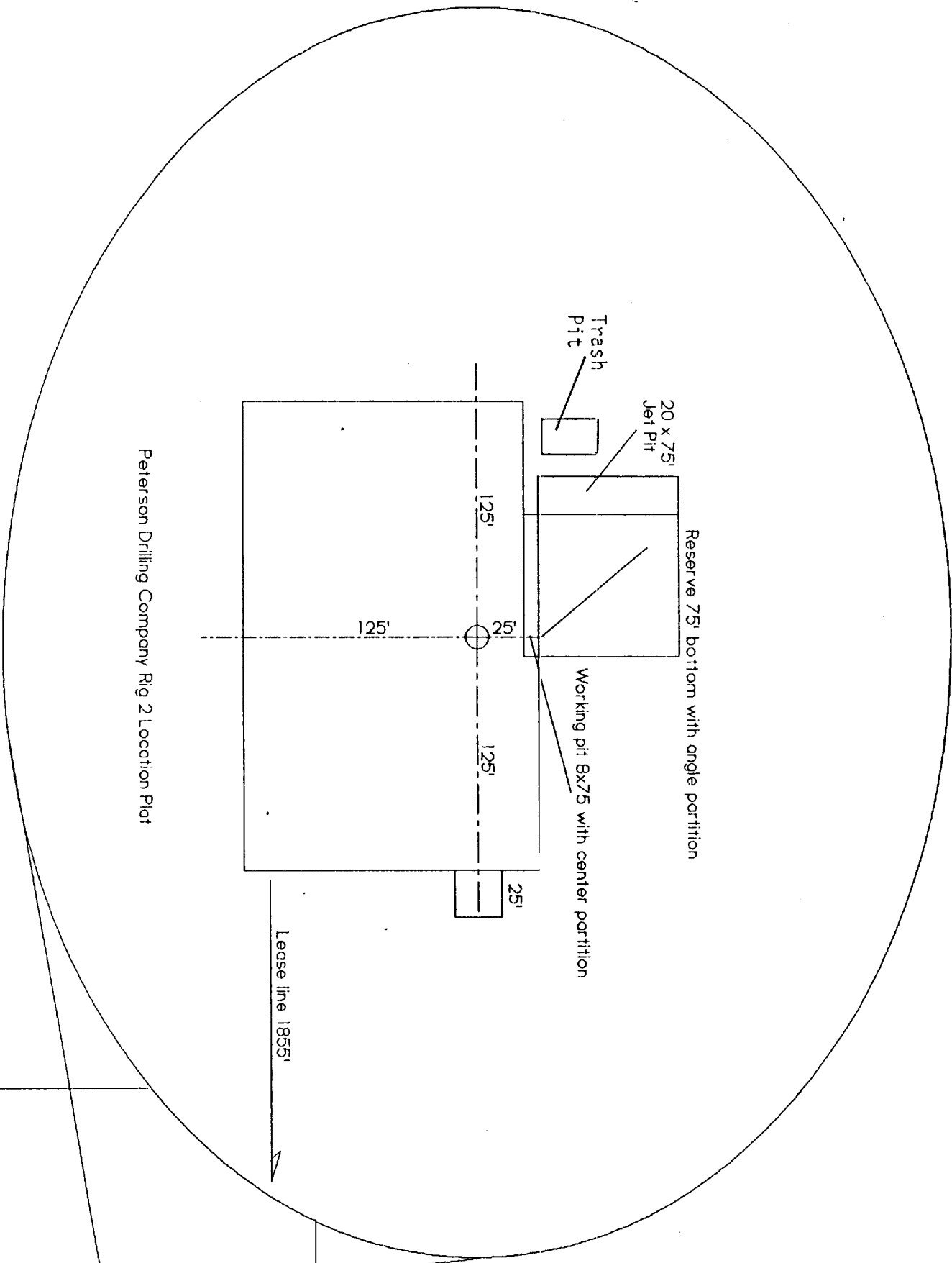


R 24 E

R 25 E

R 26 E





Peterson Drilling Company Rig 2 Location Plot

Exhibit "D"

Sec. 1, T25S, R25E
Eddy County, New Mexico

