

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

ARCO Permian

3. ADDRESS AND TELEPHONE NO.

P.O. Box 1610, Midland, TX 79702

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

At surface

890' FSL, 430' FWL

At proposed prod. zone

SAME

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

13 MILES SE OF ARTESIA

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

430'

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

750'

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

3538'

16. NO. OF ACRES IN LEASE

40

17. NO. OF ACRES ASSIGNED
TO THIS WELL

20

19. PROPOSED DEPTH

4000'

20. ROTARY OR CABLE TOOLS

ROTARY

22. APPROX. DATE WORK WILL START*

1/99

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8" J-55	24	1150' to 1100'	700
7-7/8"	5-1/2" K-55	15.5#	4000'	1300

SUBJECT WELL IS PLANNED AS A 4000' STRAIGHT HOLE.

28,000 PSI BOPE WILL BE USED FROM 1100' TO TD.

ATTACHMENTS ARE AS FOLLOWS:

1. CERTIFIED LOCATION PLAT
2. DRILLING PLAN WITH ATTACHMENTS
3. SURFACE USE PLAN WITH ATTACHMENTS

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

TITLE REGULATORY COMPLIANCE

DATE 12/8/98

(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:

Acting

Assistant Field Office Manager,
Lands and Minerals

APPROVED BY

TITLE

DATE

*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.



DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96210 S1120	Pool Name RED LAKE (GLORIETA-YESO)
Property Code	Property Name SCARLET 33 FEDERAL	Well Number 1
OGRID No. 000990	Operator Name ARCO PERMIAN	Elevation 3538'

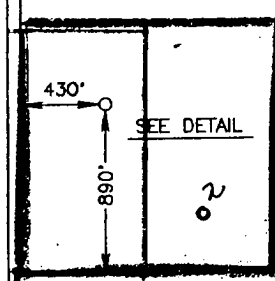
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	33	17 S	27 E		890	SOUTH	430	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 20	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>DETAIL</p> <p>3522.6' — 3545.4'</p> <p>3521.3' — 3550.5'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Elizabeth A. Casbeer</i> Signature ELIZABETH A. CASBEER Printed Name REG/COMP. Title 12-7-98 Date</p>	
		<p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>OCTOBER 2, 1998</p> <p>Date Surveyed Signature & Seal Professional Surveyor RONALD E. EDSON NEW MEXICO 12-10-98 11-09-98 12-11-13-98</p> <p>Certificate No. RONALD E. EDSON 3239 12641</p>	

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P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 51300	Pool Name RED LAKE (Q-CB-SA)
Property Code	Property Name SCARLET 33 FEDERAL	Well Number 1
OGRID No. 000990	Operator Name ARCO PERMIAN	Elevation 3538'

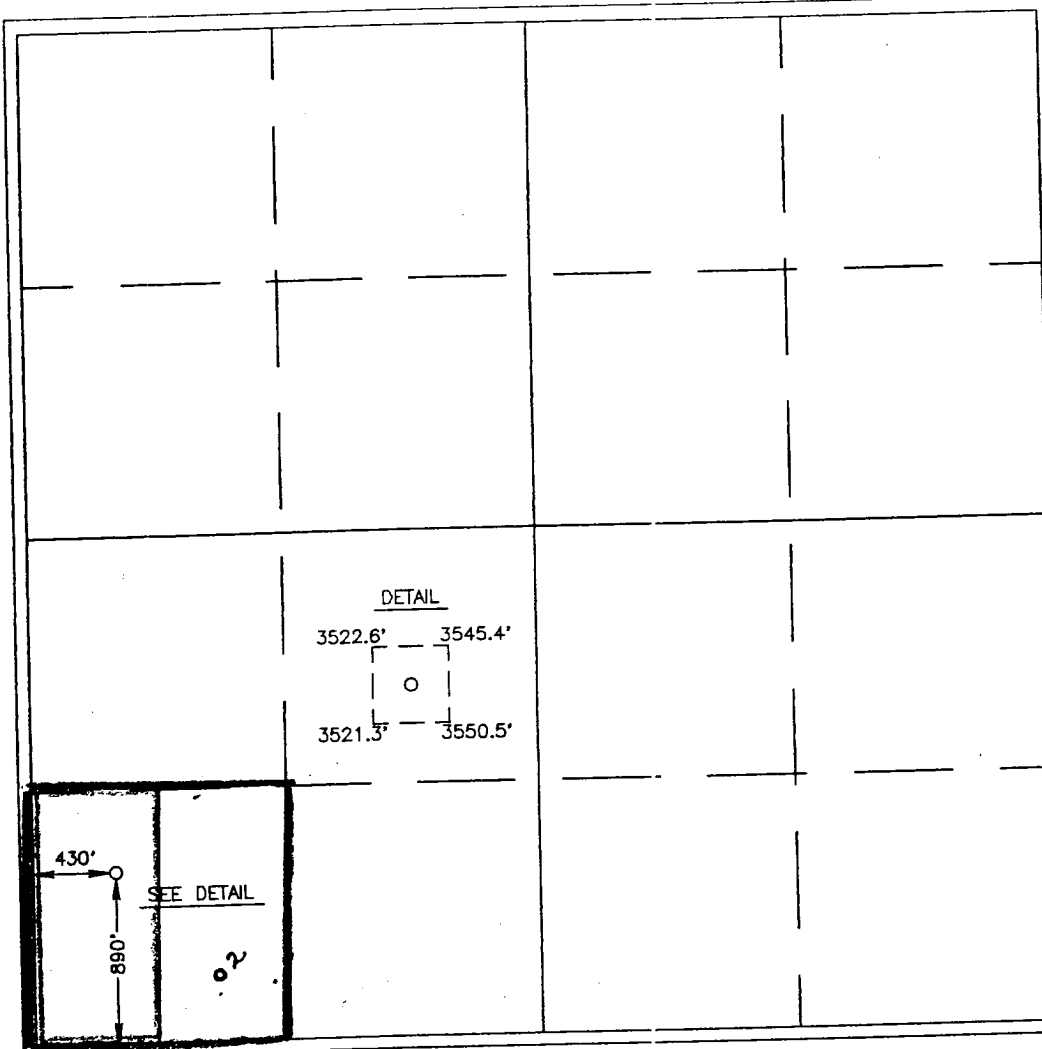
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OPERATOR CERTIFICATION

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

Elizabeth A. Casbeer
Signature

ELIZABETH A. CASBEER
Printed Name

REG. COMP. ANALYST
Title

12/4/98
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 belief.

OCTOBER 2, 1998

Date Surveyed
Signature & Seal of
Professional Surveyor

Ronald L. Edson
RONALD L. EDSON
3239
12641

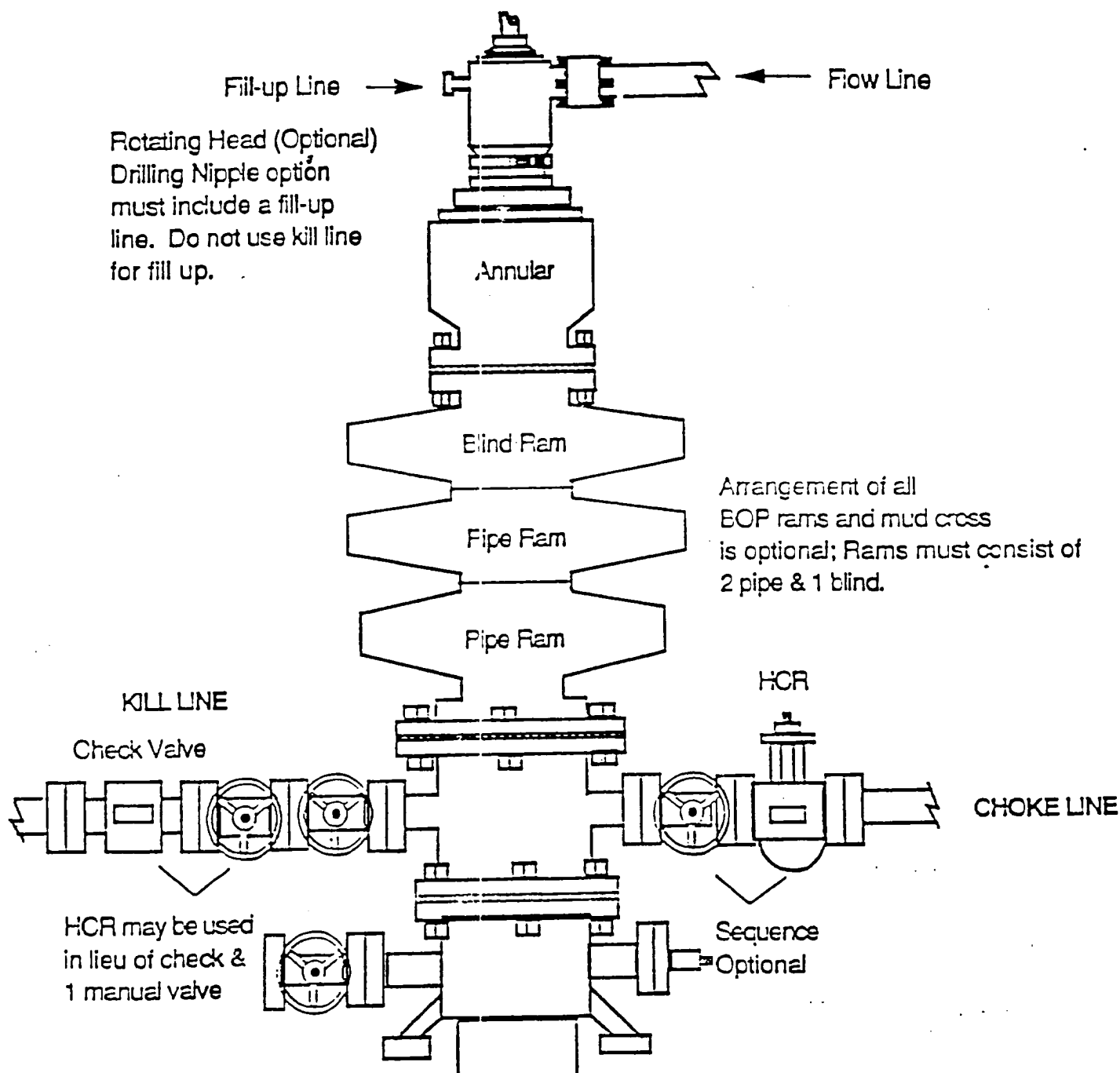
Certificate No. 3239
12641

EXHIBIT 1

DRILLING OPERATIONS

CLASS -1: NORMAL PRESSURE < 10PPG

OPTION - 2: MMS STANDARD; SINGLE SIZE DRILL STRING



DRILLING OPERATIONS
CHOKE MANIFOLD
2M AND 3M SERVICE

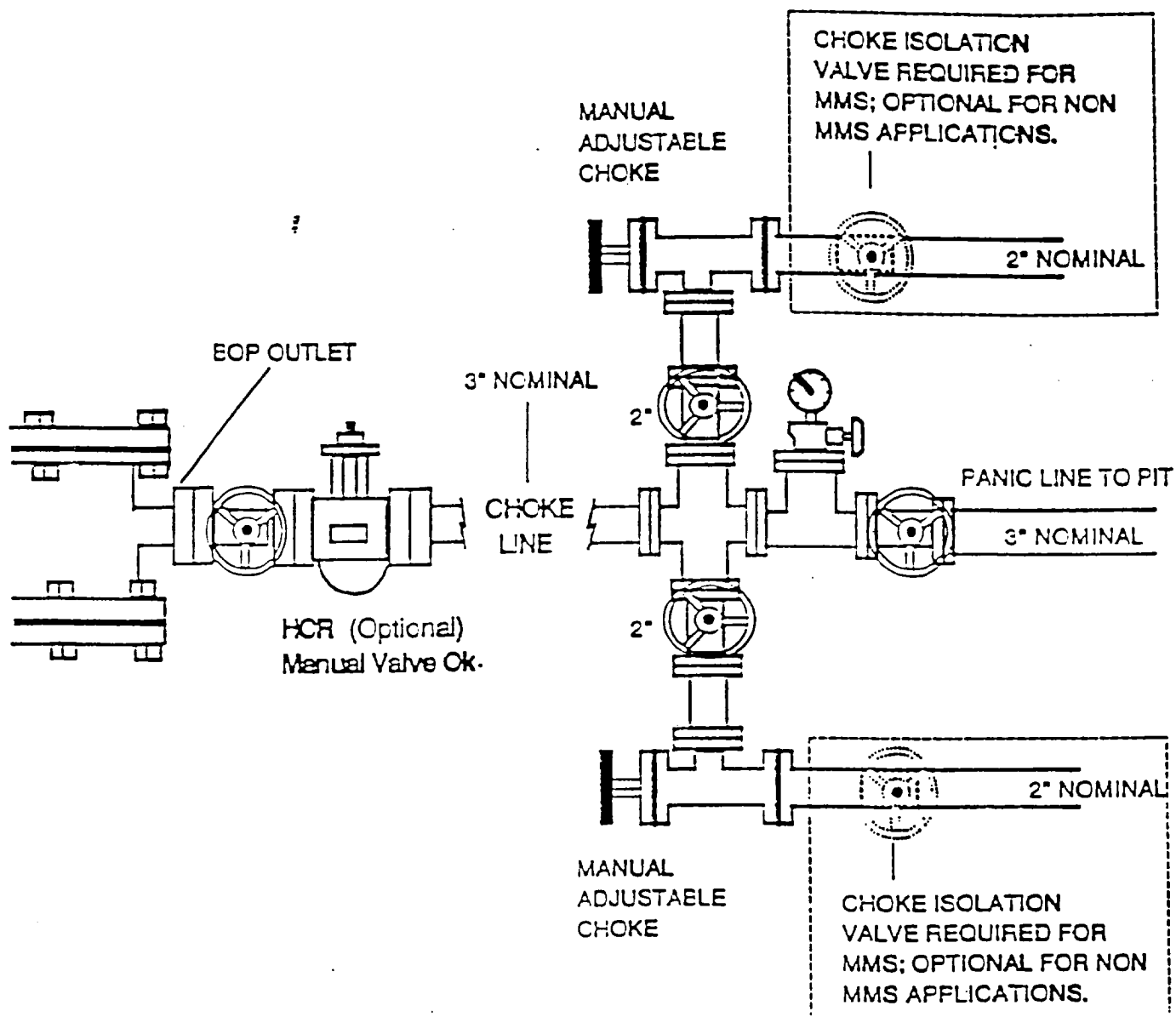


EXHIBIT 3

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.