

ROSWELL RESOURCE AREA
SPECIAL DRILLING STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

OPERATORS NAME Shell Western E&P Inc. WELL NO. & NAME #1-SWEPI et al Aspen Federal
LOCATION 5162' FS L & 2733' F E * L SEC. 27, T.1S., R. 13W.
LEASE NO. NM - 61816 COUNTY Catron

*of NW corner of Sec. 27. Approx. 118' FSL & 2733' FWL of Sec. 27.
The special stipulations check marked below are applicable to the above described well and approval of this application to drill is conditioned upon compliance with such stipulations in addition to the General Requirements. The permittee should be familiar with the General Requirements, a copy of which is available from a Bureau of Land Management office. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE STIPULATIONS PURSUANT TO TITLE 43 CFR 3165.3 and 3165.4.

I. SPECIAL ENVIRONMENT REQUIREMENTS

- ☐ Lesser Prairie Chicken (Stips attached) ☐ San Simon Swale (Stips attached)
☐ Floodplain (Stips attached) ☐ Other _____

II. ON LEASE - SURFACE REQUIREMENTS PRIOR TO DRILLING

☐ The BLM will monitor construction of this drill site. Notify the Roswell Resource Area Office, BLM at least _____ working days prior to commencing construction at (505) 624-1790.

☐ The drill pad for this well must be surfaced with _____ inches of compacted _____.

☐ All topsoil and vegetation encountered during the construction of the drill site area will be stockpiled and made available for resurfacing of the disturbed area after completion of the drilling operation. Topsoil on the subject location is approximately _____ inches in depth. Approximately _____ cubic yards of topsoil material will be stockpiled for reclamation.

☐ The access road authorized by this APD will conform to the attached "STANDARD STIPULATIONS FOR ROAD RIGHTS-OF-WAY IN THE ROSWELL DISTRICT, BLM."

☐ Other _____

III. DRILLING OPERATIONS REQUIREMENTS

The Bureau of Land Management office is to be notified at (505) 624-1790, in sufficient time for a representative to witness:

- ☒ 1. Spudding ☒ 2. Cement casing 11 3/4 inch 8 5/8 (if used) inch _____ inch
☐ 3. BOP tests ☐ Other _____

IV. CASING

☒ 11 3/4 inch surface casing should be set 500'-1000' and cement circulated to the surface. If cement does not circulate to the surface this BLM office will be notified and a temperature survey or cement bond log will be run to verify the top of the cement. Remedial cementing will be done prior to drilling out of that string.

☒ Minimum required fill of cement behind the 8 5/8 (if used) inch intermediate casing is to isolate all water, oil and gas _____.

☒ Minimum required fill of cement behind the 5 1/2 inch production casing is to isolate all water, oil and gas _____.

☐ Other _____

V. PRESSURE CONTROL

[X] Before drilling below the 11 3/4 inch casing, the blowout preventer assembly will consists of a minimum of:

☐ One Annular Preventer ☒ Two RAM-Type Preventers ☒ Other Min. 2000 PSI W.P.

[X] After setting the 11 3/4 inch casing string, and before drilling into the Baca Formation, the blowout preventers and related control equipment shall be pressure-tested as described in General Requirements. Any equipment failing to test satisfactorily will be repaired or replaced.

☐ The test will be conducted by an independent service company.

☐ The results of the test will be reported to the appropriate BLM office.

[] The Bureau of Land Management office is to be notified in sufficient time for a representative to witness the test.

[] Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, will be installed and operating before drilling into the _____ Formation, and will be used until production casing is run and cemented. Monitoring equipment will consists of the following:

[] 1. A recording pit level indicator to determine pit volume gains and losses.

[] 2. A mud-volume measuring device for accurately determining mud volume necessary to fill the hole on trips.

[] 3. A flow-sensor on the flow-line to warn of any abnormal mud returns from the well.

[] A Hydrogen Sulfide Contingency Plan will be approved by this BLM office before drilling below the Formation. A copy of the plan will be posted at the drilling site.

[] Other

VI. WELL COMPLETION REQUIREMENTS

[] A Communitization Agreement covering the acreage dedicated to the well must be filed for approval with the Bureau of Land Management. The effective date of the agreement must be prior to any sales.

[] Surface Restoration: If the well is a producer, the reserve pit(s) will be backfilled when dry, and cut-and-fill slopes will be reduced to a slope of 3:1 or less. All areas of the pad not necessary for production must be re-contoured to resemble the original contours of the surrounding terrain, and topsoil must be re-distributed and re-seeded with a drill equipped with a depth indicator (set at a depth of 1/2 inch) with the following seed mixture, in pounds of Pure Live Seed (PLS), per acre.

[] A. Seed Mixture 1 (Loamy Sites)
 Lehmanns Lovegrass (Eragrostis lehmanniana) 1.0
 Side Oats Grama (Bouteloua curtipendula) 5.0
 Sand Dropseed (Sporobolus cryptandrus) 1.0

[] B. Seed Mixture 2 (Sandy Sites)
Sand Dropseed (Sporobolus cryptandrus) 1.0
Sand Lovegrass (Eragrostis trichodes) 1.0
Plains Bristlegrass (Setaria Magrostachya) 2.0

[] C. Seed Mixture 3 (Shallow Sites)
Sideoats Grama (Bouteloua curtipendula) 1.0
Lehmann's Lovegrass (Eragrostis lehmanniana) 1.0
or Boer Lovegrass (E. chloromelas)

[] D. Seed Mixture 4 ("Gyp" Sites)
Alkali Sacaton (Sporobolus airoides) 1.0
Four-Wing Saltbush (Atriplex canescens) 5.0

Seeding should be done either late in the fall (September 15 - November 15, before freeze up) or early as possible the following spring to take advantage of available ground moisture.

[X] Other - Need approval from NMOCD for an unorthodox location. A signed C-102 Plat will be submitted if well is productive.

OPERATOR'S COPY

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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
SHELL WESTERN E&P INC.

3. ADDRESS OF OPERATOR
P. O. BOX 576 HOUSTON, TX 77001 ATTN: A. J. Fore

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 5162' South and 2733' East of NW Corner of sec. 27.
Approx. 118' FSL & 2733' FWL of Sec. 27
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
8 Miles S/SE of Pie Town, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. Approx 1 mile
(Also to nearest drig. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. First Well 9000'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
8115'

22. APPROX. DATE WORK WILL START*
9/15/87

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
See Attachment B, Section 1				

- ATTACHMENTS ARE:
- A. Survey Plat
 - B. Drilling Program
 - C. BOP Schematic
 - D. Choke Manifold Schematic
 - E. Surface Use Program
 - F. Road and Well Location Map
 - G. Cross Section of Drill Pad & Reserve Pit
 - H. Drill Pad Layout
 - I. Production Facility Sketch

A Surface Rehabilitation Plan will be forwarded when executed by Surface Owner.

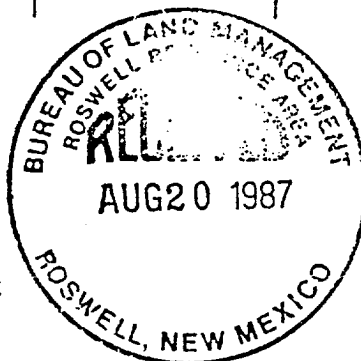
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED A. J. Fore A. J. Fore TITLE Supervisor Regulatory & Permitting DATE August 19, 1987
(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE
APPROVED BY Phil Hark TITLE Area Mgr. DATE 10/20/87
CONDITIONS OF APPROVAL, IF ANY

APPROVAL OF THIS APPLICATION 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
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 statement or representation.





SWEPI et al ASPEN FEDERAL No. 1
WELL LOCATION PLAT
Located in the

S 1/2 of Section 27, T1S, R13W, New Mexico
Principal Meridian, Catron County, New Mexico

Bearings based on Solar Observations

NW corner of section was only corner found in field

Elevation from SWEPI Seismic Point 900-4 Line 85-120-183, 8146.53' A.S.L.

