

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

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, NM 87504-2088

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

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	Pool Name
Property Code	Property Name JAGUAR FEDERAL "26"	Well Number 1
OGRID No. 000990	Operator Name ARCO PERMIAN	Elevation 4403

Surface Location

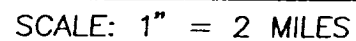
UL or lot No. A	Section 26	Township 20 S	Range 21 E	Lot Idn	Feet from the 735	North/South line NORTH	Feet from the 660	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	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

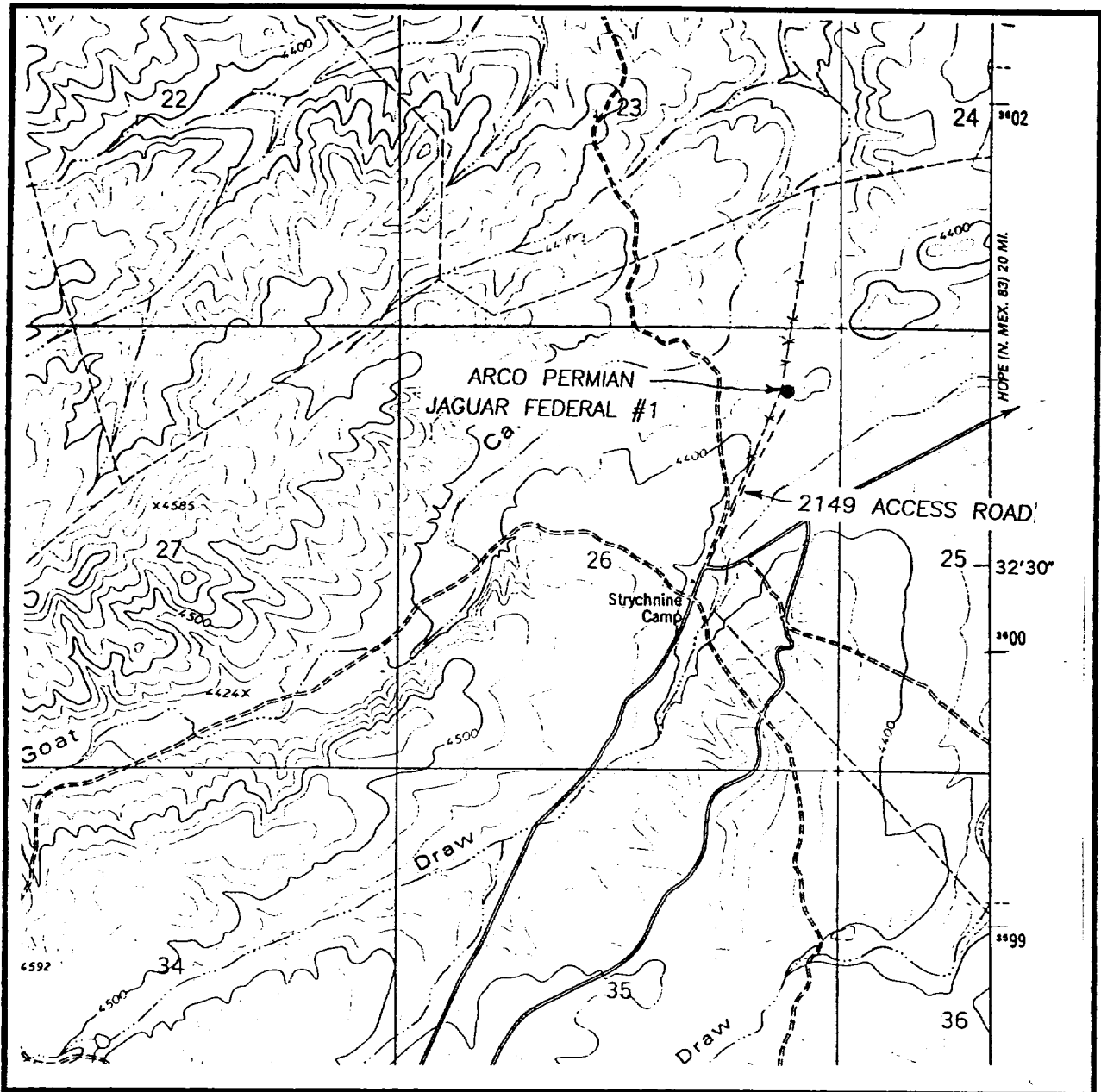
				OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>Elizabeth A. Casbeer</i> Signature Elizabeth A. CASBEER Printed Name Reg. Comp. Analyst Title 11-3-00 Date	
				SURVEYOR CERTIFICATION I hereby certify that the 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 19, 2000 Date Surveyed Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> W.O. Num. 00-11-1311 Certificate No. RONALD J. EIDSON, 3239 GARY C. EIDSON, 12841	



SEC. 26 TWP. 20-S RGE. 21-E
SURVEY N.M.P.M.
COUNTY EDDY
DESCRIPTION 735' FNL & 660' FEL
ELEVATION 4403
OPERATOR ARCO PERMIAN
LEASE JAGUAR FEDERAL

**JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117**

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 20'

SEC. 26 TWP. 20-S RGE. 21-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 735' FNL & 660' FEL

ELEVATION 4403

OPERATOR ARCO PERMIAN

LEASE JAGUAR FEDERAL

U.S.G.S. TOPOGRAPHIC MAP

STRYCHNINE DRAW, N.M.

**JOHN WEST SURVEYING
HOBBS, NEW MEXICO**

(505) 393-3117

DRILLING PLAN

Attachment to BLM Form 3160-3

ARCO Permian

Well: Jaguar Federal '26' #1

735 FNL, 660 FEL

Section 26, T20S-R21E

Eddy County, New Mexico

1. Surface Geological Formation

Quaternary Formation

2. Estimated Tops of Geological Markers

<u>Formation</u>	<u>TVD</u>
Glorieta	1540
Tubb Sand	3215
Abo Dolomite	3950
Cisco	6315
Canyon	6900
Wolfcamp	5175
Lower Morrow	8075
Mississippian	8550

3. Estimated Tops of Possible Water, Oil, Gas or Mineral:

Sands above 300'	Water
Cisco and Morrow	Oil or Gas

4. Pressure Control Equipment

<u>Interval, TVD</u>	<u>Pressure Control Equipment</u>
0' – 1400'	Rotating Head
1400' – TD	11", 3M psi double ram preventer with 3M psi annular preventer

Exhibits 1, 2 and 3 show the BOP stack arrangement, the choke manifold arrangements and the BOP specifications, respectively. The BOPE will be hydraulically tested per BLM requirements outlined by Onshore Oil and Gas Order No. 2. Pipe rams and blind rams will be functioned on each trip out of the hole. All BOPE checks and testes will be witnessed by ARCO's representative and will be noted on the IADC daily drilling report. Accessories to BOPE will include an upper kelly cock, lower kelly cock, and floor safety valve; all with pressure rating equivalent to the BOP stack.

5. Proposed Casing and Cementing Program

	<u>Hole Size</u>	<u>Interval M.D.</u>	<u>Casing Size</u>	<u>Weight & Grade</u>
Surface	12-1/4"	0'-1400'	8-5/8"	32.0# J-55
Production	7-7/8"	0'-8600'	5-1/2"	17.0# J-55

Cement Program: (Actual volumes will be based on caliper log when available)

1st Lead – 200 sxs Class “H”
+10% A-10B
+10 #/sx Gilsonite
+1/4 #/sx CeloFlake
+1% CaCl

2nd Lead – 260 sxs 35”65 Poz “C”
+6% Bentonite
+1% CaCl
+5 #/sxs Gilsonite

Tail – 200 sxs Class “C”
+2% CaCl

Production - Cement to 5000’ as follows:

5-1/2” Casing

1st Stage: Lead Slurry - 129 sks Class “C” + 2 lb/sk Sodium Chloride 0.4% FL25 + 15% Bentonite
Tail Slurry - 695 sks (15:61:11) Poz: Class “C” CSE + .3% FL-52. Total 1484 ft.³

6. Mud Program

<u>Depth</u>	<u>Mud Type</u>	<u>Weight ppg</u>	<u>Funnel Viscosity</u>	<u>Water Loss</u>
0’-1400’	Air Drilled			
1400-6750’	FW/Brine	8.4/9.0	28-30	NC
6750-8600’	XCD Polymer	9.0/9.2	34-36	8-10 cc

7. Auxiliary Equipment

Upper Kelly Cock, Lower Kelly Cock, and Full Opening Stabbing Valve

8. Testing, Coring and Logging Program

- A. Drill Stem Tests – None planned
- B. Coring – None planned
- C. Logging – Mud logging planned from 1400’ to TD
- D. Electric Logs
 - Open Hole: DLL/MLL, CNL/LDT, GR: Shoe of 8-5/8” csg to TD
 - Cased Hole: GR/CCL TD to top cement in prod csg

9. Anticipated Abnormal Temperature, Pressure, or Hazards

Normally have severe lost circulation from surface to 1400’. Air drilling should alleviate this. Lost circulation is not anticipated below 1400’.

10. Anticipated Starting Date and Duration of Operations

Pending favorable weather and permit approval, construction work on this location is planned to begin in January, 2001. Construction work will require 5 days, move-in and rig up rotary tools, 1 day, drill and complete, 30 days. It is planned to spud the well in January, 2001.

SURFACE USE PLAN

Attachment to BLM Form 3160-3

ARCO Permian

Well: Jaguar Federal '26' #1

735 FNL, 660 FEL

Section 26, T20S-R21E

Eddy County, New Mexico

1. Directions to location Existing Roads

From Carlsbad, New Mexico go North +/- 20 miles on Highway 285 to Eddy County Rd. 23 (Rock Daisy Rd.). Go West on Rock Daisy Rd. 19 miles to Armstrong Rd. Go South on Armstrong Rd. 5.1 miles. As Armstrong Rd. turns to the left continue south 0.3 miles on lease road. Cross creek and turn right. Go 0.4 miles to location. Exhibits "4" and "5" are the Vicinity Map and the Location Verification Map.

- A. The proposed development wellsite is staked as shown on the certified location plat attached.
- B. The existing roads will require improvement. Any existing sections of road that needs improvement or repair will be fixed to a condition equal to that of the good sections of the existing road. All roads will be maintained in a condition equal to that which existed prior to the start of the construction.

2. Planned Access Roads

- A. Approximately 2150' of new access road will be required.
- B. New access roads will have a 12' wide travel lane and be surfaced with 6" compacted caliche.
- C. Turnouts: None
- D. Culverts: Across creek cutting existing dirt road.
- E. Cuts and fills: No major road cuts or fill will be necessary.

3. Location of Existing Wells

- A. The existing wells within a one-mile radius of this location are shown on Exhibit "6".

4. Location of Existing or Proposed Facilities

- A. Existing Facilities – No facilities are currently existing for this well.
- B. New Facilities Proposed – If a successful Morrow producer is completed, surface facilities will consist of a separator, line heater and collection tanks for oil and water.

5. **Location and Type of Water Supply**

Fresh and brine water used in drilling and completion operations will be purchased from independent trucking companies located in Artesia or Carlsbad, New Mexico. The water will be hauled over existing and new roads to the location.

6. **Source of Construction Materials**

Caliche for the road and well pad construction will be from the designated BLM caliche pit.

7. **Methods of Handling Waste Disposal**

- A. Drill cuttings will be handled in the reserve pit and buried during reclamation operations.
- B. Trash, waste paper, garbage and junk will be contained in a fenced trash trailer to prevent scattering by the wind and hauled to a municipal sanitary landfill. The supplier will pick up all sacked drilling mud. The drilling contractor will haul away any chemicals that they used while drilling.
- C. Toilet facilities will be provided for human waste. Sewage disposal facilities will be in accordance with State and Local Regulations.
- D. Drilling fluids will be handled as follows. The free water will be either hauled to the reserve pit of the next drilling well for re-use or hauled to a permitted SWD. If any mud is hauled away it will be disposed of at an approved mud disposal site. Remaining drilling fluids will be allowed to evaporate in the reserve pit until dry enough for reclamation.
- E. Any fluids produced during swab testing the well while the pulling unit is on location will be collected in a test tank. Produced water will be hauled to a permitted SWD. Oil produced will remain in the test tank until sold and hauled from the site.

8. **Auxiliary Facilities**

No new facilities will be built during drilling of this well. A trailer will be used as an office and temporary living quarters for wellsite supervision.

9. **Wellsite Layout**

- A. Exhibit "7" shows the proposed wellsite layout and dimensions. Major rig components and reserve pits are shown.
- B. No significant cuts or fills will be required.
- C. The reserve pits will be plastic lined with minimum 6 mil double x laminated plastic. The liner will overlap the pit dikes and be anchored down. The reserve pit will be fenced on three sides during drilling operations. After drilling operations have ceased the fourth side of the pit will be fenced.

10. **Plans for Reclamation of the Surface**

- A. In a timely manner, after finishing the drilling and/or completion operations all equipment and other material not needed for production operations will be removed. The location will be cleared of all trash and debris then any ruts, etc. will be filled. The cellar will be filled around the wellhead.

- B. Any pits containing fluids will be fenced until they are filled. The NMOCD pit netting rules will be followed. The reserve pits will be reclaimed by deep burying the drill cuttings. The pit area will be leveled and contoured to conform to the surrounding area. A stockpile of topsoil from the location construction will be evenly distributed over the disturbed area. Re-vegetation procedures will comply with BLM standards.
- C. Upon abandonment of the well, surface restoration will be in accordance with the surface owner requirements and will be accomplished as expediently as possible.

11. Surface Ownership

The surface for the wellsite locations is on BLM surface and minerals and Leased by Corrales Livestock Corp., Hope, New Mexico.

12. Additional Information

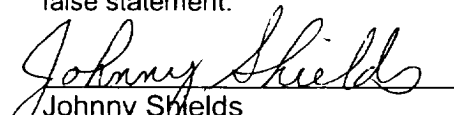
- A. Topography: Hilly with canyons. Location is in a relatively flat area.
- B. Vegetation includes mesquite, catclaw, creosote, broom snakeweed, various cacti, shin oak, sand sage, narrowleaf yucca, and mixed grasses.
- C. The soil is stony and rocky with loamy soils over limestone.
- D. Primary use of the land is livestock grazing and accessing producing wells.
- E. There is an unoccupied dwelling 0.4 miles away.
- F. An archaeological block survey will be prepared; a copy of which will be sent to your office.
- G. The selected dirt contractor will be furnished with an approved copy of the Surface Use Plan and any additional stipulations prior to beginning and work.

13. Operator's Representatives

J.E. Shields
Sierra Engineering as Agent for ARCO Permian
P.O. Box 1610
Midland, TX 79702
(915) 688/5674

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 that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct. The work associated with the operations proposed herein will be performed by ACRO Permian and its contractors and subcontractors 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 filing of a false statement.


Johnny Shields
Drilling Coordinator

11/3/00
Date

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.

EXHIBIT 1

DRILLING OPERATIONS

CLASS -1: NORMAL PRESSURE < 10PPG

OPTION - 2: MMS STANDARD; SINGLE SIZE DRILL STRING

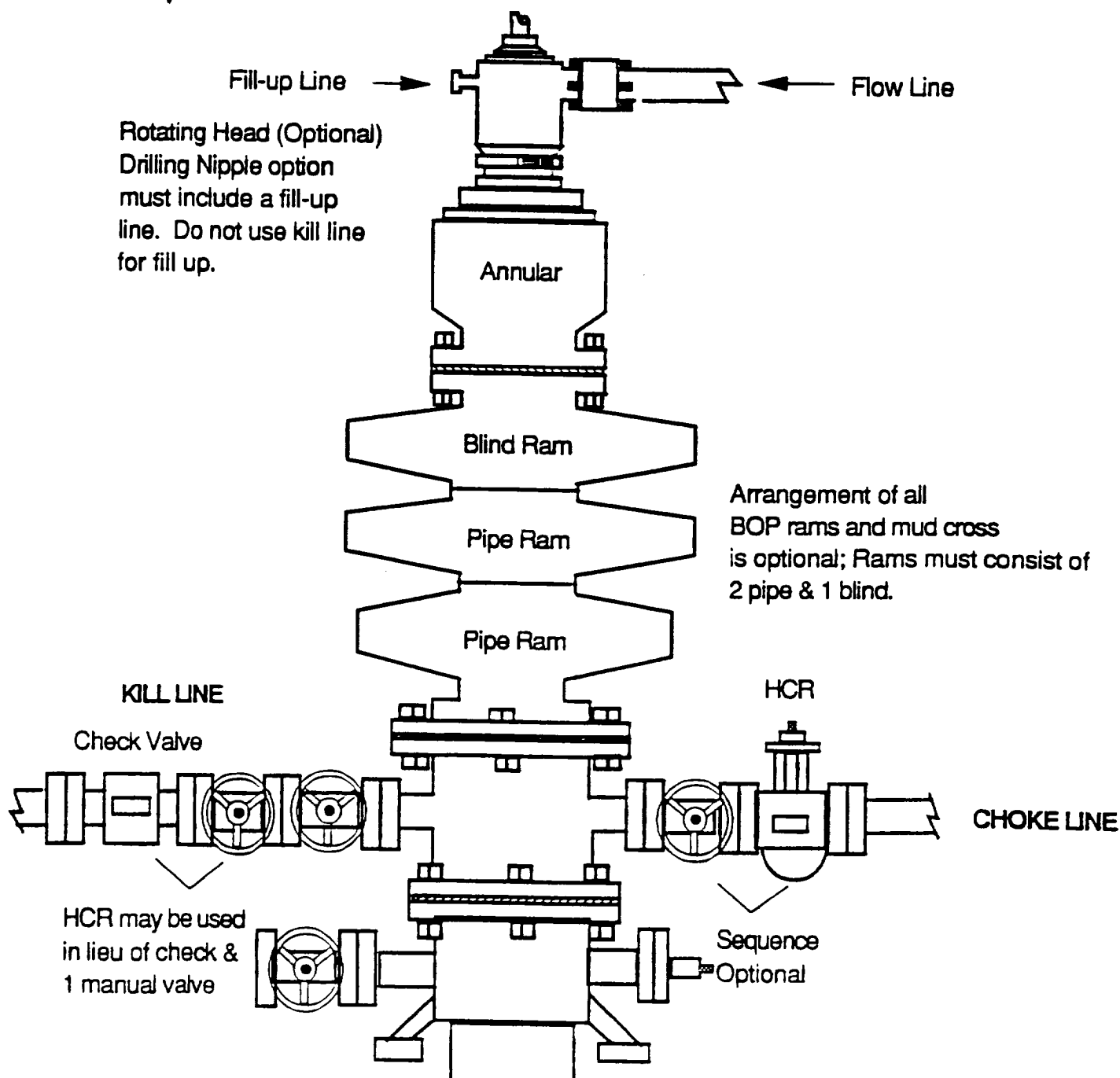


EXHIBIT 2

DRILLING OPERATIONS
CHOKE MANIFOLD
2M AND 3M SERVICE

