		NH OIL DORD Drawne DD)CM21031	N.			U/SF.
Form 9-331 C (May 1963)		Art sta, Mi TED STATES F OF THE IN	TERIOR	SUBMIT IN TH (Other instru- reverse B	ctious on	Budget Bureau 30-015-5 5. LEASE DEBIGNATION	No. 42-181425.
					ACK	LC-059365 6. IF INDIAN, ALLOTTER	OR TRIBE NAME
APPLICAT	ION FOR PERMIT					~	
b. TYPE OF WELL	DRILL 🕅	DEEPEN	HVCD	PLUG BA	СК 🗌	7. UNIT AGREEMENT N. BIG EDDY UNI	
OIL WELL	GAS WELL OTHER		NINGLE X) MULTIP ZONK	··· .	S. FARM OR LEASE NAM	
2. NAME OF OPERATO RASS ENTER	® RPRISES PRODUCTION	CO.	11,88			BIG EDDY UNI 9. WILLL NO.	<u> </u>
3. ADDRESS OF OPER	ATOR		C. D.		ji "	<u>s 108</u>	:
	2760 MIDLAND, TEXAS		A. OFFICE	irements.*)	- He Cort	10, 10, 10 por ports	MORROW GAS
	& 1980' FWL SEC 30			er C) Edd		11. SEC., T., K., M., OB I AND SURVEY OR AN	
At proposed prod	d. zone			New	Mexico	S30,T21S, R2	
14. DISTANCE IN MI	Same as above ILES AND DIRECTION FROM NEA	REST TOWN OR POST	office+			12. COUNTY OR PARISH	
	East of Carlsbad N					EDDY	NEW MEXICO
15. DISTANCE FROM LOCATION TO NE PROPERTY OF LE	AREST ASE LINE, PT. 6	560'	2553.61	ES IN LEASE		P ACERE ABSIGNED	· · ·
(Also to deares 18. DISTANCE FROM TO NEAREST WE	t drlg. unit line, if any) PROPOSED LOCATION*	2,640	19. FROPOSED D 12,100	EPTH		Rotary	
	w whether DF, RT, GR, etc.)	- 2,040	12,100		<u> </u>	22. APPROX. DATE WO	
Ungraded G			······			Undetermin	ed
23.	I	PROPOSED CASING			АМ 		· · ·
BIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOO		eing depth 40	-	340 SX CHEC	
10 5/8"	<u> </u>	<u>42</u> 24 & 28		835	_	<u>850 SX</u>	
7 7/8"	5 1/2	17 & 20	1	2100		700 SX	. 5
				ĩ		i i	RECE
zone. If proposal preventer program, 24. 	SCRIBE PROPOSED PROGRAM : If is to drill or deepen directions if any. Federal or State office use)	ally, give pertinent of the second seco	data on subsur	ring Assi	nd measure	uctive some and propose and true vertical depth DATE April	d new productive n. Give blowout 7. 1988
FRENIT NO		<u> </u>				5-1	1.58
APPROVED BY CONDITIONS OF A	PPROVAL, IF ANY :	ТІТL	£	<u></u>		DATE [2	

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NE MEATUR OIL CONSERVATION COMMISSE WELL JOCATION AND ACREAGE DEDICATION . LAT

Form C+102 Superseder C-128 Ellective 1-1-65

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		Ail distanc	es must be from the	e outer boundaries of	the Section.	EXHIBIT A
ASS ENTERPR	ISES PRODUCT	ION Co.	Lease	BIG EDDY UN	NIT	Well No. 108
Inst Letter	Section	Township	·	Range	County	
С	. 30	21-:	SOUTH	28-EAST	EDDY	
Ictual Foolage Loc	ation of Welli	,				
660	feet from the	NORTH	line and 19	980 í••	et from the WEST	line
Ground Lyvel Elev.	1 -	ormation	Pool			Dedicated Acreage:
3158.5'	Morrow			t_Carlsbad-G		316.68 Acres
2. If more th interest ar	han one lease is nd royalty).	e dedicated to	o the well, outl	ine each and ide		reof (both as to working
dated by c X Yes If answer this form in No allowat	is "no;" list the f necessary.) ble will be assign	unitization, fo answer is "ye owners and t ned to the wel	orce-pooling. etc s," type of cons tract description l until all intere	c? solidation <u>Ur</u> ns which have ac ests have been c	nitization ctually been consolidate	ed. (Use reverse side of unitization, unitization, pproved by the Commis-
	09					CERTIFICATION
<u>. 1980'</u>	3157.2' - 	3160.5 3160.8			tained herein best of my k	tily that the information con- n is true and complete to the nowledge and belief.
	+ 				Company Bass Ente Daio	Bevers ing Assistant erprises Production 1988
	Contractory of the second system of the second syst			With Designing and a star block and a star where and		
		. 1	AND Steven	LAND SUPPLY	shown on thi notes of act under my sup	rtify that the well lacation a plat was plotted from field wal surveys made by me or pervision, and that the same carrect to the best of my ad bullef.
				LAND SUPPLY	shown on thi nates of act under my sup is true and knowledge an Date Surveyed APRIL {	a plat was plotted from field wal surveys made by me or pervision, and that the same carrect to the best of my ad bullef. 8, 1988 essional Engineer



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- A. Conditions may be met with an annular type blowout preventer and pipe ran type blowout preventer above a choke spool, and a blind raw below the choke spool.
- B. Opening on choke spool to be flanged, studied or clamped.
- C. All connections from operating manifolds to preventers to be all steel hose or tube a minimum of one inch in diameter.
- D. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate (close, open, and re-close) the preventers.
- E. All connections to and from preventer to have a pressure rating equivalent to that of the BOP's.
- P. Manual controls to be installed before drilling cement plug.
- G. Kelly cock to be installed on kelly.
- H. Inside blowout preventer to be available on rig floor.
- I. Dual operating controls; one located by drillers position and the other located a safe distance from the rig

BEPOD IV

THREE CLOSURE HYDRAULIC HIGHOUT PREVENTERS



THE ROLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- A. One double gate blowout preventer with lower rams blind and upper rams for pipe, all hydraulically controlled.
- B. Opening on preventers between rams to be flanged, studded or clamped and at least two inches diameter.
- C. All connections from operating manifold to preventers to be all steel hose or tube a minimum of one inch in diameter.
- D. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate (close, open, and re-close) the preventers.

E. All connections to and from preventers to have a pressure rating equivalent to that of the BOP's.

- P. Hussel controls to be installed before drilling canont plug.
- G. Valve to control flow through drill pipe to be located on rig floor.

H. Choke may be either positive or adjustable. Choke spool may be used between rams.

BEPOD II

ONE INDRALLIC DUAL BLODOUT PREVENTER

11

EIGHT POINT DRILLING PROGRAM

NAME OF WELL: Big Eddy Unit No. 108 LOCATION: 660' FNL & 1980' FWL, Sec 30, T21S, R28E, Eddy County, NM

POINT 1: ESTIMATED FORMATION TOPS (SEE NO. 2 BELOW)

POINT 2: WATER, OIL, GAS AND/OR MINERAL BEARING FORMATIONS

Anticipated formation tops: Estimated KB 3185' Estimated Graded GL 3165'

	ESTIMATED	ESTIMATED	
FORMATION	TOP FROM KB	SUBSEA TOP	BEARING
B/Rustler	540'	+2645	Water
T/Capitan Reef	935 '	+2250	hater
B/Capitan Reef and			
T/Delaware Mtn Group	28351	+350	0il/Gas/Wtr
T/Bone Spring Formation	5660 '	-2475	Oil/Gas
T/Wolfcamp Formation	9160 ¹	-5975	Oil/Gas
T/Strawn Formation	10356'	-7171	0il/Gas
T/Strawn "C" Reservoir	10618'	-7433	0il/Gas
T/Atoka Formation	10748'	-7563	011/Gas
T/Morrow Formation	11328'	-8143	0il/Gas
T/Me Morrow	11597'	-8412	0il/Gas
T/Lr Morrow	11828'	-8643	0il/Gas
TD Morrow Formation	12100'	-8915	Oil/Gas

POINT 3: CASING PROGRAM

TYPE	INTERVALS	PURPOSE	CONDITION
20"	0'- 40'	Conductor	Contr Discretion
11-3/4" 42#/ft H-40 ST&C	0'- 540'	Surface	New and/or Used
8-5/8" 24#/ft K-55 ST&C	0'- 2500'	Intermediate	New and/or Used
8-5/8" 28#/ft S-80 ST&C	2500'- 2835'	Intermediate	New and/or Used
5-1/2" 17#/ft N-80	0'- 6000'	Production	New
5-1/2" 20#/ft N-80	6000'-12100'	Production	New

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED EXHIBIT A)

A BOP equivalent to a BEPCo II (copy attached), furnished by the contractor will be nippled up on the surface casinghead. A BOP equivalent to a BEPCo IV, furnished by the contractor will be nippled up on the intermediate casinghead. Each entire BOP stack, choke, kill lines, kelly cock, kelly safety valve, inside blowout preventer, etc. will be tested to the rated working pressure of the preventer or casinghead, whichever is less. Both a low pressure (200 psi) and a working pressure test will be required:

- a) Upon initial installation
- b) After any component changes

A function test to insure that the preventers are operating correctly will be performed on each trip, but not more than once per day.

POINT 5: MUD PROGRAM

	FUI	FUNNEL SEC		API			
DEPTH	WI	VISCOSITY	PV	YP	FLUID LOSS	<u>Ph</u>	
0'-540'	8.4-8.8	34-38	NC	NC	NC	NC	

Drill the surface hole with a 15" bit using FW spud mud. Maintain a funnel viscosity of 34-38 sec. for adequate hole cleaning. Use ground paper to prevent seepage and filter cake buildup through FW sands. If circulation is lost, well can be drilled blind to casing point.

540'-2835'	8.4-9.0	28-30	NC	NC	NC	9.5
910 2000	011 010	20 00			••••	

Drill out surface casing with FW. Maintain a funnel viscosity of 28-30 sec. for adequate hole cleaning. Circulation problems are possible in the Capitan Reef. Circulation problems should be combatted by mixing a viscous mud pill of 200-250 bbls with 18-25 ppb of ground paper, cedar fiber and cellophane (kwikseal) fiber. The paper and cedar fiber should provide a fibrous matrix and the kwik-seal should fill in the gaps and re-establish returns. If returns cannot be re-established after two or three mud pills, dry drill to casing depth with FW.

2835'-12100' 9.2-11.5 34-44 5-11 3-8 NC-10 10

After intermediate pipe is set, jet & clean the working pits and drill out with cut BW while circulating the steel pits. This cut brine system should be used to drill to +200' above the T/Wolfcamp @ +9160'. At +8860', the drilling mud should be a 10# brine system with 2% KCl and a Ph of 10. Before drilling the T/Wolfcamp, the mud-gas separator and rotating head should be fully operational. Mud density should gradually be brought up to at least a 10.5 ppg before drilling the Strawn. Bring the API fluid loss down to 10 cc before drilling the T/Strawn (1st objective) at 10356'. This water loss control should be maintained to TD. Additional objectives are the Atoka (T/Atoka 10748') and Morrow formations (T/Morrow 11328'). Mud wt should be steadily increased to ±10.8 ppg system for the Atoka and a ±11.5 ppg system for the Morrow. A small gas flare could be possible from the Atoka to TD. Lost circulation in the Delaware Mtn Group is not expected, but should be anticipated. From 5550' to TD, sack and mark drill cuttings. The FV PV and YP should be varied to provide good formation samples for the company geologist and/or mud logger.

POINT 6: TECHNICAL STAGES OF OPERATION

A: Testing

As drilling shows merit within the Strawn and Atoka

B: Logging

Run No.	Tool	Interval	Status
1 @ 12100'	GR-DLL-MSFL (Caliper & Tension)	TD to intermediate csg	g Definite
2 @ 12100'	GR-Neu-Lithodensity (Cal & Tension)	TD to intermediate cso	g Definite

C: Coring

No cores are anticipated on this well

D: Cement

Interval	Amount sxs	Ft of Fill	Type	<u>Gal/sx</u>		F+3 .
Surface	*340 (75% excess)	540			<u>1999</u> 14.8	<u>Ft</u> 3/sx 1.32
Intermedia	te					
Stage 1 Lead	150	1085	Lite cmt w/ 1/4 #/sx LCM	9.9	12.7	1.84
Tail	100	520	Class "C" Neat w/ 1/4 sx LCM	6.3	14.8	1.32
DV Tool se Stage 2	t@1100'					
Lead	**200 (100% excess)	725	Lite cmt w/ 1/4 #/sx LCM	9.9	12.7	1.84
Tail	**150 (100% excess)	390	Class "C" Neat w/ 1/4 sx LCM	6.3	14.8	1.32
Production						;
Lead	***200 (20% excess)	1700	Lite w/ 3% KCl & additives	9.9	12.7	1.84
Tail	***500 (20% excess)	3050	Class "H" w/ 3% KCl & additives	5.18	15.7	1.19

* Cmt must circulate or be topped off. If circulation is lost before cmt job, use 200% excess.

** Cmt must circulate on second stage or be topped off.

*** Volume should be verified from caliper log TOC (Class "H") should be brought back to above T/Wolfcamp @ 9160'.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

No abnormal pressures or temperatures are anticipated.

POINT 8: OTHER PERTINENT INFORMATION:

A: Auxiliary Equipment

A kelly cock will be utilized and a full opening stab in valve will be on the rig floor.

B: Anticipated Starting Date

As yet undetermined.





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EXHIBIT D

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