

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

API NO. (assigned by OCD on New Wells)

30-015-27740

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

L-3568

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

7. Lease Name or Unit Agreement Name

Burton Flat Deep Unit

2. Name of Operator

General Atlantic Resources, Inc.

8. Well No.

39

3. Address of Operator

410 17th Street, Ste. 1400, Denver, CO 80202

9. Pool name or Wildcat

E. Avalon Fenton, Delaware, NW

4. Well Location

Unit Letter J : 1,980 Feet From The south Line and 1,980 Feet From The East Line

Section 2

Township 21 South

Range 27 East

NMPM

Eddy

County

10. Proposed Depth

3,250'

11. Formation

Delaware

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3,213' GR

14. Kind & Status Plug Bond

Statewide

15. Drilling Contractor

not determined

16. Approx. Date Work will start

Upon Approval

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST TOP
26"	20" H-40	94# ST&C	155'	385 sxs Class "C"	Sfc.
17 1/2"	13 3/8" H-40	48# ST&C	650'	400 sxs 35/65 Poz	
				+ 200 sxs Class "C"	Sfc.
12 1/4"	8 5/8" K-55 +45' S-80	24# ST&C	2,730'	880 sxs 35/65 Poz	
				+ 200 sxs Class "C"	Sfc.
7 7/8"	5 1/2" K-55	14# ST&C	3,190'	165 sxs Class "C"	2,300'

Propose to drill to approximately 3,190' to test Delaware Formation.

See attached "Drilling Plan" for drilling, casing, and pressure control program detail.

10-1
11-19-93
NLM/AL

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE

David F. Banko

TITLE

Agent/Petroleum Engineer

DATE

Nov. 9, 1993

(303)

TYPE OR PRINT NAME

David F. Banko, P.E.

TELEPHONE NO. 820-4480

(This space for State Use)

ORIGINAL SIGNED BY

MIKE WILLIAMS

SUPERVISOR, DISTRICT II

APPROVED BY

TITLE

DATE

NOV 17 1993

CONDITIONS OF APPROVAL, IF ANY

NOTIFY N.M.O.C.D. IN SUFFICIENT
TIME TO WITNESS CEMENTING THE
13 3/8, 3 1/2 CASING

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 5-17-94
UNLESS OTHERWISE INDICATED

Submit to Appropriate
District Office
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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

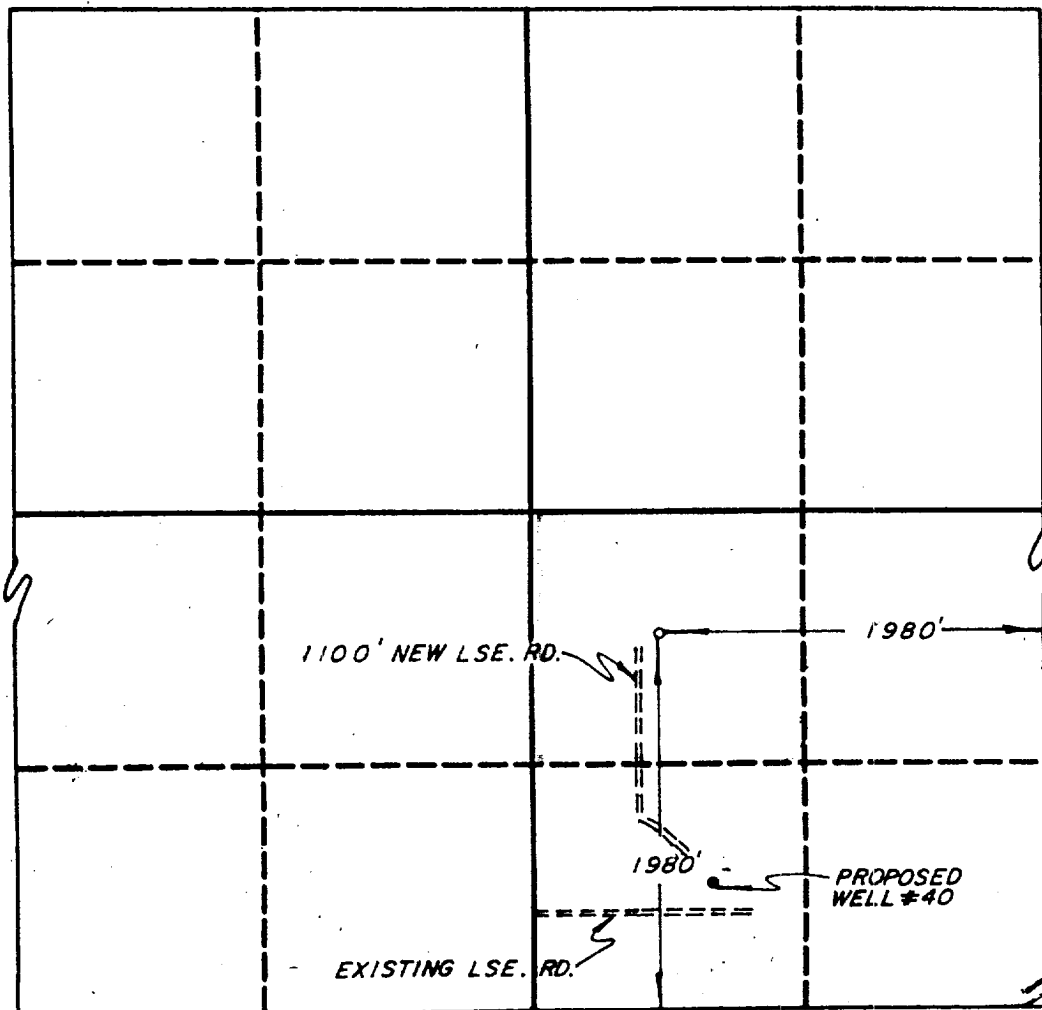
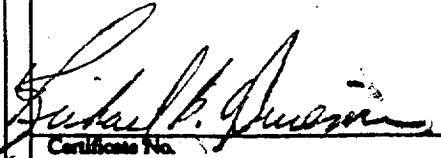
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WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator GENERAL ATLANTIC RESOURCES, INC.		Lease BURTON FLAT		Well No. # 39
Unit Letter J	Section 2	Township 21 SOUTH	Range 27 EAST	County EDDY
Actual Footage Location of Well: 1980 feet from the SOUTH line and 1980 feet from the EAST line				
Ground level Elev. 3213'	Producing Formation DELAWARE	Pool FENTON NW	Dedicated Acreage: 40 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or leadless marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. 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.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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.</p>				
			<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name David F. Banko, P.E.</p> <p>Position Agent/Petroleum Engineer</p> <p>Company Banko Petroleum Mgmt., Inc.</p> <p>Date November 9, 1993</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 knowledge and belief.</p> <p>Date Surveyed SEPTEMBER 30, 1993</p> <p>Signature & Seal of Professional Surveyor </p> <p>Certificate No. 4882</p>	

GENERAL ATLANTIC RESOURCES, INC.

Burton Flat Deep Unit #39
1,980' FSL 1,980' FEL (NW/4 SE/4)
Sec. 2 T21S R27E (Irregular section)
Eddy County, New Mexico
State Lease #L-3568

DRILLING PROGRAM

In conjunction with Form C-101, Application for Permit to Drill, General Atlantic Resources, Inc. submits the following items of pertinent information for the drilling of the above captioned well.

SURFACE FORMATION Aeolian sand - Fresh water possible in small amounts

ESTIMATED FORMATION TOPS (Water, oil, gas and/or other mineral-bearing formations)

Rustler	155'	Evaporites
Yates	590'	Sandstones, shales, some water, oil or gas-bearing
Capitan	780'	Carbonates
Delaware	2,730'	Sandstone, shales & siltstones, some water, oil-bearing
1st pay	2,780'	Sandstone, expected oil-bearing
2nd pay	3,020'	Sandstone, expected oil-bearing
TOTAL DEPTH	3,190'	

CASING PROGRAM

Depth	Hole Dia.	Cas. Dia.	Casing Wt. & Grd.	Cement
O-155	26"	20"	H-40 94# STC New	To surface w/ 385 sx Class "C" + 2% CaCl + .25 #/sk Cellophane
0 - 650'	17 1/2"	13-3/8"	H-40 48# STC New	To surface w/ 400 sx Class "C" 35/65 Poz + 6% gel + .25#/sk Cellophane + 200 sx Class "C" neat + 2% CaCl
0 - 2,730'	12 1/4"	8-5/8"	K-55 24# STC New	To surface w/ 880 sx Class "C" 35/65 Poz + 6% gel + .25#/sk Cellophane + 200 sx Class "C" neat + 2% CaCl
0 - 3,190'	7-7/8"	5 1/2"	K-55 14# STC New	TD to 2300' w/ 165 sx Class "C")

Operator will eliminate this string with Oil Conservation Division approval if no salt stringers are penetrated.

PRESSURE CONTROL (See attached schematic diagram)

B.O.P.'s and choke manifold will be installed and pressure tested before drilling out under surface casing and then will be checked daily as to mechanical operating condition. Ram type preventors and related pressure control equipment will be pressure tested to rated working pressure of the stack assembly if a test plug is used. If a plug is not used, the stack assembly will be tested to the rated working pressure of the stack assembly or to 70% of the minimum internal yield of the casing, whichever is less. Annular type preventors, if used, will be pressure tested to 50% of their rated working pressure. B.O.P.'s will be pressure tested at least once every 30 days. All casing strings will be pressure tested to 0.22 psi/ft. or 1500 psi, whichever is greater, not to exceed 70% of internal yield.

B.O.P.'s will consist of 3,000 psi W.P. double gate rams. An annular preventor will not be used due to the space constraints under the rig floor, as discussed between the N.M. Oil Conservation Division and Bob Mowry for General Atlantic Resources, Inc.

MUD PROGRAM

0' - 155'	Fresh water w/ gel\lime spud slurry	
155' - 650'	Fresh water	
650' - 2730'	Fresh water	
2730' - 3190'	Cut brine: M.W.: 9.2-9.4 ppg	Vis. - 29-30 sec
	W.L. - no control	

Sufficient mud materials to maintain mud properties, control lost circulation and to contain "kick" will be available at wellsite.

AUXILIARY EQUIPMENT

- A) Upper kelly cock
- B) Inside B.O.P. or stab-in valve (available on rig floor)
- C) Mud monitoring will be visually observed.

LOGGING, CORING, TESTING PROGRAM

- A) Logging: DIL/Microlog/CNL: TD - 2,730'
Lithodensity/GR: TD - Surface
GR/CCL: TD - 2730'
- B) Coring: None
- C) Testing: Possible DST of Delaware pays, none planned.

ABNORMAL CONDITIONS

- A) Pressures: Lost circulation is anticipated in the surface interval of the hole. No other abnormal conditions are anticipated.
Delaware pressure gradient - 0.45 psi/ft
- B) Temperatures: No abnormal conditions are anticipated
- C) H₂S: None anticipated
- D) Estimated bottomhole pressure: 1,435 psi

ANTICIPATED START DATE

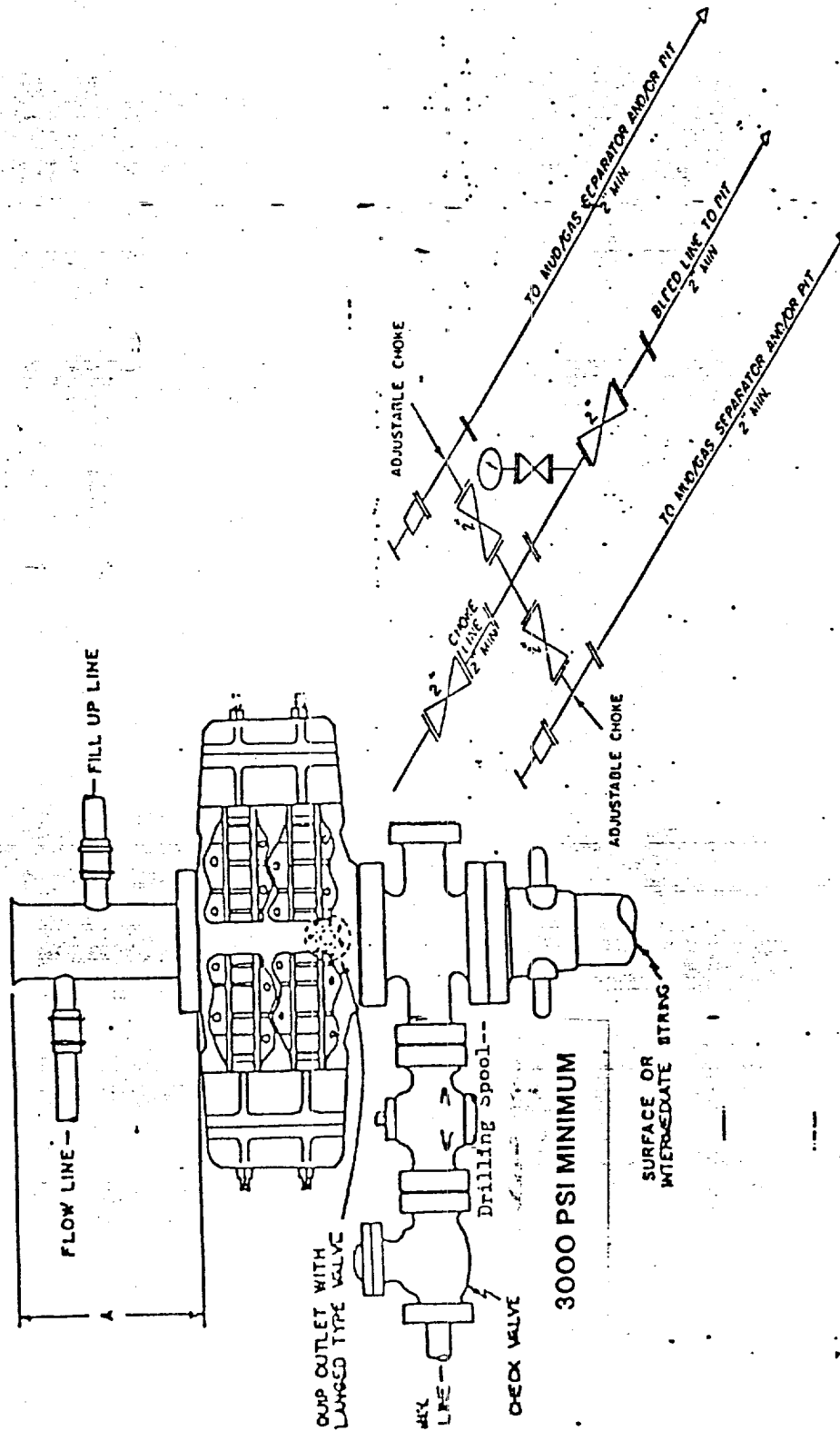
December 15, 1993

COMPLETION

The location pad will be of sufficient size to accommodate all completion activities and equipment. A string of 2-3/8" 4.7# J-55 tubing will be run for a flowing/pumping string. A Sundry Notice will be submitted with a revised completion program if warranted.

GENERAL ATLANTIC RESOURCES, INC.

BURTON FLAT DEEP UNIT #39



3M CHOKER MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

BLOWOUT PREVENTER

9-10 Inch 3000 PSI MINIMUM