Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: UNION TEXAS PETROLEUM CORPORATION

3. ADDRESS OF OPERATOR: 1300 Wilco Building, Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 2630' FNL & 100' FEL
At proposed prod. zone: Same

5. LEASE DESIGNATION AND SERIAL NO.: LC-062178

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME: Milnesand (San Andres) Unit

8. FARM OR LEASE NAME:

9. WELL NO.: 241

10. FIELD AND POOL, OR WILDCAT: Milnesand (San Andres)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 24, T-8-S, R-34-E

12. COUNTY OR PARISH: Roosevelt

13. STATE: New Mexico

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 4 miles west of Milnesand, New Mexico then 2½ miles south

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 100' (Sec. Line)

16. NO. OF ACRES IN LEASE: 5370.18 (Unit)

17. NO. OF ACRES ASSIGNED TO THIS WELL: 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: (See Note #1)

19. PROPOSED DEPTH: 4800

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 4239.1' GR

22. APPROX. DATE WORK WILL START*: October 1, 1978

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	± 360'	250 Sacks CIRCULATE
7 7/8"	5 1/2"	15.5#	4800'	675 Sacks

RECEIVED
AUG 14 1978
U. S. GEOLOGICAL SURVEY
HOBBS, NEW MEXICO

"APPROVAL TO USE GRANTED WHILE DRILLING AND TESTING."

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Proposed to drill and equip an oil well to depth of approximately 4800' into the San Andres zone of the Milnesand (San Andres) Unit.

Well control equipment will comply with API 3M Rds. Specifications.

Gas purchaser dedication for this acreage, is to Atlantic Richfield.

Note: 1. The nearest producing well is 873 southwest (well #515). The nearest injection well is 858 northwest (well #513).

2. See attached supplement to Form 9-331 C and Schematic diagram attached.

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 Stanley A. Post TITLE Sr. Prod. Analyst DATE August 11, 1978

(This space for Federal or State office use)

PERMIT NO. Unless Drilling Operations have Commenced, this drilling approval Expires DEC 31 1978

APPROVAL DATE

APPROVED BY TITLE DATE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED AS AMENDED
SEP 15 1978
James F. Sims
JAMES F. SIMS
DISTRICT ENGINEER

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator	Lease	Well No.
Union Texas Petroleum Corp.	Milnesand Unit	241

Unit Letter	Section	Township	Range	County
H	24	8 South	34 East	Roosevelt

Actual Footage Location of Well:
2630 feet from the North line and 100 feet from the East line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
4239.1	San Andres	Milnesand (San Andres)	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

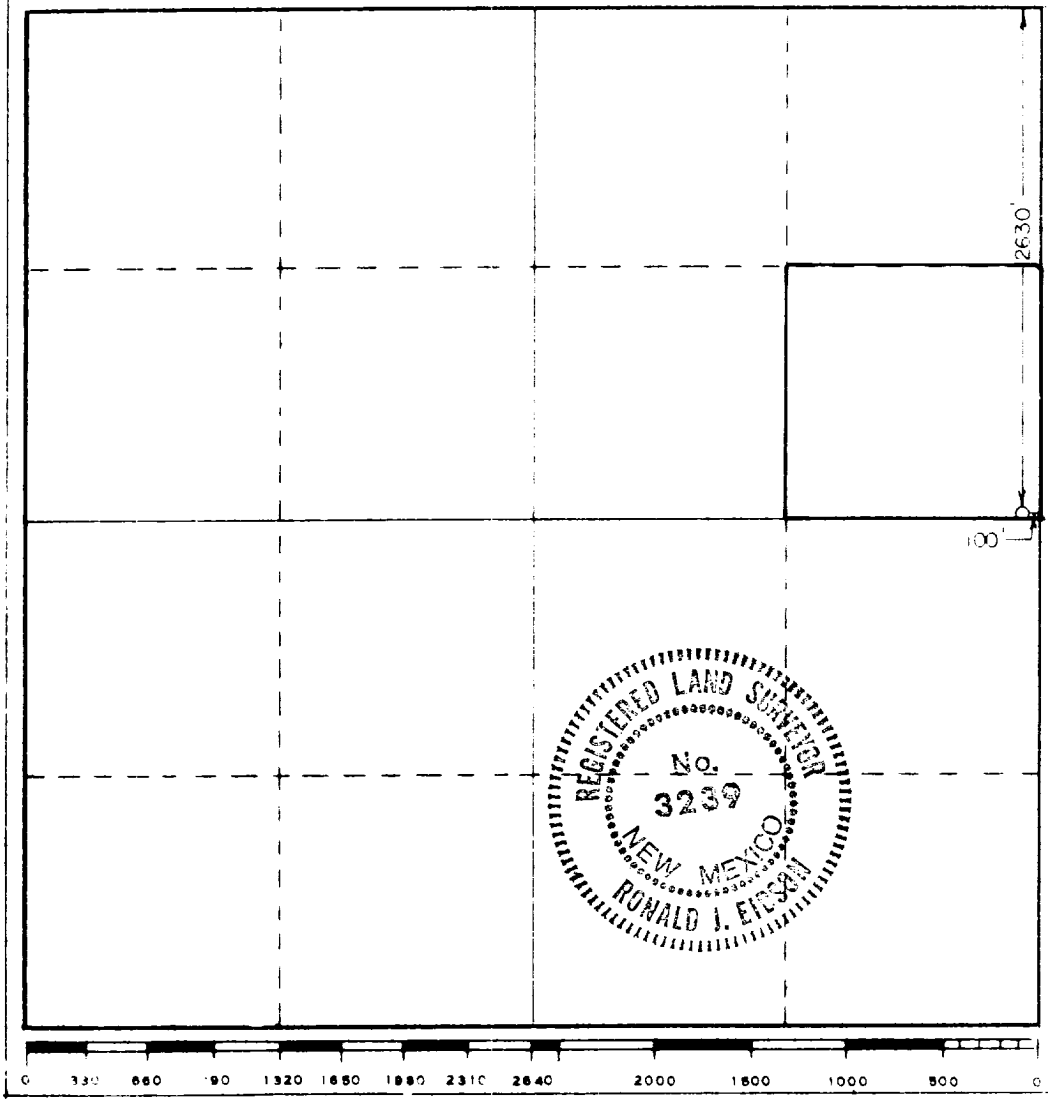
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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 interests, has been approved by the Commission.



CERTIFICATION

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

Stanley A. Post

Name: Stanley A. Post

Position: Sr. Prod. Analyst

Company: UNION TEXAS PETROLEUM CORP.

Date: August 10, 1978

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.

Date Surveyed: 5/9/78

Registered Professional Engineer and/or Land Surveyor

Ronald J. Eidson

Certificate No. John W. West 676
Ronald J. Eidson 3239

MILNESAND UNIT WELL #241

The following information is filed as a supplement to Form 9-331-C "Application for Permit to Drill, Deepen, or Plug Back".

1. The geologic name of the surface formation:
   Quarternary Alluvium, Bolson and other surficial deposits.

2. The estimated tops of important geologic markers:

Anhydrite	- 2145'	Yates	- 2665'
T/Salt	- 2260'	Queen	- 3370'
B/Salt	- 2560'	San Andres	- 3875'

3. The estimated depth at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

Santa Rosa	- 800'±	(Water)
Yates	- 2665'±	(Water)
Queen	- 3370'±	(Water)
San Andres	- 3875'±	(Oil & Water)

4. The proposed casing program, including the size, grade, and weight per foot of each string; and whether new or used:

Surface	8 5/8" K-55, ST&C, 24#/ft.	New
Production	5 1/2" K-55, ST&C, 15.5#/ft.	New

5. The lessee's or operator's minimum specifications for pressure control equipment which is to be used, a schematic diagram thereof, showing sizes, pressure ratings (or API Series), and the testing procedures and testing frequency. Well control equipment will comply with API 3M Rds. Specifications. Will run test and check prior to drilling out (Test to 1500#). A schematic diagram with minimum specification is attached.

6. The type and characteristics of the proposed circulating medium or mediums to be employed for rotary drilling, and the quantities and types of mud and weighting materials to be maintained:

A. SURFACE	(0'- 360')	Surface will be spudded with fresh water gel and lime type drilling fluid.
B. PRODUCTION	(360'- 800')	Fresh water w/paper and Myca to control water loss and maintain viscosity of 34-36 Sec./1000 cc.
	(1700'-1800'±)	Add 4-6% Oil to help stability and increase penetration rates.
	(4350'-4400'±)	Add Imco Loid to reduce fluid loss (15 ML±) and Imco Brinegel to maintain a viscosity of 34-36 Sec./1000 cc.
	(4615'-4725')	Maintain water loss around 15 ML to keep hole cleaned of cuttings.
	(4725'-T.D)	Control water loss as needed, to keep hole clean.

   Mud weight will be maintained at 8.7 to 9.2#/gal.

7. The auxiliary equipment to be used, such as (1) kelly cocks, (2) floats at the bit (3) monitoring equipment on the mud system, (4) a sub on the floor with a full opening valve to be stabbed into drill pipe when the kelly is not in the string. Auxiliary equipment to be used is a pit level indicator.

8. The testing, logging, and coring programs to be followed, with provisions made for required flexibility.
   The well will be logged as follows:
   A. Total Depth to 2500' - Dual Induction Laterolog w/Caliper
      Total Depth to 2500' - Compensated formation Density
      Total Depth to 2500' - Compensated Neutron w/Gamma Ray

   B. The well will be cored from 4615' to 4725' using 7 13/16" Diamond Bit with 6 7/8" coring barrel.

   C. Schlumberger's RFT pressure tool to be run over San Andres interval to determine static pressures.

9. Any anticipated abnormal pressures or temperatures expected to be encountered or potential hazards such as hydrogen sulfide gas; along with plans for mitigating such hazards. No abnormal pressures or temperatures are expected to be encountered. If any hydrogen sulfide gas is encountered, it should only be a trace of gas (No measurable volume)

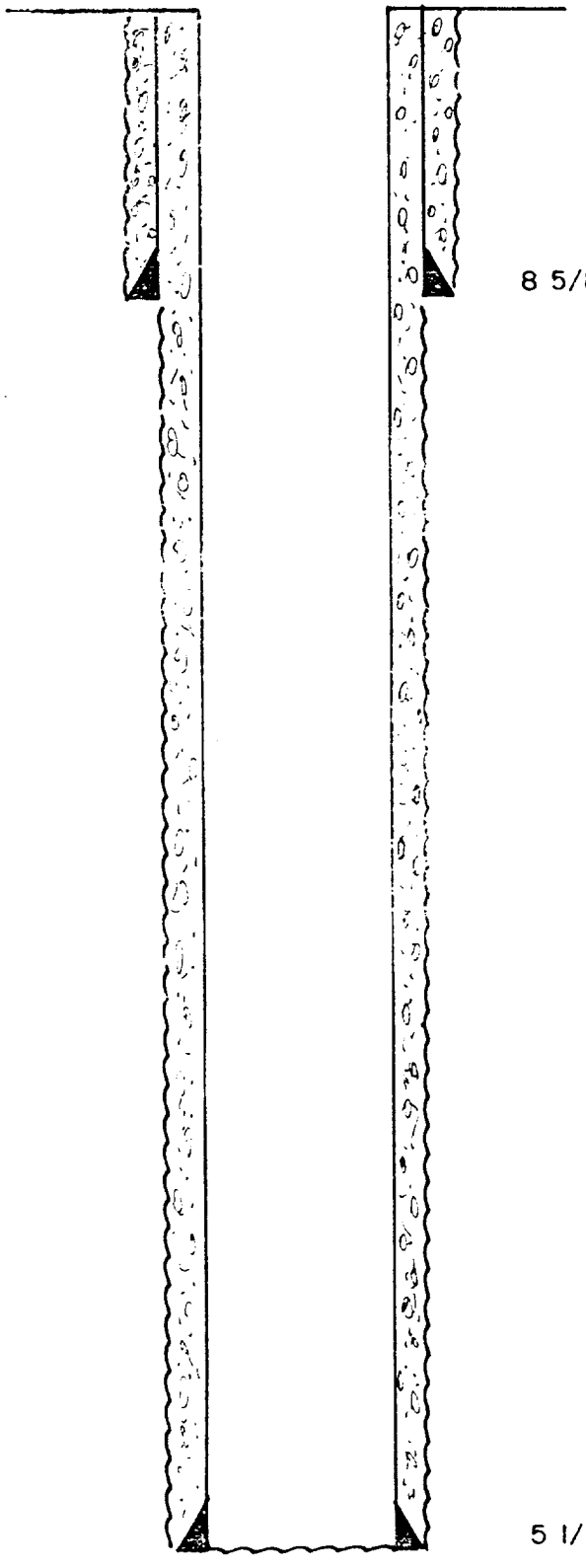
10. The anticipated date and duration of the operations. Anticipated starting date is October 1, 1978, with a duration of operations of approximately 30 to 45 days.

UN ✓ TEXAS PETROLEUM

MILNESAND UNIT NO. 241

MILNESAND (SAN ANDRES) UNIT

ROOSEVELT COUNTY, NEW MEXICO



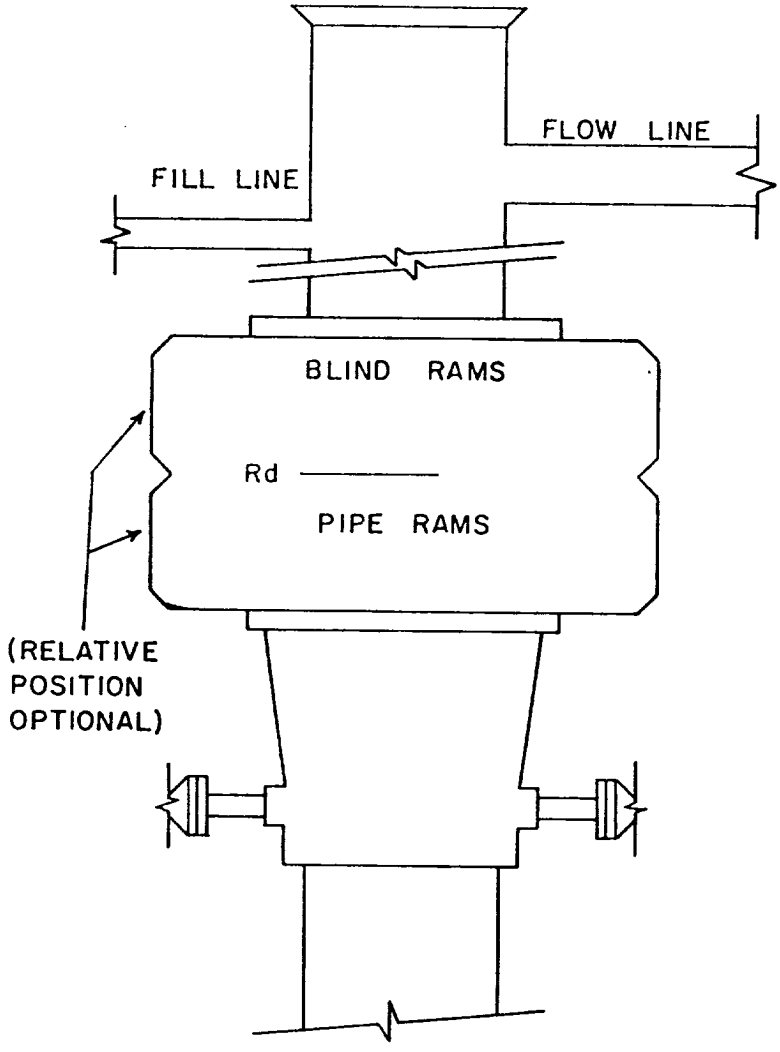
8 5/8" at 360' ± W/250 Sx.

5 1/2" at 4800' W/675 Sx.

TD 4800'

BLOWOUT PREVENTER

SCHEMATIC DIAGRAM OF MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL



API CLASS	WORKING PRESSURE PSI	SERVICE CONDITION
3M	3,000	LOW PRESSURE

U. S. Geological Survey

HOBBS DISTRICT

Union Texas Petroleum Corporation
241 Milnesand (San Andres) Unit
SE¼NE¼ sec. 24-8S-34E
Roosevelt County, New Mexico

Above Data Required on Well Sign

CONDITIONS OF APPROVAL

1. Drilling operations authorized are subject to compliance with the attached General Requirements for Drilling Operations on Federal Oil and Gas Leases, dated January 1, 1977.

2. Notify this office (telephone (505) 393-3612) when the well is to be spudded and in sufficient time for a representative to witness all cementing operations. Attached are names and telephone numbers of Geological Survey and Bureau of Land Management personnel who are available for consultation during construction, drilling, completion, and rehabilitation activities.

3. Immediate notice is required of all blowouts, fires, spills, and accidents involving life-threatening injuries or loss of life.

4. Secure prior approval of the District Engineer for variance from the approved drilling program and before commencing plugging operations, plug-back work, casing repair work, corrective cementing operations, or suspending drilling operations indefinitely.

5. Blowout prevention equipment is to be installed, tested, and in working order before drilling below the surface casing and shall be maintained ready for use until drilling operations are completed.

6. Operations must be in compliance with the provisions of the landowner agreement concerning surface disturbance and surface restoration.

7. All pits found to contain toxic liquids will be fenced and covered with a fine mesh netting for the protection of wildlife.