COPY TO O. C. C.

Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425

30-041-20470

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 [ ] GAS WELL [X] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: Petroleum Corporation of Texas

3. ADDRESS OF OPERATOR: P. O. Box 911, Breckenridge, Texas 76024

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 990' FNL and 990' FEL
At proposed prod. zone: Same

5. LEASE DESIGNATION AND SERIAL NO.: NM 0474-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Federal BL

9. WELL NO.: 2

10. FIELD AND POOL, OR WILDCAT: Bluitt Wolfcamp

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA (2): Sec. 8-T8S-R37E

12. COUNTY OR PARISH: Roosevelt — 13. STATE: New Mexi

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately 10½ miles east of Milnesand, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 990'

16. NO. OF ACRES IN LEASE: 518.80

17. NO. OF ACRES ASSIGNED TO THIS WELL: 320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: Approx. 470'

19. PROPOSED DEPTH: 8300'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 4034.8' GR

22. APPROX. DATE WORK WILL START*: As soon as possible

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
* 17"	13-3/8"	54#	500'	500 sx. (Circulate)
* 11"	8-5/8"	24# and 32#	3700'	500 sx.
* 7-7/8"	4½"	10.5# and 11.6#	8300'	To be determined

* Bit size

Mud program: See attached "Drilling Fluid Recommendations."

BOP program: Double ram Schafer hydraulic Type E 10" 3,000 psi. See Exhibit D.

Gas sales are dedicated to Cities Service.

RECEIVED
SEP 28 1978
U. S. GEOLOGICAL SURVEY
HOBBS, NEW MEXICO

[illegible] TO FLARE GAS [illegible] DRILLING AND TESTING."

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

24.

SIGNED Edward N. Lucking — TITLE Agent for Petroleum Corporation of Texas — DATE 9/27/78

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED AS AMENDED
OCT 10 1978
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.
Petroleum Corp. of Texas	Federal B. L.	2

Unit Letter	Section	Township	Range	County
A	8	8 South	37 East	Roosevelt

Actual Footage Location of Well:
990 feet from the North line and 990 feet from the East line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
4034.8	Wolfcamp	Bluitt Wolfcamp	320 Acres

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

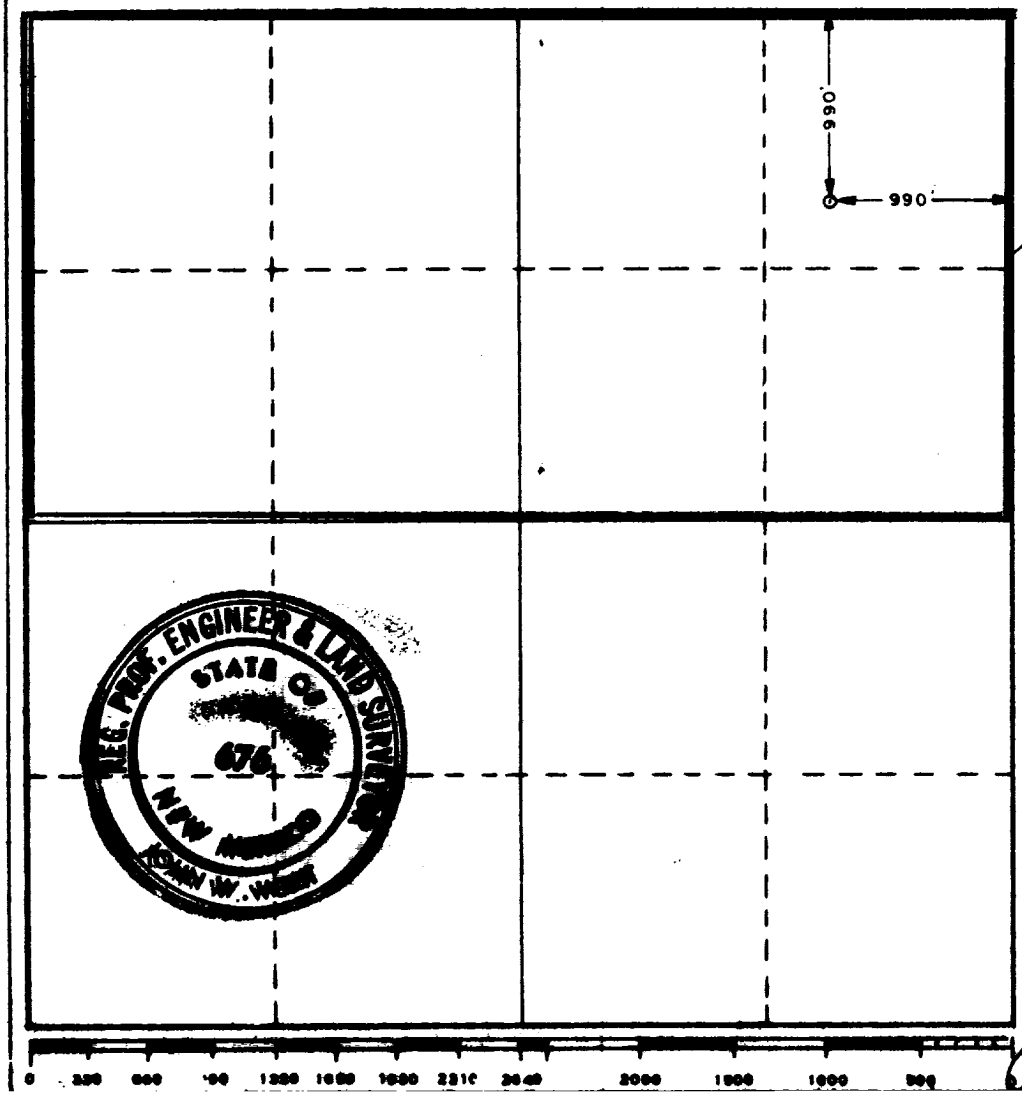
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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.

Edward N Lucking

Name: Edward N. Lucking

Position: Agent for

Company: Petroleum Corp. of Texas

Date: 9/15/78

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: September 9, 1978

Registered Professional Engineer and/or Land Surveyor

John W West

Certificate No. John W. West 676

Ronald J. Eidson 3239

APPLICATION FOR DRILLING

Petroleum Corporation of Texas
Federal BL Well No. 2
Section 8-T8S-R37E
Roosevelt County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Petroleum Corporation of Texas submits the following ten items of pertinent information:

1. The geologic surface formation is tertiary ogallala.

2. The estimated tops of geologic markers are as follows:

Anhydrite	2220'	Tubb	6270'
San Andres	3700'	Drinkard	6400'
Glorieta	5000'	Abo	7020'
Paddock	5100'	Wolfcamp	8000'

3. The depths at which anticipated water, oil or gas formations are expected to be encountered:
   Water: at approximately 200'
   Oil or Gas: San Andres - approximately 4311' to 4455'
   Wolfcamp - approximately 8000' to 8300'

4. Proposed casing program: See Form 9-331C.

5. Pressure control equipment: Double ram Schafer hydraulic Type E 10" 3,000 psi. See Exhibit D.

6. Mud program: See attached "Drilling Fluid Recommendations."

7. Auxiliary equipment: Kelley cock, blowout preventer, inside blowout preventer.

8. Testing, logging and coring programs:
   Testing: None
   Logging: Compensated neutron-formation density with gamma ray. Dual laterolog-RXO.
   Coring: None

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.
    Estimated drilling completion date: Approximately 23 days after start of drilling.

DMI

Drilling Fluid Recommendations

Date April 20, 1978

Company Petroleum Corporation of Texas Location Sec. 8, T8S, R37E

Well Name Federal B-L County Roosevelt State New Mexico

CASING PROGRAM

13-3/8" @ 500

8-5/8" @ 1750'

RECOMMENDED DRILLING FLUID PROGRAM

Depth ft	Mud Weight ppg	Viscosity sec/qt	API Filtrate ml	Oil %		
0' - 500'	8.6-9.0	40-42	NC			
	Spud with Drilling Gel and Lime, maintaining as needed to set the surface pipe. Add LCM as required.					
500' - 3750'	9.7-10.0	28-34	NC			
	Drill with brine water with native visocisty of 32 to 34 sec/1000. Add DMI Paper as needed for seepage.					
3750' - 7000'	9.5-10.0	28	NC			
	Drill with brine water, adding Lime and DMI Paper as needed for pH and seepage control.					
7000' - 8000'	9.6-10.0	42-44	NC	4-6		
	Start additions of Salt Mud for visocisty of 42 to 44 sec/1000 along with 4% to 6% oil in the Abo.					
8000' - 8300'	9.6-10.0	42-50	10			
	Start additions for DMI Starch to control the water loss below 10 ml.					

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Petroleum Corporation of Texas
Federal BL Well No. 1
990' FNL and 990' FEL
Section 8-T8S-R37E
Roosevelt County, New Mexico
(Development Well)

This plan is submitted with Form 9-331C, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROAD.

   A. Exhibit A is a portion of BLM quad-color map no. SE-10, on a scale of approximately one-half inch to a mile, showing in red the route of existing access roads to the location from Milnesand, New Mexico. The proposed location is situated approximately 10½ miles east of Milnesand and can be reached as follows:

      (1) Proceed east from Milnesand (Davis Mercantile Company) on route 262, for a distance of approximately 9 miles. At this point, route 262 turns right (south), but the route to the wellsite continues straight ahead (east) on a dirt road rather than following route 262.

      (2) Follow the dirt road to the east for approximately a mile, at which point the road ends at a junction with a north-south dirt road.

      (3) Turn right (south) at this point and proceed for about 1/10 of a mile, then turn right (west) on an access road leading to a battery and Federal BL Well No. 1, located at 660' FNL and 660' FEL of Section 8-T8S-R37E. The starting point of the new access road will be the wellsite pad of Federal BL Well No. 1.

2. PLANNED ACCESS ROAD.

   A. The proposed new access road will originate at the southwest corner of the wellsite pad of Federal BL Well No. 1. It will lie in a north to south direction for an approximate distance of 330 feet, at which point it will turn at a right angle to the west for a distance of approximate 150 feet. At that point, it will meet the southeastern corner of the drilling pad of proposed Federal BL Well No. 2, as indicated in the inset to Exhibit C. The route of the new road from Well No. 1 to Well No. 2 is indicated in red in Exhibit B.

B. The north to south portion of the proposed road will parallel and lie adjacent to the east of a gas pipeline which connects Federal BL Well No. 1 with a Cities Service pipeline. The new access road will cross this pipeline after making the right angle turn to the west, referred to in paragraph 2A, above. The surface at this point will be covered with 14 to 18 inches of compacted caliche, in order to protect the pipeline against damage.

C. The starting point of the new road, at the point of departure from the drilling pad of Well No. 1, will be widened in a "half Y" to provide adequate space for trucks and heavy equipment to turn. Similar "half Y's" will be constructed at the point where the new road will make a right angle turn and at the point where the road meets the proposed new drilling pad at Well No. 2.

D. No turnouts will be constructed along the route of the new road. No fences are involved and no cattleguards will be necessary.

E. The driving surface of the new road will be 12 feet in width and the surface will be topped with compacted caliche. The center of the road will be crowned, with drainage on both sides.

F. The route of the proposed new road is staked and flagged, and is clearly visible.

3. LOCATION OF EXISTING WELLS.

A. Existing wells within several miles of the location are indicated in Exhibit B. The nearest well is Federal BL No. 1, located at 660' FNL and 660' FEL within the same section as the proposed well. Well No. 1 is a producing gas well from the San Andres formation at an approximate depth of 4311' to 4455'.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

A. As indicated above, the nearest production on this lease is Federal BL Well No. 1, located about 470 feet northeast of the wellbore location at the proposed drillsite. Well No. 1 is a producing gas well from a different formation (San Andres) than the proposed well (Wolfcamp). There is a battery on the well pad at Well No. 1 and a gas pipeline connection, running north-to-south from the battery, which connects with a Cities Service pipeline.

B. In the event that the proposed well is productive, the necessary production facilities and battery will be installed on the drilling pad. Gas sales, if the well is productive, are dedicated to Cities Service, which would construct the necessary pipelines leading from the location.

5. LOCATION AND TYPE OF WATER SUPPLY.

A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from privately owned or commercial

and that approximately 4 feet of fill will be required on the northern portion of the pad and in the pit area. The pad will be leveled and will be covered with six inches of compacted caliche.

C. The reserve pits will be plastic-lined.

D. The pad and pit area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE.

A. After finishing drilling and/or completion operations, all equipment and other materials not needed for further operations will be removed. Pits will be filled and the location cleaned of all trash and junk, so as to leave the wellsite in as aesthetically pleasing a condition as possible.

B. Any unguarded pits containing fluids will be fenced until they have been filled.

C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the BLM and the USGS will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION.

A. The proposed wellsite is located in a relatively flat area, with a gradual drop in surface elevation from south to north and only minor undulations in the surface.

B. The topsoil at the location consists generally of relatively soft sandy loam.

C. Flora and Fauna: The vegetation cover at the proposed location is moderately sparse, consisting of yucca, broomweed, small sunflowers, shinnery, and miscellaneous prairie grass and flowers. No wildlife was observed, but it is likely that typical semi-arid desert wildlife inhabit the area, which is used for cattle grazing.

D. There are no ponds, lakes, or flowing streams or rivers in the vicinity of the wellsite.

E. There are several windmills within a two-mile radius of the wellsite, the nearest one being shown in Exhibit A. The closest occupied dwelling is several miles from the wellsite.

F. The wellsite is located on privately owned surface with federally owned minerals. Petroleum Corporation of Texas has reached an agreement with the surface owner concerning compensation for surface damages resulting from their operations in connection with this location.

G. There is no evidence of any significant archeological, historical or cultural sites in the area of the proposed location. An archeological

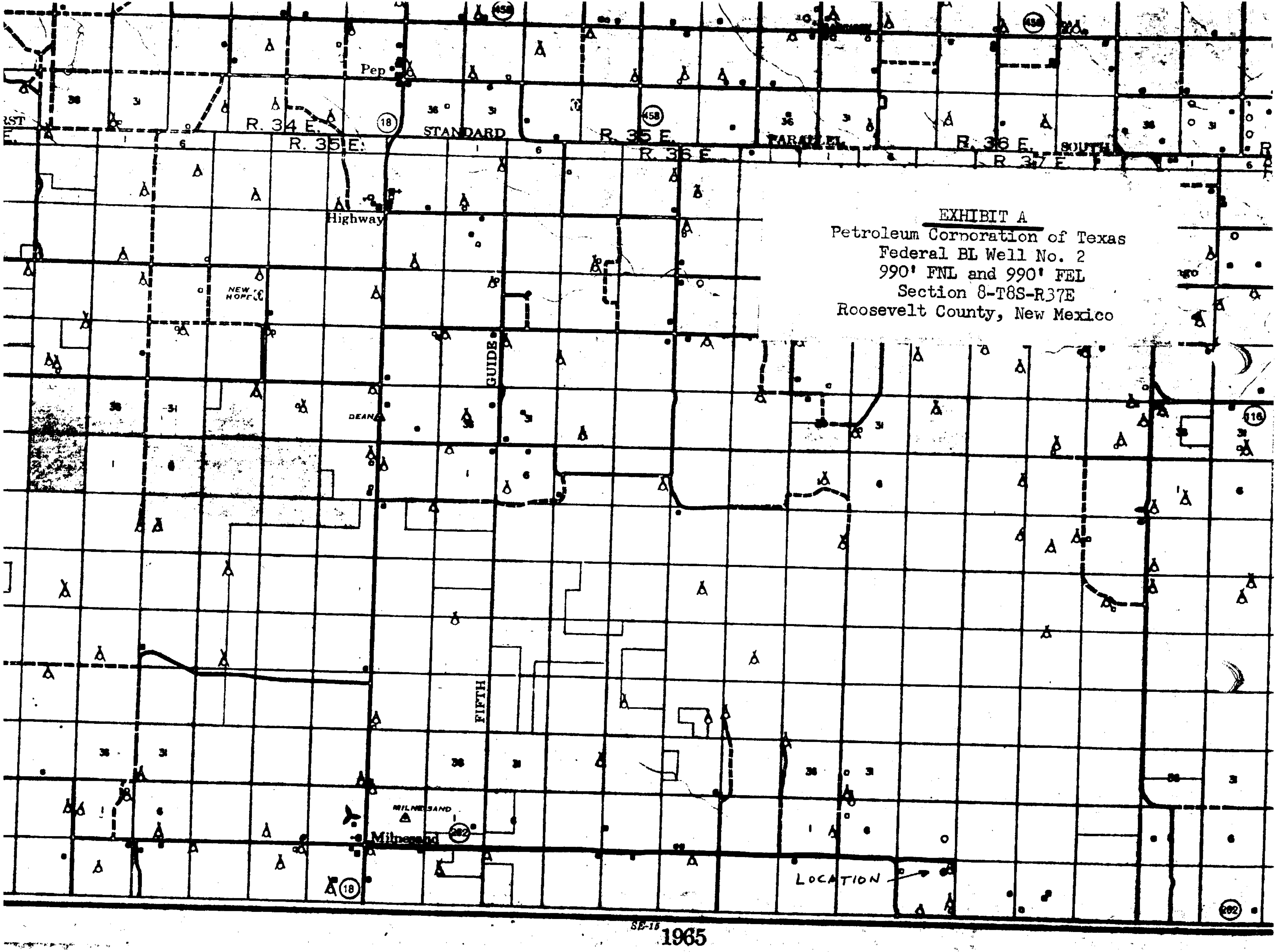


EXHIBIT A
Petroleum Corporation of Texas
Federal BL Well No. 2
990' FNL and 990' FEL
Section 8-T8S-R37E
Roosevelt County, New Mexico
R. 34 E.
R. 35 E.
R. 36 E.
R. 37 E.
STANDARD
PARALLEL
SOUTH
GUIDE
FIFTH
Highway
Pep
DEAN
NEW HOPE
MILNESAND
Milnesand
LOCATION
18
458
116
262
SE-15
1965

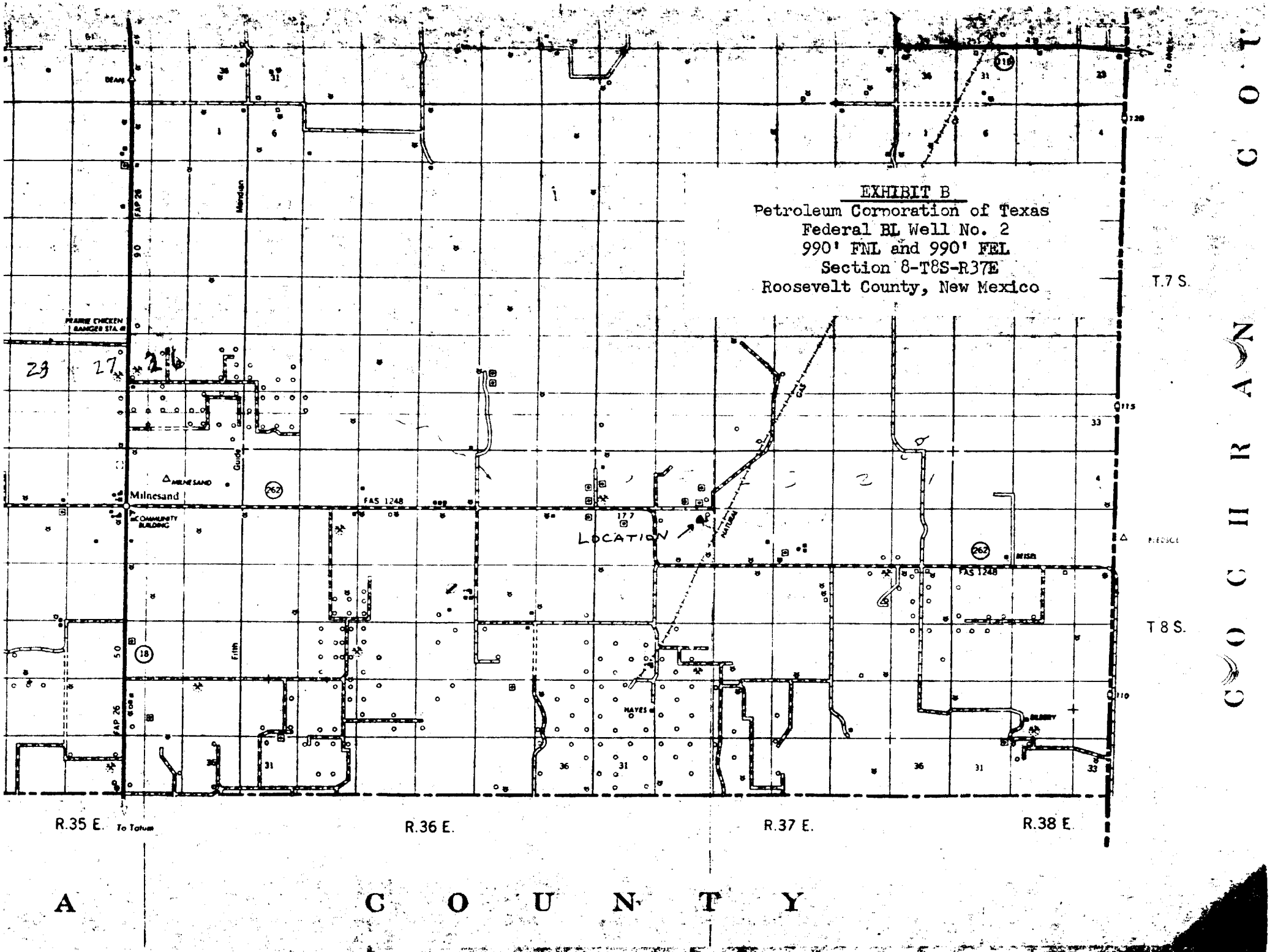
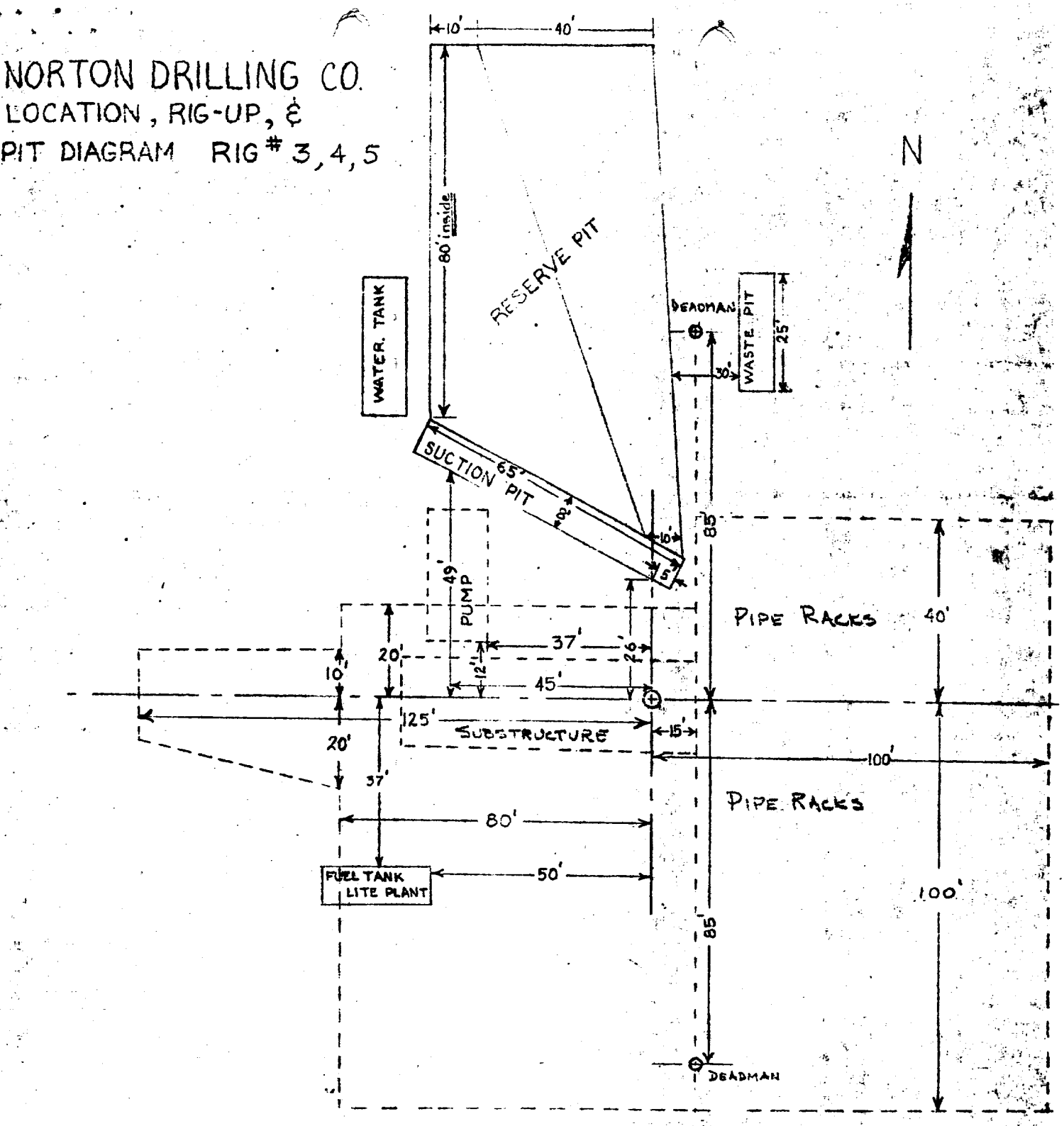


EXHIBIT B
Petroleum Corporation of Texas
Federal BL Well No. 2
990' FNL and 990' FEL
Section 8-T8S-R37E
Roosevelt County, New Mexico
LOCATION
Milnesand
FAS 1248
Meridian
Guide
Fifth
T.7 S.
T 8 S.
R.35 E.
To Tatum
R.36 E.
R.37 E.
R.38 E.
A
C O U N T Y
C O C H R A N

NORTON DRILLING CO.

LOCATION, RIG-UP, &
PIT DIAGRAM RIG # 3, 4, 5



INSET

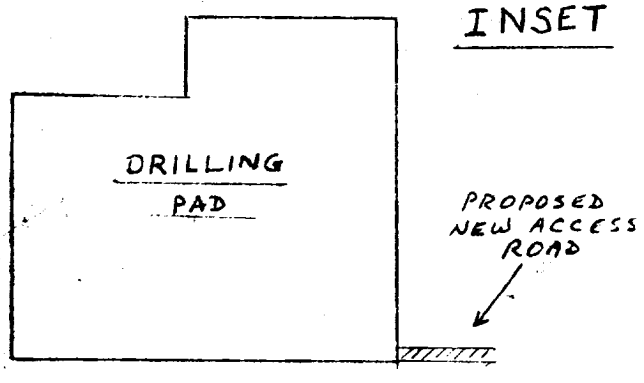


EXHIBIT C
Petroleum Corporation of Texas
Federal BL Well No. 2
990' FNL and 990' FEL
Section 8-T8S-R37E
Roosevelt County, New Mexico

EXHIBIT D

Petroleum Corporation of Texas
Federal BL Well No. 2
990' FNL and 990' FEL
Section 8-T8S-R37E
Roosevelt County, New Mexico

BLOW OUT PREVENTION EQUIPMENT
10" 900s ALL FLANGED CONNECTIONS
3,000# WORKING PRESSURE - 6,000# TEST