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5A. Indicate Type of Lease  
STATE ☐ FEE ☒  
5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|   |  |   |  |
|---|--|---|--|
| 1a. Type of Work<br>DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>  |  | 7. Unit Agreement Name                              |  |
| b. Type of Well<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>                   |  | 8. Farm or Lease Name<br>South Hobbs (GSA) Unit     |  |
| 2. Name of Operator<br>Amoco Production Company   |  | 9. Well No.<br>223                                  |  |
| 3. Address of Operator<br>P. O. Box 3092, Houston, Texas 77253  |  | 10. Field and Pool, or Wildcat<br>Hobbs GSA         |  |
| 4. Location of Well<br>SL/BHL UNIT LETTER <u>N</u> <del>FR</del> LOCATED <u>1791/1900</u> FEET FROM THE <u>West</u> LINE<br>AND <u>1257/1330</u> FEET FROM THE <u>South</u> LINE OF SEC. <u>34</u> TWP. <u>18-S</u> RGE. <u>38-E</u> NMPM |  | 12. County<br>Lea                                   |  |
| 19. Proposed Depth<br>4500  |  | 19A. Formation<br>Grayburg-San And                  |  |
| 20. Rotary or C.T.<br>Rotary  |  | 21. Elevation (show whether DT, RT, etc.)<br>3613.2 |  |
| 21A. Kind & Status Plug. Bond<br>Blanket-on-file  |  | 21B. Drilling Contractor<br>N/A                     |  |
| 22. Approx. Date Work will start<br>November 1988   |  |   |  |

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT      | EST. TOP |
|--------------|----------------|-----------------|---------------|----------------------|----------|
| 14-3/4"      | 10-3/4"        | 40.5#           | 1600'         | Circulate to surface |          |
| 9-7/8"       | 7"             | 23#             | 4500'         | Circulate to surface |          |

Propose to drill and equip well in the Grayburg-San Andres formation. After reaching TD, logs will be run and evaluated. Plan to perforate and stimulate as necessary to establish commercial production.

Mud Program  
0 - 1600' Native Spud Mud  
1600' - 3800' Brine Water  
3800' - TD Salt Gel/Starch

BOP 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. 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.

Signed H. I. Black H. I. Black Title Sr. Admin. Analyst Date 9-27-88

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE OCT 31 1988

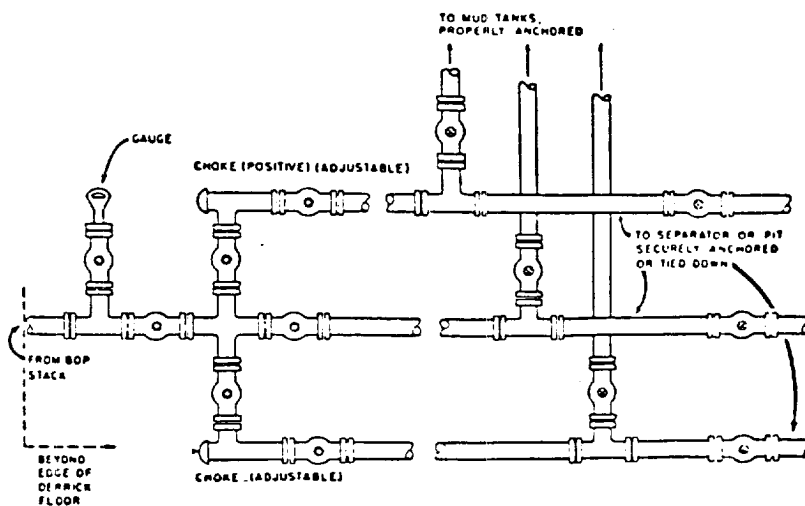
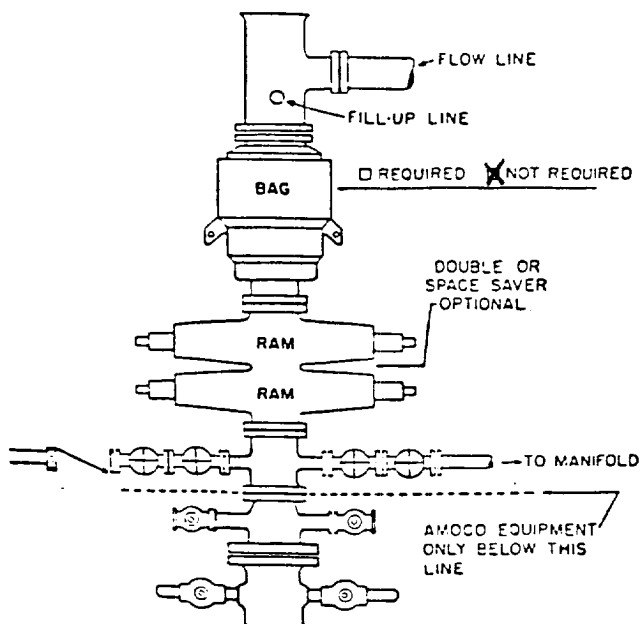
CONDITIONS OF APPROVAL, IF ANY:

DR-22 - To be bottomed at a standard location in Unit X

1. BOP's to be operated. BOP's and all fittings must be in good condition and rated at 5000 psi w.p. minimum.
2. Equipment through which bit must pass shall be at least as large as casing size being drilled through.
3. Upper kelly cock is required and shall be 3000 psi w.p. minimum. Lower kelly cock is (required)(not required).
4. Hydril or comparable safety valve shall be available on rig floor with connection or subs to fit any tool joint in the string. Valve to be full bore 5000 psi w.p. minimum.
5. Hydril or equivalent drill pipe back pressure valve is (required)(not required).
6. All equipment upstream of chokes, including kill line equipment shall be flanged or clamped and of a test pressure no less than that of the blowout preventer. All valves upstream of choke shall be (3") (4") gate valves Cameron Type "F" or equivalent. All equipment downstream of chokes may be flanged or screw end gate or plug. Line from spool to manifold cross to be a minimum of 3", straight and short as possible with minimum bends. Other lines may be 2", 3" or 4". Choke manifold, beyond second valve from cross, must be positioned outside of substructure. Manifold, header and all lines must be adequately supported and properly anchored. Two inch (2") lines and valves are permitted on the kill line. All valves designated for H<sub>2</sub>S service are (required) (not required).
7. Blowout preventer closing unit equipment to include accumulator capable of closing, opening and closing the bag and pipe rams with a minimum remaining pressure of 1200 psi. After closure, the remaining fluid volume will be at least 50 percent of original volume. Two independent sources of pump power are required on each closing unit installation and shall meet all IADC specifications. Operating time for closing unit shall not be greater than one minute with charging pump shut down. Time test must be witnessed by Amoco representative while nipping up and test results reported on IADC report. Failure to meet these conditions will necessitate corrective action by contractor and retesting all at contractor's expense.
8. The accumulator must be located at least 50 feet from the well. Blowout preventer controls must be properly labeled and located as close to drillers position as feasible. Floor control valves are (required)(not required).
9. Fluid lines from accumulator to BOP's and all remote control fluid lines shall be steel, and rated at or above maximum accumulator pressure. Lines shall be routed in bundles and adequately protected from damage.
10. Use rams in following positions:
 

|           |                 |                       |
|-----------|-----------------|-----------------------|
|           | <u>Drilling</u> | <u>Running Casing</u> |
| Upper ram | Drill pipe      | Casing                |
| Lower Ram | Blind           | Blind                 |

\*Amoco District Superintendent may reverse location of rams.
11. Extensions and hand wheels to be installed and braced at all times.



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All distances must be from the outer boundaries of the Section.

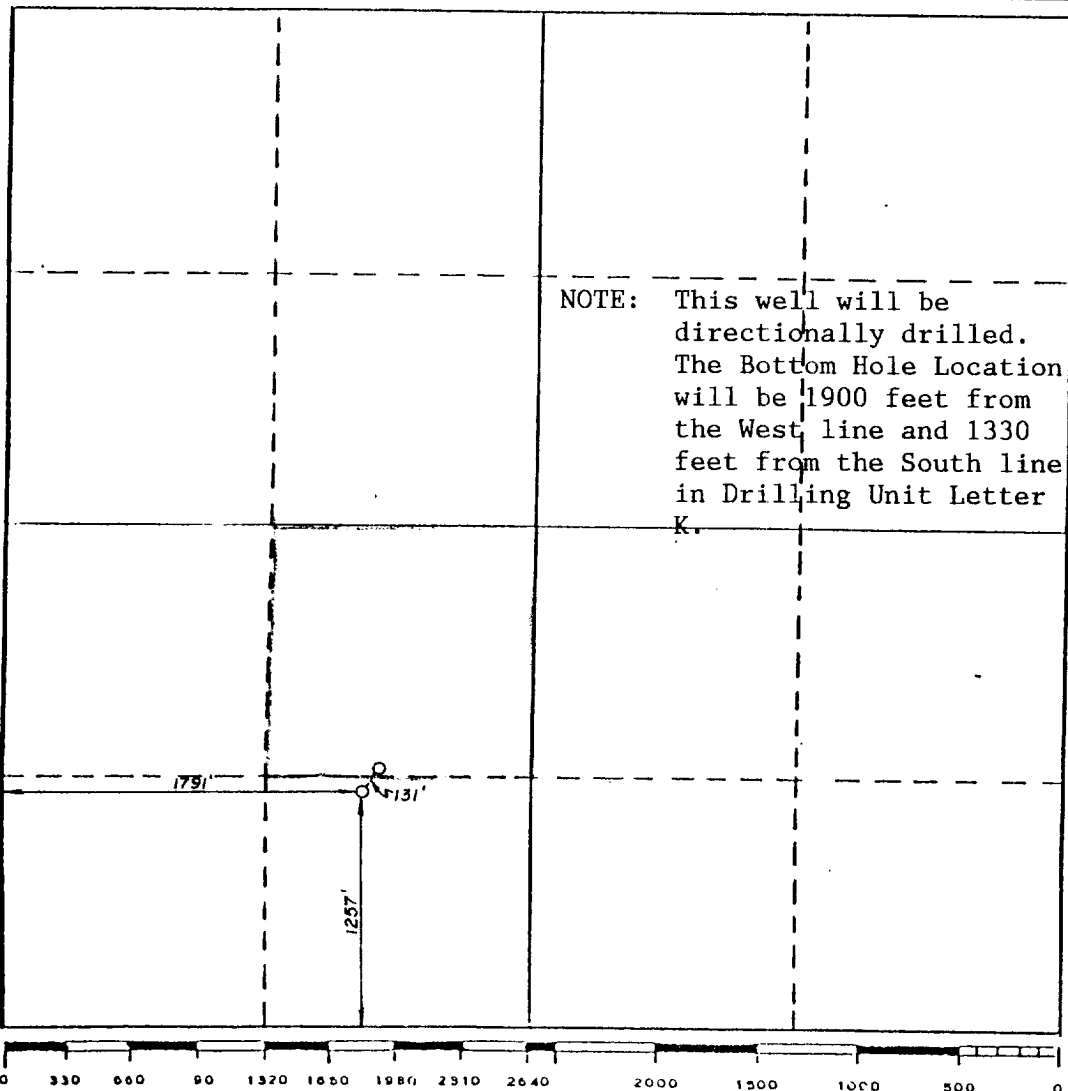
|  |   |  |                                       |                        |
|--|---|--|---------------------------------------|------------------------|
| Operator<br><b>Amoco Production Company</b>  |   | Lease<br><b>South Hobbs Grayburg San Andres Unit</b> |                                       | Well No.<br><b>223</b> |
| Unit Letter<br><b>N</b>  | Section<br><b>34</b>                              | Township<br><b>18 South</b>                          | Range<br><b>38 East</b>               | County<br><b>Lea</b>   |
| Actual Footage Location of Well:<br><b>1791</b> feet from the <b>West</b> line and <b>1257</b> feet from the <b>South</b> line |   |  |                                       |                        |
| Ground Level Elev.<br><b>3613.2 feet</b>   | Producing Formation<br><b>Grayburg San Andres</b> | Pool<br><b>Hobbs Grayburg / SA</b>                   | Dedicated Acreage:<br><b>40</b> Acres |                        |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 communization, 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



# CERTIFICATION

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

Name H. J. Blum  
Position Sr. Admin. Analyst  
Company Amoco Production  
Date 9-27-88

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.

JEFFREY L. HANSLER  
September 27, 1988

Date Surveyed 1003  
Registered Land Surveyor  
NMLS No. 10034

Certificate No.

Rec'd 4-17-89

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