30-025-31604

Form 3160-3
(November 1983)
(formerly 9-331C)

HOBBS, NEW MEXICO 88240

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: NM 81599

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA

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

7. UNIT AGREEMENT NAME: NA

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

8. FARM OR LEASE NAME: Cochise "1" Federal

2. NAME OF OPERATOR: Mitchell Energy Corporation

9. WELL NO.: 1

3. ADDRESS OF OPERATOR: P. O. Box 4000, The Woodlands, Texas 77387-4000

10. FIELD AND POOL, OR WILDCAT: East Lusk (Wolfcamp)

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 990' FWL and 1,650' FNL
At proposed prod. zone: 990' FWL and 1,650' FNL

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 1, T19S, R32E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 35 Miles WSW of Hobbs, NM

12. COUNTY OR PARISH: Lea — 13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 330'

16. NO. OF ACRES IN LEASE: 200

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.: N/A

19. PROPOSED DEPTH: 11,500

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3694 GR

22. APPROX. DATE WORK WILL START*: June 1, 1992

23. PROPOSED CASING AND CEMENTING PROGRAM — Capitan Controlled Water Basin

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5#	500'	525 Sks "C" to surface
12 1/4"	8 5/8"	32 #	4600'	1600 Sks Light + 250 Sks C-surface
7 7/8"	5 1/2"	17# & 20#	TD	725 Sks 50/50 POZ TOC 8000'

The operator proposes to drill to a depth sufficient to test the Wolfcamp formation for oil. If productive, 5-1/2" casing will be cemented at TD. If non-productive, the well will be plugged and abandoned in a manner consistent with federal regulations. Specific programs as per Onshore Oil & Gas Order #1 are outlined in the following attachments.:

Drilling Program
Surface Use & Operating Plan
Exhibit #1 & 1A - Blowout Preventer Equip.
Exhibit #2 - Location & Elevation Plat
Exhibit #3 - Planned Access Roads
Exhibit #4 - One-mile Radius Map
Exhibit #5 - Production Facilities Layout
Exhibit #6 - Drilling Rig Layout

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 George Mullen George Mullen TITLE Regulatory Affairs Specialist DATE April 27, 1992

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE AREA MANAGER CARLSBAD, NEW MEXICO DATE 5-21-92

CONDITIONS OF APPROVAL, IF ANY:
APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

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

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised 1-1-89

EXHIBIT 2
Cochise "1" Federal No.1
Lea County, New Mexico

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
MITCHELL ENERGY Corporation	COCHISE 1 FEDERAL	#1

Unit Letter	Section	Township	Range	County
E	1	19S.	32E. NMPM	LEA

Actual Footage Location of Well:
1650 feet from the NORTH line and 990 feet from the WEST line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
3694	Wolfcamp	East Lusk (Wolfcamp)	40 Acres

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

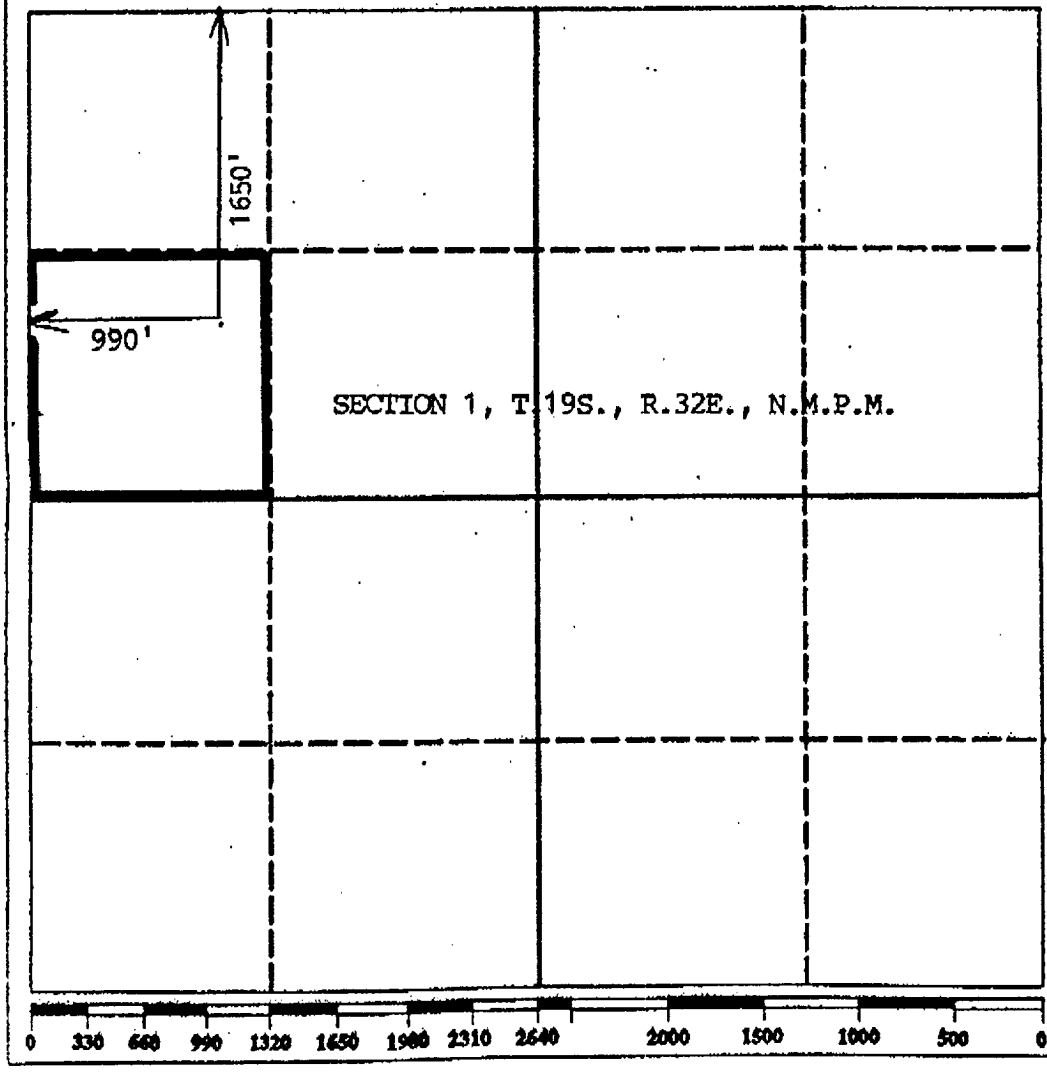
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature: George Mullen
Printed Name: George Mullen
Position: Reg. Affairs Specialist
Company: Mitchell Energy Corp.
Date: April 27, 1992

SURVEYOR CERTIFICATION

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 supervison, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 4/15/92
Signature & Seal of Professional Surveyor: JOHN W. JAQUESS NEW MEXICO 6290
Certificate No. 6290
BK. 65, PG. 69 & 70

DRILLING PROGRAM

Attached to Form 3160-3
Mitchell Energy Corporation
Cochise "1" Federal No. 1
990' FWL & 1650' FNL
SW/NW, Sec. 1, T19S, R32E
Lea Co., N.M.

1. Geologic Name of Surface Formation:

   Permian

2. Estimated Tops of Important Geologic Markers:

Permian	Surface
Base of Salt	2,850'
Yates	3,165'
Delaware	5,820'
Bone Spring	7,355'
Wolfcamp	10,580'
Total Depth	11,500'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Upper Permian Sands to	100'	fresh water
Yates	3,445'	oil
Delaware SS	5,820'	oil
1st Bone Spring SS	8,615'	oil
2nd Bone Spring SS	9,265'	oil
3rd Bone Spring Carb.	9,840'	oil
Wolfcamp	10,580'	oil

No other formations are expected to give up oil, gas, or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 13-3/8" csg at 500' and circulating cement back to surface. Any shallower zones above TD which contain commercial quantities of oil and/or gas will have cement circulated across them behind the 8-5/8" csg or by inserting a cementing stage tool into the 5-1/2" producing csg which will be run at TD.

Exhibit 1

Cochise "1" Federal No. 1
Lea County, New Mexico

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

5,000 psi Working Pressure

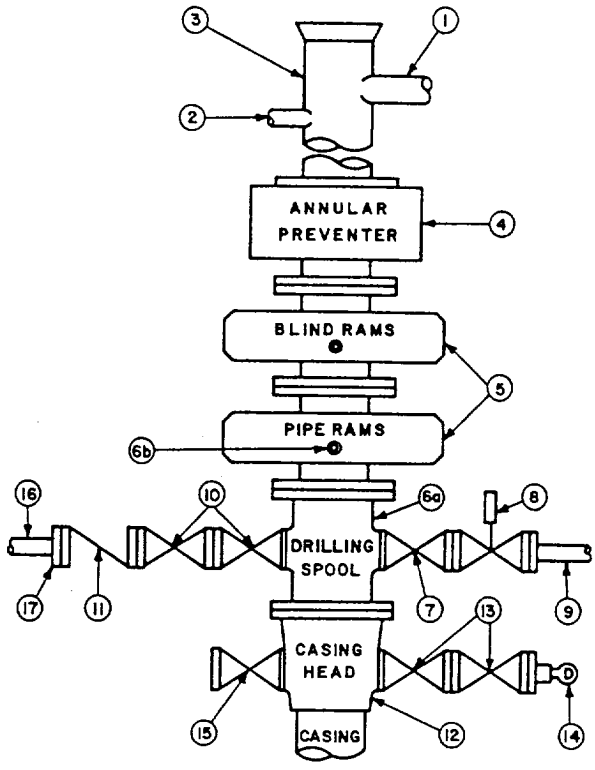
5 MWP

STACK REQUIREMENTS

No.	Item	Min. I.D.	Min. Nominal
1	Flowline		
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min. choke line outlets or		
6b	2" minimum kill line and 3" minimum choke line outlets in ram. (Alternate to 6a above.)		
7	Gate valve	3-1/8"	
8	Gate valve — power operated	3-1/8"	
9	Line to choke manifold		3"
10	Gate valves	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Gate valves	1-13/16"	
14	Pressure gauge with needle valve		
15	Gate Valve or Flanged Valve w/Control Plug	1-13/16"	
16	Kill line to rig mud pump manifold		2"

OPTIONAL			
17	Roadside connection to kill line		2"

CONFIGURATION A



CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead.
2. Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
3. BOP controls, including control for hydraulically operated wing valve, to be located near drillers position with remote controls located away from rig floor.
4. Kelly equipped with Kelly cock and Hydril Kelly valve, or its approved equivalent.
5. Hydril Kelly valve or its approved equivalent and approved inside blow-out preventer to fit drill pipe in use on derrick floor at all times.
6. Kelly saver-sub equipped with rubber casing protector at all times.
7. Extra set of pipe rams to fit pipe being used on location.
8. Plug type blowout preventer tester.
9. Type RX ring gaskets in place of Type R.
10. Outlet for Halliburton on kill line.

MEC TO FURNISH:

1. Bradenhead or casinghead and side valves.
2. Wear bushing, if required.

GENERAL NOTES:

1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers. Valves must be full opening and suitable for high pressure mud service.
3. Controls to be of standard design and each marked, showing opening and closing position.
4. Chokes will be positioned so as not to hamper or delay changing of choke beans. Replaceable parts for adjustable choke, other bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.
5. All valves to be equipped with handwheels or handles ready for immediate use.
6. Choke lines must be suitably anchored.
7. Handwheels and extensions to be connected and ready for use.
8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
9. All seamless steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Approved hoses will be permitted.
10. Casinghead connections shall not be used except in case of emergency.
11. Do not use kill line for routine fill-up operations.
12. Rig pumps ready for hook-up to BOP control manifold for emergency use only.