30-025-31391

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

N. M. OIL CONS. COMM
P. O. BOX 1980
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 67111

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

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

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

7. UNIT AGREEMENT NAME: N/A

8. FARM OR LEASE NAME: Geronimo Federal

2. NAME OF OPERATOR: Mitchell Energy Corporation

9. WELL NO.: 7

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

10. FIELD AND POOL, OR WILDCAT: Tonto, South (Yates-Seven Rivers)

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1980' FNL & 585' FWL (SW/NW)
At proposed prod. zone: 1980' FNL & 585' FWL (SW/NW)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 31, T19S, R33E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 32 miles SW 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)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
585	321.72	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
75	3,300	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3575 GR — Capitan Controlled Water Basin

22. APPROX. DATE WORK WILL START*: 11-1-91

23. PROPOSED CASING AND CEMENTING PROGRAM — R-111-P Potash Secretary's Potash

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12.25"	8.625"	24#	500'	300 sx Class C - Circulate surface
7.875"	5.50"	17# & 20#	TD	800 sx Class C - Circulate to surf.

The operator proposes to drill to a depth sufficient to test the Yates 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
Exhibit #7 - Cultural Resources Examination

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 9/3/91

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY /s/ Signed by Richard L. Manus — TITLE AREA MANAGER CARLSBAD RESOURCE AREA — DATE 9-17-91

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

Geronimo Federal #7
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	GERONIMO FEDERAL	#7

Unit Letter	Section	Township	Range	County
E	31	19S.	33E. NMPM	LEA

Actual Footage Location of Well:
1980 feet from the NORTH line and 585 feet from the WEST line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
3575	YATES	TONTO, SOUTH (YATES-SEVEN RIVERS)	40 Acres

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

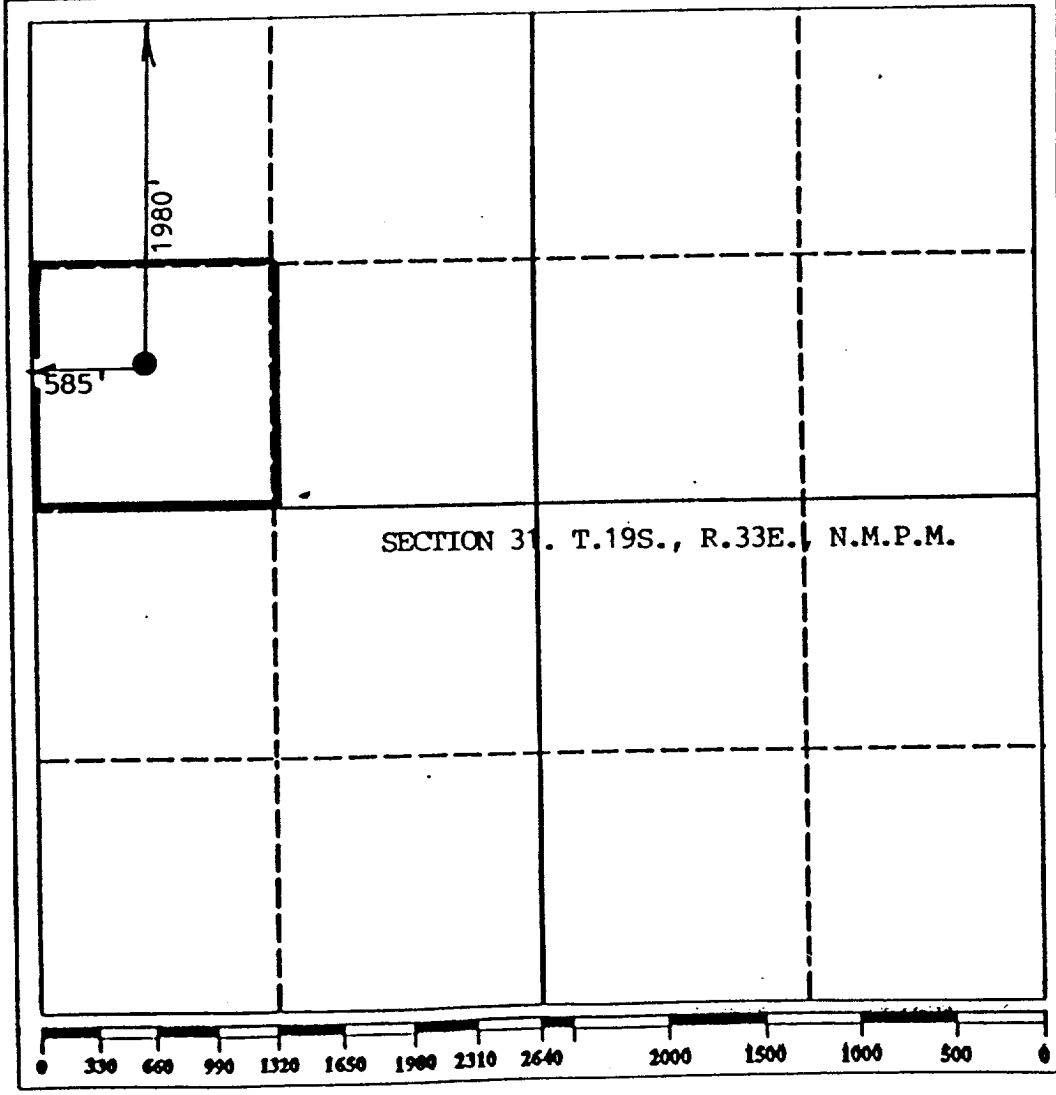
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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: SEPT. 4, 1991

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: 7/29/91

Signature & Seal of Professional Surveyor: JOHN W. JAQUESS, NEW MEXICO, 6290, REGISTERED PROFESSIONAL ENGINEER & LAND SURVEYOR

Certificate No. 6290

BK. 60, P.33

DRILLING PROGRAM

Attached to Form 3160-3
Mitchell Energy Corporation
Geronimo Federal #7
1980' FNL & 585' FWL
SW/NW,Sec 31, T-19-S, R-33-E
Lea Co., N.M.

1. Geologic Name of Surface Formation:

   Permian

2. Estimated Tops of Important Geologic Markers:

Permian	Surface
Top Salt	1350'
Base Salt	2740'
Yates	2970'

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

Upper Permian Sands	100'	fresh water
Yates	2970'	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 8-5/8" 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 5-1/2" csg.

4. Casing Program:

Hole Size	Interval	OD csg	Weight, Grade, Jt, Cond, Type
12-1/4"	0-500'	8-5/8"	24#, K-55, ST&C, New, R-3
7-7/8"	500-TD'	5-1/2"	15.5#, ST&C, New, R-3

Cement Program:

8-5/8" Surface casing:	Cemented to surface with 300 sacks of Class "C" + 2% $CaCl_2$ + 1/4 #/sack Flocele.
5-1/2" Production casing:	Cemented to surface with 800 sacks Class "C" + 5#/sack salt + 1/4#/sack Flocele.

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

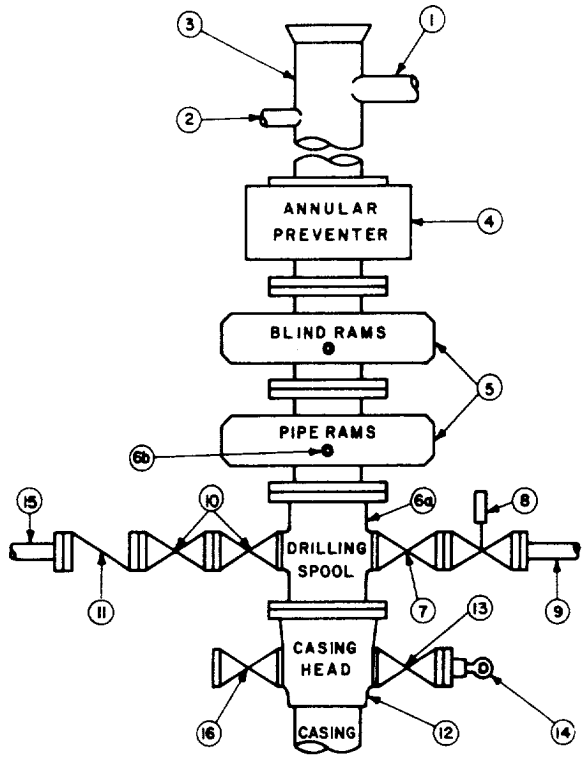
EXHIBIT# 1
Geronimo Federal #7
Lea County, New Mexico

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" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above.)		
7	Valve Gate ☐ Plug ☐	3-1/8"	
8	Gate valve—power operated	3-1/8"	
9	Line to choke manifold		3"
10	Valves Gate ☐ Plug ☐	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Valve Gate ☐ Plug ☐	1-13/16"	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

OPTIONAL			
16	Flanged valve	1-13/16"	

CONFIGURATION A



CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
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, to be located near drillers position.
4. Kelly equipped with Kelly cock.
5. Inside blowout prevventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly saver-sub equipped with rubber casing protector at all times.
7. Plug type blowout preventer tester.
8. Extra set pipe rams to fit drill pipe in use on location at all times.
9. Type RX ring gaskets in place of Type R.

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 up through choke. 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. 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.

ELF
Rec'd 4-9-92