

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-67986
2. Name of Operator Manzano Oil Corporation	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P.O. Box 2107, Roswell, NM 88202-2107 (505) 623-1996	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2310' FNL & 330' FEL, Section 18, T18S, R32E Unit H	8. Well Name and No. Xion Federal #2
	9. API Well No. 30-025-31793
	10. Field and Pool, or Exploratory Area Young Wolfcamp North
	11. County or Parish, State Lea County, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Variance Request</u>	<input type="checkbox"/> Dispose Water

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Request approval to eliminate stipulation

- V. a) Test BOPs by independent service company.
b) Mud system monitoring equipment.
c) H2S safety equipment.

Justification for request:

The Manzano Xion Federal #2 will be drilled 1660' to the NW of the Arco Tyke Federal #1 (1650' FSL & 600' FWL Section 17, T18S, R32E) and 660' to the West of the Siete Inca Federal #12 (2310' FNL and 330' FWL Section 17, T18S, R32E).

The Arco Tyke Federal #1 ran a DST in the Wolfcamp from 9895-9988' on 12/23/90. Static Bottom hole pressure was 3766 psi. Arco drilled the Wolfcamp with a mud weight of 8.8 lbs/gal giving a hydrostatic pressure across the Wolfcamp of 4386 psi or some 619 psi above reservoir pressure.

(over)

14. I hereby certify that the foregoing is true and correct

Signed William R. Ramey Title Production Analyst Date 11/18/92
(This space for Federal or State office use)

Approved by _____ Title _____ Date 12/15/92
Conditions of approval, if any:

Site DSTd the Wolfcamp in the Inca Federal #12 with a 9.1 lb/gal mud system on 11/13/92. Static bottom hole was 2414 psi or 2294 psi below the hydrostatic mud pressure. We therefore conclude the Wolfcamp reservoir is not high pressure and can be controlled with a fresh water mud system. Also there was no H2S detected in the mud system of the Tyke well or the Inca #12 well.