

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

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

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

API NO. (assigned by OCD on New Wells)
30-025-31134
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No. V-1618

Amended
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL ☒ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐	7. Lease Name or Unit Agreement Name Ganso State
b. Type of Well: OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐	8. Well No. 3
2. Name of Operator STRATA PRODUCTION COMPANY	9. Pool name or Wildcat Hat Mesa, Delaware
3. Address of Operator 648 Petroleum Building, Roswell, Nm 88201	
4. Well Location Unit Letter <u>P</u> : <u>460'</u> Feet From The <u>South</u> Line and <u>990'</u> Feet From The <u>East</u> Line Section <u>32</u> Township <u>20S</u> Range <u>33E</u> NMPM Lea County	

10. Proposed Depth 8450'	11. Formation Delaware	12. Rotary or C.T. Rotary
13. Elevations (Show whether DF, RT, GR, etc.) 3646' GL	14. Kind & Status Plug. Bond Statewide	15. Drilling Contractor To be determined
16. Approx. Date Work will start August 19, 1991		

17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	48#	350'	Circulate	Surface
12 1/4"	8 5/8"	24#	3400'	Circulate	Surface
7 7/8"	5 1/2"	15# & 17#	8450'	Tie back to intermediate casing	

Change location from 460/5 + 760/E to 460/5 + 990/E
We propose to drill a 17 1/2" hole to 350' and set 13 3/8" casing. 13 3/8" casing will be cemented with enough cement to circulate to surface.

We then propose to drill a 12 1/4" hole to 3400' and set 3400' of 8 5/8" casing and circulate cement to surface. We will then drill a 7 7/8" hole to 8450' and log with CNL-FDC and DLL-MSFL GR logs. If the well is dry it will be plugged pursuant to NMOCE rules and regulations. If the well is completed as a producer, 5 1/2" casing will be run and cemented with enough cement to tie back into intermediate string.

The hole from the surface to 350' will be drilled with native mud. The hole from 350' to 3400' will be drilled with cut brine. The hole from 3400' to TD will be drilled with salt gel and starch to maintain adequate viscosity and water loss.

SEE ATTACHED B.O.P. DIAGRAM.

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.

SIGNATURE Frank S. Morgan TITLE Vice President DATE 07/17/91
TYPE OR PRINT NAME FRANK S. MORGAN TELEPHONE NO. 622-1127

(This space for State Use)

APPROVED BY _____

TITLE _____

DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval
Date Unless Drilling Underway.

Potash area - waiver received
Not in LMR Per EPA Tebo, St. Land office

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WELL LOCATION AND ACREAGE DEDICATION PLAT

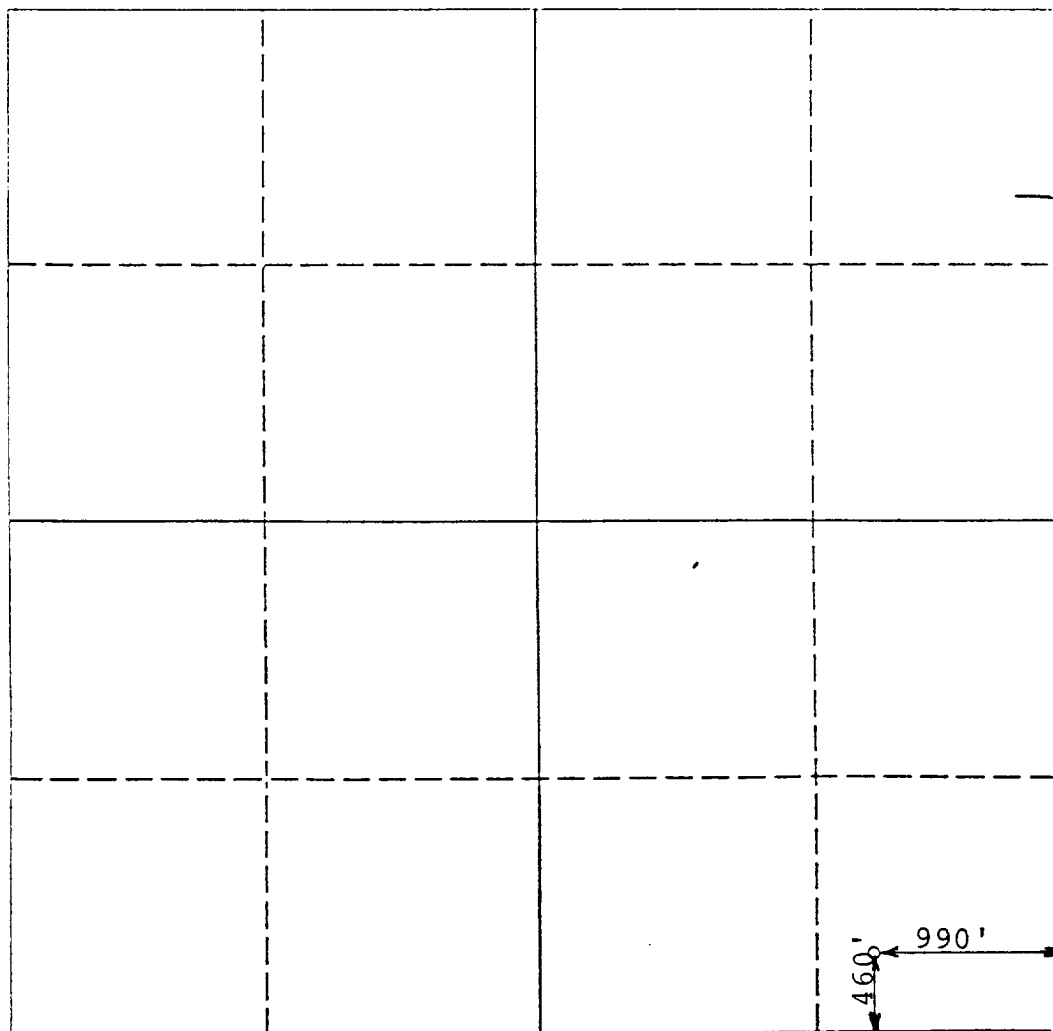
All Distances must be from the outer boundaries of the section

Operator Strata Production Company			Lease Ganso State		Well No. 3
Unit Letter P	Section 32	Township 20 South	Range 33 East	County Lea	
Actual Footage Location of Well: 460 feet from the South line and 990 feet from the East line					
Ground level Elev. 3646	Producing Formation DELAWARE		Pool HAT MESA DELAWARE	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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

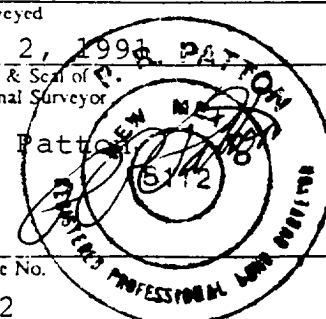
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
James G. Mc Clelland
Printed Name
JAMES G. MC CLELLAND
Position
Vice President
Company
STRATA PRODUCTION CO.
Date
7-5-91

SURVEYOR CERTIFICATION

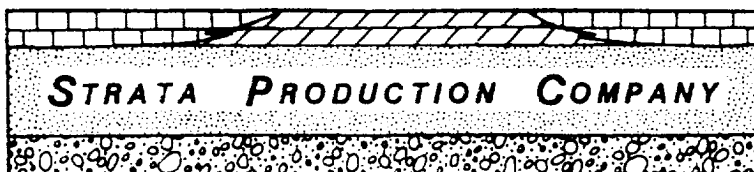
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
July 2, 1991
Signature & Seal of
Professional Surveyor
P.R. Patton
Certificate No.
8112



Amended

GEORGE L. SCOTT, JR.
FRANK S. MORGAN
JAMES G. MCCLELLAND



648 PETROLEUM BLDG.
ROSWELL, N.M. 88201
(505) 622-1127
(505) 622-5891

RETURN RECEIPT REQUESTED
CERTIFIED RECEIPT#P340 891 291

July 19, 1991

Ms. Jill Ivey
Mississippi Chemical Corporation
Post Office Box 101
Carlsbad, New Mexico 88220

Re: Application to Drill in Potash Area
Ganso State #3 Well
Section 32, T20S, R33E, NMPM
Lea County, New Mexico

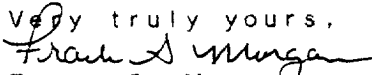
Dear Ms. Ivey:

In accordance with the State of New Mexico's Oil Conservation Division Rule R-111-P C (2) (3), we enclose the following materials for your review and further action:

1. Copy of Application for Permit to Drill
2. Surface Location Plat of the area

State of New Mexico Public Land records reflect Mississippi Chemical Corporation as the potash lessee covering the above captioned lands. Strata Production Company, a New Mexico corporation, wishes to advise you of its intention to drill a well to 8450' at a location 460' FSL and 990' FEL of Section 32. If you are in agreement that drilling at this location will not interfere with your potash operations, please sign and return a copy of this letter in the enclosed envelope within 20 days of receipt of same.

Should you have any questions or require additional information from this office, please advise.

Very truly yours,

Frank S. Morgan
Vice President

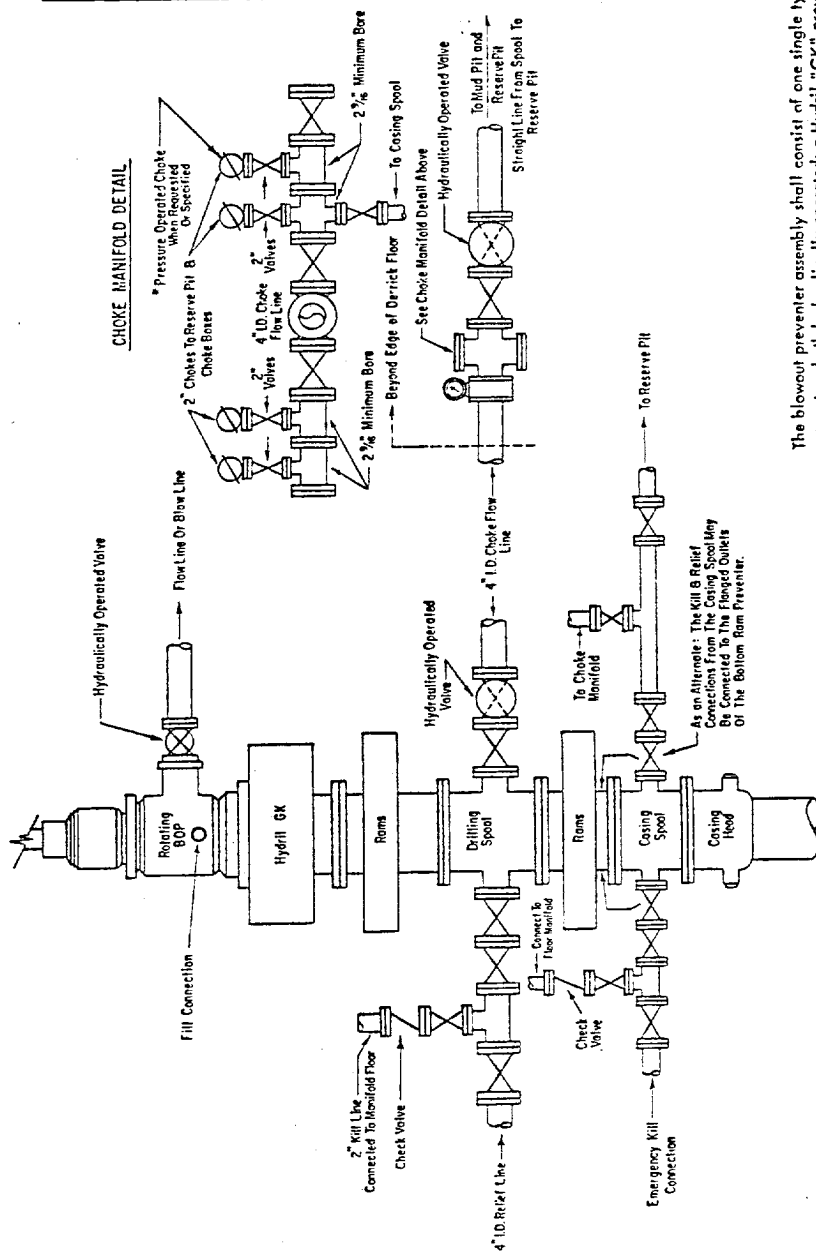
AGREED TO AND ACCEPTED THIS 22 DAY OF JULY, 1991.

MISSISSIPPI CHEMICAL CORPORATION

BY: Jill C. Ivey
TITLE: Senior Mine Engineer
DATE: 7-22-91

FSM/rf
Enclosures
CC: Oil Conservation Division, Hobbs, NM

**PLEASE EXECUTE AND
RETURN THIS COPY**



5000 # PSI WORKING PRESSURE BLOWOUT PREVENTER HOOK-UP

The blowout preventer assembly shall consist of one single type blind ram preventer and one single type pipe ram preventer, both hydraulically operated; a Hydril "GK" preventer; a rotating blowout preventer; valves; chokes and connections, as illustrated. If a tapered drill string is used, a ram preventer must be provided for each size of drill pipe. Casing and tubing rams to fit the preventers are to be available as needed. If correct in size, the flanged outlets of the ram preventer may be used for connecting to the 4-inch I.D. choke flow line and 4-inch I.D. relief line, except when air or gas drilling. All preventer connections are to be open-face flanged.

Minimum operating equipment for the preventers and hydraulically operated valves shall be as follows: (1) Multiple pumps, driven by a continuous source of power, capable of fluid charging the total accumulator volume from the nitrogen precharge pressure to its rated pressure within minutes. Also, the pumps are to be connected to the hydraulic operating system which is to be a closed system. (2) Accumulators with a precharge of nitrogen of not less than 750 PSI and connected so as to receive the aforementioned fluid charge. With the charging pumps shut down, the pressurized fluid volume stored in the accumulators must be sufficient to close all the pressure-operated devices simultaneously within seconds; after closure, the remaining accumulator pressure shall be not less than 1000 PSI with the remaining accumulator fluid volume at least percent of the original. (3) When requested, an additional source of power, remote and equivalent, is to be available to operate the above pumps; or there shall be additional pumps operated by separate power and equal in performance capabilities.

The closing manifold and remote closing manifold shall have a separate control for each pressure-operated device. Controls are to be labeled, with control handles indicating open and closed positions. A pressure reducer and regulator must be provided for operating the Hydril preventer. When requested, a second pressure reducer shall be available to limit operating fluid pressures to ram preventers. A hydraulic oil, an equivalent or better, is to be used as the fluid to operate the hydraulic equipment.

The choke manifold, choke flow line, relief line, and choke lines are to be supported by metal stands and adequately anchored. The choke flow line, relief line, and choke lines shall be constructed as straight as possible and without sharp bends. Easy and safe access is to be maintained to the choke manifold. If deemed necessary, walkways and stairways shall be erected in and around the choke manifold. All valves are to be selected for operation in the presence of oil, gas, and drilling fluids. The choke flow line valves and relief line valves connected to the drilling spool and all ram type preventers must be equipped with stem extensions, universal joints if needed, and hand wheels which are to extend beyond the edge of the derrick substructure. All other valves are to be equipped with handles.

ADDITIONS-DELETIONS-CHANGES SPECIFY

All equipment should be at least 3,000 psi WP or higher unless otherwise specified.

1. Bell nipple.
2. Hydril bag type preventer
3. Ram type pressure operated blowout preventer with blind rams.
4. Flanged spool with one 3-inch and one 2-inch (minimum) outlet.
5. 2-inch (minimum) flanged plug or gate valve.
6. 2-inch by 2-inch by 2-inch (minimum) flanged tee.
7. 3-inch gate valve.
3. Ram type pressure operated blowout preventer with pipe rams.
9. Flanged type casing head with one side outlet.
0. 2-inch threaded (or flanged) plug or gate valve.
Flanged on 5000# WP, threaded on 3000# WP or less.
1. 3-inch flanged spacer spool.
2. 3-inch by 2-inch by 2-inch by 2-inch flanged cross.
3. 2-inch flanged plug or gate valve.
4. 2-inch flanged adjustable choke.
5. 2-inch threaded flange.
6. 2-inch XXH nipple.
7. 2-inch forged steel 90° Ell.
3. Cameron (or equal.) threaded pressure gage.
9. Threaded flange.
0. 2-inch flanged tee.
1. 2-inch flanged plug or gate valve.
2. 2½-inch pipe, 300' to pit, anchored.
3. 2½-inch SE valve.
4. 2½-inch line to steel pit or separator.

NOTES:

1. Items 3, 4 and 8 may be replaced with double ram type preventer with side outlets between the rams.
2. The two valves next to the stack on the fill and kill line to be closed unless drill string is being pulled.
3. Kill line is for emergency use only. This connection shall not be used for filling.
4. Replacement pipe rams and blind rams shall be on location at all times.
5. Only type U, LSW and QRC ram type preventers with secondary seals are acceptable for 5000 psi WP and higher BOP stacks.
6. Type E ram-type BOP's with factory modified side outlets may be used on 3000 psi or lower WP BOP stacks.