

H. R. ...
P. O. BOX 1450
HOBBS, NEW MEXICO
SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

30-025-31915

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL **DEEPEN**

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Mitchell Energy Corporation

3. ADDRESS AND TELEPHONE NO.
 P.O. Box 4000 The Woodlands, TX 77387-4000 (713) 377-5500

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface: 1980' FEL and 830' FSL (SW/SE)
 At proposed prod. zone: 1980' FEL and 830' FSL (SW/SE)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 32 miles SW of Hobbs, NM

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 830

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1250

16. NO. OF ACRES IN LEASE 240

17. NO. OF ACRES ASSIGNED TO THIS WELL 320

19. PROPOSED DEPTH 14,000

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3541 GR

22. APPROX. DATE WORK WILL START*
 1-15-93

5. LEASE DESIGNATION AND SERIAL NO.
 NM 51844

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

7. UNIT AGREEMENT NAME
 N/A

8. FARM OR LEASE NAME, WELL NO.
 Anasazi "9" Fed. Com. #2

9. AN WELL NO.
 30-025-31915

10. FIELD AND POOL, OR WILDCAT
 West Teas - Morrow

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA
 Sec. 9, T.20S, R33E

12. COUNTY OR PARISH 13. STATE
 Lea NM

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

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	20"	94#	500'	1150 sks Premium - TOC = Surface
17-1/2"	13-3/8"	68#	2950'	1500 sks Lite + 250sks Prem. TOC = Surface
12-1/4"	8-5/8"	32#	5300'	1000 sks Lite + 250 sks Prem. TOC = 2500'
7-7/8"	5-1/2"	17#	TD	600 sks Lite + 500 sks 50/50 TOC = 9000'

The operator proposes to drill to a depth sufficient to test the Morrow formation for gas. 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:

- APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS AND
 SPECIAL STIPULATIONS
 ATTACHED, and to all applicable provisions of NMOC's R-111-P.
- Drilling Program
 - Surface Use & Operating Plan
 - Exhibit #1 & 1A - Blowout Preventer Equipment
 - 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

RECEIVED
 DEC 21 10 00 AM '92
 CANNON AFB

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.

SIGNED George Mullen George Mullen TITLE Reg. Affairs Specialist DATE 12-18-92

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
 CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to re-drill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill or deepen an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the operator elects to initiate drilling operation on an oil and gas lease.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0136), Washington, D.C. 20503.

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling operations on an oil and gas lease.

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

OIL CONSERVATION DIVISION

Exhibit # 2

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

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

Anasazi "9" Fed. Com. No. 2
Lea County, New Mexico

DISTRICT II
P.O. Box 1000, Artesia, NM 88210

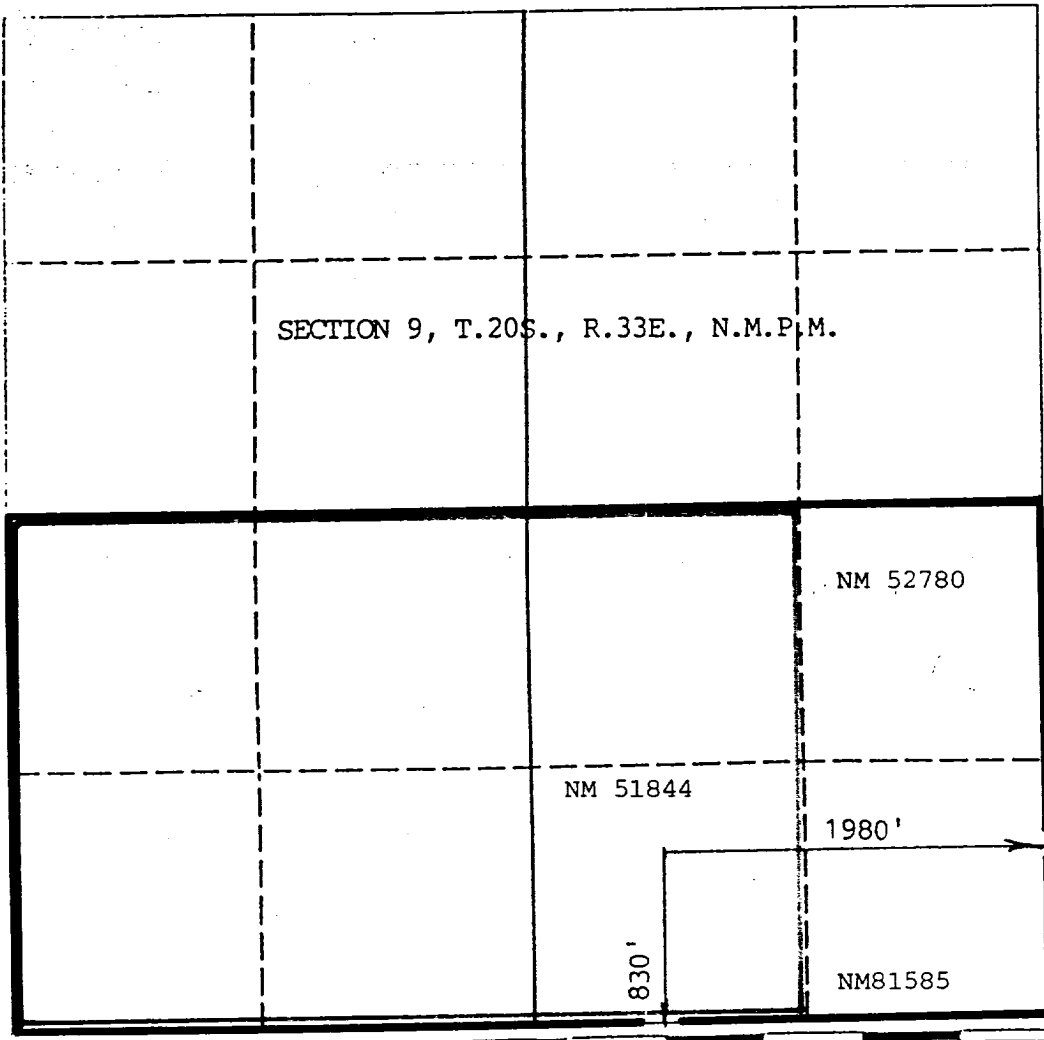
DISTRICT III
P.O. Box 1700, Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

MITCHELL ENERGY Corporation			Lease ANASAZI 9 FEDERAL COM		Well No. #2
Section 9	Township 20S.	Range 33E.	County NMM		LEA
Well Location of Well: 1980 feet from the EAST line and 830 feet from the SOUTH line					
Ground level Elev. 3541	Producing Formation Morrow	Pool West Teas-Morrow	Dedicated Acreage: 320 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: communitization (998)
 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: December 18, 1992

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes or 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: 11/12/92
Signature & Seal of Professional Surveyor: [Signature]
Certificate No.: 6290

DRILLING PROGRAM

Attached to Form 3160-3
Mitchell Energy Corporation
Anasazi "9" Federal Com No. 2
1980' FEL & 830' FSL
SW/SE, Sec. 9, T20S, R33E
Lea Co., New Mexico

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

Permian	Surface	Wolfcamp	11,170'
Top Salt	1300'	Strawn	12,190'
Base Salt	2800'	Atoka	12,500'
Yates	3040'	Morrow	12,820'
Delaware	5410'	Total Depth	14,000'
Bone Spring	8120'		

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

Upper Permian Sands to	100'	Fresh Water
Yates	3040'	Oil
Delaware	5410'	Oil
1st Bone Spring SS	9150'	Oil
Wolfcamp	11,170'	Oil
Atoka	12,500'	Gas
Morrow SS	13,100'	Gas

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 20" csg at 500' and circulating cement back to surface. The potash zone will be protected by setting 13-3/8" csg. @ 2950' 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" production csg which will be run at TD.

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OD Casing</u>	<u>Weight, Grade, Jt. Cond. Type</u>
36"	0 - 40'	0"	Conductor, 0.3" wall thickness
26"	Surf - 500'	20"	94#, K-55, BT&C, New, R-3
17-1/2"	Surf - 2950'	13-3/8" 68#	54.5# , K-55, ST&C, New, R-3
12-1/4"	Surf - 5300'	8-5/8" 55	32#, K-55, ST&C, New, R-3
7-7/8"	Surf - TD	5-1/2"	17# & 20#, N-80, LT&C, New, R-3

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

5,000 psi Working Pressure

5 MWP

EXHIBIT 1
Anasazi "9" Fed. Com. No. 2
Lea County, New Mexico

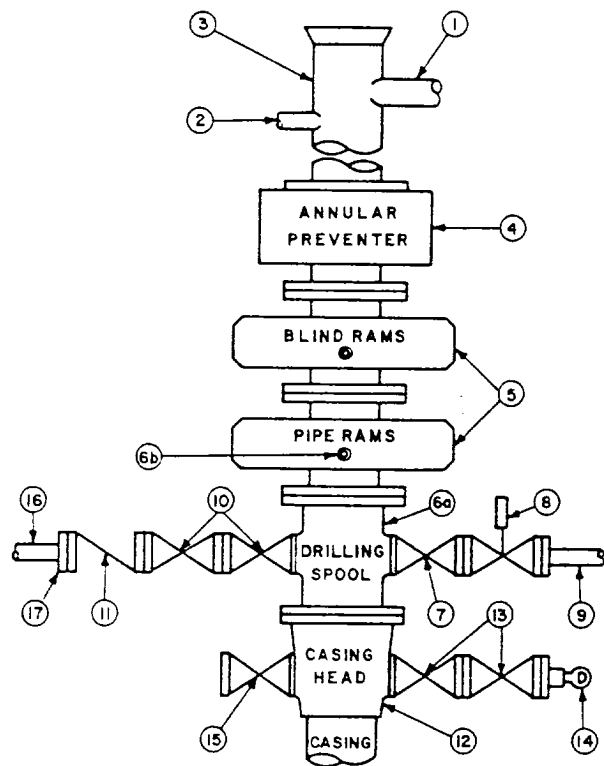
STACK REQUIREMENTS

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" 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"
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CONFIGURATION A



CONTRACTOR'S OPTION TO FURNISH:

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

10. Outlet for Halliburton on kill line.

MEC TO FURNISH:

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

GENERAL NOTES:

- Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
- 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.
- Controls to be of standard design and each marked, showing opening and closing position.
- 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.

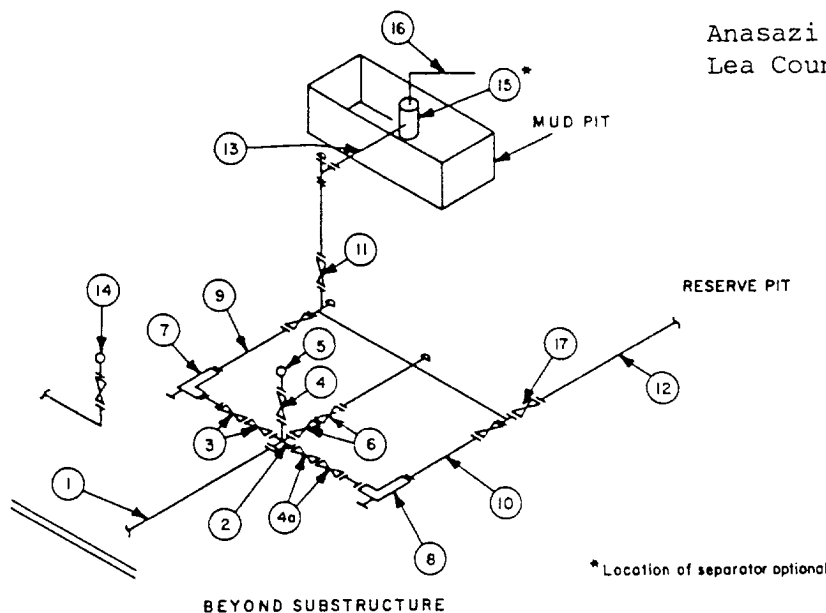
- All valves to be equipped with handwheels or handles ready for immediate use.
- Choke lines must be suitably anchored.
- Handwheels and extensions to be connected and ready for use.
- Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
- All seamless steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Approved hoses will be permitted.
- Casinghead connections shall not be used except in case of emergency.
- Do not use kill line for routine fill-up operations.
- Rig pumps ready for hook-up to BOP control manifold for emergency use only.

MINIMUM CHOKE MANIFOLD
3,000, 5,000 and 10,000 PSI Working Pressure

3 MWP - 5 MWP - 10 MWP

EXHIBIT 1-A

Anasazi "9" Fed. Com. No. 2
Lea County, New Mexico



MINIMUM REQUIREMENTS										
No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING
1	Line from drilling spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3"x3"x3"x2"			3,000			5,000			
	Cross 3"x3"x3"x3"									10,000
3	Valves(1) Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	1-13/16"		3,000	1-13/16"		5,000	1-13/16"		10,000
4a	Valves(1)	2-1/16"		3,000	2-1/16"		5,000	3-1/8"		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
7	Adjustable Choke(3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		3"	10,000
11	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
12	Lines		3"	1,000		3"	1,000		3"	2,000
13	Lines		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2'x5'			2'x5'			2'x5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000

(1) Only one required in Class 3M.

(2) Gate valves only shall be used for Class 10M.

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using bull plugged tees.
- Discharge lines from chokes, choke bypass and from top of gas separator should vent as far as practical from the well.