Form 3160-3 (December 1990)

CONDITIONS OF APPROVAL, IF ANY:

## N.M. OIL CONS. COMMISSION P.O. 7X 1980

SUBMIT IN 'LICATE'

(Other instructions on reverse side)

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

DEPARTMENT OF THE INTERIOR 5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT NM 77074 6. IF INDIAN, ALLOTTER OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL OR DEEPEN N/A 1a. TYPE OF WORK 7. UNIT AGREEMENT NAME DEEPEN DRILL X N/A b. TYPE OF WELL SINGLE MULTIPLE 8. FARM OR LEASE NAME, WELL NO. OIL WELL X WELL OTHER Anasazi "4" Federal No. 6 2. NAME OF OPERATOR 9. API WELL NO Mitchell Energy Corporation 30-025-32 3. ADDRESS AND TELEPHONE NO 10. FIELD AND POOL, OR WILDCAT P. O. Box 4000, The Woodlands, Texas 77387-4000 (713) 377-5500 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*) Wildcat 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 660' FEL and 2,150' FNL At proposed prod. sone Sec. 4, T20S, R33E 660' FEL and 2,150' FNL 12. COUNTY OR PARISE | 13. STATE 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE. NM Lea Approximately 30 miles west of Hobbs, New Mexico NO. OF ACRES ASSIGNED TO THIS WELL 13. DISTANCE FROM PROPOSED® LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) 16. NO. OF ACRES IN LEASE 490 640.52 20. ROTARY OR CABLE TOOLS 19 PROPOSED DEPTH 18. DISTANCE FROM PROPOSED LOCATIONS TO NEAREST WELL, DRILLING, COMPLETED. OR APPLIED FOR, ON THIS LEASE, FT. 12,000 Rotary N/A 22. APPROX. DATE WORK WILL START\* 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 9-01-93 3562 GR PROPOSED CASING AND CEMENTING PROGRAM QUANTITY OF CEMENT SETTING DEPTH WEIGHT PER FOOT GRADE, SIZE OF CASING SIZE OF HOLE Premium, TOC = Surface K, 13-3/8 54.5# 500' 17-1/2" Light + Premium, TOC = Surface 8-5/8 3750 32# 12-1/4" 50/50 POZ, TOC = 8500'TD N&S, 5-1/2" 17# 7-7/8" The operator proposes to drill to a depth sufficient to test the Wolfcamp formation for oil. If productive, 51/2" 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 o	
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  IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data deepen directionally, give pertinent data on subsurface locations and measured and true vertical	Exhibit #5 - Production Facilities Layout  Exhibit #6 - Drilling Rig Layout  Exhibit #7 & 7A - Hydrogen Sulfide Drilling  Operations Plan  On present productive zone and proposed new productive zone. If proposal is to drill or I depths. Give blowout preventer program, if any.
24. A Ge	eorge Mullen eg. Affairs Specialist DATE 06-16-93
DEBAUT YO	APPROVAL DATE

\*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.

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#### DRILLING PROGRAM

Attached to Form 3160-3 Mitchell Energy Corporation Anasazi "4" Fed No. 6 660' FEL & 2150' FNL SE/NE, Sec. 4, T20S, R33E Lea County, New Mexico

### 1. Geologic Name of Surface Formation:

Permian

### 2. Estimated Tops of Important Geologic Markers:

Permian	Surface	Delaware	5270'
Rustler	1340'	Bone Spring	8100'
Base Salt	3050'	Wolfcamp	11,100'
Yates	3170'	Total Depth	12,000'
Seven Rivers	3390'	•	

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

Upper Permian Sands to	100′	Fresh Water
Yates	3170′	Oil
Delaware	5270 <i>'</i>	Oil
1st Bone Spring SS	9170 <i>'</i>	Oil
Wolfcamp	11,100′	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" casing at 500' and circulating cement back to surface. The potash zone will be protected by setting 8-5/8" casing at 3750' 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 by inserting a cementing stage tool into the 5-1/2" production casing which will be run at TD.

#### 4. Casing Program:

<u> Hole Size</u>	<u>Interval</u>	OD Casing	Weight, Grade, Jt. Cond. Type
26"	0-40'	20"	Conductor, 0.3" wall thickness 54.5#, K-55, ST&C, New, R-3 32#, K-55, ST&C, New, R-3 17#, N-80 & S-95, LT&C, New, R-3
17-1/2"	Surf-500'	13-3/8"	
12-1/4"	Surf-3750'	8-5/8"	
7-7/8"	Surf-TD	5-1/2"	

#### Cement Program:

13-3/8" Surface Casing @ 500':

Cemented to surface with 550 sacks Premium Plus + 2% CaCl<sub>2</sub>.

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8-5/8" Intermediate Casing @ 3750':

Cemented to surface with 1500 sacks Premium Plus Light + 6% gel + 15#/sack salt + 1/4#/sack Flocele and 250 sacks Premium Plus + 2% CaCl<sub>2</sub>.

5-1/2" Production Casing @ TD:

Cemented with 750 sacks Prem 50/50 Poz + 2% gel + 0.6% Halad 22A + 0.4% CFR-2. This cement slurry is designed to bring TOC to 8500'. Shallower productive zones will be cemented by placing a cementing stage tool below the zone of interest if necessary and cementing with a similar type of cement.

## 5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (3,000 psi WP) preventer and a bag-type (hydril) preventer (3,000 psi WP). Both units will be hydraulically operated and the ram-type preventer will be equipped with blind rams on top and 4-1/2" drill pipe rams on bottom. Both BOP's will be nippled up on the 13-3/8" surface casing and used continuously until TD is reached. All BOP's and accessory equipment will be tested to 1000 psi before drilling out of 13-3/8" surface casing. Before drilling out of 8-5/8" intermediate casing, the ram-type BOP and accessory equipment will be tested to 3,000 psi and the hydril to 70% of rated working pressure (2100 psi). The testing procedure will be duplicated after any use under pressure during the drilling of the well.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and 3" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 3,000 psi WP rating.

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## 6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with a combination brine, cut brine, and polymer mud system. The applicable depths and properties of this system are as follows:

Depth		Weight (ppg)	Viscosity <u>(sec)</u>	Waterloss (cc)
0- 500' 500- 1300' 1300- 3750' 3750- 5200' 5200- 8100' 8100- 9100' 9100- TD	Fresh Water (spud) Fresh Water Brine Water Fresh Water Fresh Water/Gel Cut Brine (60,000 ppm Cl) Cut Brine/Polymer	8.5 8.4 10.0 8.4 8.5 9.2 9.5	40-45 28 30 28 30-32 30 32-34	N.C. N.C. N.C. SO-60 N.C. 40

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

## 7. Auxiliary Well Control and Monitoring Equipment:

- A. A kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- C. The  $H_2S$  Drilling Operations Plan shown in Exhibit #7 will be utilized from the top of the Yates formation at 3170' until 8-5/8" casing is cemented at 3750'.
- D. An electronic pit-volume-totalizer system will be used continuously below 9100' to monitor the mud and pump system. The drilling fluids system will also be visually monitored at all times.
- E. A mud logging unit with  $\rm H_2S$  detector will be continuously monitoring drilling penetration rate and hydrocarbon shows from 2950' to TD.

## 8. Logging, Testing and Coring Program:

- A. Drillstem tests will be run on the basis of drilling shows. At least one test is anticipated.
- B. The electric logging program will consist of GR-AIT 8100' to intermediate casing @ 3750' and GR-CNL-LDT-ML 8100' to surface. A GR-DLL-MSFL & GR-CNL-LDT will be run from TD to 8100'. Selected SW cores will be taken in zones of interest.

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- C. No conventional coring is anticipated.
- D. Further testing procedures will be determined after the 5-1/2" production casing has been cemented at TD based on drill shows, log evaluation and drill stem test results.

#### 9. Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottomhole temperature (BHT) at TD is  $160^{\circ}F$  and estimated bottom-hole pressure (BHP) is 5500 psig. No major loss circulation zones have been reported in offsetting wells. The Yates formation is known to contain low concentrations of  $H_2S$  in some offsetting wells. The  $H_2S$  Drilling Operations Plan (Exhibit #7) will be in effect from the initial penetration of the Yates formation until 8-5/8" casing is cemented @ 3750'.

#### 10. Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the BLM. The anticipated spud date is September 1, 1993. Once commenced, the drilling operation should be finished in approximately 30 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.

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#### MINIMUM BLOWOUT PREVENTER REQUIREMENTS

#### 3,000 psi Working Pressure

#### 3 MWP

# EXHIBIT 1 Anasazi "4" Fed No. 6 Lea County, New Mexico

#### STACK REQUIREMENTS

V0	llem	Min I.D	Min. Nominal	
1	Flowine		i	
2	Fill up line			2*
3	Drilling nipple		i	
4	Annular preventer			
5	Two single or one dual hydra operated rams	aulically		
6 <b>a</b>	Drilling spool with 2" min. ki 3" min choke line outlets	Il line and		
60	2" min. kill line and 3" min. outlets in ram. (Alternate to			
7	Valve	Gate I	3-1/8"	
-8	Gate valve—power operated	1	3-1/8*	
9	Line to choke manifold			3"
10	Valves	Gate II Plug II	2-1/16*	
11	Check valve		2-1/16"	
12	Casing head			ļ
13	Vaive	Gate == Plug ==	1-13/16"	
14	Pressure gauge with needle	e vaive		
15			T	2*

3
ANNULAR PREVENTER  BLIND RAMS
PIPE RAMS  PIPE RAMS  ORILLING SPOOL
CASING TO GASING

CONFIGURATION A

	OPTIONAL	
16 Flanged valve	1-13/16"	

#### CONTRACTOR'S OPTION TO FURNISH:

- All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
- 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.
- 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:

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

#### GENERAL NOTES:

- 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.
- 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.
- All valves to be equipped with handwheels or handles ready for immediate use.
- 6.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. 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.

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

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

# State of New Mexico Energy, Minerals and Natural Resources Department

Anasazi "4" Federal No. 6 Lea County, New Mexico

Exhibit #2

Form C-102 Revisad 1-1-89

# OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Drawer DD, Art	esia, NM	80210	WELL TO	CATION A	ND ACREAG	E DEDIC	CATION P	LAT	
STRICT III 00 Rio Brazos Rd.,	, Aztec, l	VM 87410	All Dist	ances must be	from the outer b	oundaries o	of the section	1 	Well No
Tentos					Lease				#6 - RELOCATE
MITCHELL	ENER	y Corp	oration		ANASAZI	4 FEDER		County	#0 - Idbodiib
it Letter	Section		Township		Range	г.			LEA
H		4	205.		33	E	N	MPM.l	
tual Footage Loca	tion of V	Vell:			660		faat	from the EAS	5T line
2150	feet fro	m the	NORTH	line and	Pool		lect	Hom die	Dedicated Acreage:
and level Elev.		Produc	ing Formation		Wildca	-			40 Acres
3562		MOT:	ed in the subject we	II by solored her			lat below.		
3. If monunitiza	e than or ition, for Yes r is "no" if necce	ne lease of ce-pooling, list the own	ers and tract descrip	s dedicated to the nswer is "yes" ty tions which have	e well, have the in the of consolidation e actually been consolidated	n	(Use reverse t	side of	
or until	non-sta	ndard unit,	d to the well until at eliminating such into	rest, has been a	pproved by the Di	10104		CIPER	ATOR CERTIFICATION
			, R.33E., I			2150'	,· 660'	Printed Nam George Position Reg. Company Mitch Date June	by certify that the information erein in true and complete to the towledge and belief.  Mullen Affairs Specialist ell Energy Corporat: 14, 1993 VEYOR CERTIFICATION certify that the well location show that was plotted from field notes.
						             		actual su supervisor correct to belief.  Date Sur 5/28 Signatur Profession	reyes made by me or water me is true as the best of my knowledge as reyed  1. A Que  1

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