Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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

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

2. NAME OF OPERATOR: UNION TEXAS PETROLEUM CORPORATION

3. ADDRESS OF OPERATOR: 1300 Wilco Building, Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1310' FNL & 1310' FWL
At proposed prod. zone: Same

5. LEASE DESIGNATION AND SERIAL NO.: LC 060978
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT AGREEMENT NAME: Milnesand (San Andres) Unit
8. FARM OR LEASE NAME:
9. WELL NO.: 1901
10. FIELD AND POOL, OR WILDCAT: Milnesand (San Andres)
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 19, T-8-S, R-35-E
12. COUNTY OR PARISH: Roosevelt
13. STATE: New Mexico

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 4 miles west of Milnesand, New Mexico then 2¼ miles south

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 1310 Sec. Line
16. NO. OF ACRES IN LEASE: 5370.18 (Unit)
17. NO. OF ACRES ASSIGNED TO THIS WELL: 40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: (See Note) (Number 1)
19. PROPOSED DEPTH: 4800'
20. ROTARY OR CABLE TOOLS: Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.): 4234.3' GR
22. APPROX. DATE WORK WILL START*: December 15, 1978

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12¼"	8 5/8"	24#	+360'	250 Sacks CIRCULATE
7 7/8"	5 1/2"	15.5#	4800'	675 Sacks

RECEIVED
AUG 14 1978
U. S. GEOLOGICAL SURVEY
HOBBS, NEW MEXICO

SEE ATTACHED FOR CONDITIONS OF APPROVAL

"APPROVAL TO FLARE GRANTED WHILE DRILLING AND TESTING."

Proposed to drill and equip an oil well to depth of approximately 4800' into the San Andres zone of the Milnesand (San Andres) Unit.

Well control equipment will comply with API 3M Rds. Specifications.

Gas purchaser dedication for this acreage is to Atlantic Richfield.

Note: 1. The nearest producing well is 871' northeast (Well #37). The nearest injection well is 808' southeast (Well #310).

2. See attached supplement to Form 9-331-C and schematic diagram attached.

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 Stanley A. Wood TITLE Sr. Prod. Analyst DATE 8-11-78

(This space for Federal or State office use)

PERMIT NO. Unless Drilling Operations have Commenced, this drilling approval Expires DEC 31 1978 APPROVAL DATE

APPROVED BY TITLE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED AS AMENDED
DATE SEP 15 1978
JAMES F. SIMS
DISTRICT ENGINEER

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator	Lease	Well No.
Union Texas Petroleum Corp.	Milnesand Unit	1901

Unit Letter	Section	Township	Range	County
D	19	8 South	35 East	Roosevelt

Actual Footage Location of Well:
1310 feet from the North line and 1310 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
4234.3	San Andres	Milnesand (San Andres)	40 Acres

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

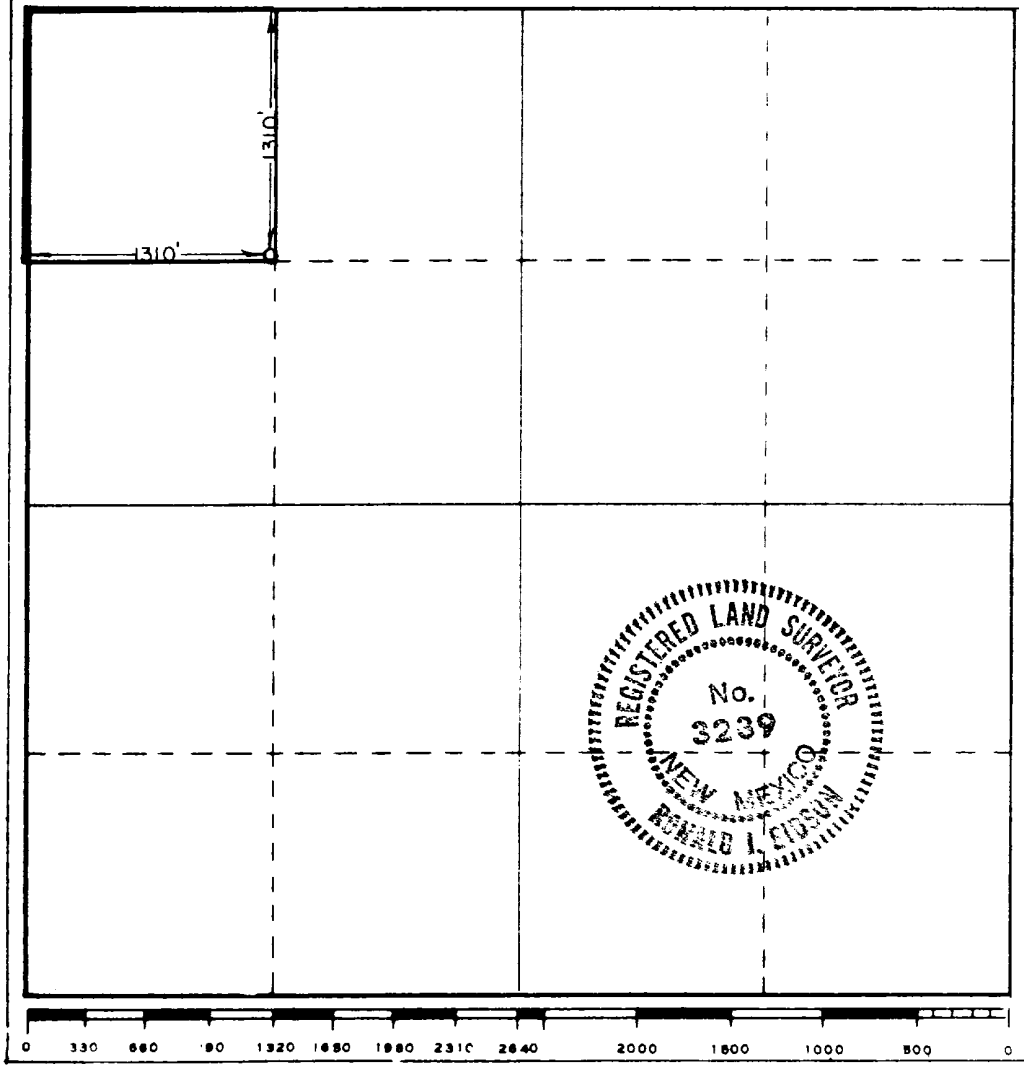
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Stanley A. Post

Name: Stanley A. Post

Position: Sr. Prod. Analyst

Company: UNION TEXAS PETROLEUM CORP.

Date: August 10, 1978

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: 5/9/78

Registered Professional Engineer and/or Land Surveyor

Ronald J. Eidson

Certificate No. John W. West 676
Ronald J. Eidson 3239

MILNESAND UNIT WELL #1901

The following information is filed as a supplement to Form 9-331-C "Application for Permit to Drill, Deepen, or Plug Back"

1. The geologic name of the surface formation:
   Quarternary Alluvium, Bolson and other surficial deposits.

2. The estimated tops of important geologic markers:

Anhydrite	- 2154'	Yates	- 2616'
T/Salt	- 2215'	Queen	- 3307'
B/Salt	- 2460'	San Andres	- 3826'

3. The estimated depth at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

Santa Rosa	- 800'±	(Water)
Yates	- 2616'±	(Water)
Queen	- 3307'±	(Water)
San Andres	- 3806'±	(Oil & Water)

4. The proposed casing program, including the size, grade, and weight per foot of each string; and whether new or used:

Surface	8 5/8", K-55 ST&C, 24#/ft.	New
Production	5 1/2", K-55 ST&C, 15.5#/ft.	New

5. The lessee's or operator's minimum specifications for pressure control equipment which is to be used, a schematic diagram thereof, showing sizes, pressure ratings (or API Series), and the testing procedures and frequency.
   Well control equipment will comply with API 3M Rds. Specifications. Will run test and check prior to drilling out (Test to 1500#) a schematic diagram with minimum specification is attached.

6. The type and characteristics of the proposed circulating medium or mediums to be employed for rotary drilling, and the quantities and types of mud and weighting materials to be maintained:

A. SURFACE	(0'- 360')	Surface will be spudded with fresh water gel and lime type drilling fluid.
B. PRODUCTION	(360'- 800')	Fresh water w/paper and Myca to control water loss and maintain viscosity of 34-36 Sec./1000 cc.
	(1700'-1800'±)	Add 4-6% oil to help stability and increase penetration rates.
	(4350'-4400'±)	Add Imco Loid to reduce fluid loss (15 ML±) and Imco Brinegel to maintain a viscosity of 34-36 Sec./1000 cc.
	(4615'-4725'±)	Maintain water loss around 15 ML to keep hole cleaned of cuttings.
	(4725'-T.D)	Control water loss as needed, keep hole clean.

   Mud weight will be maintained at 8.7 to 9.2#/gal.

7. The auxiliary equipemnt to be used, such as (1) kelly cocks, (2) floats at the bit, (3) monitoring equipment on the mud system, (4) a sub on the floor with a full opening valve to be stabbed into drill pipe when the kelly is not in the string. Auxiliary equipment to be used is a pit level indicator.

8. The testing, logging, and coring programs to be followed, with provisions made for required flexibility.
   A. Total Depth to 2500' - Dual Induction Laterolog w/Caliper
      Total Depth to 2500' - Compensated Formation Density
      Total Depth to 2500' - Compensated Neutron w/Gamma Ray

   B. Schlumberger's RFT pressure tool to be run over San Andres interval to determine static pressures.

9. Any anticipated abnormal pressures or temperatures expected to be encountered or potential hazards such as hydrogen sulfide gas; along with plans for mitigating such hazards. No abnormal pressures or temperatures are expected to be encountered. If any hydrogen sulfide gas is encountered, it should only be a trace of gas (No measurable volume).

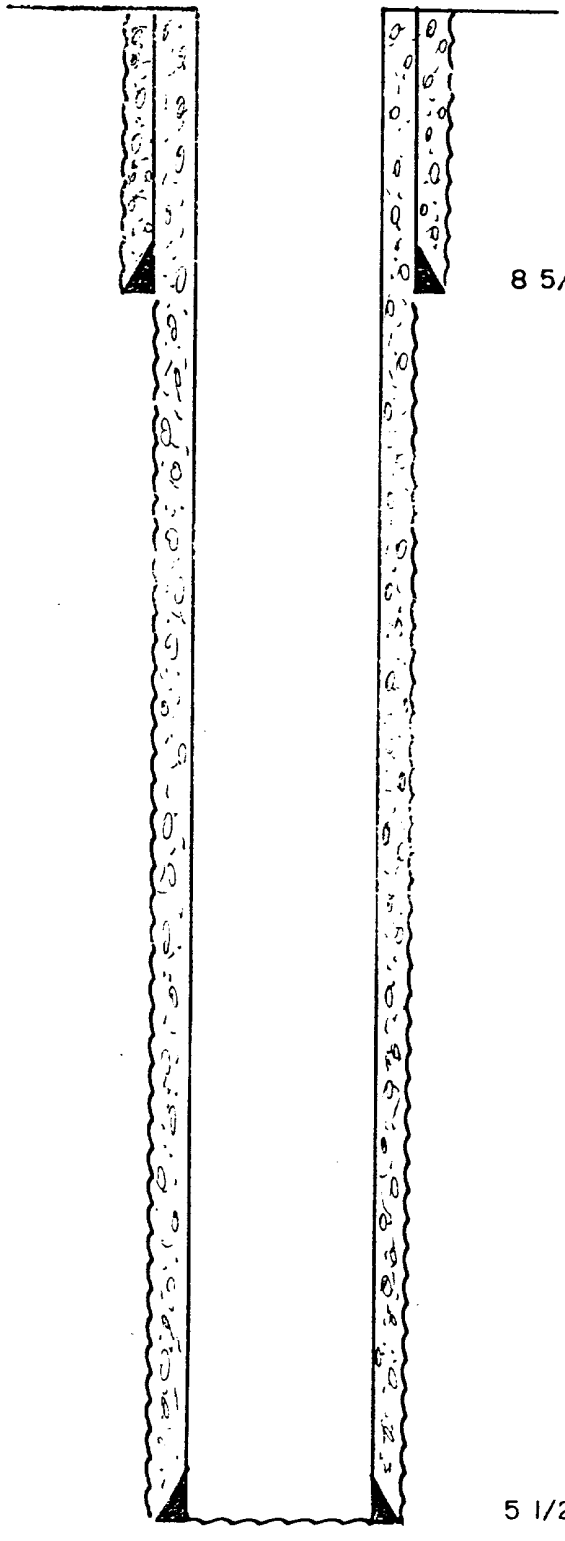
10. The anticipated date and duration of the operations. Anticipated starting date is December 15, 1978, with a duration of operations of approximately 30 to 45 days.

UNION TEXAS PETROLEUM

MILNESAND UNIT NO. 1901

MILNESAND (SAN ANDRES) UNIT

ROOSEVELT COUNTY, NEW MEXICO



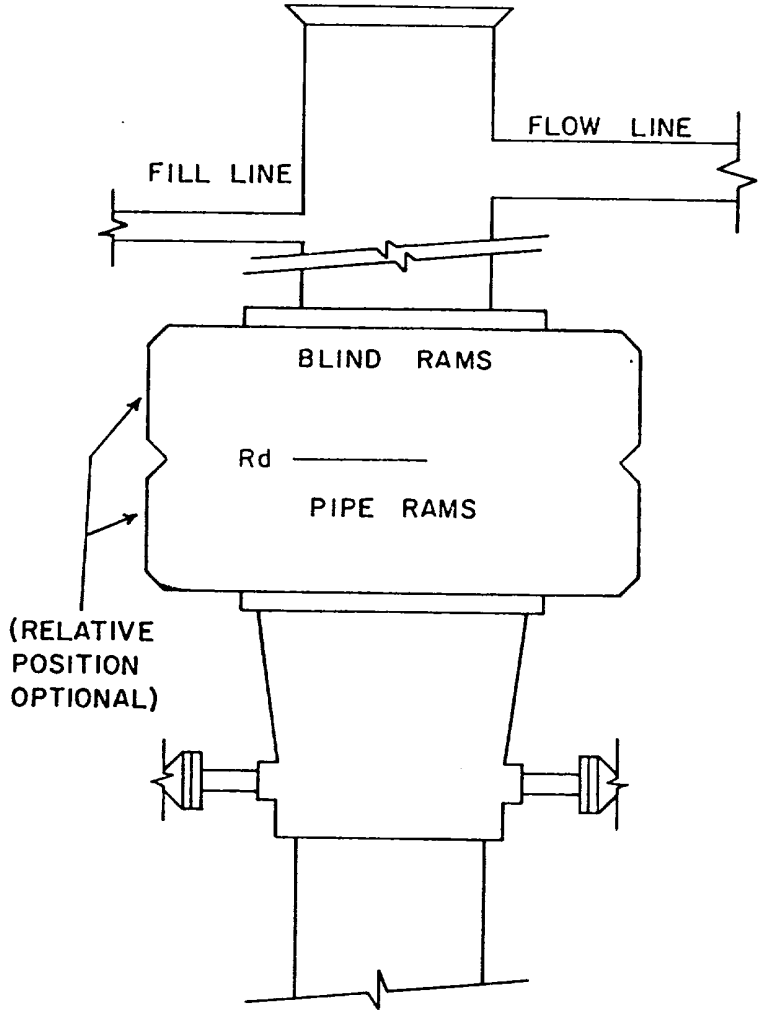
8 5/8" at 360' ± W/250 Sx.

5 1/2" at 4800' W/675 Sx.

TD 4800'

BLOWOUT PREVENTER

SCHEMATIC DIAGRAM OF MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL



API CLASS	WORKING PRESSURE PSI	SERVICE CONDITION
3M	3,000	LOW PRESSURE

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

LIED CHEMICAL CORPORATION
UNION TEXAS PETROLEUM DIVISION
MILNESAND UNIT WELL #1901
1310' FNL and 1310' FWL, Sec. 19, T-8-S, R-35-E
ROOSEVELT COUNTY, NEW MEXICO
LEASE NEW MEXICO LC-060978

This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation so that a completion appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS:

   A. The subject well will be drilled as an infill location of the Milnesand (San Andres) Unit. Access to this well will be thru the existing road in the Milnesand (San Andres) Unit. (Note attached Exhibit "A" - Road map of Milnesand Unit).

   B. The attached lease road map (Exhibit "A") shows the proposed location as staked. Access to the location from the intersection of highway 18 and highway 262 in Milnesand, New Mexico, is obtained by taking blacktop west out of Milnesand, New Mexico for 4 miles to a caliche road which runs south. (This road is marked with a red X on Exhibit "A"). This caliche road located in Section 7 should be followed 1 3/4 mile thru Sections 7 and 18 and approximately 1300' into Section 19. The well location will then be located approximately 475' east.

2. PLANNED ACCESS ROADS:

   A. Length and Width:
   The existing road has just recently been repaired and will not require any additional construction or repairs. A new road approximately 375' long and 12' wide will be constructed from the existing road east to the new well pad. The center line of the new road is staked and flagged. This new road is color coded red on the attached road map (Exhibit "A").

   B. Surfacing Material:
   Six inches of caliche, water compacted and graded.

   C. Maximum Grade:
   Five Percent

PLANNED ACCESS ROADS CONT'D

D. Turnouts:
None

E. Drainage Design:
The new road will have a drop of six inches from center line on each side.

F. Culverts:
None Needed

G. Cuts and Fills:
None Required

H. Gates, Cattleguards:
None Required

3. LOCATION OF EXISTING WELLS:

A. The existing wells surrounding this well are in Union Texas Petroleum's Milnesand (San Andres) Unit and are shown on the attached unit plat (Exhibit "B").

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. There is an existing Battery (Tract 3 Battery #2) on this lease and it is located approximately 650' south of Milnesand Well #37. A flowline will be constructed from Well #1901 to the existing tank battery. This flowline will be approximately 670' long and is color coded green on the attached lease road map.

B. The nearest power line is approximately 800' southeast at well #310. If well is productive and electric service is needed, the electric service contractor will acquire all right-of-ways. (Note: Topographic map attached).

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water for drilling this well will be purchased from the water supply well located in the northwest quarter of Section 7, T-8-S, R-35-E. This water supply well is color coded yellow on the attached lease road map. Water will be supplied by a plastic line (approximately 2 1/2 miles) which will be laid along the right-of-way of existing roads from the water well to the location of Milnesand Well #1901. This water supply line is also color coded yellow on the attached road map (Exhibit "A").

B. If additional water is needed for the drilling of this well, it will be purchased from a transport company and trucked to this well location.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche for surfacing the road and well pad will be obtained from an existing pit south of well #201 in Section 25, T-8-S, R-34-E. Surface owner of this pit is Vernon B. Rodgers. (Note: Pit on lease road map - Exhibit "A").

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.

C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.

D. Current laws and regulations pertaining to the disposal of human waste will be complied with.

E. Trash, waste paper, garbage, and junk will be burned in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.

F. All trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completing operations.

8. ANCILLARY FACILITIES:

A. None Required

9. WELL SITE LAYOUT:

A. Exhibit "C" shows the relative location and dimensions of the well pad, mud pits, trash pit and location of major rig components. A 400' x 400' area was staked and flagged to insure flexibility in placing the well pad for the most feasible and environmentally acceptable manor. However, the well pad will only be approximately 200' x 200'.

B. Only minor levelling of the well site will be required. No significant cuts or fills will be necessary.

C. The reserve pit will be plastic lined.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and location cleaned of all trash and junk to leave the well site in an aesthetically pleasing condition as possible.

B. Any unguarded pits containing fluids will be fenced until they are filled.

C. After abandonment of the well, any special rehabilitation and/or revegetation requirements of the surface management agency will be complied with and accomplished as expeditiously as possible. All pits will be filled and levelled within 90 days after abandonment.

11. OTHER INFORMATION.

A. Topography:
Land is gently rolling to level from an elevation of 4234.3' at the well site. The surface slopes upward toward the southwest about 10' per mile (Note: Topographic map attached).

B. Soil:
Soil is fine sand with scattered amounts of caliche on the surface.

C. Flora and Fauna:
The vegetation cover is sparse and consist of brush and native grass. Wildlife in the area is coyotes, rabbits, rodents, reptiles, dove and quail.

D. Ponds and Streams:
There are no rivers, streams, lakes or ponds in the area.

E. Residences and other Structures:
The nearest occupied dwelling is a ranch house approximately one mile west of this location.

F. Archeological, Historical and Cultural Sites:
None

G. Land Use:
Grazing and hunting in season.

H. Surface Ownership:
The surface of the land on which this well is located is leased by Vernon B. Rodgers, Box 908, Jal, New Mexico 88252. Attached is a copy of the letter agreement which we sent to Vernon B. Rodgers requesting approval of Union Texas Petroleum's plan for restoration of the surface.

12. OPERATOR'S REPRESENTATIVE:

Walter K. Finkbeiner, Asst. Dist. Prod. Mgr.
3510 Seaboard
Midland, Texas 79701

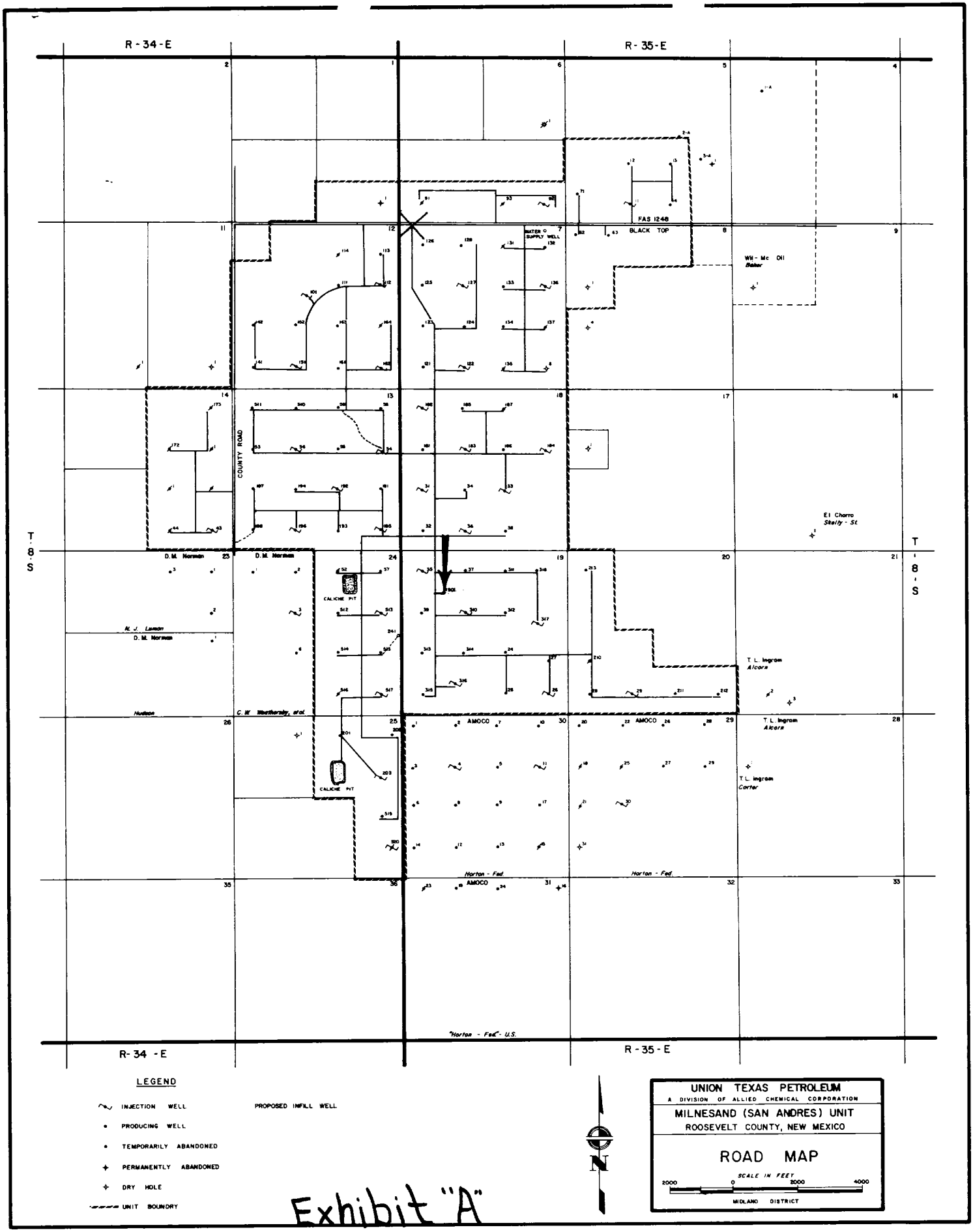
Stanley A. Post, Senior Prod. Analyst
Route 5, Box 851 C
Midland, Texas 79701

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; and, that the work associated with the operations proposed herein will be performed by Allied Chemical Corporation, Union Texas Petroleum Division and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

8-11-78
Date

Stanley A. Post Sr. Production Analyst
Name and Title



LEGEND

- INJECTION WELL
- PRODUCING WELL
- TEMPORARILY ABANDONED
- PERMANENTLY ABANDONED
- DRY HOLE
- UNIT BOUNDRY

PROPOSED INFILL WELL

N

UNION TEXAS PETROLEUM
A DIVISION OF ALLIED CHEMICAL CORPORATION

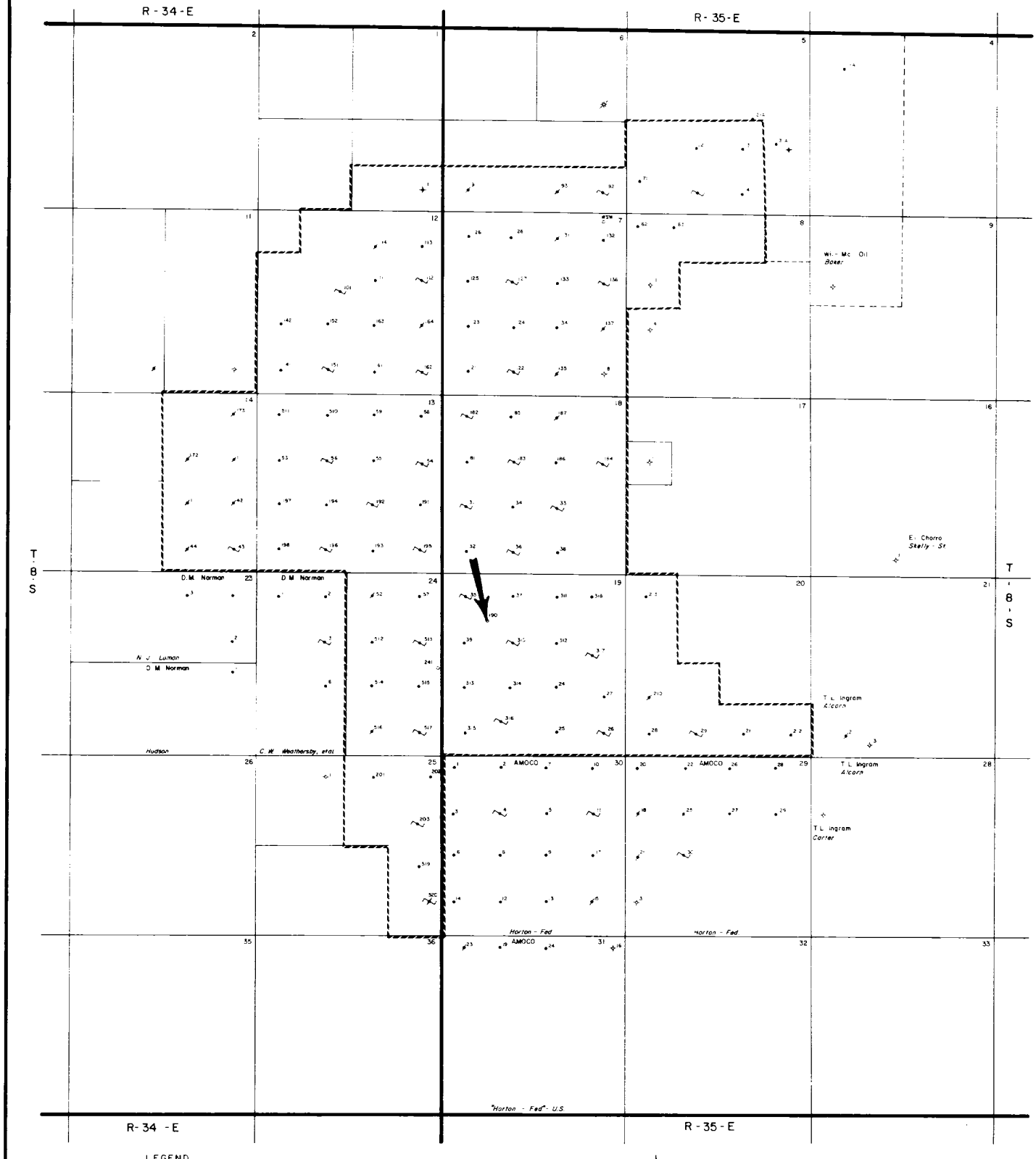
MILNESAND (SAN ANDRES) UNIT
ROOSEVELT COUNTY, NEW MEXICO

ROAD MAP

SCALE IN FEET
2000 0 2000 4000

MIDLAND DISTRICT

Exhibit "A"



LEGEND

- INJECTION WELL
- PRODUCING WELL
- TEMPORARILY ABANDONED
- PERMANENTLY ABANDONED
- DRY HOLE
- UNIT BOUNDRY
- PROPOSED INFILL WELL

N

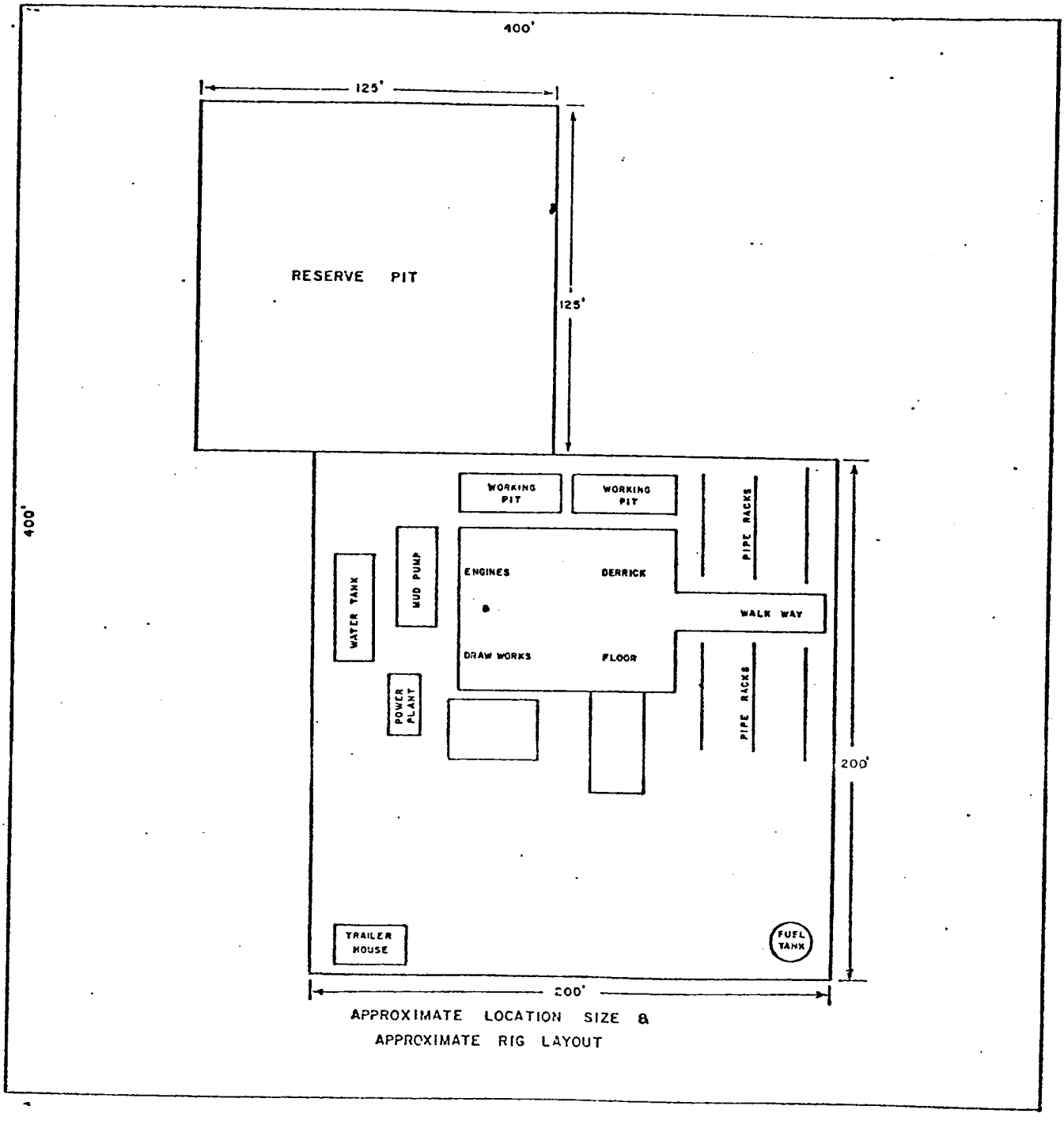
UNION TEXAS PETROLEUM
A DIVISION OF ALLIED CHEMICAL CORPORATION

MILNESAND (SAN ANDRES) UNIT
ROOSEVELT COUNTY, NEW MEXICO

SCALE IN FEET
2000 0 2000 4000

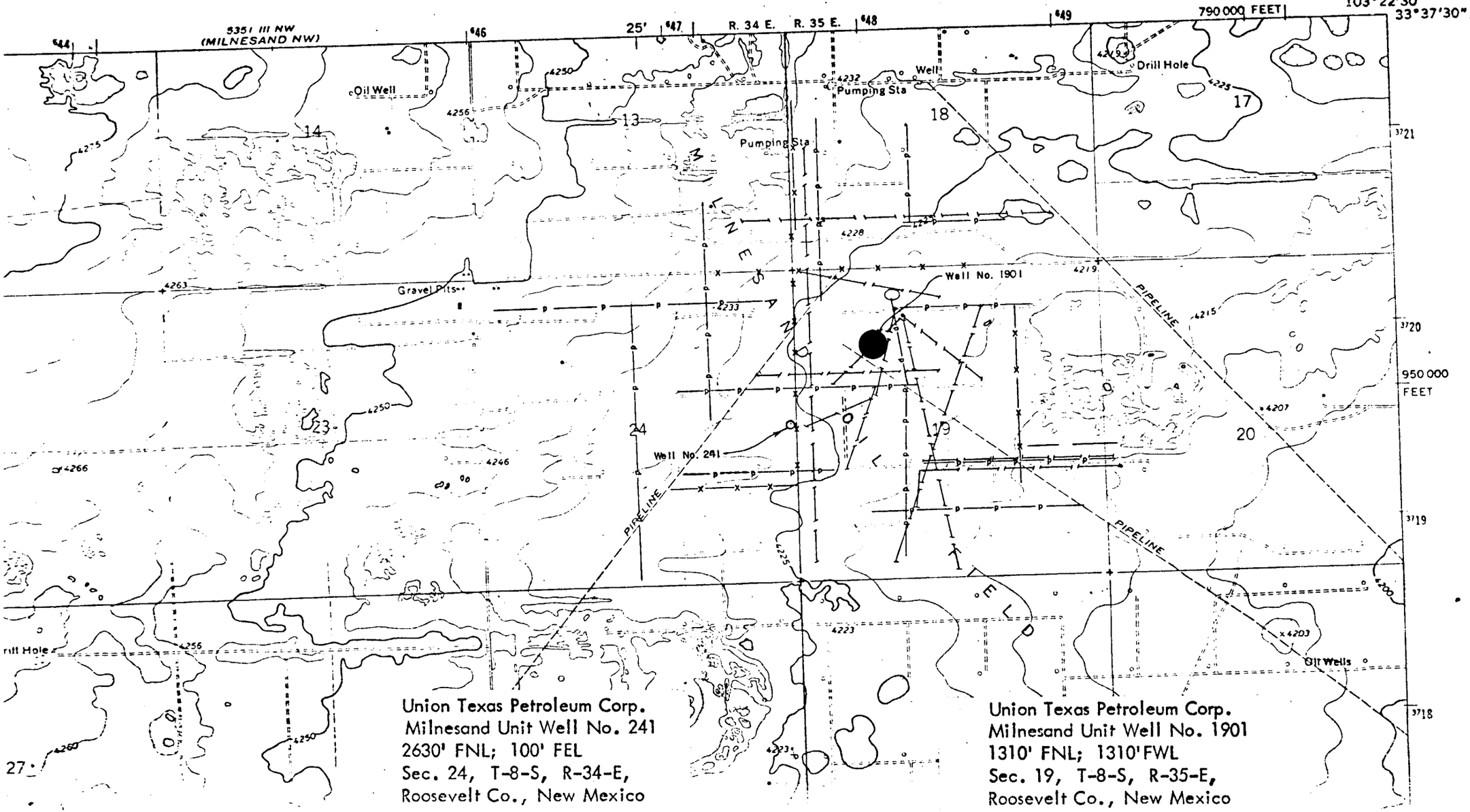
MIDLAND DISTRICT

Exhibit "B"



APPROXIMATE LOCATION SIZE &
APPROXIMATE RIG LAYOUT

Exhibit "C"



Union Texas Petroleum Corp.
Milnesand Unit Well No. 241
2630' FNL; 100' FEL
Sec. 24, T-8-S, R-34-E,
Roosevelt Co., New Mexico

Union Texas Petroleum Corp.
Milnesand Unit Well No. 1901
1310' FNL; 1310' FWL
Sec. 19, T-8-S, R-35-E,
Roosevelt Co., New Mexico

Allied Chemical

Union Texas Petroleum Division
1300 Wilco Building
Midland, Texas 79701

August 11, 1978

Vernon Rodgers
El Paso General Camp
Jal, New Mexico 88252

RE: Milnesand Unit Well No. 1901
Roosevelt County, New Mexico

Dear Mr. Rodgers:

Union Texas Petroleum plans to drill the Milnesand Unit No. 1901 on land owned by you. The well will be located 1310 feet FNL and 1310 feet FWL, Section 19, T-8-S, R-35-E, Roosevelt County, New Mexico. The attached plat shows the location of the proposed well.

Union Texas Petroleum plans to implement the following construction in regard to the proposed Milnesand Unit Well No. 1901:

1) Build approximately 375 feet of a 12 foot wide caliche road from an existing road east to the proposed location. This road is color coded red on the attached road map (Exhibit A).

2) Construct a caliche well pad around the proposed location to be approximately 200 feet x 200 feet.

3) Lay a surface flowline from Well No. 1901 to an existing Tank Battery (Tract 3 Battery No. 2) located approximately 650 feet south of Well No. 37. This flowline will be approximately 670' long and is color coded green on the attached lease road map.

Upon completion of the drilling operation, all pits will be covered and all equipment not required for further operation of the well shall be removed. Upon plugging the well, the road and pad shall be left in place and all equipment and materials shall be removed.

If the above is agreeable with you, please signify by signing in the space provided below and return this letter to us in the envelope provided.

Thank you very much,

UNION TEXAS PETROLEUM, A Division
of Allied Chemical Corporation

W. Kurt Finkbeiner

W. Kurt Finkbeiner
Assistant Dist. Production Mgr.

SIGNED BY: _____
Vernon Rodgers

WKF:hr
Attachment

U. S. Geological Survey

HOBBS DISTRICT

Union Texas Petroleum Corporation
1901 Milnesand (San Andres) Unit
NW¼NW¼ sec. 19-8S-35E
Roosevelt County, New Mexico

Above Data Required on Well Sign

CONDITIONS OF APPROVAL

1. Drilling operations authorized are subject to compliance with the attached General Requirements for Drilling Operations on Federal Oil and Gas Leases, dated January 1, 1977.

2. Notify this office (telephone (505) 393-3612) when the well is to be spudded and in sufficient time for a representative to witness all cementing operations. Attached are names and telephone numbers of Geological Survey and Bureau of Land Management personnel who are available for consultation during construction, drilling, completion, and rehabilitation activities.

3. Immediate notice is required of all blowouts, fires, spills, and accidents involving life-threatening injuries or loss of life.

4. Secure prior approval of the District Engineer for variance from the approved drilling program and before commencing plugging operations, plug-back work, casing repair work, corrective cementing operations, or suspending drilling operations indefinitely.

5. Blowout prevention equipment is to be installed, tested, and in working order before drilling below the surface casing and shall be maintained ready for use until drilling operations are completed.

6. Operations must be in compliance with the provisions of the landowner agreement concerning surface disturbance and surface restoration.

7. All pits found to contain toxic liquids will be fenced and covered with a fine mesh netting for the protection of wildlife.