DRILLING PROGRAM

103-09631

Attached to Form 3160-3
Mitchell Energy Corporation
P. M. Federal Well No. 2-26-2-104
SE/SE Sec. 26, T2S, R104W, 6th P.M.
1196' FEL and 710' FSL
Rio Blanco County, Colorado

1. GEOLOGIC NAME OF SURFACE FORMATION:

The surface formation is the Green River.

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Upper Sego	3284'
Anchor Tongue	3384'
Lower Sego	3474'
Castlegate	3754'
Mancos "B"	4589'
Base "B"	5239'
Total Depth	5350'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL OR GAS OR MINERALS:

Castlegate	3754'	Possible water and gas
Mancos B	4589'	Gas

No other formations are expected to give up oil, gas, or water in measurable quantities. If any shallow fresh water zones and/or coal zones in the intermediate hole are encountered, cement will be circulated up, across and at least 50' above the zones of interest.

4. CASING PROGRAM:

Hole Size	Interval	Section Length	Size (OD)	Weight, Grade and Joint	Condition
14-3/4"	0- 800'	800'	11-3/4"	42#, H-40, ST&C	New
10-5/8"	800-4000'	4000'	8-5/8"	32#, K-55, ST&C	New
7-7/8"	4000-5350'	5350'	4-1/2"	11.6#, N-80, LT&C	New

5. CEMENT PROGRAM:

0-800'	Cement with 700 sx Class G with additives.
800'-4000'	200 sx Class G with additives (15.8 ppg, 1.20 ft^3/sx) to fill 4000' to 3150' preceded by 250 sx Lite (11.0 ppg, 3.7 ft^3/sx) to fill 3150' to 800'. Actual cement volumes run will be calculated from open hole log caliper.

4000'-5350' TD	350 sx Class G with additives (15.8 ppg, 1.20 ft^3/sx). Actual cement volume run will be calculated from open hole log caliper.

6. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Refer to the descriptive layout of the blowout preventer and accompanying notes given in Exhibit #1.

The blowout preventer (BOP) will include two ram preventers (blind and 4-1/2" drill pipe) as shown in attached drawing "Minimum Blowout Preventer Requirements - 3MWP" and attached notes. The BOP's will be nipped up on the surface casing. The BOP's and accessory equipment will be hydraulically tested to 3000 psi for thirty minutes prior to drilling out and after any use under pressure.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked each time the pipe is pulled out of the hole. These checks will be noted on the daily drilling reports. At least one kill line (2") will be installed below the BOP rams.

Accessories to the BOP equipment will include a kelly cock, drill string safety valve, drill string inside BOP and choke manifold with pressure rating equivalent to the BOP's.

All casing strings will be pressure tested to 0.22 psi/ft or 1500 psi, whichever is the greater.

7. TYPES AND CHARACTERISTICS OF THE PROPOSED CIRCULATING FLUIDS:

The well will be drilled to 4000' (or intermediate casing depth) with a fresh water drilling mud. The properties of this fresh water gel system are:

Type	Mud Weight #/gal.	Viscosity	Waterloss
Low Solids, non dispersed	8.3 - 9.0	26-45	6-30 cc

The well will be air drilled from ± 4000' to ± 5350' TD. Sufficient mud materials to maintain mud requirements and meet minimum lost circulation and blowout problems will be maintained at the wellsite.

8. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

A. A kelly cock will be kept in the string.

B. Visual monitoring of the drilling fluid system will be done. No special equipment will be needed to monitor the mud system.

C. A full opening drill pipe stabbing valve with proper drill pipe fittings will be on the floor.

9. LOGGING, TESTING AND CORING PROGRAM:

A. The logging program will consist of the following:

800'- ± 4000': Dual Induction Laterlog, Density/Neutron with Gamma Ray and Sonic.

4000' - TD: Dual Induction Laterlog, Gamma Ray, Temperature Log, LDL Neutron and Sonic.

A mudlogger will be used from 3000' to TD.

B. Stimulation procedures will be determined after evaluation of logs and well testing. If a treatment is indicated after perforating, the zone will be broken down with acid and a sand and foamed water frac will be performed on the prospective formation. The size of the foam frac stimulation will be based on net pay present in the well.

10. ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES, & POTENTIAL HAZARDS:

No abnormal pressures or temperatures are anticipated. Estimated temperature at 5350' is 135°F. Estimated bottom-hole pressure (BHP) is 2000 psig.

No hydrogen sulfide or other hazardous fluids or gases have been encountered, reported or known to exist at these depths in this area.

11. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

Road and location work will begin as soon as approval has been received from the BLM. The anticipated spud date is August 15, 1993. Once commenced, the drilling operation should be completed in approximately 15 days. If the well is productive after perforating, an additional 7 days will be required for completion. If fracture stimulation is required to make the well an economic producer, an additional 30 days after the original 7 days will be required to complete the well.

NOTES REGARDING THE BLOWOUT PREVENTERS
P. M. Federal Well No. 2-26-2-104
Rio Blanco County, Colorado

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.

2. Wear ring to be properly installed in head.

3. Blow out preventer and all fittings must be in good condition, 3000 psi W.P. minimum.

4. All fittings to be flanged.

5. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 3000 psi W.P. minimum.

6. All choke and fill lines to be securely anchored, especially ends of choke lines.

7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.

8. Kelly cock on kelly.

9. Extension wrenches and hand wheels to be properly installed.

10. Blow out preventer control to be located as close to driller's position as feasible.

11. Blow out preventer closing equipment to include minimum 80 gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.

3DCOPM26.DAZ

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

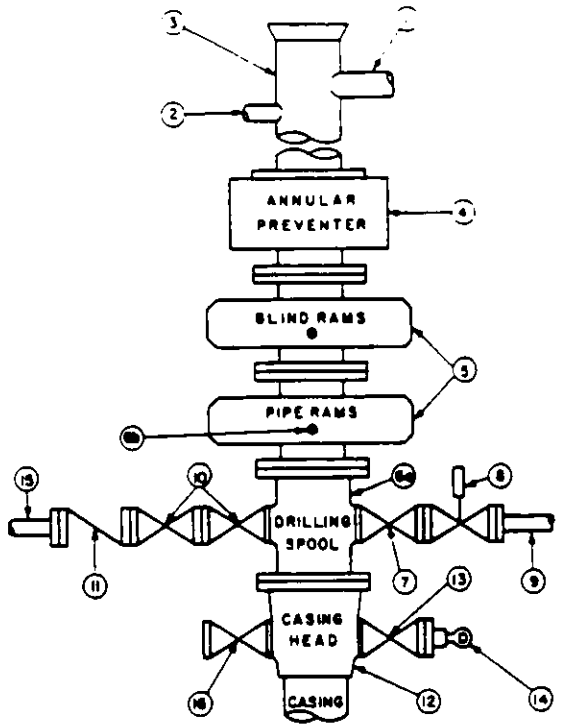
EXHIBIT No. 1
P.M. Federal No. 2-26-2-104
Rio Blanco County, Colorado

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" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above.)		
7	Valve Gate ☐ Plug ☐	3-1/8"	
8	Gate valve—power operated	3-1/8"	
9	Line to choke manifold		3"
10	Valves Gate ☐ Plug ☐	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Valve Gate ☐ Plug ☐	1-13/16"	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

OPTIONAL			
16	Flanged valve	1-13/16"	

CONFIGURATION A



CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
2. 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.
6. 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:

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

GENERAL NOTES:

1. 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.
3. 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.
5. All valves to be equipped with handwheels or handles ready for immediate use.
6. Choke lines must be suitably anchored.
7. Handwheels and extensions to be connected and ready for use.
8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
9. 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.

SURFACE USE AND OPERATING PLAN

Attached to Form 3160-3
Mitchell Energy Corporation
P. M. Federal Well No. 2-26-2-104
SE/SE, Sec. 26, T2S, R104W, 6th P.M.
1196' FEL and 710' FSL
Rio Blanco County, Colorado

1. EXISTING ROADS:

A. The well site and elevation plat for the proposed well is shown in Exhibit No. 2. It was staked by Uintah Engineering & Land Surveying, Vernal, Utah.

B. All roads to the location are shown in Exhibit No. 3. The existing roads are illustrated by a black line and are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary as determined during the onsite inspection.

C. Directions to Location: Proceed southerly from Rangely, Colorado on the Dragon Rangely Road approximately 19.0 miles to the junction of this road and an existing road to the southwest, turn left and proceed in a southwesterly direction 5.2 miles ± to the beginning of the proposed access road. Follow road flags in a southwesterly direction approximately 100' to the proposed location.

D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. PROPOSED ACCESS ROAD:

Exhibit No. 4 shows the 100'± of new access road to be constructed and is illustrated in yellow. The road will be constructed as follows:

A. The maximum width of the running surface will be 18 feet. The road will be crowned and ditched. Ditches will be at 3:1 slope and 4 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns. BLM may specify any additions or changes during the onsite inspection.

B. The average grade will be 3% or less.

C. No turnouts are planned.

D. There will be no culverts unless specified during the onsite inspection.

E. Surfacing material will consist of native soil. If this is not sufficient, any additional materials that are required will be purchased from the dirt contractor.

F. No fence will be required.

G. The proposed access road as shown in Exhibit No. 4 has been centerline flagged by Uintah Engineering & Land Surveying of Vernal, Utah.

3. LOCATION OF EXISTING WELLS:

Exhibit No. 5 reflects all existing wells within a one-mile radius of the proposed well.

A. There are no water wells within a one-mile radius.

B. There are no disposal wells within a one-mile radius.

C. There are no wells presently being drilled within a one-mile radius.

D. There are no temporarily abandoned wells within a one-mile radius.

E. Mitchell Energy has two shut-in wells within a one-mile radius.

F. There are two abandoned wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. The existing facilities operated by Mitchell Energy Corporation within one mile of the proposed well:

(1) Tank Batteries: Two
P. M. Federal # 1-26-2-104
P. M. Federal # 1-27-2-104

(2) Production Facilities: None

(3) Oil Gathering Lines: None

(4) Gas Gathering Lines: One line which ties-in to the Hell's Hole Gathering System.

(5) Injection or Disposal Lines: None

B. If the well is productive, contemplated facilities will be as follows:

(1) Production facilities are shown in Exhibit No. 6 and will be located on solid ground of the cut area of the drill pad.

(2) The tank battery and facilities including all flowlines and piping will be installed according to API specifications.

(3) No power will be required if the well is productive of gas. However, if productive of oil, a gas powered pumping unit may be required.

C. If the well is productive, rehabilitation plans are as follows:

(1) The reserve pit will be back-filled after the contents of the pit are dry.

(2) The area of the drillsite not needed for production facilities will be recontoured to the original natural level, as nearly as possible, and reseeded as per BLM specifications.

D. In the event that gas production is established, a pipeline is planned to be constructed to connect the well to the Hell's Hole Gathering System for marketing purposes. The pipeline will be a buried 3" steel line which will be wrapped and cathodically protected. The line will originate at the wellsite and proceed 300' south to tie-in to the Hell's Hole Gathering System located in the southeastern corner of Section 26, T2S, R104W. Please note that the pipeline tie-in point will actually be on the southernmost corner of the drillsite where the Hell's Hole gas gathering pipeline currently crosses the location.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. The primary source of water will be in Rangely, approximately 24.2 miles northeast of the proposed location.

B. Water will be hauled by tank truck to the drillsite.

C. No water well will be drilled on the location.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. No construction materials are anticipated to be needed for drilling the well or constructing the access roads into the location. Native soil will be utilized for the drillsite and access roads. If the surface soil materials are not sufficient, the required materials (rock, gravel, etc.) will be purchased from the dirt contractor.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill cutting not retained for evaluation purposes will be disposed into the reserve pit. (See Exhibit 7 for location.)

B. Drilling fluids will be contained in steel mud tanks. The reserve pit will contain any excess drilling fluid or flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 150' x 100' x 6' deep and fenced on three sides prior to drilling. (Pit dimensions may change depending on location.) It will be fenced on the fourth side immediately following rig removal. The reserve pit will be plastic-lined (30 mil thickness) to minimize loss of drilling fluids and saturation of the ground with brine water.

C. Water produced from the well may be disposed into the reserve pit or a steel tank (depending on the flow rates). After the well is permanently placed on production, produced water will be collected in tanks (fiberglass or steel) until hauled by transport to an approved disposal system; produced oil will be collected in steel tanks until sold.

D. A portable chemical toilet will be provided on the location for human waste during the drilling and completion operations. A septic tank will also be provided for the trailer which will temporarily be on location.

E. Garbage and trash produced during drilling or completion operations will be contained in a trash bin and properly disposed of in an approved dump site. All waste material will be contained to prevent scattering by the wind. All water and fluids will be disposed of into the reserve pit. Salts and other chemicals produced during drilling or testing will be disposed into the reserve pit. No toxic waste or hazardous chemicals will be produced by this operation.

F. After the rig is moved out and the well is either completed or abandoned, all waste materials will be removed. No adverse materials will be left on the location. The reserve pit will be completely fenced, flagged and kept closed until it has dried. When the reserve pit is dry enough to breakout and fill and, as weather permits, the unused portion of the well site will be leveled and reseeded as per BLM specifications. Only that part of the pad required for production facilities will be kept in use. In the event of a dry hole, only a dry hole marker will remain.

8. ANCILLARY FACILITIES:

No airstrip, campsite, or other facilities will be built as a result of the operations on this well.

9. WELL SITE LAYOUT:

A. The drill pad layout, with elevations staked by Uintah Engineering & Land Surveying, is shown in Exhibit No. 7. Dimensions of the pad and

pits and location of major rig components are shown. Topsoil, if available, will be stockpiled per BLM specifications as determined at the on-site inspection.

B. Exhibit No. 7 shows the planned orientation for the rig and associated drilling equipment, reserve pit, pipe racks, and access road. No permanent living facilities are planned; however, there will be a temporary trailer on location.

C. The reserve pit will be lined with a high-quality plastic sheeting (30 mil thickness).

10. PLANS FOR RESTORATION OF THE SURFACE:

A. Upon completion of the proposed operations, and if the well is to be abandoned, the entire location will be leveled and contoured to as nearly the original topography as is feasible. The reserve pit area, after allowing to dry, will be broken out and leveled. All trash, garbage, and pit lining will be buried and hauled away in order to leave the location in an anesthetically pleasing condition. The location will be reseeded per Bureau of Land Management recommendations.

B. The disturbed area will be revegetated by reseeding during the proper growing season with a seed mixture of native grasses and shrubs as recommended by the BLM.

C. Three sides of the reserve pit will be fenced prior to drilling operations. At the time that the rig is removed, the reserve pit will be fenced on the rig (fourth) side and flagged to prevent livestock or wildlife from being entrapped. The fencing and flagging will remain in place until the pit area is cleaned up and leveled. No oil will be left on the surface of the fluid in the pit.

D. If any oil is in the pits and cannot be immediately removed after operations cease, the pit containing the oil or other adverse substances will be overhead flagged and fenced. The entire location will be policed for trash and other refuse, and additional clean-up will be done as deemed necessary.

E. Upon completion of the proposed operations, if the well is completed, the reserve pit area will be treated as outlined above. Topsoil removed from the drill site will be used to recontour the pit area and any unused portions of the drill pad to the original natural level and reseeded as per BLM specifications.

F. Time to complete rehabilitation depends upon the time for the pits to dry.

11. SURFACE OWNERSHIP:

The wellsite and lease is located entirely on Federal surface.

12. OTHER INFORMATION:

A. The vegetation is sage shrublands and pinyon-juniper woodland. Numerous wildlife species inhabit the area, such as mule deer, elk, coyote, cottontail rabbits, jackrabbits and various rodents.

B. There is no permanent or live water in the immediate area.

C. A Cultural Resources Examination has been completed by Carl E. Conner, Grand River Institute, and is included as Exhibit No. 8. According to the report, there is no evidence of cultural resources which would be damaged by the proposed construction.

D. Anticipated spud date is August 15, 1993 with casing point reached approximately 15 days thereafter.

13. LESSEE'S AND OPERATOR'S REPRESENTATIVE:

The Mitchell Energy Corporation representative responsible for assuring compliance with the surface use plan is as follows:

M. W. Thomas, Vice President and General Manager
Mitchell Energy Corporation
P.O. Box 2922
6000 Western Place
Fort Worth, Texas 76113

Phone: (817) 731-5650 (office)
(817) 924-0520 (home)

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 currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Mitchell Energy Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date: 7-15-93 Signed: _____

M. W. Thomas
Vice President and General Manager

Attachment

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