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P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

RECEIVED  
**AUG 27 1984**  
 O. C. D.  
 ARTESIA, OFFICE

5A. Indicate Type of Lease  
STATE  FEE

5. State Oil & Gas Lease No.  
**B11662**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. Type of Work  
 DRILL  DEEPEN  PLUG BACK

2. Type of Well  
 OIL WELL  GAS WELL  OTHER   
 SINGLE ZONE  MULTIPLE ZONE

3. Name of Operator  
**J.E.M. Resources Inc.**

4. Address of Operator  
**P.O. Box 2938, Ruidoso NM. 88345**

6. Location of Well  
 UNIT LETTER **H** LOCATED **1650** FEET FROM THE **North** LINE  
**990** FEET FROM THE **East** LINE OF SEC. **4** TWP. **17 S** RGE. **29 E** NMPM

7. Unit Agreement Name

8. Farm or Lease Name  
**Red Twelve State**

9. Well No.  
**2**

10. Field and Pool, or Wildcat  
**Cave GB/SA**

11. County  
**Eddy**

19. Proposed Depth <b>3600</b>	19A. Formation <b>San Andres</b>	20. History or C.T. <b>Rotary</b>
21A. Kind & Status Plug. Bond <b>Blanket</b>	21B. Drilling Contractor <b>L&amp;M</b>	22. Approx. Date Work will start <b>ASAP</b>

5. Elevations (Show whether DP, RT, etc.)  
**3598 G. L.**

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
2 1/4	8 5/8	24	± 350	250	circulated
7 7/8	5 1/2	15.5	3400	650	circulated

Fluid Program: Fresh water and spud mud surface to 350 ft.  
 Brine water w/gel 350 to 3400

SOB will be installed on 8 5/8" csng.

APPROVAL VALID FOR 180 DAYS  
 PERMIT EXPIRES 2-27-85  
 UNLESS DRILLING UNDERWAY

*Permitted by  
 O&G & N. Bureau  
 8-31-84*

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION 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.  
 Signed *[Signature]* Title Pres., J. E. M. Resources Date 8-24-84

(This space for State Use)

PROVED BY *[Signature]* TITLE OIL AND GAS INSPECTOR DATE AUG 27 1984

CONDITIONS OF APPROVAL, IF ANY:

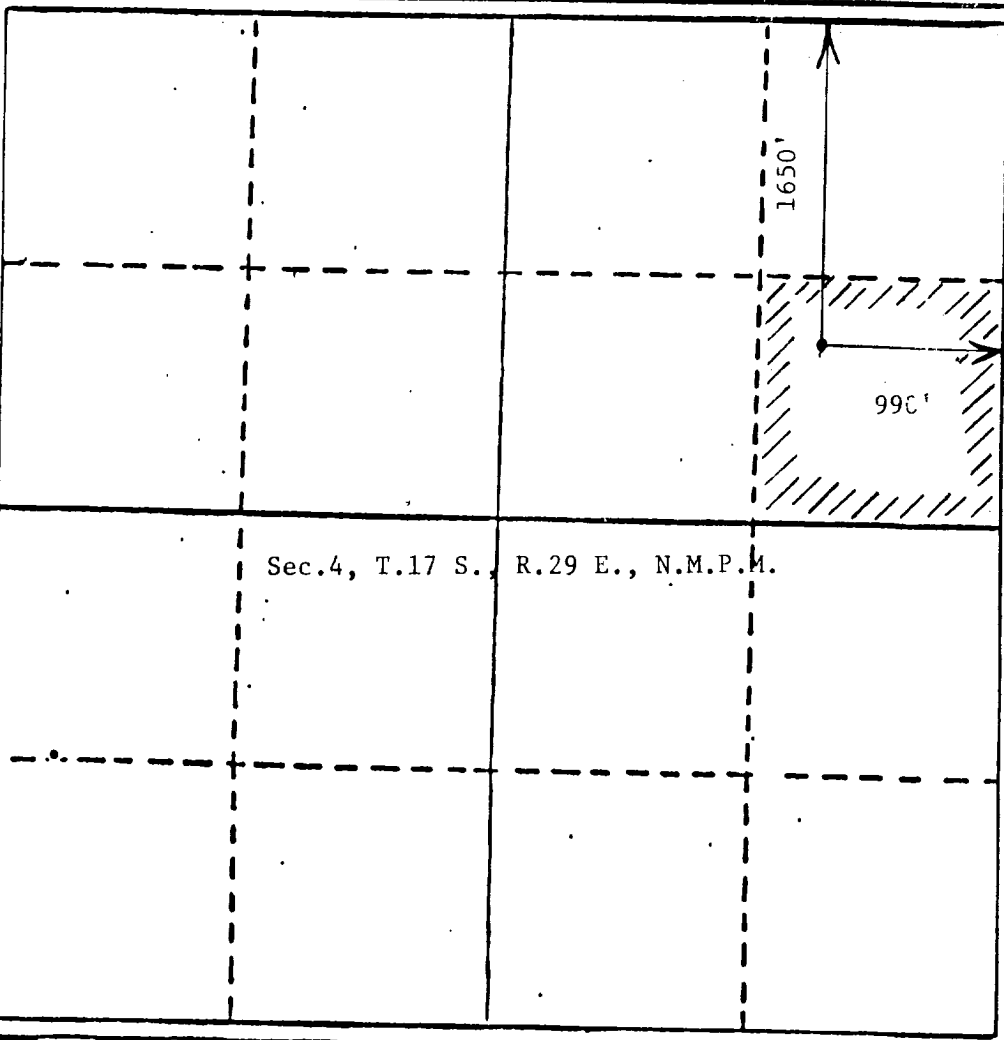
All distances must be from the outer boundaries of the Section.

Operator J. E. M. Resources			Lease Red Twelve State		Well No. 2
Unit Letter H	Section 4	Township 17 south	Range 29 East	County Eddy	
Actual Footage Location of Well					
1650 feet from the North line and		990 feet from the East line			
Ground Level Elev. 3598'	Producing Formation San Andres	Pool Cave GB/SA		Dedicated Acreage 40	

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 work interest and royalty). N/A
  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? N/A
- 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 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 Division.



CERTIFICATION

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

Name  
D. J. Lyle

Position  
Pres

Company  
J.E.M. Resources

Date  
August 24, 1984

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

Date Surveyed  
AUGUST 20, 1984

Registered Professional Engineer and/or Land Surveyor  
6290

JOHN G. LAQUES  
Professional Engineer  
6290

Certificate No. 6290

