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NEW MEXICO OIL CONSERVATION COMMISSION

30-031-20928

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No. LG-9425

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name STATE NEW MARRIAGE
2. Name of Operator BLACK OIL, INC.		9. Well No. NO. 3
3. Address of Operator P.O. BOX 537, FARMINGTON, NM 87499		10. Field and Pool, or Wildcat NOSE ROCK Hospah-EXT
4. Location of Well UNIT LETTER B LOCATED 990 FEET FROM THE North LINE AND 1650 FEET FROM THE East LINE OF SEC. 16 TWP. 20N RGE. 12W NMPM		12. County McKinley
19. Proposed Depth 2300		19A. Formation Hospah
20. Rotary or C.T. Rotary		
21. Elevations (Show whether DF, RT, etc.) 6140 GR	21A. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor Salazar
22. Approx. Date Work will start 30 May 87		

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12"	8-5/8"		100'	To Surface	Surface
7-7/8"	5-1/2"		2300'	To Surface	Surface

We propose to drill a 12" hole to 100'. We will then set 100' of 8-5/8" surface casing. We will then drill a 7-7/8" hole to 2300'. We will log and run 2300' of 5-1/2" production string if warranted. We will then perforate and complete as required.

APPROVAL EXPIRES 1-1-88
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

RECEIVED
JUL 06 1987
OIL CON. DIV.
DIST. 3

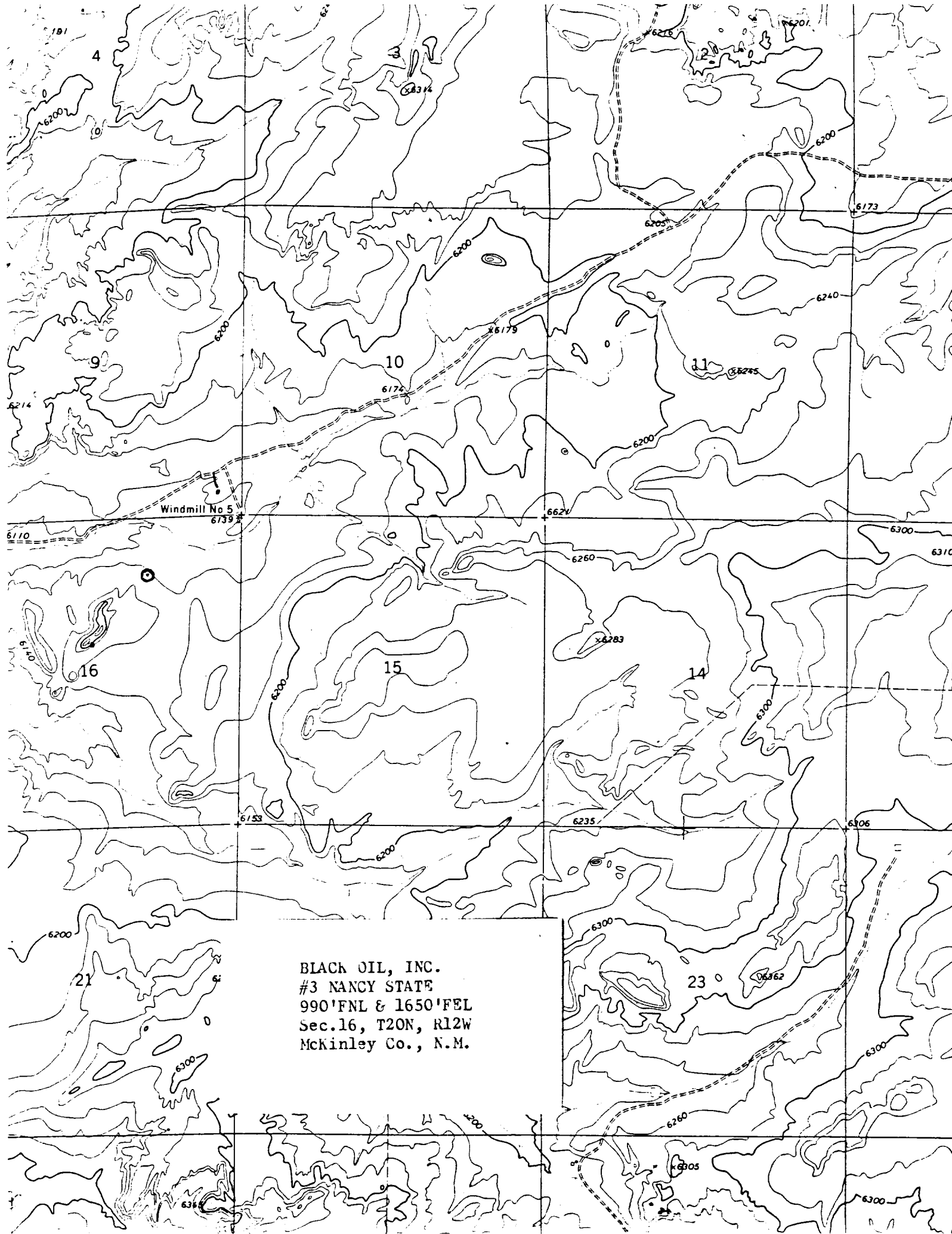
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Sam C. Glas Title President Date May 22, 1987

(This space for State Use)

APPROVED BY Ernie Burch TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE JUL 06 1987
CONDITIONS OF APPROVAL, IF ANY:



BLACK OIL, INC.
#3 NANCY STATE
990'FNL & 1650'FEL
Sec.16, T20N, R12W
McKinley Co., N.M.

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

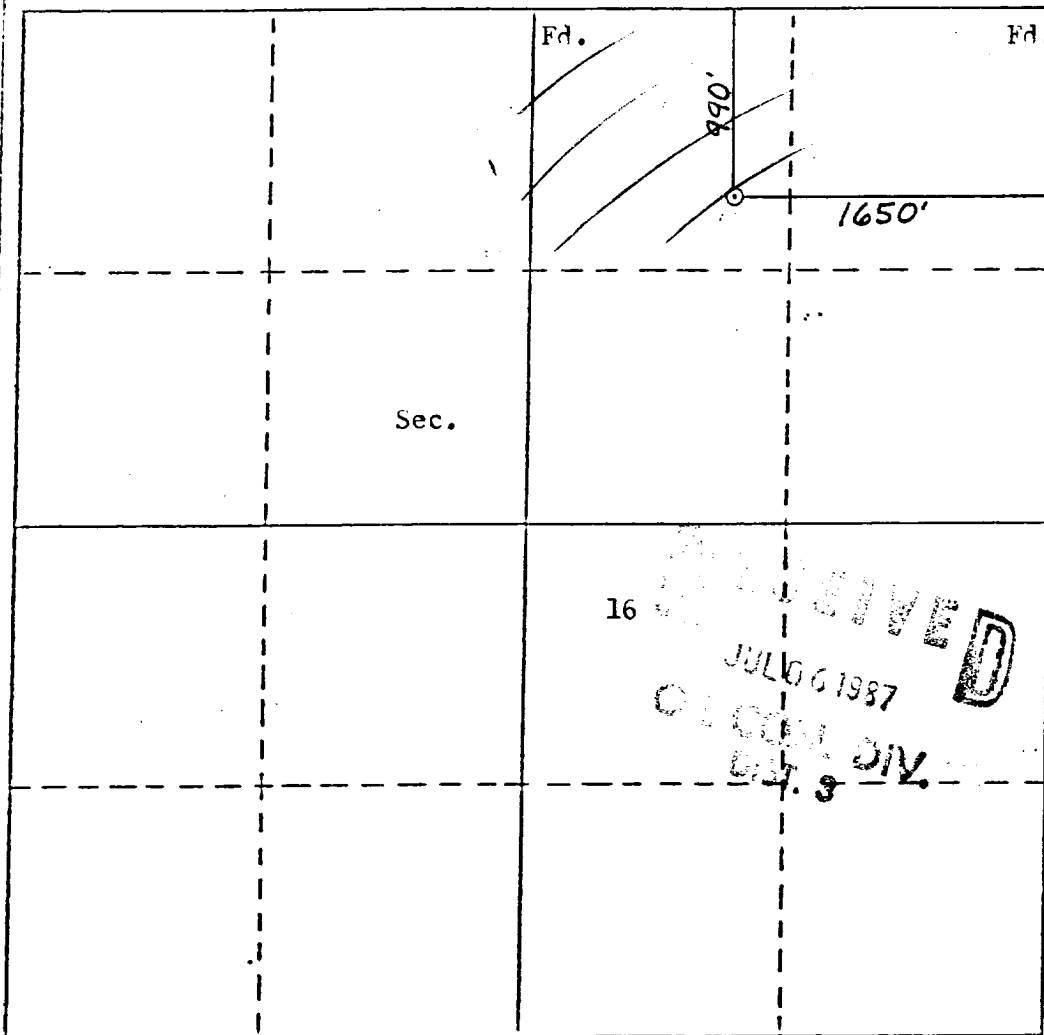
Operator BLACK OIL, INC.			Lease STATE NEW MARGIE		Well No. 3-NANCY
Unit Letter B	Section 16	Township T20N	Range R12W	County McKinley	
Actual Footage Location of Well: 1650 feet from the East line and 990 feet from the North line					
Ground Level Elev. 6142	Producing Formation HOSPAH	Pool NOSE ROCK EXT		Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 Division



CERTIFICATION

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

Name
BRUCE A. BLACK

Position
PRESIDENT

Company
BLACK OIL, INC.

Date
May 22, 1987

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
5-26-87

Surveyor
William M. McKinley

Registered Professional Engineer and/or Land Surveyor
#8466

Certification
PROFESSIONAL LAND SURVEYOR