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5A. Indicate Type of Lease
STATE FCC

5. State Oil & Gas Lease No.

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 type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Term of Lease Name LOCER
2. Name of Operator NANCO, INC.		9. Well No. Number 2
3. Address of Operator 611 Philtower Building, Tulsa, Oklahoma 74103		10. Field and Pool, or Wildcat <i>Guilford PC Lindrith</i>
4. Location of Well UNIT LETTER #2 Locer K LOCATED 1799.26 FEET FROM THE <u>West</u> LINE AND 3555.16 FEET FROM THE <u>South</u> North LINE OF SEC. 15 TWP. 25N RGE. 2W NMPM		12. County Rio Arriba
15. Proposed Depth 3700'	19A. Formation Pictured Cliffs	20. Rotary or C.T. Rotary
21. Elevations (Show whether DJ, RL, etc.) G.L. 7311.51	21A. Kind & Status Plug. Bond \$5,000 Single Well	21B. Drilling Contractor L. E. Wilson Bloomfield, New Mexico
		22. Approx. Date Work will start 4-23-80

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11-3/4"	8-5/8"	24 lbs.	100'	To Surface	
6-3/4"	4-1/2"	11.5 J-55	3700'	100 Sacks 150	



APPROVAL VALID FOR 90 DAYS UNLESS DRILLING COMMENCED,
EXPIRES 7-20-80

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 E. Alex Phillips Title President Date April 15, 1980

(This space for State Use)

APPROVED BY Frank J. Davey TITLE SUPERVISOR DISTRICT # 3 DATE APR 21 1980

CONDITIONS OF APPROVAL, IF ANY:

BOP is required

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

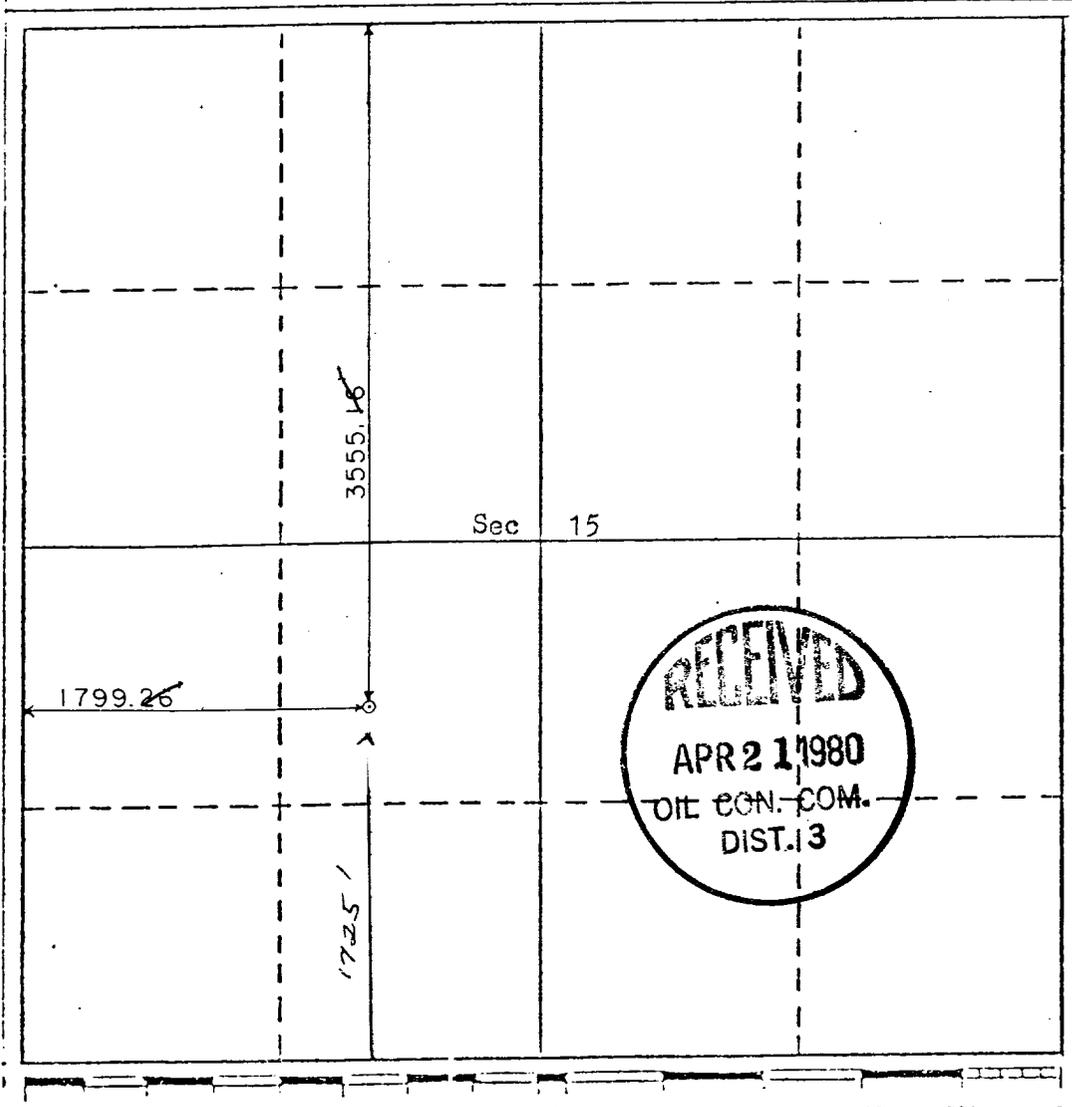
Operator NANCO, INC. 611 Philtower Bldg., Tulsa, Okla. 74103			Lease LOCER LEASE		Well No. Lease No. 2
Unit Letter K	Section 15	Township 25 N	Range 2 W	County Rio Arriba	
Actual Footage Location of Well: 1799.26 feet from the West line and 1725 feet from the North line					
Ground Level Elev. 7311.57	Producing Formation <i>Pictured Cliffs</i>	Pool <i>Devilan Pictured Cliffs</i>	Dedicated Acreage: 160 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 Division.



CERTIFICATION

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

E. Alex Phillips

Name **E. Alex Phillips**

Position **President**

Company **NANCO, INC.**

Date **4-15-80**

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.

Wayne E. Johnston

Date Surveyed **March 30, 1980**

Registered Professional Engineer and/or Land Surveyor

Wayne E. Johnston

6540

Certificate No. _____