

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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

b. TYPE OF WELL OIL WELL [X] GAS WELL [] OTHER [] SING. ZONE [] & GAS MULTIPLE ZONE []

2. NAME OF OPERATOR Petroleum Exploration Company, Inc. ROSWELL, NEW MEXICO

3. ADDRESS OF OPERATOR Post Office Box 809, Roswell, New Mexico 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At surface 1980' FNL, 660' FEL At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 19 miles South of Kenna, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 660'

16. NO. OF ACRES IN LEASE 1,133.82

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. 4,290'

19. PROPOSED DEPTH 4,000'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4187' GL

22. APPROX. DATE WORK WILL START* 3-1-84

23. PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Includes rows for 16", 12-1/4", and 7-7/8" hole sizes.

Petroleum Exploration Company, Inc. proposes to drill to approximately 4,000' to sufficiently test the San Andres formation. Set 8-5/8" casing to 1200', circulate to surface. W.O.C. 12 hours. Test B.O.P. and surface casing to 1,200 psi for 30 minutes before drilling out. 4-1/2" casing will be set to T.D. if logs indicate a favorable commercial zone. Completion will be accomplished by jet perforating into indicated pay intervals and acidizing and/or fracturing as needed.

A 3000# double ram B.O.P will be installed and tested before drilling below the 8-5/8" casing. B.O.P. rams will be tested daily.

See attached "Supplemental Multi-point Drilling Plan".

Gas is not dedicated to a pipeline.

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.

SIGNED Wesley Bogdan Secretary/Treasurer DATE 2-10-84 (This space for Federal or State office use) Petroleum Exploration Co., Inc.

PERMIT NO. APPROVAL DATE APPROVED BY S/Richard Bastin Associate District Manager DATE

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

MAR 02 1984

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MAR 7 1984
C. J. D.
HOBBS OFFICE

Oil CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

Form C-102
Revised 10-1-78

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

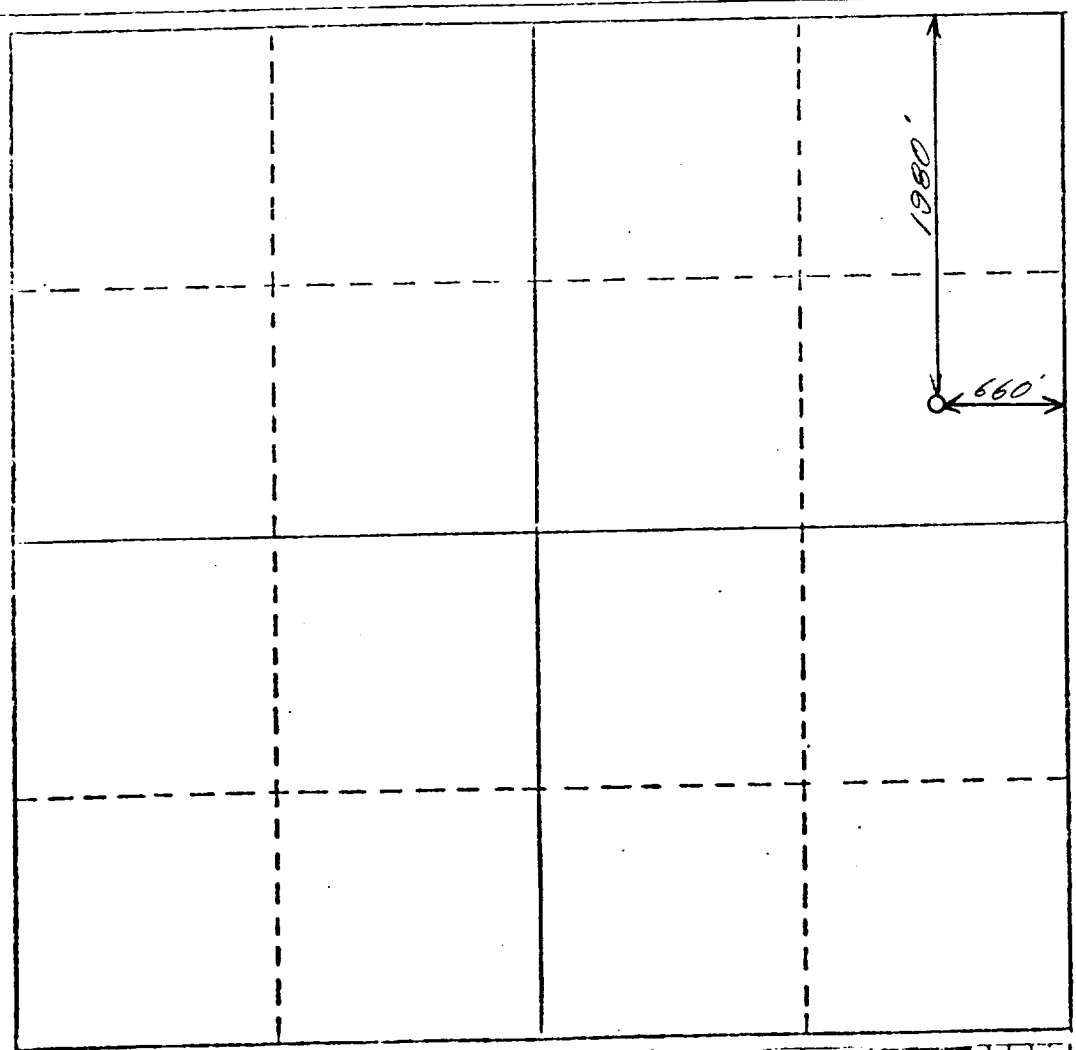
Operator Petroleum Exploration Corporation		Lease West Siete Federal		Well No. 18-1
Unit Letter	Section 18	Township 8 - South	Range 31 East	County Chaves
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the East line				
Ground Level Elev. 4184	Producing Formation San Andres	Pool Siete - San Andres		Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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

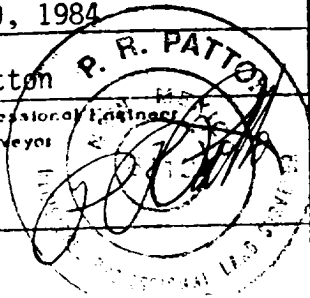
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Wesley Bogdan

Name Wesley Bogdan
Position Secretary/Treasurer
Company Petroleum Exploration Co., Inc
Date 2-10-84

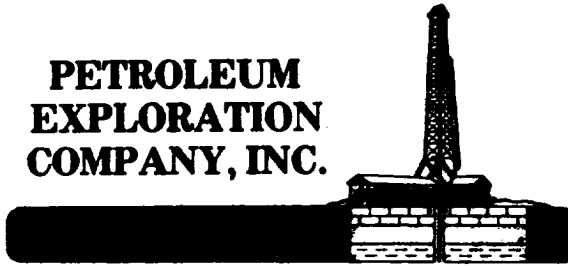
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed January 9, 1984
P. R. Patton Registered Professional Engineer and/or Land Surveyor
8112 Certificate No.



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C.C.D.
FEDERAL OFFICE

**PETROLEUM
EXPLORATION
COMPANY, INC.**



Suite 831 Petroleum Bldg.
P. O. Box 809

Roswell, New Mexico 88201
Phone: (505) 622-2112

SUPPLEMENTAL DRILLING DATA

West Siete Federal No. 18-1
SE/4 NE/4 Sec. 18-8S-31E
Chaves County, New Mexico

The following items supplement Form 9-331C in accordance with instructions contained in NTL-6.

1. SURFACE FORMATION: Seven Rivers of Permian System

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Rustler Anhydrite	1270'
Salado	1300'
Yates	1815'
Queen	2500'
San Andres	2985'
Pi Marker	3520'
P ₁	3675'
P ₂	3750'

3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATION:

Water	100'
Gas and Oil	3,520'

4. PROPOSED CASING PROGRAM:

14" Casing	40' of 42.0# H-40 Conductor Ground to surface.
8-5/8" Casing	1200' of 24.0# J-55 surface casing Cemented to surface.
4-1/2" Casing	4000' of 9.5# J-55 production casing Cemented from shoe to 200' above top of San Andres

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U.S. DEPARTMENT OF JUSTICE

5. PRESSURE CONTROL EQUIPMENT: BOP stack will consist of at least a double ram blowout preventer rated to 3000# WP. BOP will be installed and casing tested to 1200 psi prior to drilling cement out of 8-5/8" shoe. The pressure control system will include choke, kill and fill lines.

6. CIRCULATING MEDIUM:

0' - 1,200'	Drill with fresh water mud with appropriate additives to control viscosity.
1,200' - TD	Drill with salt water mud, conditioned for control of viscosity and water loss.

7. AUXILIARY EQUIPMENT: Full opening kelly cock to fit the drill string in use, will be kept on the rig floor at all times.

8. TESTING, LOGGING AND CORING PROGRAM:

Samples:	Surface casing to TD
DST:	None
Coring:	None
Logging:	GR-CNL-D Log from surface to TD
	DLL from 8-5/8" casing shoe to TD

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:

None anticipated

10. ANTICIPATED STARTING DATE: As soon as possible after approval. Drilling and completion operations will last about 30 days.

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