

District I  
 700 Box 1980, Hobbs, NM 88241-1980  
 District II  
 411 South First, Artesia, NM 88210  
 District III  
 3000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C-101  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 6 Copies  
 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address. Capataz Operating, Inc. P.O. Drawer 10549 Midland, TX 79702		OGRID Number 3659
Property Code 27559		Property Name Merit II
		API Number 30-025-35448
		Well No 1

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
PG	11	20S	38E		1980	North	1980	East	Lea

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
PG	11	20S	38E		1980	North	1980	East	Lea

Proposed Pool 1 House, Abo	Proposed Pool 2 House, Drinkard
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Work Type Code New Well	Well Type Code Oil	Cable/Rotary Rotary	Lease Type Code P	Ground Level Elevation 3574
Multiple	Proposed Depth 7850'	Formation Abo	Contractor Patterson	Spud Date 03/20/01

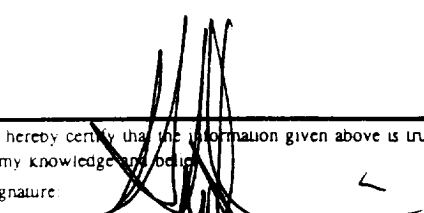
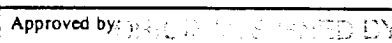
Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/2"	8-5/8"	24#	1600	925SX	Surf
7-7/8"	5-1/2"	15.5 & 17#	TD	725SX	1600

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill 11" hole to 1600'. Run & cement 8-5/8" 24# casing. Circulate cement to surface. Log, evaluate & run 5-1/2" casing if indicated.

Permit Expires 1 Year From Approval  
 Date Unless Drilling Underway

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature:  Printed name: H Scott Davis Title: Agent	OIL CONSERVATION DIVISION	
	Approved by: 	
	Approval Date: MAR 14 2001	Expiration Date:

Handwritten initials: SJP