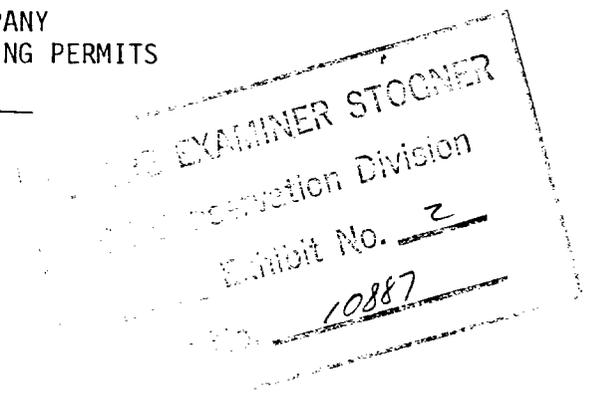


KAISER-FRANCIS OIL COMPANY
APPLICATION FOR DIRECTIONAL DRILLING PERMITS
NMOCD Case No. 10887



PURE GOLD WELL LOCATIONS

Well: Pure Gold A-7
Surface: 1950' FSL x 200' FEL (Unit I) Sec 20
BHL: 2043' FNL x 456' FWL (Unit E) Sec 21

Well: Pure Gold A-8
Surface: 10' FSL x 1935' FWL (Unit N) Sec 16
BHL: 1947' FNL x 1789' FWL (Unit F) Sec 21

Well: Pure Gold A-9
Surface: 10' FSL x 280' FWL (Unit M) Sec 16
BHL: 480' FNL x 480' FWL (Unit K) Sec 21

Well: Pure Gold A-10
Surface: 10' FSL x 1800' FWL (Unit N) Sec 16
BHL: 480' FNL x 1800' FWL (Unit C) Sec 21

Well: Pure Gold A-13
Surface: 10' FSL x 2025' FEL (Unit O) Sec 16
BHL: 2012' FNL x 2176' FEL (Unit G) Sec 21

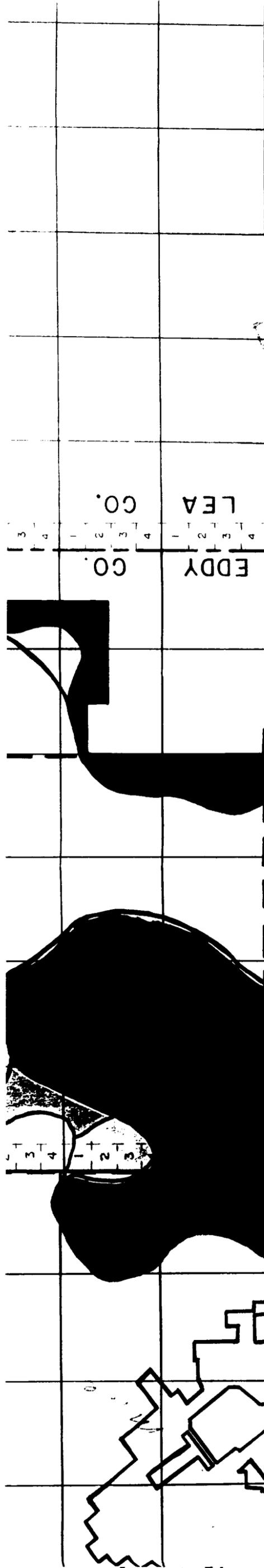
Well: Pure Gold A-14
Surface: 10' FSL x 2160' FEL (Unit O) Sec 16
BHL: 480' FNL x 2160' FEL (Unit B) Sec 21

Well: Pure Gold B-7
Surface: 2100' FSL x 1600' FEL (Unit J) Sec 20
BHL: 1988' FNL x 1834' FEL (Unit G) Sec 20

Well: Pure Gold B-8
Surface: 1950' FSL x 335' FEL (Unit I) Sec 20
BHL: 1957' FNL x 505' FEL (Unit H) Sec 20

Well: Pure Gold B-9
Surface: 10' FSL x 1960' FEL (Unit O) Sec 17
BHL: 480' FNL x 1800' FEL (Unit B) Sec 20

Well: Pure Gold B-10
Surface: 10' FSL x 145' FWL (Unit M) Sec 16
BHL: 480' FNL x 480' FEL (Unit A) Sec 20



R. 32 E.

BEFORE EXAMINER STORMER
 ON Conservation Division
 Exhibit No. 2
 70827

ECONOMIC GEOLOGY

The potash deposits in the Carlsbad southeastern New Mexico are about 15 miles (2-3) miles west of the city of Carlsbad. The deposits occur within the zone of Kroenlein (1939, p. 1691) of the Salado Formation. The McNutt zone is 150 feet (45 m) to 500 feet thick along the Salado in the district, ranges from 10 to 20 feet along the western margin to 2,000 feet (610 m) in the eastern portion. The main potash ore minerals are sylvite and carnallite, of which sylvite is predominant. Potash ore occurs in several ore zones, which range from a few inches to 12 inches in thickness, with no one ore zone extending over the entire area. These zones were named by Jones, Bowles, and Eddy. Eleven of the ore zones occur within the McNutt zone. The 12th ore zone lies in the upper part of the Salado Formation. The 12 ore zones have been mined by one method, the modified long-wall method, in one mine. This method is used in the remaining mines. In the first 12 months of the ore is removed during the first 12 months of the year. The areas on the map designated as second-mining areas have been totally mined or lost during mining of a sylvite deposit.

DELINEATION AUTHORITY AND CRITERIA

As part of the Bureau of Land Management responsibility, potash reserves have been identified by the Secretary of the Interior dated November 5, 1954 (Part III, D.). Minimum quality and thickness of potash reserves are: 4 feet of 10 percent K₂O as sylvite or 4 feet of 10 percent K₂O as langbeinite or an equivalent combination of sylvite and langbeinite.

REFERENCES CITED

- Aguilar, P.C., Cheeseman, R.J., and Sandel. Preliminary map showing distribution of potash in the Mining District, Eddy and Lea Counties, New Mexico. Survey Open-File Report 76-554, scale 1:62,500.

32°15'

White sylvite zone

17 16

20 21

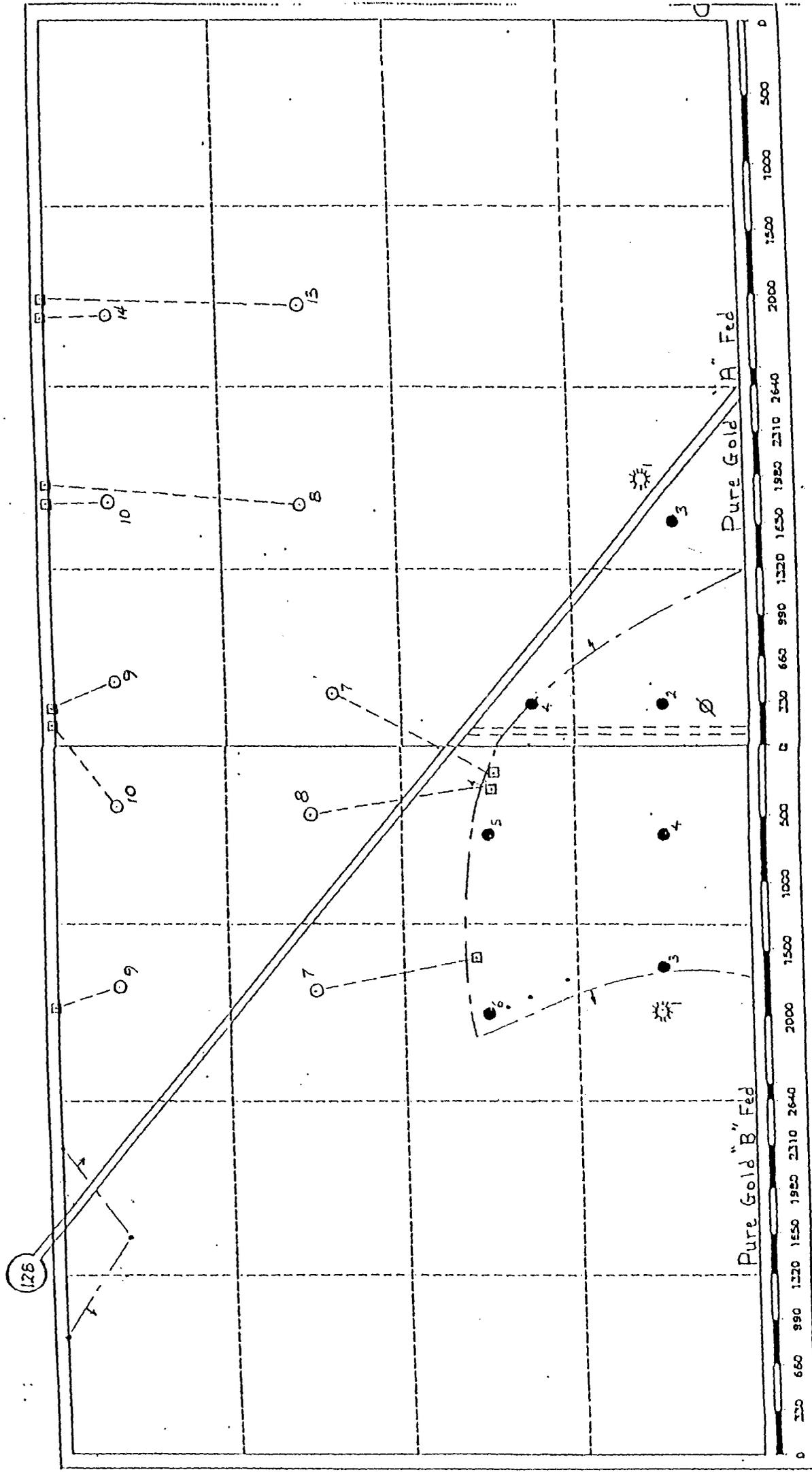
18

19

CO. CO.

LEA EDDY

APPLICATION FOR DIRECTIONAL DRILLING PERMITS
T23 S, R31 E Eddy County, NM



+ Potash
 • Potash reference point
 ○ Bottomhole Location
 □ Surface Location

BEFORE EXAMINER STOENNER
 Conservation Division
 Exhibit No. 4
 Case No. 10887



FERTILIZER, INC

AN EQUAL OPPORTUNITY EMPLOYER

*Jane
Wakfield*

MINE EXAMINER REGISTER

October 19, 1993

Milton Griffin
Kaiser-Frances Oil Company
P.O. Box 21468
Tulsa, OK 74121-1468

RE: Pure Gold "A" Federal #9, 10' FSL, 280' FWL
Sec. 16, T23S, R31E NMPM
Pure Gold "A" Federal #10, 10' FSL, 1800' FWL
Sec. 16, T23S, R31E NMPM
Pure Gold "A" Federal #14, 10' FSL, 2160' FEL
Sec. 16, T23S, R31E NMPM
Pure Gold "B" Federal #10, 10' FSL, 145' FWL
Sec. 16, T23S, R31E NMPM

Dear Sir:

IMC Fertilizer, Inc. has received your notification that Kaiser Frances Oil Company intends to drill Pure Gold "A" Federal #9, 10, 14, and Pure Gold "B" Federal #10. IMC has no objection to Kaiser Frances' drilling these wells due to the fact that they are outside the 1/4 mile of IMCF's LMR.

The current LMR and the buffer zone are determined from the best available information. As more information becomes available, the LMR can change and may be modified and adjusted. This is reflected in the yearly update of the LMR. The relationship of any well location relative to the LMR can change. Therefore, please consider the "objection offered" or "no objection offered" to a well location to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to more than one year prior, notify us again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

Sincerely,

Dan Morehouse

Dan Morehouse
Supt. of Mine Engineering

DM:tmh

ILLEGIBLE

cc: Dick Manus Walt Thayer Monte Jordan
Leslie Cone Charlie High Tony Herrell



FERTILIZER, INC.

November 18, 1993

Milton Griffin
 Kaiser-Francis Oil Company
 P. O. Box 21468
 Tulsa, OK 74121-1468

RE: Pure Gold "A" Federal No. 7	(1950'FSL, 200'FEL, Section 20, T23S, R31E)
Pure Gold "A" Federal No. 8	(10'FSL, 1935'FWL, Section 16, T23S, R31E)
Pure Gold "A" Federal No. 13	(10'FSL, 2025'FEL, Section 16, T23S, R31E)
Pure Gold "B" Federal No. 7	(2100'FSL, 1600'FEL, Section 20, T23S, R31E)
Pure Gold "B" Federal No. 8	(1950'FSL, 335'FEL, Section 20, T23S, R31E)

Dear Mr. Griffin:

IMC Fertilizer, Inc. has received your notification that Kaiser- Francis Oil Company intends to drill the above referenced well locations. IMC Fertilizer has no objection to Kaiser-Francis drilling these wells no deeper than the base of the Delaware at these locations as they are further than 1/4 mile from IMC Fertilizer's current LMR.

The current LMR and the buffer zone are determined from the best available information. As more information becomes available, the LMR can change and may be modified and adjusted. This is reflected in the yearly update of the LMR. The relationship of any well location relative to the LMR can change. Therefore, please consider the "objection offered" or "no objection offered" to a well location to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to more than one year prior, notify us again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

IMC Fertilizer, Inc. submits this letter in lieu of the forms requested.

Sincerely,

Dan Morehouse
 Supt. Mine Engineering

DM:tmh

CC: Dick Manus	Walt Thayer
Leslie Cone	William Caulkins
Charlie High	Tony Herrell

December 6, 1993

IMC Fertilizer, Inc.
Attn: Dan Morehouse
P.O. Box 71
Carlsbad, New Mexico 88220

Re: Pure Gold "B" Federal No. 9
Section 20, T23S, R31E
Eddy County, New Mexico

Gentlemen:

This is to advise you that Kaiser-Francis proposes to drill the referenced well in an area which is within a 1 mile radius of your potash lease and to request that you grant approval to drill at the proposed location.

The surface location is in an area outside presently calculated and mapped potash resources and is within 150' of the existing Enron - Pure Gold "B" No. 2 deep gas well. It is proposed to drill a vertical hole to 4070', to set and cement intermediate casing and to drill a directional hole under the potash deposits and onto a standard location for the Delaware formation in Section 20.

A copy of the Well Location and Acreage Dedication Plat for this well is enclosed.

Your cooperation in this matter is appreciated.

Sincerely,

KAISER-FRANCIS OIL COMPANY



Milton Griffin

MG:klw

Enclosures

cc: Wayne Fields
Tony Herrell
Jim Wakefield

DISTRICT I
 P. O. Box 1980
 Hobbs, NM 88240

OIL CONSERVATION DIVISION
 P. O. Box 2088
 Santa Fe, New Mexico 87504-2088

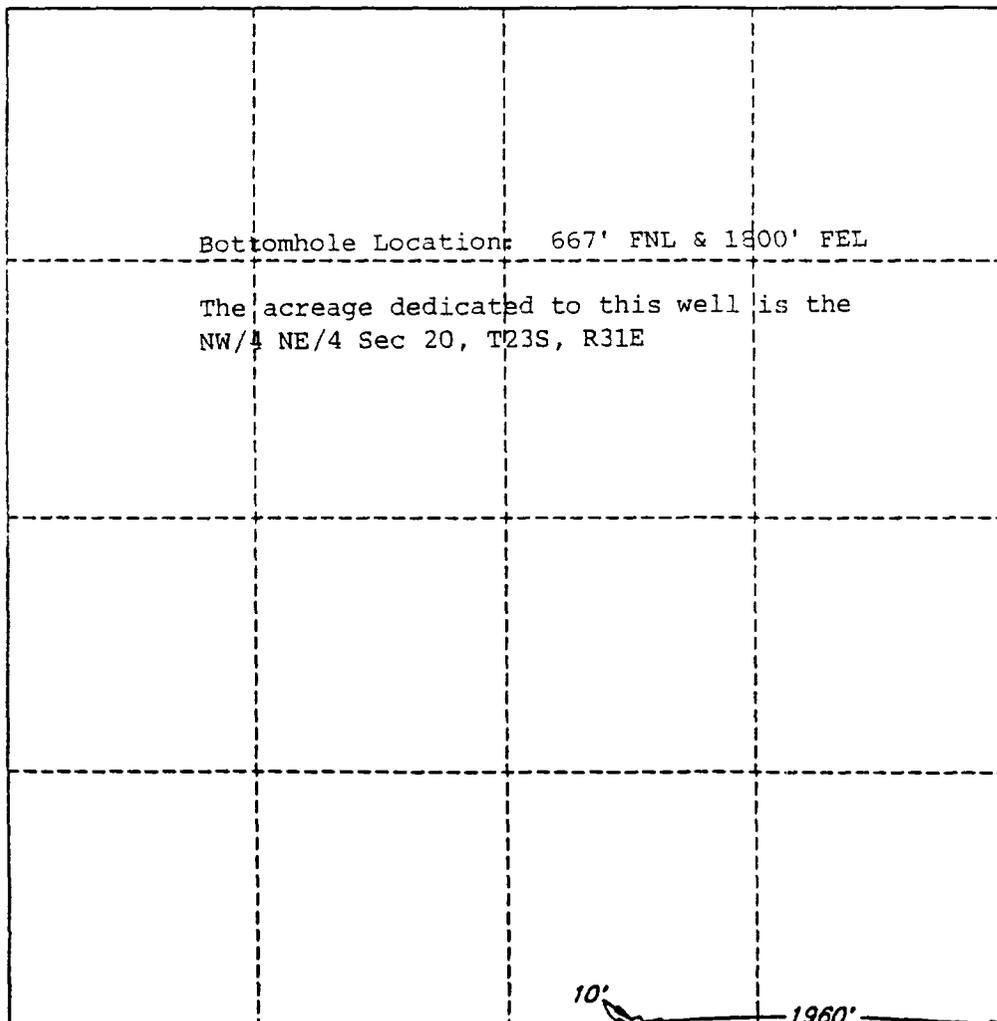
DISTRICT II
 P. O. Drawer DD
 Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd
 Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All distances must be from the outer boundaries of the section.

Operator KAISER - FRANCIS OIL COMPANY			Lease PURE GOLD 'B' FEDERAL		Well No. 9
Unit Letter 0	Section 17	Township 23 SOUTH	Range 31 EAST, N.M.P.M.	County EDDY	
Actual Footage Location of Well					
10 feet from the SOUTH line and		1960 feet from the EAST line			
Ground Level Elev. 3337'	Producing Formation Delaware	Pool W. Sand Dunes		Acres 40	

- 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 interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?
 - Yes No If answer is "yes", type of consolidation _____
 - If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the 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 interest, has been approved by the division.



OPERATOR CERTIFICATION

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

Signature: *Milton Griffin*

Printed Name: **Milton Griffin**

Position: **Operations Engineer**

Company: **Kaiser-Francis Oil Co.**

Date: **December 6, 1993**

SURVEYOR CERTIFICATION

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: **NOVEMBER 22, 1993**

Signature and Seal of Professional Surveyor: *V. L. Bezner*

Certificate No.: **V. L. BEZNER R.P.S. #7920**

BEFORE EXAMINER STOGNER

Oil Conservation Division

Exhibit No. 6

Case No. 10887

KAISER-FRANCIS OIL COMPANY
 P.O. BOX 21468
 TULSA, OKLAHOMA 74121-1468
 AUTHORITY FOR EXPENDITURE

LEASE AND WELL NO. Pure Gold "A" Fed. #8 LEASE ID NO. _____ DATE 6-4-93

LOCATION Surf. Loc. 10' FSL & 1900' FWL BH 1650' FNL & 1650' FWL
Section 16-23S-31E Section 21-23S-31E

FIELD _____ COUNTY Eddy STATE NM

ESTIMATED DEPTH 8100' TVD OBJECTIVE ZONE Delaware EST DAYS _____
 PURPOSE: Drill & Complete

TANGIBLE EQUIPMENT			EXPENDITURE COST		
	QUANTITY	SIZE	DRY HOLE	PRODUCER	
700	CONDUCTOR	40'	20"	3,000	3,000
701	SURFACE CASING	700'	13-3/8"	12,900	12,900
702	INTERMEDIATE CSG	4100'	8-5/8"	34,500	34,500
703	LINER				
706	PRODUCTION CSG	8600'	5-1/2"		55,500
710	TUBING	8600'	2-7/8"		25,600
720	WELL HEAD EQUIPMENT			8,000	20,000
724	PACKERS & DOWNHOLE EQUIP				3,000
765	TANK BATTERY				25,000
768	PUMPING EQUIPMENT				40,000
774	TRANSPORTATION & FREIGHT			5,000	10,000
778	NON-CONTROLLABLE EQUIPMENT				10,000
TOTAL TANGIBLES				\$63,400	\$239,500

INTANGIBLES					
500/600	LOCATION & ROAD EXPENSE			18,000	21,000
502/602	LOCATION DAMAGES				
504/604	RIG COST			#####	#####
#####	FOOTAGE	FT @ \$	/FT		
#####	DAYWORK	26 DAYS @ \$	4600 /DAY	119,600	119,600
#####	COMPLETION RIG				8,000
506/606	RIG MOVE			20,000	20,000
508	BITS & REAMERS			22,800	22,800
510/610	FUEL & POWER				
512	WATER			14,000	16,000
514	MUD & CHEMICALS			7,000	7,000
516/616	TOOL & EQUIPMENT RENTAL			73,300	73,300
518/618	TRANSPORTATION & LOADING			4,000	6,000
520	DST - CORING & ANALYSIS			6,000	6,000
522/622	LOGGING & PERFORATING			9,000	19,000
524/624	CEMENTING & SQUEEZING			20,000	40,000
526/626	CASING & CREWS & EQUIPMENT			5,000	8,000
528/628	PLUGGING & ABANDONMENT			8,000	
630	STIMULATION				45,000
532/632	GEOLOGICAL & ENGINEERING			12,500	12,500
536/636	MISCELLANEOUS LABOR			2,000	20,000
542/642	COMBINED FIXED RATE			4,000	8,000
544/644	MISCELLANEOUS			2,000	8,000
TOTAL INTANGIBLES				\$347,200	\$460,200
TOTAL DRY HOLE				\$410,600	
TOTAL COMPLETED					\$699,700

APPROVED: _____

DATE: _____

THIS AFE IS AN ESTIMATE ONLY AND NON-OPERATOR, BY EXECUTION OF SAME COMMITS TO PAY ITS PROPORTIONATE SHARE OF ACTUAL COSTS.

13-Dec-93
Interest

of: EVAL DRILLING PROPOSAL
USE AVERAGE WELL

1,2,3-PETROLEUM EVALUATION
as-of:
12.1993

Lease: PURE GOLD A & B LEASES
Fld/Zone: SAND DUNES DELAWARE
ST/Co: NM, EDDY
Oper: KFOC
Legal: SEC 20 & 21 23S-31E

	WI	NRI	Cum=	Oil, bbl	Gas, MCF		Life, yrs=	27.00
Initial:	1.000000	0.840000	Res=	150928	873459		Reversion Point, yrs=	1.06
Final:	1.000000	0.840000	Ult=	150928	873459			

Yr Ends	---Gross Reserves---		---Net Reserves---		--Back Calc. Avg.---		--Production Taxes--		--Net Rev Post Tax--	
	Oil, bbl	Gas, MCF	Oil, bbl	Gas, MCF	Oil, \$/bbl	Gas, \$/MCF	Oil (\$)	Gas (\$)	Oil (\$)	Gas (\$)
12.1993	5610	5610	4712	4712	14.14	1.790	4724	598	61909	7837
11.1994	49250	102879	41370	86418	14.41	1.856	42255	11371	553724	149015
11.1995	21240	80468	17842	67593	15.15	2.000	19164	9585	251137	125607
11.1996	12878	63246	10818	53126	15.92	2.161	12208	8138	159984	106643
11.1997	9779	56335	8214	47321	16.73	2.335	9742	7835	127657	102678
11.1998	7823	51628	6572	43368	17.56	2.522	8183	7754	107231	101609
11.1999	6259	46048	5257	38680	18.44	2.723	6874	7468	90074	97863
11.2000	5007	39061	4206	32811	19.38	2.943	5778	6845	75720	89702
11.2001	4405	37053	3700	31125	20.35	3.178	5337	7013	69943	91899
11.2002	3964	35635	3330	29933	21.36	3.432	5044	7284	66096	95451
11.2003	3568	34044	2997	28597	22.43	3.707	4766	7515	62460	98484
11.2004	3211	32330	2697	27157	23.55	4.003	4504	7708	59025	101010
11.2005	2890	30539	2428	25652	24.73	4.324	4256	7863	55779	103045
11.2006	2601	28707	2185	24114	25.97	4.669	4022	7983	52711	104614
Sub-Total	132875	637972	111615	535896	16.70	2.747	132135	104364	1731540	1367619
Remaining	18053	235487	15164	197809	35.16	7.852	37808	110118	495447	1443032
TOTAL	150928	873459	126779	733706	18.91	4.123	169942	214482	2226987	2810650

Yr Ends	Net Rev.	Ad Valorem	Operating	Future Net	Capital	Salvage	---Net Cash Flow---		-Discount @ 8.00%-	
	Total (\$)	Taxes (\$)	Costs (\$)	Income (\$)	Costs (\$)	Costs (\$)	Annual	Cumulative	Annual	Cumulative
12.1993	69746	1674	1500	66572	699700	0	-633128	-633128		
11.1994	702739	16866	27389	658485	699700	0	-41215	-41215	-61520	-61520
11.1995	376744	9042	31825	335877	0	0	335877	294662	298840	237320
11.1996	266627	6399	33416	226811	0	0	226811	521473	186129	423450
11.1997	230335	5528	35087	189720	0	0	189720	711193	143531	566981
11.1998	208840	5012	36841	166987	0	0	166987	878179	116630	683611
11.1999	187937	4510	38683	144743	0	0	144743	1022923	93331	776942
11.2000	165421	3970	40614	120837	0	0	120837	1143760	71840	848782
11.2001	161842	3884	42644	115313	0	0	115313	1259073	63285	912067
11.2002	161546	3877	44777	112893	0	0	112893	1371965	57193	969261
11.2003	160945	3863	47015	110067	0	0	110067	1482032	51474	1020735
11.2004	160035	3841	49366	106828	0	0	106828	1588860	46119	1066854
11.2005	158824	3812	51835	103177	0	0	103177	1692037	41118	1107972
11.2006	157325	3776	54426	99123	0	0	99123	1791160	36465	1144437
Sub-Total	3099159	74380	533919	2490860	699700	0	1791160	1791160	1144437	1144437
Remaining	1938478	46523	1120015	771940	0	0	771940	771940	189077	189077
TOTAL	5037637	120903	1653934	3262800	699700	0	2563100	2563100	1333514	1333514

Discounted Net Cash Flow @	10.00%	1166388
	12.00%	1029118
	15.00%	864412
	20.00%	663672
	75%PW8.00%	1000136

BEFORE EXAMINER STOGNER

Oil Conservation Division

Exhibit No. 7

Case No. 10887

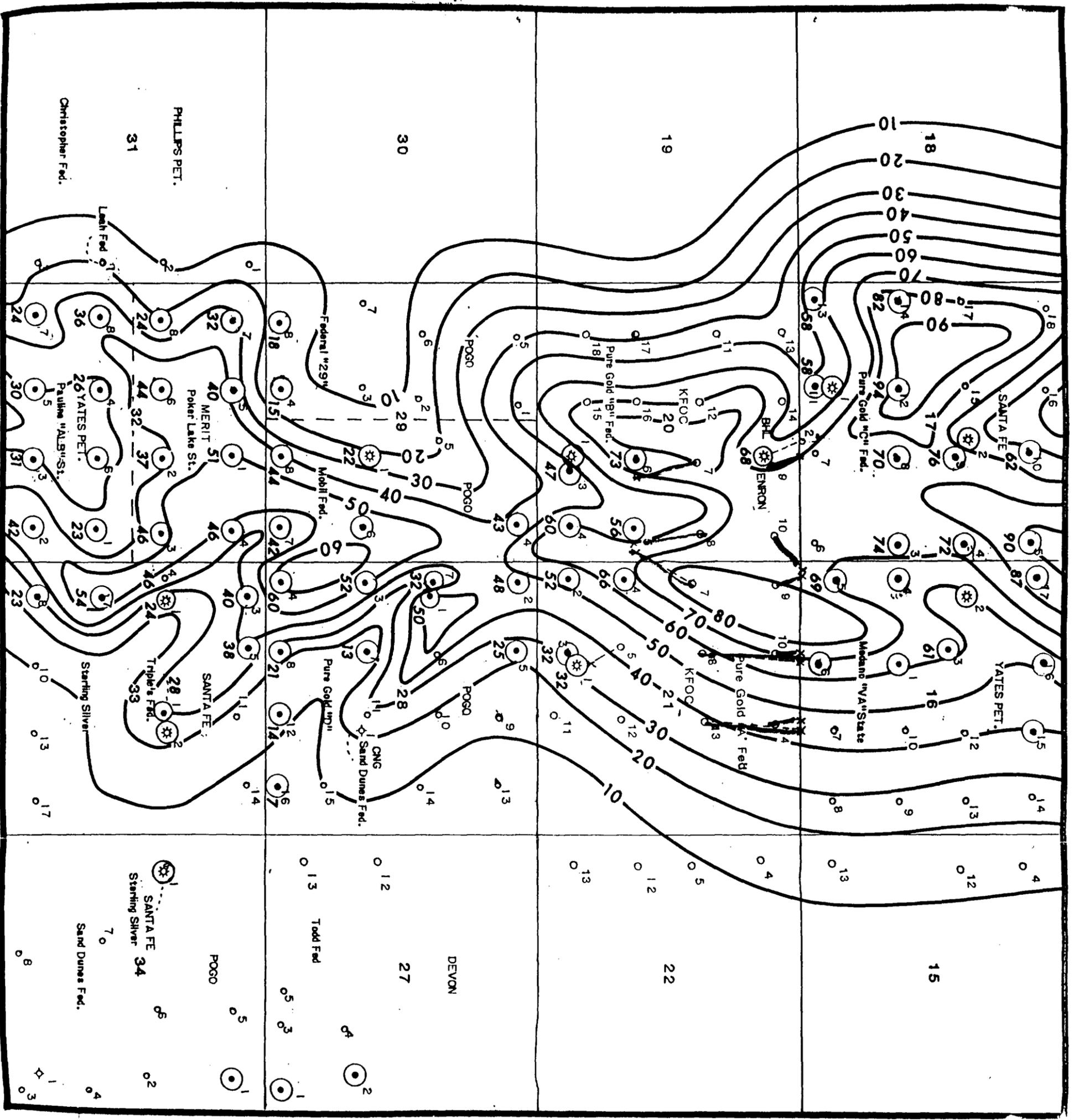
KAISER-FRANCIS OIL COMPANY

EDDY COUNTY, NM

NET SAND ISOPACH MAP

CI: 10'

23S
31E



EXAMINER'S DIVISION
10887

W. Alan Benson 12/93

1" = 2000'

KAISER-FRANCIS OIL COMPANY
APPLICATION FOR DIRECTIONAL DRILLING PERMITS

PURE GOLD WELL LOCATIONS

Well: Pure Gold A-7
Surface: 1950' FSL x 200' FEL (Unit I) Sec 20
BHL: 2043' FNL x 456' FWL (Unit E) Sec 21

Well: Pure Gold A-8
Surface: 10' FSL x 1935' FWL (Unit N) Sec 16
BHL: 1947' FNL x 1789' FWL (Unit F) Sec 21

Well: Pure Gold A-9
Surface: 10' FSL x 280' FWL (Unit M) Sec 16
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Surface: 10' FSL x 1800' FWL (Unit N) Sec 16
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Surface: 2100' FSL x 1600' FEL (Unit J) Sec 20
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BHL: 480' FNL x 1800' FEL (Unit B) Sec 20

Well: Pure Gold B-10
Surface: 10' FSL x 145' FWL (Unit M) Sec 16
BHL: 480' FNL x 480' FEL (Unit A) Sec 20

STATE EXAMINER STAMP
Conservation Bureau
Exhibit No. 7
10387

APPLICATION FOR DIRECTIONAL DRILLING PERMITS
 T23S R31E Eddy County, NM
 spec 16

spec 17

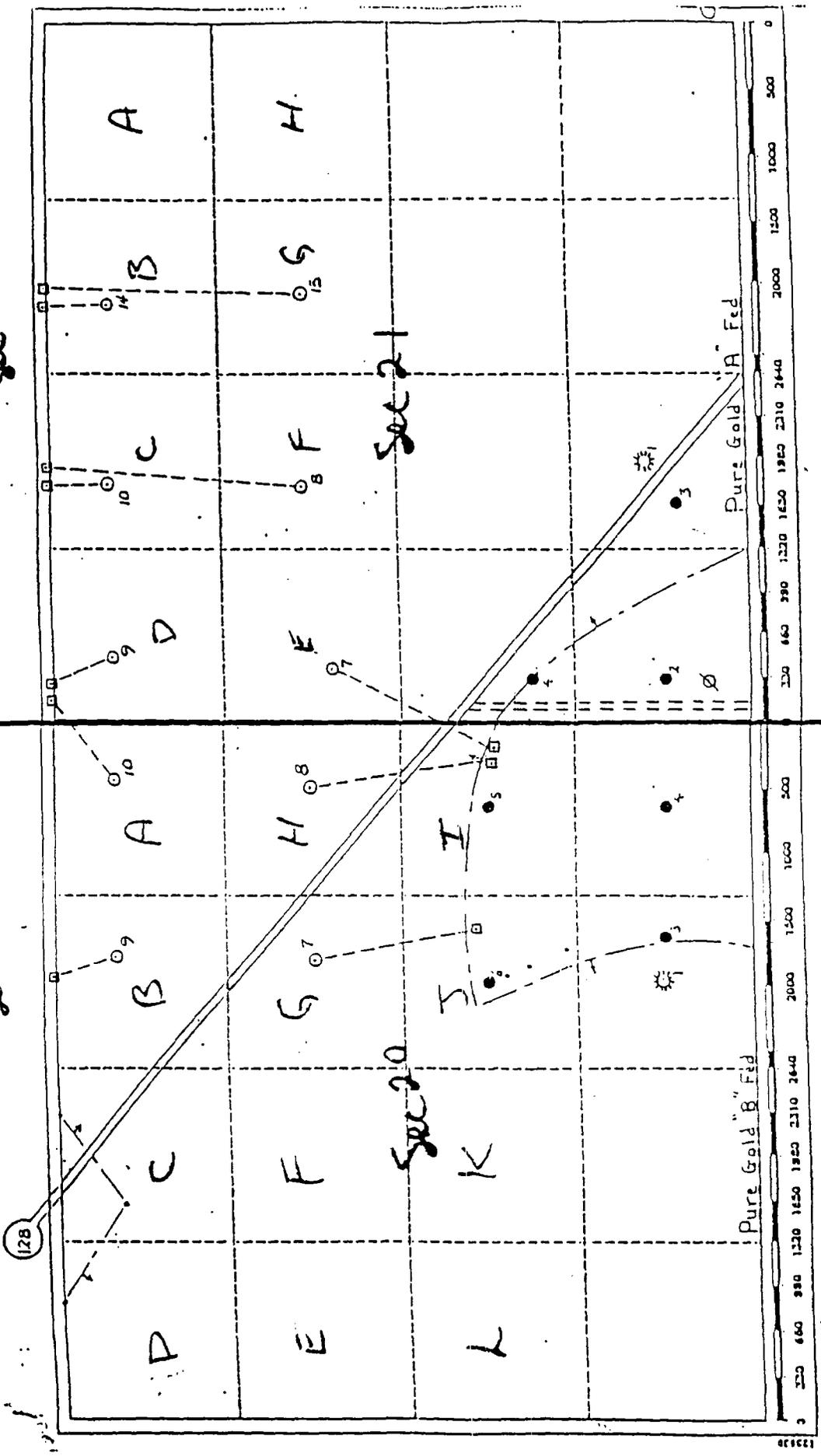


EXHIBIT B TO APPLICATION

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Kaiser-Francis Oil Company

3. ADDRESS AND TELEPHONE NO.
 P.O. Box 21468, Tulsa, Oklahoma 74121-1468

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface 1950' FSL & 200' FEL Sec 20
 At proposed prod. zone 2046' FNL & 456' FWL Sec 21

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 17 miles East from Loving

10. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any) 456' 456'

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1540'

10. NO. OF ACRES IN LEASE 640

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

19. PROPOSED DEPTH 8100' TVD

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3348'

22. APPROX. DATE WORK WILL START* Eddy NM

6. LEASE DESIGNATION AND SERIAL NO.
 NM38464

9. IF INDIAN, ALLOTED OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
 Pure Gold A Federal

9. AP WELL NO.
 7

10. FIELD AND POOL, OR WILDCAT
 West Sand Dunes

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA
 Sec 21, T23S, R31E

12. COUNTY OR PARISH 18. STATE
 Eddy NM

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	700	700 sacks Circulated
11	8-5/8	32#	4070	1000 sacks Circulated
7-7/8	5-1/2	17#	8100' TVD	1370 sacks tie back @ least 200' into 8-5/8"

Stage tool @ 6200'

- MIRU Rotary.
- Drill 17-1/2" hole to 700' run & set 13-3/8" surface csg & cmt w/700 sx.
- Install 3000# BOP & test to 600#.
- Drill 11" hole to 4070', run & set 8-5/8" intermediate csg & cmt w/1000 sx.
- Test csg to 1000#.
- Drill 7-7/8" hole to 8100' TVD & run electric logs.
- If hydrocarbons are indicated, run & set 5-1/2" csg @ TD w/stage collar at 6200' and cmt 1st stage w/580 sx & 2nd stage w/790 sx.
- RDMO rotary, install wellhead, run cement bond log, perforate and stimulate for production.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 Milton Coffey TITLE Operations Engineer DATE 10-29-93

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

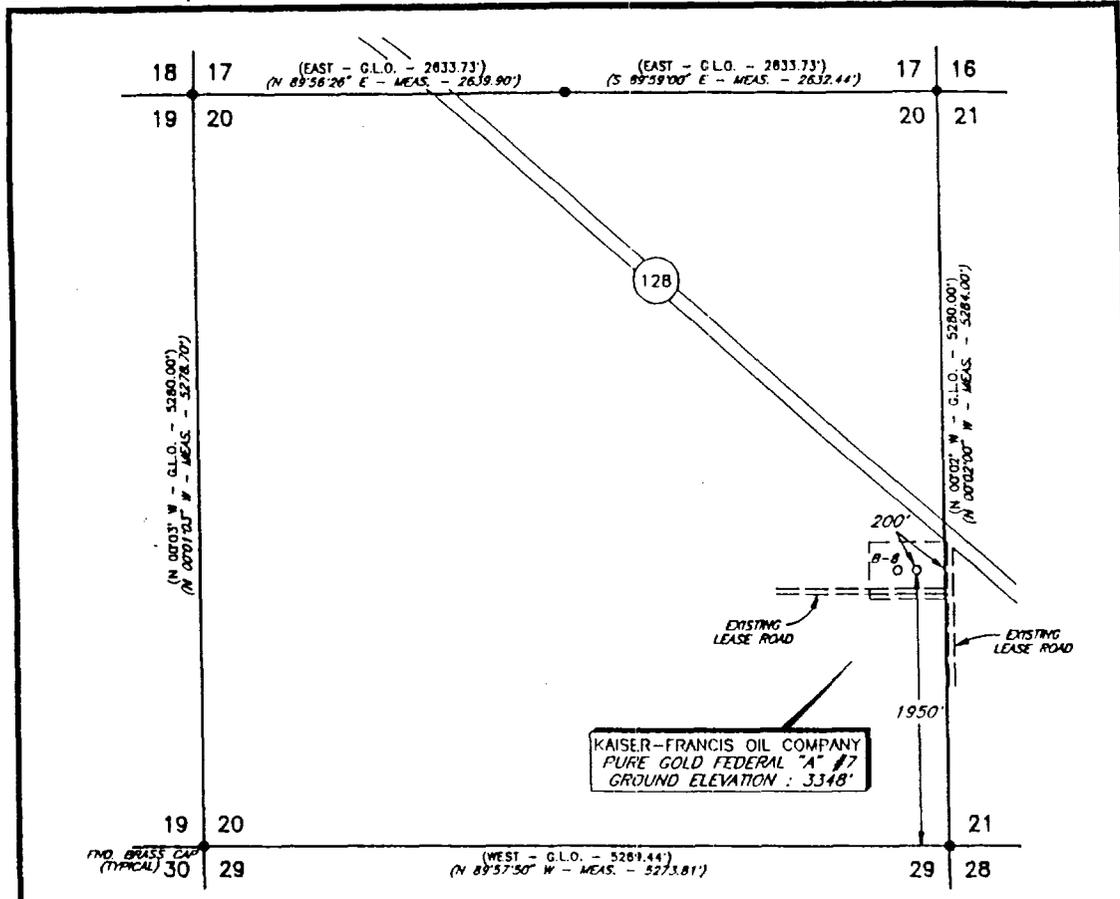
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
 CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

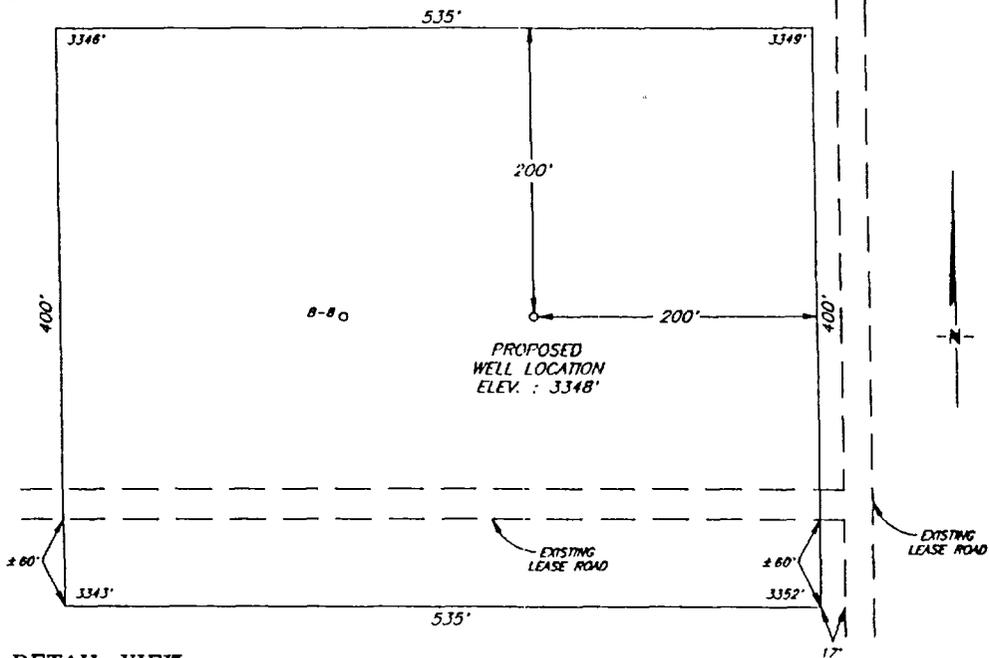
*See Instructions On Reverse Side

PLAT SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 20, T-23-S, R-31-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

Exhibit E
Kaiser-Francis Oil Co.
Pure Gold "A" Fed. #7
Eddy County, NM



PLAN VIEW
1" = 1000'

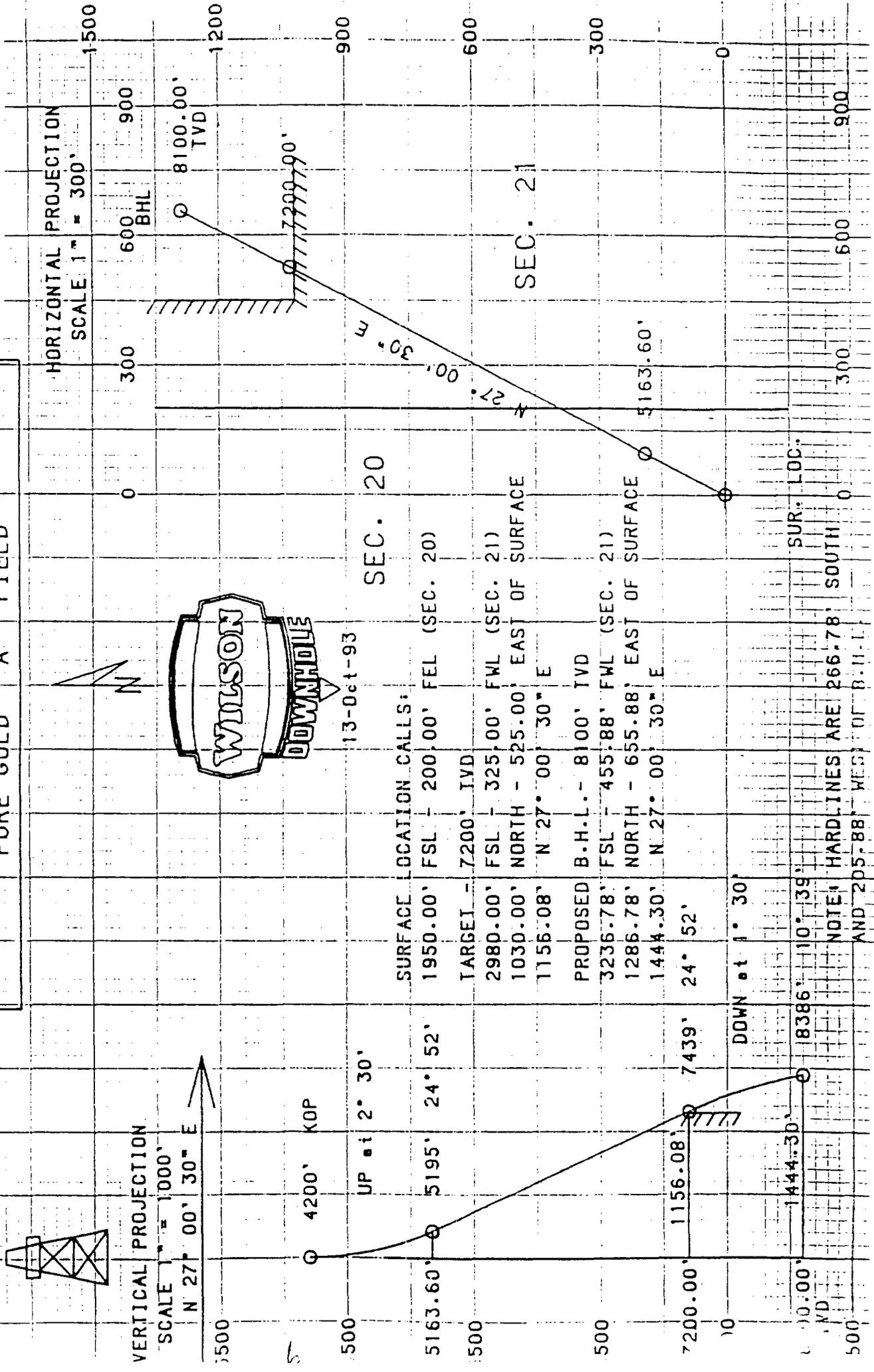


DETAIL VIEW
1" = 100'

				KAISER - FRANCIS OIL COMPANY		SCALE: AS SHOWN	
				ODESSA, TEXAS		DATE: SEPTEMBER 2, 1993	
NO.	REVISION	DATE	BY	SURVEYING AND MAPPING BY TOPOGRAPHIC LAND SURVEYORS MIDLAND, TEXAS		JOB NO.: 97700	
SURVEYED BY: R.J.O.						18 SE	
DRAWN BY: V.H.B.							
APPROVED BY: L.W.B.							

KAISER-FRANCIS OIL COMPANY
 PROPOSED WELL NO. A-7
 SECTION 21, T 23 S-R 31 E
 EDDY COUNTY, NEW MEXICO
 PURE GOLD "A" FIELD

Exhibit A1
 Kaiser-Francis Oil Co.
 Pure Gold "A" Fed. #7
 Eddy County, NM



DISTRICT I
P. O. Box 1980
Hobbs, NM 88240

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

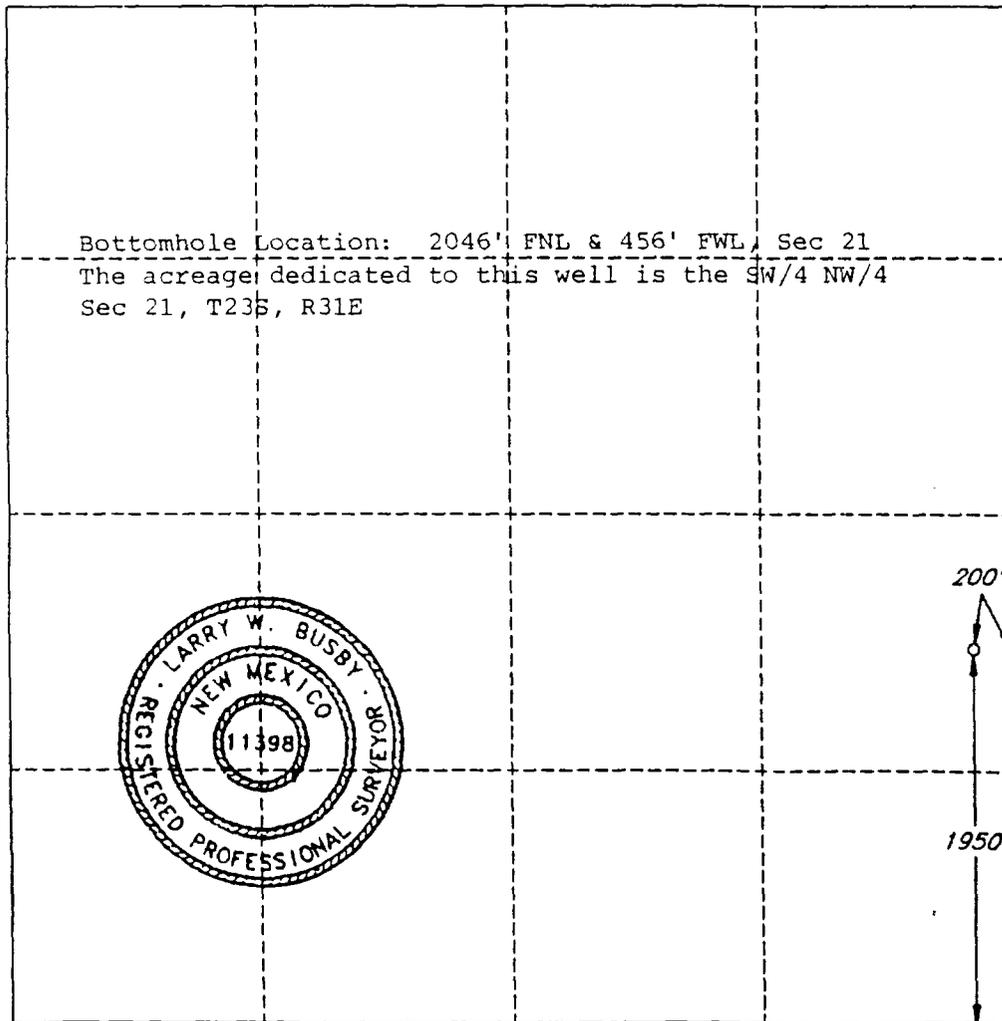
DISTRICT II
P. O. Drawer DD
Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd
Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
All distances must be from the outer boundaries of the section.

Operator KAISER - FRANCIS OIL COMPANY			Lease PURE GOLD FEDERAL "A"		Well No. 7
Unit Letter I	Section 20	Township 23 SOUTH	Range 31 EAST, N.M.P.M.	County EDDY	
Actual Footage Location of Well					
1950 feet from the SOUTH line and		200 feet from the EAST line			
Ground Level Elev. 3348'	Producing Formation Delaware	Pool West Sand Dunes	Acres 40		

- 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 interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?
 - Yes No. If answer is "yes", type of consolidation _____
 - If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the 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 interest, has been approved by the division.



OPERATOR CERTIFICATION

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

Signature
Milton Griffin

Printed Name
Milton Griffin

Position
Operations Engineer

Company
Kaiser-Francis Oil Co.

Date
October 29, 1993

SURVEYOR CERTIFICATION

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
SEPTEMBER 2, 1993

Signature and Seal of Professional Surveyor
Larry W. Busby

Certificate No.
LARRY W. BUSBY R.P.S. #11398

APPLICATION FOR PERMIT TO DRILL
KAISER-FRANCIS OIL COMPANY
Pure Gold "A" Federal No. 7
Surface Location: 1950' FSL & 200' FEL Sec 20
Bottomhole Location: 2138' FNL & 411' FWL Sec 21
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Kaiser-Francis Oil Company submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is Quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Delaware	4150'
Bone Springs	8000'
TD	8100'
3. We do not anticipate encountering water, and oil and gas formations are as follows:

Delaware

4. Proposed Casing Program: See Form 3160-3 and Exhibit A.
5. Pressure Control Equipment: See Exhibit B.
6. Mud Program: See Exhibit C.
7. Auxiliary equipment: Blowout preventer.
8. Testing, Logging, and Coring Programs: No DST's are anticipated. Approximately 25 rotary drilled sidewall wireline cores will be taken in various Delaware zones between 5900' to 7900'. Electric logs will consist of a Compensated Neutron/Litho Density w/Gamma Ray and Caliper and a Dual Laterolog. A Mudlogging unit will be used from 4150' to TD.
9. No abnormal pressures, no abnormal temperatures and no H2S are expected.
10. Anticipated starting date: As soon as possible.

EXHIBIT A
KAISER-FRANCIS OIL COMPANY
Pure Gold "A" Federal #7
Eddy County, New Mexico

SUMMARY

Drilling, Casing and Cementing Program

1. Drill 17-1/2" hole to 700' and run 13-3/8", 48#, H40 casing. Use guide shoe on bottom joint with a float insert 1 joint above the guide shoe. Run 1 centralizer per joint on bottom 3 joints. Cement with 500 sx Class "C" + 2% CaCl + 1/4 pps Cello Flake lead cement followed by 200 sx Class "C" + 2% CaCl. Drop top plug and displace cement with mud.
2. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 600 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 600 psi for 30 minutes.
3. Drill 11" hole to 4070' and run a 8-5/8", 32#, J55 casing. Use guide shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and 5 other centralizers. Cement with 800 sx Class C Lite (35:65:6) + 9.5 pps salt + 1/4 pps Celloflake lead cement followed by 200 sx Class C + 1% KCl + 5 pps salt. A Fluid Caliper will be run to determine the exact volume of cement required to circulate cement to the surface.
4. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 1000 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 1000 psi for 30 minutes.
5. Go in hole with 7-7/8" bit + 6-1/4" x 30' non-magnetic drill collar + (18) 6-1/4" steel drill collar. Drill 7-7/8" hole to KOP of 4200' and survey with non-magnetic instrument at 4200'. POOH for angle building assembly.
6. Go in hole with 7-7/8" bit + 6-1/2" slow-speed motor + 1-1/2" bent sub + 6-1/4" x 30' non-magnetic drill collar + 20 steel drill collars. Orient tool face properly, deflect well bore toward proper direction. Start angle building run. Drill with this assembly building approximately 2-1/2 degrees per 100 feet of hole in the proper direction until a maximum angle of 24 degrees 52 minutes is obtained plus or minus to 5195' M.D. POOH for angle holding assembly.
7. Go in hole with 7-7/8" bit + 6 point roller reamer + short drill collar + 3 point collar roller reamer + 6-1/4" non-mag drill collar + 3 point roller reamer + 6-1/4" steel drill collar + 3 point roller reamer + (20) 6-1/4" drill collars. Drill hole maintaining 24 degrees and 52 minutes to the TVD depth of 7200'. POOH for angle dropping assembly.

8. Go in hole with 7-7/8" bit + 6-1/4" non-magnetic drill collar + 3 point roller reamer + (20) 6-1/4" steel drill collars. Drill the hole dropping at 1-1/2 degrees per 100' deviation to plugs or minus 7200' TVD. At this point you will continue to drill to a TVD depth of 8100'.
9. Run 5-1/2", 17#, K55 casing with a stage tool at approximately 6200'. Use a float shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and as required across potential productive intervals. Cement the first stage with 580 sx Class H + additives, and cement the second stage with 690 sx Class C Lite (35:65:6) lead cement followed with 100 sx Class C neat. The exact volume to bring the cement top to 4000' will be determined after logging the well.
10. Perforations and stimulation treatments will be determined after running electric logs and setting the 5-1/2" casing.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. TYPE OF WORK
DRILL DEEPEN

B. TYPE OF WELL
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Kaiser-Francis Oil Company

3. ADDRESS AND TELEPHONE NO.
P.O. Box 21468, Tulsa, Oklahoma 74121-1468

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
10' FSL & 1935' FWL Sec 16
At proposed prod. zone
1947' FNL & 1789' FWL Sec 21

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
17 miles East from Loving

16. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) ' 469'

10. NO. OF ACRES IN LEASE
640

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

13. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2250'

19. PROPOSED DEPTH
8100' TVD

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3369'

22. APPROX. DATE WORK WILL START*

6. LEASE DESIGNATION AND SERIAL NO.
NM38464

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME WELL NO.
Pure Gold A Federal

9. AP WELL NO.
8

10. FIELD AND POOL, OR WILDCAT
West Sand Dunes

11. SEC., T., S., M., OR BLM. AND SURVEY OR AREA
Sec 21, T23S, R31E

12. COUNTY OR PARISH 13. STATE
Eddy NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	700	700 sacks Circulated
11	8-5/8	32#	4070	1000 sacks Circulated
7-7/8	5-1/2	17#	8100' TVD	1370 sacks tie back @ least 200' into 8-5/8"

Stage tool @ 6200'

- MIRU Rotary.
- Drill 17-1/2" hole to 700' run & set 13-3/8" surface csg & cmt w/700 sx.
- Install 3000# BOP & test to 600#.
- Drill 11" hole to 4070', run & set 8-5/8" intermediate csg & cmt w/1000 sx.
- Test csg to 1000#.
- Drill 7-7/8" hole to 8100' TVD & run electric logs.
- If hydrocarbons are indicated, run & set 5-1/2" csg @ TD w/stage collar at 6200' and cmt 1st stage w/580 sx & 2nd stage w/790 sx.
- RDMO rotary, install wellhead, run cement bond log, perforate and stimulate for production.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.

24. Milton Coffey TITLE Operations Engineer DATE 10-29-93

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

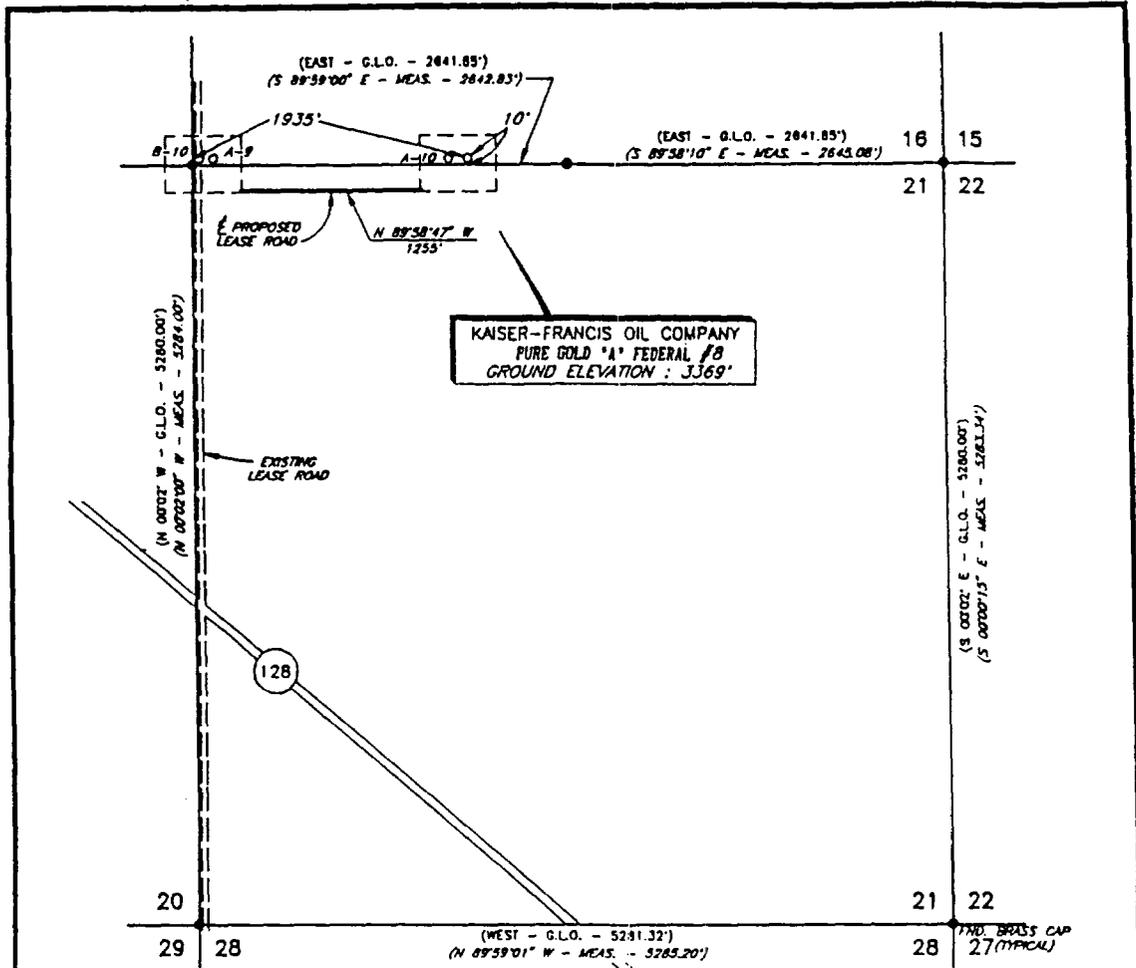
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

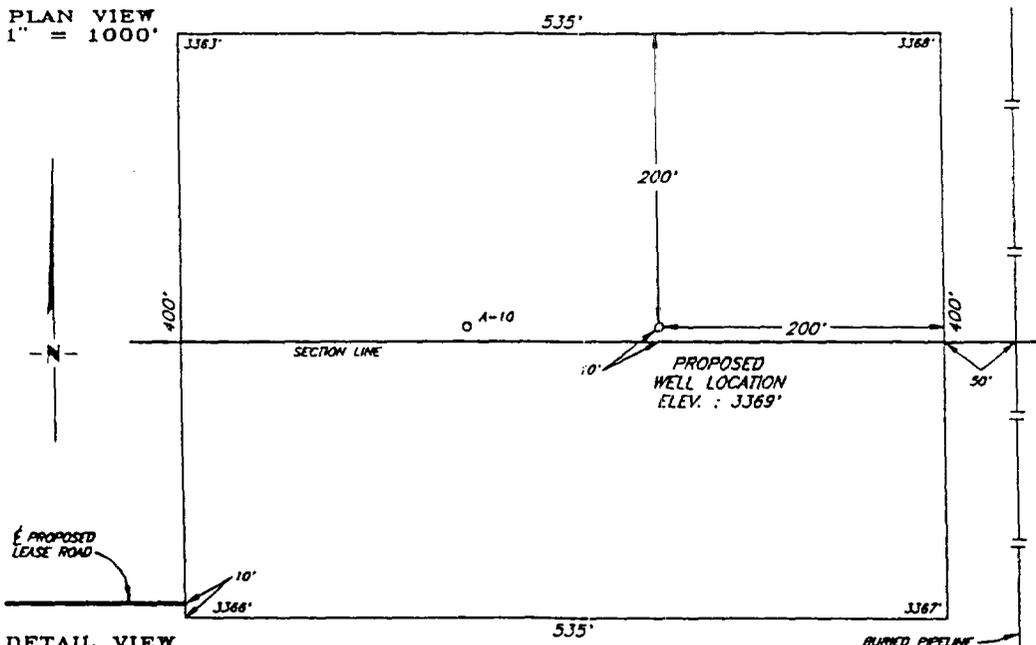
12 *See Instructions On Reverse Side

WELL LOCATION AND LEASE ROAD IN
SECTION 16 & 21, T-23-S, R-31-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

Kaiser-Francis Oil Co.
Pure Gold "A" Fed. #8
Eddy County, NM



PLAN VIEW
1" = 1000'



DETAIL VIEW
1" = 100'

				Kaiser-Francis Oil Company		SCALE: AS SHOWN
				ODESSA, TEXAS		DATE: SEPTEMBER 3, 1993
NO.	REVISION	DATE	BY	SURVEYING AND MAPPING BY		JOB NO.: 97706
SURVEYED BY: R.J.O.			TOPOGRAPHIC LAND SURVEYORS			48 SE
DRAWN BY: V.H.B.			MIDLAND, TEXAS			SHEET : 1 OF 1
APPROVED BY: L.W.B.						

KAISER-FRANCIS OIL COMPANY
 PURE GOLD "A" FIELD
 SECTION 21 T23S R31E
 WELL NO. A-8
 EDDY COUNTY, NEW MEXICO

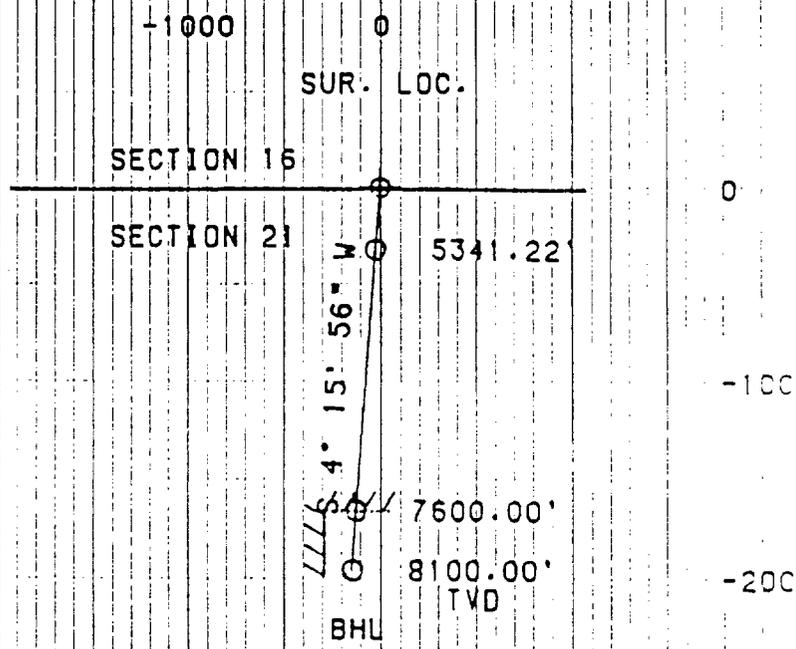
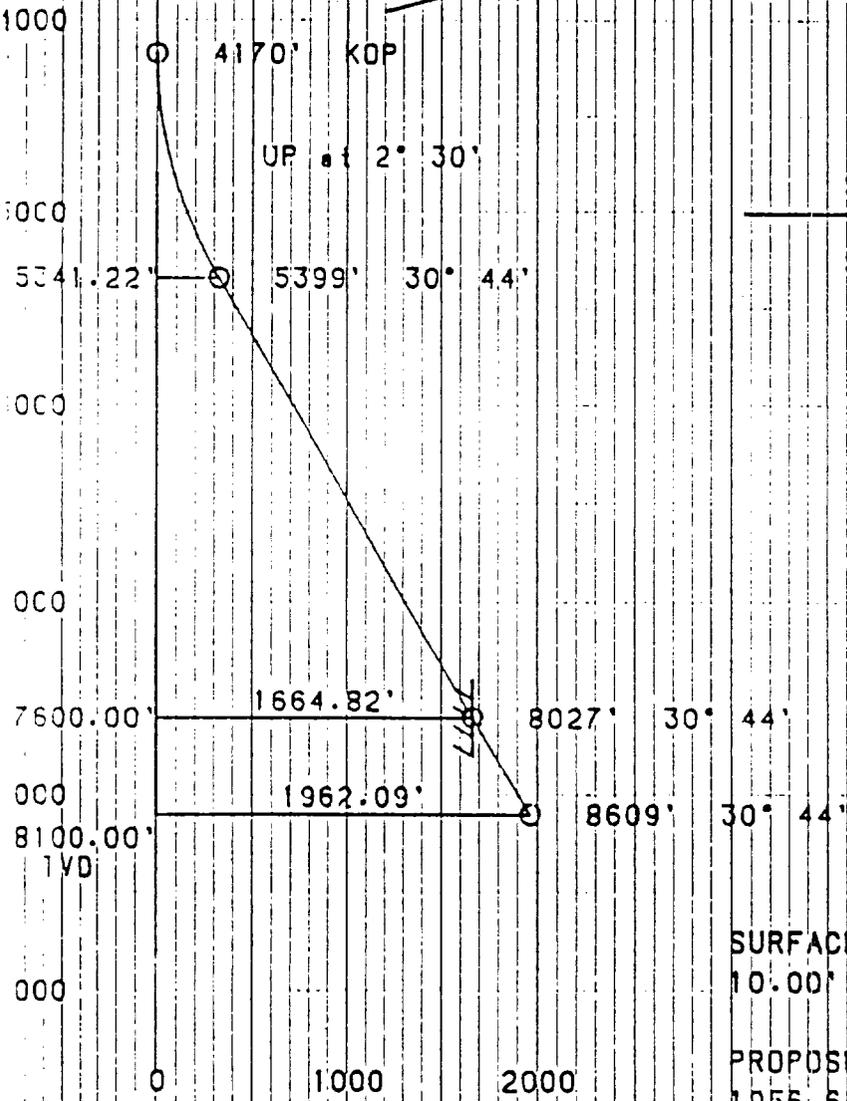
Exhibit A1
 Kaiser-Francis Oil Co.
 Pure Gold "A" Fed. #8
 Eddy County, NM



1-Jul-93

VERTICAL PROJECTION
 SCALE 1" = 1000'
 S 4° 15' 56" W

HORIZONTAL PROJECTION
 SCALE 1" = 1000'



SURFACE LOCATION CALLS:
 10.00' FSL - 1935.00' FWL SECTION 16
 PROPOSED B.H.L. - 8100.00' TVD
 1956.65' S - 145.94' W OF SURFACE
 1946.65' FNL - 1789.06' FWL OF SECTION 21
 1962.09' S 04° 15' 56" W

DISTRICT I
 P. O. Box 1980
 Hobbs, NM 88240

OIL CONSERVATION DIVISION
 P. O. Box 2088
 Santa Fe, New Mexico 87504-2088

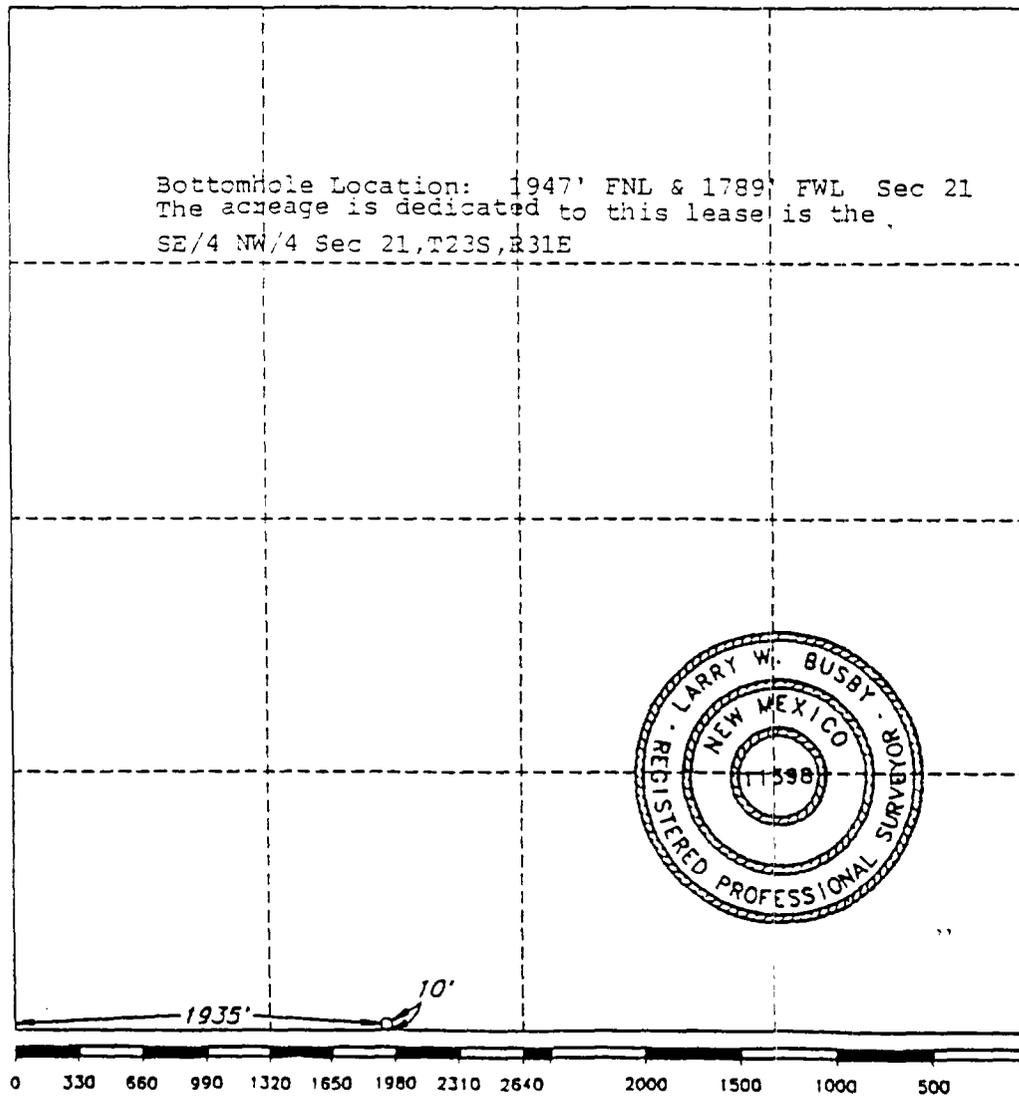
DISTRICT II
 P. O. Drawer 00
 Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd
 Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All distances must be from the outer boundaries of the section.

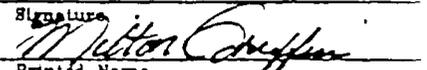
Operator KAISER - FRANCIS OIL COMPANY		Lease PURE GOLD "A" FEDERAL		Well No. 8
Unit Letter N	Section 18	Township 23 SOUTH	Range 31 EAST, N.M.P.M.	County EDDY
Actual Footage Location of Well				
10 feet from the SOUTH line and		1935 feet from the WEST line		
Ground Level Elev. 3389'	Producing Formation Delaware	Pool West Sand Dunes	40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plot 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 interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?
 - Yes No If answer is "yes", type of consolidation _____
 - If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the 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 interest, has been approved by the division.



OPERATOR CERTIFICATION

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

Signature

 Printed Name
Milton Griffin
 Position
Operations Engineer
 Company
Kaiser-Francis Oil Co.
 Date
October 29, 1993

SURVEYOR CERTIFICATION

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
SEPTEMBER 3, 1993
 Signature and Seal of Professional Surveyor

 Certificate No.
LARRY W. BUSBY R.P.S. 11398
 JOB #97705

APPLICATION FOR PERMIT TO DRILL
KAISER-FRANCIS OIL COMPANY
Pure Gold "A" Federal No. 8
Surface Location: 10' FSL & 1935' FWL Sec 16
Bottomhole Location: 1947' FNL & 1789' FWL Sec 21
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Kaiser-Francis Oil Company submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is Quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Delaware	4150'
Bone Springs	8000'
TD	8100'
3. We do not anticipate encountering water, and oil and gas formations are as follows:

Delaware	
----------	--
4. Proposed Casing Program: See Form 3160-3 and Exhibit A.
5. Pressure Control Equipment: See Exhibit B.
6. Mud Program: See Exhibit C.
7. Auxiliary equipment: Blowout preventer.
8. Testing, Logging, and Coring Programs: No DST's are anticipated. Approximately 25 rotary drilled sidewall wireline cores will be taken in various Delaware zones between 5900' to 7900'. Electric logs will consist of a Compensated Neutron/Litho Density w/Gamma Ray and Caliper and a Dual Laterolog. A Mudlogging unit will be used from 4150' to TD.
9. No abnormal pressures, no abnormal temperatures and no H2S are expected.
10. Anticipated starting date: As soon as possible.

EXHIBIT A
KAISER-FRANCIS OIL COMPANY
Pure Gold "A" Federal #8
Eddy County, New Mexico

SUMMARY

Drilling, Casing and Cementing Program

1. Drill 17-1/2" hole to 700' and run 13-3/8", 48#, H40 casing. Use guide shoe on bottom joint with a float insert 1 joint above the guide shoe. Run 1 centralizer per joint on bottom 3 joints. Cement with 500 sx Class "C" + 2% CaCl + 1/4 pps Cello Flake lead cement followed by 200 sx Class "C" + 2% CaCl. Drop top plug and displace cement with mud.
2. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 600 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 600 psi for 30 minutes.
3. Drill 11" hole to 4070' and run a 8-5/8", 32#, J55 casing. Use guide shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and 5 other centralizers. Cement with 800 sx Class C Lite (35:65:6) + 9.5 pps salt + 1/4 pps Celloflake lead cement followed by 200 sx Class C + 1% KCl + 5 pps salt. A Fluid Caliper will be run to determine the exact volume of cement required to circulate cement to the surface.
4. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 1000 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 1000 psi for 30 minutes.
5. Go in hole with 7-7/8" bit + 6-1/4" x 30' non-magnetic drill collar + (18) 6-1/4" steel drill collar. Drill 7-7/8" hole to KOP of 4200' and survey with non-magnetic instrument at 4200'. POOH for angle building assembly.
6. Go in hole with 7-7/8" bit + 6-1/2" slow-speed motor + 1-1/2" bent sub + 6-1/4" x 30' non-magnetic drill collar + steel drill collars. Orient tool face properly, deflect well bore toward proper direction. Start angle building run. Drill with this assembly building approximately 2-1/2 degrees per 100 feet of hole in the proper direction until a maximum angle of 30 degrees 44 minutes is obtained plus or minus to 5399' M.D. POOH for packed hole assembly.
7. Go in hole with 7-7/8" bit + 6 point roller reamer + short drill collar + 3 point collar roller reamer + 6-1/4" non-mag drill collar + 3 point roller reamer + 6-1/4" steel drill collar + 3 point roller reamer + (20) 6-1/4" drill collars. Drill hole maintaining 30 degrees 44 minutes deviation into the Bone Springs plus or minus 7600' TVD and continue to drill to TD with the same deviation to plus or minus 8100' TVD.

8. Run 5-1/2", 17#, K55 casing with a stage tool at approximately 6200'. Use a float shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and as required across potential productive intervals. Cement the first stage with 580 sx Class H + additives, and cement the second stage with 690 sx Class C Lite (35:65:6) lead cement followed with 100 sx Class C neat. The exact volume to bring the cement top to 4000' will be determined after logging the well.
9. Perforations and stimulation treatments will be determined after running electric logs and setting the 5-1/2" casing.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.
NM38464

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME WELL NO.
Pure Gold A Federal

9. AN WELL NO.
9

10. FIELD AND POOL, OR WILDCAT
West Sand Dunes

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA
Sec 21, T23S, R31E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

1a. TYPE OF WORK
DRILL DEEPEN

b. TYPE OF WELL
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Kaiser-Francis Oil Company

3. ADDRESS AND TELEPHONE NO.
P.O. Box 21468, Tulsa, Oklahoma 74121-1468

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
10' FSL & 280' FWL Sec 16
At proposed prod. zone
480' FNL & 480' FWL Sec 21

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
17 miles East from Loving

16. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY ON LEASE LINE, FT. (Also to nearest drilg. unit line, if any)
480' 480'

17. NO. OF ACRES IN LEASE
640

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.
1120'

19. PROPOSED DEPTH
8100' TVD

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3354'

22. APPROX. DATE WORK WILL START*

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	700	700 sacks Circulated
11	8-5/8	32#	4070	1000 sacks Circulated
7-7/8	5-1/2	17#	8100' TVD	1370 sacks tie back @ least 200' into 8-5/8"

Stage tool @ 6200'

- MIRU Rotary.
- Drill 17-1/2" hole to 700' run & set 13-3/8" surface csg & cmt w/700 sx.
- Install 3000# BOP & test to 600#.
- Drill 11" hole to 4070', run & set 8-5/8" intermediate csg & cmt w/1000 sx.
- Test csg to 1000#.
- Drill 7-7/8" hole to 8100' TVD & run electric logs.
- If hydrocarbons are indicated, run & set 5-1/2" csg @ TD w/stage collar at 6200' and cmt 1st stage w/580 sx & 2nd stage w/790 sx.
- RDMO rotary, install wellhead, run cement bond log, perforate and stimulate for production.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.

51. W. J. [Signature] TITLE Operations Engineer DATE 10/12/93

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

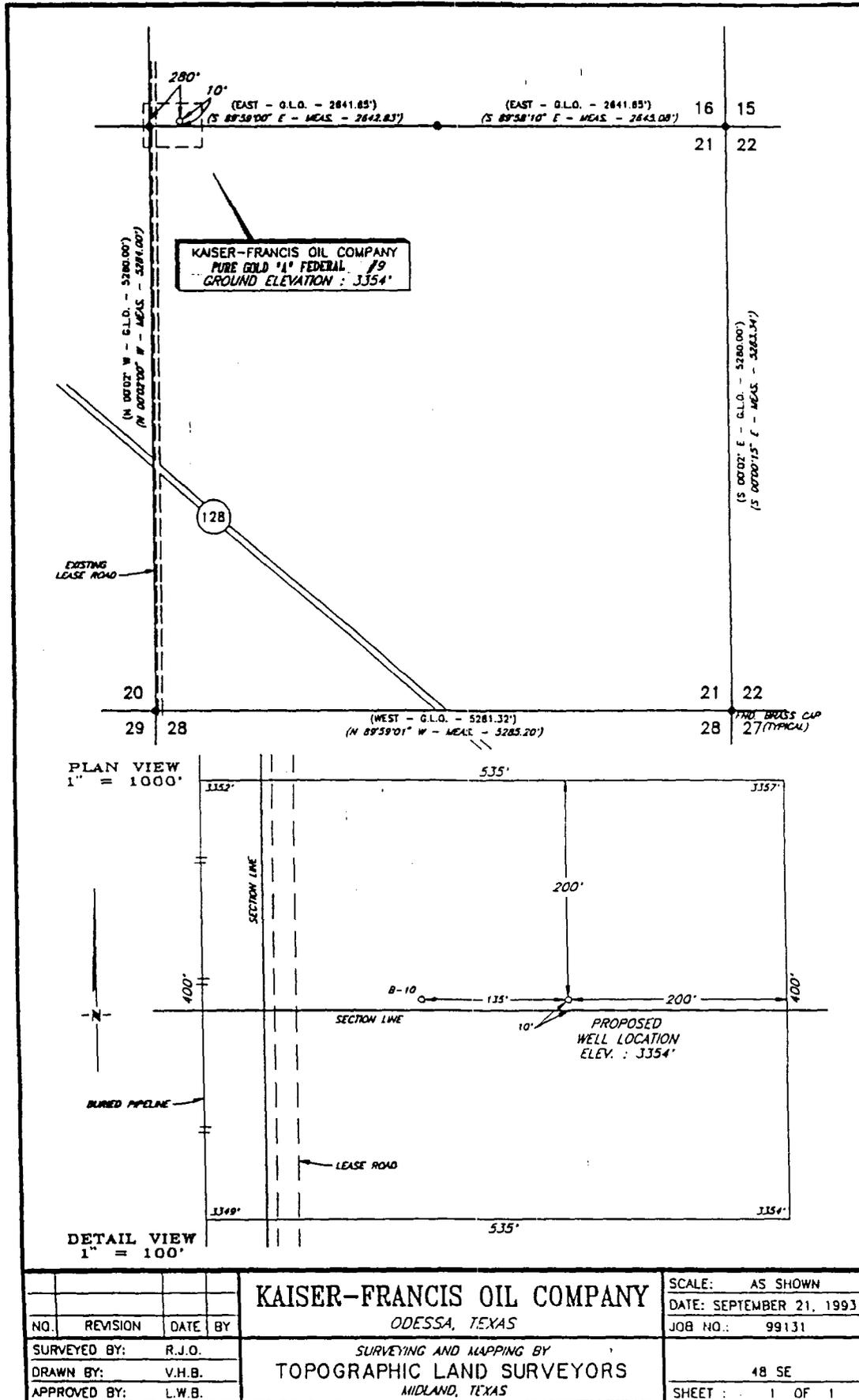
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

PLAT SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 16 & 21, T-23-S, R-31-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

Exhibit E
Kaiser-Francis Oil Co.
Pure Gold "A" Fed. #9
Eddy County, NM



KAISER-FRANCIS OIL COMPANY
 PURE GOLD "A" FIELD
 SECTION 21 T23S R31E
 WELL NO. A-9
 EDDY COUNTY, NEW MEXICO



VERTICAL PROJECTION

SCALE 1" = 500'

S 22° 12' 13" E

HORIZONTAL PROJECTION

SCALE 1" = 100'

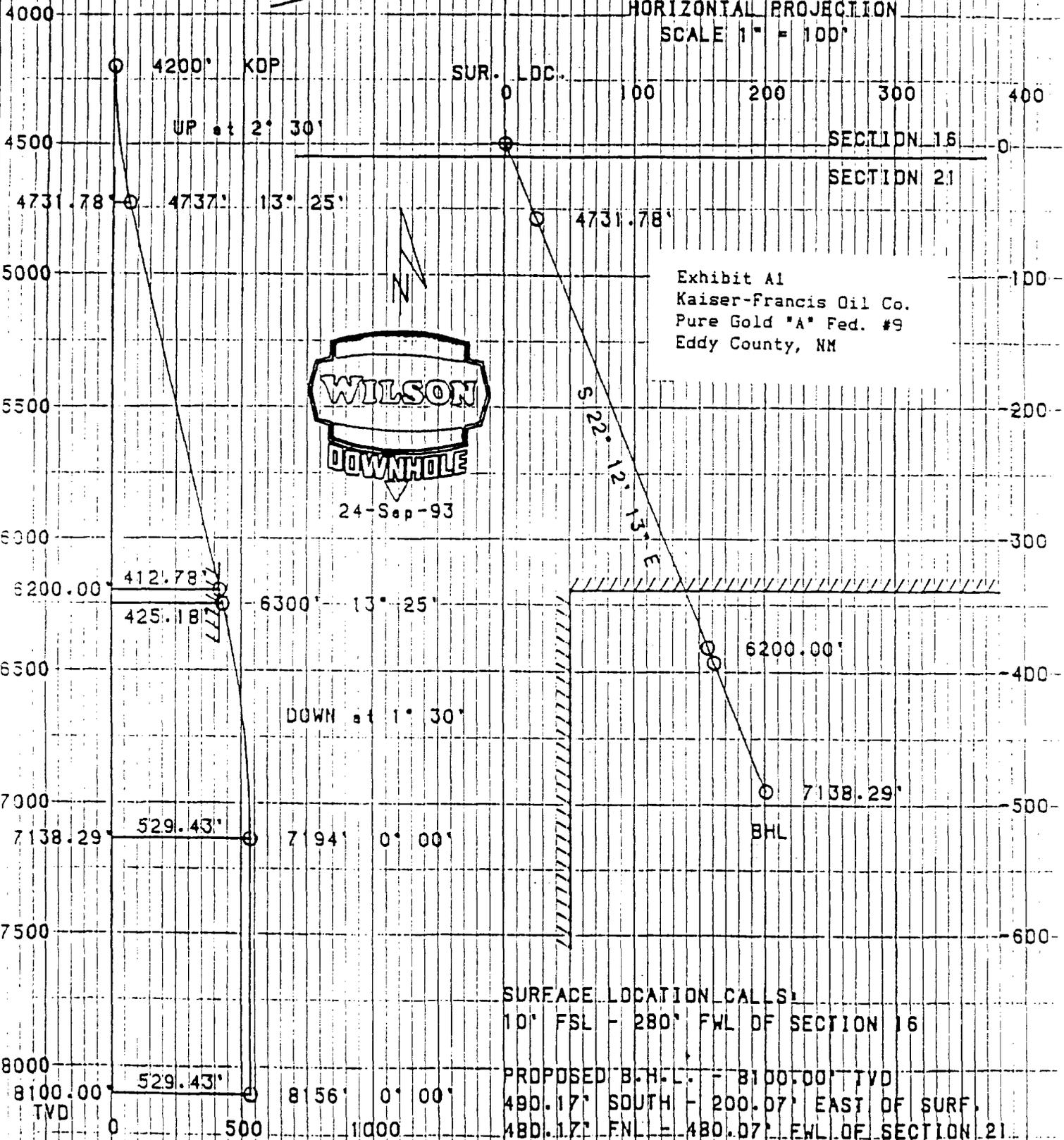


Exhibit A1
 Kaiser-Francis Oil Co.
 Pure Gold "A" Fed. #9
 Eddy County, NM



24-Sep-93

SURFACE LOCATION CALLS:

10' FSL - 280' FWL OF SECTION 16

PROPOSED B.H.L. - 8100.00' TVD

490.17' SOUTH - 200.07' EAST OF SURF.

480.17' FWL - 480.07' FWL OF SECTION 21

529.43' S 22° 12' 13" E

Q1

District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals, and Natural Resources Department

Form O-1
 Revised - 1-89

DISTRICT I
 P. O. Box 1980
 Hobbs, NM 88240

OIL CONSERVATION DIVISION
 P. O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT II
 P. O. Drawer DD
 Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd
 Aztec, NM 87410

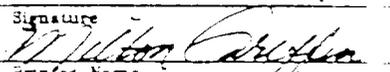
WELL LOCATION AND ACREAGE DEDICATION PLAT
 All distances must be from the outer boundaries of the section.

Operator KAISER - FRANCIS OIL COMPANY		Lease PURE GOLD "A" FEDERAL		Well No. 9
Unit Letter M	Section 16	Township 23 SOUTH	Range 31 EAST, N.M.P.M.	County EDDY
Actual Footage Location of Well				
10 feet from the SOUTH line and		280 feet from the WEST line		line
Ground Level Elev. 3354'	Producing Formation	Pool	Acres	

- Outline the acreage dedicated to the subject well by colored pencil or machine 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 interest of all the owners been consolidated by communization, unitization, forced-pooling, etc.?
 - Yes No If answer is "yes", type of consolidation _____
 - If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the reverse side of this form if necessary.) _____
 No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the division.

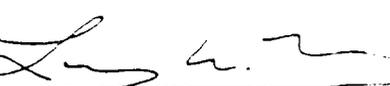
OPERATOR CERTIFICATION

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

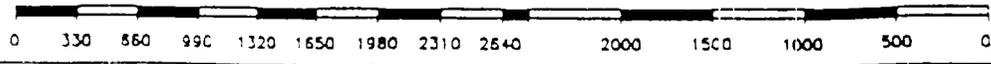
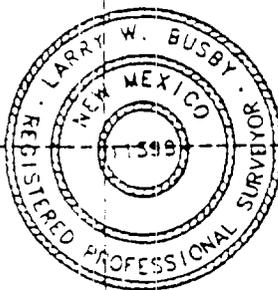
Signature

 Printed Name
 Malcolm B. Griffin
 Position
 Operations Engineer
 Company
 Kaiser-Francis Oil Co.
 Date
 October 12, 1993

SURVEYOR CERTIFICATION

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
 SEPTEMBER 21, 1993
 Signature and Seal of Professional Surveyor

 Certificate No.
 LARRY W. BUSBY R.P.S. #11098
 JOB #99131 / 48 SE

Bottomhole Location: 480' FNL & 480' FWL Sec 21
 The acreage dedicated to this well is the NW/4
 NW/4 Sec 21, T23S, R31E.



125830

APPLICATION FOR PERMIT TO DRILL
KAISER-FRANCIS OIL COMPANY
Pure Gold "A" Federal No. 9
Surface Location: 10' FSL & 280' FWL Sec 16
Bottomhole Location: 480' FNL & 480' FWL Sec 21
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Kaiser-Francis Oil Company submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is Quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Delaware	4150'
Bone Springs	3000'
TD	8100'
3. We do not anticipate encountering water, and oil and gas formations are as follows:

Delaware

4. Proposed Casing Program: See Form 3160-3 and Exhibit A.
5. Pressure Control Equipment: See Exhibit B.
6. Mud Program: See Exhibit C.
7. Auxiliary equipment: Blowout preventer.
8. Testing, Logging, and Coring Programs: No DST's are anticipated. Approximately 25 rotary drilled sidewall wireline cores will be taken in various Delaware zones between 5900' to 7900'. Electric logs will consist of a Compensated Neutron/Litho Density w/Gamma Ray and Caliper and a Dual Laterolog. A Mudlogging unit will be used from 4150' to TD.
9. No abnormal pressures, no abnormal temperatures and no H2S are expected.
10. Anticipated starting date: As soon as possible.

EXHIBIT A
KAISER-FRANCIS OIL COMPANY
Pure Gold "A" Federal #9
Eddy County, New Mexico

SUMMARY

Drilling, Casing and Cementing Program

1. Drill 17-1/2" hole to 700' and run 13-3/8", 48#, H40 casing. Use guide shoe on bottom joint with a float insert 1 joint above the guide shoe. Run 1 centralizer per joint on bottom 3 joints. Cement with 500 sx Class "C" + 2% CaCl + 1/4 pps Cello Flake lead cement followed by 200 sx Class "C" + 2% CaCl. Drop top plug and displace cement with mud.
2. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 600 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 600 psi for 30 minutes.
3. Drill 11" hole to 4070' and run a 8-5/8", 32#, J55 casing. Use guide shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and 5 other centralizers. Cement with 800 sx Class C Lite (35:65:6) + 9.5 pps salt + 1/4 pps Celloflake lead cement followed by 200 sx Class C + 1% KCl + 5 pps salt. A Fluid Caliper will be run to determine the exact volume of cement required to circulate cement to the surface.
4. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 1000 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 1000 psi for 30 minutes.
5. Go in hole with 7-7/8" bit + 6-1/4" x 30' non-magnetic drill collar + (18) 6-1/4" steel drill collar. Drill 7-7/8" hole to KOP of 4200' and survey with non-magnetic instrument at 4200'. POOH for angle building assembly.
6. Go in hole with 7-7/8" bit + 6-1/2" slow-speed motor + 1-1/2" bent sub + 6-1/4" x 30' non-magnetic drill collar + 20 steel drill collars. Orient tool face properly, deflect well bore toward proper direction. Start angle building run. Drill with this assembly building approximately 2-1/2 degrees per 100 feet of hole in the proper direction until a maximum angle of 13 degrees 25 minutes is obtained plus or minus to 4737' M.D. POOH for angle holding assembly.
7. Go in hole with 7-7/8" bit + 6 point roller reamer + short drill collar + 3 point collar roller reamer + 6-1/4" non-mag drill collar + 3 point roller reamer + 6-1/4" steel drill collar + 3 point roller reamer + (20) 6-1/4" drill collars. Drill hole maintaining 10 degrees and 48 minutes to the TVD depth of 6200'. POOH for angle dropping assembly.

8. Go in hole with 7-7/8" bit + 6-1/4" non-magnetic drill collar + 3 point roller reamer + (20) 6-1/4" steel drill collars. Drill the hole dropping at 1-1/2 degrees per 100' deviation into the Bone Spring plus or minus 7138.29' TVD. At this point you will be vertical and you will continue to drill to a TVD of 8100'.
9. Run 5-1/2", 17#, K55 casing with a stage tool at approximately 6200'. Use a float shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and as required across potential productive intervals. Cement the first stage with 580 sx Class H + additives, and cement the second stage with 690 sx Class C Lite (35:65:6) lead cement followed with 100 sx Class C neat. The exact volume to bring the cement top to 4000' will be determined after logging the well.
10. Perforations and stimulation treatments will be determined after running electric logs and setting the 5-1/2" casing.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM38464	
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"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Kaiser-Francis Oil Company			7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. P.O. Box 21468, Tulsa, Oklahoma 74121-1468			8. FARM OR LEASE NAME WELL NO. Pure Gold A Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface: 10' FSL & 1800' FWL Sec 16 At proposed prod. zone: Bottomhole: 480' FNL & 1800' FWL Sec 21			9. API WELL NO. 10	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 17 miles East from Loving			10. FIELD AND POOL OR WILDCAT West Sand Dunes	
10. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 480' BHL (Also to nearest drilg. unit line, if any) 480' BHL		16. NO. OF ACRES IN LEASE 640	17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
13. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1800'		19. PROPOSED DEPTH 8100' TVD	20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3367' GL			12. COUNTY OR PARISH Eddy	
			18. STATE NM	
22. APPROX. DATE WORK WILL START*				

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	700	700 sacks circulated
11	8-5/8	32#	4070	1000 sacks circulated
7-7/8	5-1/2	17#	8100' TVD	1370 sacks tie back @ least 200' into 8-5/8"

Stage tool @ 6200'

1. MIRU Rotary.
2. Drill 17-1/2" hole to 700', run & set 13-3/8" surface csg & cmt w/700 sx.
3. Install 3000# BOP & test to 600#.
4. Drill 11" hole to 4070', run & set 8-5/8" intermediate csg & cmt w/1000 sx.
5. Test csg to 1000#.
6. Drill 7-7/8" hole to 8100' TVD, & run electric logs.
7. If hydrocarbons are indicated, run & set 5-1/2" csg @ TD w/stage collar at 6200' and cmt 1st stage w/580 sx & 2nd stage w/790 sx.
8. RDMO rotary, install wellhead, run cement bond log, perforate and stimulate for production.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.

24. SIGNED William C. Griffin TITLE Operations Engineer DATE 10-8-93

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

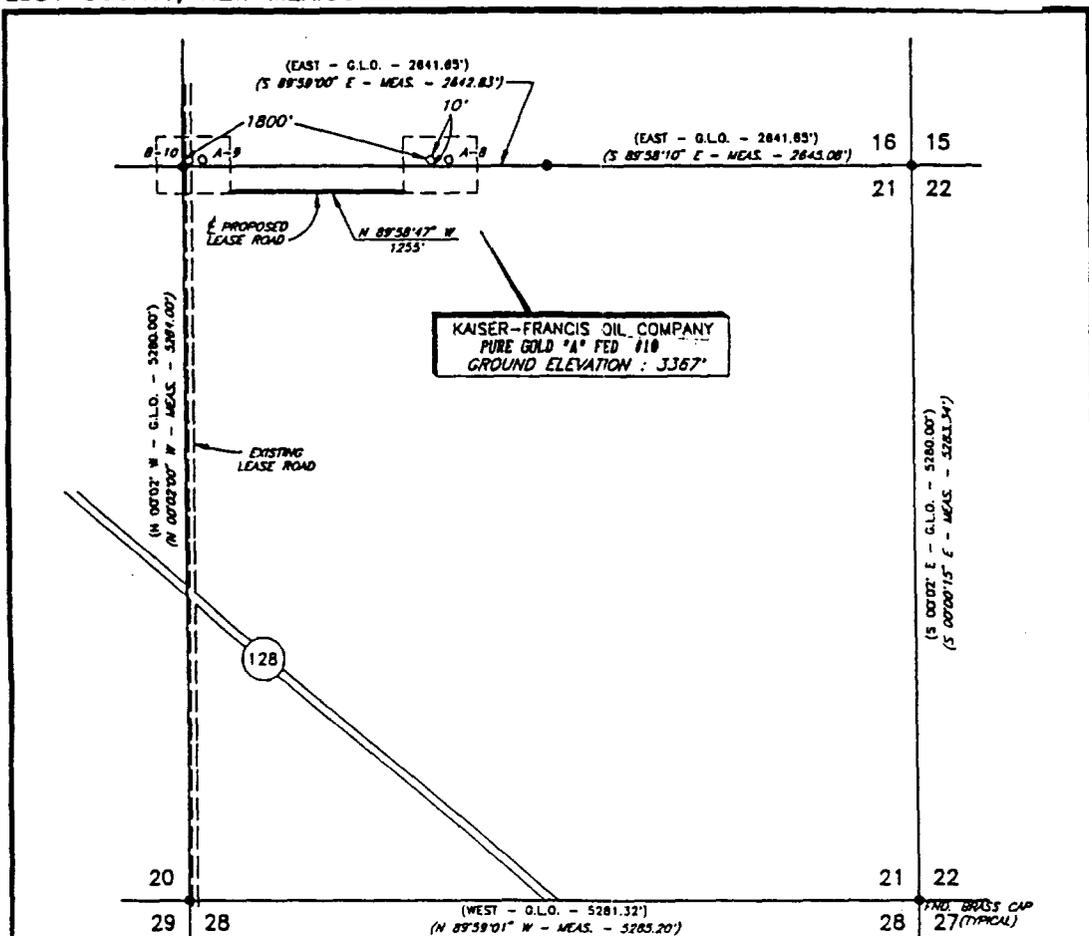
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

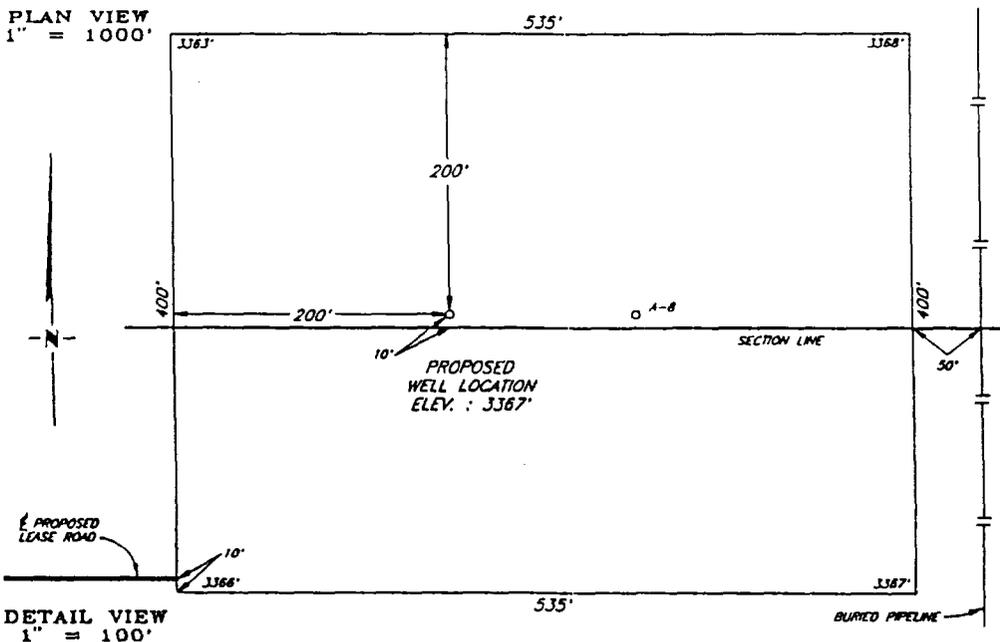
*See Instructions On Reverse Side

PLAT SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 16 & 21, T-23-S, R-31-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

Exhibit E
Kaiser-Francis Oil Company
Pure Gold "A" Fed #10
Eddy County, New Mexico



PLAN VIEW
1" = 1000'



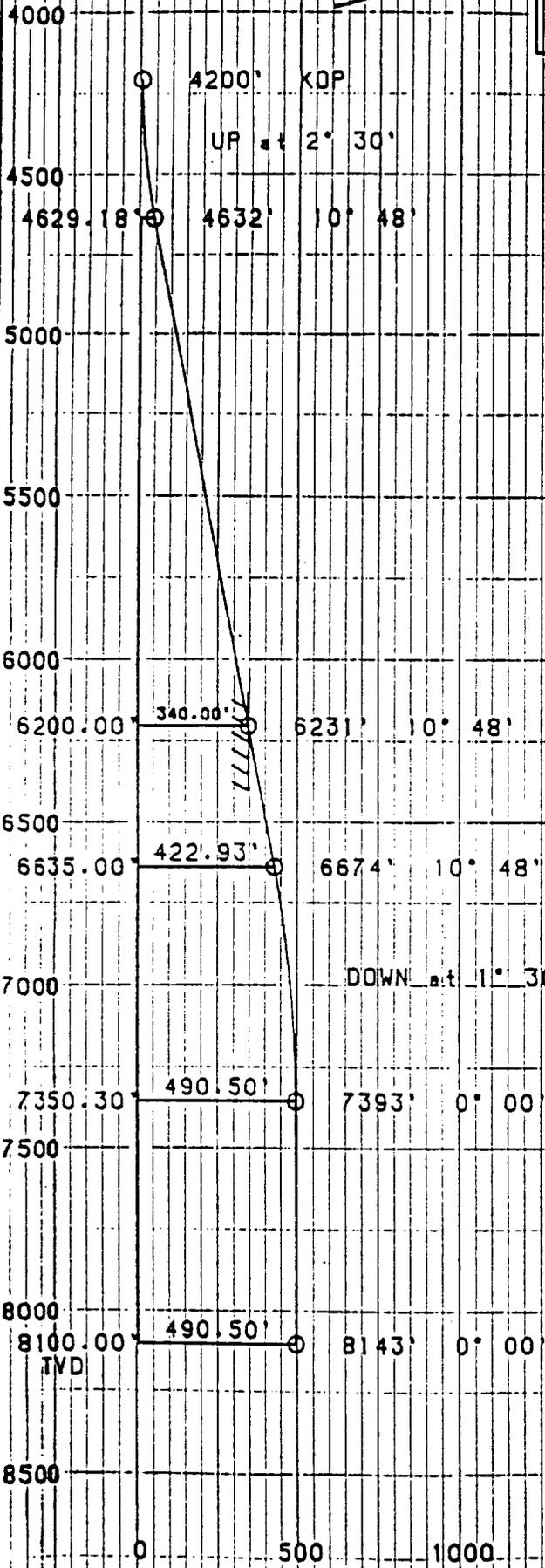
DETAIL VIEW
1" = 100'

				KAISER-FRANCIS OIL COMPANY		SCALE: AS SHOWN
				ODESSA, TEXAS		DATE: SEPTEMBER 3, 1993
NO.	REVISION	DATE	BY			JOB NO.: 97705
SURVEYED BY: R.J.O.						48 SE
DRAWN BY: V.H.B.						
APPROVED BY: L.W.B.						
				SURVEYING AND MAPPING BY TOPOGRAPHIC LAND SURVEYORS MIDLAND, TEXAS		SHEET : 1 OF 1

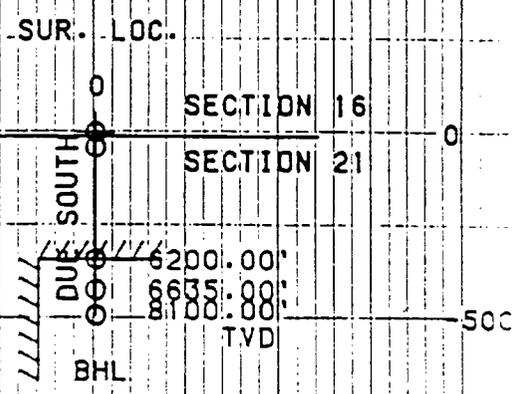
VERTICAL PROJECTION
 SCALE 1" = 500'
 DUE SOUTH

KAISER-FRANCIS OIL COMPANY
 PURE GOLD "A" FIELD
 SECTION 21 T23S R31E
 WELL NO. A-10
 EDDY COUNTY, NEW MEXICO

Exhibit A1
 Kaiser-Francis Oil Company
 Pure Gold "A" Fed #10
 Eddy County, New Mexico



HORIZONTAL PROJECTION
 SCALE 1" = 500'



SURFACE LOCATION CALLS:
 10.00' FSL - 1800.00' FWL OF SECTION 16
 PROPOSED B.H.L. - 8100.00' TVD
 480.50' FNL - 1800.00' FWL SECTION 21
 480.50' DUE SOUTH

DISTRICT I
 P. O. Box 1980
 Hobbs, NM 88240

OIL CONSERVATION DIVISION
 P. O. Box 2088
 Santa Fe, New Mexico 87504-2088

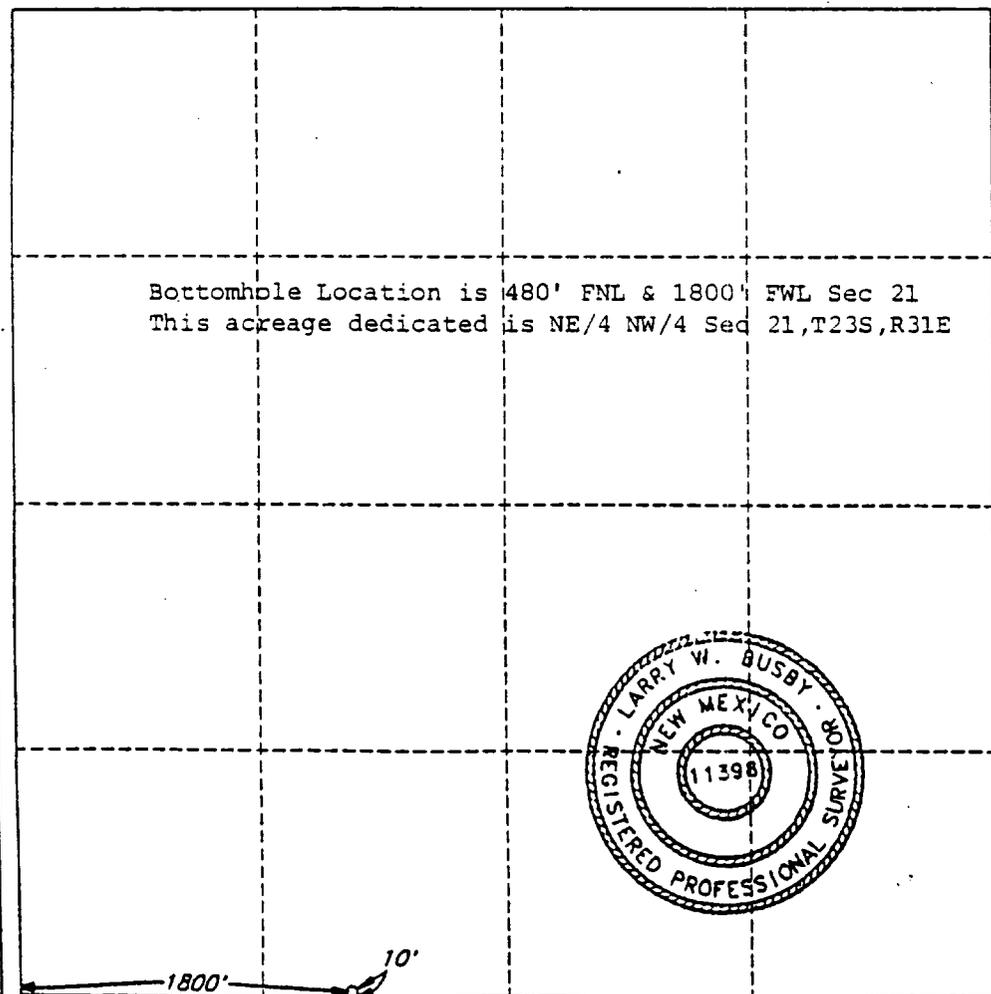
DISTRICT II
 P. O. Drawer DD
 Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd
 Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All distances must be from the outer boundaries of the section.

Operator KAISER - FRANCIS OIL COMPANY			Lease PURE GOLD "A" FED		Well No. 10
Unit Letter N	Section 16	Township 23 SOUTH	Range 31 EAST, N.M.P.M.	County EDDY	
Actual Footage Location of Well					
10 feet from the SOUTH		line and 1800		feet from the WEST line	
Ground Level Elev. 3367'	Producing Formation Delaware		Pool West Sand Dunes		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 interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?
 - Yes No If answer is "yes", type of consolidation _____
 - If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the 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 interest, has been approved by the division.



OPERATOR CERTIFICATION

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

Signature: *Milton Griffin*
 Printed Name: **Milton Griffin**
 Position: **Operations Engineer**
 Company: **Kaiser-Francis Oil Co.**
 Date: **October 8, 1993**

SURVEYOR CERTIFICATION

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: **SEPTEMBER 3, 1993**
 Signature and Seal of Professional Surveyor: _____

Certificate No. **LARRY W. BUSBY R.P.S. #11398**
 JOB #97705 / 48 SE V.H.B.

APPLICATION FOR PERMIT TO DRILL
KAISER-FRANCIS OIL COMPANY
Pure Gold "A" Federal No. 10
Surface Location: 10' FSL & 1800' FWL Sec 16
Bottomhole Location: 480' FNL & 1800' FWL Sec 21
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Kaiser-Francis Oil Company submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is Quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Delaware	4150'
Bone Springs	8000'
TD	8100'
3. We do not anticipate encountering water, and oil and gas formations are as follows:

Delaware

4. Proposed Casing Program: See Form 3160-3 and Exhibit A.
5. Pressure Control Equipment: See Exhibit B.
6. Mud Program: See Exhibit C.
7. Auxiliary equipment: Blowout preventer.
8. Testing, Logging, and Coring Programs: No DST's are anticipated. Approximately 25 rotary drilled sidewall wireline cores will be taken in various Delaware zones between 5900' to 7900'. Electric logs will consist of a Compensated Neutron/Litho Density w/Gamma Ray and Caliper and a Dual Laterolog. A Mudlogging unit will be used from 4150' to TD.
9. No abnormal pressures, no abnormal temperatures and no H2S are expected.
10. Anticipated starting date: As soon as possible.

EXHIBIT A
KAISER-FRANCIS OIL COMPANY
Pure Gold "A" Federal #10
Eddy County, New Mexico

SUMMARY

Drilling, Casing and Cementing Program

1. Drill 17-1/2" hole to 700' and run 13-3/8", 48#, H40 casing. Use guide shoe on bottom joint with a float insert 1 joint above the guide shoe. Run 1 centralizer per joint on bottom 3 joints. Cement with 500 sx Class "C" + 2% CaCl + 1/4 pps Cello Flake lead cement followed by 200 sx Class "C" + 2% CaCl. Drop top plug and displace cement with mud.
2. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 600 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 600 psi for 30 minutes.
3. Drill 11" hole to 4070' and run a 8-5/8", 32#, J55 casing. Use guide shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and 5 other centralizers. Cement with 800 sx Class C Lite (35:65:6) + 9.5 pps salt + 1/4 pps Celloflake lead cement followed by 200 sx Class C + 1% KCl + 5 pps salt. A Fluid Caliper will be run to determine the exact volume of cement required to circulate cement to the surface.
4. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 1000 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 1000 psi for 30 minutes.
5. Go in hole with 7-7/8" bit + 6-1/4" x 30' non-magnetic drill collar + (18) 6-1/4" steel drill collar. Drill 7-7/8" hole to KOP of 4200' and survey with non-magnetic instrument at 4200'. POOH for angle building assembly.
6. Go in hole with 7-7/8" bit + 6-1/2" slow-speed motor + 1-1/2" bent sub + 6-1/4" x 30' non-magnetic drill collar + 20 steel drill collars. Orient tool face properly, deflect well bore toward proper direction. Start angle building run. Drill with this assembly building approximately 2-1/2 degrees per 100 feet of hole in the proper direction until a maximum angle of 10 degrees 48 minutes is obtained plus or minus to 6231' M.D. POOH for angle holding assembly.
7. Go in hole with 7-7/8" bit + 6 point roller reamer + short drill collar + 3 point collar roller reamer + 6-1/4" non-mag drill collar + 3 point roller reamer + 6-1/4" steel drill collar + 3 point roller reamer + (20) 6-1/4" drill collars. Drill hole maintaining 10 degrees and 48 minutes to the TVD depth of 6674'. POOH for angle dropping assembly.

8. Go in hole with 7-7/8" bit + 6-1/4" non-magnetic drill collar + 3 point roller reamer + (20) 6-1/4" steel drill collars. Drill the hole dropping at 1-1/2 degrees per 100' deviation into the Bone Spring plus or minus 7350.30' TVD. At this point you will be vertical and you will continue to drill to a TVD of 8100'.
9. Run 5-1/2", 17#, K55 casing with a stage tool at approximately 6200'. Use a float shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and as required across potential productive intervals. Cement the first stage with 580 sx Class H + additives, and cement the second stage with 690 sx Class C Lite (35:65:6) lead cement followed with 100 sx Class C neat. The exact volume to bring the cement top to 4000' will be determined after logging the well.
10. Perforations and stimulation treatments will be determined after running electric logs and setting the 5-1/2" casing.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL DEEPEN

b. TYPE OF WELL
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Kaiser-Francis Oil Company

3. ADDRESS AND TELEPHONE NO.
P.O. Box 21468, Tulsa, Oklahoma 74121-1468

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface: 10' FSL & 2025' FEL Sec 16
At proposed prod. zone: 2012' FNL & 2176' FEL Sec 21

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
17 miles East from Loving

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any): 692'

16. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2860'

10. NO. OF ACRES IN LEASE: 640

17. NO. OF ACRES ASSIGNED TO THIS WELL: 40

10. PROPOSED DEPTH: 8200' TVD

20. ROTARY OR CABLE TOOLS: Rotary

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

22. APPROX. DATE WORK WILL START*

5. LEASE DESIGNATION AND SERIAL NO.
NM38464

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
Pure Gold A Federal

9. AP WELL NO.
13

10. FIELD AND POOL, OR WILDCAT
West Sand Dunes

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA
Sec 21, T23S, R31E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	700	700 sacks Circulated
11	8-5/8	32#	4070	1000 sacks Circulated
7-7/8	5-1/2	17#	8200' TVD	1370 sacks tie back @ least 200' into 8-5/8"

Stage tool @ 6200'

1. MIRU Rotary.
2. Drill 17-1/2" hole to 700' run & set 13-3/8" surface csg & cmt w/700 sx.
3. Install 3000# BOP & test to 600#.
4. Drill 11" hole to 4070', run & set 8-5/8" intermediate csg & cmt w/1000 sx.
5. Test csg to 1000#.
6. Drill 7-7/8" hole to 8100' TVD & run electric logs.
7. If hydrocarbons are indicated, run & set 5-1/2" csg & TD w/stage collar at 6200' and cmt 1st stage w/580 sx & 2nd stage w/790 sx.
8. RDMO rotary, install wellhead, run cement bond log, perforate and stimulate for production.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface location and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED: Milton Coffey TITLE: Operations Engineer DATE: 10-29-93

(This space for Federal or State office use)

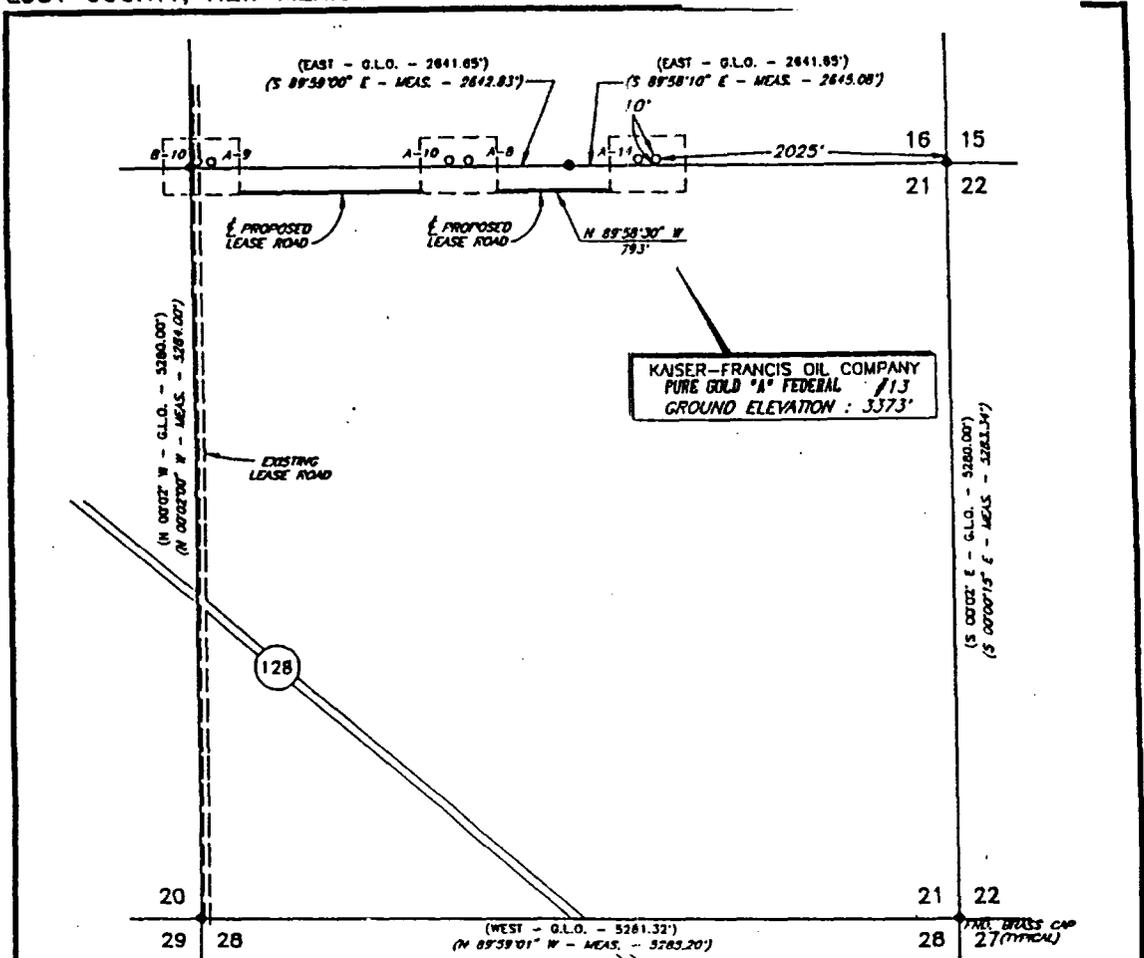
PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

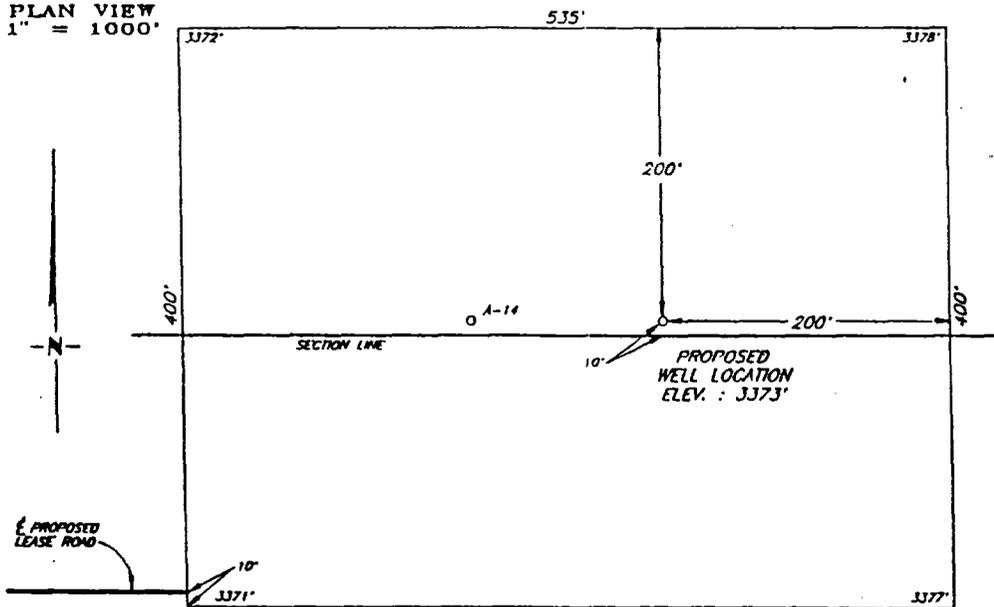
APPROVED BY _____ TITLE _____ DATE _____

PLAN SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 16 & 21, T-23-S, R-31-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

Kaiser-Francis Oil Co.
Pure Gold "A" Fed. #13
Eddy County, NM



PLAN VIEW
1" = 1000'



DETAIL VIEW
1" = 100'

				KAISER-FRANCIS OIL COMPANY		SCALE: AS SHOWN		
				ODESSA, TEXAS		DATE: SEPTEMBER 3, 1993		
NO.	REVISION	DATE	BY	SURVEYING AND MAPPING BY TOPOGRAPHIC LAND SURVEYORS MIDLAND, TEXAS		JOB NO.: 97707		
SURVEYED BY: R.J.O.						48 SE		
DRAWN BY: V.H.B.						SHEET : 1 OF 1		
APPROVED BY: L.W.B.								

DISTRICT I
 P. O. Box 1980
 Hobbs, NM 88240

OIL CONSERVATION DIVISION
 P. O. Box 2088
 Santa Fe, New Mexico 87504-2088

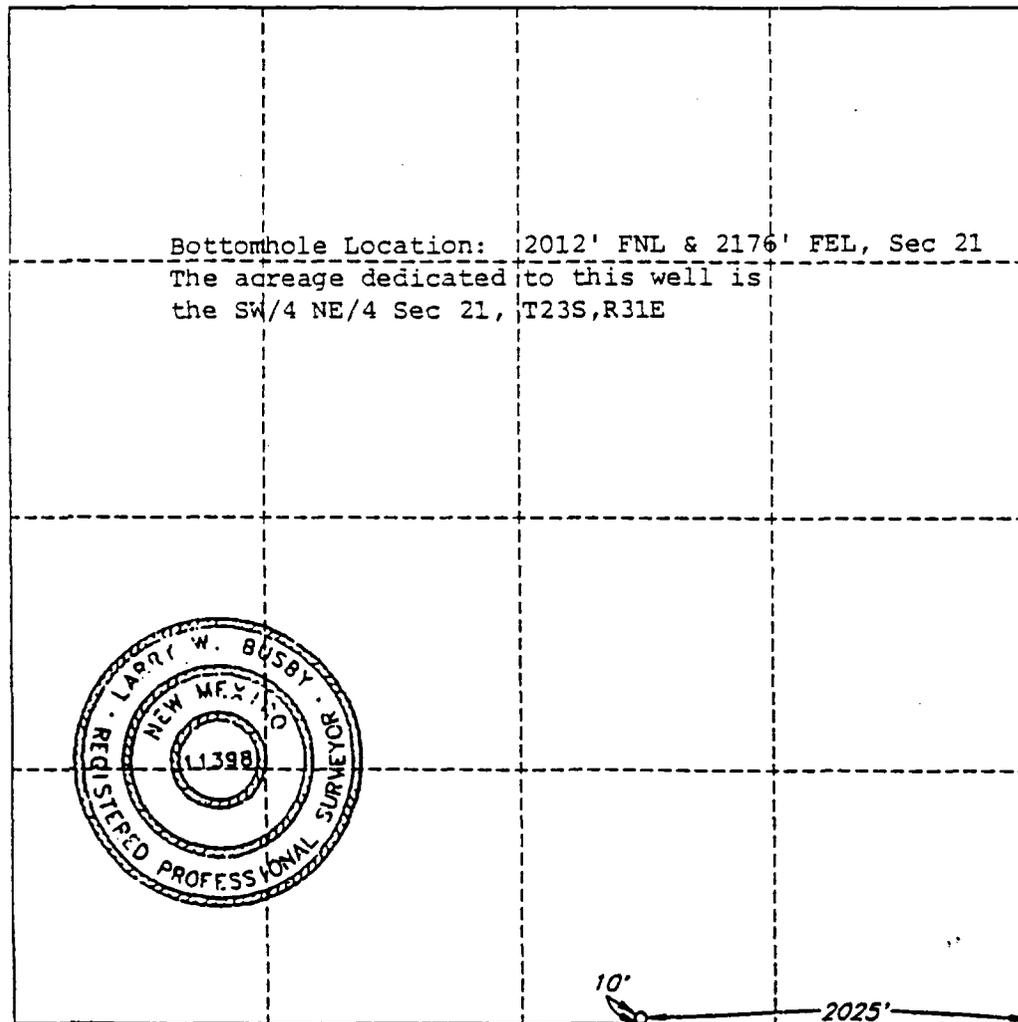
DISTRICT II
 P. O. Drawer DD
 Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd
 Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All distances must be from the outer boundaries of the section.

Operator KAISER - FRANCIS OIL COMPANY			Lease PURE GOLD "A" FEDERAL		Well No. 13
Unit Letter 0	Section 18	Township 23 SOUTH	Range 31 EAST, N.M.P.M.	County EDDY	
Actual Footage Location of Well					
10 feet from the SOUTH line and		2025 feet from the EAST line			
Ground Level Elev. 3373'	Producing Formation Delaware	Pool West Sand Dunes		Acres 40	

- 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 interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?
 - Yes No If answer is "yes", type of consolidation _____
 - If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the 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 interest, has been approved by the division.



OPERATOR CERTIFICATION

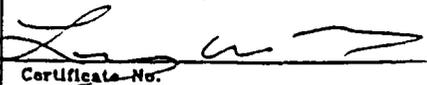
I hereby certify that the information herein is true and complete to the best of my knowledge and belief.

Signature

 Printed Name
Milton Griffin
 Position
Operations Engineer
 Company
Kaiser-Francis Oil Co.
 Date
October 29, 1993

SURVEYOR CERTIFICATION

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
SEPTEMBER 3, 1993
 Signature and Seal of Professional Surveyor

 Certificate No.
LARRY W. BUSBY R.P.S. #11398
JOB #97707 / 48 SE V.H.E.

APPLICATION FOR PERMIT TO DRILL
KAISER-FRANCIS OIL COMPANY
Pure Gold "A" Federal No. 13
Surface Location: 10' FSL & 2025' FEL Sec 16
Bottomhole Location: 1951' FNL & 2171' FEL Sec 21
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Kaiser-Francis Oil Company submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is Quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Delaware	4150'
Bone Springs	8000'
TD	8200'
3. We do not anticipate encountering water, and oil and gas formations are as follows:

Delaware

4. Proposed Casing Program: See Form 3160-3 and Exhibit A.
5. Pressure Control Equipment: See Exhibit B.
6. Mud Program: See Exhibit C.
7. Auxiliary equipment: Blowout preventer.
8. Testing, Logging, and Coring Programs: No DST's are anticipated. Approximately 25 rotary drilled sidewall wireline cores will be taken in various Delaware zones between 5900' to 7900'. Electric logs will consist of a Compensated Neutron/Litho Density w/Gamma Ray and Caliper and a Dual Laterolog. A Mudlogging unit will be used from 4150' to TD.
9. No abnormal pressures, no abnormal temperatures and no H₂S are expected.
10. Anticipated starting date: As soon as possible.

EXHIBIT A
KAISER-FRANCIS OIL COMPANY
Pure Gold "A" Federal #13
Eddy County, New Mexico

SUMMARY

Drilling, Casing and Cementing Program

1. Drill 17-1/2" hole to 700' and run 13-3/8", 48#, H40 casing. Use guide shoe on bottom joint with a float insert 1 joint above the guide shoe. Run 1 centralizer per joint on bottom 3 joints. Cement with 500 sx Class "C" + 2% CaCl + 1/4 pps Cello Flake lead cement followed by 200 sx Class "C" + 2% CaCl. Drop top plug and displace cement with mud.
2. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 600 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 600 psi for 30 minutes.
3. Drill 11" hole to 4070' and run a 8-5/8", 32#, J55 casing. Use guide shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and 5 other centralizers. Cement with 800 sx Class C Lite (35:65:6) + 9.5 pps salt + 1/4 pps Celloflake lead cement followed by 200 sx Class C + 1% KCl + 5 pps salt. A Fluid Caliper will be run to determine the exact volume of cement required to circulate cement to the surface.
4. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 1000 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 1000 psi for 30 minutes.
5. Go in hole with 7-7/8" bit + 6-1/4" x 30' non-magnetic drill collar + (18) 6-1/4" steel drill collar. Drill 7-7/8" hole to KOP of 4200' and survey with non-magnetic instrument at 4200'. POOH for angle building assembly.
6. Go in hole with 7-7/8" bit + 6-1/2" slow-speed motor + 1-1/2" bent sub + 6-1/4" x 30' non-magnetic drill collar + steel drill collars. Orient tool face properly, deflect well bore toward proper direction. Start angle building run. Drill with this assembly building approximately 2-1/2 degrees per 100 feet of hole in the proper direction until a maximum angle of 31 degrees 05 minutes is obtained plus or minus to 5443' M.D. POOH for packed hole assembly.
7. Go in hole with 7-7/8" bit + 6 point roller reamer + short drill collar + 3 point collar roller reamer + 6-1/4" non-mag drill collar + 3 point roller reamer + 6-1/4" steel drill collar + 3 point roller reamer + (20) 6-1/4" drill collars. Drill hole maintaining 31 degrees and 05 minutes deviation plus or minus 7600' TVD and continue to drill to TD with the same deviation to plus or minus 8200' TVD.

8. Run 5-1/2", 17#, K55 casing with a stage tool at approximately 6200'. Use a float shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and as required across potential productive intervals. Cement the first stage with 580 sx Class H + additives, and cement the second stage with 690 sx Class C Lite (35:65:6) lead cement followed with 100 sx Class C neat. The exact volume to bring the cement top to 4000' will be determined after logging the well.
9. Perforations and stimulation treatments will be determined after running electric logs and setting the 5-1/2" casing.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
NM38464

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME WELL NO.
Pure Gold A Federal

9. API WELL NO.
14

10. FIELD AND POOL, OR WILDCAT
West Sand Dunes

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 21, T23S, R31E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL DEEPEN

b. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Kaiser-Francis Oil Company

3. ADDRESS AND TELEPHONE NO.
P.O. Box 21468, Tulsa, Oklahoma 74121-1468

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface: 10' FSL & 2160' FEL Sec 16
At proposed prod. zone: 480' FNL & 2160' FEL Sec 21

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
17 miles East from Loving

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

16. NO. OF ACRES IN LEASE
640

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.
2660'

19. PROPOSED DEPTH
8100 TVD

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3372' GL

22. APPROX. DATE WORK WILL START*

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	700	700 sacks circulated
11	8-5/8	32#	4070	1000 sacks circulated
7-7/8	5-1/2	17#	8100 TVD	1370 sacks tie back @ least 200' into 8-5/8"

Stage tool @ 6200'

- MIRU Rotary.
- Drill 17-1/2" hole to 700', run & set 13-3/8" surface csg & cmt w/700 sx.
- Install 3000# BOP & test to 600#.
- Drill 11" hole to 4070', run & set 8-5/8" intermediate csg & cmt w/1000 sx.
- Test csg to 1000#.
- Drill 7-7/8" hole to 8100' TVD & run electric logs.
- If hydrocarbons are indicated, run & set 5-1/2" csg & TD w/stage collar at 6200' and cmt 1st stage w/850 sx & 2nd stage w/790 sx.
- RDMO rotary, install wellhead, run cement bond log, perforate and stimulate for production.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 William Duffin TITLE Operations Engineer DATE 10-8-93

(This space for Federal or State office use)

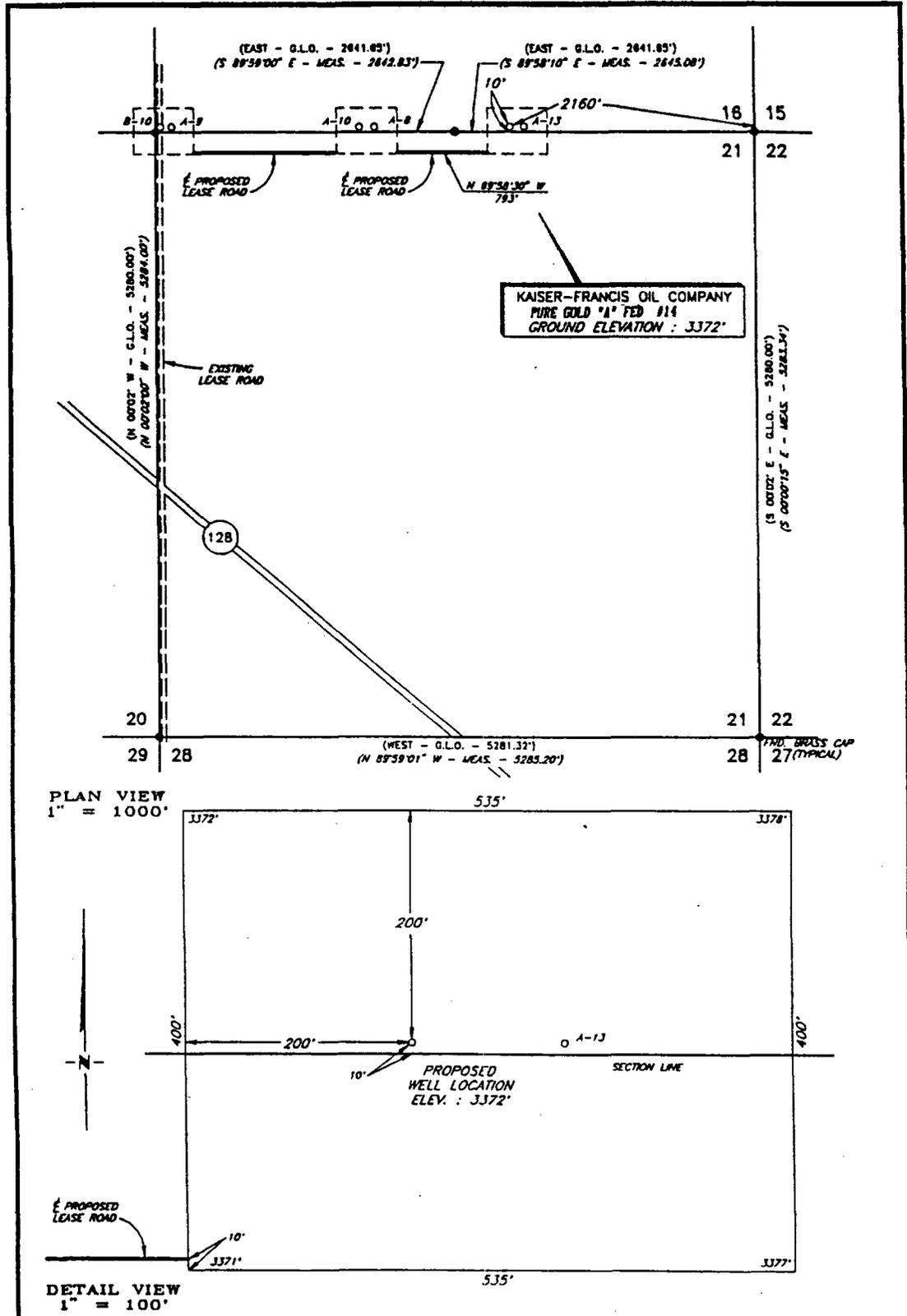
PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

PLAT SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 16 & 21, T-23-S, R-31-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

Exhibit E
Kaiser-Francis Oil Company
Pure Gold "A" Fed #14
Eddy County, New Mexico



NO.	REVISION	DATE	BY

KAISER-FRANCIS OIL COMPANY
ODESSA, TEXAS

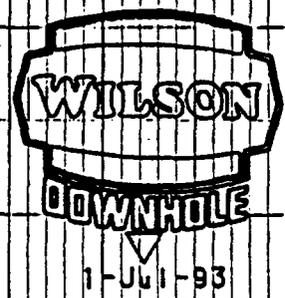
SURVEYING AND MAPPING BY
TOPOGRAPHIC LAND SURVEYORS
MIDLAND, TEXAS

SCALE:	AS SHOWN
DATE:	SEPTEMBER 3, 1993
JOB NO.:	97708
SHEET :	1 OF 1

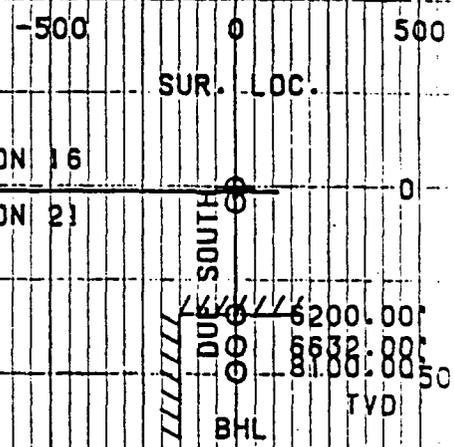
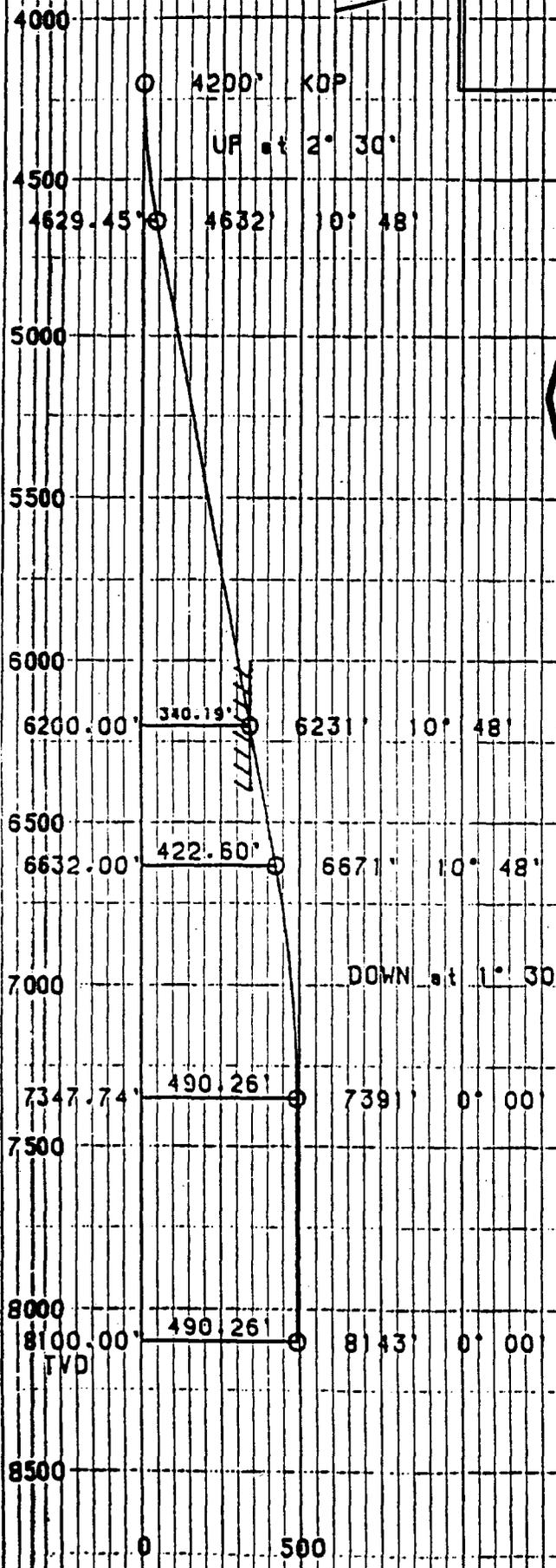
VERTICAL PROJECTION
SCALE 1" = 500'
DUE SOUTH

KAISER-FRANCIS OIL COMPANY
PURE GOLD "A" FIELD
SECTION 21 T23S R31E
WELL NO. A-14
EDDY COUNTY, NEW MEXICO

Exhibit A1
Kaiser-Francis Oil Company
Pure Gold "A" Fed #14
Eddy County, New Mexico



HORIZONTAL PROJECTION
SCALE 1" = 500'



SURFACE LOCATION CALLS:
10.00' FSL - 2160.00' FEL OF SECTION 16
PROPOSED B.H.L. - 8100.00' TVD
480.25' FNL - 2160.00' FEL OF SECTION 21
480.25' DUE SOUTH

Submit to the Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals, and Natural Resources Department

Form C-102
 Revised 1-1-89

DISTRICT I
 P. O. Box 1980
 Hobbs, NM 88240

OIL CONSERVATION DIVISION
 P. O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT II
 P. O. Drawer DD
 Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd
 Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All distances must be from the outer boundaries of the section.

Operator KAISER - FRANCIS OIL COMPANY			Lease PURE GOLD "A" FED		Well No. 14
Unit Letter 0	Section 16	Township 23 SOUTH	Range 31 EAST, N.M.P.M.	County EDDY	
Actual Footage Location of Well					
10 feet from the SOUTH line and		2160 feet from the EAST line			
Ground Level Elev. 3372'	Producing Formation Delaware	Pool West Sand Dunes		Acres 40	

- 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 interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?
 - Yes No If answer is "yes", type of consolidation _____
 - If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the 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 interest, has been approved by the division.

OPERATOR CERTIFICATION

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

Signature *Milton Griffin*

Printed Name **Milton Griffin**

Position **Operations Engineer**

Company **Kaiser-Francis Oil Co.**

Date **October 8, 1993**

SURVEYOR CERTIFICATION

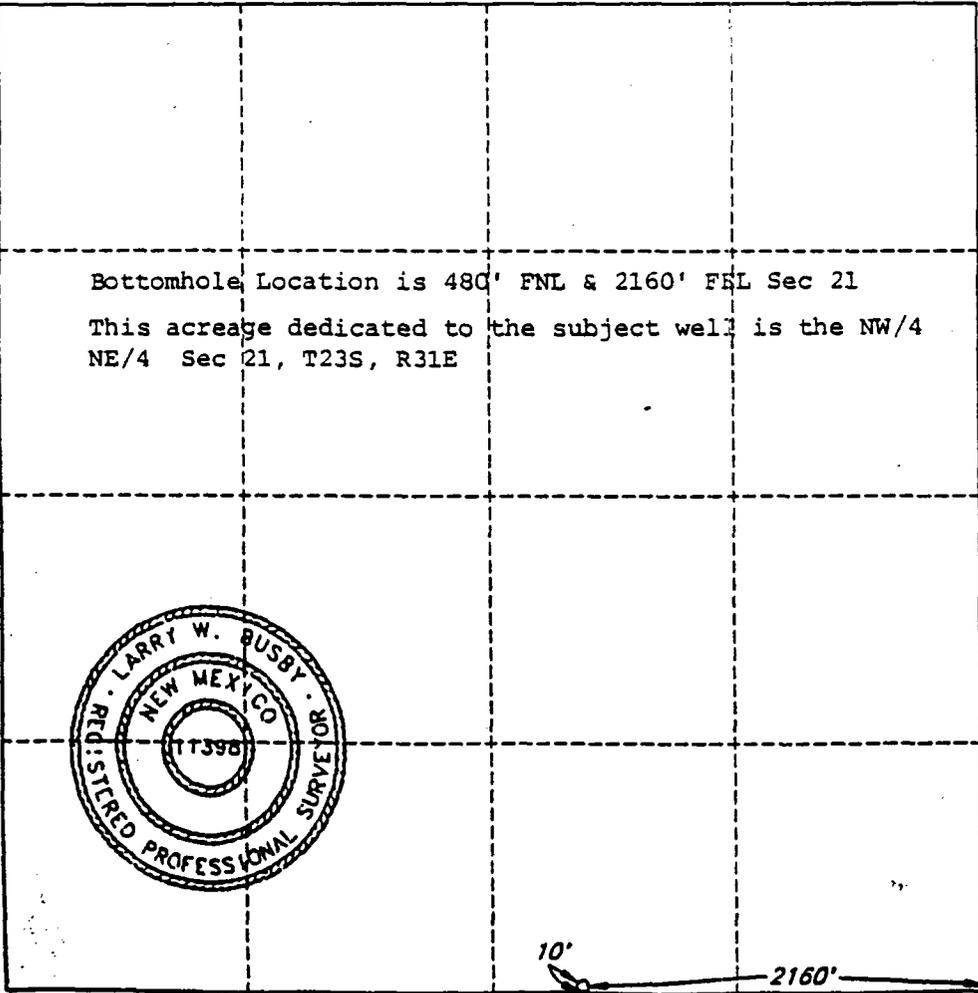
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **SEPTEMBER 3, 1993**

Signature and Seal of Professional Surveyor

Certificate No. **LARRY W. BUSBY R.P.S. #11398**

JOB #97708 / 48 SE V.H.B.



APPLICATION FOR PERMIT TO DRILL
KAISER-FRANCIS OIL COMPANY
Pure Gold "A" Federal No. 14
Surface Location: 10' FSL & 2160' FEL Sec 16
Bottomhole Location: 480' FNL & 2160' FEL Sec 21
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Kaiser-Francis Oil Company submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is Quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Delaware	4150'
Bone Springs	8000'
TD	8100'
3. We do not anticipate encountering water, and oil and gas formations are as follows:

Delaware	
----------	--
4. Proposed Casing Program: See Form 3160-3 and Exhibit A.
5. Pressure Control Equipment: See Exhibit B.
6. Mud Program: See Exhibit C.
7. Auxiliary equipment: Blowout preventer.
8. Testing, Logging, and Coring Programs: No DST's are anticipated. Approximately 25 rotary drilled sidewall wireline cores will be taken in various Delaware zones between 5900' to 7900'. Electric logs will consist of a Compensated Neutron/Litho Density v/Gamma Ray and Caliper and a Dual Laterolog. A Mudlogging unit will be used from 4150' to TD.
9. No abnormal pressures, no abnormal temperatures and no H₂S are expected.
10. Anticipated starting date: As soon as possible.

EXHIBIT A
KAISER-FRANCIS OIL COMPANY
Pure Gold "A" Federal #14
Eddy County, New Mexico

SUMMARY

Drilling, Casing and Cementing Program

1. Drill 17-1/2" hole to 700' and run 13-3/8", 48#, H40 casing. Use guide shoe on bottom joint with a float insert 1 joint above the guide shoe. Run 1 centralizer per joint on bottom 3 joints. Cement with 500 sx Class "C" + 2% CaCl + 1/4 pps Cello Flake lead cement followed by 200 sx Class "C" + 2% CaCl. Drop top plug and displace cement with mud.
2. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 600 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 600 psi for 30 minutes.
3. Drill 11" hole to 4070' and run a 8-5/8", 32#, J55 casing. Use guide shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and 5 other centralizers. Cement with 800 sx Class C Lite (35:65:6) + 9.5 pps salt + 1/4 pps Celloflake lead cement followed by 200 sx Class C + 1% KCl + 5 pps salt. A Fluid Caliper will be run to determine the exact volume of cement required to circulate cement to the surface.
4. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 1000 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 1000 psi for 30 minutes.
5. Go in hole with 7-7/8" bit + 6-1/4" x 30' non-magnetic drill collar + (18) 6-1/4" steel drill collar. Drill 7-7/8" hole to KOP of 4200' and survey with non-magnetic instrument at 4200'. POOH for angle building assembly.
6. Go in hole with 7-7/8" bit + 6-1/2" slow-speed motor + 1-1/2" bent sub + 6-1/4" x 30' non-magnetic drill collar + 20 steel drill collars. Orient tool face properly, deflect well bore toward proper direction. Start angle building run. Drill with this assembly building approximately 2-1/2 degrees per 100 feet of hole in the proper direction until a maximum angle of 10 degrees 48 minutes is obtained plus or minus to 6231' M.D. POOH for angle holding assembly.
7. Go in hole with 7-7/8" bit + 6 point roller reamer + short drill collar + 3 point collar roller reamer + 6-1/4" non-mag drill collar + 3 point roller reamer + 6-1/4" steel drill collar + 3 point roller reamer + (20) 6-1/4" drill collars. Drill hole maintaining 10 degrees and 48 minutes to the TVD depth of 6632'. POOH for angle dropping assembly.

8. Go in hole with 7-7/8" bit + 6-1/4" non-magnetic drill collar + 3 point roller reamer + (20) 6-1/4" steel drill collars. Drill the hole dropping at 1-1/2 degrees per 100' deviation into the Bone Spring plus or minus 7347.74' TVD. At this point you will be vertical and you will continue to drill to a TVD of 8100'.
9. Run 5-1/2", 17#, K55 casing with a stage tool at approximately 6200'. Use a float shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and as required across potential productive intervals. Cement the first stage with 580 sx Class H + additives, and cement the second stage with 690 sx Class C Lite (35:65:6) lead cement followed with 100 sx Class C neat. The exact volume to bring the cement top to 4000' will be determined after logging the well.
10. Perforations and stimulation treatments will be determined after running electric logs and setting the 5-1/2" casing.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Kaiser-Francis Oil Company

3. ADDRESS AND TELEPHONE NO.
 P.O. Box 21468, Tulsa, OK 74121-1468

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface 2100' FSL & 1600' FEL
 At proposed prod. zone 1988' FNL & 1834' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 17 miles East from Loving

16. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit lbr, if any)
 1834' 514'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 1340'

10. NO. OF ACRES IN LEASE
 640

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

10. PROPOSED DEPTH
 8100' TVD

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, HT, GR, etc.)
 3341'

22. APPROX. DATE WORK WILL START*

6. LEASE DESIGNATION AND SERIAL NO.
 NM38463

8. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

6. FARM OR LEASE NAME, WELL NO.
 Pure Gold B Federal

9. API WELL NO.
 7

10. FIELD AND POOL, OR WILDCAT
 West Sand Dunes

11. SEC., T., R., M., OR PLM. AND SURVEY OR ABRA
 Sec 20, T23S, R31E

12. COUNTY OR PARISH
 Eddy

13. STATE
 NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	700	700 sacks Circulated
11	8-5/8	32#	4070	1000 sacks Circulated
7-7/8	5-1/2	17#	8100' TVD	1370 sacks tie back @ least 200' into 8-5/8"

Stage tool @ 6200'

- MIRU Rotary.
- Drill 17-1/2" hole to 700' run & set 13-3/8" surface csg & cmt w/700 sx.
- Install 3000# BOP & test to 600#.
- Drill 11" hole to 4070', run & set 8-5/8" intermediate csg & cmt w/1000 sx.
- Test csg to 1000#.
- Drill 7-7/8" hole to 8100' TVD & run electric logs.
- If hydrocarbons are indicated, run & set 5-1/2" csg @ TD w/stage collar at 6200' and cmt 1st stage w/580 sx & 2nd stage w/790 sx.
- RDMO rotary, install wellhead, run cement bond log, perforate and stimulate for production.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.

24. Milton Coffey TITLE Operations Engineer DATE 11-2-93

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

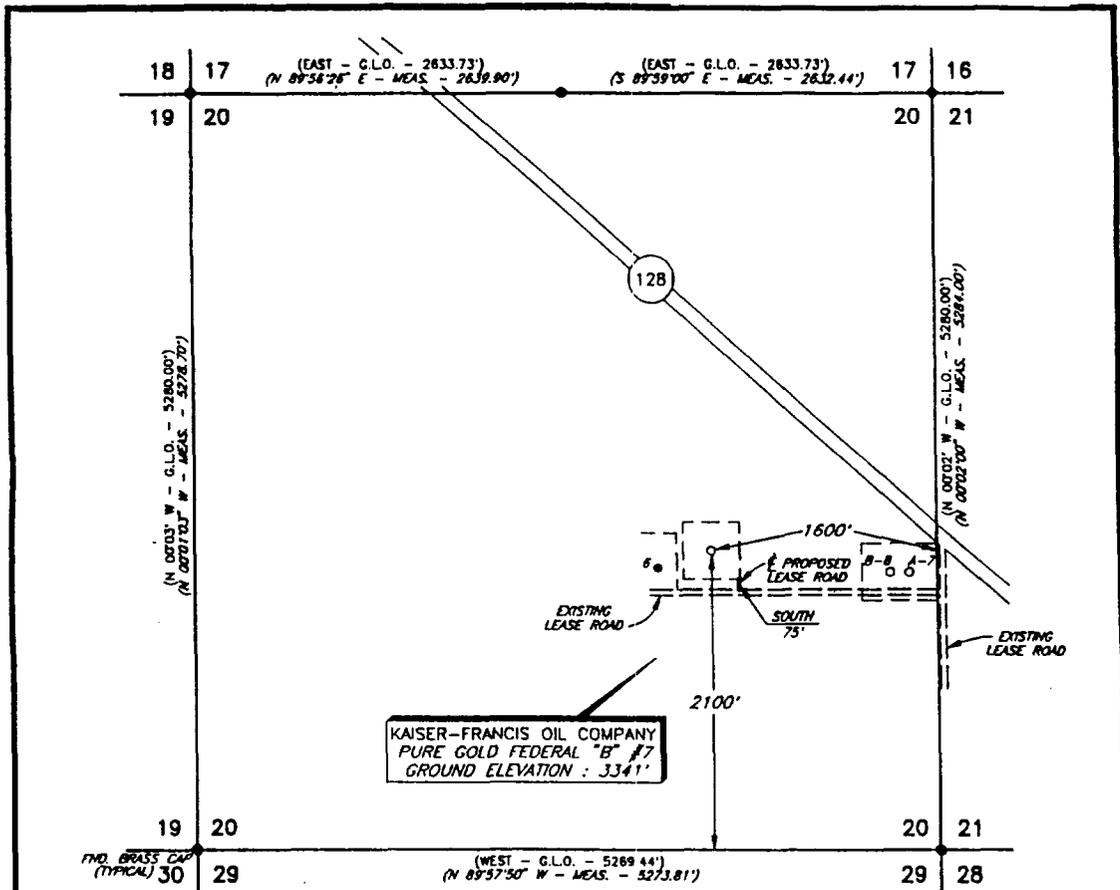
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
 CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

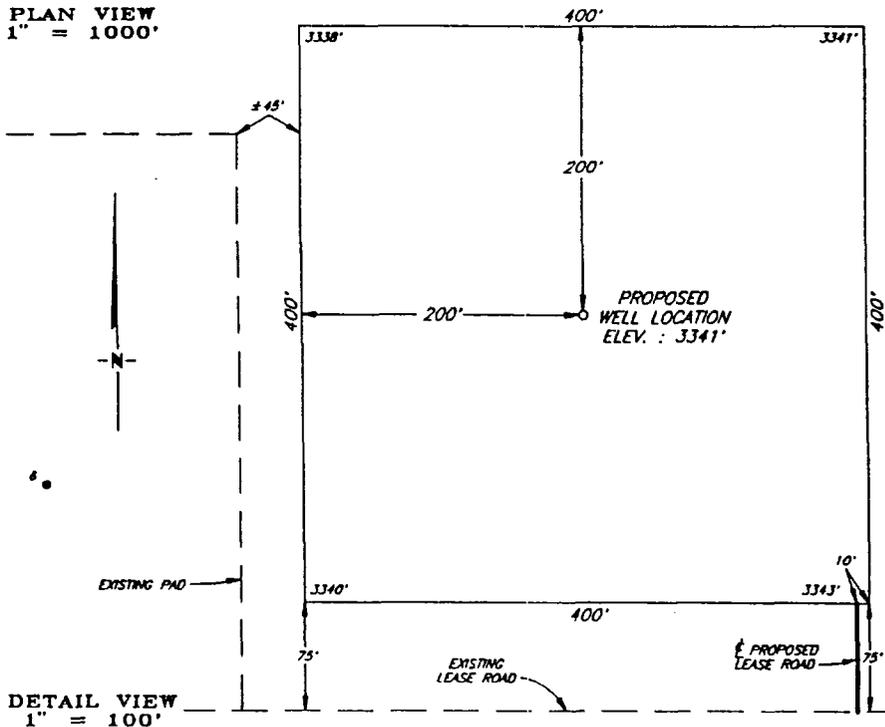
*See Instructions On Reverse Side 52

PLAT SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 20, T-23-S, R-31-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

Exhibit E
Kaiser-Francis Oil Co.
Pure Gold "B" Fed. #7
Eddy County, NM



PLAN VIEW
1" = 1000'



				KAISER - FRANCIS OIL COMPANY		SCALE: AS SHOWN
				ODESSA, TEXAS		DATE: SEPTEMBER 2, 1993
NO.	REVISION	DATE	BY			JOB NO.: 97699
SURVEYED BY: R.J.O.						
DRAWN BY: V.H.B.			SURVEYING AND MAPPING BY			
APPROVED BY: L.W.B.			TOPOGRAPHIC LAND SURVEYORS			
				MIDLAND, TEXAS		48 SE
						SHEET : 1 OF 1

DISTRICT I
 P. O. Box 1980
 Hobbs, NM 88240

OIL CONSERVATION DIVISION
 P. O. Box 2088
 Santa Fe, New Mexico 87504-2088

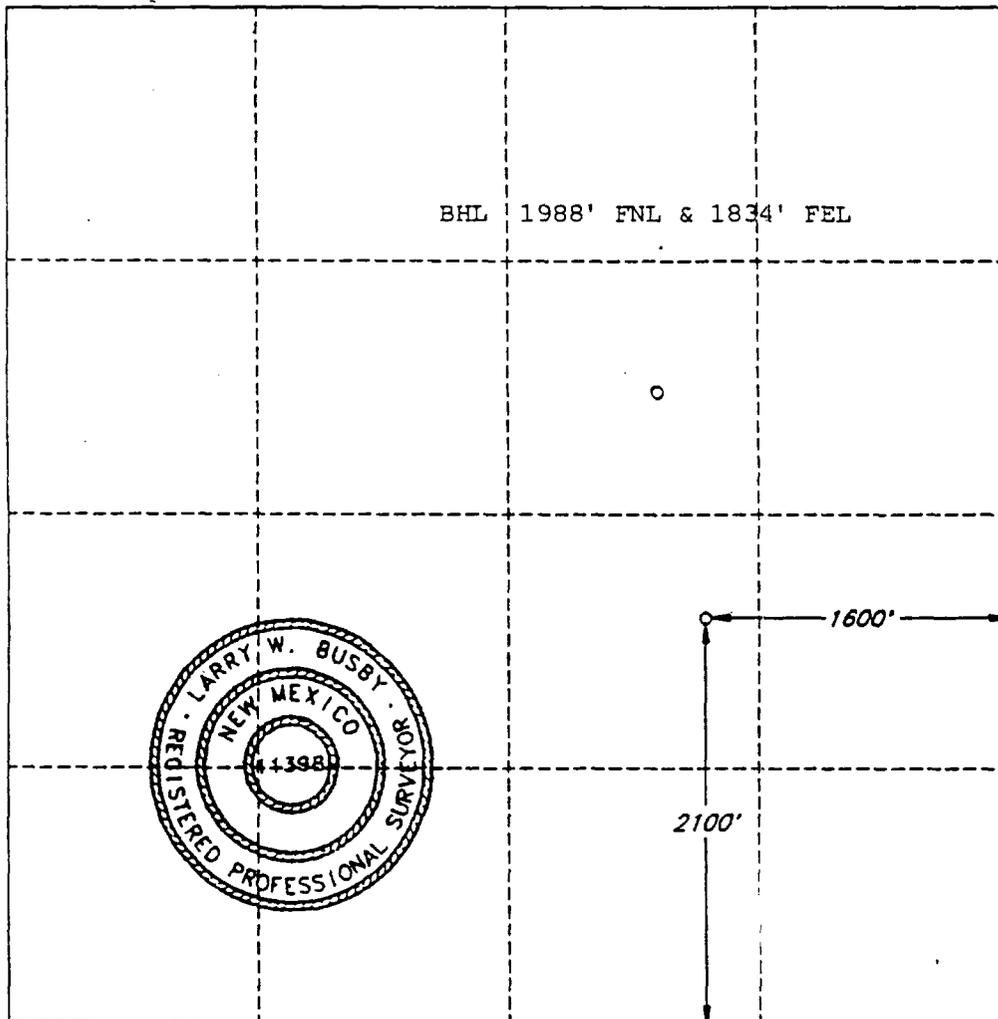
DISTRICT II
 P. O. Drawer DD
 Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd
 Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All distances must be from the outer boundaries of the section.

Operator KAISER - FRANCIS OIL COMPANY			Lease PURE GOLD FEDERAL 'B'		Well No. 7
Unit Letter J	Section 20	Township 23 SOUTH	Range 31 EAST, N.M.P.M.	County EDDY	
Actual Footage Location of Well					
2100 feet from the SOUTH line and		1600 feet from the EAST line			
Ground Level Elev. 3341'	Producing Formation Delaware	Pool West Sand Dunes	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 interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?
 - Yes No If answer is "yes", type of consolidation _____
 - If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the 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 interest, has been approved by the division.



OPERATOR CERTIFICATION

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

Signature: *Milton Griffin*
 Printed Name: **Milton Griffin**
 Position: **Operations Engineer**
 Company: **Kaiser-Francis Oil Co.**
 Date: **November 2, 1993**

SURVEYOR CERTIFICATION

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: **SEPTEMBER 2, 1993**
 Signature and Seal of Professional Surveyor: *Larry W. Busby*
 Certificate No.: **LARRY W. BUSBY R.P.S. #11398**
 JOB #97699./ 48 SE V.H.B.

APPLICATION FOR PERMIT TO DRILL
KAISER-FRANCIS OIL COMPANY
Pure Gold "B" Federal No. #7
Surface Location: 2100' FSL & 1600' FEL
Bottomhole Location: 1988' FNL & 1834' FEL
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Kaiser-Francis Oil Company submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is Quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Delaware	4150'
Bone Springs	8000'
TD	8100'
3. We do not anticipate encountering water, and oil and gas formations are as follows:

Delaware

4. Proposed Casing Program: See Form 3160-3 and Exhibit A.
5. Pressure Control Equipment: See Exhibit B.
6. Mud Program: See Exhibit C.
7. Auxiliary equipment: Blowout preventer.
8. Testing, Logging, and Coring Programs: No DST's are anticipated. Approximately 25 rotary drilled sidewall wireline cores will be taken in various Delaware zones between 5900' to 7900'. Electric logs will consist of a Compensated Neutron/Litho Density w/Gamma Ray and Caliper and a Dual Laterolog. A Mudlogging unit will be used from 4150' to TD.
9. No abnormal pressures, no abnormal temperatures and no H₂S are expected.
10. Anticipated starting date: As soon as possible.

EXHIBIT A
KAISER-FRANCIS OIL COMPANY
Pure Gold "B" Federal #7
Eddy County, New Mexico

SUMMARY

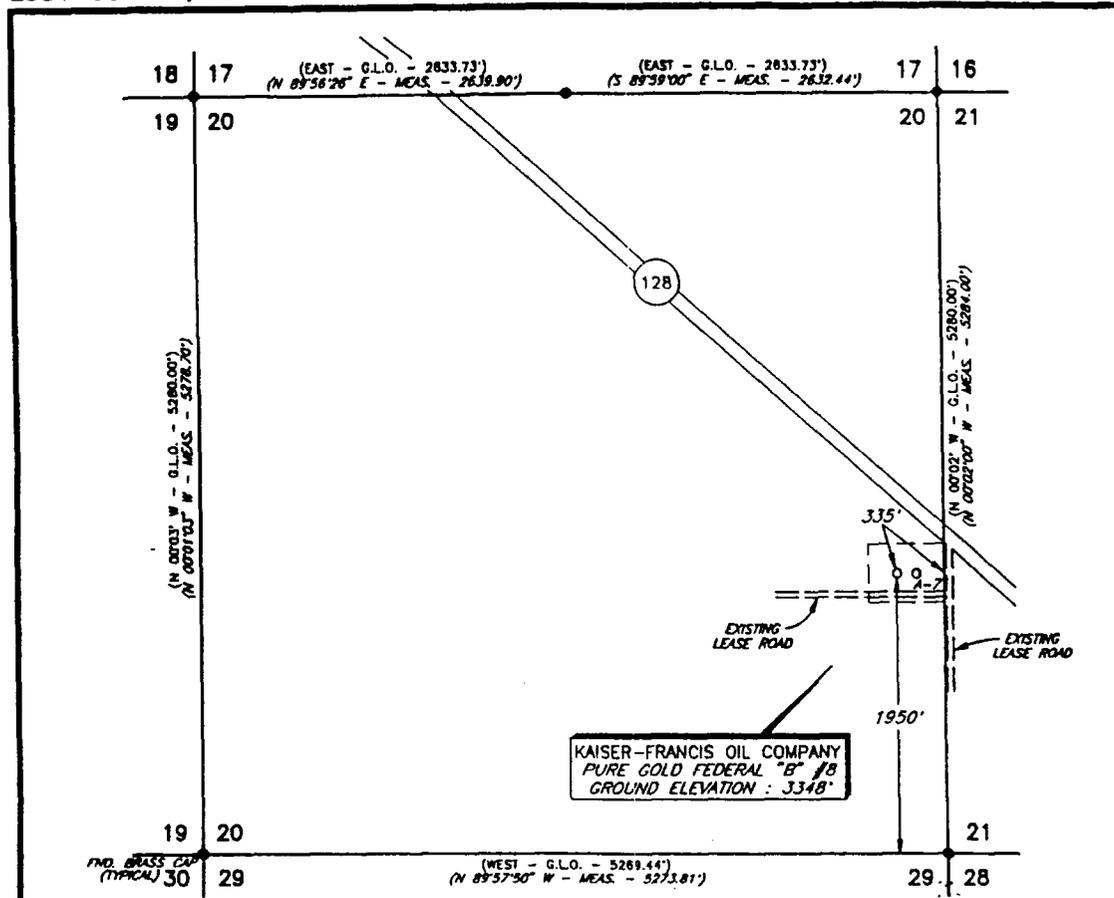
Drilling, Casing and Cementing Program

1. Drill 17-1/2" hole to 700' and run 13-3/8", 48#, H40 casing. Use guide shoe on bottom joint with a float insert 1 joint above the guide shoe. Run 1 centralizer per joint on bottom 3 joints. Cement with 500 sx Class "C" + 2% CaCl + 1/4 pps Cello Flake lead cement followed by 200 sx Class "C" + 2% CaCl. Drop top plug and displace cement with mud.
2. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 600 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 600 psi for 30 minutes.
3. Drill 11" hole to 4070' and run a 8-5/8", 32#, J55 casing. Use guide shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and 5 other centralizers. Cement with 800 sx Class C Lite (35:65:6) + 9.5 pps salt + 1/4 pps Celloflake lead cement followed by 200 sx Class C + 1% KCl + 5 pps salt. A Fluid Caliper will be run to determine the exact volume of cement required to circulate cement to the surface.
4. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 1000 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 1000 psi for 30 minutes.
5. Go in hole with 7-7/8" bit + 6-1/4" x 30' non-magnetic drill collar + (18) 6-1/4" steel drill collar. Drill 7-7/8" hole to KOP of 4150' and survey with non-magnetic instrument at 4150'. POOH for angle building assembly.
6. Go in hole with 7-7/8" bit + 6-1/2" slow-speed motor + 1-1/2" bent sub + 6-1/4" x 30' non-magnetic drill collar + steel drill collars. Orient tool face properly, deflect well bore toward proper direction. Start angle building run. Drill with this assembly building approximately 2 degrees per 100 feet of hole in the proper direction until a maximum angle of 19 degrees 20 minutes is obtained plus or minus to 5117' M.D. POOH for packed hole assembly.
7. Go in hole with 7-7/8" bit + 6 point roller reamer + short drill collar + 3 point roller reamer + 6-1/4" non-magnetic drill collar + 3 point roller reamer + 6-1/4" steel drill collar + 3 point roller reamer + (20) 6-1/4" drill collars. Drill hole maintaining 19 degrees 20 minutes deviation plus or minus 7600' TVD and continue to drill to TD with the same deviation to plus or minus 8100' TVD.

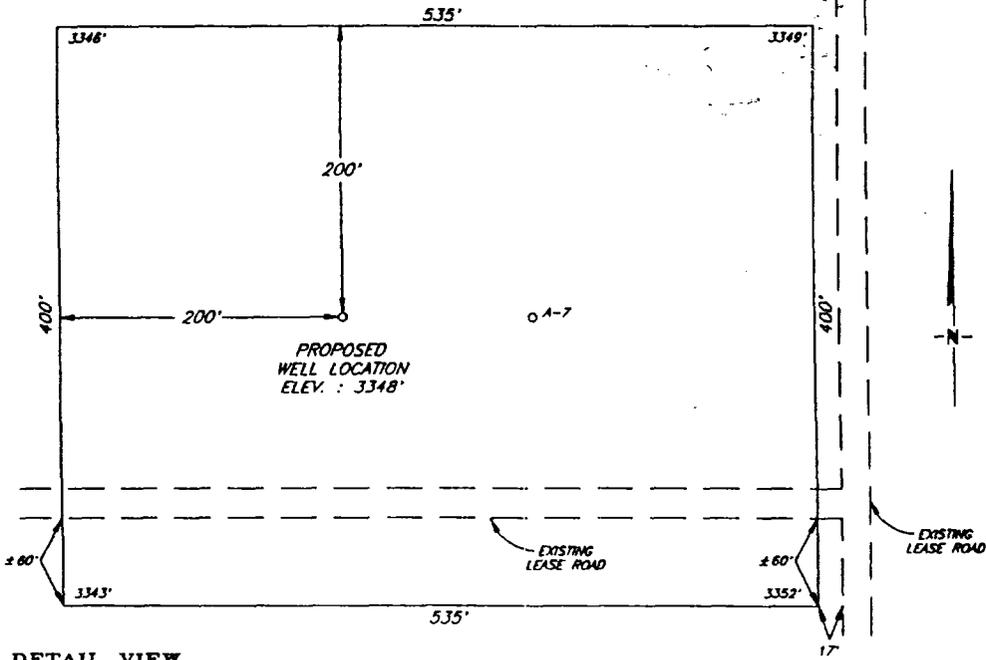
8. Run 5-1/2", 17#, K55 casing with a stage tool at approximately 6200'. Use a float shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and as required across potential productive intervals. Cement the first stage with 580 sx Class H + additives, and cement the second stage with 690 sx Class C Lite (35:65:6) lead cement followed with 100 sx Class C neat. The exact volume to bring the cement top to 4000' will be determined after logging the well.
9. Perforations and stimulation treatments will be determined after running electric logs and setting the 5-1/2" casing.

PLAN SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 20, T-23-S, R-31-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

Kaiser Francis Oil Co.
Pure Gold "B" Fed. #8
Eddy County, NM



PLAN VIEW
1" = 1000'



DETAIL VIEW
1" = 100'

				KAISER - FRANCIS OIL COMPANY		SCALE: AS SHOWN
				ODESSA, TEXAS		DATE: SEPTEMBER 2, 1993
				SURVEYING AND MAPPING BY		JOB NO.: 97701
				TOPOGRAPHIC LAND SURVEYORS		48 SE
				MIDLAND, TEXAS		SHEET: 1 OF 1
NO.	REVISION	DATE	BY			
SURVEYED BY:			R.J.O.			
DRAWN BY:			V.H.B.			
APPROVED BY:			L.W.B.			

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL DEEPEN

b. TYPE OF WELL
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Kaiser-Francis Oil Company

3. ADDRESS AND TELEPHONE NO.
P.O. Box 21468, Tulsa, OK 74121-1468

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 1950' FSL & 335' FEL
At proposed prod. zone 1957' FNL & 505' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
17 miles East from Loving

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
505' 505'

15. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
1350'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3348'

5. LEASE DESIGNATION AND SERIAL NO.
NM38463

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
Pure Gold B Federal

9. API WELL NO.
8

10. FIELD AND POOL, OR WILDCAT
West Sand Dunes

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 20, T23S, R31E

12. COUNTY OR PARISH 13. STATE
Eddy NM

16. NO. OF ACRES IN LEASE
640

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

10. PROPOSED DEPTH
8100' TVD

20. ROTARY OR CABLE TOOLS
Rotary

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	700	700 sacks Circulated
11	8-5/8	32#	4070	1000 sacks Circulated
7-7/8	5-1/2	17#	8100' TVD	1370 sacks tie back @ least 200' into 8-5/8"

Stage tool @ 6200'

- MIRU Rotary.
- Drill 17-1/2" hole to 700' run & set 13-3/8" surface csg & cmt w/700 sx.
- Install 3000# BOP & test to 600#.
- Drill 11" hole to 4070', run & set 8-5/8" intermediate csg & cmt w/1000 sx.
- Test csg to 1000#.
- Drill 7-7/8" hole to 8100' TVD & run electric logs.
- If hydrocarbons are indicated, run & set 5-1/2" csg @ TD w/stage collar at 6200' and cmt 1st stage w/580 sx & 2nd stage w/790 sx.
- RDMO rotary, install wellhead, run cement bond log, perforate and stimulate for production.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 Milton Crayton TITLE Operations Engineer DATE 11-2-93

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

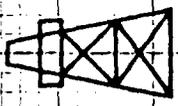
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

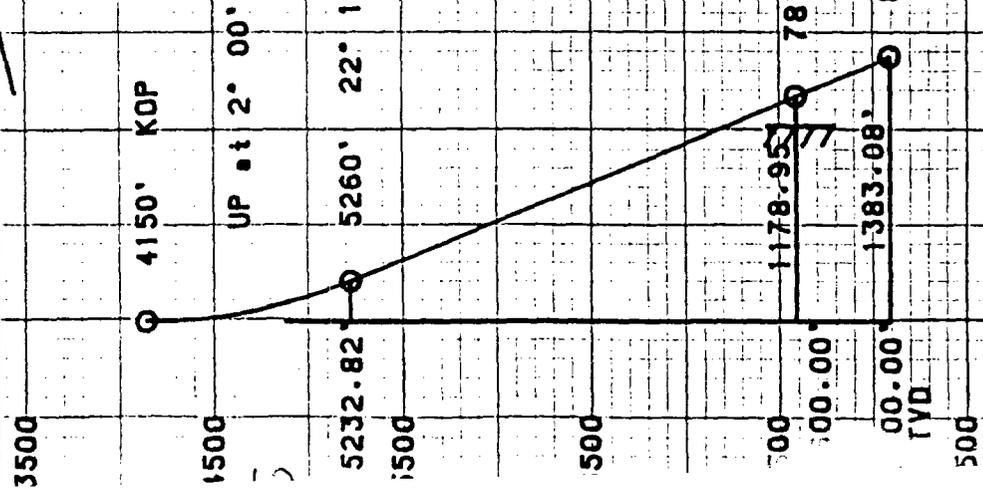
*See Instructions On Reverse Side 60

EXHIBIT A1
 Kaiser-Francis Oil Co.
 Pure Gold "B" Fed. #8
 Eddy County, NM

KAISER-FRANCIS OIL COMPANY
PURE GOLD "B" FIELD
 SECTION 20, T 23 S-R 31 E.
 PROPOSED WELL NO. B-8
 EDDY COUNTY, NEW MEXICO



VERTICAL PROJECTION
 SCALE 1" = 1000'
 N 7° 03' 53" W



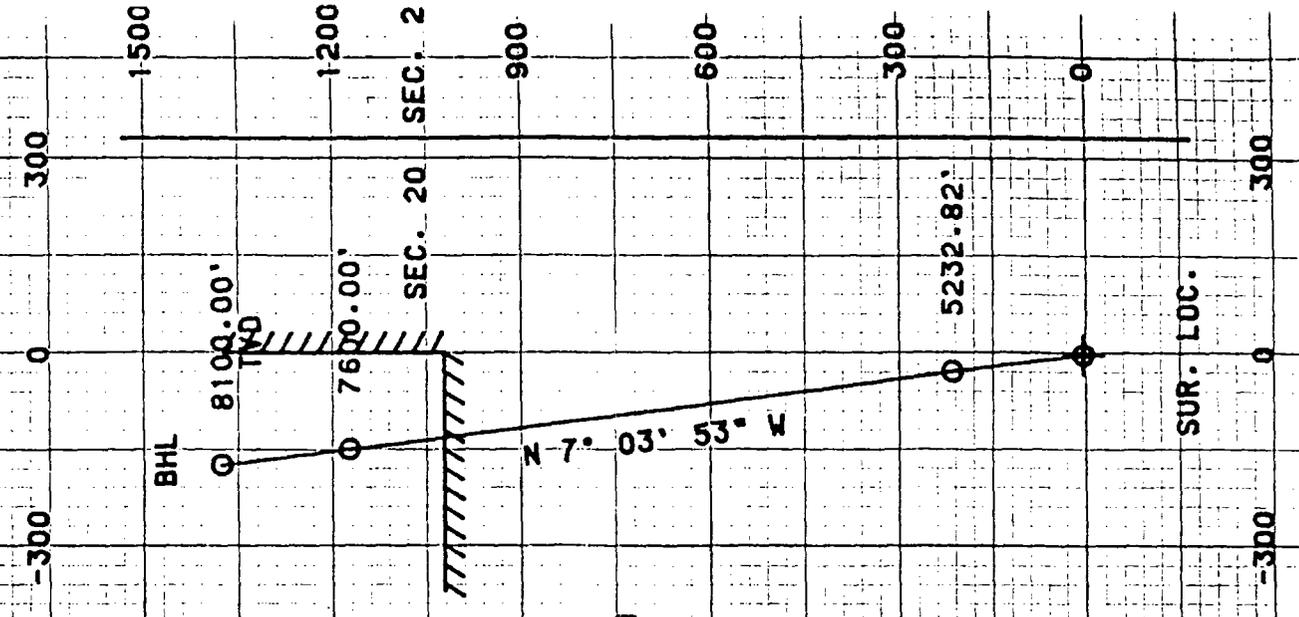
SURFACE LOCATION CALLS:
 3330.00' FNL - 335.00' FEL (SEC. 20)
 TARGET - 7600' TYD
 2160.00' FNL - 480.00' FEL (SEC. 20)
 1170.00' NORTH - 145.00' WEST OF SURFACE
 1178.95' N 07° 03' 53" W
 PROPOSED B.H.L. - 8100' TYD
 1957.42' FNL - 505.11' FEL
 1372.58' NORTH - 170.11' WEST OF SURFACE
 1383.08' N 07° 03' 53" W

NOTE:
 HARDLINES ARE 150' SOUTH
 AND 150' EAST OF TARGET.



20-JUL-93

HORIZONTAL PROJECTION
 SCALE 1" = 300'



DISTRICT I
P. O. Box 1980
Hobbs, NM 88240

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

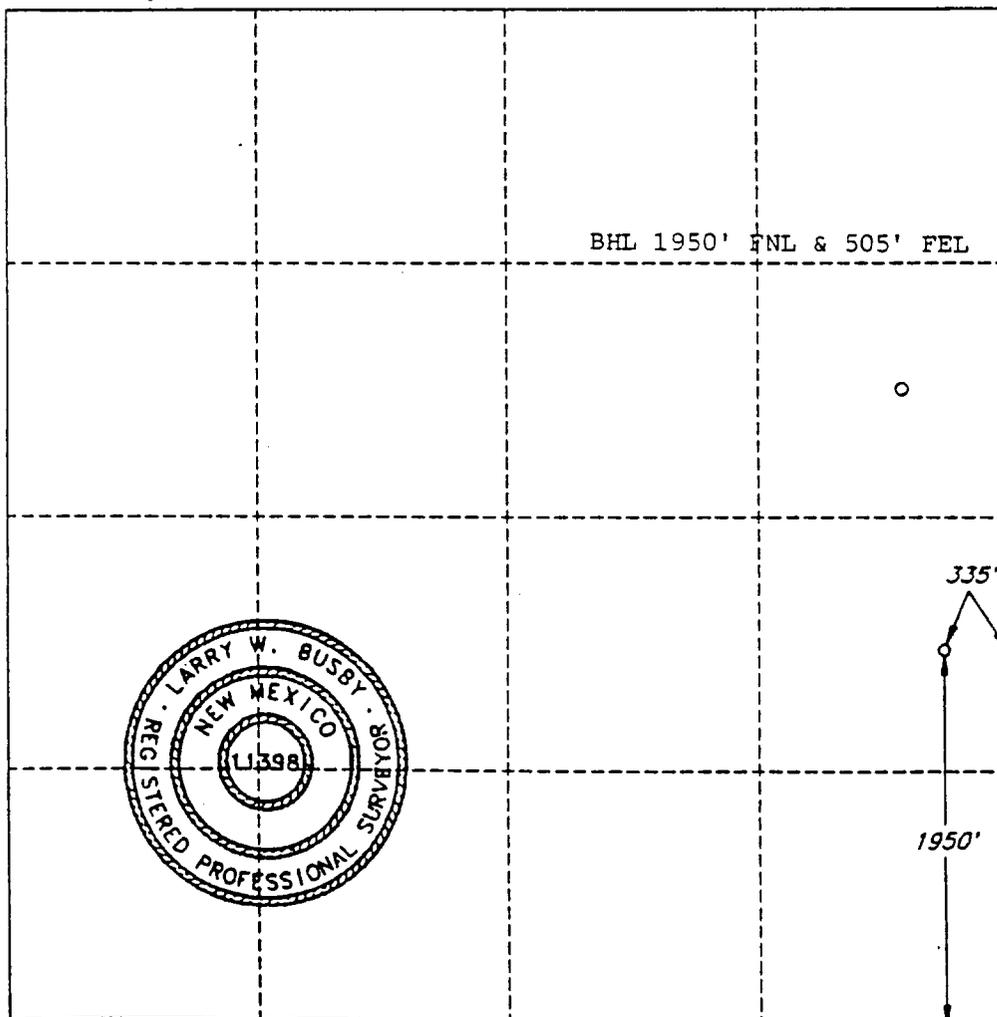
DISTRICT II
P. O. Drawer DD
Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd
Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
All distances must be from the outer boundaries of the section.

Operator KAISER - FRANCIS OIL COMPANY			Lease PURE GOLD FEDERAL 'B'		Well No. 8
Unit Letter I	Section 20	Township 23 SOUTH	Range 31 EAST, N.M.P.M.	County EDDY	
Actual Footage Location of Well					
1950 feet from the SOUTH line and		335 feet from the EAST line			
Ground Level Elev. 3348'	Producing Formation Delaware	Pool West Sand Dunes	Acres 40		

- 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 interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?
 - Yes No. If answer is "yes", type of consolidation _____
 - If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the 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 interest, has been approved by the division.



OPERATOR CERTIFICATION

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

Signature: *Milton Griffin*
 Printed Name: **Milton Griffin**
 Position: **Operations Engineer**
 Company: **Kaiser-Francis Oil Co.**
 Date: **November 2, 1993**

SURVEYOR CERTIFICATION

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: **SEPTEMBER 2, 1993**
 Signature and Seal of Professional Surveyor: *Larry W. Busby*
 Certificate No.: **LARRY W. BUSBY R.P.S. #11398**
 JOB #97701 / 48 SE V.H.B.

APPLICATION FOR PERMIT TO DRILL
KAISER-FRANCIS OIL COMPANY
Pure Gold "B" Federal No. #8
Surface Location: 1950' FSL & 335' FEL
Bottomhole Location: 1957' FNL & 505' FEL
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Kaiser-Francis Oil Company submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is Quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Delaware	4150'
Bone Springs	8000'
TD	8100'
3. We do not anticipate encountering water, and oil and gas formations are as follows:

Delaware

4. Proposed Casing Program: See Form 3160-3 and Exhibit A.
5. Pressure Control Equipment: See Exhibit B.
6. Mud Program: See Exhibit C.
7. Auxiliary equipment: Blowout preventer.
8. Testing, Logging, and Coring Programs: No DST's are anticipated. Approximately 25 rotary drilled sidewall wireline cores will be taken in various Delaware zones between 5900' to 7900'. Electric logs will consist of a Compensated Neutron/Litho Density w/Gamma Ray and Caliper and a Dual Laterolog. A Mudlogging unit will be used from 4150' to TD.
9. No abnormal pressures, no abnormal temperatures and no H₂S are expected.
10. Anticipated starting date: As soon as possible.

EXHIBIT A
KAISER-FRANCIS OIL COMPANY
Pure Gold "B" Federal #8
Eddy County, New Mexico

SUMMARY

Drilling, Casing and Cementing Program

1. Drill 17-1/2" hole to 700' and run 13-3/8", 48#, H40 casing. Use guide shoe on bottom joint with a float insert 1 joint above the guide shoe. Run 1 centralizer per joint on bottom 3 joints. Cement with 500 sx Class "C" + 2% CaCl + 1/4 pps Cello Flake lead cement followed by 200 sx Class "C" + 2% CaCl. Drop top plug and displace cement with mud.
2. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 600 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 600 psi for 30 minutes.
3. Drill 11" hole to 4070' and run a 8-5/8", 32#, J55 casing. Use guide shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and 5 other centralizers. Cement with 800 sx Class C Lite (35:65:6) + 9.5 pps salt + 1/4 pps Celloflake lead cement followed by 200 sx Class C + 1% KCl + 5 pps salt. A Fluid Caliper will be run to determine the exact volume of cement required to circulate cement to the surface.
4. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 1000 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 1000 psi for 30 minutes.
5. Go in hole with 7-7/8" bit + 6-1/4" x 30' non-magnetic drill collar + (18) 6-1/4" steel drill collar. Drill 7-7/8" hole to KOP of 4150' and survey with non-magnetic instrument at 4150'. POOH for angle building assembly.
6. Go in hole with 7-7/8" bit + 6-1/2" slow-speed motor + 1-1/2" bent sub + 6-1/4" x 30' non-magnetic drill collar + steel drill collars. Orient tool face properly, deflect well bore toward proper direction. Start angle building run. Drill with this assembly building approximately 2 degrees per 100 feet of hole in the proper direction until a maximum angle of 22 degrees 12 minutes is obtained plus or minus of 5260' M.D. POOH for packed hole assembly.
7. Go in hole with 7-7/8" bit + 6 point roller reamer + short drill collar + 3 point roller reamer + 6-1/4" non-magnetic drill collar + 3 point roller reamer + 6-1/4" steel drill collar + 3 point roller reamer + (20) 6-1/4" drill collars. Drill hole maintaining 22 degrees 12 minutes deviation plus or minus 7600' TVD and continue to drill to TD with the same deviation to plus or minus 8100' TVD.

8. Run 5-1/2", 17#, K55 casing with a stage tool at approximately 6200'. Use a float shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and as required across potential productive intervals. Cement the first stage with 580 sx Class H + additives, and cement the second stage with 690 sx Class C Lite (35:65:6) lead cement followed with 100 sx Class C neat. The exact volume to bring the cement top to 4000' will be determined after logging the well.
9. Perforations and stimulation treatments will be determined after running electric logs and setting the 5-1/2" casing.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. TYPE OF WORK
DRILL DEEPEN

B. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Kaiser-Francis Oil Company

3. ADDRESS AND TELEPHONE NO.
P.O. Box 21468, Tulsa, OK 74121-1468

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
10' FSL & 1960' FEL
At proposed prod. zone
667' FNL & 1800' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
17 miles East from Loving

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)
667'

15. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
160'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3337'

5. LEASE DESIGNATION AND SERIAL NO.
NM38463

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARMOR LEASE NAME, WELL NO.
Pure Gold B Federal

9. API WELL NO.
9

10. FIELD AND POOL, OR WILDCAT
West Sand Dunes

11. SEC., T., R., M., OR S.E.C. AND SURVEY OR AREA
Sec 20, T23S, R31E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

16. NO. OF ACRES IN LEASE
640

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

20. ROTARY OR CABLE TOOLS
Rotary

22. APPROX. DATE WORK WILL START*

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	700	700 sacks Circulated
11	8-5/8	32#	4070	1000 sacks Circulated
7-7/8	5-1/2	17#	8100' TVD	1370 sacks tie back @ least 200' into 8-5/8"

Stage tool @ 6200'

- MIRU Rotary.
- Drill 17-1/2" hole to 700' run & set 13-3/8" surface csg & cmt w/700 sx.
- Install 3000# BOP & test to 600#.
- Drill 11" hole to 4070', run & set 8-5/8" intermediate csg & cmt w/1000 sx.
- Test csg to 1000#.
- Drill 7-7/8" hole to 8100' TVD & run electric logs.
- If hydrocarbons are indicated, run & set 5-1/2" csg @ TD w/stage collar at 6200' and cmt 1st stage w/580 sx & 2nd stage w/790 sx.
- RDMO rotary, install wellhead, run cement bond log, perforate and stimulate for production.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.

24. SIGNED Milton Orloff TITLE Operations Engineer DATE 12-6-93

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

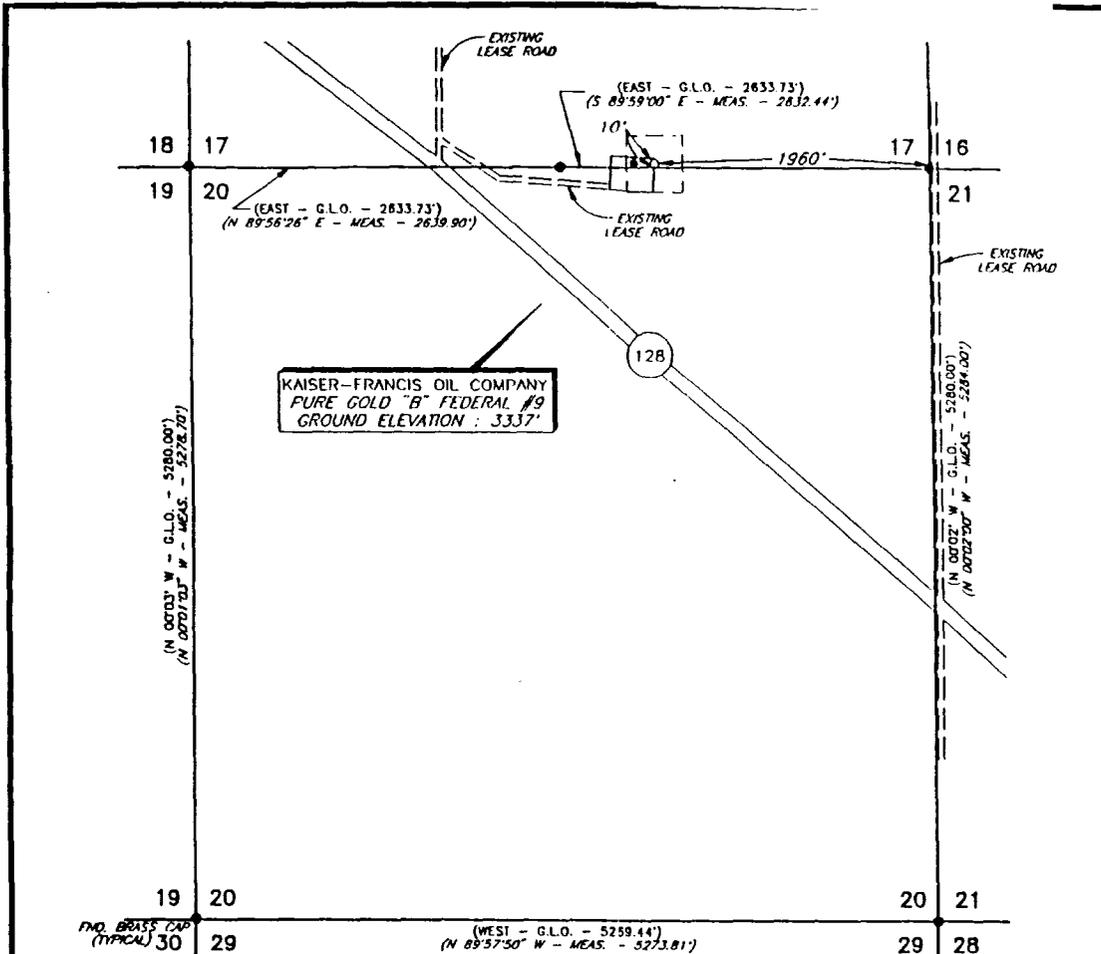
APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

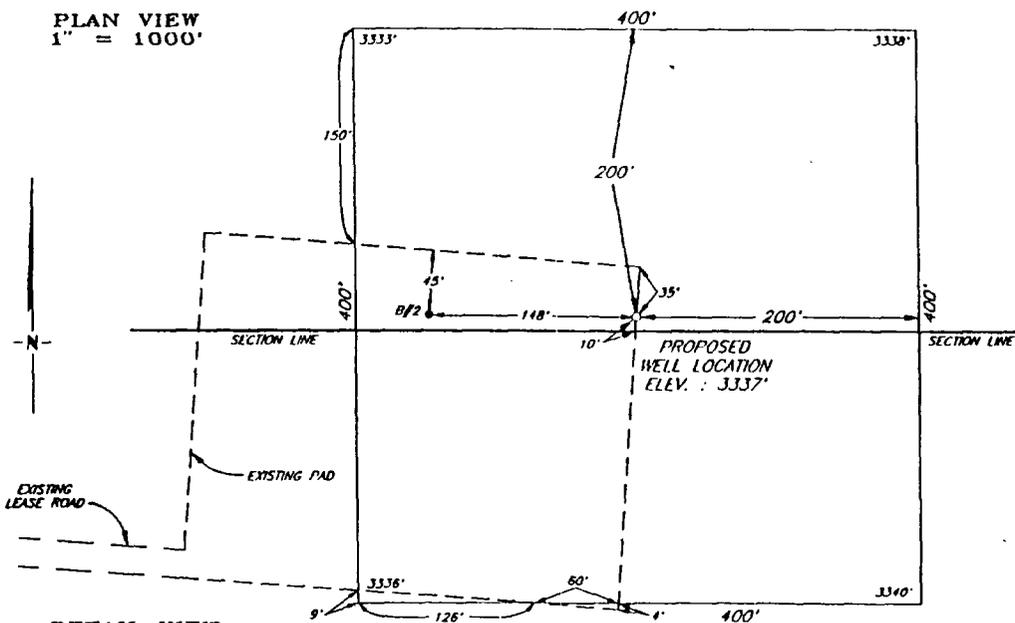
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

PLAT SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 17 & 20, T-23-S, R-31-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

EXHIBIT E
Kaiser-Francis Oil Co.
Pure Gold "B" Fed. #9
Eddy County, NM



PLAN VIEW
1" = 1000'



DETAIL VIEW
1" = 100'

				KAISER - FRANCIS OIL COMPANY		SCALE: AS SHOWN
				ODESSA, TEXAS		DATE: NOVEMBER 22, 1993
				SURVEYING AND MAPPING BY		JOB NO.: 30342
				TOPOGRAPHIC LAND SURVEYORS		48 SE
				MIDLAND, TEXAS		SHEET : 1 OF 1
NO.	REVISION	DATE	BY	SURVEYED BY: R.R.		
				DRAWN BY: V.H.B.		
				APPROVED BY: V.L.B.		

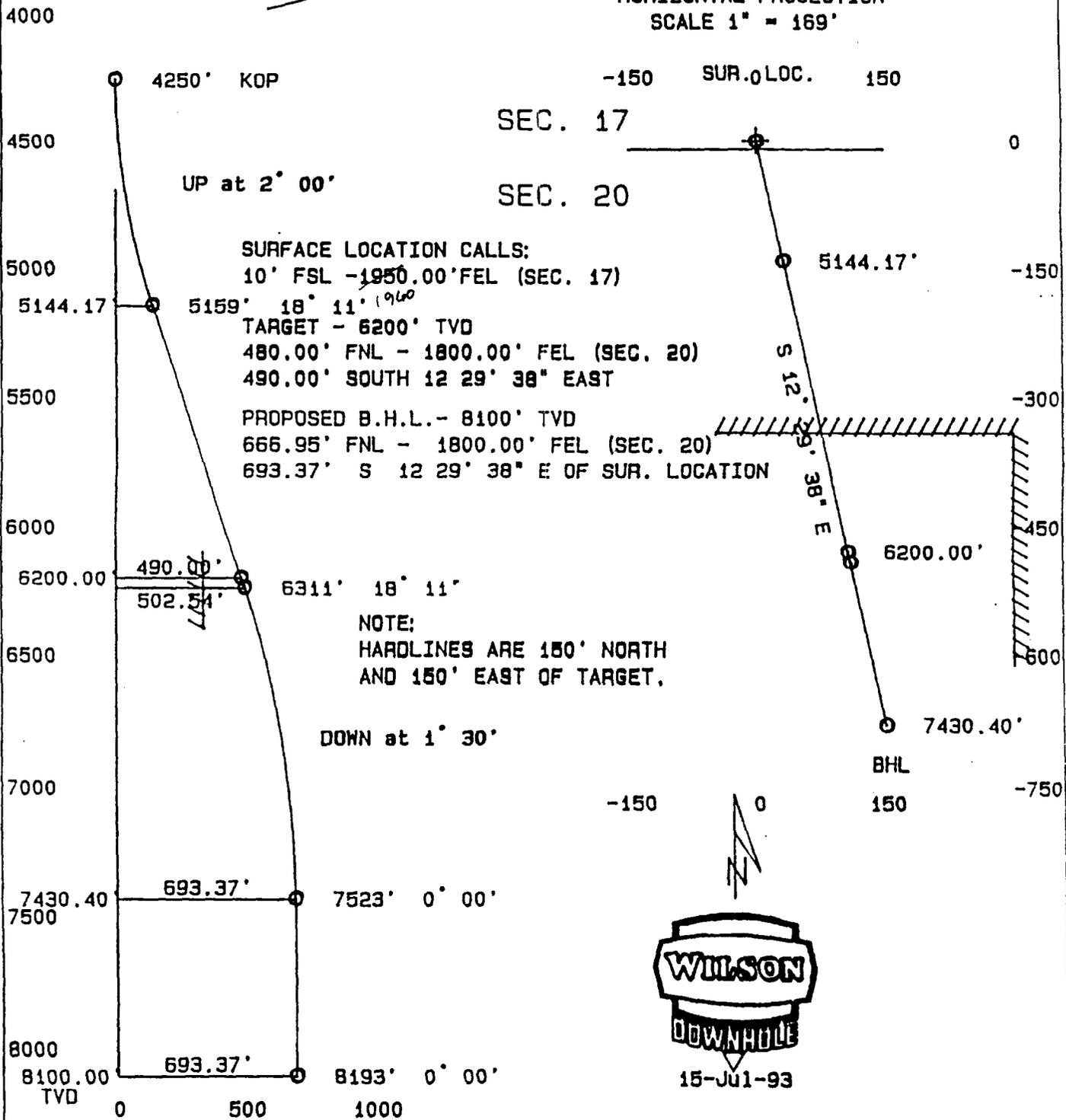
Kaiser-Francis Oil Co.
 Pure Gold "B" Fed. #9
 Eddy County, NM

KAISER-FRANCIS OIL COMPANY
 PURE GOLD "B" FIELD
 SECTION 20, T 23 S-R 31 E.
 PROPOSED WELL NO. B-9
 EDDY COUNTY, NEW MEXICO



VERTICAL PROJECTION
 SCALE 1" = 564'
 S 12° 29' 38" E

HORIZONTAL PROJECTION
 SCALE 1" = 169'



DISTRICT I
 P. O. Box 1980
 Hobbs, NM 88240

OIL CONSERVATION DIVISION
 P. O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT II
 P. O. Drawer DD
 Artesia, NM 88210

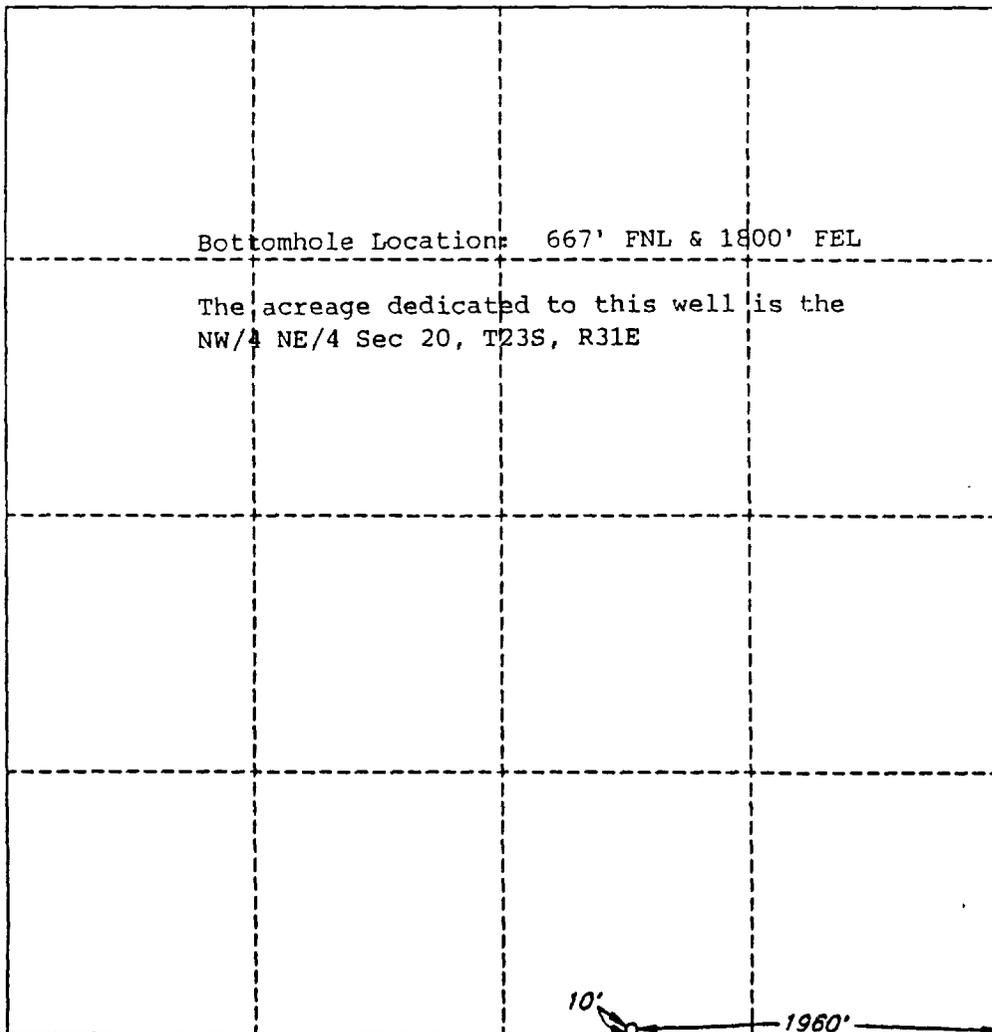
DISTRICT III
 1000 Rio Brazos Rd
 Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

Operator KAISER - FRANCIS OIL COMPANY			Lease PURE GOLD 'B' FEDERAL		Well No. 9
Unit Letter 0	Section 17	Township 23 SOUTH	Range 31 EAST, N.M.P.M.	County EDDY	
Actual Footage Location of Well					
10		feet from the SOUTH	line and	1960	feet from the EAST line
Ground Level Elev. 3337'	Producing Formation Delaware		Pool W. Sand Dunes		Acreage 40

- 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 interest of all the owners been consolidated by communitization, unitization, forced-pooling, etc.?
 - Yes No If answer is "yes", type of consolidation _____
 - If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the 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 interest, has been approved by the division.



OPERATOR CERTIFICATION

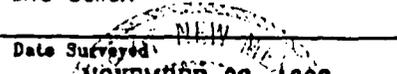
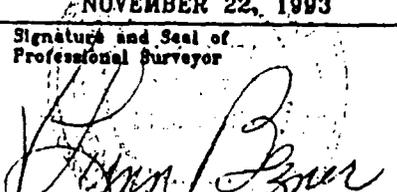
I hereby certify that the information herein is true and complete to the best of my knowledge and belief.

Signature

 Printed Name
Milton Griffin
 Position
Operations Engineer
 Company
Kaiser-Francis Oil Co.
 Date
December 6, 1993

SURVEYOR CERTIFICATION

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

NOVEMBER 22, 1993
 Signature and Seal of Professional Surveyor

 Certificate No.
V. L. BEZNER R.P.S. #7920

APPLICATION FOR PERMIT TO DRILL
KAISER-FRANCIS OIL COMPANY
Pure Gold "B" Federal No. #9
Surface Location: 10' FSL & 1960' FEL
Bottomhole Location: 667' FNL & 1800' FEL
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Kaiser-Francis Oil Company submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is Quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Delaware	4150'
Bone Springs	8000'
TD	8100'
3. We do not anticipate encountering water, and oil and gas formations are as follows:

Delaware

4. Proposed Casing Program: See Form 3160-3 and Exhibit A.
5. Pressure Control Equipment: See Exhibit B.
6. Mud Program: See Exhibit C.
7. Auxiliary equipment: Blowout preventer.
8. Testing, Logging, and Coring Programs: No DST's are anticipated. Approximately 25 rotary drilled sidewall wireline cores will be taken in various Delaware zones between 5900' to 7900'. Electric logs will consist of a Compensated Neutron/Litho Density w/Gamma Ray and Caliper and a Dual Laterolog. A Mudlogging unit will be used from 4150' to TD.
9. No abnormal pressures, no abnormal temperatures and no H₂S are expected.
10. Anticipated starting date: As soon as possible.

EXHIBIT A
KAISER-FRANCIS OIL COMPANY
Pure Gold "B" Federal #9
Eddy County, New Mexico

SUMMARY

Drilling, Casing and Cementing Program

1. Drill 17-1/2" hole to 700' and run 13-3/8", 48#, H40 casing. Use guide shoe on bottom joint with a float insert 1 joint above the guide shoe. Run 1 centralizer per joint on bottom 3 joints. Cement with 500 sx Class "C" + 2% CaCl + 1/4 pps Cello Flake lead cement followed by 200 sx Class "C" + 2% CaCl. Drop top plug and displace cement with mud.
2. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 600 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 600 psi for 30 minutes.
3. Drill 11" hole to 4070' and run a 8-5/8", 32#, J55 casing. Use guide shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and 5 other centralizers. Cement with 800 sx Class C Lite (35:65:6) + 9.5 pps salt + 1/4 pps Celloflake lead cement followed by 200 sx Class C + 1% KCl + 5 pps salt. A Fluid Caliper will be run to determine the exact volume of cement required to circulate cement to the surface.
4. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 1000 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 1000 psi for 30 minutes.
5. Go in hole with 7-7/8" bit + 6-1/4" x 30' non-magnetic drill collar + (18) 6-1/4" steel drill collar. Drill 7-7/8" hole to KOP of 4250' and survey with non-magnetic instrument at 4250'. POOH for angle building assembly.
6. Go in hole with 7-7/8" bit + 6-1/2" slow-speed motor + 1-1/2" bent sub + 6-1/4" x 30' non-magnetic drill collar + 20 steel drill collars. Orient tool face properly, deflect well bore toward proper direction. Start angle building run. Drill with this assembly building approximately 2 degrees per 100 feet of hole in the proper direction until a maximum angle of 18 degrees 11 minutes is obtained plus or minus to 6311' M.D. POOH for angle dropping assembly.
7. Go in hole with 7-7/8" bit + 6-1/4" non-mag drill collar + 3 point roller reamer + 6-1/4" steel drill collar + 3 point roller reamer + (20) 6-1/4" drill collars. Drill hole dropping at 1.5 degrees per 100' to the TVD depth of 7430.40' at this point you will be vertical and will continue to drill to a TVD depth of 8100'.

8. Run 5-1/2", 17#, K55 casing with a stage tool at approximately 6200'. Use a float shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and as required across potential productive intervals. Cement the first stage with 580 sx Class H + additives, and cement the second stage with 690 sx Class C Lite (35:65:6) lead cement followed with 100 sx Class C neat. The exact volume to bring the cement top to 4000' will be determined after logging the well.
9. Perforations and stimulation treatments will be determined after running electric logs and setting the 5-1/2" casing.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL DEEPEN

1b. TYPE OF WELL
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Kaiser-Francis Oil Company

3. ADDRESS AND TELEPHONE NO.
P.O. Box 21468, Tulsa, OK 74121-1468

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
Surface: 10' FSL & 145' FWL Sec 16
At proposed prod. zone
Bottomhole: 480' FNL & 480' FEL Sec 20

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
17 miles East from Loving

18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 480'

19. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1450'

16. NO. OF ACRES IN LEASE 640

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

19. PROPOSED DEPTH 8100' TVD

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3352'

22. APPROX. DATE WORK WILL START*

5. LEASE DESIGNATION AND SERIAL NO.
NM38463

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
Pure Gold B Federal

9. API WELL NO.
10

10. FIELD AND POOL, OR WILDCAT
West Sand Dunes

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA
Sec 20, T23S, R31E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	700	700 sacks Circulated
11	8-5/8	32#	4070	1000 sacks Circulated
7-7/8	5-1/2	17#	8100' TVD	1370 sacks tie back @ least 200' into 8-5/8"

Stage tool @ 6200'

1. MIRU Rotary.
2. Drill 17-1/2" hole to 700' run & set 13-3/8" surface csg & cmt w/700 sx.
3. Install 3000# BOP & test to 600#.
4. Drill 11" hole to 4070', run & set 8-5/8" intermediate csg & cmt w/1000 sx.
5. Test csg to 1000#.
6. Drill 7-7/8" hole to 8100' TVD & run electric logs.
7. If hydrocarbons are indicated, run & set 5-1/2" csg @ TD w/stage collar at 6200' and cmt 1st stage w/580 sx & 2nd stage w/790 sx.
8. RDMO rotary, install wellhead, run cement bond log, perforate and stimulate for production.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.

24. SIGNED Melton Cuffey TITLE Operations Engineer DATE 10/12/93
(This space for Federal or State office use)

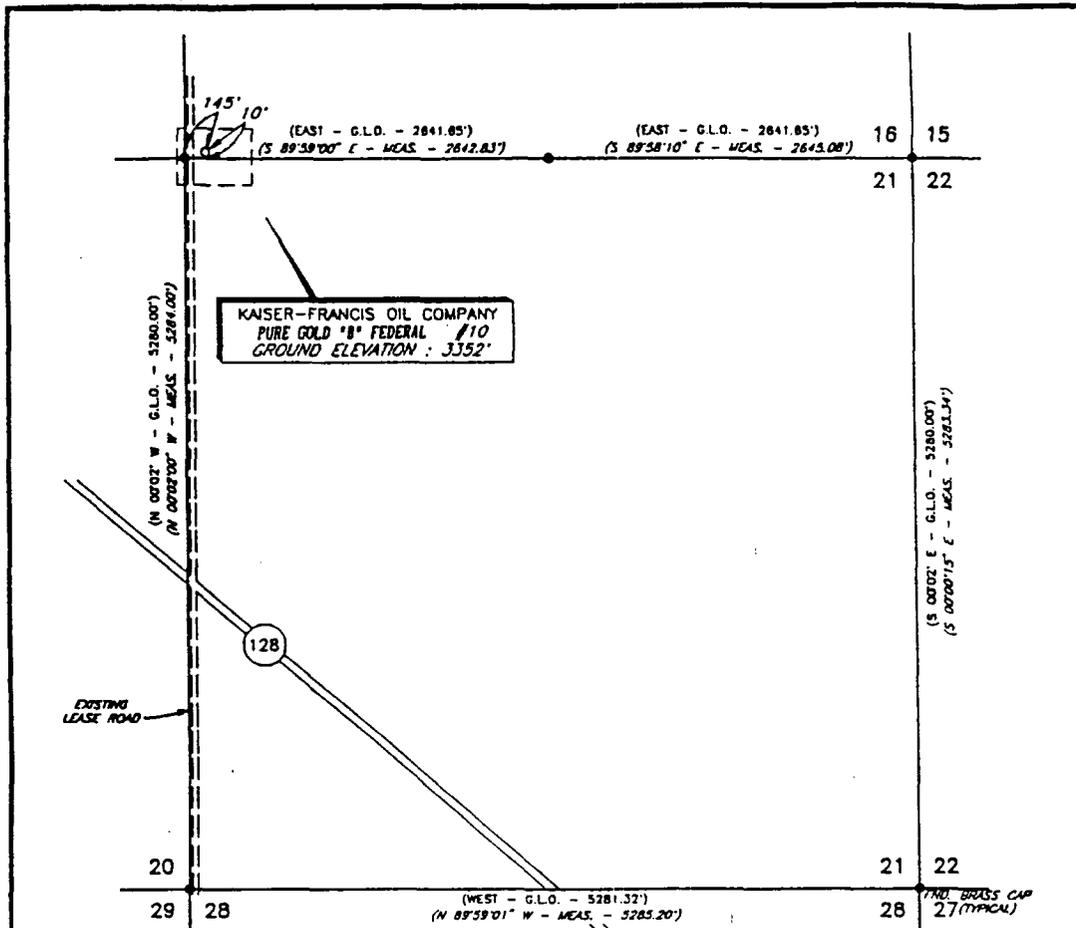
PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

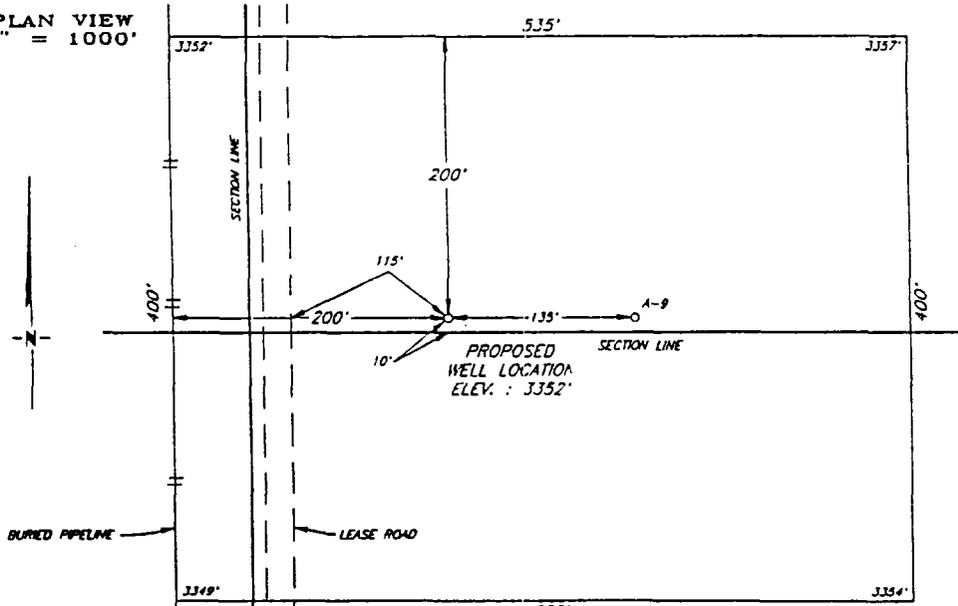
APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



PLAN VIEW
 1" = 1000'



DETAIL VIEW
 1" = 100'

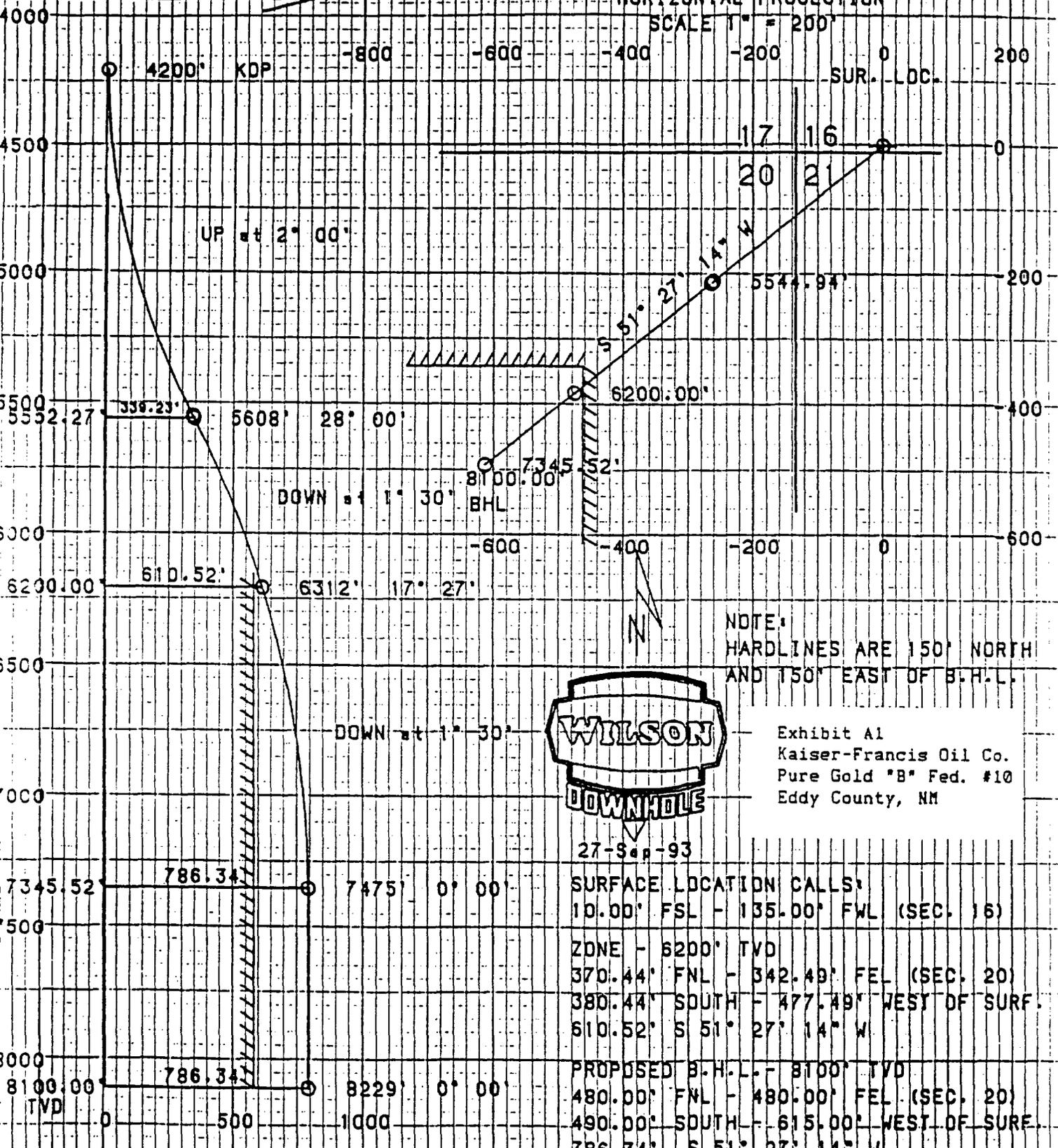
				KAISER-FRANCIS OIL COMPANY		SCALE: AS SHOWN
				ODESSA, TEXAS		DATE: SEPTEMBER 21, 1993
NO.	REVISION	DATE	BY			JOB NO.: 99130
SURVEYED BY:			R.J.O.	SURVEYING AND MAPPING BY		48 SE SHEET : 1 OF 1
DRAWN BY:			V.H.B.	TOPOGRAPHIC LAND SURVEYORS		
APPROVED BY:			L.W.B.	MIDLAND, TEXAS		

KAISER-FRANCIS OIL COMPANY

PURE GOLD "B" FIELD
 SECTION 20, T 23 S-R 31 E,
 PROPOSED WELL NO. B-10
 EDDY COUNTY, NEW MEXICO

VERTICAL PROJECTION
 SCALE 1" = 500'
 S 51° 27' 14" W

HORIZONTAL PROJECTION
 SCALE 1" = 200'



NOTE:
 HARDLINES ARE 150' NORTH
 AND 150' EAST OF B.H.L.



Exhibit A1
 Kaiser-Francis Oil Co.
 Pure Gold "B" Fed. #10
 Eddy County, NM

27-Sep-93

SURFACE LOCATION CALLS:
 10.00' FSL - 135.00' FWL (SEC. 16)

ZONE - 6200' TVD
 370.44' FNL - 342.49' FEL (SEC. 20)
 380.44' SOUTH - 477.49' WEST OF SURF.
 610.52' S 51° 27' 14" W

PROPOSED B.H.L. - 8100' TVD
 480.00' FNL - 480.00' FEL (SEC. 20)
 490.00' SOUTH - 615.00' WEST OF SURF.
 786.34' S 51° 27' 14" W

DISTRICT I
P. O. Box 1980
Hobbs, NM 88240

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

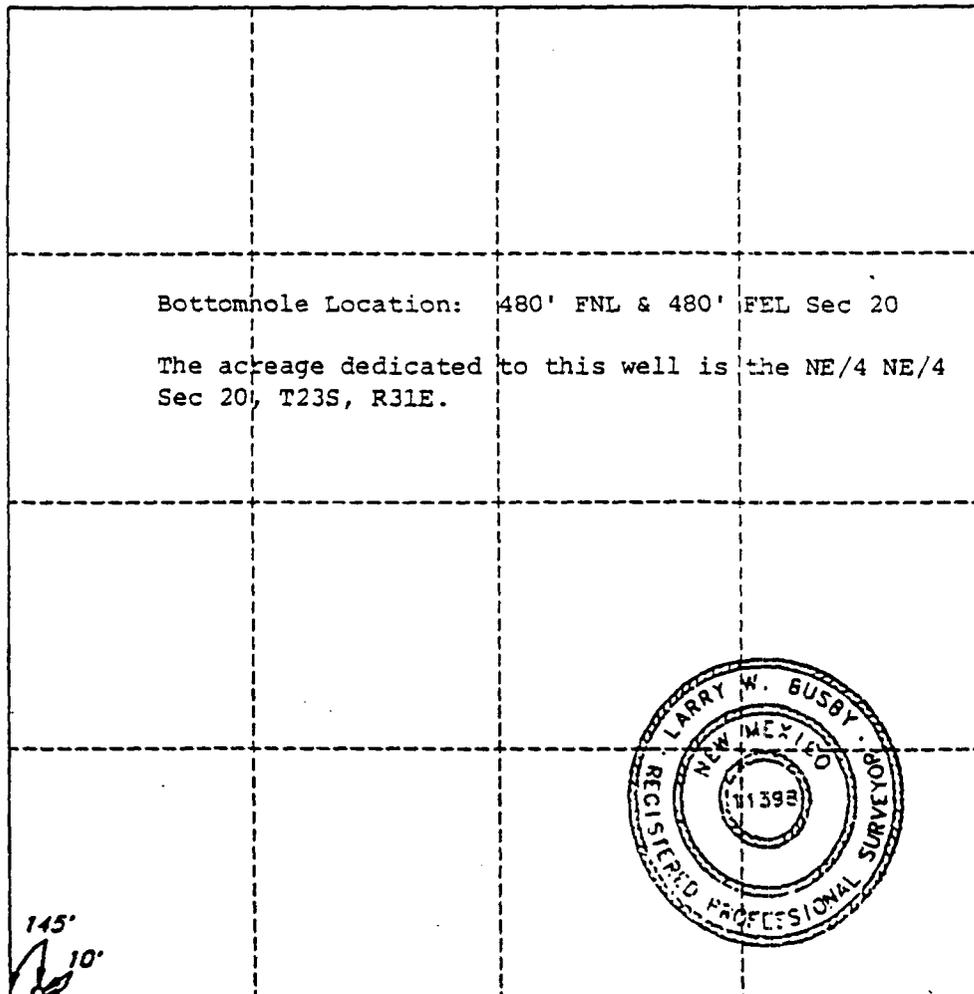
DISTRICT II
P. O. Drawer DD
Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd
Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
All distances must be from the outer boundaries of the section.

Operator KAISER - FRANCIS OIL COMPANY		Lease PURE GOLD "B" FEDERAL		Well No. 10
Unit Letter M	Section 16	Township 23 SOUTH	Range 31. EAST, N.M.P.M.	County EDDY
Actual Footage Location of Well 10 feet from the SOUTH line and 145 feet from the WEST line				
Ground Level Elev. 3352'	Producing Formation	Pool	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 interest of all the owners been consolidated by communization, unitization, forced-pooling, etc.?
 - Yes No If answer is "yes", type of consolidation _____
 - If the answer is "no", list the owners and tract descriptions which have actually been consolidated. (Use the reverse side of this form if necessary.) _____
- No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the division.



OPERATOR CERTIFICATION

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

Signature: *Milton Griffin*
Printed Name: **Milton Griffin**

Position: **Operations Engineer**

Company: **Kaiser-Francis Oil Co.**

Date: **October 12, 1993**

SURVEYOR CERTIFICATION

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: **SEPTEMBER 21, 1993**

Signature and Seal of Professional Surveyor

Certificate No. **LARRY W. BUSBY R.P.S. #11398**
JOB #99130 / 48 SE V.H.B.

APPLICATION FOR PERMIT TO DRILL
KAISER-FRANCIS OIL COMPANY
Pure Gold "B" Federal No. 10
Surface Location: 10' FSL & 145' FWL Sec 16
Bottomhole Location: 480' FNL & 480' FEL Sec 20
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Kaiser-Francis Oil Company submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is Quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Delaware	4150'
Bone Springs	8000'
TD	8100'
3. We do not anticipate encountering water, and oil and gas formations are as follows:

Delaware

4. Proposed Casing Program: See Form 3160-3 and Exhibit A.
5. Pressure Control Equipment: See Exhibit B.
6. Mud Program: See Exhibit C.
7. Auxiliary equipment: Blowout preventer.
8. Testing, Logging, and Coring Programs: No DST's are anticipated. Approximately 25 rotary drilled sidewall wireline cores will be taken in various Delaware zones between 5900' to 7900'. Electric logs will consist of a Compensated Neutron/Litho Density w/Gamma Ray and Caliper and a Dual Laterolog. A Mudlogging unit will be used from 4150' to TD.
9. No abnormal pressures, no abnormal temperatures and no H2S are expected.
10. Anticipated starting date: As soon as possible.

EXHIBIT A
KAISER-FRANCIS OIL COMPANY
Pure Gold "B" Federal #10
Eddy County, New Mexico

SUMMARY

Drilling, Casing and Cementing Program

1. Drill 17-1/2" hole to 700' and run 13-3/8", 48#, H40 casing. Use guide shoe on bottom joint with a float insert 1 joint above the guide shoe. Run 1 centralizer per joint on bottom 3 joints. Cement with 500 sx Class "C" + 2% CaCl + 1/4 pps Cello Flake lead cement followed by 200 sx Class "C" + 2% CaCl. Drop top plug and displace cement with mud.
2. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 600 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 600 psi for 30 minutes.
3. Drill 11" hole to 4070' and run a 8-5/8", 32#, J55 casing. Use guide shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and 5 other centralizers. Cement with 800 sx Class C Lite (35:65:6) + 9.5 pps salt + 1/4 pps Celloflake lead cement followed by 200 sx Class C + 1% KCl + 5 pps salt. A Fluid Caliper will be run to determine the exact volume of cement required to circulate cement to the surface.
4. Nipple up and install BOP's. Cement shall be allowed to stand 12 hours under pressure. After 24 hours test casing to 1000 psi for 30 minutes and drill out cement. After drilling the plug and below the casing seat, test again to 1000 psi for 30 minutes.
5. Go in hole with 7-7/8" bit + 6-1/4" x 30' non-magnetic drill collar + (18) 6-1/4" steel drill collar. Drill 7-7/8" hole to KOP of 4200' and survey with non-magnetic instrument at 4200'. POOH for angle building assembly.
6. Go in hole with 7-7/8" bit + 6-1/2" slow-speed motor + 1-1/2" bent sub + 6-1/4" x 30' non-magnetic drill collar + 20 steel drill collars. Orient tool face properly, deflect well bore toward proper direction. Start angle building run. Drill with this assembly building approximately 2 degrees per 100 feet of hole in the proper direction until a maximum angle of 28 degrees is obtained plus or minus to 5608' M.D. POOH for angle dropping assembly.
7. Go in hole with 7-7/8" bit + 6-1/4" non-magnetic drill collar + 3 point roller reamer + (20) 6-1/4" steel drill collars. Drill the hole dropping at 1-1/2 degrees per 100' deviation into the Bone Spring plus or minus 7345.52' TVD. At this point you will be vertical and you will continue to drill to a TVD of 8100'.

8. Run 5-1/2", 17#, K55 casing with a stage tool at approximately 6200'. Use a float shoe on bottom and a float collar 1 joint above the shoe. Use 1 centralizer per joint on bottom 5 joints and as required across potential productive intervals. Cement the first stage with 580 sx Class H + additives, and cement the second stage with 690 sx Class C Lite (35:65:6) lead cement followed with 100 sx Class C neat. The exact volume to bring the cement top to 4000' will be determined after logging the well.
9. Perforations and stimulation treatments will be determined after running electric logs and setting the 5-1/2" casing.