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LAND OFFICE	
OPERATOR	

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

API# 30-037-20049

5A. Indicate Type of Lease  
STATE  FEE

5. State Oil & Gas Lease No.  
LH-2932

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name NA
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name Logan State
2. Name of Operator Esperanza Energy Corp.		9. Well No. 1
3. Address of Operator 17400 Dallas Pkwy., Suite 210, Dallas, TX 75252		10. Field and Pool, or Wildcat Wildcat
4. Location of Well UNIT LETTER <u>D</u> LOCATED <u>660</u> FEET FROM THE <u>West</u> LINE AND <u>660</u> FEET FROM THE <u>North</u> LINE OF SEC. <u>16</u> TWP. <u>13N</u> RGE. <u>34E</u> NMPM		12. County Quay
19. Proposed Depth 3500'		19A. Formation Granite
20. Rotary or C.T. Rotary		
21. Elevations (show whether DF, KT, etc.) 3956' GR	21A. Kind & Status Plug. Bond Blanket Bond for NM	21B. Drilling Contractor not yet selected
22. Approx. Date Work will start 4/20/88		

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	800'	500 sx -H-	surface
7 7/7"	5 1/2"	15.5#	3500'	550 sx Poz	2500'

APPROVAL VALID FOR 90 DAYS  
APPROVED BY 7-6-88  
APPROVAL CHILLING UNDERWAY

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

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

Signed Will W. Johnson Title Engineer Date 3/29/88

(This space for State Use)

APPROVED BY Ray E. Johnson TITLE DISTRICT SUPERVISOR DATE 4-6-88

CONDITIONS OF APPROVAL, IF ANY:

ALL DEEPENING OPERATIONS SHALL BE CONDUCTED UNDER THE SUPERVISION OF A LICENSED DRILLING ENGINEER OR A LICENSED SUPERVISOR.  
\* AT LEAST TEN FOOT INTERVALS

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 37501

APR 04 1988 REC'D  
Form C-102  
Revised 10-1-79

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

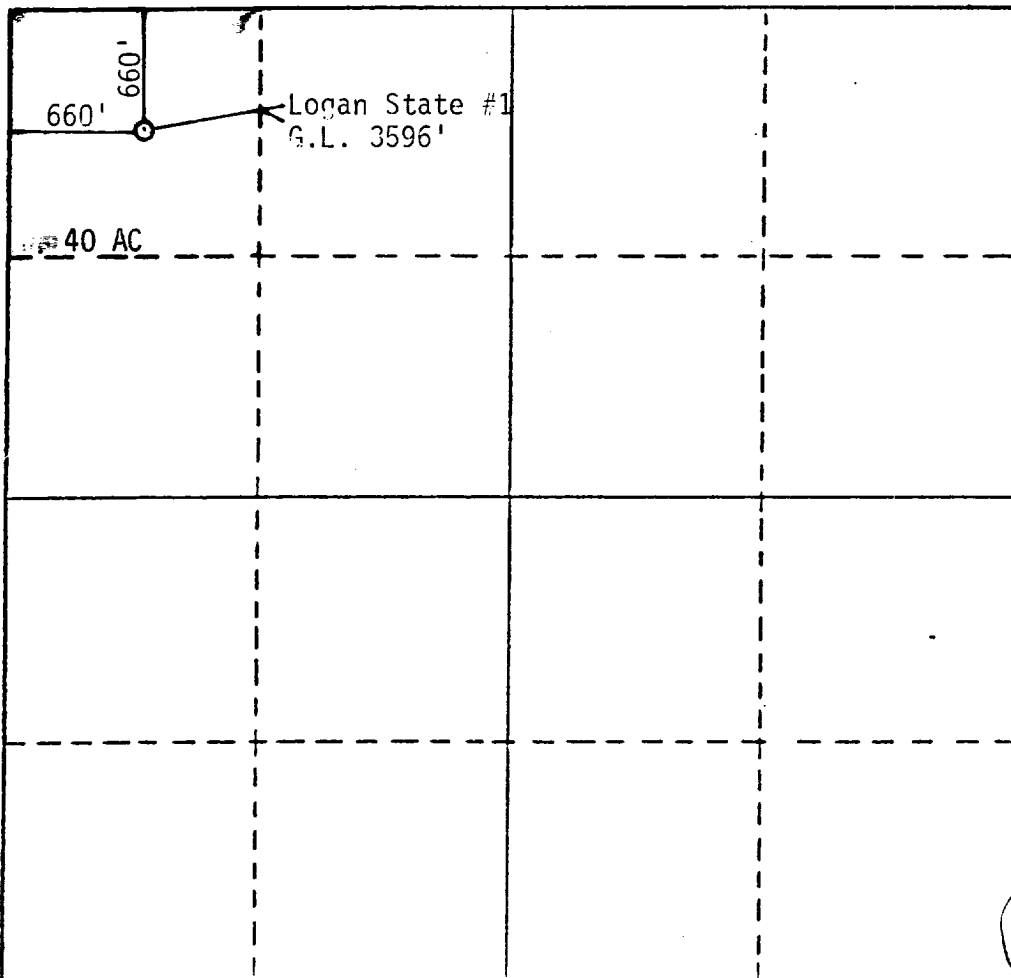
Operator Esperanza Energy Corporation		Lease Logan State			Well No. 1
Unit Letter	Section 16	Township 13N	Range 34E, MMPM	County Quay	
Actual Footage Location of Well: 660' feet from the West line and 660' feet from the North line					
Ground Level Elev. 3596'	Producing Formation Wildcat	Pool None	Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation Not more than one lease

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

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

*William W. Jackson*

Name  
William W. Jackson

Position  
Operations Manager

Company  
Esperanza Energy Corporation

Date  
March 25, 1988

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  
*3-12-88*

Registered Land Surveyor  
*Raymond R. Gibson*  
Raymond R. Gibson

Certificate No.  
3789

