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U.S.G.S.	
LAND OFFICE	
OPERATOR	

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
V-1618

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Ganso State
2. Name of Operator Strata Production Company		9. Well No. 2
3. Address of Operator 648 Petroleum Building, Roswell, N.M. 88201		10. Field and Pool, or Wildcat Hat Mesa, Dela.
4. Location of Well UNIT LETTER <u>J</u> LOCATED <u>1650</u> FEET FROM THE <u>South</u> LINE AND <u>2310</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>32</u> TWP. <u>20S</u> RCG. <u>33E</u> NMPM		12. County Lea
19. Proposed Depth 7100		19A. Formation Delaware
20. Rotary or C.T. Rotary		
21. Elevations (Show whether DF, RT, etc.) 3630 gl	21A. Kind & Status Plug. Bond Statewide	21B. Drilling Contractor WEK
		22. Approx. Date Work will start 1/20/91

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#	1300	Circulate	Surface
7 7/8"	5 1/2"	15.5 & 17#	7100'	Circulate	Surface

see amended casing program

We propose to drill a 12 1/4" hole to 1300' and set 8 5/8" casing. 8 5/8" casing will be cemented with enough cement to circulate to surface.

We then propose to drill a 7 7/8" hole to 7100' and log with CNL-FDC and DLL-MSFL GR logs. If the well is dry it will be plugged pursuant to NMOC rules and regulations. If the well is completed as a producer 5 1/2" casing will be run and cemented with enough cement to circulate to surface.

The hole from the surface to 1300' will be drilled with native mud. The hole from 1300' to TD will be drilled with a brine system with Salt gel and starch to maintain adequate viscosity and water loss.

See attached B.O.P. diagram

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 James E. Mc Clellan Title Vice President Date 1/4/91

(This space for State Use)
ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT SUPERVISOR

APPROVED BY _____ TITLE _____ DATE JAN 09 1991

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval Date Unless Drilling Underway.

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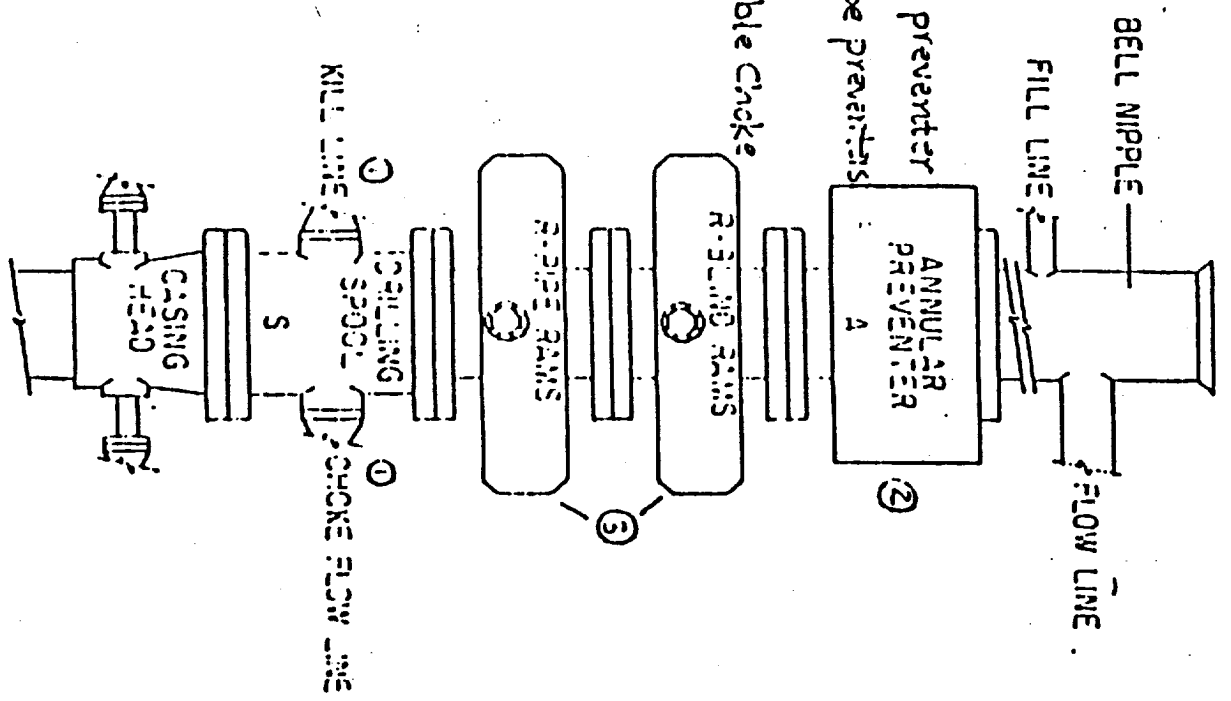
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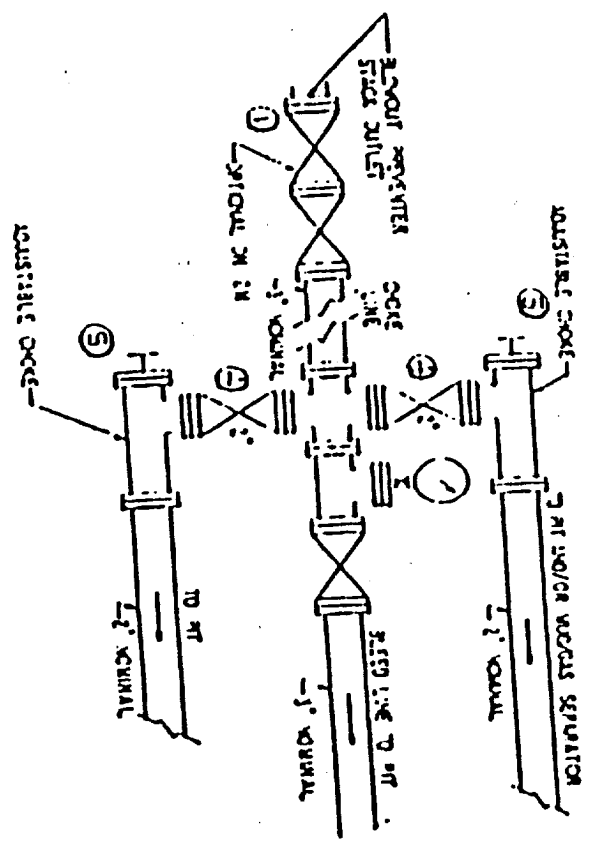
HOBSB OFFICE

STRATA PRODUCTION COMPANY
GANSO STATE # 2

- ① 3" Series 900 Valve
- ② Series 900 Annular Preventer
- ③ Series 900 Ram-Type Preventer
- ④ Series 900 Adjustable Choke



3000 PSI
Working Pressure
(Series 900 Flanges)



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SECURITY OFFICE

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

State of New Mexico
 Department of Minerals and Natural Resources

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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

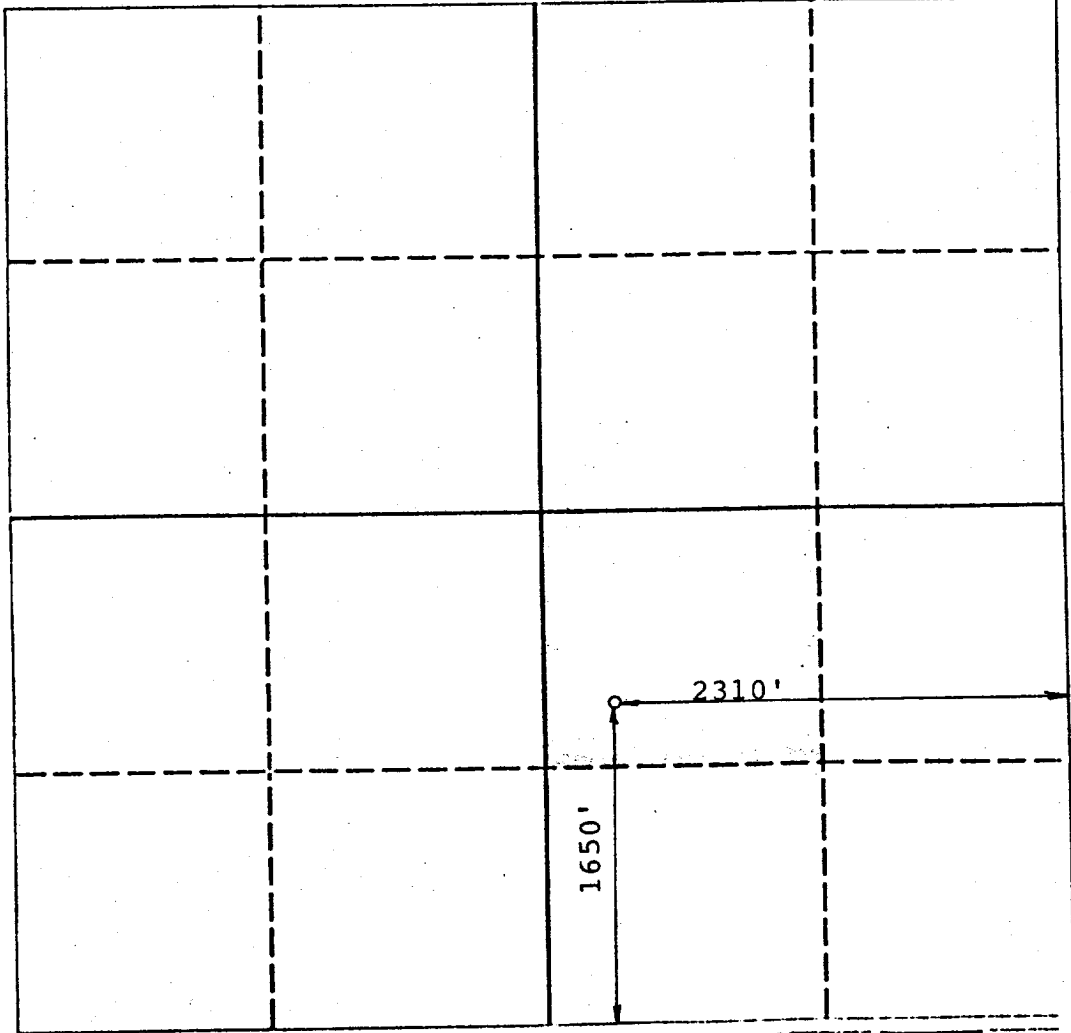
Operator Strata Production Company			Lease Ganso State		Well No. ?
Unit Letter J	Section 32	Township 20 South	Range 33 East	County Lea	
Actual Footage Location of Well: 1650 feet from the South line and 2310 feet from the East line					
Ground level Elev. 3630	Producing Formation DELAWARE		Pool HAT MESA DELAWARE	Dedicated Acreage: 40 Acres	

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

Yes No If answer is "yes" type of consolidation _____

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

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



OPERATOR CERTIFICATION

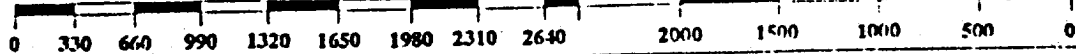
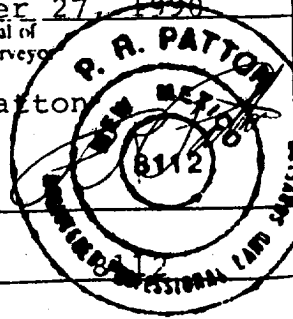
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
James G. McClelland
 Printed Name
JAMES G. MCCLELLAND
 Position
VILL PRESIDENT
 Company
STRATA PRODUCTION CO.
 Date
1-6-90

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
December 27, 1990
 Signature & Seal of Professional Surveyor
P. R. Patton
 Certificate No.
8112



15/01/5 8004

173

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JAN 08 1901

CH.
HOBBS