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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> 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 Shipp "DA"	
2. Name of Operator Charles B. Gillespie, Jr.		9. Well No. 2	
3. Address of Operator P. O. Box 8 Midland, Texas 79702		10. Field and Pool, or Wildcat Shipp Strawn	
4. Location of Well UNIT LETTER <u>B</u> LOCATED <u>660</u> FEET FROM THE <u>North</u> LINE AND <u>2130</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>10</u> TWP. <u>17-S</u> RGE. <u>37-E</u> NMPM		12. County Lea	
21. Elevations (Show whether DF, RT, etc.) <u>3758.6 Gr.</u>		19. Proposed Depth <u>11,700'</u>	19A. Formation <u>Strawn</u>
21A. Kind & Status Plug. Bond <u>Blanket</u>	21B. Drilling Contractor <u>Willbros Drilling, Inc.</u>	20. Rotary or C.T. <u>Rotary</u>	
		22. Approx. Date Work will start <u>ASAP</u>	

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	54.50#	440'	490	Circulated
11"	8 5/8"	32#	4500'	1975	Circulated
7 7/8"	5 1/2"	17-20#	TD	700	9000'

We propose to drill and test to Atoka and intermediate formations. Approximately 440' of surface casing will be set and cement circulated. Approximately 4500' of intermediate casing will be set and cement circulated. Production casing will be set to TD and cemented back to approximately 9000'.

Mud Program: Freshwater, native mud to 10,600'. Mud up at 10,600' with salt gel.

BOP Program: BOP's will be installed at offset and tested daily.

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 Jerry Sexton Title Production Manager Date 5/25/88

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

MAY 25 1988

Permit Expires 6 Months From Approval
Date Unless Drilling Underway.