

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Highland Production Company

3. ADDRESS OF OPERATOR

810 N. Dixie Blvd., Suite 202, Odessa, Texas 79761

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

At surface

990' FSL and 330' FWL

At proposed prod. zone

990' FSL and 330' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

21 Miles SW of Jal, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

330'

16. NO. OF ACRES IN LEASE

160

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.

None

19. PROPOSED DEPTH

4550'

20. ROTARY OR CABLE TOOLS

Rotary to 4350' and cable tool
to TD.

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

3174.2 GR

22. APPROX. DATE WORK WILL START*

October 14, 1988

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	8 5/8"	24. #	1,200'	125 Sacks Class C - Circulate
7 7/8"	5 1/2"	15.5 #	4,550'	1200 Sacks HLC/W Class C - Circulate

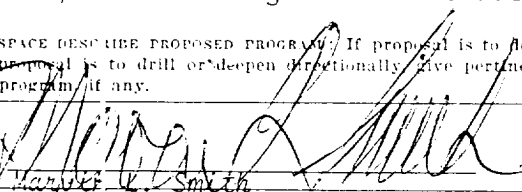
Additional Information:

1. Surface formation is Tertiary with some Triassic Exposed.
2. Estimated geological tops: Rustler - 950'; Anhydrite - 1,000'; Top Salt - 1,300'; Castile - 3,000'; Lamar Lime - 4,100'; Top of Delaware - 4,300'.
3. Pressure control equipment: Double hydraulic pressure tested to 3,000 PSI, full closing hydril on top tested to 3,000 PSI. Pressure control diagram is attached. Testing will be on installation, daily and on trips.
4. Proposed circulating medium: 0-1,200' - Spud Mud; 1,200 to 4,500' - Brine Water.
5. Estimate will encounter water from 890' to 950'.
6. Estimate will encounter oil at 4,370'.
7. Logging Program: Acoustic Velocity Gamma Ray Caliper Log: FoRoXo guard log.
8. No coring or drill stem testing.
9. No abnormal pressures or temperatures are expected to be encountered.
10. Anticipated starting date is October 14, 1988.

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24.

SIGNED



TITLE

President

DATE

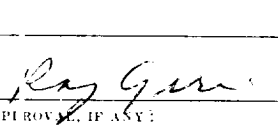
July 27, 1988

(This space for Federal or State office use)

PERMIT NO.

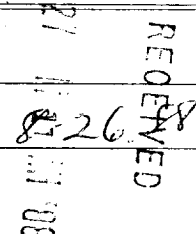
APPROVAL DATE

APPROVED BY



TITLE

DATE



CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator Highland Production Co.		Lease Conoco Federal "B"		Well No. 1
Unit Letter M	Section 20	Township 26 South	Range 32 East	County Lea
Actual Footage Location of Well: 990 feet from the south line and 330 feet from the west line				
Ground Level Elev. 3174.2	Producing Formation Delaware	Pool East North Mason	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 _____

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 Commission.



CERTIFICATION

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

Marvin L. Smith
Name
Marvin L. Smith

Position
President

Company
Highland Production Company

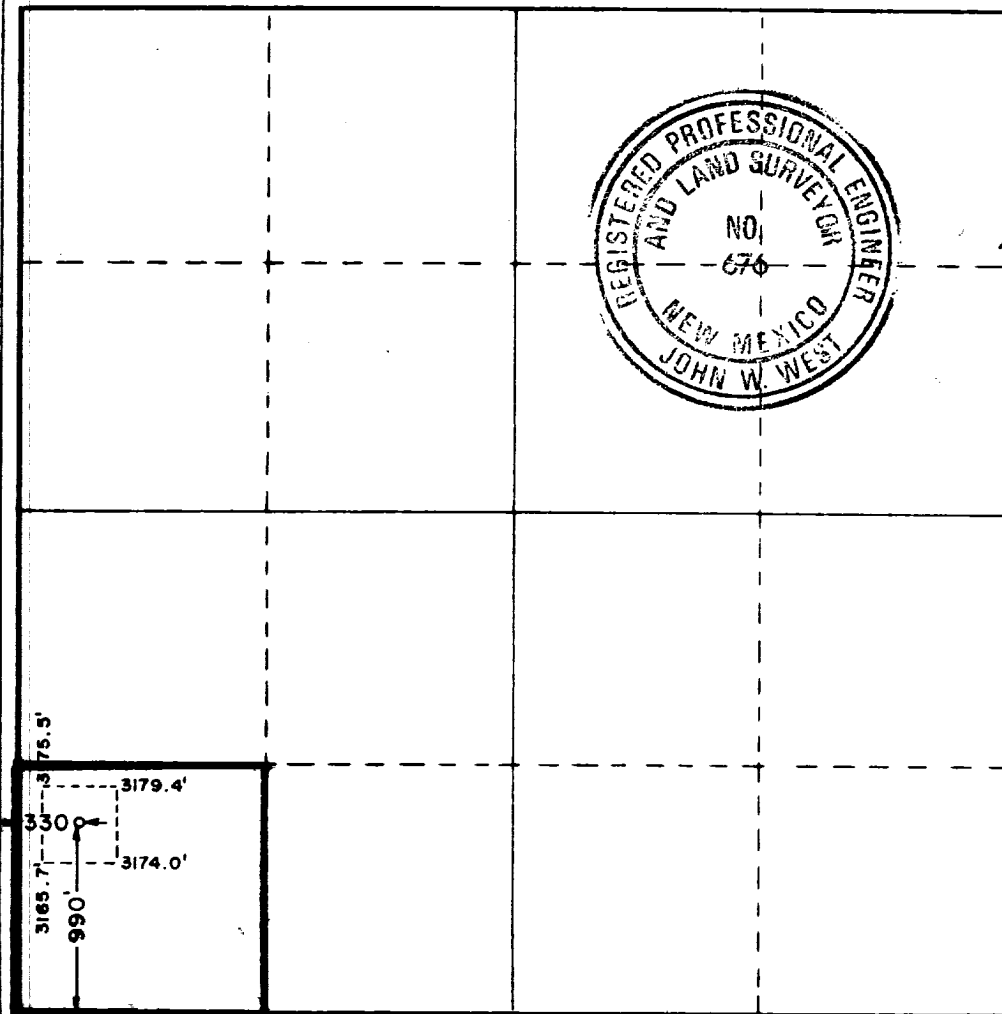
Date
July 27, 1988

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
July 18, 1988

Registered Professional Engineer and/or Land Surveyor

Ronald J. Eidson
Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239

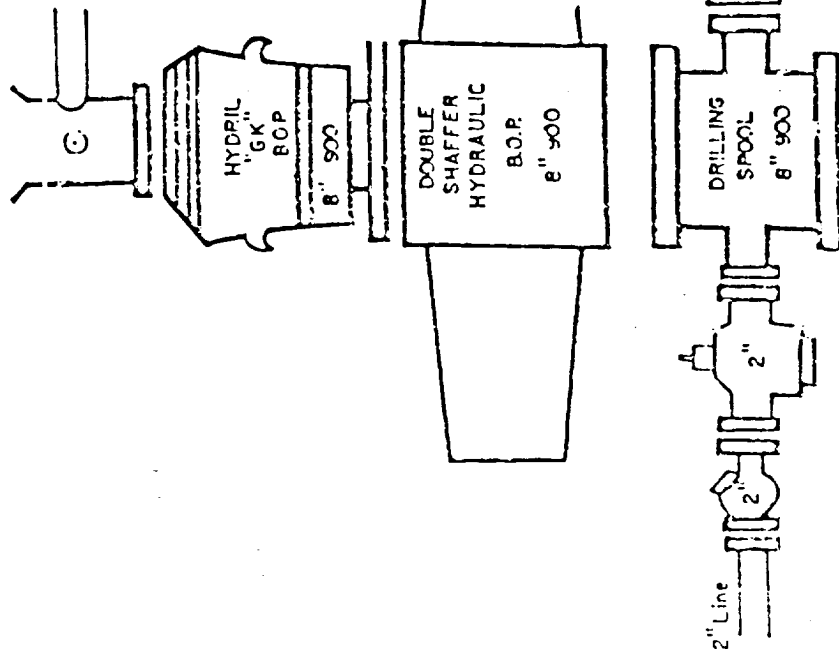
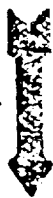


ASE ROTARY TABLE

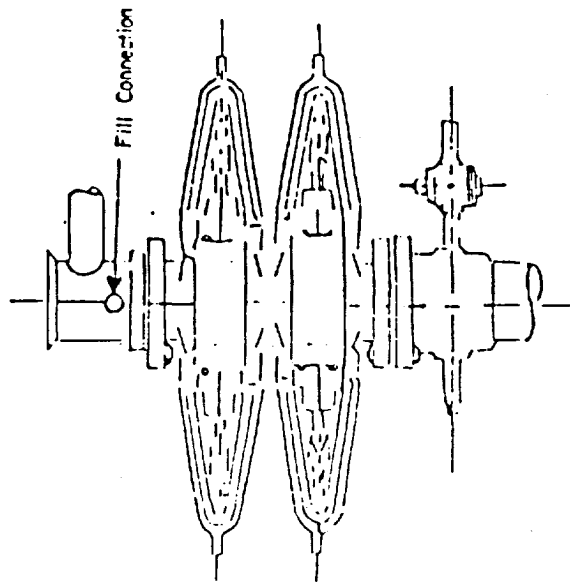
Flow line will have to be made
to fit UNDER Rotary.

2" 1500
4" 900

Optional



KILL LINE
MANIFOLD



Shaffer Type E Series 900 Hydraulic B.O.P.

3000 PSI WORKING PRESSURE
BLOWOUT PREVENTER HOOK-UP

Series 900 Flanges, or Better.

Note: B.O.P. system will meet the conditions of drilling approval
required by the USGS District Office in Hobbs, New Mexico.

Application to Drill
Conoco "B" Federal No. 1
Highland Production Company

88-81-11822

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RECEIVED

SEP 2 1988

OCD
HOBBS OFFICE