

Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE

JUL 28 1999

APPLICATION FOR NEW WELL STATUS. CONSERVATION DIVISION

District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

I. Operator and Well

Operator name & address Home-Stake Oil & Gas Company 15 E. 5 th Street Suite 2800 Tulsa, OK 74103						OGRID Number 163123		
Contact Party Larry Tarwater						Phone (918) 583-0178 ext 17		
Property Name Sarah Johnston				Well Number 2		API Number 30-025-34611		
UL "J"	Section 22	Twnship 22 S	Range 37 E	Feet From The 1600	North/South Line South	Feet From The 2288	East/West Line East	County LEA

II. Date/Time Information

Spud Date 5-6-1999	Spud Time 11:30 pm	Date Completed 7/23/1999	Pool South McCormack, Silurian
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III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of Oklahoma)
County of Tulsa) ss.
Larry Tarwater, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature Larry Tarwater Title Production Engineer Date 7-27-99

SUBSCRIBED AND SWORN TO before me this 27th day of July, 1999.

Debra D. Langley
Notary Public

My Commission expires: 7-31-2002

99 JUN 28 AM 9:40
OIL CONSERVATION DIV.

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

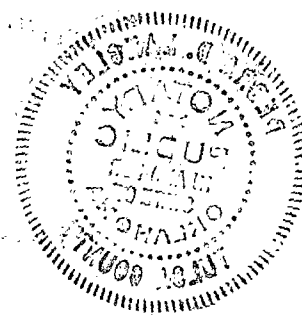
This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark Sahley</u>	Title <u>P.E. Spec.</u>	Date <u>7-28-99</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 7/29/99

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2005938284



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

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30-025-34611
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		7. Lease Name or Unit Agreement Name SARAH JOHNSTON	
1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER DRILLING WELL		8. Well No. "2"	
2. Name of Operator HOME-STAKE OIL & GAS COMPANY		9. Pool name or Wildcat McCormack, (Silurian, South)	
3. Address of Operator 15 East 5th Street, Suite 2800; Tulsa, OK 74103-4311			
4. Well Location Unit Letter <u>J</u> : <u>1600'</u> Feet From The <u>South</u> Line and <u>2288'</u> Feet From The <u>East</u> Line Section <u>22</u> Township <u>22 South</u> Range <u>37 East</u> NMPM Lea County			
10. Elevation (Show whether DF, RKB, RT, GR, etc.) <u>3351' GR</u> <u>3369' KB</u>			

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data			
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER: <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> OTHER: <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/> CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/> OTHER: <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spud date: 11:30 pm 5/6/1999.
 17-1/2" hole drilled to 400'.
 13-3/8" 48# H-40 surface casing was set @ 397' & cemented by B-J Services with 440 sacks Cl 'C' cmt w/
 2% CaCl (yield 1.35 cf/sk, 14.8 ppg.)
 Displaced to shoe w/ 58 bbls water. Circulated 60 sacks cement to pit. Plug down at 6:15 pm 5/7/1999.
 WOC 16-1/2 hrs. Tested casing and BOP to 1000 psi. Estimated temperature of slurry at surface = 70
 degrees. Estimated temperature @ 400' = 63 degrees. Estimated compressive strength = 1900 psi /16 hrs -
 per BJ Services charts.

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

SIGNATURE [Signature] TITLE Production Engineer DATE 7-26-99
 TYPE OR PRINT NAME Larry Tarwater TELEPHONE NO. 583-0178 x17

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY:

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

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30-025-34611
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
OIL WELL ☐ GAS WELL ☐ OTHER DRILLING WELL ☒

2. Name of Operator
HOME-STAKE OIL & GAS COMPANY

3. Address of Operator
15 East 5th Street, Suite 2800; Tulsa, OK 74103-4311

4. Well Location
Unit Letter J : 1600' Feet From The South Line and 2288' Feet From The East Line
Section 22 Township 22 South Range 37 East NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3351' GR 3369' KB

7. Lease Name or Unit Agreement Name

SARAH JOHNSTON

8. Well No.
"2"

9. Pool name or Wildcat
McCormack, (Silurian, South)

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

11" hole drilled to 3425'.
8-5/8" 32# J-55 intermediate casing was set @ 3400' & cemented by B-J Services with 600 sacks 35/65 Poz/Class 'C' cmt w/ 6% gel, 5% NaCl, (yield 1.90 cf/sk, 12.8 ppg.) plus 200 sacks Class 'C' cement w/ 1% CaCl, (yield 1.34 cf/sk, 14.8 ppg.) Total slurry = 240 bbls.
Displaced to shoe w/ 204 bbls water. Plug down @ 1:30 pm 5/12/1999. Did not circulate cement to surface. WOC 14-1/2 hrs. Tested casing and BOP to 1200 psi. Estimated temperature of slurry at surface = 70 degrees. Estimated temperature @ 3400' = 93 degrees. Estimated compressive strength = 1100 psi /14-1/2 hrs - per BJ Services charts.

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

SIGNATURE Larry Tarwater TITLE Production Engineer DATE 7-26-99

TYPE OR PRINT NAME Larry Tarwater TELEPHONE NO. 583-0178 x17

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30-025-34611
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SARAH JOHNSTON
8. Well No. "2"
9. Pool name or Wildcat McCormack, (Silurian, South)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER DRILLING WELL
2. Name of Operator HOME-STAKE OIL & GAS COMPANY
3. Address of Operator 15 East 5th Street, Suite 2800; Tulsa, OK 74103-4311
4. Well Location Unit Letter <u>J</u> : <u>1600'</u> Feet From The <u>South</u> Line and <u>2288'</u> Feet From The <u>East</u> Line Section <u>22</u> Township <u>22 South</u> Range <u>37 East</u> NMPM Lea County 10. Elevation (Show whether DF, RKB, RT, GR, etc.) <u>3351' GR</u> <u>3369' KB</u>

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: PLUG AND ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> REMEDIAL WORK <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/> OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

7-7/8" hole drilled to 7300' and electric logs run.
Cement plug spotted through open-ended drill pipe from 5904 to 5300' with 370 sacks CI 'H' cement, (yield 0.89 cf/sk, 18 ppg.) WOC 31 hrs. Dressed off top of cmt plug 5266-5305'.
Directionally drilled 7-7/8" hole to southwest to 7475' TD (see directional survey) and re-ran electric logs on 6/7/1999.
Ran 5-1/2" 15.5# K-55 production casing and set @ 7472'. Cemented 1st stage with 230 sacks CI 'C', (1.38 cf/sk, 14.8 ppg, 56 bbls slurry.) Displaced with 36 bbls water + 140 bbls mud. Cemented 2nd stage through stage collar @ 5882' with 725 sacks CI 'C' cement (1.38 cf/sk, 14.8 ppg) and displaced plug with 140 bbls water. Bumped plug w/ 3000 psi. Released drilling rig 10 pm, 6/7/1999.

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

SIGNATURE Larry Tarwater TITLE Production Engineer DATE 7-26-99
TYPE OR PRINT NAME Larry Tarwater TELEPHONE NO. 583-0178 x1

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

DISTRICT III
1000 Rio Bravo Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

Form C-105
Revised 1-1-89

WELL API NO. 30-025-34611
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG							
1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>			7. Lease Name or Unit Agreement Name Sarah Johnston				
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DEEP RESER. <input type="checkbox"/> OTHER <input type="checkbox"/>			8. Well No. 2				
2. Name of Operator Home-Stake Oil & Gas Company			9. Foot name or Wildcat South McCormack, Silurian				
3. Address of Operator 15 E. 5th Street, Suite 2800 Tulsa, OK. 74103							
4. Well Location Unit Letter <u>J</u> : 1600 Feet From The <u>South</u> Line and <u>2288</u> Feet From The <u>East</u> Line Section <u>22</u> Township <u>22S</u> Range <u>37E</u> NMPM Lea County							
10. Date Spudded 5/7/99	11. Date T.D. Reached 6/6/99	12. Date Compl. (Ready to Prod.) 7/23/99	13. Elevations (DF & RKB, RT, GR, etc.) 3351' GL 3369' KB	14. Elev. Casinghead 3353'			
15. Total Depth 7475'	16. Plug Back T.D. 7205'	17. If Multiple Compl. How Many Zones? N/A	18. Intervals Drilled By Rotary Tools 0-TD	Cable Tools None			
19. Producing Interval(s), of this completion - Top, Bottom, Name Drinkard 6350'-6493'				20. Was Directional Survey Made Yes			
21. Type Electric and Other Logs Run Induction, Density/Neutron				22. Was Well Cored No			
23. CASING RECORD (Report all strings set in well)							
CASING SIZE		WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED	
13 3/8"		48#	397'	17 1/2"	440 sx Cl 'C' to surface	-0-	
8 5/8"		32#	3400'	11"	800 sx Cl 'C' to surface	-0-	
5 1/2"		15.5#	7472'	7 7/8"	955 sx Cl 'C'	-0-	
24. LINER RECORD						25. TUBING RECORD	
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
None					2 7/8"	6305'	6305'
26. Perforation record (interval, size, and number) 1 SPF/23 Holes: 6350, 6364, 6370, 6387, 6401, 6408, 6410, 6411, 6416, 6428, 6430, 6438, 6442, 6446, 6448, 6453, 6461, 6466, 6467, 6485, 6486, 6493, 6444				27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL 6350'-6493' 6350'-6493'			AMOUNT AND KIND MATERIAL USED 3,000 gals 15% HCl acid 46,000 gals gel & 112,700# 20/40sd
28. PRODUCTION							
Date First Production 7/23/99		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing				Well Status (Prod. or Shut-in) Producing	
Date of Test 7/25/99	Hours Tested 24	Choke Size 20/64"	Prod'n For Test Period	Oil - Bbl. 126	Gas - MCF 435	Water - Bbl. 25	Gas - Oil Ratio 3452
Flow Tubing Pres. 100#	Casing Pressure 0	Calculated 24-Hour Rate	Oil - Bbl. 126	Gas - MCF 435	Water - Bbl. 25	Oil Gravity - API - (Corr.) 38.8	
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold - GPM						Test Witnessed By B. Dean	
30. List Attachments Electric Logs, Deviation Survey							
31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief							
Signature <u>Larry Tarwater</u>			Printed Name <u>Larry Tarwater</u>		Title <u>Production Engineer</u> Date <u>7/26/99</u>		

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy _____
 T. Salt _____
 B. Salt _____
 T. Yates _____
 T. 7 Rivers _____
 T. Queen _____
 T. Grayburg _____
 T. San Andres 3990
 T. Glorieta 5040
 T. Paddock 5210
 T. Blinberry 5420
 T. Tubb 6015
 T. Drinkard 6345
 T. Abo 6900
 T. Wolfcamp _____
 T. Penn _____
 T. Cisco (Bough C) _____

T. Canyon _____
 T. Strawn _____
 T. Atoka _____
 T. Miss _____
 T. Devonian _____
 T. Silurian 7,233
 T. Montoya 7,286
 T. Simpson _____
 T. McKee _____
 T. Ellenburger _____
 T. Gr. Wash _____
 T. Delaware Sand _____
 T. Bone Springs _____
 T. _____
 T. _____
 T. _____

Northwestern New Mexico

T. Ojo Alamo _____
 T. Kirtland-Fruitland _____
 T. Pictured Cliffs _____
 T. Cliff House _____
 T. Menefee _____
 T. Point Lookout _____
 T. Mancos _____
 T. Gallup _____
 Base Greenhorn _____
 T. Dakota _____
 T. Morrison _____
 T. Todilto _____
 T. Entrada _____
 T. Wingate _____
 T. Chinle _____
 T. Permian _____
 T. Penn "A" _____

T. Penn. "B" _____
 T. Penn. "C" _____
 T. Penn. "D" _____
 T. Leadville _____
 T. Madison _____
 T. Elbert _____
 T. McCracken _____
 T. Ignacio Otzie _____
 T. Granite _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from 6410 to 6588
 No. 2, from 6015 to 6070
 No. 5, From 5040 to 5170
 No. 3, from 5420 to 5580
 No. 4, from 5210 to 5290
 No. 6, From 3990 to 4160

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____ feet
 No. 2, from _____ to _____ feet
 No. 3, from _____ to _____ feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
Surface	700	700	Sand & Conglomerate				
700	2500	1800	Anhydrites & Shales				
2500	3600	1100	Dolomites & Anhydrites				
3600	3990	390	Sandy Dolomite				
3990	6900	1910	Dolomites & Shale				
6900	7233	333	Limestone & Dolomite				



HOME-STAKE OIL & GAS COMPANY

APPLICATION FOR TAX REFUND

Well: Sarah Johnston #2
Location: UL "J" Section 22 - T22S - R37E
County, State: Lea County, New Mexico
API Number: 30-025-34611
Pool: McCormack South, Silurian Pool No.: 45430

Operator: Home-Stake Oil & Gas Company OGRID: 163123
15 E. 5th Street Suite 2800
Tulsa, OK 74103

WORKING INTEREST OWNERS

PERCENTAGE INTEREST

- | | |
|---|-----|
| 1. Home-Stake Oil & Gas Company
15 E. 5th Street Suite 2800
Tulsa, OK 74103 | 53% |
| 2. John H. Hendrix Corporation
P.O. Box 3040
Midland, TX 79702 | 47% |



Home-Stake Oil & Gas Company

15 East 5th Street, Suite 2800
Tulsa, Oklahoma 74103-4311

OIL CONSERVATION DIV.

(918) 583-0178

(800) 677-0178

FAX - (918) 583-0237

Internet - www.home-stake.com

99 JUN 28 AM 9:39

July 27, 1999

Mr. Mark Ashley
New Mexico Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, NM 87505

RE: Application for Tax Refund - House Bill 280
Sarah Johnston #2
UL "J" Sec 22-22S-37E
Lea County, New Mexico
L1711020W

Dear Mr. Ashley:

Enclosed please find 3 copies of the following forms relating to Home-Stake's subject application:

- Application for Tax Refund Form
- Form C-142 Application for New Well Status
- Form C-103 Sundry Notice - Verifies spud date, casing, etc.
- Form C-105 Well Completion Form - Completion Date, Test Results, etc.
- List of Working Interest Owners and Their Percentage Interests

Please send a copy of the approved application as soon as it is granted. If you have any questions please contact me at (918) 583-0178 ext. 17. Thank you.

Sincerely,

Larry Tarwater
Production Engineer

attach