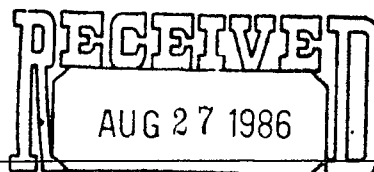


Release Sept 13, 1986

By DRL



Manzano Oil Corporation



OIL CONSERVATION DIVISION
Santa Fe, New Mexico 88201
(505) 623-1996

August 26, 1986

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501-2088

Attention: Mr. David Catanach

*Previously drilled to
Penn.*

Re:

Apple State #1 (Formerly Forest State #1)
State of New Mexico Lease K-6234

330' FNL & 2310' FEL, Sec 34, 16S, 33E Lea Co NM

*NSL-2293
RULE-104(AI)*

*Remedy house
Wolfgang Pool
80 Acres dist.
W/2 NE1/4 Sec. 34*

Gentlemen:

Pursuant to our telephone conversations with Mr. David Catanach, Evelyn Downs and Mr. Richard Stamets, please consider this letter as Manzano Oil Corporation's application for administrative approval of an unorthodox location on the captioned well at the time the well is completed. Our present plans are to attempt a completion on this well beginning this week.

We are this date mailing notification by certified mail to W. A. Moncrief, Jr. whom we have determined to be the only offset operator to the captioned well's proration unit (W/2 NE/4) and are attaching a copy of our letter.

Also enclosed is a plat showing the ownership of all leases offsetting the proration or spacing unit for which the unorthodox location is sought and also all wells completed thereon.

If you require further documentation or information, please advise.

Sincerely,

[Signature]
Ms. Jackie Midkiff

jam
encl.

*Ben 623-1996
Barby*



Manzano Oil Corporation

P.O. Box 571
Roswell, New Mexico 88201
(505) 623-1996

August 26, 1986

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. W. A. Moncrief, Jr.
Moncrief Building
9th & Commerce
Ft. Worth, TX 76102

Re: Reentry of Moncrief #1 Forest State
Section 34, 16S 33E Lea Co NM
Manzano Apple State #1

Attention: Mr. Duane McDaniel

Gentlemen:

Pursuant to your farmout agreement dated June 25, 1986 with Watson & Cox Oil and Gas covering the captioned reentry, it is necessary for Manzano to make application to the Oil Conservation Division for an unorthodox location upon completion in the Wolfcamp Formation. In order to avoid delay in acquiring an allowable if this well produces in that formation and is therefore placed in the Kemnitz Lower Wolfcamp pool, we are making application as of this date for approval of an unorthodox location.

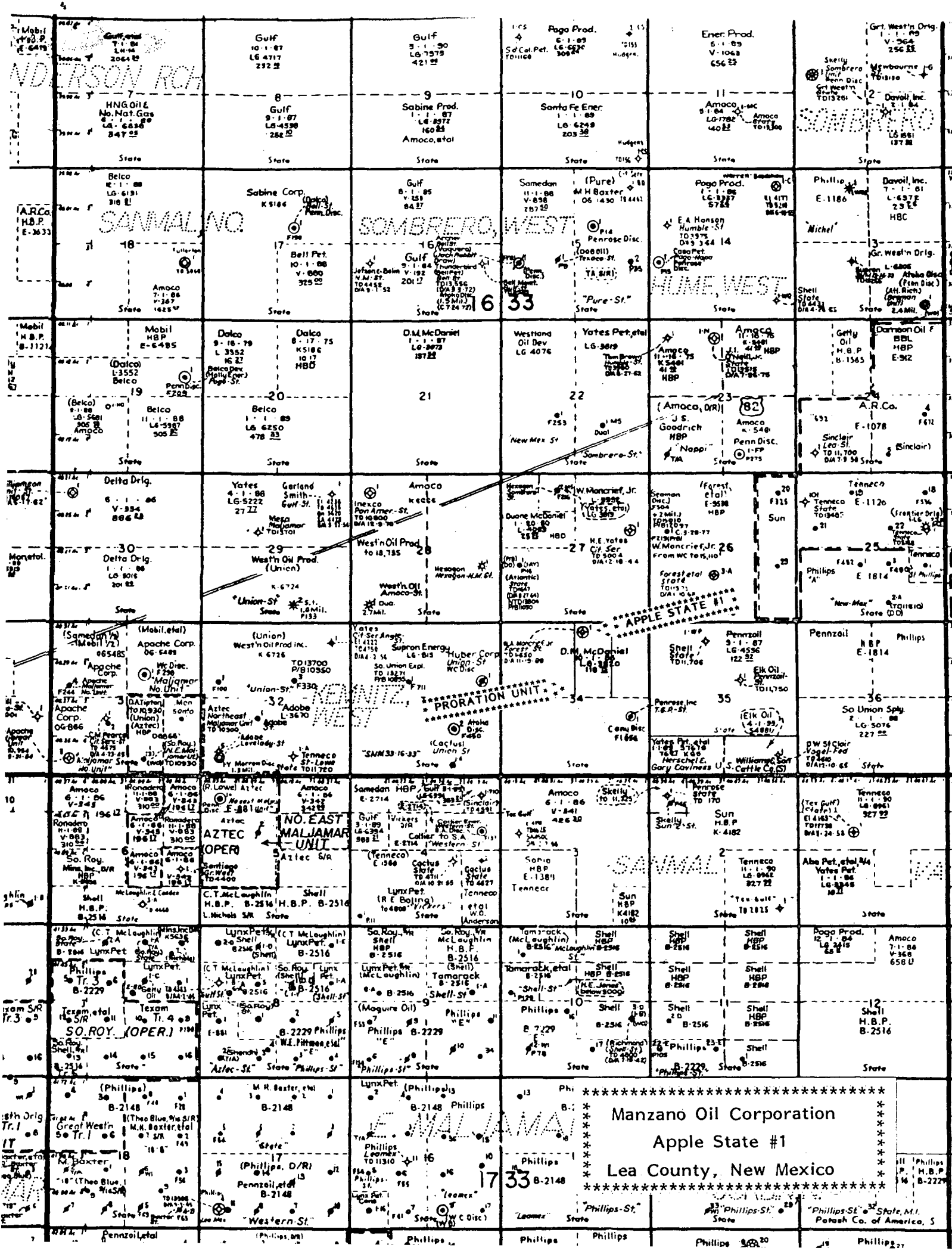
Please accept this letter as notification of the above and if you have any questions please contact me.

Sincerely,

Kenneth Barbe, Jr.

KB:jam
encl.

cc: New Mexico Oil Conservation Division
Attention: Mr. DAvid Catanach
P.O. Box 2088
Santa Fe, NM 87501-2088



**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 Manzano Oil Corporation			Lease Apple State		Well No. 1
Unit Letter B	Section 34	Township 16S	Range 33E	County Lea	

Actual Footage Location of Well:
330 feet from the **North** line and **2310'** feet from the **East** line

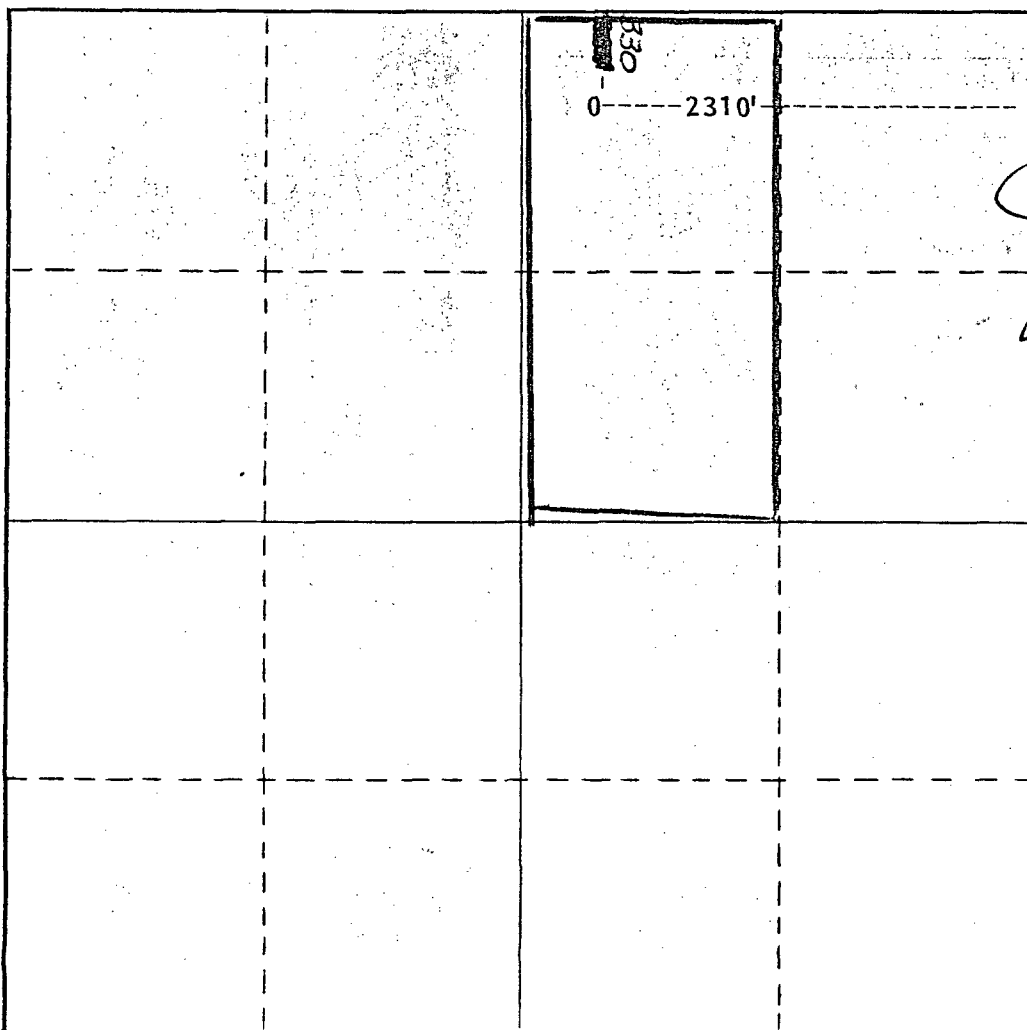
Ground Level Elev. 4194 GR	Producing Formation Wolfcamp	Pool Whisper Remnitz Lower WC	Dedicated Acreage: 160.80 Acres
--------------------------------------	--	---	---

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 complete to the best of my knowledge and belief.

Name
Jackie Midkiff

Position
Production Clerk

Company
Manzano Oil Corporation

Date
8/22/86

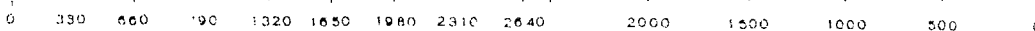
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Please refer to original C-

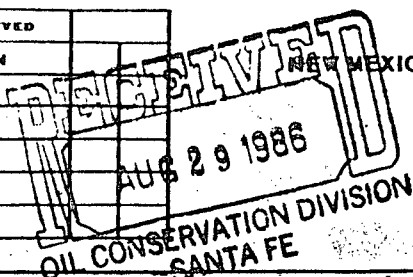
Date Surveyed
102 on the Forest State #1 well at this location.

Registered Professional Engineer
and/or Land Surveyor

Certificate No.



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LAND OFFICE	
OPERATOR	



NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE ☒ PER ☐
5. State Oil & Gas Lease No.
K-6234

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL ☐ DEEPEN ☐ PLUG BACK ☐ OIL WELL ☒ GAS WELL ☐ OTHER Reentry SINGLE ZONE ☒ MULTIPLE ZONE ☐		8. Firm or Lease Name Apple State	
2. Name of Operator Manzano Oil Corporation (505-623-1996)		9. Well No. 1	
3. Address of Operator P.O. Box 571, Roswell, NM 88202		10. Field and Pool, or Wildcat Wildcat Kennitz Lower	
4. Location of Well UNIT LETTER B LOCATED 330' FEET FROM THE FNL LINE AND 2310 FEET FROM THE East LINE OF SEC. 34 TWP. 16S RGE. 33E NMPM		12. County Lea	
19. Proposed Depth 10,950		19A. Formation Wolfcamp	
20. Rotary or C.T. Rotary		21. Elevations (Show whether DF, RT, etc.) 4194 GR	
21A. Kind & Status Plug. Bond Statewide		21B. Drilling Contractor WEK Drilling, Inc.	
22. Approx. Date Work will start August 25, 1986			

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
13-3/4"	11-3/4"	42#	395'	375 sx	Circulated
10-5/8"	8-5/8"	24 & 32#	4218'	300 sx	"
7-7/8"	4-1/2"	11.6#	10,950'	200 sx	

Intend to move in WEK Drilling, Inc. rotary rig and reenter the Forest State #1 well which was plugged and abandoned 12/10/69. Will clean out hole to total depth of 10,950', run and cement 10,950' of 4 1/2" casing with approximately 200 sacks of 50/50 POZ cement, wait on cement 18 hours and test to 1500 psi. Will use Shaffer double Series 900 BOP. Will then attempt to complete the well in the Wolfcamp formation.

Permit Expires 6 Months From Approval
Date Unless Drilling 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 Jackie Midkiff Title Jackie Midkiff/Prod. Clerk Date 8/22/86

(This space for State Use)

APPROVED BY Paul Shaffer TITLE Geologist DATE 26 Aug 86

CONDITIONS OF APPROVAL, IF ANY:

Approval of permit is for drilling only -- no allowable will be assigned until approval of a non-standard location is obtained for the Kennitz Lower Wolfcamp Pool.