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NEW MEXICO OIL CONSERVATION COMMISSION
 APPROVAL YARD
 FOR 90 DAYS DRILLING COMMENCED
 EXPIRES 10-10-79

30-045-23659
 Form C-101
 Revised 1-1-65

5A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No. E-3148-7
7. Unit Agreement Name
8. Farm or Lease Name Burroughs-State
9. Well No. 2-E
10. Field and Pool, or Wildcat Basin Dakota
12. County San Juan
19. Proposed Depth 6356'
19A. Formation Dakota
20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, RT, etc.) 6392' K.B.
21A. Kind & Status Plug. Bond Statewide
21B. Drilling Contractor Aztec Well Servicing
22. Approx. Date Work will start 8/20/79

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"/>
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator ODESSA NATURAL CORPORATION ATTN: John Strojek
3. Address of Operator P.O. Box 3908 Odessa, Texas 79760
4. Location of Well UNIT LETTER <u>J</u> LOCATED <u>1460'</u> FEET FROM THE <u>South</u> LINE <u>1460'</u> East LINE OF SEC. <u>36</u> TWP. <u>26N</u> RGE. <u>11W</u> NMPM
21. Elevations (Show whether DF, RT, etc.) 6392' K.B.
21A. Kind & Status Plug. Bond Statewide
21B. Drilling Contractor Aztec Well Servicing
22. Approx. Date Work will start 8/20/79

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"	24.0	250'	250 sacks	
7-7/8"	4-1/2"	10.50	6356'	TO be determined	

It is proposed to drill this well with rotary tools, using water base mud as circulation medium, through the Dakota Formation. Possible productive zones in the Dakota Formation will be completed. Production casing will be cemented in such a manner as to protect the Gallup, Mesa Verde and Pictured Cliffs Formations.

Estimated Formation Tops

Pictured Cliffs	1582'	Green Horn	5942'
Cliff House	2355'	Graneros	6042'
Gallup	5062'	Dakota	6139'

The E/2 Section 36 is dedicated to this well.
 The natural gas produced from this well is committed.

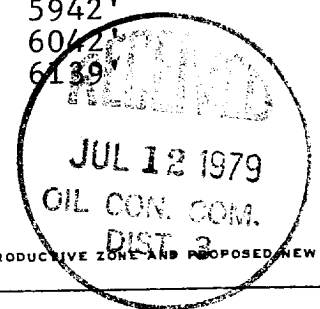
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

FOR: ODESSA NATURAL CORPORATION President, Walsh Engr.
 Signed Ewell N. Walsh, P.E. Title & Prod. Corp. Date 7/10/79

(This space for State Use)

APPROVED BY Frank S. Chang TITLE DEPUTY OIL & GAS INSPECTOR DATE JUL 12 1979
 CONDITIONS OF APPROVAL, IF ANY:



All distances must be from the outer boundaries of the Section.

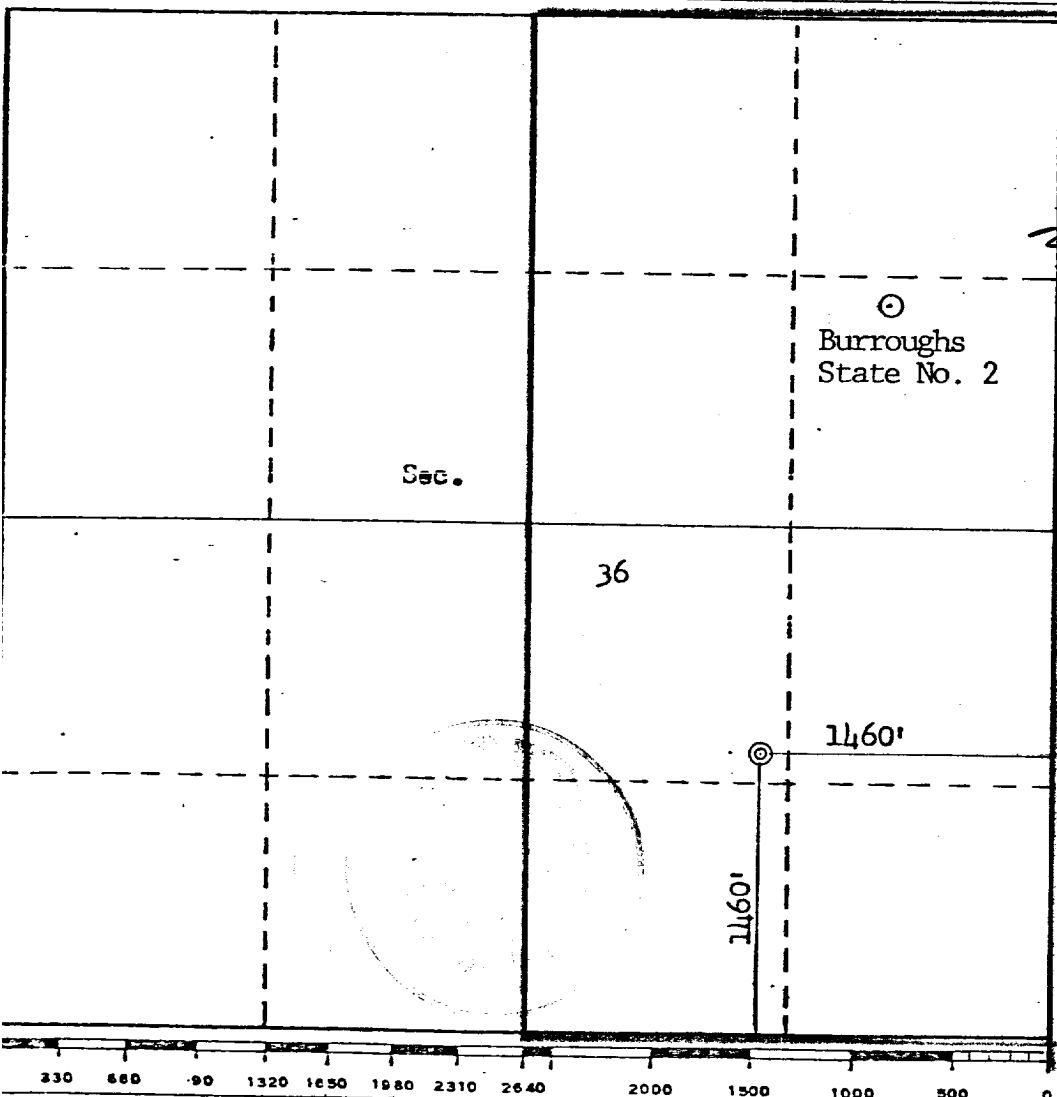
Operator ODESSA NATURAL CORPORATION			Lease BURROUGHS-STATE		Well No. 2-E
Unit Letter J	Section 36	Township 26N	Range 11W	County San Juan	
Actual Postage Location of Wells: 1460 feet from the South line and 1460 feet from the East line					
Ground Level Elev. 6378	Producing Formation Dakota		Pool Basin Dakota		Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.

FOR: ODESSA NATURAL CORP.

Name
Ewell N. Walsh, P.E.
Position
President, Walsh Engr.
Company
& Production Corp.
Date
7/10/79

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
June 26, 1979
Registered Professional Engineer and Land Surveyor
Fred W. Kerr Jr.
Certificate No. **3950**