APPROVED BY

N. M. OIL CONS. COMMISSION

P. O. SON SUBMIT IN TR.

(Other instructions on reverse side)

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

5. LEASE DESIGNATION AND BERIAL NO.

UNITED STATES HORRES IN DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

NM-9016 6. IF INDIAN, ALLOTTEE OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL OR DEEPEN 1a. TYPE OF WORK DRILL [DEEPEN 🔯 7. UNIT AGREEMENT NAME b. TYPE OF WELL WELL X MULTIPLE 8. FARM OR LEASE NAME, WELL NO OTHER 2. NAME OF OPERATOR Inca Federal St. Mary Land & Exploration Company 9. API WELL NO. 3. ADDRESS AND TELEPHONE NO. Coastal Management Corporation 30-025-303 915/688-0767 P.O. Box 2726, Midland TX 79702-2726
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) Young Wolfcamp North At surface 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 1943' FWL & 1980' FNL, Unit Letter "F" At proposed prod. zone Sec 17, T18S, R32E Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 12. COUNTY OR PARISH | 13. STATE 11 miles south of Maljamar, NM Lea NM 15. DISTANCE FROM PROPOSED 16. NO. OF ACRES IN LEASE NO. OF ACRES ASSIGNED DISTANCE SUM FAREST LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) TO THIS WELL 1943 1004.23 40 18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED, 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 10,050' 1320 OR APPLIED FOR, ON THIS LEASE, FT. Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START* 3760' GL Upon Approval 23. PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 4 3/4" 1/2"J55 8800'-10050' 11.6# 80 sxs Class ** See attached Procedure IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 preventer program, if any OPERATIONS ENGINEER SIGNED (This space for Federal or State office use) Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY: (ORIG. SGD.) ARMANDO A. LUPEZ

TITLE PETROLEUM ENGINEER DATE 2

*See Instructions On Reverse Side

Form 3160-5 (June 1990)

ITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED			
Budget Bureau No. 1004-0135			
Expires: March 31, 1993			

Lease Designation and Serial No.

	Zimb minicement	5. Lease Designation and Serial No.
SUNDRY NOTICES AND REPC TS ON WELLS Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.		NM - 90:16
		6. If Indian, Allottee or Tribe Name
Use "APPLICATION FO	R PERMIT—" for such proposals	
SUBMIT	IN TRIPLICATE	7. If Unit or CA, Agreement Designation
I. Type of Well		
Oil Gas Well Other		8. Well Name and No.
2. Name of Operator		Inca Federal #8
		9. API Well No.
3. Address and Telephone No. C/O	915/688-0767	30-025-30323
Coastal Management Corpora 4. Location of Well (Footage, Sec., T., R., M., or Survey D	tion P.O. Box 2726, Midland, TX 79702	1
1943' FWL & 1980' FNL, Sec 17, T18S, R32E		Young Wolfcamp North 11. County or Parish, State
	17, 1100, 1021	Lee, NM
OUESK ADDED		
	s) TO INDICATE NATURE OF NOTICE, REPOR	IT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION	
XX Notice of Intent	Abandonment	Change of Plans
	XX Recompletion	New Construction
Subsequent Report	Plugging Back	Non-Routine Fracturing
Final Abandonment Notice	Casing Repair	Water Shut-Off
Final Abandonment Notice	Altering Casing	Conversion to Injection
	U Other	Dispose Water (Note: Report results of multiple completion on Well
13. Describe Proposed or Completed Operations (Clearly state a)	pertinent details, and give pertinent dates, including estimated date of starting	Completion or Recompletion Report and Log form)
give subsurface locations and measured and true vertice	al depths for all markers and zones pertinent to this work.)*	any proposed work. It well is directionally drilled
St. Mary Land & Exploration	n Company intends to deepen the above	well to 10,050' and
test the Wolfcamp zone.		
**See attached procedure.		-
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		Book 2
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4. I hereby certify that the follogoing is true and correct	0 0	
Signed Whereb	Title OPERATIONS ENGINEER	_ Date _ 2/17/97
(This space for Federal or State office use)	1	
Approved by	Title	Date
Conditions of approval, it any:		

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Procedure

- 1. MIRU Pride Well Service, Hold Safety Meeting.
- 2. PU Baker full bore pkr and 2 7/8" N-80 tbg, RIH to 4600' set pkr test CIBP @ 8290'.
- 3. PUH to 4100' pmp into Grayburg perfs @ 4440'-50', establish rate, cement squeeze perfs, leave press on tbg. SDON.
- 4. POOH with tbg and pkr, PU 4 ¾" bit and 8-DC' drill out cmt squeeze, test, RIH. Drill out CIBP at 8290', RIH to 9200'. Circulate hole clean, POOH.
- 5. PU Pkr, RIH to 8650', tst backside to 300psi. Establish rate down tbg into perfs 8799' to 9080', cement squeeze perfs, leave press on tubing. SDON.
- 6. POOH with tbg and pkr, PU 4 3/4" bit and 8-DC drill out cement squeeze, tst, RIH to 9200' drill out float collar and shoe, cut 1' of new formation, circulate hole clean, POOH.
- 7. Go to 24 hour operations. PU 4 ¾" button bit, 20-DC's and 2 ¾" drill pipe. "Slick up" drilling fluid, drill new hole to 10,050'. Catch samples.
- 8. At TD of 10,050' circulate hole clean and spot viscous mud pill. POOH.
- 9. PU DST tools run DST in Wolfcamp, SI and flow times to be determined. Rel DST pkrs rev. out, POOH.
- RU Wireline Co. run CNL/FDC, dual laterolog with GR from TD to base of 5 ½" casing at 9284'.
- 11. RIH with 4 3/4" bit DC's and drill ipie to TD circ to run liner. POOH.
- 12. PU 4 ½" float shoe, 1 joint 4 ½" FJ, float collar, 1250'± 4 ½" liner, Hyflo 3 liner hanger, and tie back on 2 7/8" tubing. Land liner @ 10,049'-.
- 13. RU BJ cement liner with 80 sx class "H" as per attached recommendation. Flush with 2% KCL. Rel liner and rev cement, POOH w/ tbg. WOC.
- 14. RU Wireline Company, Run GR/CCL from PBTD to 9,000'. Perforate Wolfcamp as per open hole logs.
- 15. PU 10 jts. 2 3/8" N-80 tubing, 4 1/2" packer, 71 joints 2 3/8" N-80 and 242± jts 2 7/8" N-80 tbg, RIH.

Inca Federal No. 8 Procedure September 12, 1996 Page 2 of 2

- Spot 2 bbl of 15% MCA across Wolfcamp perfs using 2% KCL. Set pkr, acidize perfs 16 with 1000 gallons 15% MCA using 20 ball sealers. 6-8 BPM, Flush with 2% KCL.
- 17. Swab test well to recover load.
- Rel pkr POOH, LD pkr, RIH with 2 3/8" X 2 7/8", 7500'-2 7/8", 2500'-2 3/8", Set TAC 18. above liner.
- 19. ND BOP NU WH, PU pump, 203-3/4", 97-7/8" and 96-1", all high strength rods.

20. Space out, HOB, pump test

Prepared by:

Date: 9/13/96

Alan D. Means, Operations Manager