

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address KAISER-FRANCIS OIL CO PO BOX 21468 TULSA, OK 74121		2. OGRID Number 12361
		3. API Number 30-025-38564
4. Property Code 5437	5. Property Name BELL LAKE UNIT	6. Well No. 026

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	6	24S	34E	I	1650	S	660	E	LEA

8. Pool Information

BELL LAKE;MORROW, SOUTH (GAS)	71960
BELL LAKE;ATOKA, SOUTH (GAS)	71760

Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3600
14. Multiple Y	15. Proposed Depth 13700	16. Formation Morrow	17. Contractor	18. Spud Date 11/1/2007
Depth to Ground water 150		Distance from nearest fresh water well 50		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 16190 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	20	16	84	750	770	0
Int1	14.75	10.75	51	5050	1430	0
Prod	9.5	7.625	39	11900	480	4950
Liner1	6.5	5.5	17	13400	125	11700

Casing/Cement Program: Additional Comments

Dv tool set @ est. 8000' w/ 230 sxs cmt. Est. TOC @ 4128'. Open Hole from 13400'-13700'.
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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	10000	10000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/>.	OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Robert Major	Approved By: Paul Kautz	
Title: Manager	Title: Geologist	
Email Address: BobM@KFOC.net	Approved Date: 9/21/2007	Expiration Date: 9/21/2008
Date: 9/20/2007	Phone: 918-491-4372	Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
 Permit 60690

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-38564	2. Pool Code 71960	3. Pool Name BELL LAKE;MORROW, SOUTH (GAS)
4. Property Code 5437	5. Property Name BELL LAKE UNIT	6. Well No. 026
7. OGRID No. 12361	8. Operator Name KAISER-FRANCIS OIL CO	9. Elevation 3600

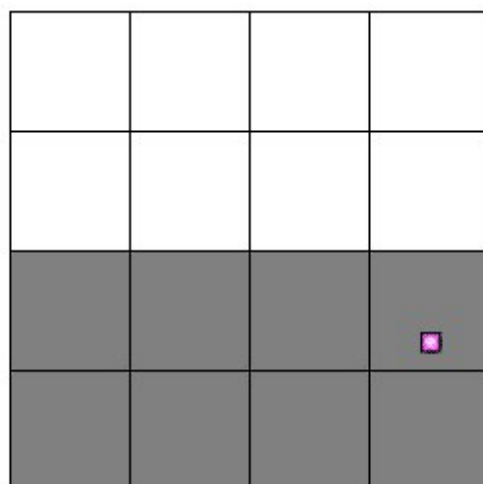
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 318.38		13. Joint or Infill		14. Consolidation Code		15. Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Robert Major
 Title: Manager
 Date: 9/20/2007

SURVEYOR CERTIFICATION

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 belief.

Surveyed By: Macon McDonald
 Date of Survey: 8/24/2007
 Certificate Number: 12185

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Form C-102
 Permit 60690

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-38564	2. Pool Code 71760	3. Pool Name BELL LAKE;ATOKA, SOUTH (GAS)
4. Property Code 5437	5. Property Name BELL LAKE UNIT	6. Well No. 026
7. OGRID No. 12361	8. Operator Name KAISER-FRANCIS OIL CO	9. Elevation 3600

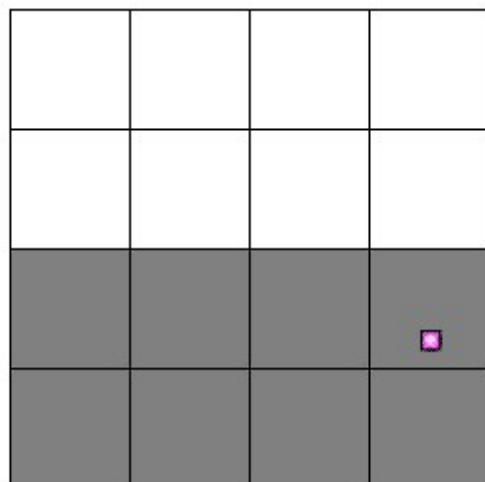
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Surveyed By: Macon McDonald
 Date of Survey: 8/24/2007
 Certificate Number: 12185

Permit Comments

Operator: KAISER-FRANCIS OIL CO , 12361

Well: BELL LAKE UNIT #026

API: 30-025-38564

Created By	Comment	Comment Date
RMAJOR	Run DV tool to 8000' & cmt w/230 sxs cmt.	9/13/2007
RMAJOR	Pit profile will be sent under separate cover.	9/13/2007
RMAJOR	Grey Wolf rig BOP specs will be sent under separate cover.	9/13/2007
RMAJOR	Grey Wolf rig BOP specs will be sent under separate cover.	9/13/2007
DMULL	Sending back for corrections on decated acreage.	9/20/2007

Permit Conditions of Approval

Operator: KAISER-FRANCIS OIL CO , 12361

Well: BELL LAKE UNIT #026

API: 30-025-38564

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
pkautz	Due to Delaware production in area must bring cement on production casing to 4950'.
DMULL	Will require Downhole Commingle order for cownhole commingling before multiple zones can be produced by commingling in the wellbore.