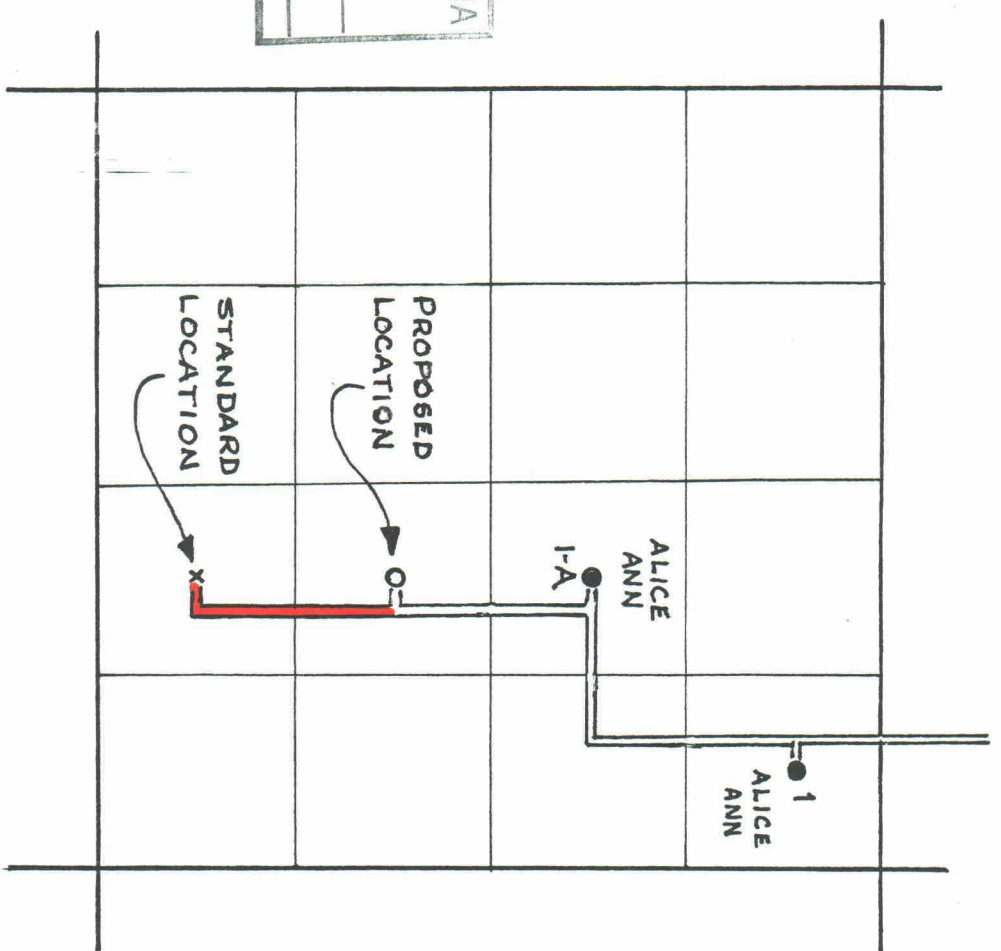


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BEFORE EXAMINER QUINTANA
OIL CONSERVATION DIVISION
~~SPENCE~~ EXHIBIT NO. 3
CASE NO. 8452



SECTION 25, TOWNSHIP 9 SOUTH, RANGE 32 EAST

SPENCE ENERGY CO.
CASE 8452
EX. 3

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐ PLUG BACK ☐		5. TRACT DESIGNATION AND SERIAL NO. NM 55001
b. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐		6. IF INDIAN, ALLOTTEE OR TRIBE NAME _____
2. NAME OF OPERATOR SPENCE ENERGY COMPANY		7. UNIT AGREEMENT NAME _____
3. ADDRESS OF OPERATOR 4849 Greenville Ave., 381 Two Energy Square Dallas, Texas 75206		8. FARM OR LEASE NAME Federal "25"
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980'FSL 1980'FEL Sec.25-9S-32E At proposed prod. zone Same		9. WELL NO. 1
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 25 miles northwest of Tatum, New Mexico		10. FIELD AND POOL, OR WILDCAT South Flying M-Bough "C" (E)
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 660'	16. NO. OF ACRES IN LEASE 160.00	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 25-9S-32E
15. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. None	19. PROPOSED DEPTH 9500'	12. COUNTY OR PARISH Lea
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4303' GL	20. ROTARY OR CABLE TOOLS Rotary	13. STATE N.M.
22. APPROX. DATE WORK WILL START* January 1, 1985		

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48# H-40 ST&C	400'±	400 sx Class C - Circulate
11"	8-5/8"	28# H-40 ST&C	3800'±	900 sx Lite + 200 sx Class C - Circulate
7-7/8"	5-1/2"	17# & 15.5#	9500'±	210 sx Class H to Isolate Water, Oil & Gas Zones

See Supplemental Drilling Data for casing and BOP details.

Propose to drill to approximately 9500' to test Bough and intermediate formations.

Run 5-1/2" production casing, perforate favorable zones.

Run tubing and stimulate as necessary.

Swab to clean up and test. Produce to tanks.

SPENCE ENERGY CO.
CASE 8452
EX. 4

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. 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.

23. SIGNED Jerry H. Long TITLE Agent DATE December 24, 1985
(This space for Federal or State office use)PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY Charles S. Dahl TITLE AREA MANAGER DATE 12-27-84Subject to
Like Approval
by State

*See Instructions On Reverse Side

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

**N. 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 Spence Energy Company			Lease Federal 25		Well No. 1
Unit Letter 1	Section 25	Township 9-South	Range 32 East	County Lea County	
Actual Photographic Location of Well: 1980 feet from the South line and 1980 feet from the East line					
Ground Level Elev. 4303.2	Producing Formation Bough "C"	Pool Flying "M" - Bough "C"		Dedicated Acreage: 80 Acres	

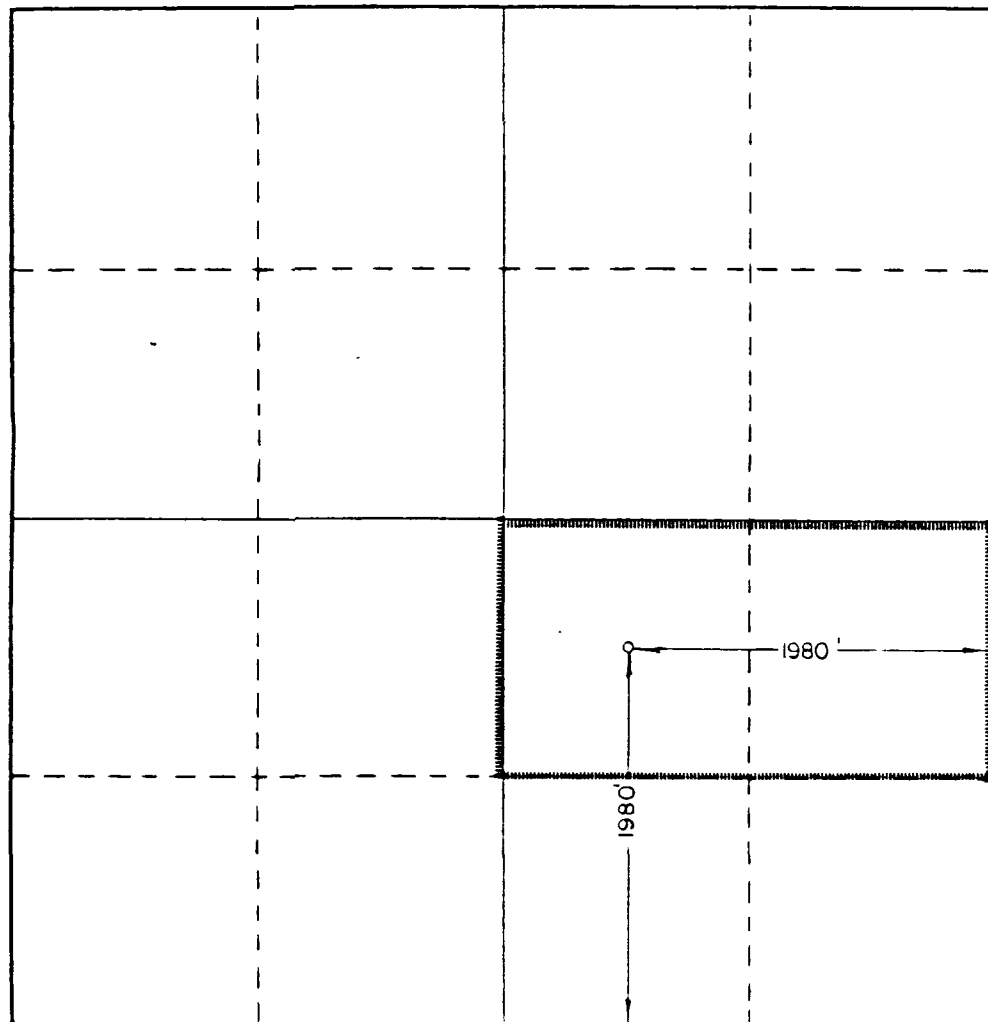
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

SINGLE LEASE - NM 55001
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.

Jerry W. Long
Name **JERRY W. LONG**

Position
Agent

Company
SPENCE ENERGY COMPANY

Date
December 24, 1984

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
December 22, 1984

Registered Professional Engineer
and/or Land Surveyor

John W. West
Certificate No. **JOHN W. WEST, 676**

RONALD J. EIDSON, 3239

0 230 660 90 1920 1880 1840 2310 2840 2000 1800 1000 800 0

BEFORE EXAMINER QUINTANA

OIL CONSERVATION DIVISION

~~SPENCE~~ EXHIBIT NO. 4

CASE NO. 8452