

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*

(Other instructions on  
reverse side)

Form approved.

Budget Bureau No. 004-0136  
Expires August 31, 1985

30-045-62605

5. LEASE DESIGNATION AND SERIAL NO.

NM - 60763

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME 22 com  
Terra Federal com 22

9. WELL NO.

10. FIELD AND POOL, OR WILDCAT  
Springer Basin

11. SEC., T., R., M., OR BLK.  
AND SURVEY OR AREA

S22, T14S, R27E

12. COUNTY OR PARISH  
Chaves

13. STATE  
NM

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

BUREAU OF LAND MANAGEMENT  
RECEIVED  
APR 21 8 19 AM '88  
PLUG BACK ☒

b. TYPE OF WELL

OIL  
WELL ☐

GAS  
WELL ☒

OTHER

SINGLE  
ZONE ☒

AREA  
MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

Terra Resources, Inc.

3. ADDRESS OF OPERATOR

10 Desta Dr., Suite 500 West, Midland, Texas 79705

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
At surface

1100' 1060' FSL & 660 FEL

At proposed prod. zone

Same

660' FSE

MAY 27 '88

O. C. D.

ARTESIA, OFFICE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

15 Miles Northeast of Artesia

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

660

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED

TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

8100'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3445' GL

22. APPROX. DATE WORK WILL START\*

5/10/88

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17½"	13-3/8"	48#	300' 225'	Surface
11"	8-5/8"	24#	1700'	Surface
7-7/8"	5-½"	15.5 & 17#	8100'	5000'

- 1) Drill 17½" hole to 300' w/freshwater mud. Set 13-3/8" csg @ 300' and circulate cement back to surface.
- 2) Drill 11" hole to 1700' w/brinewater. Set 8-5/8" csg @ 1700' and circulate cement back to surface.
- 3) Drill 7-7/8" hole to 8100' w/freshwater mud. Set 5½" csg @ 8100' and cement back to 6000'.

\* The drilling location was adjusted 400' to the North to avoid disturbance of an archaeological site.

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.

24.

SIGNED

*[Signature]*

TITLE Operations Engineer

DATE

4/19/88

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

S/Phil Kirk

TITLE

Area Manager

DATE

MAY 25 1988

APPROVAL OF THIS APPLICATION 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.

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT IN ADVANCE

\*See Instructions On Reverse Side

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

NE MEXICO OIL CONSERVATION COMMISS.  
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

Lessor Terra Resources Inc.		Lessee Terra Federal "22" Com.		Well No. 1
Map Letter P	Section 22	Township 14 South	Range 27 East	County Chaves
Actual Footage Location of Well: 1110 feet from the South line and 660 feet from the East line				
Ground Level Elev. 3437.1	Producing Formation Ogala / Morrow	Pool JND Springer Basin	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communization, 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 communization, 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 \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Date \_\_\_\_\_

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 \_\_\_\_\_

May 12, 1988

Registered Professional Engineer and Land Surveyor

Certificate No. JOHN W. WEST, 676  
RONALD J. EIDSON, 3239

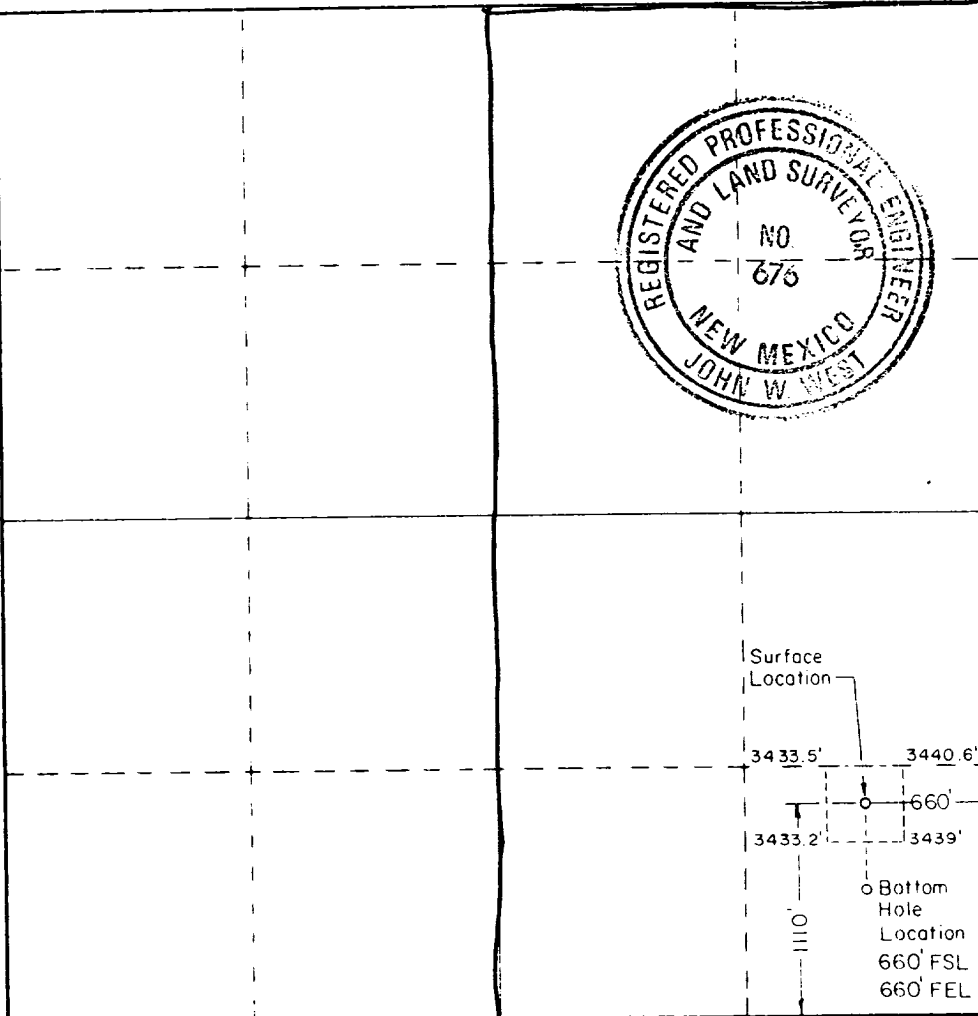
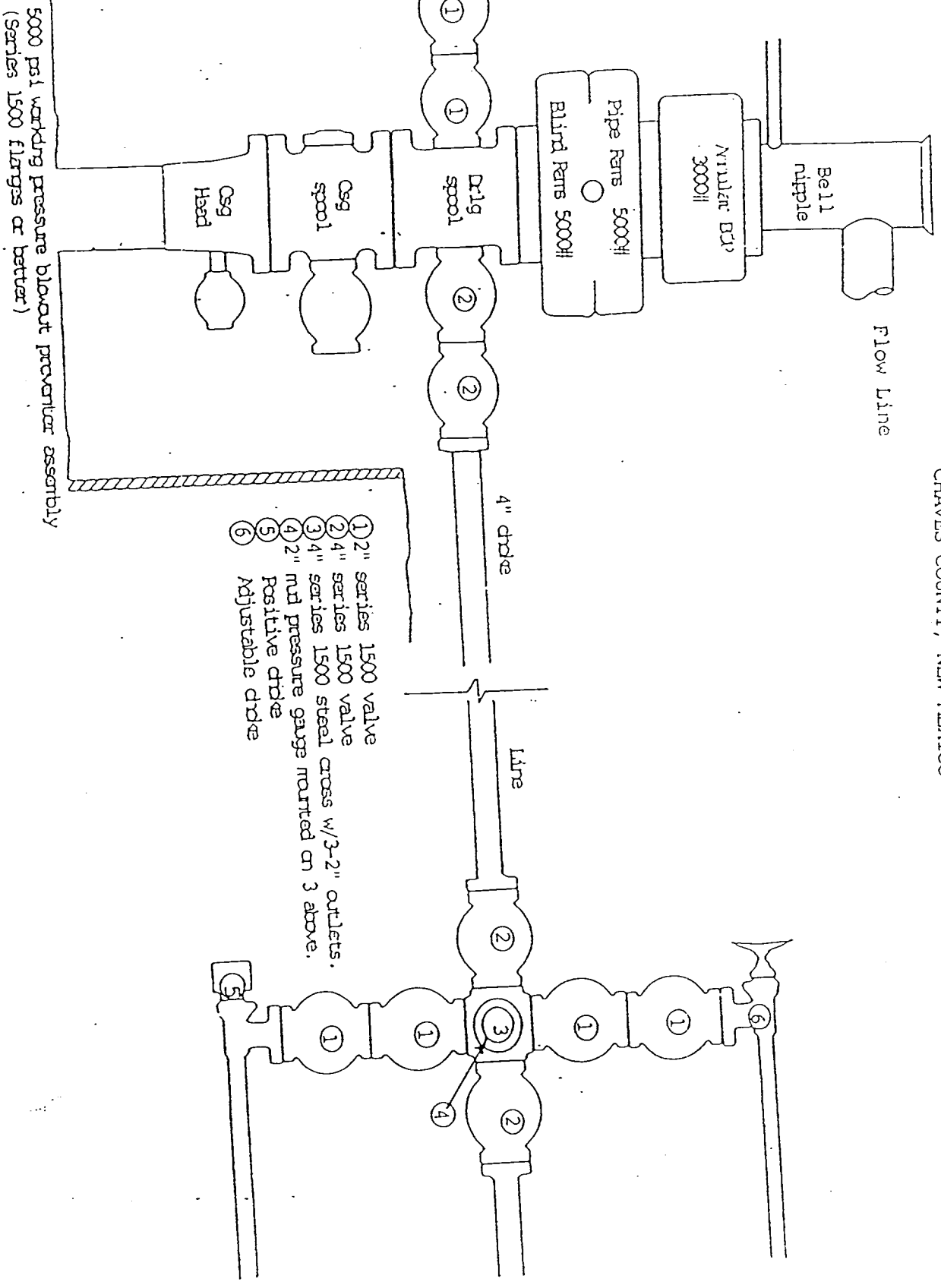


EXHIBIT F  
 PRESSURE CONTROL EQUIPMENT  
 TERRA RESOURCES, INC.  
 TERRA FEDERAL COM "22" #1  
 1110' FSL, 660' FNL of Section 22, T14S, R27E  
 CHAVES COUNTY, NEW MEXICO



NM Oil Cons. Commission  
Drawer DD  
Artesia, NM 88210

TERRA RESOURCES, INC.  
TERRA FEDERAL COM "22" #1  
1110' FSL, 660' FNL of SECTION 22, T14S, R27E  
CHAVES COUNTY, NEW MEXICO

In conjunction with form 3160-3, **Application for Permit to Drill**, Terra Resources, Inc. submits the following ten items of pertinent information in accordance with USGG requirements:

1. The geologic surface formation is Permian (Artesia Group).

2. The estimated tops of geologic markers are as follows:

Yates	600'	Wolfcamp	5950'
Queen	750'	Strawn	7250'
San Andres	1350'	Atoka	7650'
Glorietta	3100'	Morrow Sands	7750'
Tubb	4100'	Chester Lime	7850'
Abo	4900'		

3. The estimated depths at which anticipated fresh water, oil or gas formations are expected to be encountered:

Fresh water: surface to 300'

Oil or gas: Atoka 7650'

Morrow 7750'

4. Proposed casing and cementing program: See Exhibit E

5. Pressure control equipment: See Exhibit F

6. Mud program: See Exhibit G

7. Auxiliary equipment: none

8. Testing, logging and coring programs:

a) No cores are planned.

b) Drill Stem Tests (When justified by a valid show of oil or gas)

Atoka

Morrow

c) Open hole logs:

Gamma Ray-Caliper-Neutron-Density Porosity Log 1700' - TD

Gamma Ray-Neutron log Surface - 1700'

Gamma Ray-Dual Laterolog-Micro Laterolog 1700' - TD

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: as soon as possible.



EXHIBIT B  
TOPOGRAPHIC MAP  
TERRA FEDERAL COM "22" #1  
1110' FSL, 660' FNL of  
Section 22, T14S, R27E  
CHAVES COUNTY, NEW MEXICO

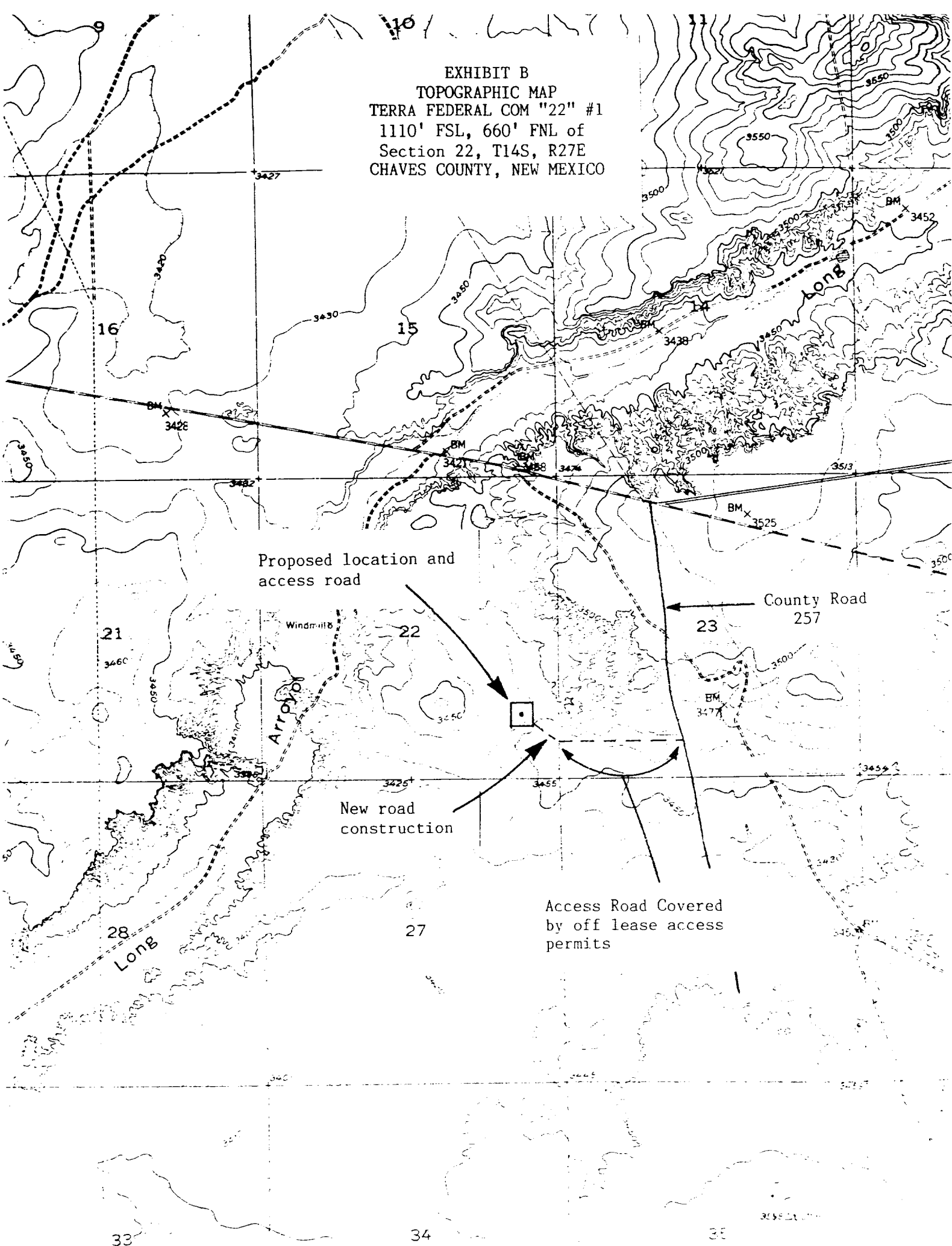


EXHIBIT D  
TERRA FEDERAL COM "22" #1  
1110' FSL, 660' FNL of  
Section 22, T14S, R27E  
CHAVES COUNTY, NEW MEXICO

