

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

Form C-101  
Revised 10-1-73

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OPERATOR	<input checked="" type="checkbox"/>

RECEIVED BY  
P.O. BOX 2188  
SANTA FE, NEW MEXICO 87501  
  
JAN - 5 1987  
  
O. C. D.

5A. Indicate Type of Lease  
STATE ☒ FEE ☐  
5. State Oil & Gas Lease No.  
V-482

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

1a. Type of Work Re-DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Comet State
2. Name of Operator Morexco, Inc.		9. Well No. 1
3. Address of Operator P. O. Box 481, Artesia, New Mexico 88211-0481		10. Field and Pool, or Wildcat East Red Lake
4. Location of Well UNIT LETTER <u>I</u> LOCATED <u>1980</u> FEET FROM THE <u>South</u> LINE AND <u>660</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>1</u> TWP. <u>17S</u> RGE. <u>28E</u> NMPM		11. County Eddy
19. Proposed Depth 2600'		19A. Formation San Andres
20. Elevations (Show whether DT, RT, etc.) 3683' GRD		20. Rotary or C.T. C.T.
21A. Kind & Status Plug. Bond Single Cash Bond	21B. Drilling Contractor Tidwell Drilling	22. Approx. Date Work will start January 13, 1987

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	N/A	410'	435	Surface
12 1/4"	8 5/8"	24#	2659'	1550	

Plan to drill up old plugs, clean out casing to a depth of 2600', and test the Grayburg sands.

No other well on proration unit.

From Amarillo Prod Co - State NAT #1  
P&H 9-19-85 576-10-405

2  
10-13-87  
N.C. H.T.

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 7-22-87  
UNLESS DRILLING UNDERWAY

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.

Signed [Signature] Title Geologist Date January 2, 1986

(This space for State Use)

Original Signed By

Leslie A. Clements

Supervisor District

APPROVED BY \_\_\_\_\_ DATE JAN 21 1987

CONDITIONS OF APPROVAL, IF ANY:

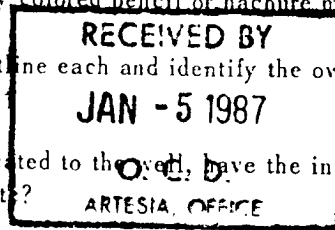
NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-122  
Supersedes C-128  
Effective 1-1-65

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

Operator <b>Morexco, Inc.</b>			Lease <b>Comet State</b>		Well No. <b>1</b>
Unit Letter <b>I</b>	Section <b>1</b>	Township <b>17S</b>	Range <b>28E</b>	County <b>Eddy</b>	
Actual Postage Location of Well: <b>1980</b> feet from the <b>South</b> line and <b>660</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3683'</b>	Producing Formation <b>Grayburg</b>		Pool <b>East Red Lake</b>	Dedicated Acreage: <b>160 40</b> 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 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.

*[Signature]*

Name  
**Donald G. Becker, Jr.**

Position  
**Geologist**

Company  
**Morexco, Inc.**

Date  
**January 2, 1986**

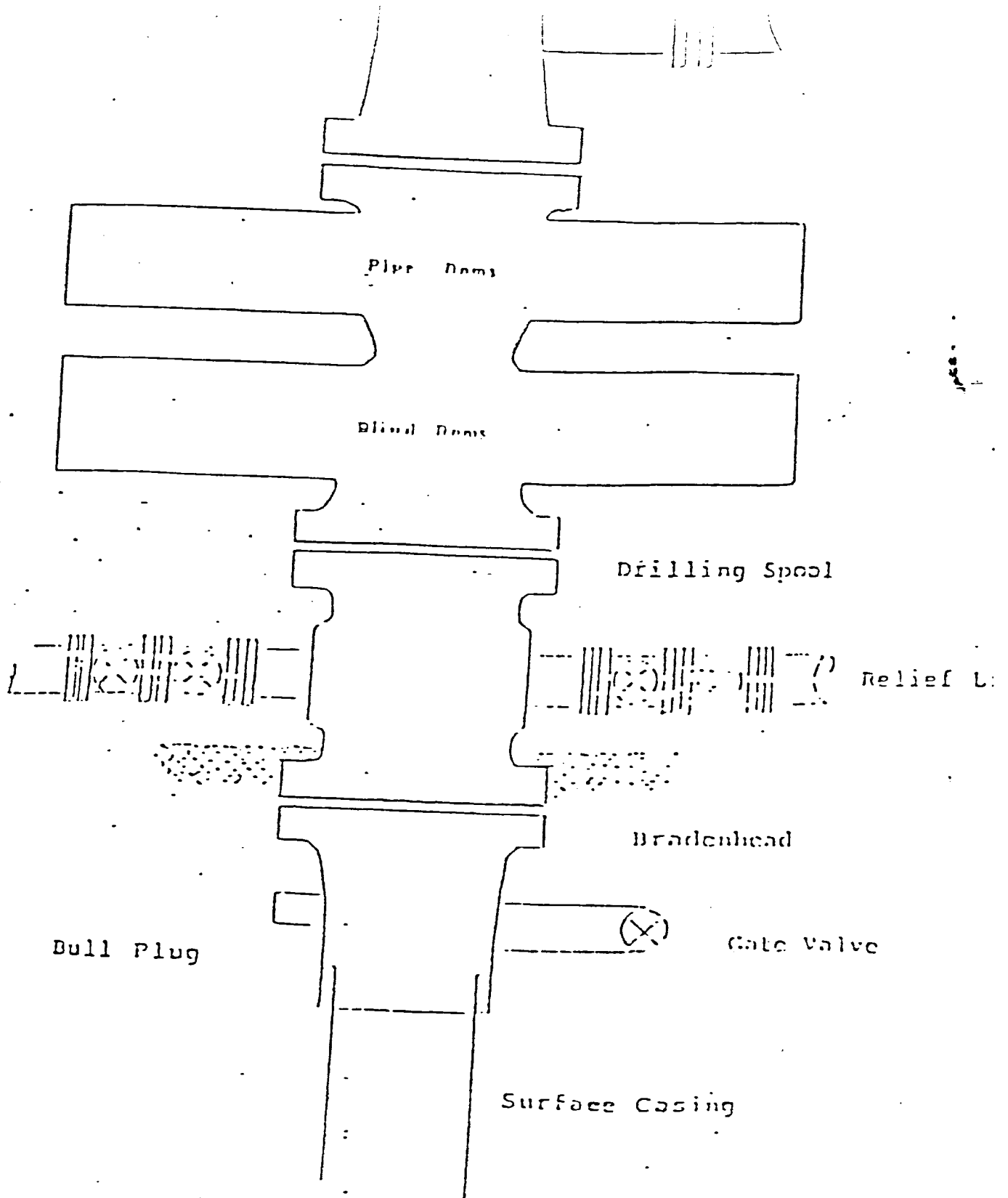
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed \_\_\_\_\_

Registered Professional Engineer and/or Land Surveyor

Certificate No. \_\_\_\_\_

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600



Series 900 Double Gate NOP, rated  
at 3000 psi Working Pressure

#### ELOWOUT PREVENTER ARRANGEMENT

MOREXCO, INC.  
COMET STATE #1 WELL  
Sec. 1, T17S, R28E  
Eddy County, New Mexico

ASSIGNMENT OF CASH COLLATERAL DEPOSIT

(Must be a federally-insured bank or savings institution  
authorized to do business in New Mexico)

Date December 19, 1986

Pursuant to Section 70-2-14, NMSA (1978), or successor provisions, Morexco, Inc.  
(hereinafter referred to as "operator") of P. O. Box 481, Artesia, NM 88210  
(address) has deposited with the Western Bank of Artesia  
(name of state or national bank or savings association) of 201 South Fourth Street, Artesia, NM 88210  
(address) (herein termed financial institution), the sum of \$5000.00 dollars in Certificate of Deposit or savings account No.                     . Operator hereby assigns and conveys all right, title and interest in the deposited sum to the financial institution in trust for the Oil Conservation Division of the Energy and Minerals Department or successor agency of the State of New Mexico. Operator and the financial institution agree that as to the deposited sum or fund:

- a. The Oil Conservation Division acquires by this assignment the entire beneficial interest in the fund, with the right to order the trustee in writing to distribute the fund to persons determined by the division to be entitled thereto, including the Division itself, in amounts determined by the Division, or to the operator upon sale or proper plugging of the well covered by this bond.
- b. Operator retains no legal or beneficial interest in the fund and has only the right to interest, if any, thereon, and to return of the fund upon written order of the Division.
- c. The financial institution agrees that the fund may not be assigned, transferred, pledged or distributed except upon written order of the Division or a court of competent jurisdiction made in a proceeding in which the Division is a party. The financial institution waives all statutory or common law liens or rights of set-off against the fund.

Operator agrees that the financial institution may deduct from interest due operator any attorney fees incurred by the financial institution if claim or demand via writ, summons or other process arising from operator's business is made upon the financial institution.

Chuck Morgan  
Signature of Operator  
Personally or by Authorized Officer

Warren Nell  
Signature of Authorized Officer of  
Financial Institution

President  
Title

Executive Vice President  
Title

STATE OF NEW MEXICO

) ss.

COUNTY OF Eddy

On this 17th day of December, 1986, before me personally appeared Chuck Morgan and Warren Nell, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that the (they) executed the same as his (their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

Lois Huntfield  
NOTARY PUBLIC

My Commission expires:  
September 16, 1989

SINGLE WELL CASH BOND

Know all men by these presents that Morexco, Inc.  
(XXXXXXXXXXXXXXXXXXXXXXXXXXXX) (a corporation organized  
in the State of New Mexico with its principal office at 210 South  
Eighth Street in the city of Artesia, State of New Mexico  
and authorized to do business in the State of New Mexico) is held and firmly bound to  
the Oil Conservation Division of the State of New Mexico (or its successor agency) in  
the sum of \$ 5000.00 (Western Bank of Artesia - Cert-), lawful money of  
the United States. ificate of Deposit #4341

THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT:

The above applicant/operator desires to drill a well or purchase or operate an  
existing well, the depth of which does not exceed 5000 feet, to  
prospect for and produce oil, gas, or carbon dioxide resources on land owned by  
private individuals or the State of New Mexico, the particular identification and  
footage location of said well being as follows: Comet State #1  
in Section 1, Township  
17S, Range 28E, NMPM, Eddy County, New Mexico.

The applicant has deposited on behalf of the Division \$ 5000.00, in the manner  
indicated on the attachment to this bond being the principal sum intended to be  
secured. Applicant pledges this sum as a guarantee that it, its executors, assigns,  
heirs or administrators shall plug the well described above if dry, or when abandoned,  
in accordance with the rules and orders of the Oil Conservation Division of the State  
of New Mexico in such way as to confine the oil, gas, and water in the strata in which  
they are found; and to prevent same from escaping to other strata. If the applicant  
does not so properly plug and abandon said well upon order of the Division, the total  
sum of the bond shall be forfeited to the Division, and such amount as is necessary  
may be used to properly plug said well. If the principal sum of this bond is less  
than the actual cost incurred by the Division in plugging said well, the applicant,  
its successors, assigns, heirs or administrators shall be liable under the provisions  
of Section 70-2-38 NMSA (1978) of the Oil and Gas Act, and the Division may take  
action, including the filing of legal proceedings, to recover any amounts expended  
over and above the principal sum of the bond.

NOW THEREFORE, if the above applicant or its successors, assigns, heirs, or  
administrators or any of them shall plug the above-described well when dry or  
abandoned, in accordance with the rules, regulations, and orders of the Division, in  
such a manner as to confine the oil, gas, and water in the strata in which they  
naturally occur, and to prevent them from escaping into other strata, and further to  
clean up the surface location of said well, then therefore, this obligation shall be  
null and void and the principal sum shall be paid to the applicant, or its successors,  
heirs, or administrator, otherwise it shall remain in full force and effect.

Morexco, Inc.

PRINCIPAL

P. O. Box 481, Artesia, NM 88211-0481

Address

Signature

President

Title

ATTESTED:

By

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_

ACKNOWLEDGEMENT FORM FOR CORPORATION

STATE OF New Mexico )  
COUNTY OF Eddy ) ss.

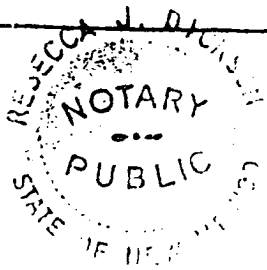
On this 17th day of December, 1986, before me personally appeared Chuck Morgan, to me personally known who, being by me duly sworn, did say that he is President of Morexco, Inc. and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

Rebecca J. Dickson  
Notary Public

January 9, 1988

My Commission expires \_\_\_\_\_



APPROVED BY:

OIL CONSERVATION DIVISION OF NEW MEXICO

By \_\_\_\_\_

Date \_\_\_\_\_