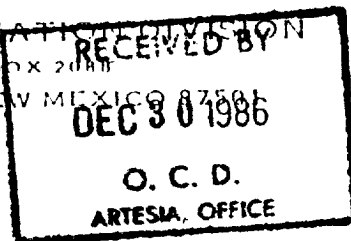


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FILE	<input checked="" type="checkbox"/>
U.S.G.S.	<input checked="" type="checkbox"/>
LAND OFFICE	<input checked="" type="checkbox"/>
OPERATION	<input checked="" type="checkbox"/>

AMENDED



5A. Indicate Type of Lease
STATE <input checked="" type="checkbox"/> FEDERAL <input type="checkbox"/>
5. State Oil & Gas Lease No.
B-1111
7. Unit Agreement Lease
8. Form or Lease Name
Welch State
9. Well No.
1
10. Field and Pool, or Wildcat
Und.E.Empire Y -SR
11. County
Eddy

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work	DRILL <input checked="" type="checkbox"/>	DEEPEN <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>
Type of Well	OIL WELL <input checked="" type="checkbox"/>	CAS WELL <input type="checkbox"/>	OTHER <input type="checkbox"/>
Single Zone	<input checked="" type="checkbox"/>	Multiple Zone	<input type="checkbox"/>

Name of Operator	Red Lake Oil Company ✓
Address of Operator	P.O. Box 742341, Houston, Texas 77274-2341
Location of well	UNIT LETTER J LOCATED 1,750 FEET FROM THE South LINE
	1,650 FEET FROM THE East LINE OF SEC. 28 TWP. 17 S. RGE. 28E

15. Proposed Depth	16A. Formation	16B. History of C.R.
830 ft.	Seven Rivers	Rotary
17. Elevation (show whether D.H., K.I., etc.)	21A. Kind & Status Plug. Bond	21B. Drilling Contractor
3684 GL	One Well	Artesia Fishing Tool Co.
		22. Approx. Date Work will start
		15 December 1986

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
7 7/8"	5 1/2"	15.50	830 ft.	260	Surface

Rig up and drill well to total depth 30' (thirty feet) below bottom of Seven Rivers. Evaluate completion possibilities. If commercial, will run 5 1/2" (five and one half inch) and circulate cement to surface. Planning on perforating with two shots per foot, then treating with 2,000 (two thousand) gallons of hydrochloric acid. Clean up well, then put on pump. Drilling contractor to furnish annular BOP - 8" Reagan, 3,000 psi.

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 Danell Moore Title Geologist Date 12/30/86
(This space for State Use)

APPROVED BY Danell Moore TITLE Geologist DATE 12/30/86
CONDITIONS OF APPROVAL, IF ANY:

MEXICO OIL CONSERVATION COMMISS. 4
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

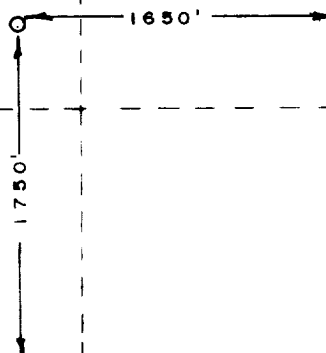
Operator RED LAKE OIL COMPANY			Lease WELCH STATE		Well No. 1
Map Letter 5	Section 25	Township 17 SOUTH	Range 28 EAST	County EDDY	
Actual Footage Location of Well:					
feet from the SOUTH line and		1650	feet from the EAST line		
Ground Level Elev. 3684.0	Producing Formation Seven Rivers	Pool Und.	Dedicated Acreage 40		Acreage

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).
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.

Name Walter H. Welch
 Position President
 Company Red Lake Oil Co.
 Date 30 Dec '86

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 30, 1986
 Registered Professional Engineer and/or Land Surveyor
John W. West
 Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239