

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 93469	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Collins & Ware, Inc. 4874		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. 508 W. Wall, Suite 1200, Midland, Texas 79701 (915) 687-3435		8. FARMOR LEASE NAME, WELL NO. C V "23" Federal #12	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface UL D, 660' FNL & 660' FWL At proposed prod. zone Same		9. API WELL NO. 30-015-28674	
10. FIELD AND POOL, OR WILDCAT Undesignated (Premier Sands)		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 17440	
12. COUNTY OR PARISH Eddy		13. STATE NM	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 10 miles NE of Artesia, New Mexico		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 960		17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1320'		19. PROPOSED DEPTH 1600	
20. ROTARY OR CABLE TOOLS Rotary - Air Drilling		21. APPROX. DATE WORK WILL START* 9/25/95	
22. ELEVATIONS (Show whether DF, RT, GR, etc.) 3548' GR		23. PROPOSED CASING AND CEMENTING PROGRAM	

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8 K-55	24	350'	300 sx Circ to Surface
7 7/8	5 1/2 K-55	15.5	1600'	425 sx Circ to Surface

Operator proposes to drill a test to the Premier Sands formation. If successful and commercial quantities of oil and/or gas are present, 5 1/2" production casing will be run to TD. If non-commercial, the test will be P&A in a manner consistent with Federal and State regulations and according to good engineering practices.

Specific programs according to Onshore Oil and Gas Operations Manual in the following attachments.

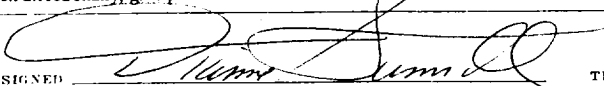
RECEIVED

SEP 27 1995

Approved Subject to
General Requirements and
Special Stipulations
Attached

OIL CON. DIV.
DIST. 2

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.  Dianne Sumrall
SIGNED TITLE DATE 9/6/95

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE
Application approval 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.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY  TITLE DATE SEP 27 1995

*See Instructions On Reverse Side

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brasos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-28674	2 Pool Code 66002-17940	3 Unders. Dog Eddy Undesignated Group I	Pool Name Canyon
4 Property Code 17230	5 Property Name C V "23" Federal		6 Well Number 2
7 OGRID No. 004874	8 Operator Name Collins & Ware, Inc.		9 Elevation 3548

¹⁰Surface Location

UL or lot no. D	Section 23	Township 16 S	Range 27 E	Lot Idn	Feet from the 660	North/South line North	Feet from the 660	East/West line West	County Eddy
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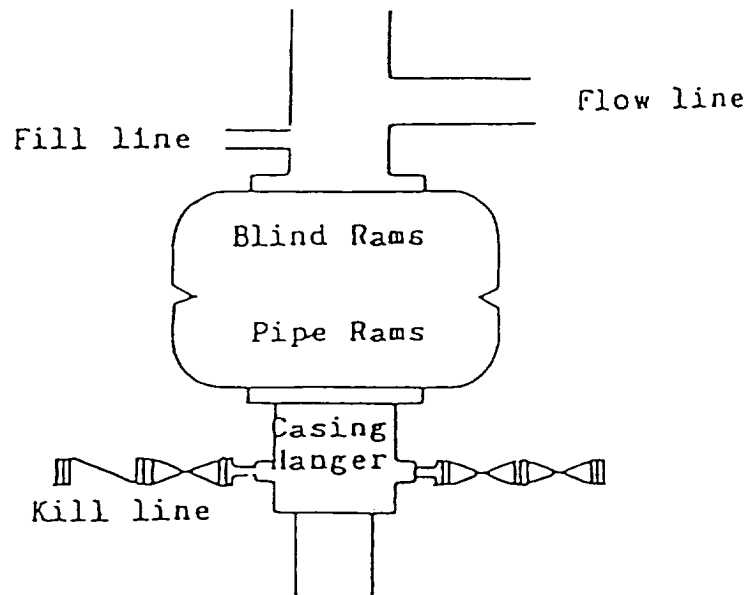
¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

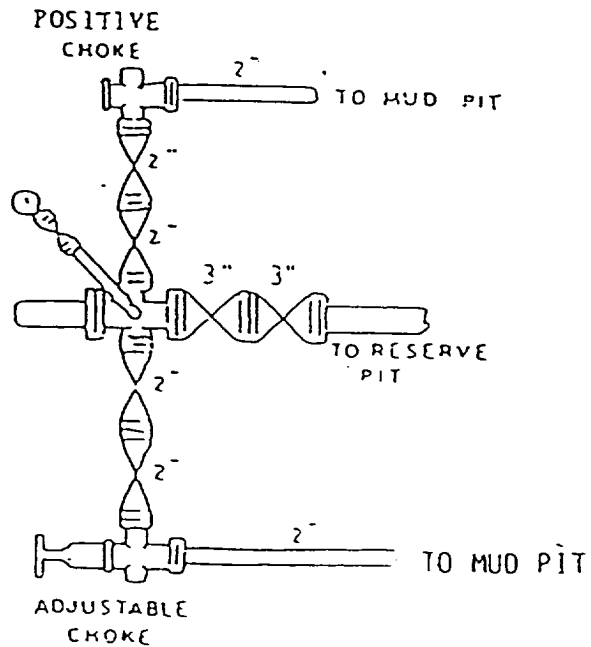
<div>16</div> <p>CV (23) Federal No. 2 Elev. 3548'</p>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <div> Signature Dianne Sumrall Printed Name Production Clerk Title 9/4/95 Date</div>		
	<div>18 SURVEYOR CERTIFICATION</div> <p>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.</p> <p>August 11, 1995 Date of Survey</p> <div> Signature and Seal of Professional Surveyor Michael J. Stanford Certificate Number 10324</div>		



Blowout Preventer
3000 psi working pressure

COLLINS & WARE, INC.

C V "23" FEDERAL #2
SEC 23, T-16S, R-27E
EDDY CO., NEW MEXICO
EXHIBIT 1



COLLINS & WARE, INC.

C V "23" FEDERAL #2
SEC 23, T-16S, R-27E
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EXHIBIT 1A
NOTES REGARDING THE BLOWOUT PREVENTERS
C V "23" Federal #2
Eddy County, New Mexico

1. Drilling nipple to be so constructed that it **can** be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition, 3000 psi W. P. minimum.
4. All fittings to be flanged.
5. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 3000 psi W. P. minimum.
6. All choke and fill lines to be securely anchored, especially ends of choke lines.
7. Equipment through which bit must pass **shall** be at least as large as the diameter of the casing being drilled through.
8. Kelly cock on kelly.
9. Extension wrenches and hand wheels to be properly installed.
10. Blow out preventer closing equipment to include minimum 40 gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.