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NEW MEXICO OIL CONSERVATION COMMISSION

JUN 20 1978

O.C.C.  
ARTESIA, OFFICE

30-015-22585

Form C-101  
Revised 1-4-65

|  |
|--|
| 5A. Indicate Type of Lease   |
| STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 5. State Oil & Gas Lease No.<br>B-2613                                 |

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|   |  |   |                                  |
|---|--|---|----------------------------------|
| 1a. Type of Work  |  | 7. Unit Agreement Name                                |                                  |
| b. Type of Well<br>DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/><br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> |  | 8. Form or Lease Name<br>New Mexico "BG" State        |                                  |
| 2. Name of Operator<br>Kennedy Oil Co., Inc. ✓  |  | 9. Well No.<br>2                                      |                                  |
| 3. Address of Operator<br>P.O. Box 151 Artesia, New Mexico 88210  |  | 10. Field and Pool, or Wildcat<br>Grayburg Jackson SA |                                  |
| 4. Location of Well<br>UNIT LETTER P LOCATED 330 FEET FROM THE South LINE<br>AND 990 FEET FROM THE East LINE OF SEC. 2 TWP. 17S RGE. 31E NMPM   |  | 12. County<br>Eddy                                    |                                  |
| 21. Elevations (Show whether DP, RT, etc.)<br>3975 GL   |  | 19. Proposed Depth<br>3900                            | 19A. Formation<br>Grayburg, S.A. |
| 21A. Kind & Status Plug. Bond<br>State Wide   |  | 21B. Drilling Contractor<br>LaRue Drlg. Co.           | 20. Rotary or C.T.<br>Rotary     |
| 22. Approx. Date Work will start<br>7/25/78   |  |   |                                  |

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP  |
|--------------|----------------|-----------------|---------------|-----------------|-----------|
| 11"          | 8 5/8"         | 24              | 775           | 250             | Circulate |
| 7 7/8"       | 5 1/2"         | 15.5            | 3900'         | 350             | 1850'     |

Propose to drill with Rotary Tools thru the Grayburg and the Lovington sand member of the San Andres formation.

Propose to drill with water and native mud, hole will be mudded up prior to reaching total depth. A 3,000" blowout preventer will be used.

Propose to run production casing, perforate, and stimulate porous zones of interest.

APPROVAL VALID  
FOR 90 DAYS UNLESS  
DRILLING COMMENCED,

EXPIRES 9-21-78

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 President Date 6/19/78

(This space for State Use)

APPROVED BY W.A. Gressett TITLE SUPERVISOR, DISTRICT II DATE JUN 21 1978

CONDITIONS OF APPROVAL, IF ANY: