

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"/>		1b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		2. NAME OF OPERATOR SOCORRO PETROLEUM COMPANY	
3. ADDRESS AND TELEPHONE NO. 20 North Broadway, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102		4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) 15' FNL & 2625 FEL, Sec 9T17S-R31E At proposed prod. hole Same		5. LEASE DESIGNATION AND SERIAL NO. LC-029426-B	
6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 6.3 Air miles northeast of Loco Hills, New Mexico		7. COUNTY OR PARISH Eddy County		8. STATE NM	
9. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY ON LEASE LINE, FT. (Also to nearest drig. unit line, if any) 15'		10. NO. OF ACRES IN LEASE 1919.88'		11. NO. OF ACRES ASSIGNED TO THIS WELL 20 40	
12. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 933'±		13. PROPOSED DEPTH 4400'		14. ROTARY OR CABLE TOOLS Rotary	
15. ELEVATIONS (Show whether DP, RT, GR, etc.) 3904' GL		16. APPROX. DATE WORK WILL START August 30, 1994		17. APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED	
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"	24.0#	550'	165 sk lite cmt + 200 sk Class 'C'	
8 5/8"	5 1/2"	15.5#	4400'	500 sk Class 'C' 35/65 + 500 sk Class 'C' 1/4 lb/sk cellophane flakes	

We plan to circulate cement to surface on all casing strings. Socorro Petroleum Company proposes to drill to 4400' to test the Grayburg-Jackson formation for commercial quantities of oil. If the Grayburg-Jackson is deemed non-commercial, the wellbore will be plugged and abandoned per Federal Regulations. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments.

Drilling Program

- Exhibits #1/1-A = Blowout Prevention Equipment
- Exhibit #2 = Location and Elevation Plat
- Exhibit #3/3-A = Road Map and Topo Map
- Exhibit #4 = Wells Within 1 Mile Radius
- Exhibit #5 = Production Facilities Plat
- Exhibit #6 = Rotary Rig Layout
- Exhibit #7 = Casing Design
- H2S Operating Plan

The undersigned accepts all applicable terms, condition, stipulations and restrictions concerning operations conducted on the leased land or portions thereof, as described below:
Lease No. LC 029426-B
Legal Description: Section 10-T17S-R31E
Formation: Grayburg-Jackson
Bond Coverage: Nationwide
BLM Bond No: PENDING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zones 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 prevention program, if any.

24.

SIGNED Randy Jackson TITLE DISTRICT ENGINEER DATE AUGUST 2, 1994
(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:
(ORIG. SGD.) RICHARD L. MANUS
APPROVED BY _____ TITLE _____ DATE SEP 16 1994
AREA MANAGER

*See Instructions On Reverse Side