

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Southland Royalty Company

3. ADDRESS OF OPERATOR

1100 Wall Towers West, Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

* 1980' FSL & 1980' FWL, Sec. 35, T-18-S, R-29-E
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

7 miles southwest of Loco Hills, N.M.

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

320

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

NA

19. PROPOSED DEPTH

11,450'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3423.5' GR

22. APPROX. DATE WORK WILL START*

September 15, 1980

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 15" | 11 3/4" | 42# | 350' | 275 sx. Circ. |
| 11" | 8 5/8" | 24# | 3200' | 1100 sx. Circ. |
| 7 7/8" | 4 1/2" | 11.6# | 11,450' | 735 sx. |

Propose to set 11 3/4" csg to 350', circ. cmt. Set 8 5/8" csg @ 3200' circ cmt. Drill to TD of 11,450' to test Morrow & intermediate horizons. If commercial, will run 4 1/2" csg to TD. Cmt w/sufficient cmt to bring cmt back above all productive zones or to approx. 8500' if Morrow only productive. If intermediate horizons indicate production will run DV tool @ 9600'+ and use additional cmt volumes to obtain better cmt over intermediate zone. Will perf & stimulate Morrow for production. Acid treatment to be determined on sand interval present, will use approx. 200 gals/ft. MUD PROGRAM: 0-350' spud mud; 350-3200' brine wtr, paper for lost circ & seepage; 3200-7500' fresh wtr; 7500-9500' cut brine wtr. 9.5#/gal; 9500-TD Flosal, Drispac, starch & gel bring wt. to 10.0#/gal. vis 40 cc wl 6cc through the Morrow. No abnormal pressures anticipated w/BHP at TD expected to be 4500 psi BOP PROGRAM: BOP to be installed on 11 3/4" double 10" Ser 900. BOP to be installed on 8 5/8" double 10" Ser 900 plus 10" Ser 900 Hydril plus drilling head. Yellow Jacket, Inc. to test 8 5/8" installation. BOP to be tested by rig daily. GAS IS NOT DEDICATED.

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. 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.

SIGNED Ronald R. Craig TITLE District Operation Engineer DATE July 29, 1980

(This space for Federal or State office use)

PERMIT NO. _____

APPROVAL DATE _____

APPROVED BY (Orig. Sgd.) PETER W. CHESTERTITLE ACTING DISTRICT ENGINEERDATE AUG 25 1980

CONDITIONS OF APPROVAL, IF ANY: