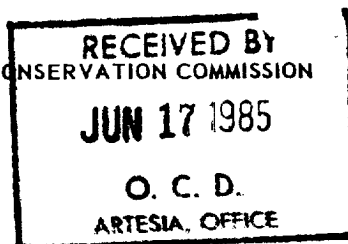


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| SANTA FE | <input checked="" type="checkbox"/> |
| FILE | <input checked="" type="checkbox"/> |
| U.S.G.S. | 2 |
| LAND OFFICE | |
| OPERATOR | <input checked="" type="checkbox"/> |

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

| | |
|--|---|
| 5A. Indicate Type of Lease | |
| STATE <input type="checkbox"/> | FEE <input checked="" type="checkbox"/> |
| 5. State Oil & Gas Lease No. | |
| 7. Unit Agreement Name | |
| 8. Farm or Lease Name | |
| INEX | |
| 9. Well No. | |
| 1 | |
| 10. Field and Pool, or Wildcat | |
| Und. Atoka, Glo., Yeso | |
| 12. County | |
| Eddy | |
| 19. Proposed Depth | 19A. Formation |
| 3750 | Yeso |
| 20. Rotary or C.T. | |
| Rotary | |
| 21. Elevations (Show whether DF, RT, etc.) | 22. Approx. Date Work will start |
| 3297 GR | June 24, 1985 |

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | |
|---|--|
| 1a. Type of Work | |
| b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> | |
| OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | |
| 2. Name of Operator | |
| H & S Oil Company | |
| 3. Address of Operator | |
| Suite 303, First Natl. Bank Bldg. - Artesia, NM 88210 | |
| 4. Location of Well | |
| UNIT LETTER H LOCATED 1980 FEET FROM THE North LINE | |
| AND 660 FEET FROM THE East LINE OF SEC. 26 TWP. 18S RGE. 26E NMPM | |
| 21. Elevations (Show whether DF, RT, etc.) | |
| 3297 GR | |
| 21A. Kind & Status Plug. Bond | |
| One-Well | |
| 21B. Drilling Contractor | |
| Artesia Fishing Tool | |
| 22. Approx. Date Work will start | |
| June 24, 1985 | |

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
|--------------|----------------|-----------------|---------------|-----------------|-----------|
| 12 1/2 | 8 5/8" | 24# | 960* | 700 | Circulate |
| 7 7/8 | 5 1/2" | 15# | 3670 | 670 | 700' |

*960' or 100' below last break.

Propose to drill and equip well in the Yeso formation. After reaching TD, logs will be run and evaluated; perforate and stimulate as necessary in attempting commercial production.

Mud Program: 0' - 960' Native mud & fresh water
960' - 3750' Commercial mud brine water with minimum properties for safe hole conditions.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 12-17-85
UNLESS DRILLING UNDERWAY.

BOP Program Attached

Partial ID/
PP 1044
6-21-85

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 Herbert R. Spencer Title Partner Date 6/12/85

(This space for State Original Signed By
Les A. Clements

APPROVED BY Supervisor District 4 TITLE DATE JUN 17 1985

CONDITIONS OF APPROVAL, IF ANY:

Notify N.M.O.C.C. in sufficient time to witness

RUNNING & CMT. OF 858' CSG

NEW MEXICO OIL CONSERVATION COMMISSION
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.

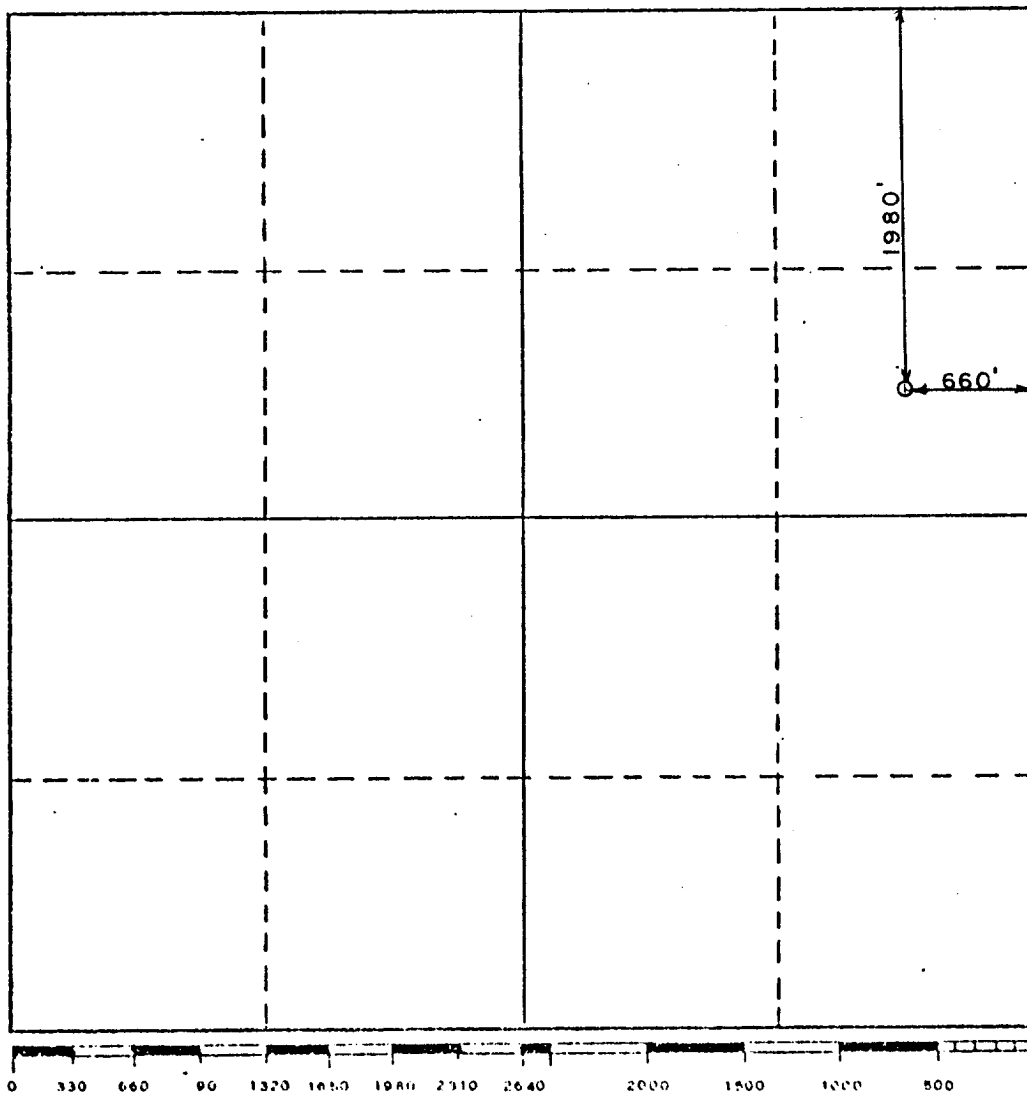
| | | | | | |
|---|------------------------------------|-----------------------------|---------------------------------------|-----------------------|---------------------------------------|
| Operator H & S Oil Company | | | Lease INEX | | Well No. 1 |
| Unit Letter H | Section 26 | Township 18 South | Range 26 East | County Eddy | |
| Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the East line | | | | | |
| Ground Level Elev. 3297 | Producing Formation Yeso | | Pool Und. Atoka, Glo., Yeso | | Dedicated Acreage: 40 Acres |

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.

Herbert R. Spencer
Name

Herbert R. Spencer

Position
Partner

Company
H & S Oil Company

Date
6/12/85

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.

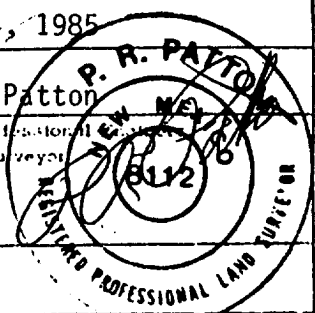
June 4, 1985

Date Surveyed
P. R. Patton

Registered Professional
and/or Land Surveyor

8112

Certificate No.

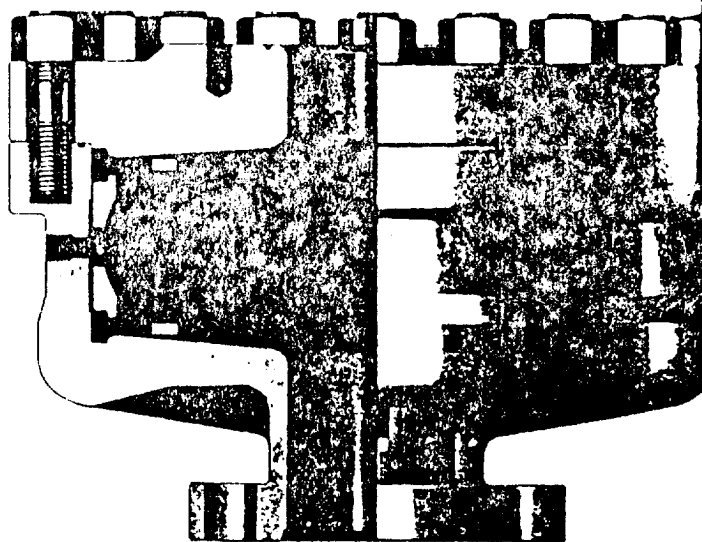


REGAN BLOWOUT PREVENTERS

The Regan Torus Blowout Preventer is used primarily on production and workover rigs for well control up to 3000 PSI working pressure

DESIGN FEATURES

- The Torus Preventer is designed for minimum height to facilitate its use with production and workover rigs.
- The rubber packer will conform to any object in the well bore. Sealing ability is not affected by minor damage to the inner bore.
- The packer will seal on open hole at full working pressure.
- The dual packer design increases the reliability of the preventer since the outer rubber is never exposed to the well bore. Under ordinary service, the outer packer is rarely replaced.



TORUS BLOWOUT PREVENTER
PATENTED

SPECIFICATIONS

| Nominal Size | Test Pressure (psi) | DIMENSIONS (In.) | | | Weight (lb.) | End Flanges (1) | R/RX Ring Grooves | Side Outlet |
|--------------|---------------------|------------------|-----------|----------------|--------------|-----------------|-------------------|-------------|
| | | Outside Diameter | Thru Bore | Overall Height | | | | |
| 6 | 3000 | 27 | 7 1/4 | 19 1/4 | 1360 | Nom. 6 | 45 | None |
| | 6000 | 26 1/2 | 7 1/4 | 21 1/4 | 1350 | Nom. 6 | 45 | 2" L.P. |
| 8 | 3000 | 34 1/4 | 9 | 25 | 2625 | Nom. 8 | 49 | None |

(1) Bottom flange holes for use with either 2000 psi API-5B flange or 3000 psi API-5B flange used with obsolete Se flange. Top flange studded for 3000 psi flange unless otherwise specified.