

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
Revised 1-1-89

fill

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

RECEIVED

API NO. (assigned by OCD on New Wells)

30-015-26577

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

LG-9156

DEC 7 '90

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

7. Lease Name or Unit Agreement Name

Potash "16" State

8. Well No.

1

9. Pool name or Wildcat

Leo (7-River, Queen, Greyburg)

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

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

21 Desta Dr., Midland, TX 79705

4. Well Location

Unit Letter B : 990 Feet From The North Line and 2310 Feet From The East Line

Section 16

Township 18 South

Range 30 East

NMPM

Eddy

County

10. Proposed Depth

4200'

11. Formation

Greyburg

12. Rotary or C.T.

0-TD

13. Elevations (Show whether DF, RT, GR, etc.)

3501' GR.

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

16. Approx. Date Work will start

26 December 1990

17. PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP         |
|--------------|----------------|-----------------|---------------|-----------------|------------------|
| 12-1/4"      | 8-5/8"         | 24              | 500'          | 450 sx          | Circ. to surface |
| 7-7/8"       | 5-1/2"         | 15.5            | 4200'         | 700 sx          | Circ. to surface |

Drill 12-1/4" hole to 500'. Set 8-5/8" csg @500' and cmt w/450 sx--circulate.

Drill 7-7/8" hole to 4200'. Set 5-1/2" csg @4200' and cmt w/700 sx--circulate.

MUD PROGRAM: 0-500' fresh water gel and lime; 500'-4200' salt water; MW 9.8-10.2; no abnormal pressures or temperatures expected.

BOP PROGRAM: 10"-3M BOP stack to be installed on the 8-5/8" and left on for the remainder of the drilling. The stack is to consist of an annular BOP, a blind ram BOP, and one pipe ram BOP. Test the BOP's using an independent tester after setting the 8-5/8" csg.

Post ID-1  
12-14-90

New Doc & APF

APPROVAL VALID FOR 180 DAYS

PERMIT EXPIRES 6/12/91

UNLESS DRILLING UNDERWAY

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.

SIGNATURE

Robert L. Bradshaw

TITLE

Sr. Staff Env./Reg. Spec.

DATE

06 December 90

TYPE OR PRINT NAME

Robert L. Bradshaw

TELEPHONE NO. 915/686-5678

(This space for State Use)

ORIGINAL SIGNED BY  
MIKE WILLIAMS  
SUPERVISOR, DISTRICT II

APPROVED BY

TITLE

DATE

DEC 12 1990

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89  
RECEIVED

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DEC 7 '90

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

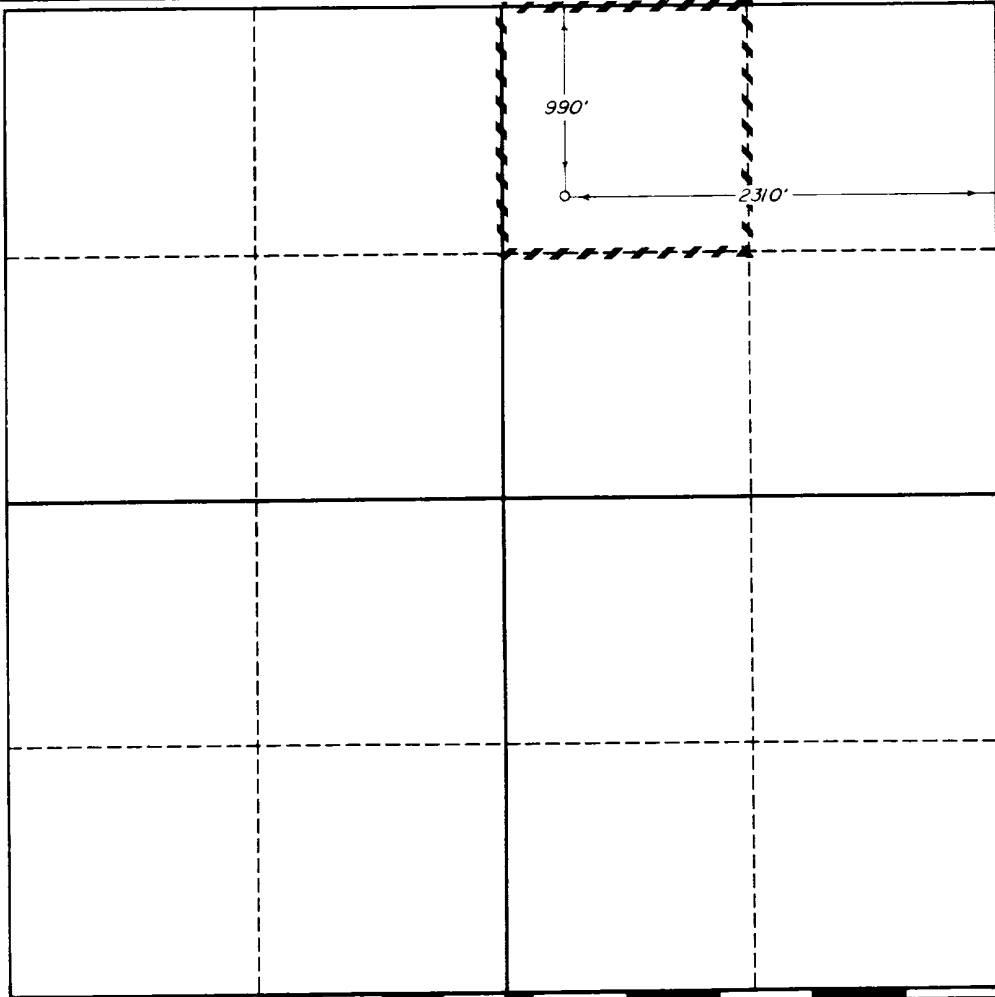
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

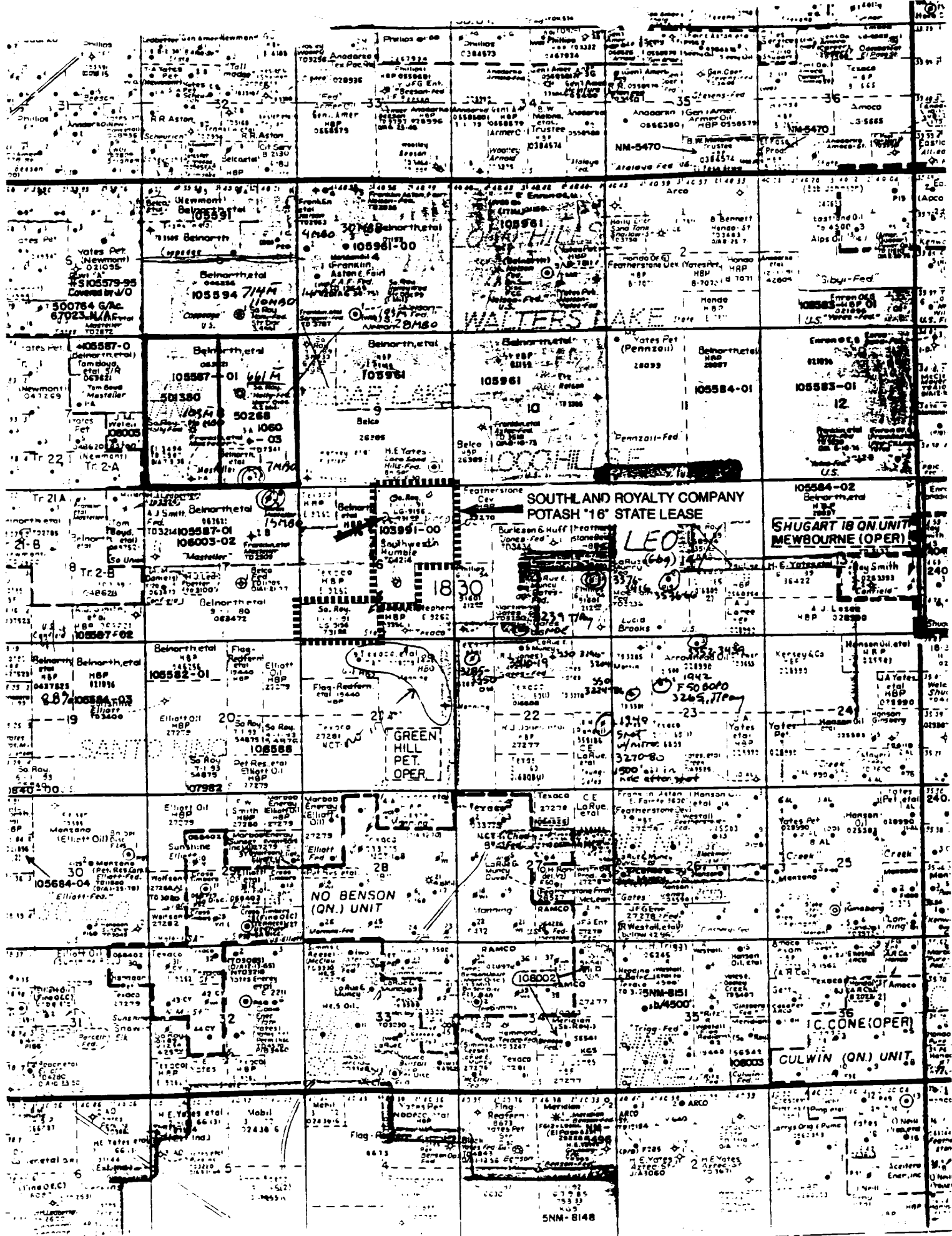
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

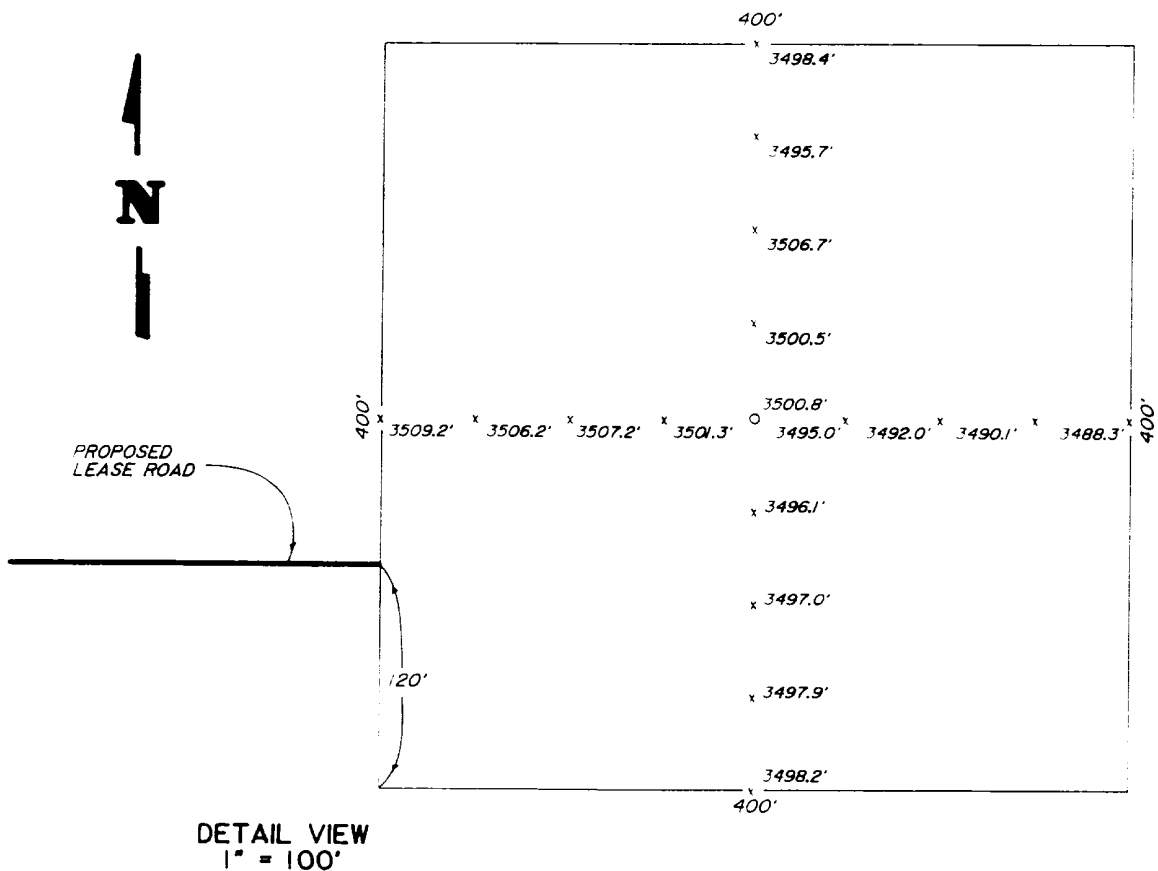
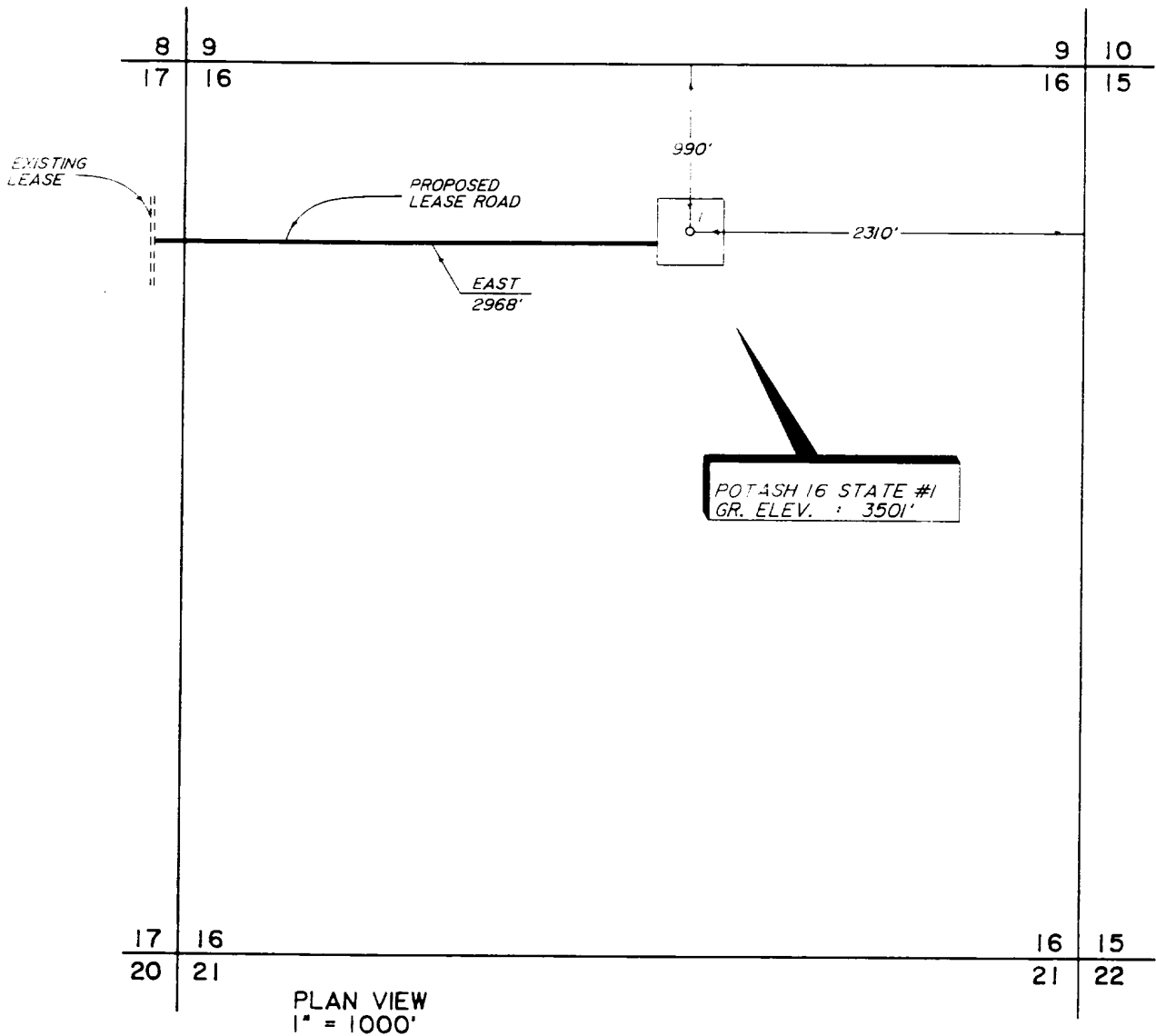
O. C. D.  
ARTESIA OFFICE

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                        |                            |                                               |                                       |                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------|-----------------------------------------------|---------------------------------------|----------------------|
| Operator<br><b>SOUTHLAND ROYALTY COMPANY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                        |                            | Lease<br><b>POTASH 16 STATE</b>               |                                       | Well No.<br><b>1</b> |
| Unit Letter<br><b>B</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Section<br><b>16</b>                   | Township<br><b>8-SOUTH</b> | Range<br><b>30-EAST</b>                       | County<br><b>NMPM</b>                 | <b>EDDY</b>          |
| Actual Footage Location of Well:<br>990 feet from the NORTH line and 2310 feet from the EAST line                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                        |                            |                                               |                                       |                      |
| Ground level Elev.<br><b>3501'</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Producing Formation<br><b>GREYBURG</b> |                            | Pool<br><b>LEO (7 RIVER, QUEEN, GREYBURG)</b> | Dedicated Acreage:<br><b>40 Acres</b> |                      |
| <p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?<br/><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____<br/>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)<br/>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 interest, has been approved by the Division.</p> |                                        |                            |                                               |                                       |                      |
| <div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                        |                            |                                               |                                       |                      |
| <div><p><b>OPERATOR CERTIFICATION</b></p><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p><p>Signature<br/><i>Robert L. Bradshaw</i></p><p>Printed Name<br/><b>ROBERT L. BRADSHAW</b></p><p>Position<br/><b>SR. STAFF ENV/REG SPEC.</b></p><p>Company<br/><b>MERIDIAN OIL INC.</b></p><p>Date<br/><b>DECEMBER 6, 1990</b></p><p><b>SURVEYOR CERTIFICATION</b></p><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 knowledge and belief.</p><p>Date Surveyed<br/><b>DECEMBER 8, 1990</b></p><p>Signature &amp; Seal of Professional Surveyor<br/><i>LYNN BEZNER</i></p><p>Certificate No.<br/><b>NO. 7920</b></p><p><b>V. LYNN BEZNER, R.L.S. # 7920</b></p></div>                                                                                    |                                        |                            |                                               |                                       |                      |



PLAT SHOWING PROPOSED  
WELL LOCATION and LEASE ROAD in  
SECTION 16, T-18-S, R-30-E  
EDDY COUNTY, NEW MEXICO

FROM THE JCT. OF U.S. 82 & COUNTY ROAD 217 IN  
LOCO HILLS, GO SOUTHWEST 3.0 MILES ON COUNTY  
ROAD 217, THENCE SOUTH 0.3 MILE ON COUNTY ROAD  
216, THENCE EAST 2.2 MILES ON LEASE ROAD, THENCE  
SOUTH 1.7 MILES TO A POINT ±2968' WEST OF THE  
LOCATION



|     |          |      |    |
|-----|----------|------|----|
| NO. | REVISION | DATE | BY |
|     |          |      |    |
|     |          |      |    |
|     |          |      |    |

|               |        |
|---------------|--------|
| SURVEYED BY : | G.S.   |
| DRAWN BY :    | C.L.S. |
| APPROVED BY : | D.R.K. |

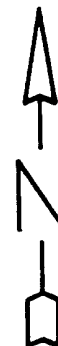
**SOUTHLAND ROYALTY COMPANY**  
MIDLAND, TEXAS  
**SURVEYING AND MAPPING BY**  
**TOPOGRAPHIC LAND SURVEYORS**  
MIDLAND, TEXAS

SCALE : AS SHOWN  
DATE : DECEMBER 3, 1990  
JOB NO. : 81397  
98 SW  
SHEET 1 OF 1

[illegible]

CONTOUR INTERVAL 10'

LONG: W 104°58'31"



This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

Review this plat and notify us immediately of any possible discrepancy.

Review this plot and notify us immediately of any possible discrepancy.

## Surveying & Mapping for the Oil & Gas Industry

1512 PRINCESS JEANNE  
HOBBS, NM 88240  
(505) 393-1518