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NEW MEXICO OIL CONSERVATION COMMISSION RECEIVED

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SEP 11 1981

O. C. D.

ARTESIA, OFFICE

30-015-23920

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No. B-8096
7. Unit Agreement Name --
8. Farm or Lease Name Conoco "7" State
9. Well No. 5
10. Field and Pool, or Wildcat E. Millman Queen-Grayburg
12. County Eddy
19. Proposed Depth 2500'
19A. Formation Grayburg
20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, RT, etc.) 3377.1' GR
21A. Kind & Status Plug. Bond Active Blanket
21B. Drilling Contractor Megargel Rig #20
22. Approx. Date Work will start October 1, 1981

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>
b. Type of Well 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"/>
2. Name of Operator Threshold Development Company
3. Address of Operator 114 N. Big Spring St., Suite 1400, Midland, Tx 79701-4558
4. Location of Well UNIT LETTER F LOCATED 2180 FEET FROM THE north LINE AND 1740 FEET FROM THE west LINE OF SEC. 7 TWP. 19S RGE. 29E NMPM
21. Elevations (Show whether DF, RT, etc.) 3377.1' GR
21A. Kind & Status Plug. Bond Active Blanket
21B. Drilling Contractor Megargel Rig #20
22. Approx. Date Work will start October 1, 1981

23.

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#	375' 280'	200	Surface
7-7/8"	4-1/2"	9.5#	2500'	475	Surface

This well will be spudded with a 12-1/4" hole and drilled to 280'. Surface casing will be run and cement circulated to surface. Casing will be tested to 1000 psi before drilling out of surface. (BOP's will be pressure tested a minimum of once every 10 days). A 7-7/8" hole will be drilled to a total depth of 2500'. If the well is deemed productive, 4-1/2" OD casing will be run and cemented with 475 sacks cement.

BOP Schematic attached.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 3-15-82
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.

Signed Peggy A. Redman Title Engineer Assistant Date September 8, 1981

(This space for State Use)

APPROVED BY W.A. Gressitt TITLE SUPERVISOR, DISTRICT 11 DATE SEP 15 1981

CONDITIONS OF APPROVAL, IF ANY:

approx. 375' surface casing is required