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O. C. D.
ARTESIA, OFFICE

Form C-101
Revised 10-1-78

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LAND OFFICE	<input checked="" type="checkbox"/>
OPERATOR	<input checked="" type="checkbox"/>

5A. Indicate Type of Lease
STATE ☒ FEE ☐
5. State Oil & Gas Lease No.
LG-2676

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work
Type of Well
DRILL ☒ DEEPEN ☐ PLUG BACK ☐
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

7. Unit Agreement Name

8. Farm or Lease Name
Barbie Kay

Name of Operator
Salkar, Inc. ✓
Address of Operator
P.O. Box 2488, Roswell, NM 88201

9. Well No.
1

Location of Well
UNIT LETTER A LOCATED 990' FEET FROM THE North LINE
330' FEET FROM THE East LINE OF SEC. 14 TWP. 19S RGE. 27E NMPM

10. Field and Pool, or Wildcat
Artesia, GB -5H

12. County
Eddy

19. Proposed Depth 2000'	19A. Formation Grayburg Reef	20. Rotary or C.T. Rotary
21A. Kind & Status Plug. Band One Well ✓	21B. Drilling Contractor Salazar Brothers Dring.	22. Approx. Date Work will start 11/14/85

Elevations (Show whether DE, RT, etc.)
3457' GL

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#	310'	Circ	
7 7/8"	5 1/2"	15.50	2000'	250	

PROPOSE TO DRILL 12 1/4" HOLE TO 310'
RUN 310' 8 5/8" 24# CASING
CEMENT WITH 200 SKS CLASS "C" WITH 2% CALCL.
CIRC CEMENT TO PIT
NIPPLE UP AND PRESSURE TEST BOP TO 1000# FOR 30 MINUTES
DRILL 7 7/8" HOLE TO 2000'
RUN 2000' OF 5 1/2" 15.50# CASING
CEMENT WITH 100 SKS CLASS "C" WITH 2% CALCL AND 150 SKS HALLIBURTON LITE
CIRC CEMENT TO PIT
COMPLETION TO BE DETERMINED

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 7-5-86
UNLESS DRILLING UNDERWAY

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION ZONE; TYPE 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 Les A. Clements Title Secretary Date 11/8/85

(This space for State Use)

Original Signed By

Les A. Clements

Supervisor District II

PROVED BY _____ DATE DEC 30 1985

CONDITIONS OF APPROVAL, IF ANY:

Notify N.M.O.C.C. in sufficient time to witness
RUNNING & CMT OF 8 5/8" CSG

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form No. 1
Supersedes O-128
Effective 1-1-85

All distances must be from the center of the well to the corner of the section.

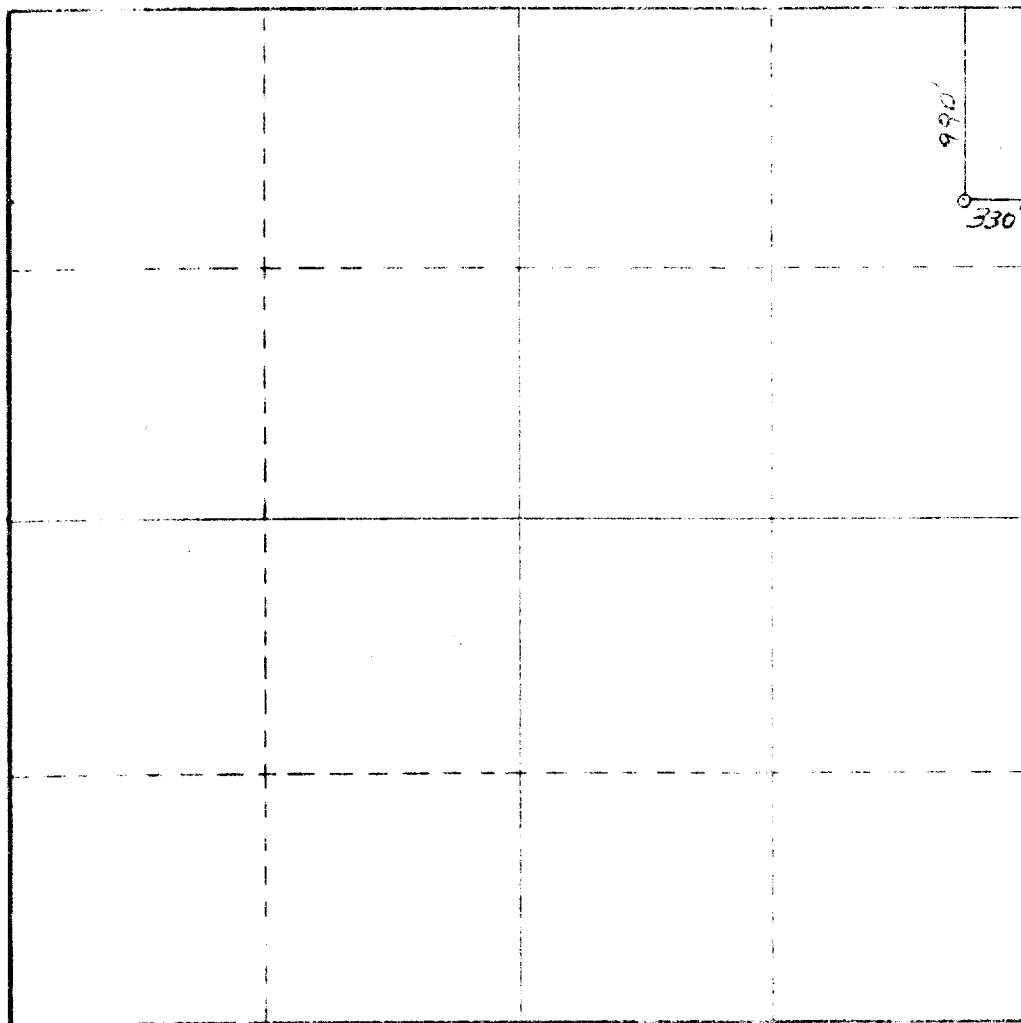
Salkar, Inc.		Lease		Barbie, State		Well No. 1	
Initial	Section	Township	Range	County			
	14	19 South	27 East	Eddy			
Location of Well:							
feet from the North		feet from the East					
3477.		330					
Producing Formation		Estimated Acreage					
Artesia, GB, SA		40					

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
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).
3. 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, force-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.

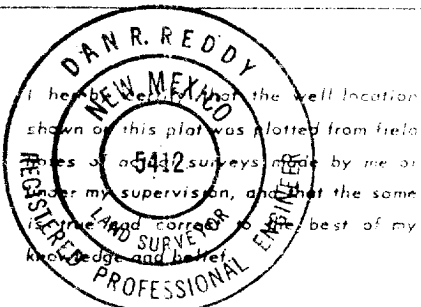
Janet L. Adams

Janet L. Adams

Agent

Salkar, Inc.

Date
11/8/85



Date Certified
November 7, 1985
Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy
Dan R. Reddy
NM PEALS NO. 5412



STATE OF NEW MEXICO

ONE-WELL PLUGGING BOND

FOR CHAVES, EDDY, LEA, MCKINLEY, RIO ARRIBA, ROOSEVELT,
SANDOVAL, AND SAN JUAN COUNTIES ONLY

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O. C. D.

ARTESIA, OFFICE

BOND NO. AR7138951
(For Use of Surety Company)AMOUNT OF BOND 5,000COUNTY Eddy

NOTE: For wells less than 5,000 feet deep, the minimum bond is \$5,000.00*
For wells 5,000 feet to 10,000 feet deep, the minimum bond is \$7,500.00*
For wells more than 10,000 feet deep, the minimum bond is \$10,000.00

*Under certain conditions, a well being drilled under a \$5,000.00 or \$7,500.00 bond may be permitted to be drilled as much as 500 feet deeper than the normal maximum depth, i.e., a well being drilled under a \$5,000.00 bond may be permitted to go to 5,499 feet, and a well being drilled under a \$7,500.00 bond may be permitted to go to 10,499 feet.

File with Oil Conservation Commission, P. O. Box 2088, Santa Fe 87501

KNOW ALL MEN BY THESE PRESENTS:

That Salkar Inc., ~~CORPORATION~~ ~~(INCORPORATED)~~
(a corporation organized in the State of New Mexico, with its principal office in the city of Roswell, State of New Mexico, and authorized to do business in the State of New Mexico), as PRINCIPAL, and American Employers Insurance Company, a corporation organized and existing under the laws of the State of Massachusetts, and authorized to do business in the State of New Mexico, as SURETY, are held firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Commission of New Mexico pursuant to Section 65-3-11, New Mexico Statutes Annotated, 1953 Compilation, as amended, in the sum of Five Thousand Dollars lawful money of the United States, for the payment of which, well and truly to be made, said PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO₂) gas leases, or helium gas leases with the State of New Mexico; and

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO₂) gas leases, or helium gas leases on lands patented by the United States of America to private individuals, and on lands otherwise owned by private individuals; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has commenced or may commence the drilling of one well not to exceed a depth of 5,000 feet, to prospect for and produce oil or gas, or carbon dioxide (CO₂) gas or helium gas, or does own or may acquire, own or operate such well, or such well started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO₂) leases, or helium gas leases, and on land patented by the United States of America to private individuals, and on land otherwise owned by private individuals, the identification and location of said well being 990' from N. Line and 330' from E. Line
(Here state exact legal subdivision by 40-acre tract or lot)
Eddy Section 14 Township 19 (North) 06000, Range 27 (East) 06000, N.M.P.M.
County, New Mexico.

NOW, THEREFORE, If the above bounden principal and surety or either of them or their successors or assigns, or any of them, shall plug said well when dry or when abandoned in accordance with the rules, regulations, and orders of the Oil Conservation Commission of New Mexico in such way as to confine the oil, gas, and water in the strata in which they are found, and to prevent them from escaping into other strata;

THEN, THEREFORE, This obligation shall be null and void; otherwise and in default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

Salkar Inc.

PRINCIPAL

P.O. Box 2488, Roswell, NM 88201

Address

By Ranger C. Karr

Ranger C. Karr

Signature

President

Title

(Note: Principal, if corporation, affix corporate seal here.)

American F yler Ins. Co.

SURETY

P.O. Box 1912, Roswell, NM 88201

Address

By John F. Russell II

John F. Russell II

Attorney in Fact

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

My Commission expires _____

Notary Public

ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF New Mexico)
COUNTY OF Charles) ss.

On this 19th day of November, 1985, before me personally appeared Ranger C. Karr, to me personally known who, being by me duly sworn, did say that he is President of Salkar and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

July 18, 1988
My Commission expires _____

Mary A. Karr
Notary Public

ACKNOWLEDGMENT FORM FOR CORPORATE SURETY

STATE OF New Mexico)
COUNTY OF Charles) ss.

On this 11th day of November, 1985, before me appeared John F. Russell II, to me personally known, who, being by me duly sworn, did say that he is Attorney in Fact of American Fyler Ins. Co. and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

10-5-86
My Commission expires _____
(Note: Corporate surety attach power of attorney.)

Pamela L. Levy
Notary Public

APPROVED BY:
OIL CONSERVATION COMMISSION OF NEW MEXICO

By _____

Date _____