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RECEIVED
NEW MEXICO OIL CONSERVATION COMMISSION

DEC 02 '88

O. C. D.
ARTESIA, OFFICE

30-015-25890
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. K-4222
7. Unit Agreement Name
8. Farm or Lease Name JMD State
9. Well No. 3
10. Field and Pool, or Wildcat W. Millman - GR
12. County Eddy
19. Proposed Depth 2500
19A. Formation
20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, RT, etc.) 3495' Grd.
21A. Kind & Status Plug. Bond Statewide
21B. Drilling Contractor United Drilling
22. Approx. Date Work will start December 12, 1988

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
b. Type of Well
DRILL ☒ DEEPEN ☐ PLUG BACK ☐
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. Name of Operator
Morexco, Inc.

3. Address of Operator
P. O. Box 481, Artesia, NM 88210

4. Location of Well
UNIT LETTER J LOCATED 2310 FEET FROM THE East LINE
AND 1650 FEET FROM THE South LINE OF SEC. 12 T4P. 19S R5E. 27E NMPM

23. 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#	310'	200	
7 7/8"	5 1/2"	10.5 - 15.5#	2500'	600	

Plan to spud West Millman Grayburg test on or before December 12, 1988 with a 12 1/2" bit. Set 310' of 8 5/8" with 200 sxs. Drill out with a 7 7/8" bit with 10# brine to a depth of 2500' or less. If any commercial shows are present, 5 1/2" casing will be set with 600 sxs, circulated to surface. If dry hole, proper plugs will be set as prescribed by the N. M. O. C. D.

POST ID-1
NL 12-9-88

Notify N.M.O.C.C. in sufficient
time to witness cementing
the 8 5/8" casing

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 6/6/89
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 Bucky Olson Title Agent Date 12-2-88

(This space for State Use)

Original Signed By
Mike Williams

APPROVED BY _____ TITLE _____ DATE DEC 6 1988

CONDITIONS OF APPROVAL, IF ANY:

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.

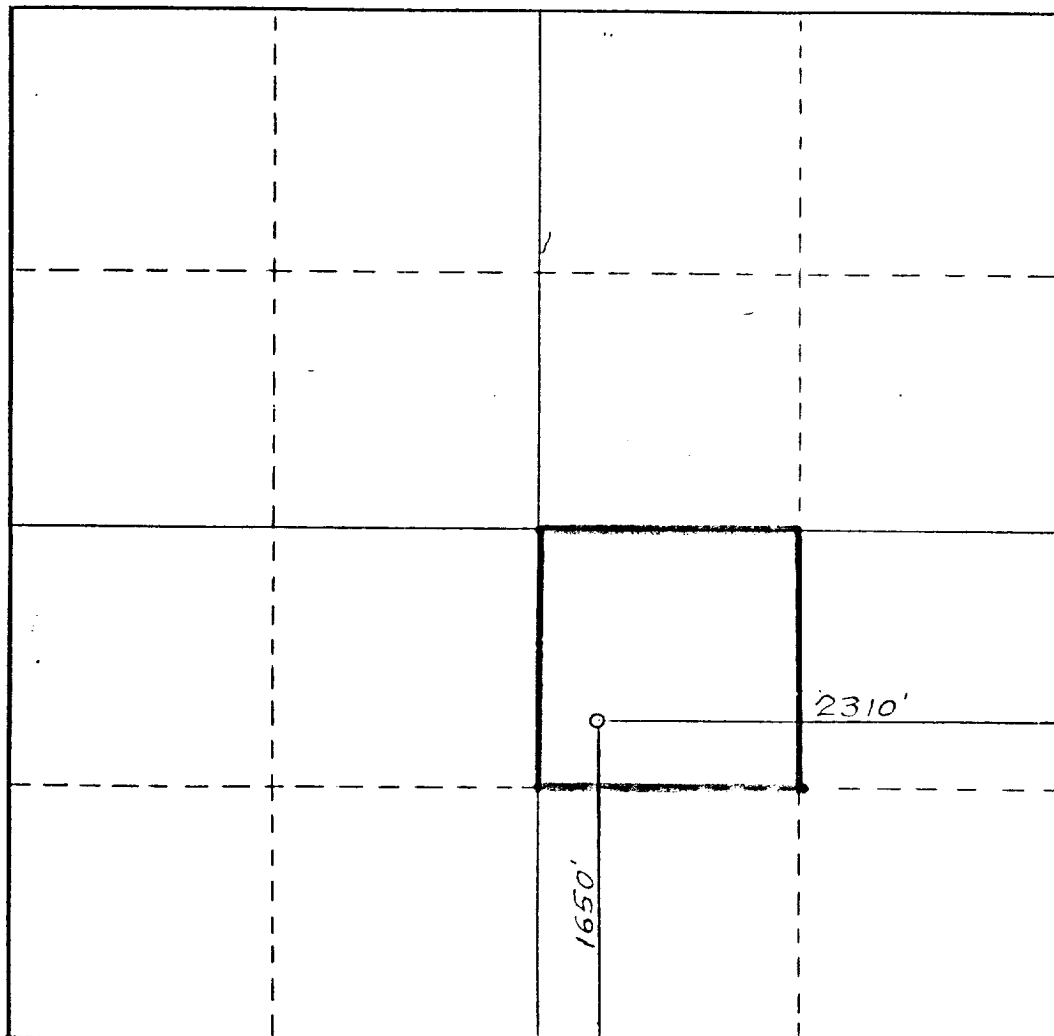
Operator MOREXCO, INC.			Lease IND STATE		Well No. 3
Unit Letter J	Section 12	Township 19 South	Range 27 East	County Eddy County, N.M.	
Actual Footage Location of Well: 2310 feet from the East line and 1650 feet from the South line					
Ground Level Elev. 3495.	Producing Formation		Pool UND. W. MILLMAN GR.	Dedicated Acreage: 40 Acres	

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, 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.

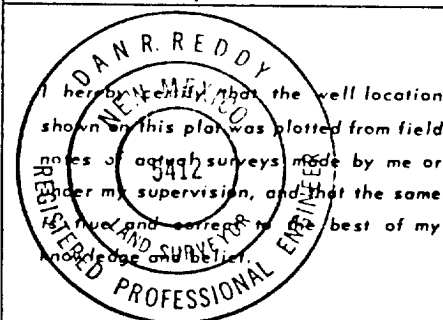
Rebecca Olson

Name
Rebecca Olson

Position
Agent

Company
Morexco, Inc.

Date
March 24, 1988

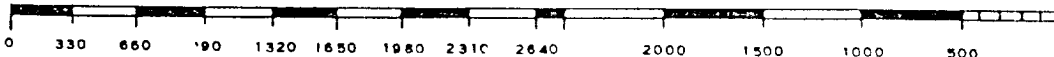


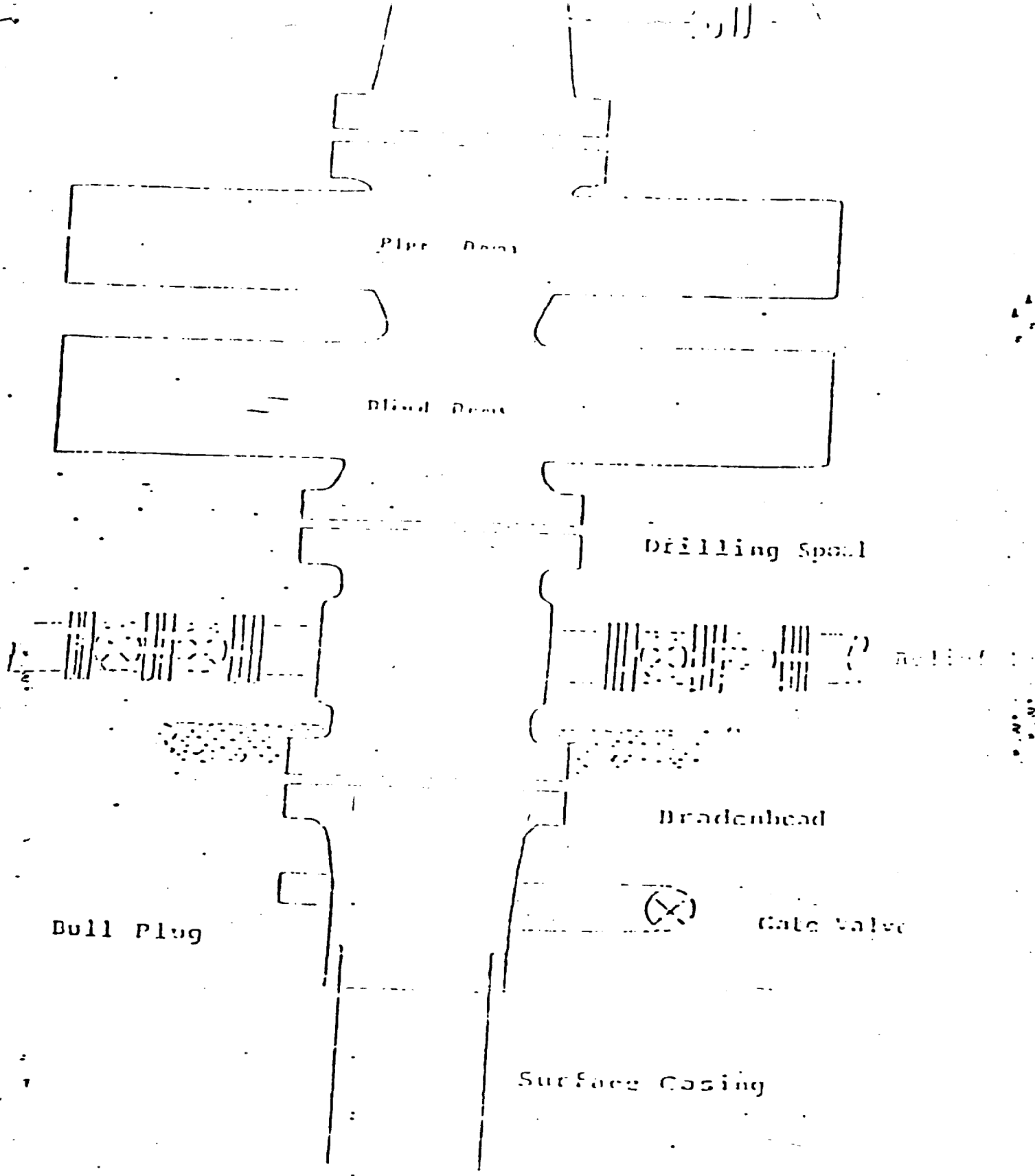
Date Surveyed
January 8, 1988

Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy

Certificate No.
NM PE&LS NO. 5412





Series 900 Double Gate BOP, rated
at 3000 psi Working Pressure

BLOWOUT PREVENTER ASSEMBLY