

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR
SPENCE ENERGY COMPANY

3. ADDRESS OF OPERATOR
4849 Greenville Ave., Ste. 381
Dallas, Texas 75206

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface: 990' FSL, 1980' FWL, Sec. 23-19S-30E
At proposed prod. zone: Same Unit N (SESW)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
23 miles northeast of Carlsbad, N.M.

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any): 660'
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 738'

16. NO. OF ACRES IN LEASE: 240
17. NO. OF ACRES ASSIGNED TO THIS WELL: 40

19. PROPOSED DEPTH: 2000'
20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3292.1 GR

22. APPROX. DATE WORK WILL START*: As soon as possible

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" ST&C	48# H-40	500'±	WITNESS 38± sx (Circulated to Sur.)
12-1/4"	8-5/8" ST&C	28# H-40	1410'±	WITNESS 750± sx (Circulated to Sur.)
7-7/8"	5-1/2" ST&C	17# K-55	2000'±	175± sx (Tie Back 200' into 8-5/8")

CAPITAN CONTROLLED WATER BASIN

An Application to Drill well No.4 at this location was previously approved by the Acting State Director letter of Nov. 29, 1993. The well was not drilled. Operator now proposes to drill this location as well No.3 instead of well No.4.

Propose to drill to 2000' to test Yates and Seven Rivers formation. Set casing as above. Run tubing to perfs, stimulate and test to tank. See attached "Drilling Data" and BOP Diagram.

This well is within the Potash Area and subject to NMCD Order R-111-P. Waiver from Eddy Potash, Inc. is attached.

Gas is not dedicated.

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED: Jerry W. Long TITLE: Permit Agent DATE: October 25, 1996
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY: AF Splendore TITLE: Acting State Director
CONDITIONS OF APPROVAL, IF ANY: _____

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

*See Instructions On Reverse Side