Form 3160-3	الشعب المارية والت	•						
Form 3160-3 (November 1983) (formerly 9-331C) Artesia, NM 88210 UNITED STATES DEPARTMENT OF THE INTE BUREAU OF LAND MANAGEME							30-015-2526 Form approved. Budget Bureau No. 1004-0136 Expires August 31, 1985 5. LEASE DESIGNATION AND SERIAL NO. NM - 25345-A	
APPLICATION	FOR PERMIT	TO DRILL, I	DEE	PEN, OR PL	UG BA	СК	6. IF INDIAN, ALLOTTED OR TRIBE NAME	
1a. TYPE OF WORK DRIL b. TYPE OF WELL	LX	DEEPEN		PLUC	G BACK		7. UNIT AGREEMENT NAME	
OIL GAE WELL WE				SINGLE X	MULTIPLE Zone		8. FARM OF LEASE NAME	
2. NAME OF OPERATOR Canon Energy,	Inc. C	115-687-	in/				Canon Champlin Federal 9. WELL NO.	
 3. ADDRESS OF OPERATOR P.O. BOX 2491 Midland, Texas 79702 4. LOCATION OF WELL (Report location clearly and in accordance with any At surface 660' FSL & 700' FWL SW/4 SW/4 				RECEIV	ED BY] 10. FIELD AND POOL, OR WILDCAT	
4. LOCATION OF WELL (Rep At surface 660' FS	L & 700' FWL	SW/4 SW/4	ih ang I	APR 23	*1 985	Μ×	Wildcat-Bone Spring 11. BBC, T., E., M., OB BLK. AND BUBYEY OF ABEA	
At proposed prod. some Same					. D. Util		Sec. 31, T21S, R25E	
14. DISTANCE IN MILES AN			T OFFI	B. ARTCORT			12. COUNTY OR PARISH 13. STATE	
8 miles west o 10. DISTANCE FROM PROPOSI LOCATION TO NEAREST PROPERTY OF LEARS LIN (Also to nearest drig.	E, FT. unit line, if any) 66			NO. OF ACRES IN LE			Eddy N.M. DF ACRES ASSIGNED HIS WELL 40	
TO NEAREST WELL, DRILLING, COMPLETED.				PROPOSED DEPTH	20	20. ROTARY OR CABLE TOOLS ROTARY		
21. ELEVATIONS (Show wheth							22. APPROX. DATE WORK WILL START*	
3666 GK							April 15, 1985	
	P	ROPOSED CASIN	IG AN	ID CEMENTING P	ROGRAM			
SIZE OF ROLE	SIZE OF CABING	WEIGHT PER FO	TO	SETTING DEPT		QUANTITY OF CEMENT		
<u> </u>	13 3/8"	54.5#		200'		Sufficient to Circulate		
<u>12½"</u> 7 7/8"	8 5/8" 5 ¹ 2"	<u>24.0#</u> 15.5#		<u>1500'</u> T.D.		Sufficient to Circulate Sufficient to isolate all oil gas and water zones.		

Proposed plans are to drill to the Bone Spring formation and test Bone Spring and intermediate formations for possible commercial production of oil and gas.

Designation of Operator from Chaplin Petroleum will be filed under a separate cover.

At10,000,00,0il and Coo Losson Pond will coup out inter well.

IN ABOVE SPACE DESCRIBE PROFOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive sone 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. BIGNED Lerry W. manklin	Agent	4/4/85
(This space for Federal or State office use)		
PERMIT NO. ONIS . Cont	APPROVAL DATE	
APPROVED BI		DATE 4-77-45
CONDITIONS OF APPROVAL, IF ANY :		APPROVAL SUBJECT TU
		GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS
*9	ee Instructions On Reverse Side	around allenting

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or evency of the United States any false. fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

N MEXICO OIL CONSERVATION COMMISS

Form C-102 Supersedes C-128 Effective 1-1-65

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Instructure Section Treaking Same County Eddy Actual formula 21 South 25 East Eddy Actual formula Description Pool The section of West The section of West The section of West 3666. BOILS Special Lyret Line Poolscores formation Pool The section of West The section of W	Operator			Lease			Well No.
M 31 21 South 25 Bast Eddy Actual Formage Location of Well 660 South Internation Proof Internation 3666. Boyte SPR.ing WithCAT Proof Howards Termation 3666. Boyte SPR.ing WithCAT Howards Termation 3666. Boyte State The State Howards Termation 3666. Boyte State The State The State 3666. Boyte State The State The State 3666. Boyte State The State The State 37 The State The State The State 38 Brace and State The State The State 39 The State The State The State 39 The State The State The State							L 1
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Blowout Preventer 3000 psi working pressure

SUPPLEMENTAL DRILLING DATA

Canon Energy, Inc. Canon - Champlin Federal No. 1 660' FSL & 700' FWL Sec. 31, T21S, R25E Eddy County, N.M. NM - 25345

- 1. Surface Formation: Permian.
- 2. Estimated Geological Marker Tops:

Capitan Reef	Surface
Delaware Sand	1 6 00'
Bone Spring	3600'

3. Estimated Depths to Oil, Gas and Water:

Water	250'
Oil or Gas	Delaware 1 6 00 - 3600'
	Bone Spring 3700 - 3750'

4. Proposed Casing and Cement Program:

<u>Surface Casing</u>: Set approximately 200', 13 3/8", 54.5#, J-55 ST&C casing. Cement sufficient to circulate cement to surface.

Intermediate Casing: Set approximately 1500', 8 5/8", 24.0#, J-55 ST&C casing. Cement sufficient to circulate cement to surface.

Production Casing: Set to total depth, $5\frac{1}{2}$ ", 15.5#, J-55 ST&C casing. Cement to isolate all oil, gas and water zones.

- 5. Pressure Control Equipment: A 3000 P.S.I. working pressure B.O.P. will be installed after 8 5/8" casing is set and cemented.
- 6. Testing, Logging and Coring Programs:

Testing: None.

Logging: DLL - FDC - CNL - GR - EPT. Muc logging unit from 1500' to total depth.

7. Auxiliary Equipment: A kelly cock will be installed on the rig floor while drilling operations are in progress.





Exhibit 'C' Canon Energy, Inc. Canon Champlin Federal No. 1 Sec. 31, T21S, R25E Eddy County N M

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