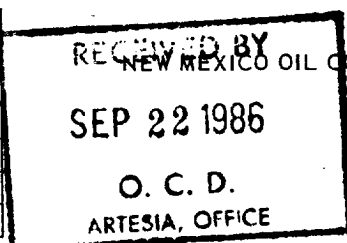


NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	



Form C-101
Revised 1-1-85 **30-015-25654**

5A. Indicate Type of Lease
STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.
E-10170

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name	
DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		LOWE STATE	
2. Name of Operator		9. Well No.	
BHP PETROLEUM COMPANY INC.		#2	
3. Address of Operator		10. Field and Pool, or Wildcat	
1300 One First City Center 500 West Texas Midland, TX 79701		Indian Basin (Upper	
4. Location of Well		11. Field & Morrow	
UNIT LETTER M LOCATED 330 FEET FROM THE West LINE		12. County	
AND 330 FEET FROM THE South LINE OF SEC. 36 TWP. 21S RGE. 23E NMPM		Eddy	
19. Proposed Depth		19A. Formation	
9800'		Cisco/Morrow	
20. Rotary or C.T.		Rotary	
21. Elevations (Show whether DF, RT, etc.)		21B. Drilling Contractor	
3851' GL		N/A	
21A. Kind & Status Plug. Bond		22. Approx. Date Work will start	
Statewide		October 15, 1986	

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	43# ST&C	350'	500 sx	Circulated
11" 12 1/4"	8 5/8"	24# ST&C	2500' 2000'	1000 sx	Circulated
7 7/8"	5 1/2"	15.5# LT&C	9800'	800 sx	Sufficient to isolate all water, oil & gas zones

Propose to drill to approximately 9800' to test the Cisco and Morrow formations. This non-standard location, along with the dual completion, was approved by the NMOCC on 5/20/86, Order No. R-8162-A.

See attached 'Supplemental Data' for casing program and pressure control details.

If both the Morrow and Cisco are productive, well will be dually completed as shown on attached C-107 and wellbore diagram. If only the Cisco is productive, Morrow will be plugged off, casing will be run to 7450' and cemented. Cisco will be perforated and stimulated, then well will be produced through 2 7/8" tubing and packer.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 3-24-87
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 [Signature] Title Regional Manager Date September 18, 1986
D. E. Brown (This space for State Use)

Original Signed By
Mike Williams
Oil & Gas Inspector

SEP 24 1986

APPROVED BY _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

Not by NMOCC in sufficient
time to witness cementing
the 6 5/8 casing