District [ PO Box 1980, Hobbs, NM 88241-1980 District [] PO Drawer DD, Artesia, NM 88211-0719

1/8/97

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-101 Revised February 10, 1994 Instructions on back ies

OIL CONSERVATION DE LE CEIVED.

| District III   |               |                 | -                 | OIL CC                              | DNSERV             | ATI                        | ON DIX  | SHO                | A C SP             | on a co        | Appropr                   | ustructions on i  |  |
|--|---------------|-----------------|-------------------|-------------------------------------|--------------------|----------------------------|---|--------------------|--------------------|----------------|---------------------------|-------------------|--|
| 1000 Rio Brazon  | Rd., Azte     | c. NM 87410     |                   | PO Box 2088 Santa Fe, NM 87504-2088 |                    |                            |   |                    |                    |                | State Lease - 6 Cop       |                   |  |
| District IV PO Box 2088, Santa Fe, NM 87504-2088   |               |                 |                   |                                     | JAN 0 9 1397       |                            |   |                    |                    |                |                           | Fee Lease - 5 Cop |  |
|  |               |                 |                   |                                     |                    |                            | •   |                    |                    |                | AME                       | When penar        |  |
| APPLICA  | NOTTA         | FOR PI          | ERMIT             | מת חם                               | ili ne             |                            | Ol  | Li (               | COM.               |                |                           | MUED KEPOP        |  |
|  |               |                 |                   | O                                   | ILL, RE            | -EN                        | TER, DE                                       | EPE                | N, PLUGE           | ACK            | OR A                      | DD A ZON          |  |
| APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBA  Operator Name and Address.  Corinne B. Grace            |               |                 |                   |                                     |                    |                            |   |                    |                    |                | <sup>1</sup> OGRID Number |                   |  |
| P 0 Box 1418   |               |                 |                   |                                     |                    |                            |   |                    |                    |                | 005268                    |                   |  |
| Carlsbad, NM 88220   |               |                 |                   |                                     |                    |                            |   |                    |                    |                | <sup>1</sup> API Number   |                   |  |
| ' Prop   | Property Code |                 |                   |                                     |                    |                            |   |                    |                    |                |                           | 30 - 0 15 - 21362 |  |
| 4717   |               |                 | Cua               |                                     | • .                | <sup>5</sup> Property Name |   |                    |                    |                |                           | ' Well No.        |  |
| Cueva unit   |               |                 |                   |                                     |                    |                            |   |                    |                    |                | - 1                       | 1                 |  |
| UL or lot no.  | Santa         | 1 =             |                   |                                     | <sup>7</sup> Surfa | ace I                      | ocation                                       |                    |                    |                |                           |                   |  |
|  | Section       | Township        | Range             | Lot ida                             | Feet from          | the                        | North/South                                   | line               | Feet from the      | Fast/V         | Vest line                 |                   |  |
| K  | 6             | 23S             | 26E               |                                     | 1980               | 1                          | South   |                    | 1000               | l              |                           | County            |  |
|  |               | <sup>8</sup> Pr | oposed            | Bottom                              | Hole Lo            | catio                      | on If Diff                                    | Feren              | t From Sur         | Wes            | <u> </u>                  | Eddy              |  |
| UL or lot no.  | Section       | Township        | Range             | Lot Idn                             | Feet from          | the                        | North/South                                   | line               | Feet from the      |                |                           | ·                 |  |
|  |               |                 |                   |                                     |                    | 1                          |   | _                  | receitaments       | Last/V         | Vest line                 | County            |  |
|  |               | ' Propos        | * Proposed Pool 1 |                                     |                    | <del></del>                |   |                    | 11.7               |                |                           |                   |  |
| Sheep Draw; Strawn (8  |               |                 |                   | 200)                                |                    |                            |   | " Proposed Pool 2  |                    |                | 2                         |                   |  |
|  |               |                 |                   |                                     |                    |                            |   |                    |                    |                |                           |                   |  |
| " Work Type Code " Well Typ  |               |                 |                   | Code (3 Cable                       |                    | able/R                     | e/Rotary 14 Long Type Code                    |                    |                    | -              |                           |                   |  |
| A  |               | _               | G                 |                                     |                    | R                          |   | 14 Lease Type Code |                    |                | 14 Ground Level Elevation |                   |  |
| '* Multiple  |               | 15              | 17 Proposed Depth |                                     |                    | " Formation                |   | S                  |                    | 3418.7         |                           |                   |  |
| NO   |               |                 |                   |                                     | Strawn             |                            | 1º Contractor                                 |                    | 24 Spud Date       |                |                           |                   |  |
|  |               |                 | 21                | Propose                             |                    |                            | 1.6   |                    |                    |                |                           |                   |  |
| Hole Size  | 2             | Casin           | Size              | Cosin                               | a weight/foot      | and                        | Cement  | Prog               | gram               |                |                           |                   |  |
|  |               |                 |                   | <del> </del>                        | 4cd20100t          |                            | Setting De                                    | pub                | Sacks of           | Cement         | E                         | Estimated TOC     |  |
|  |               |                 |                   | <del> </del>                        |                    | +-                         |   |                    |                    |                |                           |                   |  |
|  |               |                 |                   | <del> </del>                        |                    |                            |   |                    |                    |                |                           |                   |  |
|  |               |                 |                   | <del> </del>                        |                    |                            |   |                    |                    |                |                           |                   |  |
|  |               |                 |                   | <del> </del>                        |                    |                            |   |                    | <u> </u>           |                |                           |                   |  |
| Describe the pro   | posed pro     | gram. If this   | application       | is to DEEP                          | EN on PILIC        | PACE                       |   |                    | present productive |                |                           |                   |  |
| one. Describe th   | e blowout     | prevention pr   | ogram, if a       | ny. Use add                         | litional sheets    | il nece                    | give the data :                               | on the p           | present productiv  | 200c ap        | d proposed                | new productive    |  |
| Operator   | prop          | poses i         | 0 plu             | g bac                               | k from             | t h                        | e Atole                                       |                    | d set a            | _              |                           |                   |  |
| formatio   | n in          | order           | cemen             | it and                              | attem              | pt.                        | a recor                                       | nple               | d set a            | plug           | g at<br>Stran             | 10,550'           |  |
| vill be  | insta         | alleda          | ind te            | sted                                | additi<br>daily.   | ona                        | l produ                                       | icti               | tion in on. 50(    | ) Ö# Tu        | IP BOI                    | o's               |  |
|  |               |                 |                   |                                     |                    |                            |   |                    |                    |                |                           |                   |  |
| roposed  | Stra          | wn int          | erval             | to b                                | e teste            | ed:                        | is 9991                                       | 1-9                | 5'.                |                |                           |                   |  |
|  |               |                 |                   |                                     |                    |                            |   | -                  |                    |                |                           |                   |  |
|  |               |                 |                   |                                     |                    |                            |   |                    |                    |                |                           |                   |  |
| hereby certify the   | at the infor  | mation given :  | bove is true      | and complet                         | e to the best      | -                          |   |                    |                    |                |                           |                   |  |
| hereby certify that the information given above is true and complete to the best my knowledge and beijef, gnanure: |               |                 |                   |                                     |                    |                            | OIL CONSERVATION DIVISION                     |                    |                    |                |                           |                   |  |
| Maris  |               |                 |                   |                                     |                    |                            | Approved by: Opinizial elected ou Ties W. GUN |                    |                    |                |                           |                   |  |
| inted name: Mitchell Morris  |               |                 |                   |                                     |                    |                            | Title: DISTANCE IN SOFERIUSUR                 |                    |                    |                |                           |                   |  |
| tie:   | inage         |                 |                   |                                     |                    | A                          |   |                    |                    |                |                           |                   |  |
| te:  | -uage         |                 | Phone:            | <del></del>                         |                    | · hhuo                     | - Ditte:                                      | 24                 | 1351 Pm            | viration D     | ete:                      |                   |  |
|  |               |                 | A ANGEST          |                                     |                    |                            |   |                    |                    | We see a see a |                           |                   |  |

Conditions of Approval: Attached

Phone: (505) 887-5581