

30-015-22122

MAR 24 1981

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5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work

DRILL DEEPEN PLUG BACK

Type of Well

OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

Name of Operator

DINERO OPERATING COMPANY ✓

Address of Operator

Post Office Drawer 10505, Midland, Texas 79702

Location of Well

UNIT LETTER A LOCATED 1980 FEET FROM THE South LINE

660 FEET FROM THE West LINE OF SEC. 25 TWP. 23-S RGE. 28-E NMPM

7. Unit Agreement Name

8. Farm or Lease Name

GIOVINGO

9. Well No.

1

10. Field and Pool, or Wildcat

Culebra Bluff South

12. County

Eddy

19. Proposed Depth

8,000'

19A. Formation

Bone Springs

20. Rotary or C.T.

Rotary

21. Deviations (Show whether DF, RT, etc.)

2,991 G.L.

21A. Kind & Status Plug. Bond

Blanket

21B. Drilling Contractor

Ex-Port Drilling Co.

22. Approx. Date Work will start

3/30/81

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
|--------------|----------------|-----------------|---------------|-----------------|----------|
| 17 1/4 | 13 3/8 | 54.5 | 350 | 375 | Surface |
| 11 | 8 5/8 | 24#-32# | 2500 | 975 | Surface |
| 7 7/8 | 5 1/2 | 17# | 8000 | 500 | 6000 |

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 9-30-81
UNLESS DRILLING UNDERWAY

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.

By [Signature] Title Field Supt. Date March 23, 1981

(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR, DISTRICT II DATE 3-30-81

CONDITIONS OF APPROVAL, IF ANY:

All distances must be from the outer boundaries of the Section

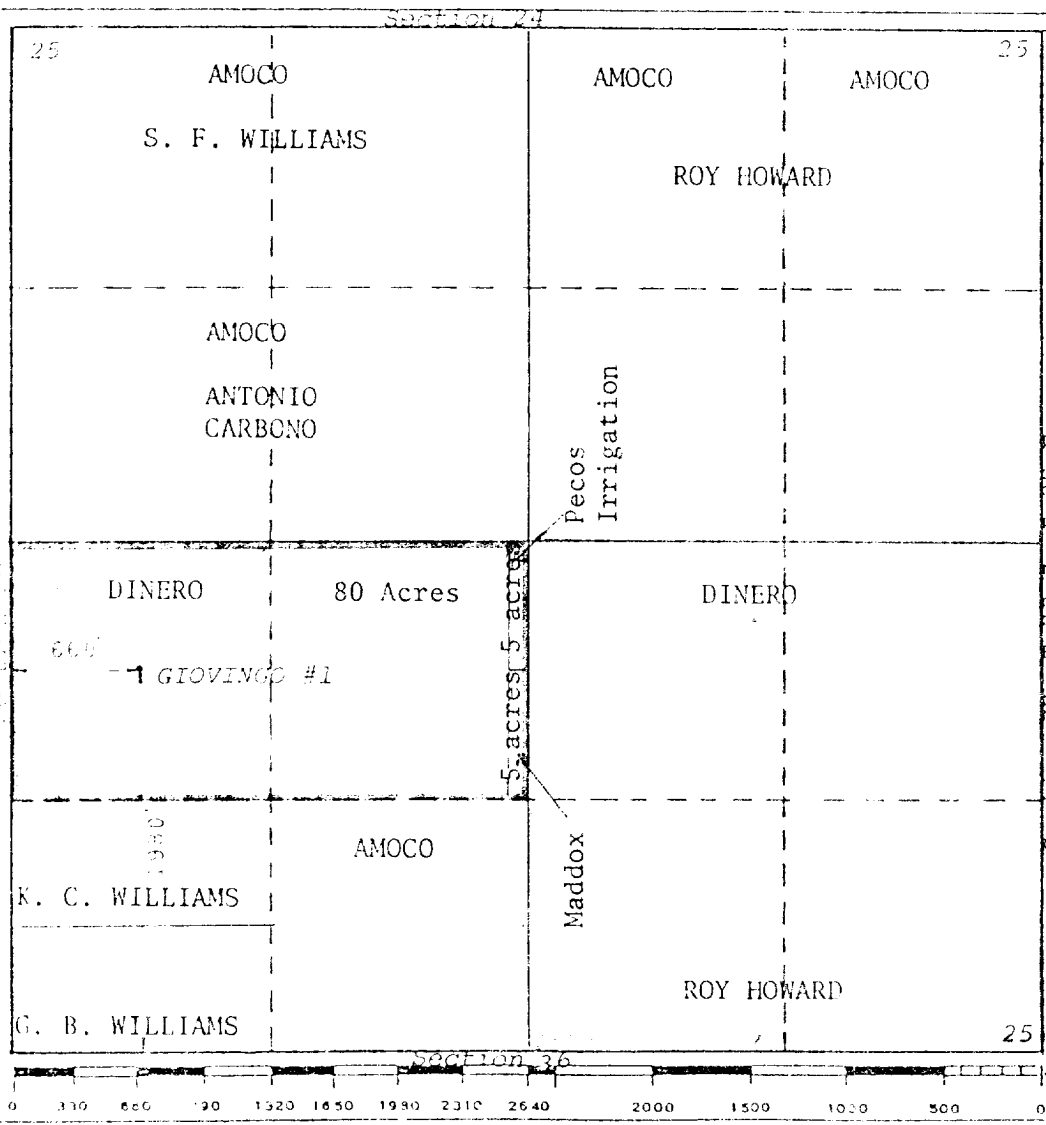
| | | | | |
|---|--|------------------------------------|-------------------------------------|-----------------------|
| Operator DINERO OPERATING COMPANY | | Lease GIOVINGO | | Well No. 1 |
| East Letter | Section 25 | Township 23-South | Range 28-East | County Eddy |
| Actual closest location of well: 1980' feet from the south line and 660' feet from the west line | | | | |
| Ground Level Elev. 2991' | Producing Formation Bone Springs | Pool Culebra Bluff South | Dedicated Area (Acres) 80 | |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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?

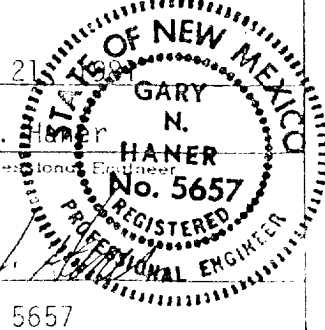
Yes No If answer is "yes," type of consolidation Unitization

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



| | |
|---|-----------------------------|
| CERTIFICATION | |
| I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. | |
| Name | <i>[Signature]</i> |
| Position | Field Supt. |
| Company | DINERO OPERATING CO. |
| Date | March 23, 1981 |
| I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. | |
| Date Surveyed | March 21, 1981 |
| Registered Professional Engineer | GARY N. HANER |
| Certificate No. | No. 5657 |

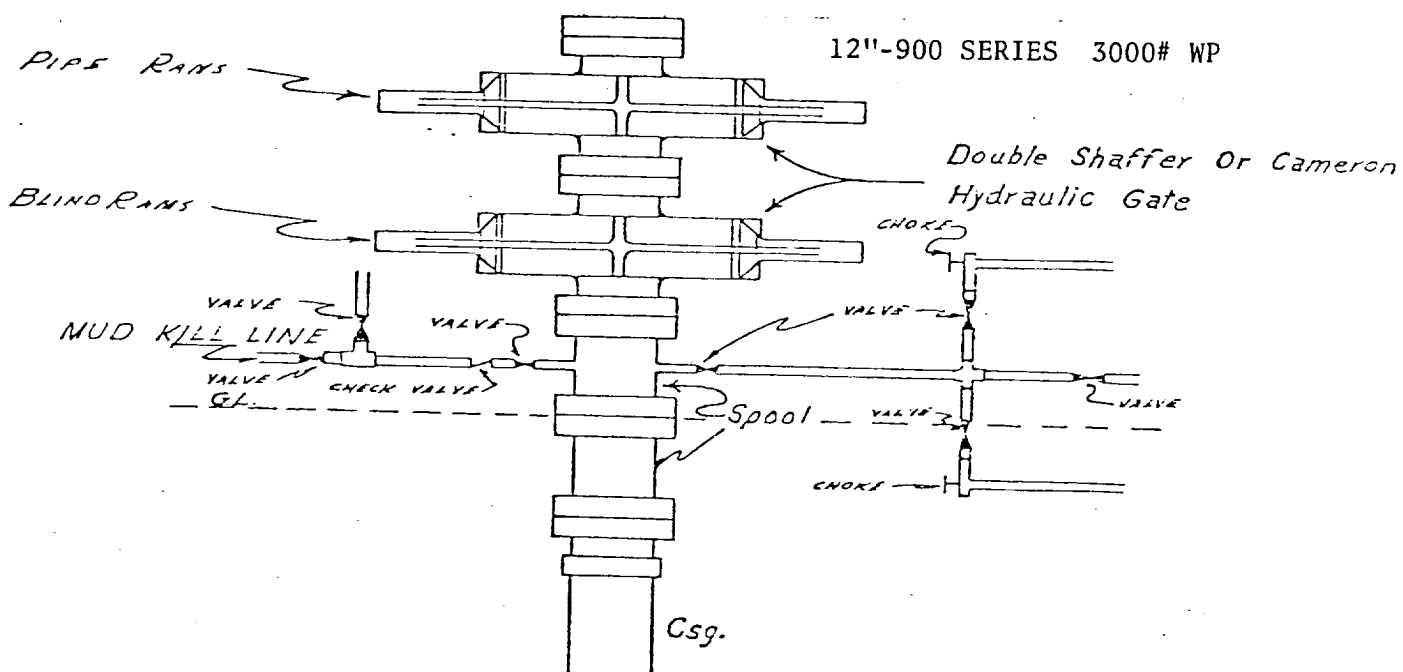


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APR 01 1981

O. C. D.
ARTESIA, OFFICE

X-PERT DRILLING CORPORATION
BLOW-OUT PREVENTER



NOTE:

MANUAL AND HYDRAULIC CONTROLS WITH
CLOSING UNIT NO LESS THAN 75' FROM
WELL HEAD. REMOTE CONTROLS ON RIG
FLOOR.

MAIL TO - MR. GRESSETT
Nmoe