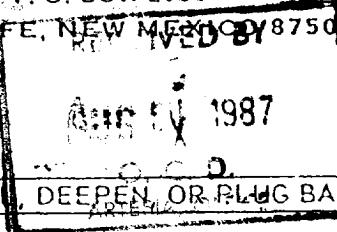


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P. O. BOX 2088
SANTA FE, NEW MEXICO 87501



5A. Indicate Type of Lease
STATE ☐ FEE ☒

5. State Oil & Gas Lease No.

7. Unit Agreement Name

8. Farm or Lease Name
Walterscheid

9. Well No.
1

10. Field and Pool, or Wildcat
Uncl. Esperanza Delaware

12. County
Eddy

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 ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. Name of Operator
Terra Resources, Inc. ✓ 915-684-3861

3. Address of Operator
10 Santa Fe, N. 500 W. Midland, Tx. 79705 ✓

4. Location of Well
UNIT LETTER K LOCATED 2310 FEET FROM THE South LINE
AND 2310 FEET FROM THE West LINE OF SEC. 10 TWP. 22-S RGE. 27-ENMPM

19. Proposed Depth
3500

19A. Formation
Cherry Canyon

20. Rotary or C.T.
Rotary

21. Elevations (Show whether DF, KT, etc.)
GL=3072 KB=3080

21A. Kind & Status/Plug. Bond
Blanket

21B. Drilling Contractor
Artesia Fishing Tools

22. Approx. Date Work will start
8-17-87

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4	8-5/8	24	450	300	Surface
7-7/8	5 1/2	14	3500	525	Surface

- The 12 1/4" hole will be drilled with fresh water and bentonite mud.
- The 7-7/8" hole will be drilled with brine water & attapulgit mud.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 2/10/88
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 V.M. "Skip" Coyner Title Operations Engineer Date 8/4/87

(This space for State Use)

APPROVED BY Danell Mace TITLE Geologist DATE August 10, 1987

CONDITIONS OF APPROVAL, IF ANY:

**N' MEXICO OIL CONSERVATION COMMISS
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator TERRA RESOURCES, INC.			Lease Walterscheid		
Unit Letter K	Section 10	Township 22	Range 27	County Eddy	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 2310 feet from the F.S.L. line and 2310 feet from the F.W.L. line </div>					
Ground Level Elev. 3072.2'	Producing Formation Cherry Canyon		Pool Esperanza		Dedicated Acreage: 40 Acres

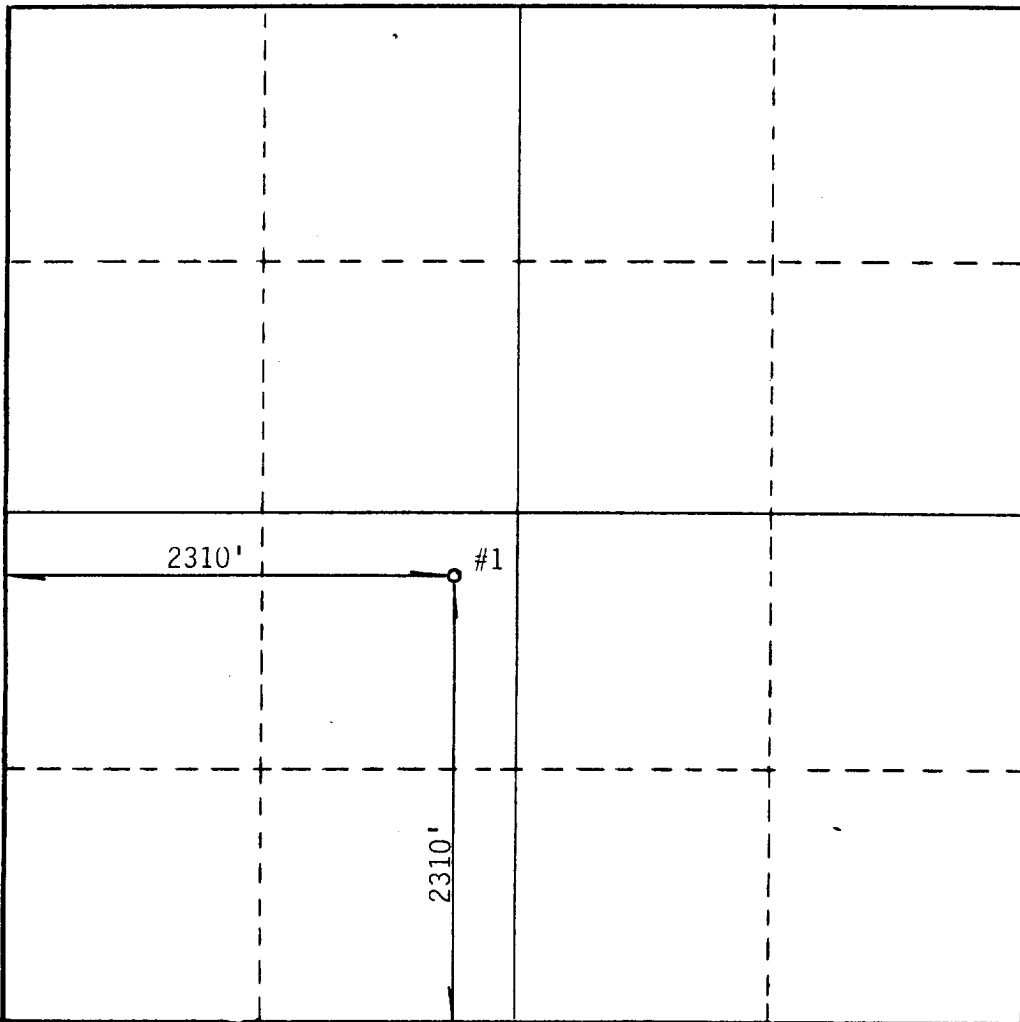
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AUG 5 1987
C. C. D.
OFFICE

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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 Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name *Shirley C. Aymer*
 Position
Operations Engineer
Terra Resources, Inc.
 Company
August 4, 1987
 Date

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
7-21-87
 Registered Professional Engineer and/or Land Surveyor
Ronald J. Eidson
 Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239

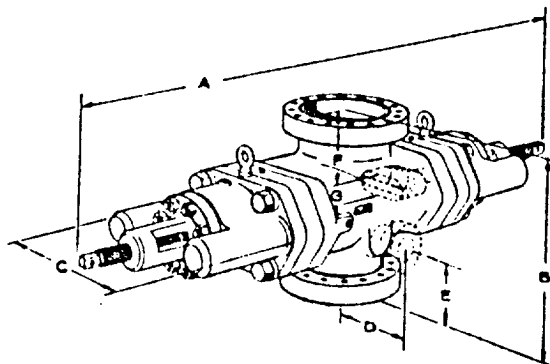
U BLOWOUT PREVENTER ENGINEERING DATA

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O. C. D.

ARTESIA, OFFICE



Single Open Face Flanged U Blowout Preventer

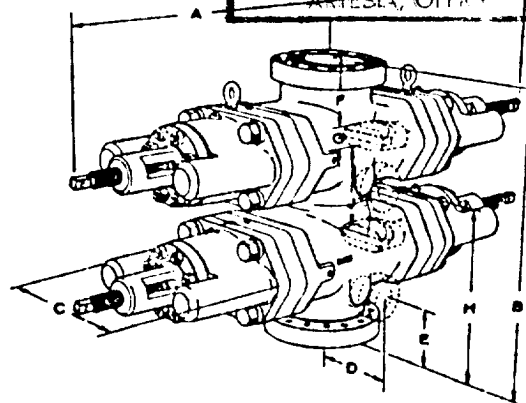
Side Outlets to 4" size (7-1/16" on 26-3/4" preventers) can be provided beneath each set of rams, on either or both sides of U preventers. Side outlet flanges are open face and have the same pressure rating as the vertical run flanges. Valve removal preparations can be provided. To obtain a quotation, the number and size of outlets should be specified.

Flanges conform to API Standard 6A. Type 6BX flanges are standard for 10,000 psi, 15,000 psi, and 20,000 psi working pressures and for 5000 psi working pressures for 13-5/8" and larger bore preventers.

Although most preventers have open face flanges or Cameron clamp hubs, preventers with studed flanges can be furnished.

Sizes and Dimensions are in inches. The over-all length "A" given in the tables does not include the optional wedgelocks. No spacers between rams are included in the table of dimensions of double ram models. Preventers with spacers to clear tool joints can be obtained on special order. For information on preventers with spacers, or sizes not listed, consult your Cameron representative.

Hydraulic Control Connections to operate rams and bonnets are 1" NPT. There are two connections for each set of rams. Hydraulic ram lock connections are 1/2" NPT.



Double Open Face Flanged U Blowout Preventer

Engineering Data Designations. See Charts on Following Page

- A-1 Over-all length, bonnets closed, locking screws locked
- A-2 Over-all length, ram change, bonnets opened, locking screws unlocked
- B-1 Over-all height flanged
- B-2 As above, with Cameron clamp hubs
- C Over-all width without side outlets (max. width)
- D Centerline of preventer to outlet flange or hub face. Distance is variable.
- E-1 Centerline of side outlet (outlet below lower rams in double model) to bottom flange face
- E-2 As above, to bottom hub face
- F-1 Top of upper ram to top flange face
- F-2 As above, to top hub face
- G Ram height
- H-1 Centerline of side outlet between rams to bottom flange face
- H-2 As above, to bottom hub face
- J Top of lower ram to bottom of upper ram

ARTESIA FISHING TOOL

RIG #2