

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

APR 23 1993

b. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

Collins & Ware, Inc.

3. ADDRESS AND TELEPHONE NO.

303 W. Wall, Ste 2200, Midland, TX 79701 (915) 6873435

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface

560' FNL & 330' FWL of Sec. 31  
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

11 miles SE of Carlsbad, NM

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

330'

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

1320'

16. NO. OF ACRES IN LEASE

960

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

19. PROPOSED DEPTH

6500'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3182' GR

22. APPROX. DATE WORK WILL START\*

3/15/93

23. PROPOSED CASING AND CEMENTING PROGRAM

Secretary's Potash

| SIZE OF HOLE | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------------|-----------------|---------------|--------------------|
| 12.25"       | J-55, 8.625"         | 24#             | 600'          | 450 sx CIRCULATE   |
| 7.875"       | J-55, 5.5"           | 15.5#           | 6500'         | 1500 sx CIRCULATE  |

Operator proposes to drill to the Delaware Formation to test for possible commercial production of oil. If productive, a 5.5" production string of casing will be run to TD. If non-productive, the well will be plugged and abandoned in a manner consistent with Federal and State regulations and according to good engineering practice. Specific programs according to Onshore Oil & Gas Order #1 are outlined in the following attachments:

1. Well Location and Acreage Dedication Plat

2. Drilling Program

Exhibit 1 - Blowout Preventer

3. Surface Use and Operating Plan

Exhibit 2 - Existing Roads

Exhibit 2A - Planned Access Roads

Exhibit 3 - One Mile Radius Map With Lease Boundary

Exhibit 3A - Status of Wells Within One Mile Radius

Exhibit 4 - Drilling Rig Layout

Exhibit 5 - Production Facilities Layout

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS

ATTACHED, and to NMOC's R-III-P

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone 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.

SIGNED

*G. Thane Akins*

TITLE Agent

DATE 1/20/93

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

4-13-93

\*See Instructions On Reverse Side