

NM OIL CONS. COMMISSION
Drawer 10
Artesia, NM 88210
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
ARTESIA, OFFICE

RECEIVED BY 1
AUG 10 1984
SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985
30-015-24955

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

Challenger Energy, Inc. ✓

3. ADDRESS OF OPERATOR

P.O. Box 1262, Artesia, New Mexico 88210

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

At surface

330' FSL and 330' FEL Sec. 22

At proposed prod. zone

same

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

16 Miles South-Southeast Malaga, New Mexico

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.

660' None

16. NO. OF ACRES IN LEASE

480

19. PROPOSED DEPTH

7075'

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

2889.4' G.L.

22. APPROX. DATE WORK WILL START*

ASAP (Prior to 8/20/84)

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	500' Set above 7075'	Circulate to surface
7 7/8"	4 1/2"	10.5 & 11.6#	7075'	Sufficient to fill to base of salt

We propose to drill and test the Delaware formation with actual T.D. to be determined by penetrating the top of the Bone Spring formation (Approx. 7025'). Actual 4 1/2" Production Casing setting depth to be determined after logging operations are evaluated. Equivalent or adequate weights and grades of casing may be substituted at time casing is run. Producing zones will be perforated and stimulated as necessary.

MUD PROGRAM: F.W. Gel/LCM to 500', Brine to T.D.

BOP PROGRAM: 3000# W.P., double ram type preventer will be in use while drlg. below surface casing, and tested daily. See exhibit B

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. 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

Craig Huber

TITLE

Treasurer

DATE

7/20/84

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

Mark Hollier

TITLE

DATE

8-9-84

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

*See Instructions On Reverse Side

**W MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator CHALLENGER ENERGY CORP.			Lease MOBIL 22 FED.			Well No. 1		
Plot Letter P	Section 22	Township 26S	Range 29E	County EDDY				
Actual Footage Location of Well: 330 feet from the SOUTH line and 330 feet from the EAST line								
Ground Level Elev. 2889.4	Producing Formation DELAWARE (Cherry Canyon)			Pool Brushy Draw			Dedicated Acreage: 40 Acres	

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

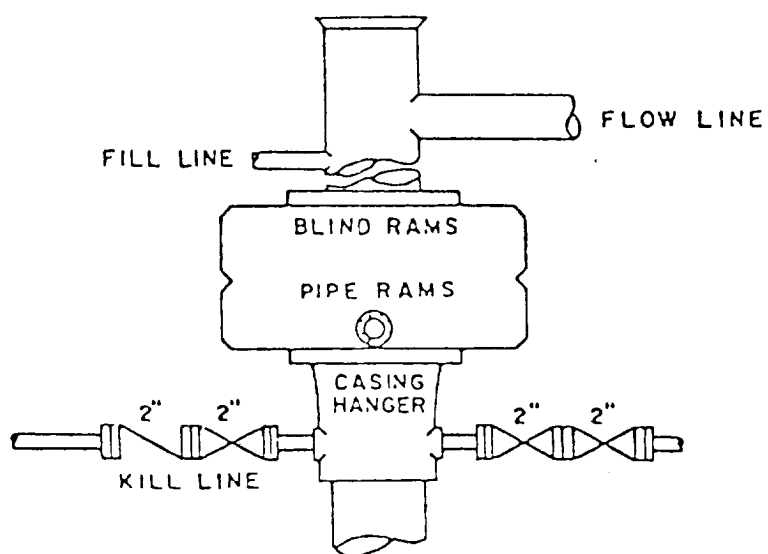
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name **Craig Huben**
 Position **Treas.**
 Company **Challenger Energy, Inc.**
 Date **7/20/84**

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 **7/16/84**
 Registered Professional Engineer and/or Land Surveyor
John W. West
 Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239





BOP STACK

3000 PSI WORKING PRESSURE

DEPTH INTERVAL

FROM 8-5/8" CASING SEAT TO TOTAL DEPTH

Exhibit B

BOP ARRANGEMENT

CHALLENGER ENERGY, INC.
Mobil "22" Federal #1
330' FSL and 330' FEL
Sec. 22, T-26S, R-29E
Eddy County, New Mexico

In Conjunction with Form 3160-3, Application for Permit to Drill subject well, Challenger Energy, Inc. submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geologic surface formation is sandy alluvium.
2. The estimated tops of geologic markers are as follows:

Rustler Anhydrite	360'
Base Salt	2750'
Delaware Lime	2950'
Delaware Sand	2980'
Cherry Canyon	3890'
Brushy Canyon	5310'
Bone Spring	7050'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Oil: 5000'

4. Proposed Casing Program: See Form 3160-3
5. Pressure Control Equipment: See Form 3160-3 and Exhibit B
6. Mud Program: See Form 3160-3
7. Auxiliary Equipment: Sub with full-opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:

Samples: Surface casing to TD.

DST's: As Warranted.

Coring: None.

Logging: CNL-FDC TD to 2900', DLL TD to 2900', GR/Sonic TD to Surface.

9. No abnormal pressures or temperatures are anticipated.
10. Anticipated Starting date: As soon as possible after approval.

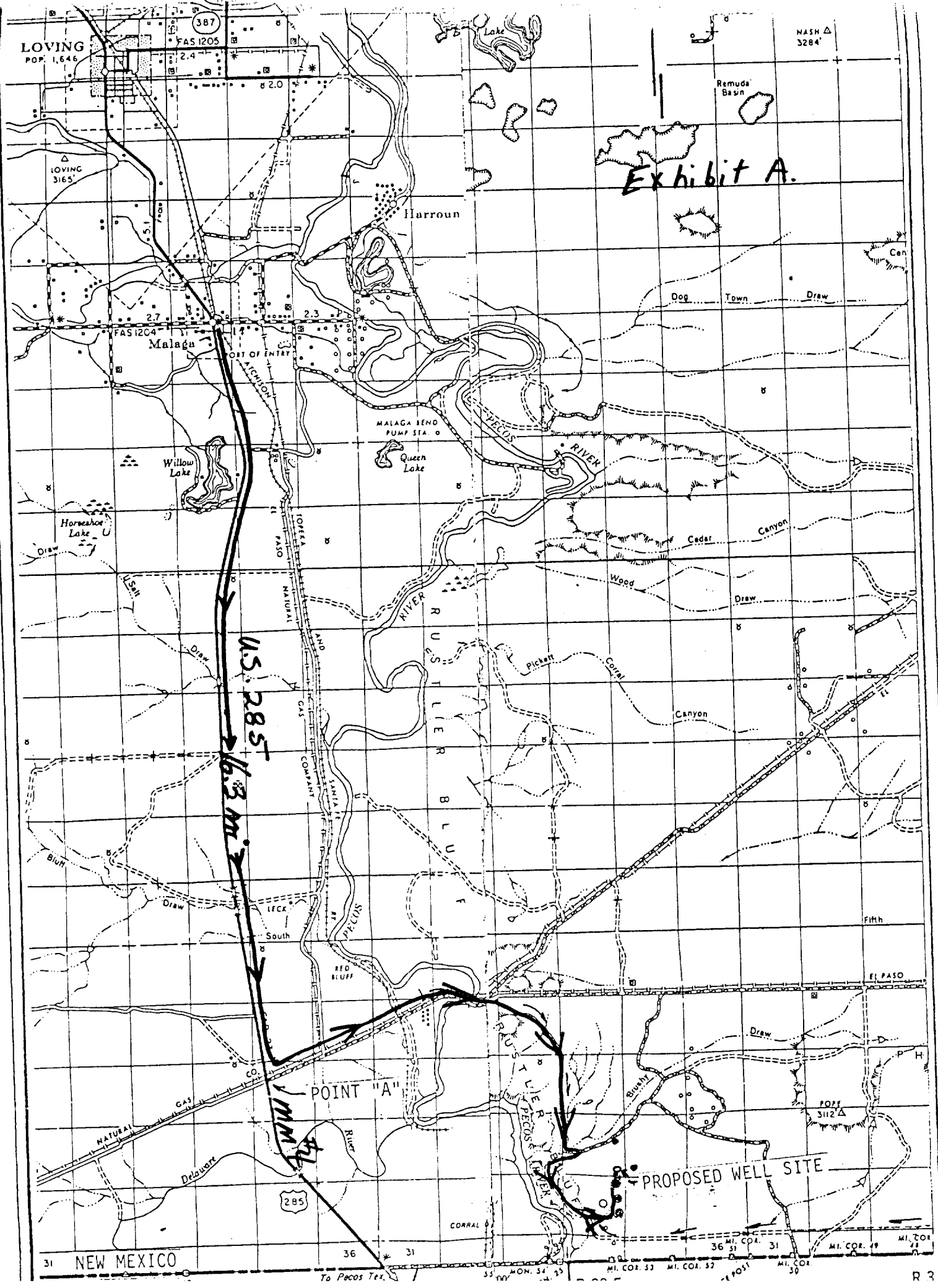


Exhibit A.

U.S. 285

16.3 mi.

POINT "A"

PROPOSED WELL SITE

NEW MEXICO

To Pecos Tex.

R 2

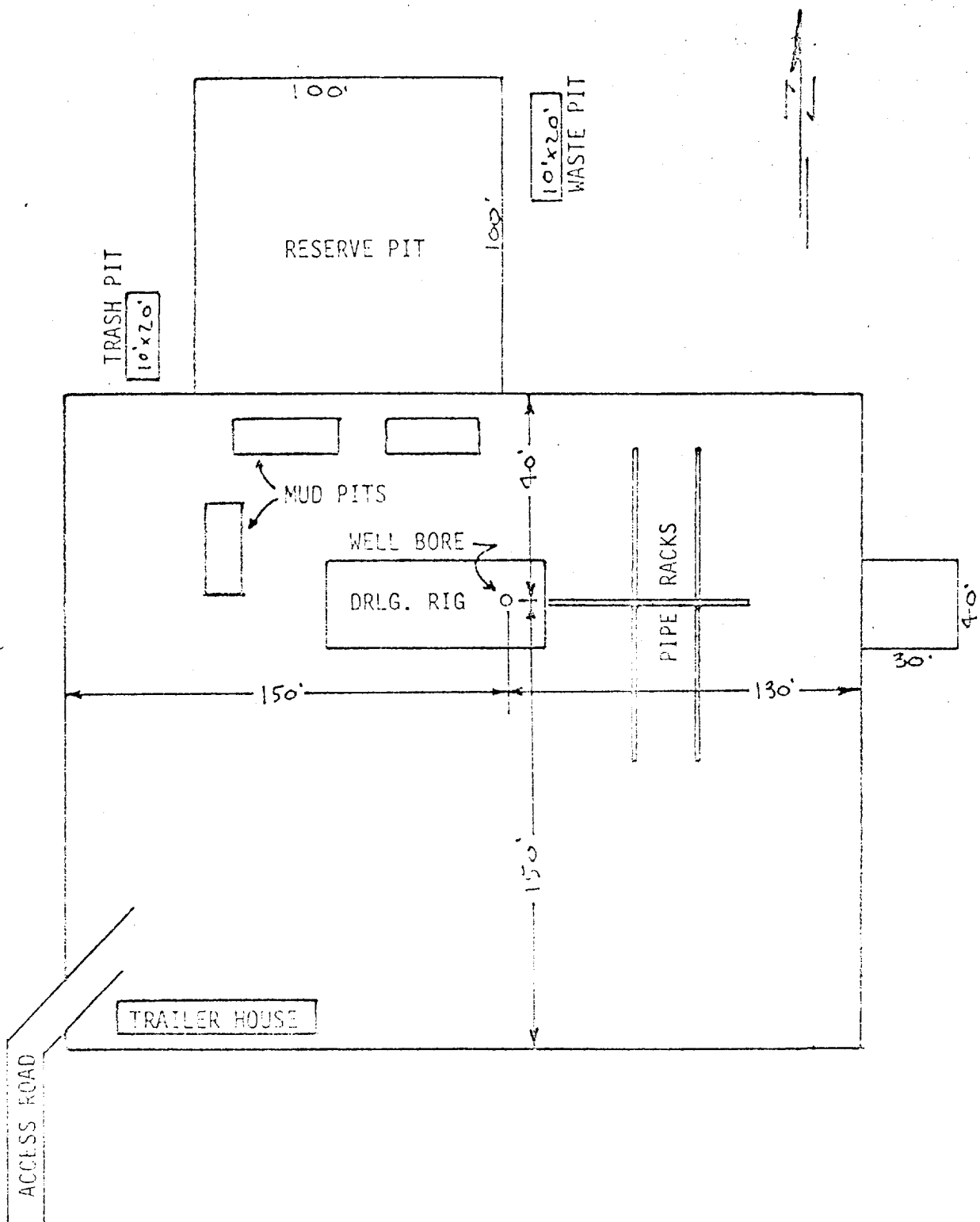


EXHIBIT "C"

Challenger Energy, INC.
Mobil Federal "22" #1
Drilling Rig Layout