

Form 3160-10-1 (November 1983) (formerly 1-331C)  
**RECEIVED BY**  
Artesia, NM  
**JUN 28 1985**  
**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**  
ARTESIA, NM OFFICE  
**DRILL** ☒ **DEEPEN** ☐ **PLUG BACK** ☐

SUBMIT IN 1 LIGATE\*  
(Other instructions on reverse side)

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

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, NM 88210  
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)  
At surface  
990' FSL & 2310' FWL, Section 22  
At proposed prod. zone  
same (Unit N)  
(SE 1/4 SW 1/4)  
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
16 miles South/Southeast of Malaga, NM  
15. DISTANCE FROM PROPOSED\*  
LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any) 990'  
18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT. 1320'  
19. PROPOSED DEPTH 6250'  
20. ROTARY OR CABLE TOOLS Rotary  
21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
2891.9  
22. APPROX. DATE WORK WILL START\*  
ASAP (prior to Aug. 8, 1985)

5. LEASE DESIGNATION AND SERIAL NO.  
NM-22634  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
7. UNIT AGREEMENT NAME  
8. FARM OR LEASE NAME  
Mobil "22" Federal  
9. WELL NO.  
#5  
10. FIELD AND POOL, OR WILDCAT  
Brushy Draw Delaware  
11. SEC., T., R., M., OR BLM.  
AND SURVEY OR AREA  
Sec. 22, T-26-S, R-29-E  
12. COUNTY OR PARISH  
Eddy  
13. STATE  
NM

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/8"	8 5/8"	23#	400 (top of Rustler)	Circulate to surface
7 7/8"	5 1/2"	15.50#	6250'	Sufficient to fill to base of salt

Actual 5 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 400', Brine to T.D.  
BOP Program: 3000# W.P., Double ran type preventer will be in use while drilling below surface casing. 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.

SIGNED [Signature] TITLE Sec/Treas. DATE 6/3/85  
(This space for Federal or State office use)

PERMIT NO. Ong. Egd. Charles D. [Signature] APPROVAL DATE 6-27-85  
APPROVED BY [Signature] TITLE DATE  
CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS

\*See Instructions On Reverse Side

**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

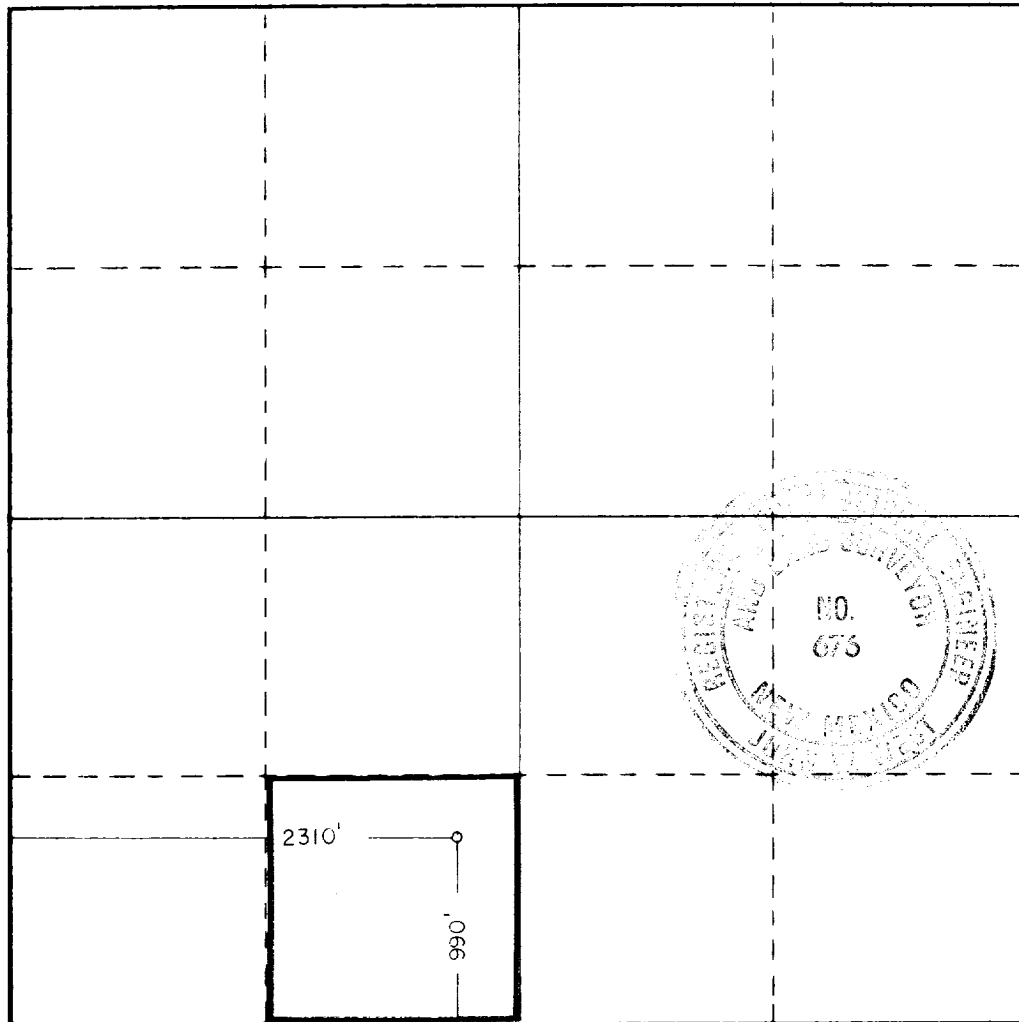
Operator <b>CHALLENGER ENERGY, INC.</b>			Lease <b>MOBIL FED.</b>			Well No. <b>5</b>		
Unit Letter <b>N</b>	Section <b>22</b>	Township <b>26S</b>	Range <b>29E</b>	County <b>EDDY</b>				
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> <span>990 feet from the <b>SOUTH</b> line and</span> <span>2310 feet from the <b>WEST</b> line</span> </div>								
Ground Level Elev. <b>2891.9</b>		Producing Formation <b>Delaware</b>		Pool <b>Brushy Draw - Delaware</b>			Dedicated Acreage: <b>40</b> 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.*

**Craig Huber**

Name *Craig Huber*

Position  
**Sec/Treas.**

Company  
**Challenger Energy, Inc.**

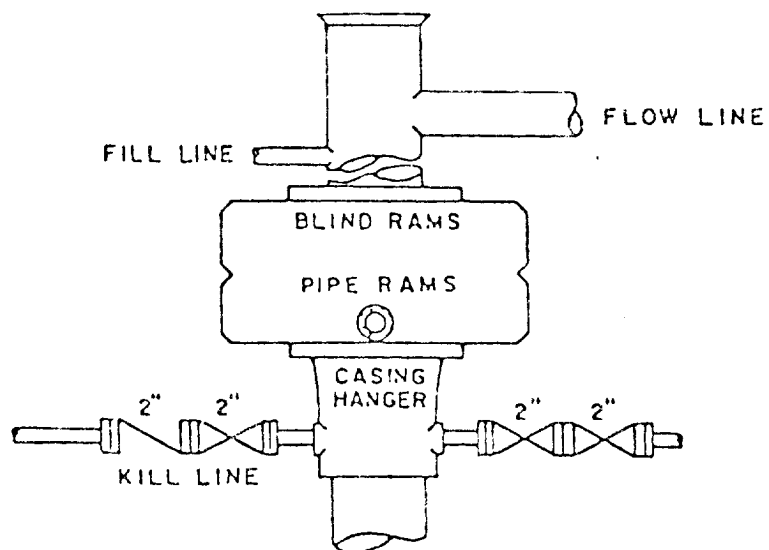
Date  
**June 3, 1985**

*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  
**5/28/85**

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 #5  
990' FSL and 2310' FWL  
Sec. 22, T-26S, R-29E  
Eddy County, New Mexico

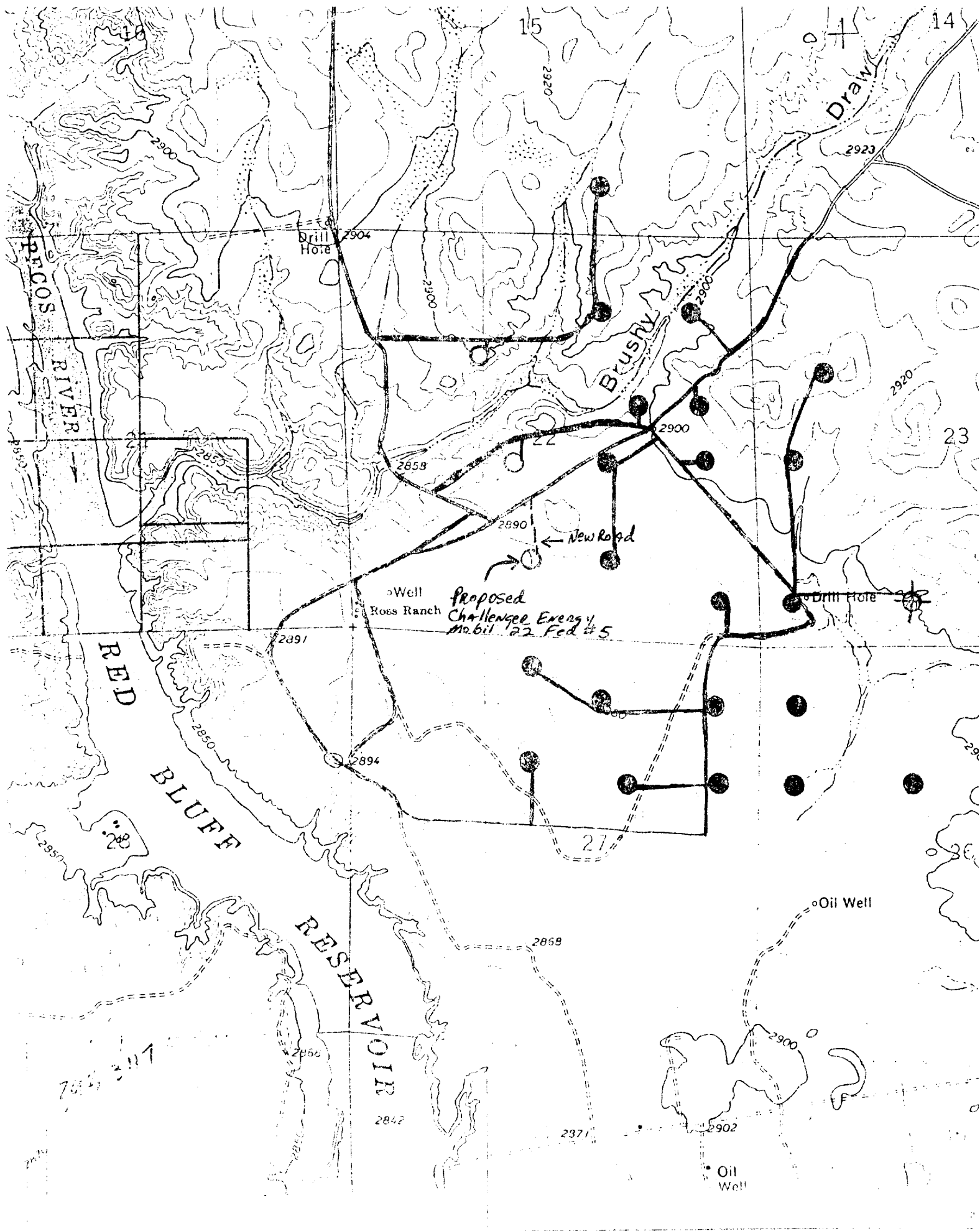
In Conjunction with Form 3160-3, Application for Permit to Drill subject well, Challenger Energy, Inc. submits the following ten items of pertinent information in accordance with BLM requirements.

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

Rustler Anhydrite	350'
Base Salt	2750'
Delaware Sand	2960'
Cherry Canyon	3860'
Brushy Canyon	5460'
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:	2700' to TD.
DST's:	As Warranted.
Coring:	None.
Logging:	CND TD to 2900', DLL TD to 2900', and Gamma Ray TD to Surface.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated Starting date: As soon as possible after approval. (Prior to August 8, 1985)



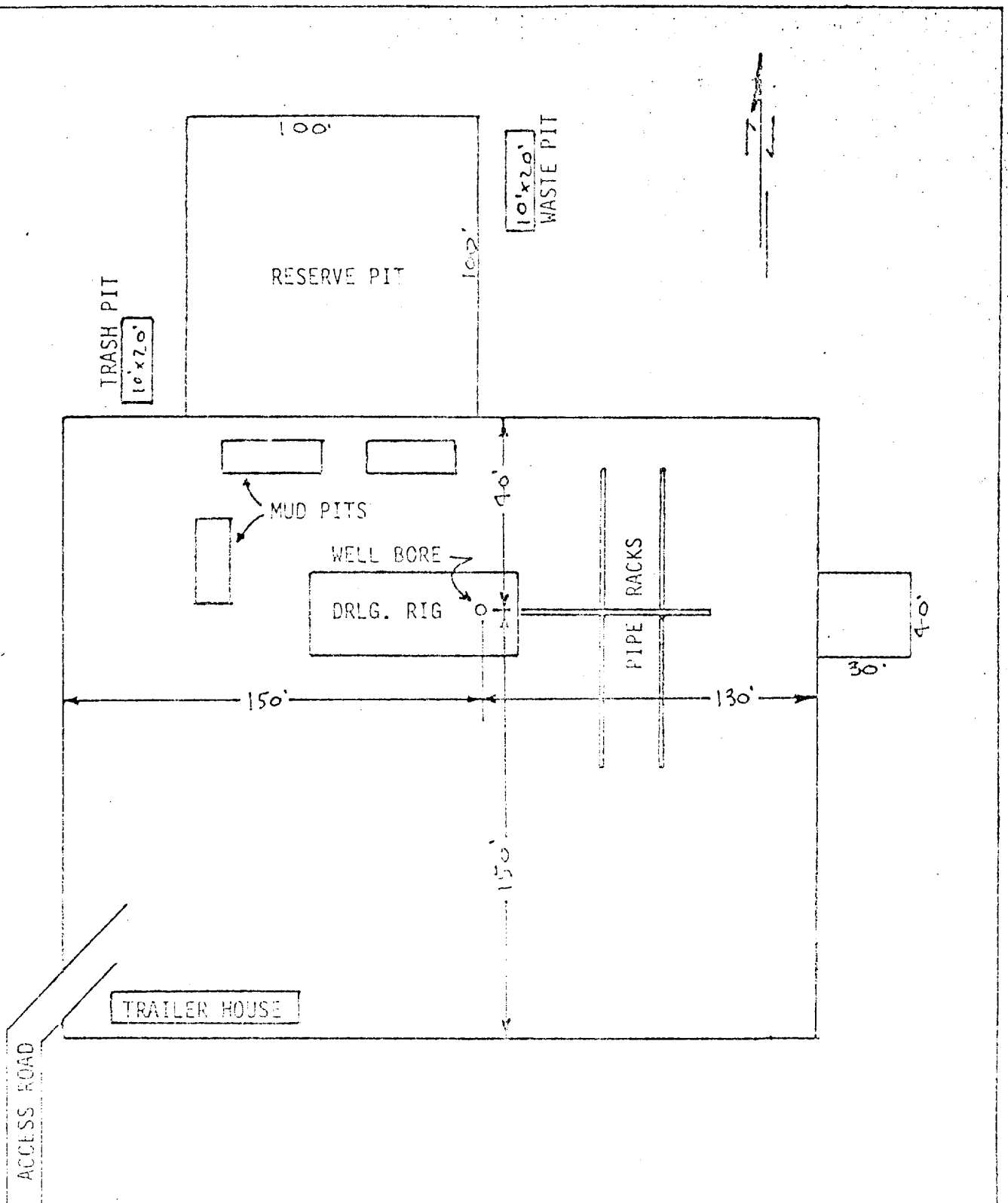


EXHIBIT "C"

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