

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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, NM 88210

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

At surface

330' FSL and 990' FWL, Section 22

At proposed prod. zone

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 drig. unit line, if any)

990'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1320'

16. NO. OF ACRES IN LEASE

480

19. PROPOSED DEPTH

6250'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

2886.0'

22. APPROX. DATE WORK WILL START*

ASAP prior to 3/25/86

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 | 23# | 400 top of Rustler | Circulate to surface |
| 7 7/8 | 5 1/2 | 15 5/8# | 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.

24.

SIGNED

Vickie Deal

TITLE

Production Clerk

DATE

2/25/86

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

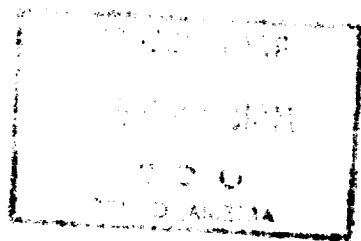
3-7-86

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

ATTACHED

*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.

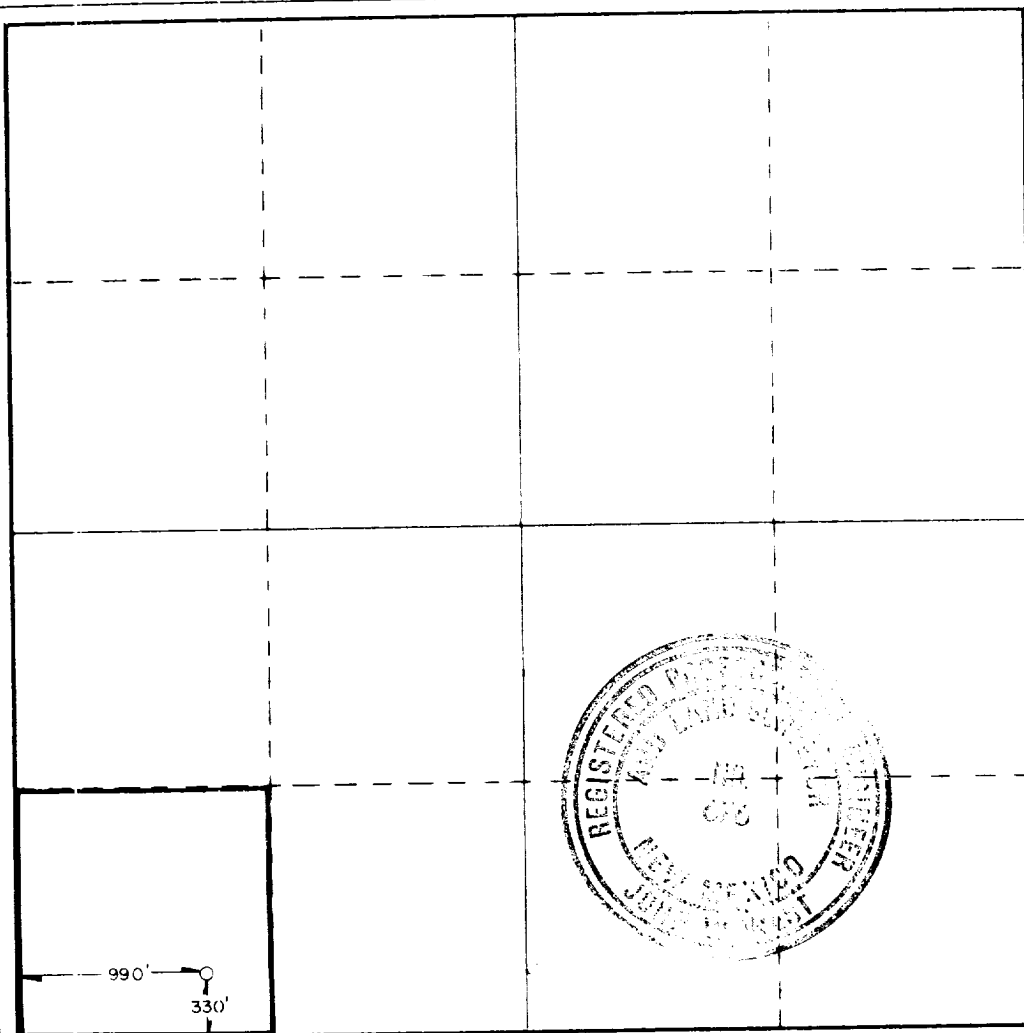
| | | | | | | | | |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------|-------------------------------------|-----------------------|--|---------------------------------------|--|--|
| Operator CHALLENGER ENERGY CORP. | | | Lease MOBIL 22 FEDERAL | | | Well No. 9 | | |
| Tract Letter M | Section 22 | Township 26 SOUTH | Range 29 EAST | County EDDY | | | | |
| Actual Footage Location of Well: 990 feet from the WEST line and 330 feet from the SOUTH line | | | | | | | | |
| Ground Level Elev. 2886.0' | Producing Formation Cherry Canyon | | Pool Brushy Draw Delaware | | | Dedicated Acreage: 40 Acres | | |

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 _____

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.

Vickie Teel
 Name

Vickie Teel

Position

Production Clerk

Company

Challenger Energy, Inc.

Date

2/25/86

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

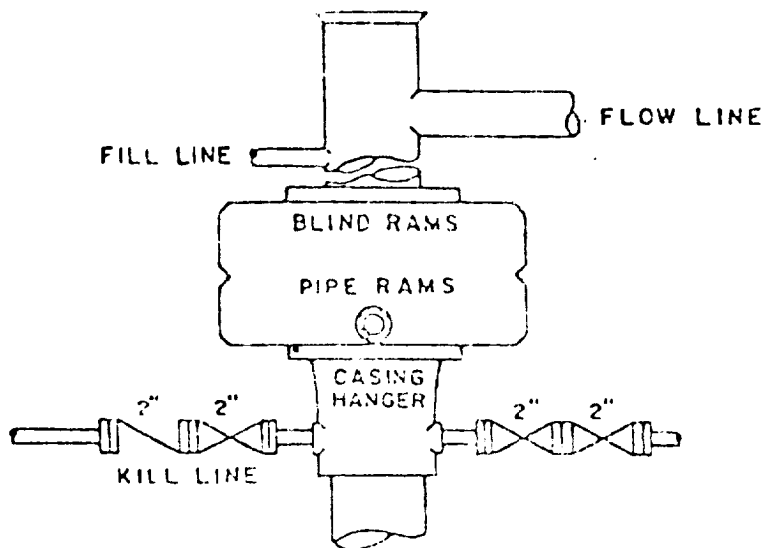
FEBRUARY 21, 1986

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 #9
330' FSL and 990' 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 | 2870' |
| Cherry Canyon | 3770' |
| Brushy Canyon | 5410' |

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:

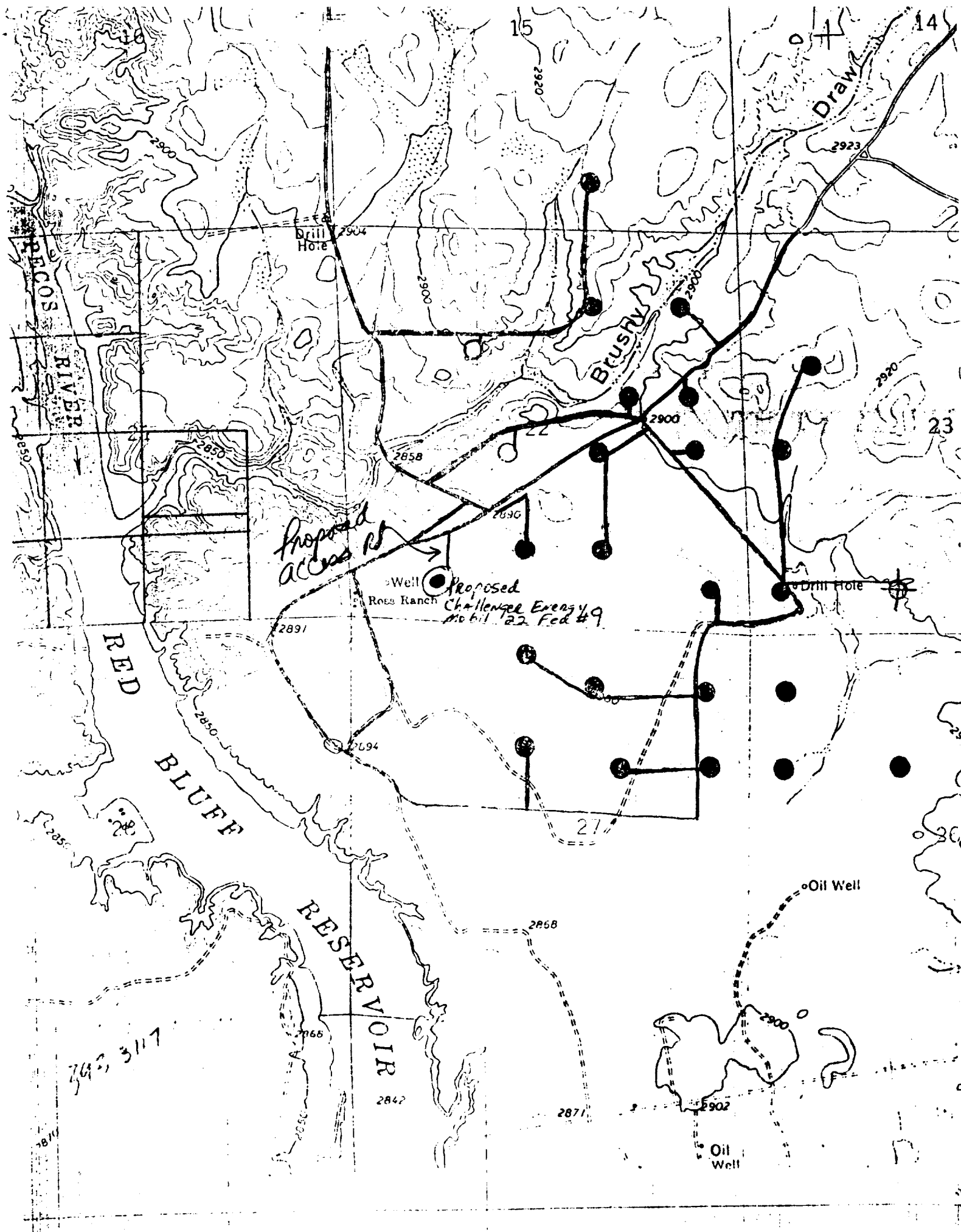
Samples: 2700' to TD.

DST's: As Warranted.

Coring: None.

Logging: CND TD to 2800', DLL TD to 2800', 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 March 25, 1986)



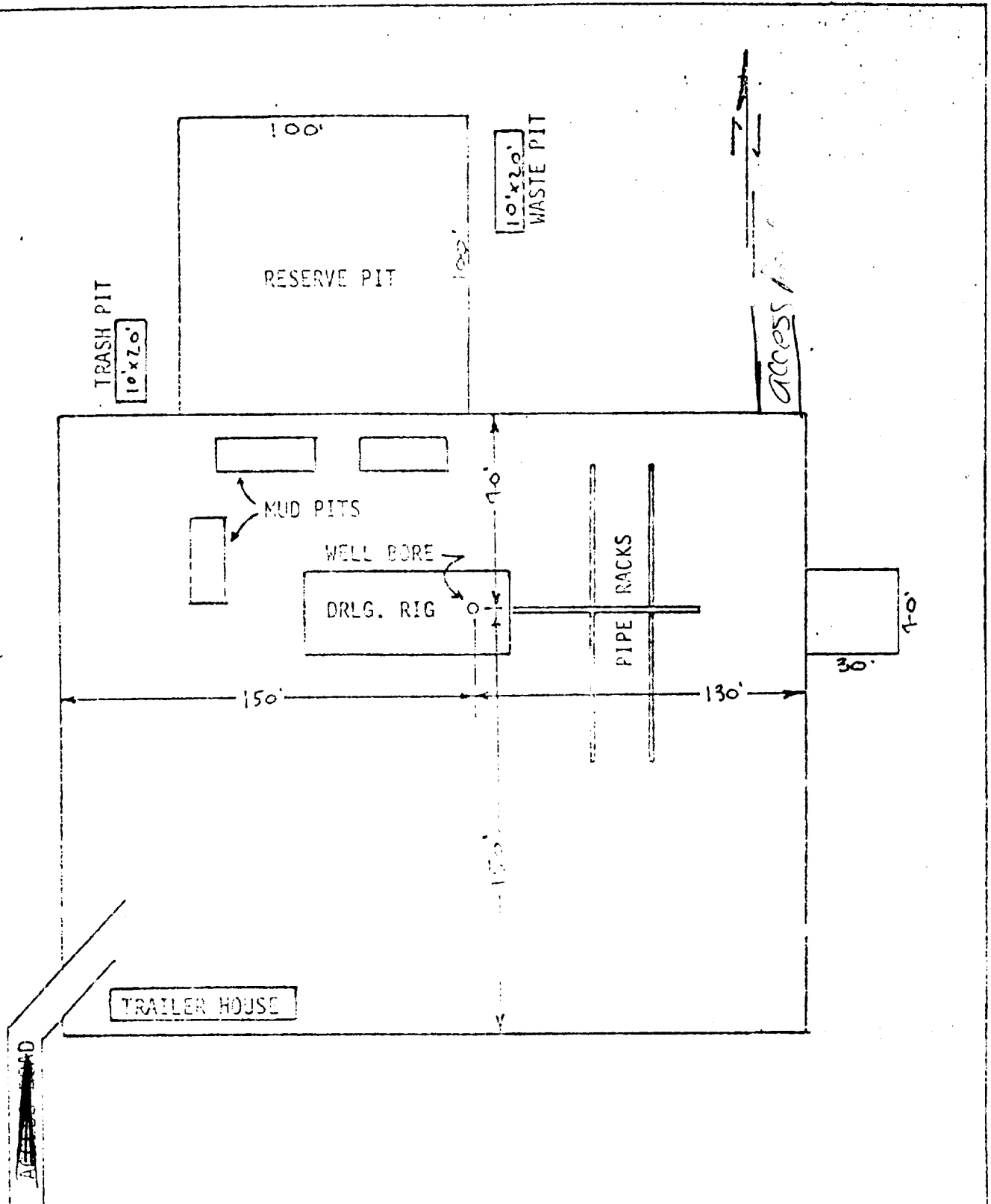


EXHIBIT "C"

Challenger Energy, INC.
 Mobil Federal "22" #9
 Order. R. Layout