Submit to Appropriate District Office State Lease — 6 copies Fee Lease — 5 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-101 Revised 1-1-89

OIL CONSERVATION DIVISION

API NO. (assigned by OCD on New Wells) DISTRICT P.O. Box 2088 30-015-27/6/ P.O. Box 1980, Hobbs, NM 88240 Santa Fe, New Mexico 87504-2088 5. Indicate Type of Lease DISTRICT II STATE X FEE P.O. Drawer DD, Artesia, NM 88210 6. State Oil & Gas Lease No. DISTRICT III V2845 1000 Rio Brazos Rd., Aztec, NM 87410 APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK 7. Lease Name or Unit Agreement Name la. Type of Work: PLUG BACK DEEPEN DRILL X RE-ENTER Catclaw State b. Type of Weil: MULTIPLE SINGLE OIL ZONE WELL WELL 8. Well No. 2. Name of Operator Southwest Royalties Inc 9. Pool name or Wildcat 3. Address of Operator 407 N. Big Spring North Brush Draw, DECAWARE P.O. Box 11390, Midland, Tx. 79702 (915) 686-9927 Feet From The North 500 4. Well Location Line Feet From The 710 Line and Unit Letter Eddy 29E 26S 2 County **NMPM** Rang Township Section 11. Formation Rotary or C.T. Proposed Depth Rotary Delaware 16. Approx. Date Work will start 15. Drilling Contractor 14. Kind & Status Plug. Bond 13. Elevations (Show whether DF, RT, GR, etc.) 12-1-93 **Blanket** 3242 GR. PROPOSED CASING AND CEMENT PROGRAM 17. SACKS OF CEMENT EST. TOP **SETTING DEPTH** WEIGHT PER FOOT SIZE OF CASING SIZE OF HOLE Circulate 750 600 54.5 13 - 3/817-1/2" Circulate 1000 3150 24 & 32 8-5/8 11 2850 7200 850 15.5 & 17 7-7/8 Set 40' of 20" conductor and cement to surface. 1. Drill 17-1/2" hole to 600', run used inspected 13-3/8" J55 ST&C 54.5# casing. Cement with 750 sx cement + 2% CaCl + ¼# flocele. Circulate cement to surface. Drill 11" hole to 3150', run used inspected 8-5/8" J-55 ST&C 24# and 32# casing. Cement with 1000 sx 65/35 Poz 1/4# flocele/sx, tailin with 200 sx Class "H" with 1/4# Circulate cement to surface. Drill 7-7/8" hole to 7200, log open hole, run new 5-1/2" K55 ST&C 15.5# and 17# casing. Place DV tool to 4500', cement 1st stage with 400 sx 50/50 Poz + 6# salt/sx. Cement 2nd stage with 450 sx 50/50 Poz + 6# salt/sx. Tie into intermediate at 2850', Run TO-1 temp survey to verify. 12-3-93 NIGARI 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. TIME AGENT for Southwest Roy. __ DATE __11-19-93 SIGNATURE 505-392-2112 TELEPHONE NO. TYPE OR PRINT NAME

(This space for State Use)

APPROVED BY

GEOLOGIST

CONDITIONS OF APPROVAL, IF ANY:

Jak Bulin

APPROVAL VALID FOR PERMIT EXPIRES. UNLESS DRILLING UNDERWAY