

Form 3160-3
(November 1983)
(formerly 9-331C)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

2. NAME OF OPERATOR (Bob Green)
 CANTRO EXPLORATION, INC. (512-826-2981)

3. ADDRESS OF OPERATOR
 909 N.E. Loop 410 (Suite 711), San Antonio TX 78209

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface: 330' FSL & 990' FEL of Section
 At proposed prod. zone: same (Unit P) (SE 1/4 SE 1/4)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 14 air miles south-southeast of Loco Hills, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 330' (330')

16. NO. OF ACRES IN LEASE
 320

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 990'

19. PROPOSED DEPTH
 2500'

20. ROTARY OR CABLE TOOLS
 Rotary Cable tool

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3482' G.L.

22. APPROX. DATE WORK WILL START*
 November 1, 1985

5. LEASE DESIGNATION AND SERIAL NO.
 NM 0557729

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 --

7. UNIT AGREEMENT NAME
 --

8. FARM OR LEASE NAME
 HANSON FEDERAL

9. WELL NO.
 1

10. FIELD AND POOL, OR WILDCAT
 North Hackberry-Y, SR

11. SEC., T., E., M., OR BLE. AND SURVEY OR AREA
 Sec. 20-19S-31E

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 1/4"	8 5/8"	23#	300'	Circulate to surface
7 7/8"	5 1/2"	14#	2500'	Circulate back into 8 5/8" csg.

Pay zone will be selectively perforated and stimulated as needed for optimum production.

- Attached are:
- Well Location & Acreage Dedication Plat
 - Supplemental Drilling Data
 - Surface Use Plan



Operator's Authority: Designation of Operator from Hanson Oil Corporation, record lessee, is being mailed to BLM, Carlsbad NM.

Bond Coverage: Lessee's \$150,000 nationwide bond.

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 James A. Knaut TITLE Agent DATE October 18, 1985

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY Scott Adams TITLE _____ DATE 12-23-85
 CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

*See Instructions On Reverse Side

**N 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

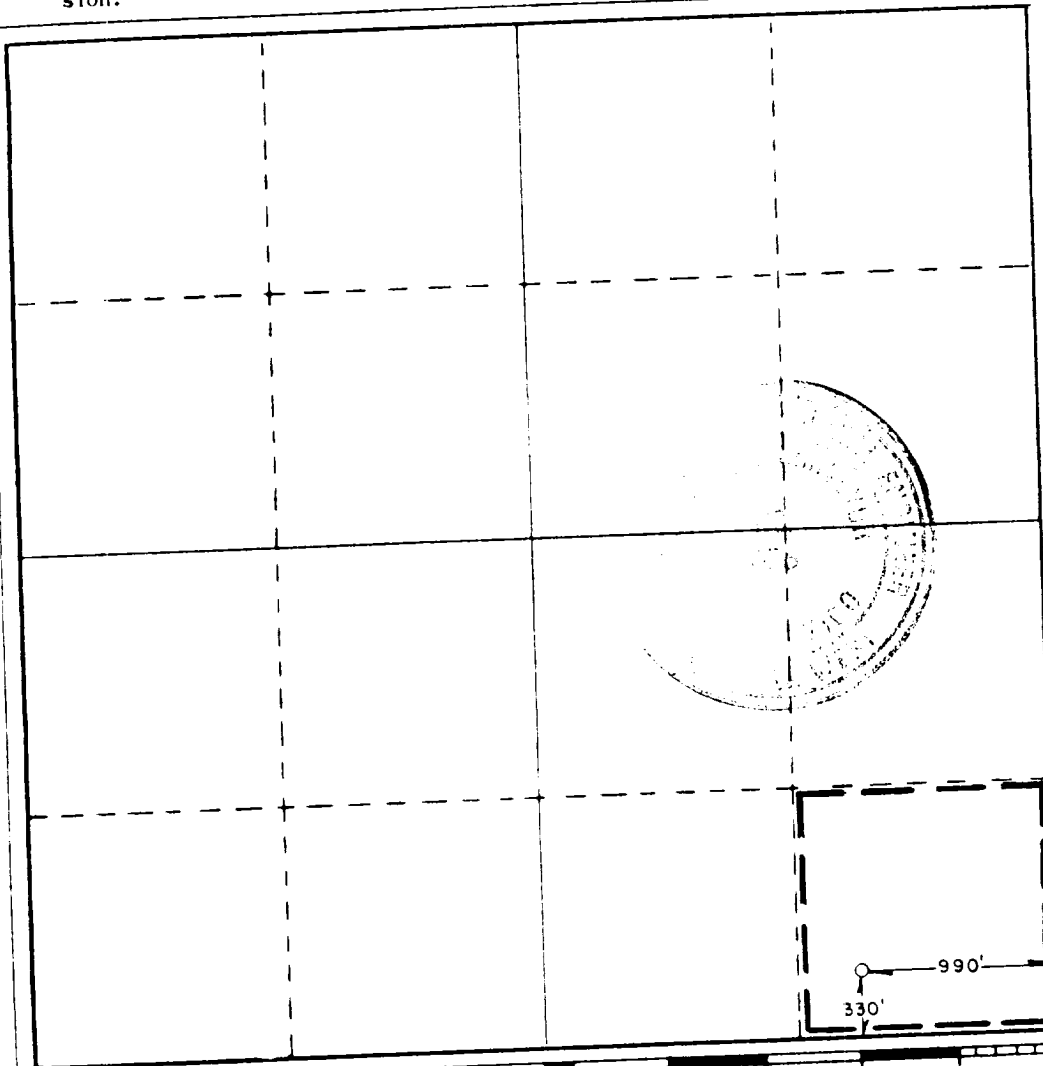
Operator CANTRO EXPLORATION INC.			Lease HANSON FLD.		Well No. 1
Section Letter P	Section 20	Township 19 SOUTH	Range 31 EAST	County EDDY	
Actual Footage Location of Well: 990 feet from the EAST line and 330 feet from the SOUTH line					
Ground Level Elev. 3482.0'	Producing Formation Yates, Seven Rivers		Pool North Hackberry	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

James A. Knauf
Name

James A. Knauf

Position:
Agent

Company
CANTRO EXPLORATION INC.

Date
October 18, 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
OCTOBER 15, 1985

Registered Professional Engineer
and/or Land Surveyor

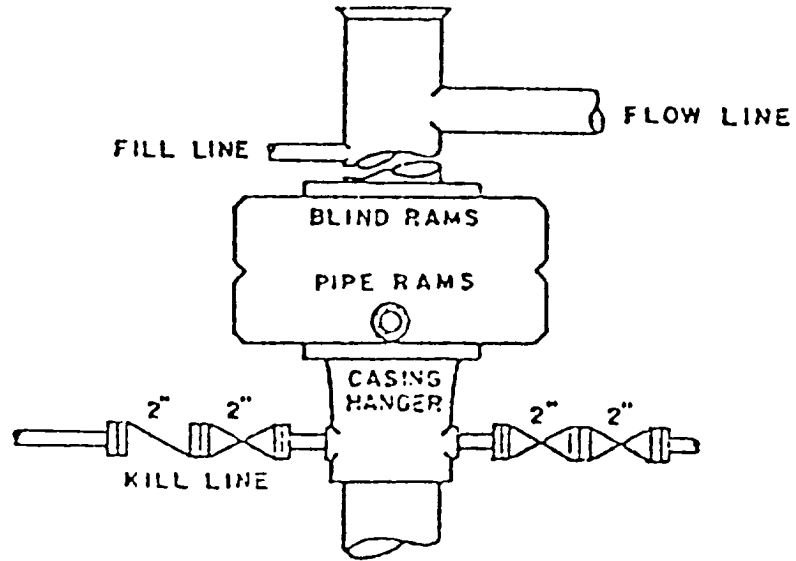
Ronald J. Eidson

Certificate No **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239

0.1746

BLOWOUT PREVENTER SKETCH

Cantro Exploration, Inc.
Well #1 Hanson Federal
SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 20-19S-31E



SUPPLEMENTAL DRILLING DATA

CANTRO EXPLORATION, INC.
WELL #1 HANSON FEDERAL
SE $\frac{1}{4}$ SE $\frac{1}{4}$ SEC. 20-19S-31E
EDDY COUNTY, NEW MEXICO

1. SURFACE FORMATION: Sandy soils of Quaternary Age.
2. ESTIMATED TOPS OF GEOLOGIC MARKERS (Ground Elevation -3482'):

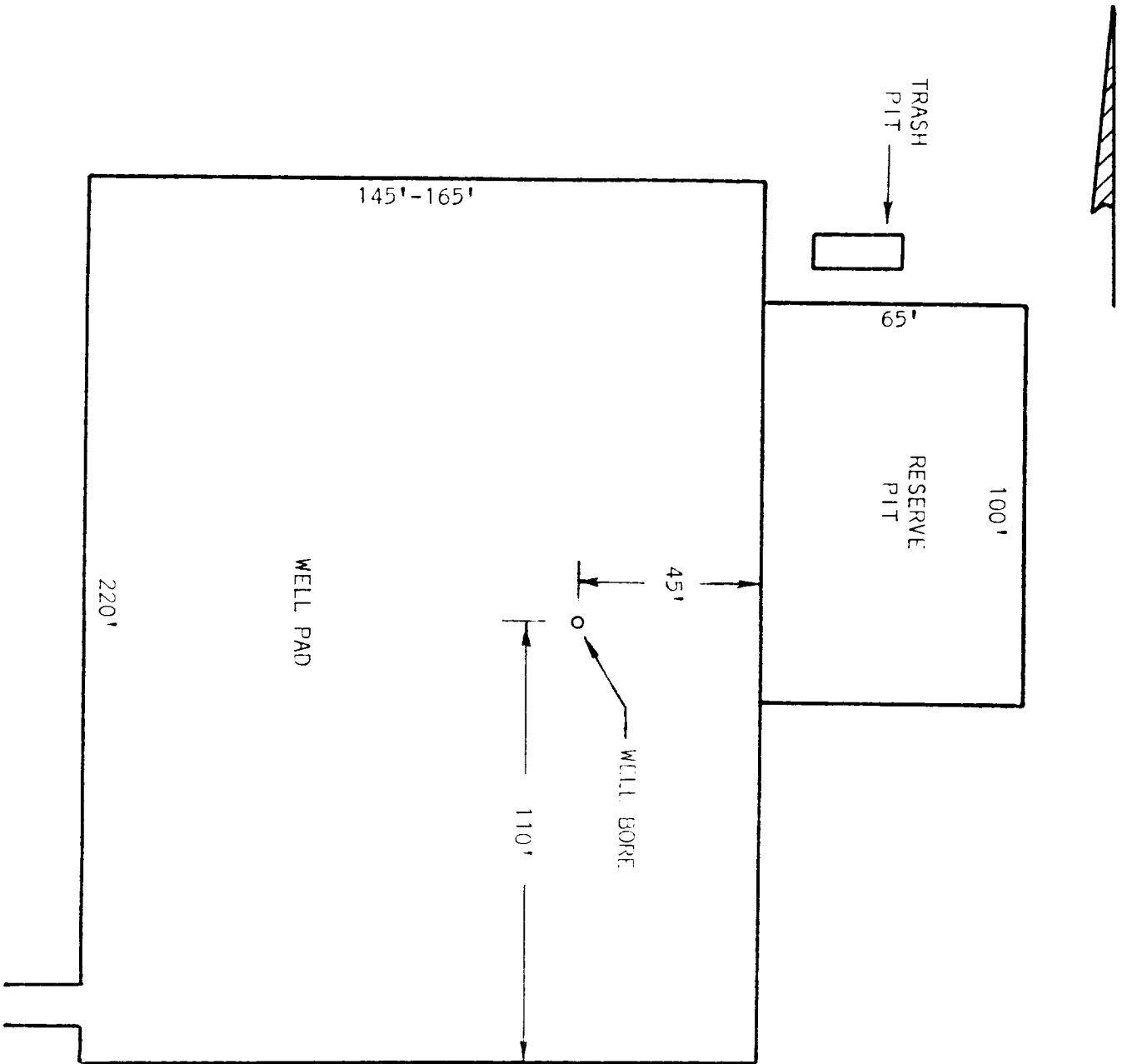
Salt	670'	Yates	2140'
Tansill	1950'	Seven Rivers	2360'
3. ANTICIPATED POROSITY ZONES:

Water	- Above 200'
Oil	- Yates
Oil	- Capitan Reef
4. CASING DESIGN:

<u>Size</u>	<u>Interval</u>	<u>Weight</u>	<u>Grade</u>	<u>Joint</u>
8 5/8"	0 - 300'	23#	K-55	STC
5 1/2"	0 - 2500'	14#	K-55	STC
5. PRESSURE CONTROL EQUIPMENT: A double ram-type preventor will be used.
6. CIRCULATING MEDIUM:

0 - 300'	Fresh water with gel added if needed for viscosity.
300 - 2500'	Salt water conditioned as necessary for control of viscosity and water loss.
7. AUXILIARY EQUIPMENT: Drill string safety valve.
8. TESTING, LOGGING AND CORING PROGRAMS: No coring or DST's are planned. Electric logs will include a Gamma Ray/Neutron log.
9. ABNORMAL PRESSURES, TEMPERATURES OR GAS: None anticipated.
10. ANTICIPATED STARTING DATE: It is planned that drilling operations will commence about November 1, 1985. Duration of drilling, testing, and completion operations should be two to six weeks.

SUP Exhibit "B"
TOPOGRAPHIC MAP
Cantro Exploration, Inc.
Well #1 Hanson Federal
SE¼SE¼ Sec. 20-19S-31E



SUP Exhibit "D"
 SKETCH OF WELL PAD
 Cantro Exploration, Inc.
 Well #1 Hanson Federal
 SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 20-19S-31E