

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

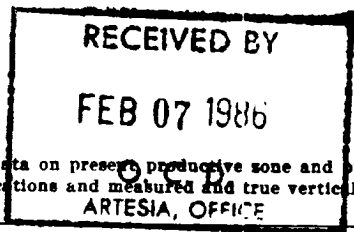
1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐
b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐
2. NAME OF OPERATOR
Southland Royalty Company
3. ADDRESS OF OPERATOR
21 Desta Drive, Midland, Texas 79705
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 330' FSL & 990' FEL, Sec. 19, T-18-S, R-31-E
At proposed prod. zone ut, p
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
15 miles southwest of Maljamar, New Mexico
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 330'
16. NO. OF ACRES IN LEASE 160
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. NA
19. PROPOSED DEPTH 3850'
20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3630.9' GR
22. APPROX. DATE WORK WILL START* 2-12-86

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"	24#	600'	300 sx. (Circulate)
7 7/8"	5 1/2"	14#	3850'	Volume may vary w/upper zone development (TOC by Temp survey)

Drill 12 1/4" hole to 600'. Set 8 5/8" csg @ 600'. Cmt w/300 sx. Circulate. Test Grayburg and intermediate horizons. If commercial, run 5 1/2" csg to TD. Cmt with sufficient volume to bring above all prospective zones. Est TOC @ Surf. Perf and stimulate Grayburg Penrose for production.

MUD PROGRAM: 0-600' Fresh wtr gel & lm; 600-3050' Brine; 3050-TD Brine w/salt gel. MW 9.5-10.1, VIS 35-40, 6-10 cc. BHP @ TD expected to be 1600 psi.

BOP PROGRAM: 10"-3M BOP stack to be installed on 8 5/8" and left on for remainder of drilling. Stack to consist of blind ram BOP and one pipe ram BOP. Test BOP's after each new installation w/Yellow Jacket, Inc. Install rotating head after setting surface pipe.



Posted ADI, NL, ID-1 2-14-86

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 Danell Roberts TITLE Drilling Engineer DATE 1/28/86
(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

APPROVED BY TITLE DATE 2686

CONDITIONS OF APPROVAL, IF ANY:

Subject to Like Approval

*See Instructions On Reverse Side

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form No. 1
Supersedes L-124
Effective 1-1-85

All distances must be from the outer boundaries of the Section

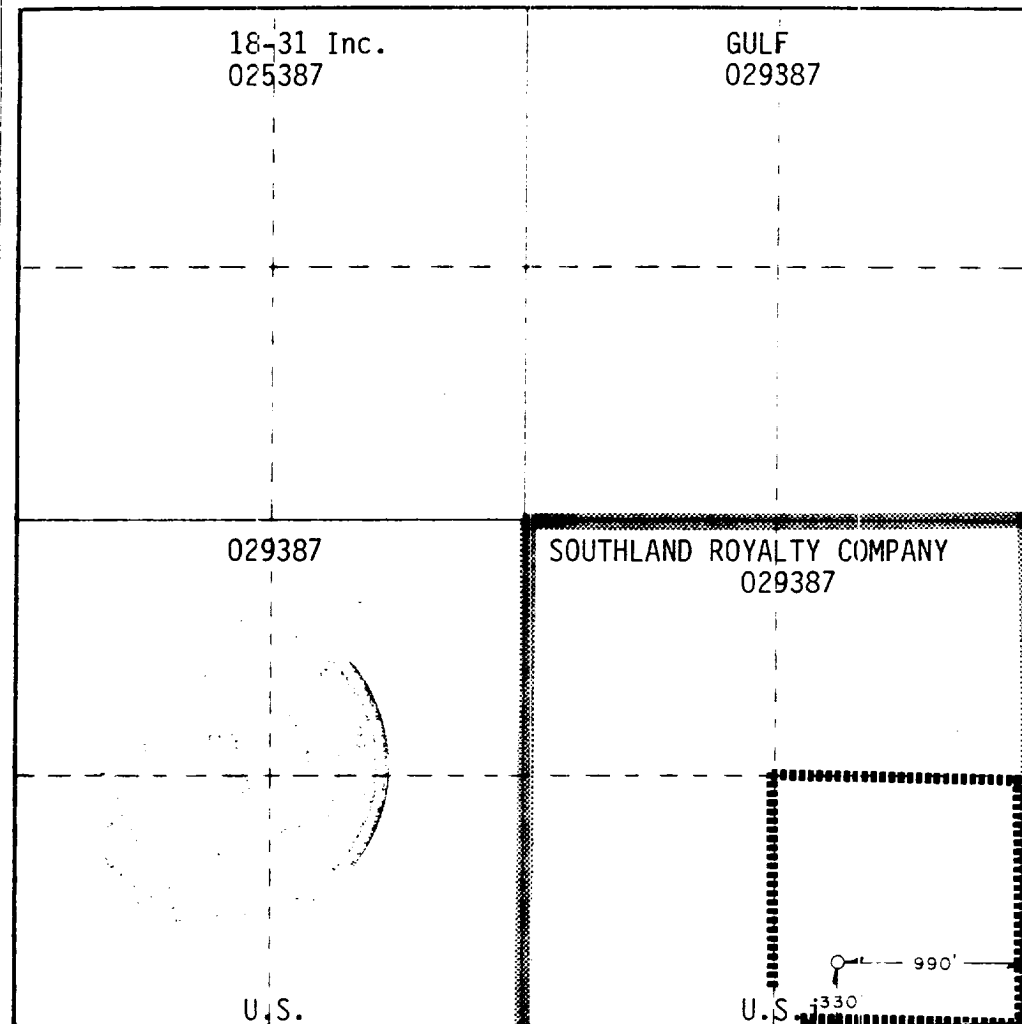
Owner SOUTHLAND ROYALTY COMPANY			Lease KEOHANE "D"		Acres 40
Section Letter P	Section 19	Township 18 SOUTH	Range 31 EAST	County EDDY	
Actual Horizontal Location of Well: 330 feet from the SOUTH line and 990 feet from the EAST line					
Ground Level Elev. 3630.9'	Producing Formation Yates, 7Rivers, Queen, Grayburg			Rock Shugart	Estimated Depth 40

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.

Darrell Roberts

Name
Darrell Roberts

Occupation
Drilling Engineer

Company
Southland Royalty Company

Date
1/28/86

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.

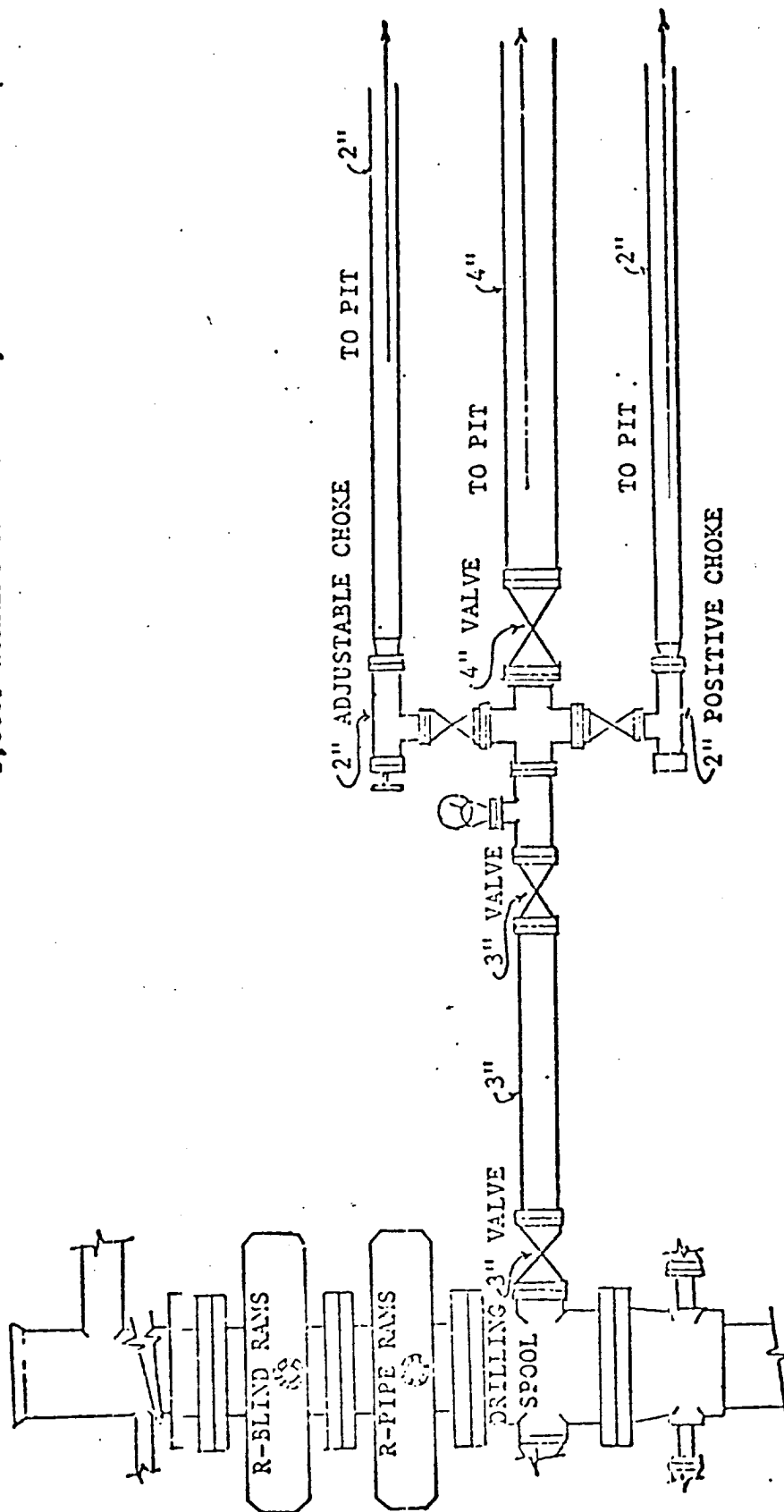
Date Surveyed
DECEMBER 26, 1985

Registered Professional Engineer
and Land Surveyor

John W. West

Certificate No. **JOHN W. WEST, 576**
RONALD J. EIDSON, 3239

BLOW OUT PREVENTION EQUIPMENT
 10" 900s ALL FLANGED CONNECTIONS
 3,000# WORKING PRESSURE - 6,000# TEST



ATTACHMENT TO FORM C-101

SOUTHLAND ROYALTY COMPANY

Keohane "D" No. 2
330' FSL & 990' FEL
Sec. 19, T-18-S, R-31-E
Eddy County, New Mexico
NM-029387

To supplement USGS Form 9-331C "Application to Drill the following additional information is submitted concerning questions on Page 5 of NTL-6:

1. See Form 9-331C.
2. See Form 9-331C.
3. The geological name of surface formation is: Ochoa
4. See Form 9-331C.
5. See Form 9-331C.
6. The estimated tops of important geological markers are:

Anhydrite	540'	Seven Rivers	2450'
Salt	870'	Queen	3180'
B/Salt	1830'	Penrose	3410'
Yates	2100'	Grayburg	3740'

7. The estimated depths at which anticipated water, oil gas and mineral bearing strata are as follows:

Yates	2100'	- Gas
Seven Rivers	2450'	- Oil
Queen	3180'	- Oil
Penrose	3410'	- Oil
Grayburg	3740'	- Oil

8. See Form 9-331C. All casing will be new.
9. See Form 9-331C for depths of strings. Cement volumes and additions as follows:
 - a. 8 5/8" csg: Cement w/300 sxs Cl "C". Circ to surface.
 - b. 5 1/2" csg: Cement 1st stage w/700 sxs Cl "C" 50/50 Pozmix "A". Cement 2nd stage w/300 sx Lite & tail-in w/100 sx Cl "C" w/4% CaCl. Circulate cmt to surface. DV tool at \pm 2000' & csg pkr at \pm 2100'.

A caliper log will be run prior to setting 8 5/8" & 5 1/2" pipe to determine exact cement volumes required.

10. The pressure control diagram is attached to Form 9-331C. The following additional information is as follows:

ERIOR

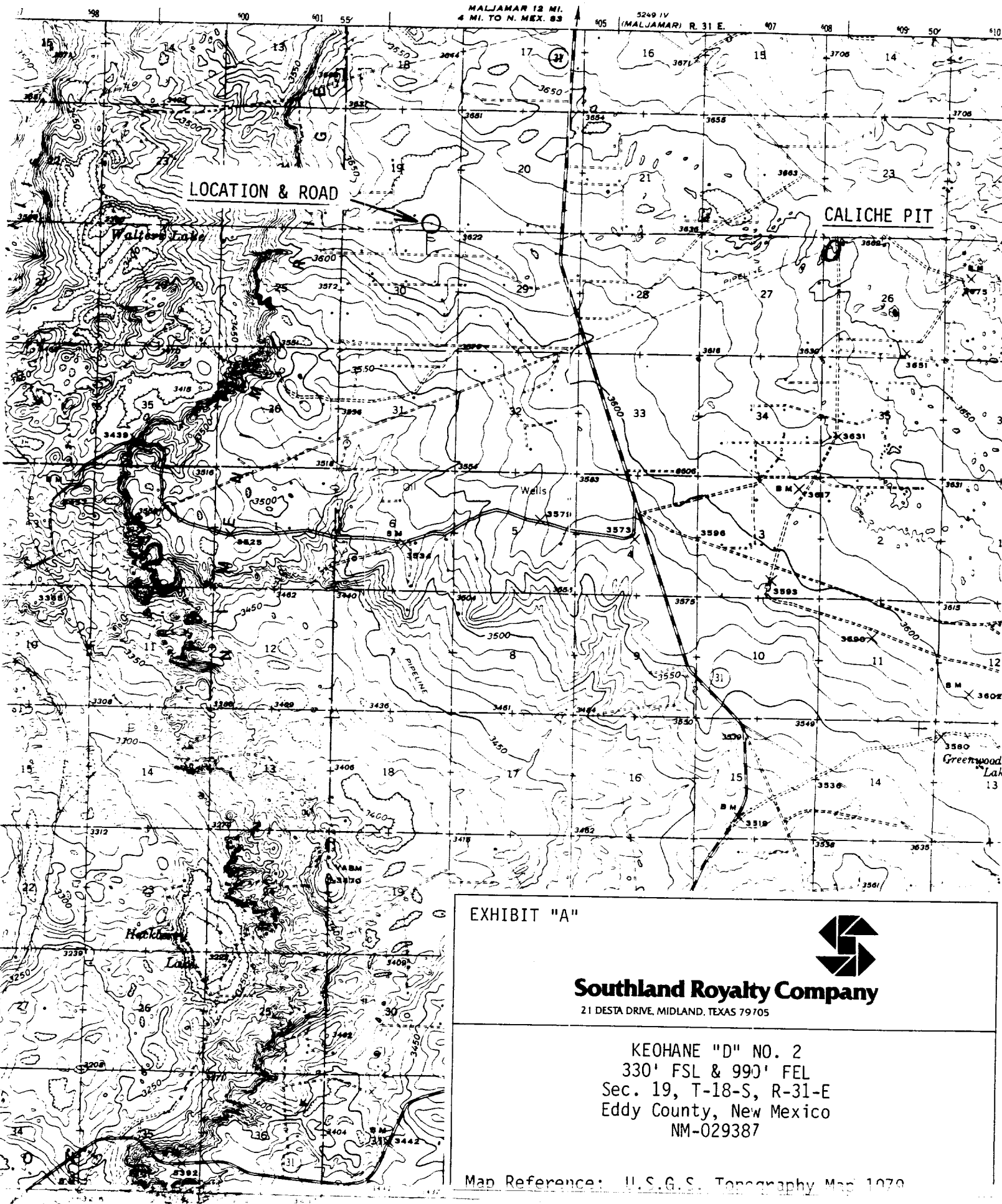


EXHIBIT "A"



Southland Royalty Company

21 DESTA DRIVE, MIDLAND, TEXAS 79705

KEOHANE "D" NO. 2
330' FSL & 990' FEL
Sec. 19, T-18-S, R-31-E
Eddy County, New Mexico
NM-029387

Map Reference: U.S.G.S. Topography Map 1070

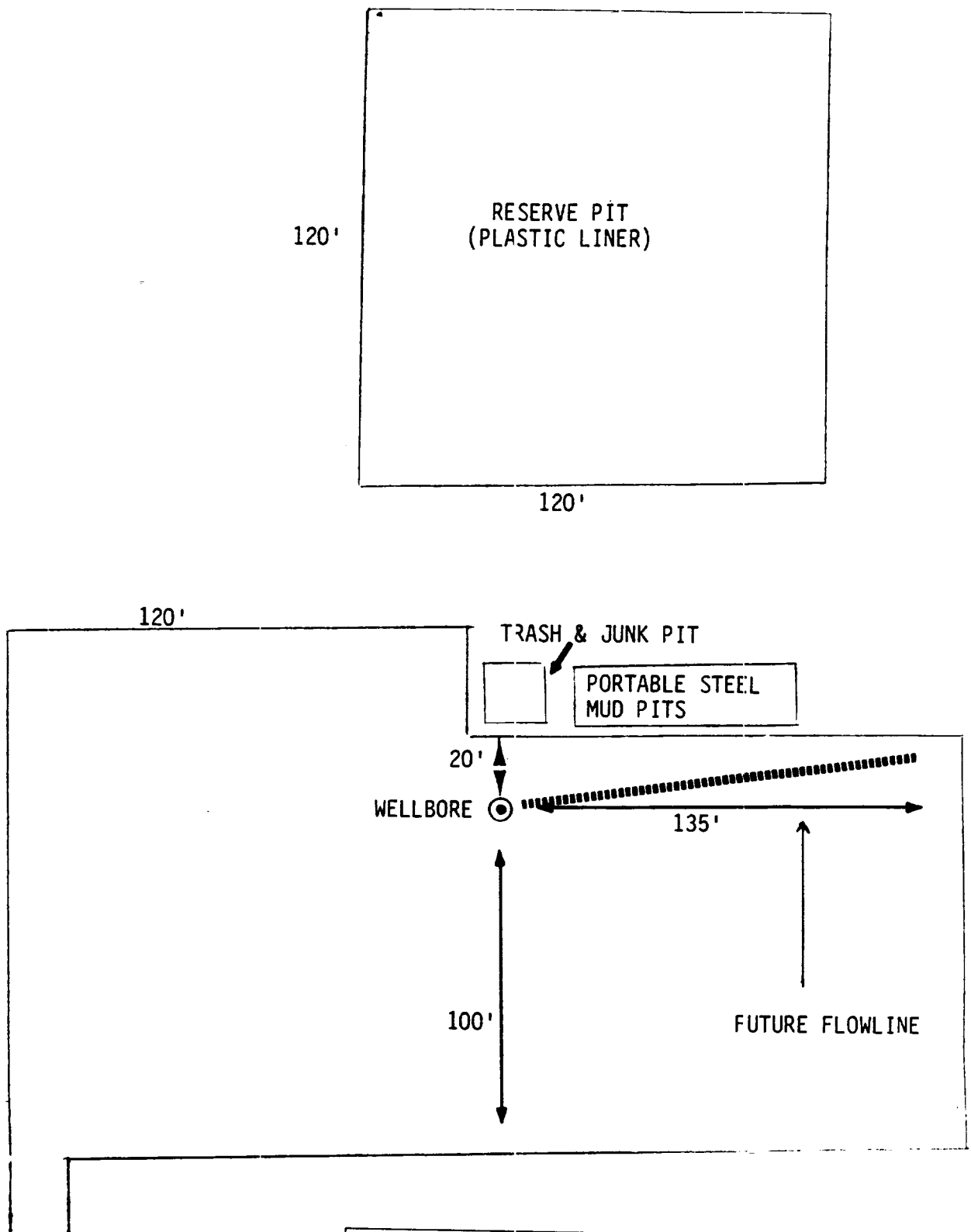


EXHIBIT "C"



Southland Royalty Company

21 DESTA DRIVE, MIDLAND, TEXAS 79705

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330' FSL & 990' FEL
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