

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. TYPE OF WORK

DRILL ☒

DEEPEN ☐

B. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE BORE ☒

MULTIPLE BORE ☐

2. NAME OF OPERATOR

SOUTHWEST ROYALTIES INC. 21355 (Nelson Patton)

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 11390 MIDLAND, TEXAS 79702 Ph. 915-686-0027

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

At surface: 2310' FSL & 1650' FWL SEC. 17 T17S R30E Eddy Co. NM  
At proposed prod. zone: Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

1.2 miles Northwest of Loco Hills New Mexico

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any)

330'

18. DISTANCE FROM PROPOSED LOCATION\*

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

660'

16. NO. OF ACRES IN LEASE

120

19. PROPOSED DEPTH

5000'

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3652'

22. APPROX. DATE WORK WILL START\*

As soon as approved

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	20" Conductor	NA	40'	Cement to surface/Redi-Mix
12 1/4"	J-55 8 5/8"	24	550'	225 Sx. circulate to surface
7 7/8"	J-55 5 1/2"	15.5	5000'	500 Sx. T.C. 600' upper pav
				ABOVE

1. Drill 26" hole to 40'. Set 40' of 20" conductor and cement to surface with Redi-Mix.
2. Drill 12 1/4" hloe to 550'. Run and set 550' of J-55 8 5/8" 24# ST&C casing. Cement with 225 Sx. Class "C" + 2% CaCl + 1/4# Flocele/ Sx. Circulate cement to surface.
3. Drill 7 7/8" hole to 5000'. Run and set 5000' of J-55 5 1/2" 15.5# ST&C casing. Cement with 500 Sx. Class "C" cement + 2% Gel + 5# Salt/Sx. + 10# Microbond Sx. + .4% LAP-1. Top of cement to be 600' above upper most Hydrocarbon bearing zone.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 Joe T. Janice TITLE Agent

DATE 11/01/96

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

(ORIG. SGD.) CONY E. FERGUSON

APPROVED BY ADM, MINERALS

DATE

\*See Instructions On Reverse Side

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1900 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

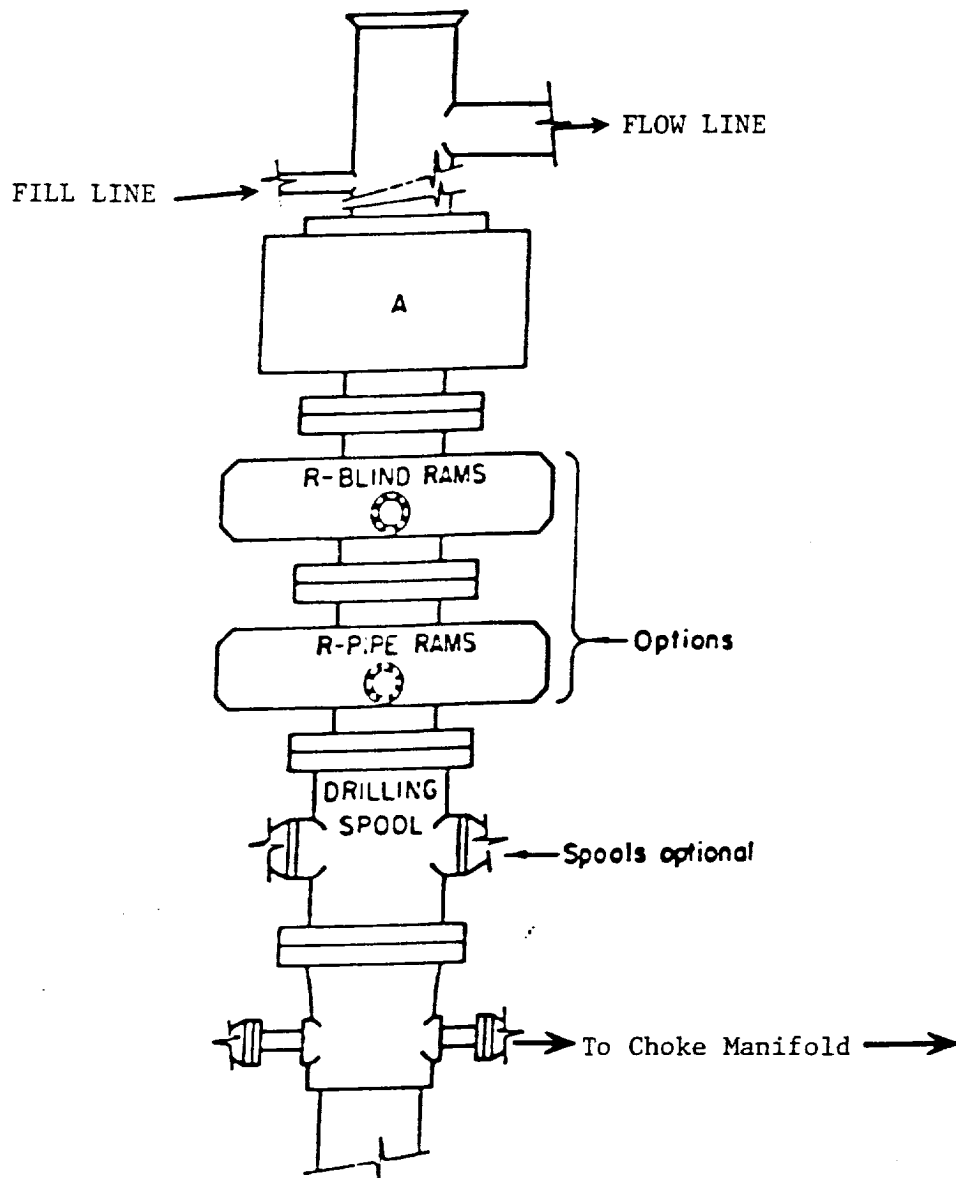
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-29335</b>		Pool Code <b>28509</b>		Pool Name <b>Grayburg-Jackson 7Rus-Queen, Grayburg, San Andres</b>					
Property Code		Property Name <b>ARCO FEDERAL</b>				Well Number <b>5</b>			
OGRID No. <b>021355</b>		Operator Name <b>SOUT-WEST ROYALTIES INC.</b>				Elevation <b>3652</b>			
Surface Location									
CL or lot No. <b>K</b>	Section <b>17</b>	Township <b>17 S</b>	Range <b>30 E</b>	Lot Idn	Feet from the <b>2310</b>	North/South line <b>SOUTH</b>	Feet from the <b>1650</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
Bottom Hole Location If Different From Surface									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <b>40</b>									
Joint or Infill									
Consolidation Code									
Order No.									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i> Signature Joe T. Janica Printed Name Agent Title 11/01/96 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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 belief.</p> <p>OCTOBER 17, 1996 Date Surveyed DMCC Signature &amp; Seal of Professional Surveyor <i>Ronald J. Eidson</i> 10-18-96 Certificate No. JOHN W. WEST 676 RONALD J. EIDSON 3239 GARY EIDSON 1264</p>

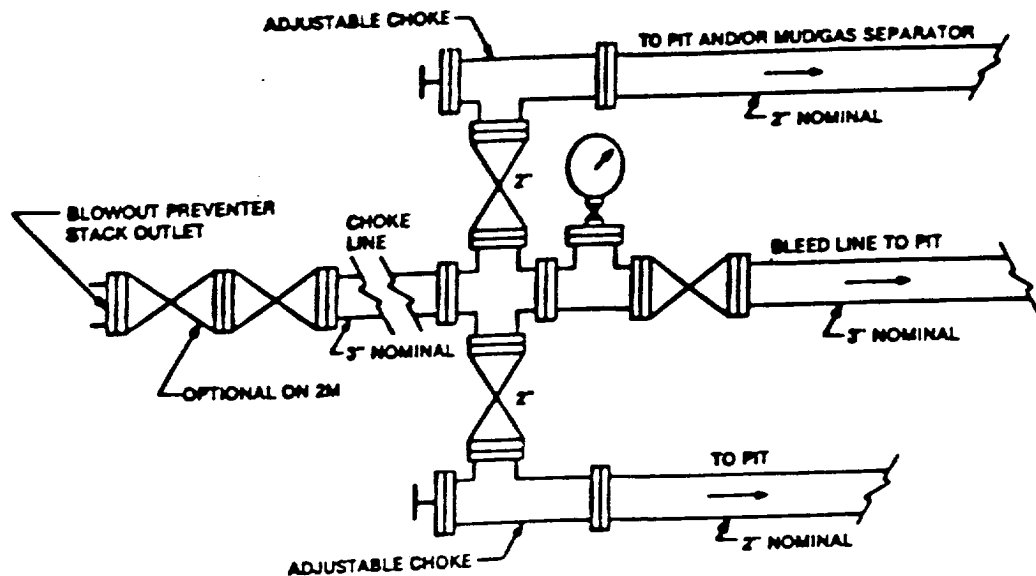
EXHIBIT "A"



**ARRANGEMENT SRRA**

900 Series  
3000 PSI WP

EXHIBIT "E"  
B.O.P. SKETCH TO BE USED ON  
SOUTHWEST ROYALTIES INC.  
ARCO FEDERAL # 5  
2310' FSL & 1650' FWL SEC. 17  
T17S-R30E EDDY CO. N



Typical choke manifold assembly for 3M WP system

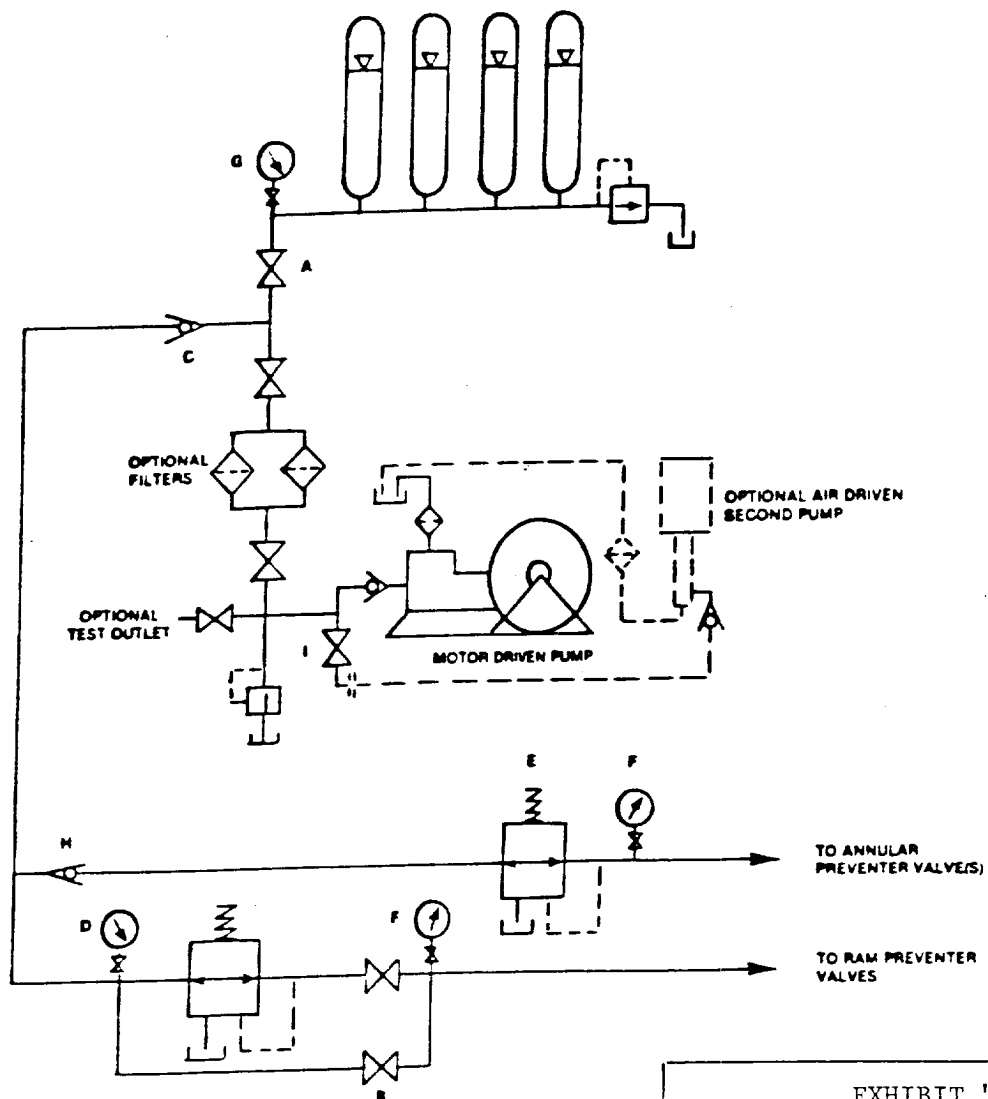


EXHIBIT "E-1"  
 CHOKE MANIFOLD & CLOSING UNIT  
 SOUTHWEST ROYALTIES INC.  
 ARCO FEDERAL # 5  
 2310' FSL & 1650' FWL SEC. 1  
 T17S-R30E EDDY CO. N