

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

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells)
 20-045-2-7249

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
 DRILL RE-ENTER 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
 PO Box 4289, Farmington, NM 87499

4. Well Location
 Unit Letter K : 1415 Feet From The South Line and 1535 Feet From The West Line
 Section 13 Township 31N Range 12W NMPM San Juan County

7. Lease Name or Unit Agreement Name
 Grenier w/2

8. Well No.
 104

9. Pool name or Wildcat
 Basin Fruitland Coal

10. Proposed Depth
 2625'

11. Formation
 Fruitland Coal

12. Rotary or C.T.
 Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
 6114' GL

14. Kind & Status Plug. Bond
 statewide

15. Drilling Contractor

16. Approx. Date Work will start

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	9 5/8"	32.3#	200'	125 cu.ft.	circ surf
8 3/4"	7"	20.0#	2375'	445 cu.ft.	cover O.A.
6 1/4"	5 1/2" liner	15.5#	2625'	do not cement	

APPROVAL EXPIRES 1/1/91
 UNLESS DRILLING IS COMMENCED.
 SPUD NOTICE MUST BE SUBMITTED
 WITHIN 10 DAYS.

The Fruitland Coal formation will be completed.

A 3000 psi WP and 6000 psi test double gate preventer equipped with blind and pipe rams will be used for blow out prevention on this well.

This gas is dedicated.

The W/2 of Section 13 is dedicated to this well.

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.

SIGNATURE [Signature] TITLE Regulatory Affairs DATE 3-16-89

TYPE OR PRINT NAME _____ TELEPHONE NO. _____

(This space for State Use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #1 DATE [Date]

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

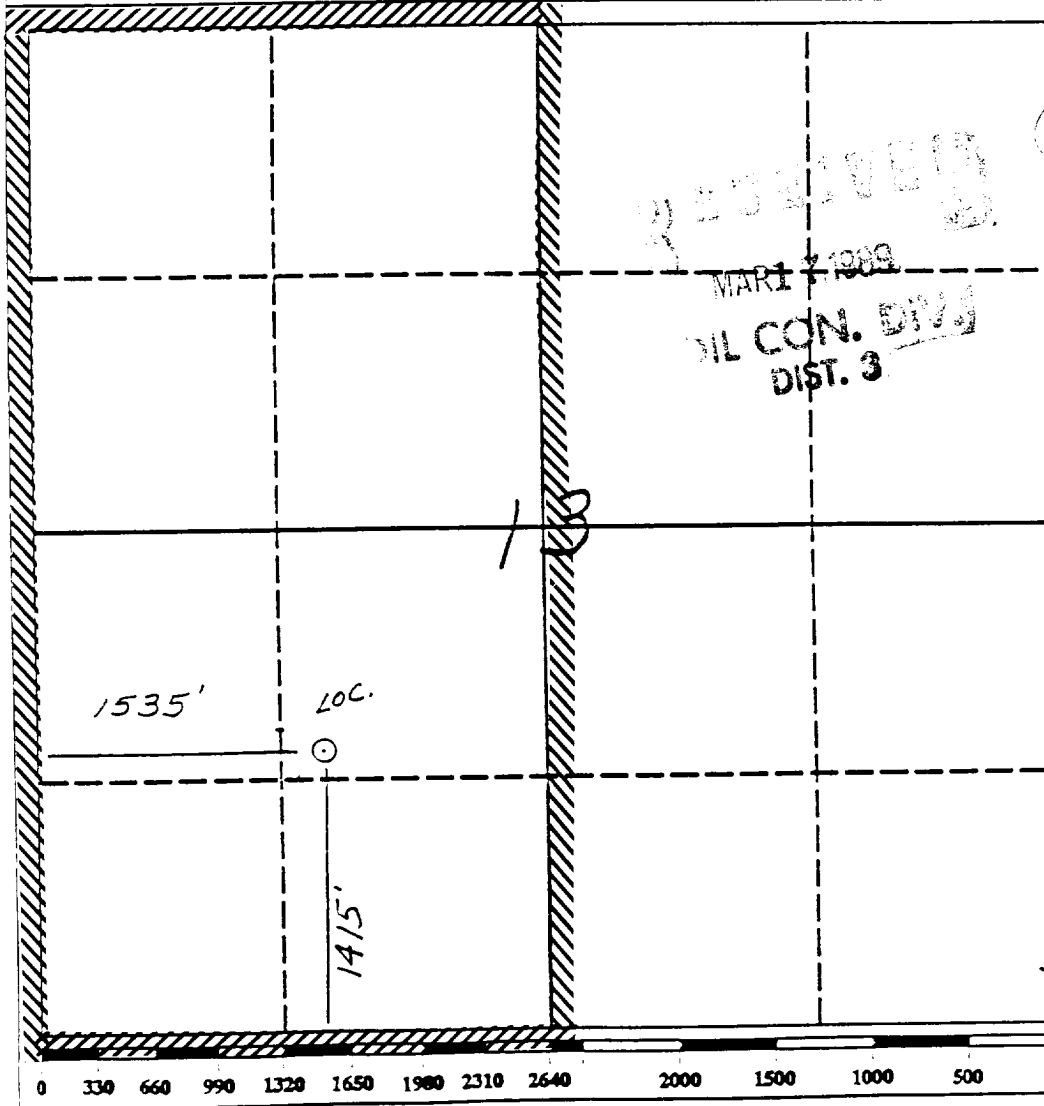
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Southland Royalty Company		Lease Grenier		(Fee)	Well No. 104
Unit Letter K	Section 13	Township 31 North	Range 12 West	County NMPM San Juan	
Actual Footage Location of Well: 1415 feet from the South line and 1535 feet from the West line					
Ground level Elev. 6114'	Producing Formation Fruitland Coal	Pool Basin	Dedicated Acreage: 314.53 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Peggy Bradfield
Signature
Peggy Bradfield
Printed Name
Southland Royalty Co.
Position
Regulatory Affairs
Company
3-16-89
Date

SURVEYOR CERTIFICATION

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.

1-7-89
Date Surveyed
Neale C. Edwards
Signature & Seal of Professional Surveyor
Certificate No. 6857