

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

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

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

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)

30-025-30615

5. Indicate Type of Lease

STATE FEE

6. State Oil & Gas Lease No.
B-2317

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

7. Lease Name or Unit Agreement Name

M. E. Hale

2. Name of Operator

Phillips Petroleum Company

8. Well No.
21

3. Address of Operator

4001 Penbrook Street, Odessa, Texas 79762

9. Pool name or Wildcat
Vacuum Gb/SA

4. Well Location

Unit Letter Q : 1194 Feet From The south Line and 2040 Feet From The east Line

Section 35 Township 17-S Range 34-E NMPM Lea County

10. Proposed Depth

4900'

11. Formation

Grayburg/San Andres

12. Rotary or C.T.

Rotary

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

GR (unprepared)

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Will advise later

16. Approx. Date Work will start

Upon approval

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17-1/2"	13-3/8"	54.5# J-55 ST&C		1500 sx "C", 2%CaCl	Surface
11"	8-5/8"	24# J-55 ST&C	3200'	800 sx "C", 5% salt*	
7-7/8"	5-1/2"	14# J-55 ST&C	4800'	Caliper + 30%**	Surface

* 8-5/8" liner will be run only if waterflow encountered.

** If 8-5/8" liner not set circulate to surface: if 8-5/8" liner set circulate to 1500' and temperature survey will be run.

Lead: Class "C" 65/35 Pox + 6% Bentonite

Tail: Class "C" Neat

Phillips Petroleum Company operates all wells sharing proration unit.

Use mud additives as requires for control.

BOP EQUIP: Series 900, 3000# WP (See attached schematic - Fig. 7-9 or 7-10)

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 L. M. Sanders TITLE Regulation & Proration DATE July 3, 1989

TYPE OR PRINT NAME L. M. Sanders SUPERVISOR TELEPHONE NO. 915/367-1488

(This space for State Use)

Eddie Y...
Oil & Gas Inspector

APPROVED BY _____ TITLE _____ DATE JUL 06 1989

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

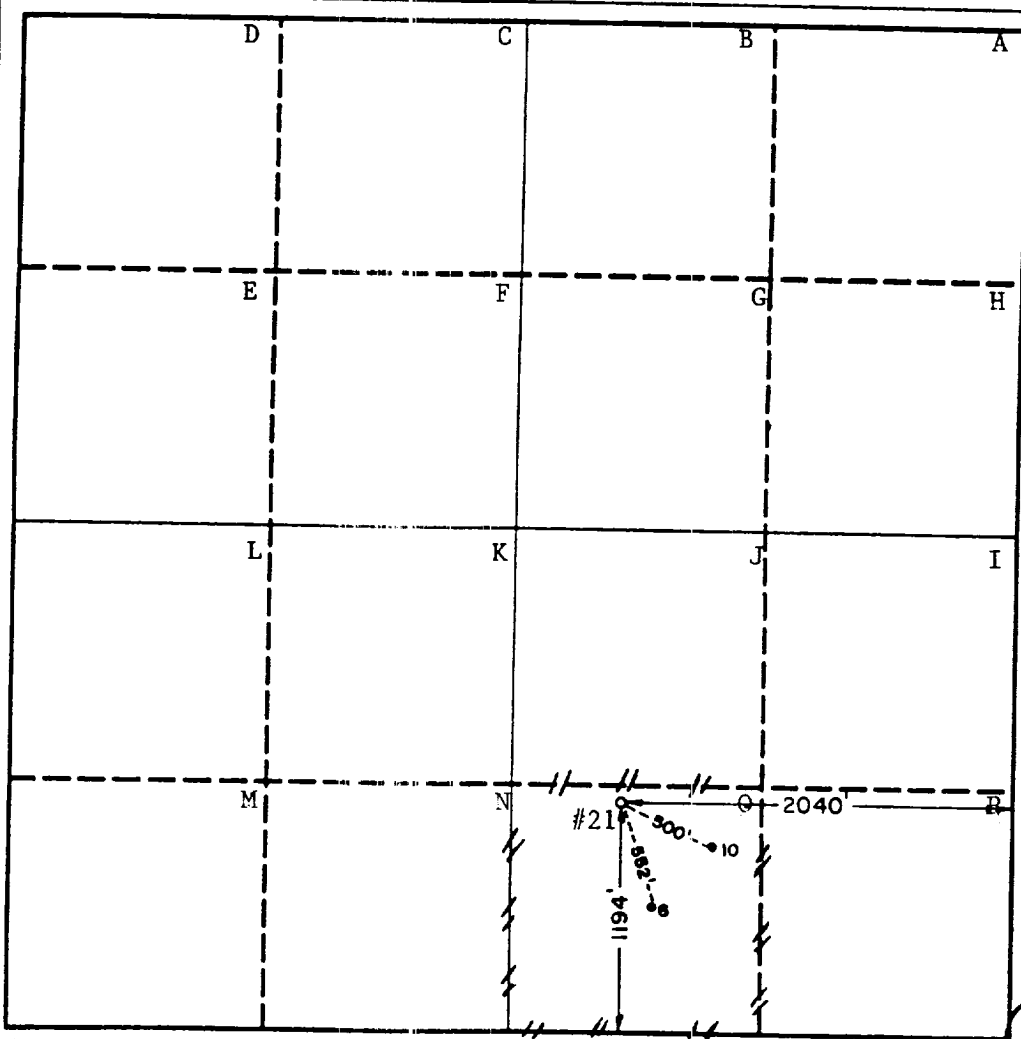
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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 Phillips Petroleum Co.			Lease M.E. Hale		Well No. 21
Unit Letter O	Section 35	Township 17 South	Range 34 East	County Lea	
Actual Footage Location of Well: 1194 feet from the south line and 2040 feet from the east line					
Ground level Elev. 4014.8'	Producing Formation Grayburg/San Andres		Pool Vacuum Grayburg/San Andres	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.

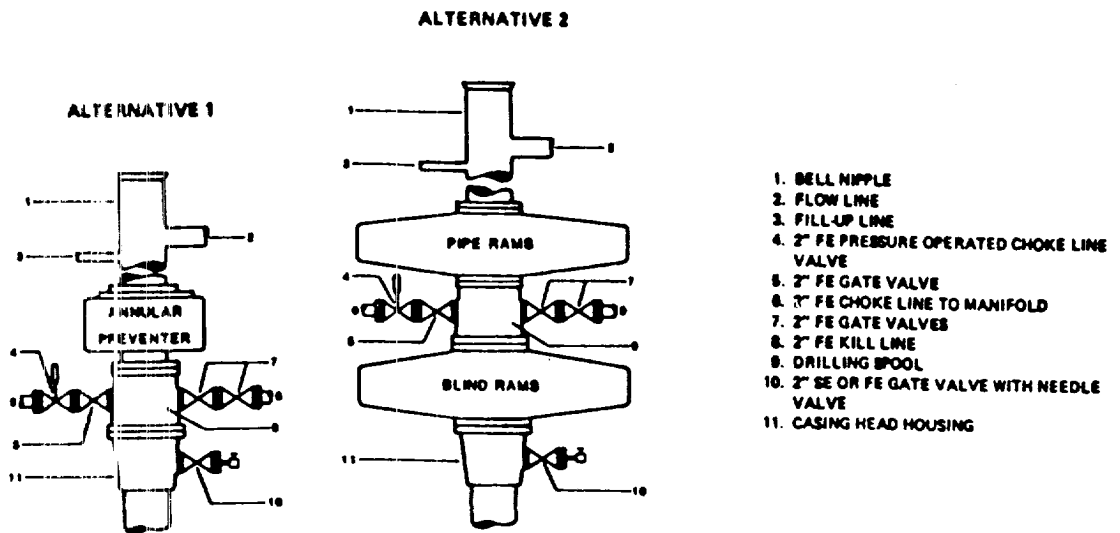


OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

L. M. Sanders
Signature
L. M. Sanders
Printed Name
Regulation & Proration Supv.
Position
Phillips Petroleum Company
Company
June 27, 1989
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.

Date Surveyed
June 9, 1989
Signature & Seal of Professional Surveyor
John W. West
Professional Surveyor
Certificate No. JOHN W. WEST, 678
RONALD EIDSON, 3239



NOTE: THE DRILLING SPOOL MAY BE LOCATED BELOW BOTH SETS OF RAMS IF A DOUBLE PREVENTER IS USED AND IT DOES NOT HAVE SUITABLE OUTLETS BETWEEN RAMS

Figure 7-9. Standard Hydraulic Blowout Preventer Assembly (2 M or 3 M Working Pressure) Alternative 1

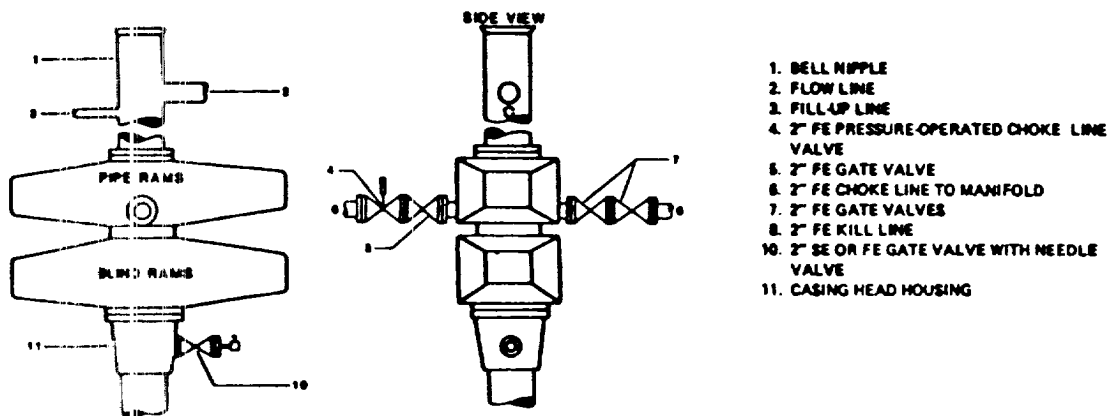


Figure 7-10. Standard Hydraulic Blowout Preventer Assembly (2 M or 3 M Working Pressure) Alternative 3 (without Drilling Spool)