

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~~ **RECEIVED**

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 GENERAL OPERATING COMPANY ✓

3. ADDRESS OF OPERATOR
 SUITE 1007 RIDGLEA BANK BUILDING, FORT WORTH, TEXAS C-78116

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
 At surface: 330' FSL AND 990' FEL OF SECTION 23
 At proposed prod. zone: *11 P*

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 2 MILES EAST OF LOCO HILLS, NEW MEXICO

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

16. NO. OF ACRES IN LEASE 80

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. 660'

19. PROPOSED DEPTH 3200'

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3660' GR

22. APPROX. DATE WORK WILL START* ON OR BEFORE 12/31/87

5. LEASE DESIGNATION AND SERIAL NO.
 LC-028992-E

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 GRAYBURG JACKSON UNIT

8. FARM OR LEASE NAME
 TRACT 8

9. WELL NO.
 3

10. FIELD AND POOL, OR WILDCAT
 GRAYBURG JACKSON Q-G- SA

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 23, 17S, 30E, NMPM

12. COUNTY OR PARISH
 EDDY

13. STATE
 NEW MEXICO

23. 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#	400'	SUFFICIENT TO CIRCULATE
7-7/8"	4-1/2"	9.5#	3200'	200 SACKS

AFTER SETTING PRODUCTION CASING, PAY ZONE WILL BE PERFORATED AND STIMULATED AS NECESSARY.

SEE ATTACHED FOR: SUPPLEMENTAL DRILLING DATA
 BOP SKETCH
 SURFACE USE AND OPERATIONS PLAN

RECEIVED
 AUG 11 11 00 AM '87
 BUREAU OF LAND MANAGEMENT
 NEW MEXICO OFFICE

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 C.W. Stumhoffer TITLE VICE-PRESIDENT DATE August 10, 1987
 C.W. STUMHOFFER

(This space for Federal or State office use)
 PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE 8/24/87
 CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill, deepen, or plug back an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

NEW 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.

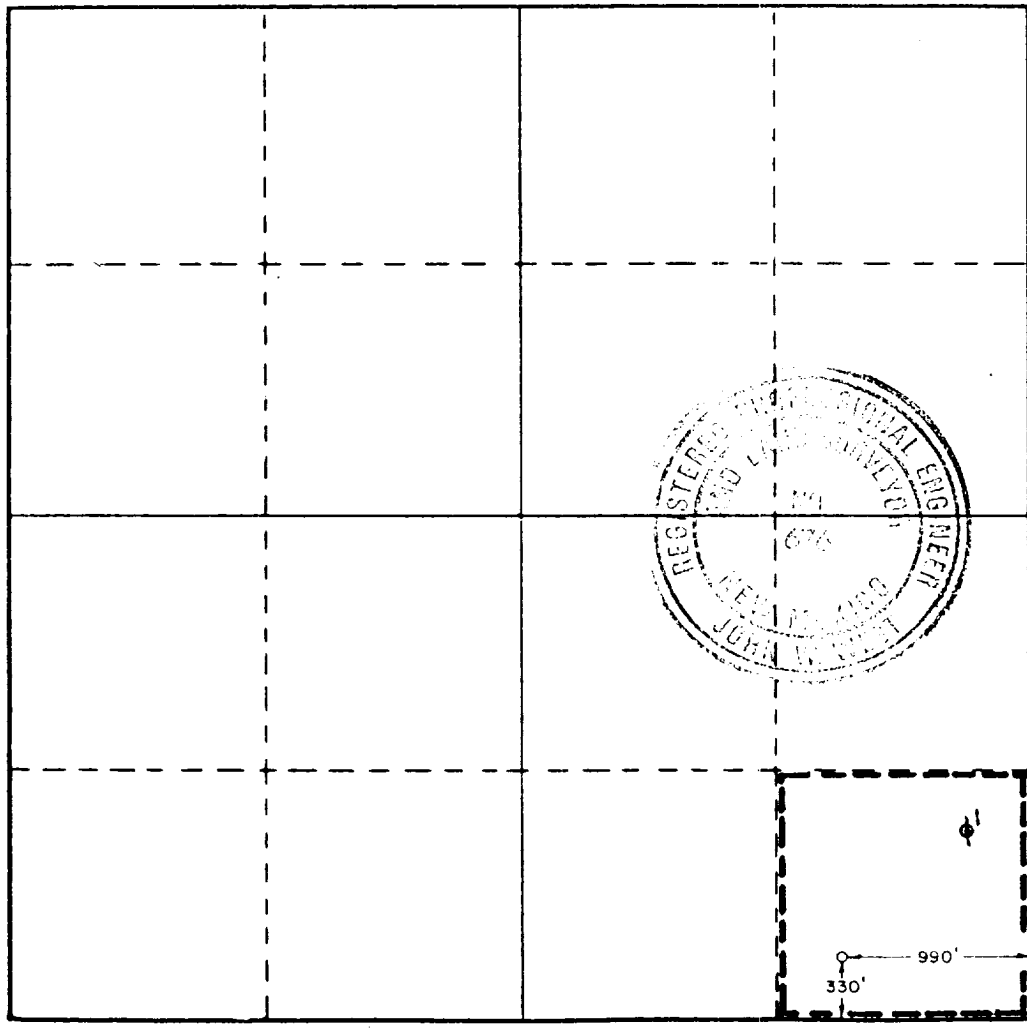
Operator General Operating Co.		Lease Grayburg Jackson Unit Tract 8			Well No. 3
Unit Letter P	Section 23	Township 17 South	Range 30 East	County Eddy	
Actual Footage Location of Well: 330 feet from the south line and 990 feet from the east line					
Ground Level Elev. 3660.0'	Producing Formation GRAYBURG		Pool GRAYBURG JACKSON Q-GB-SA	Dedicated Acreage: 40 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 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.

Name: *Arthur R. Brown*
Arthur R. Brown

Position

Agent

Company

GENERAL OPERATING COMPANY

Date

JUNE 26, 1984

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

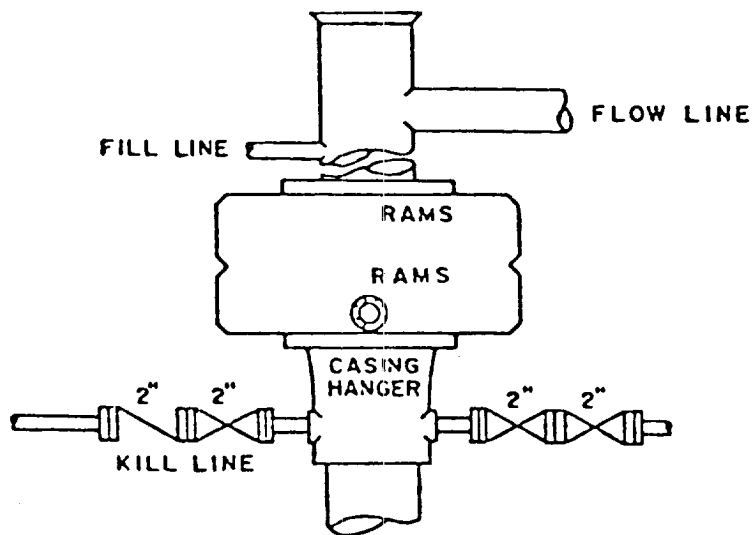
June 14, 1984

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. JOHN W. WEST, 676

RONALD J. EIDSON, 3239



BOP STACK

3000 PSI WORKING PRESSURE

BOP ARRANGEMENT

SUPPLEMENTAL DRILLING DATA

GENERAL OPERATING COMPANY

WELL NO.3 GRAYBURG JACKSON UNIT TRACT 8

1. SURFACE FORMATION: Quaternary.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Top Salt	479
Base Salt	1220
Top Yates	1400
Seven Rivers	1750
Queen	2500
Grayburg	2900

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Grayburg Oil

4. PROPOSED CASING AND CEMENTING PROGRAM:

<u>CASING SIZE</u>	<u>FROM</u>	<u>TO</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>JOINT</u>
8-5/8"	0	400'	24#	K-55	STC
4-1/2"	0	3200	9.5#	K-55	STC

8-5/8" casing will be cemented with approximately 150 sacks of Class "C" cement. Cement to circulate.

4-1/2" casing will be cemented with approximately 200 sacks of Class "C".

5. PRESSURE CONTROL EQUIPMENT:

A 3000 psi working pressure, double ram type preventer will be in use while drilling below the surface casing.

A BOP sketch is attached.

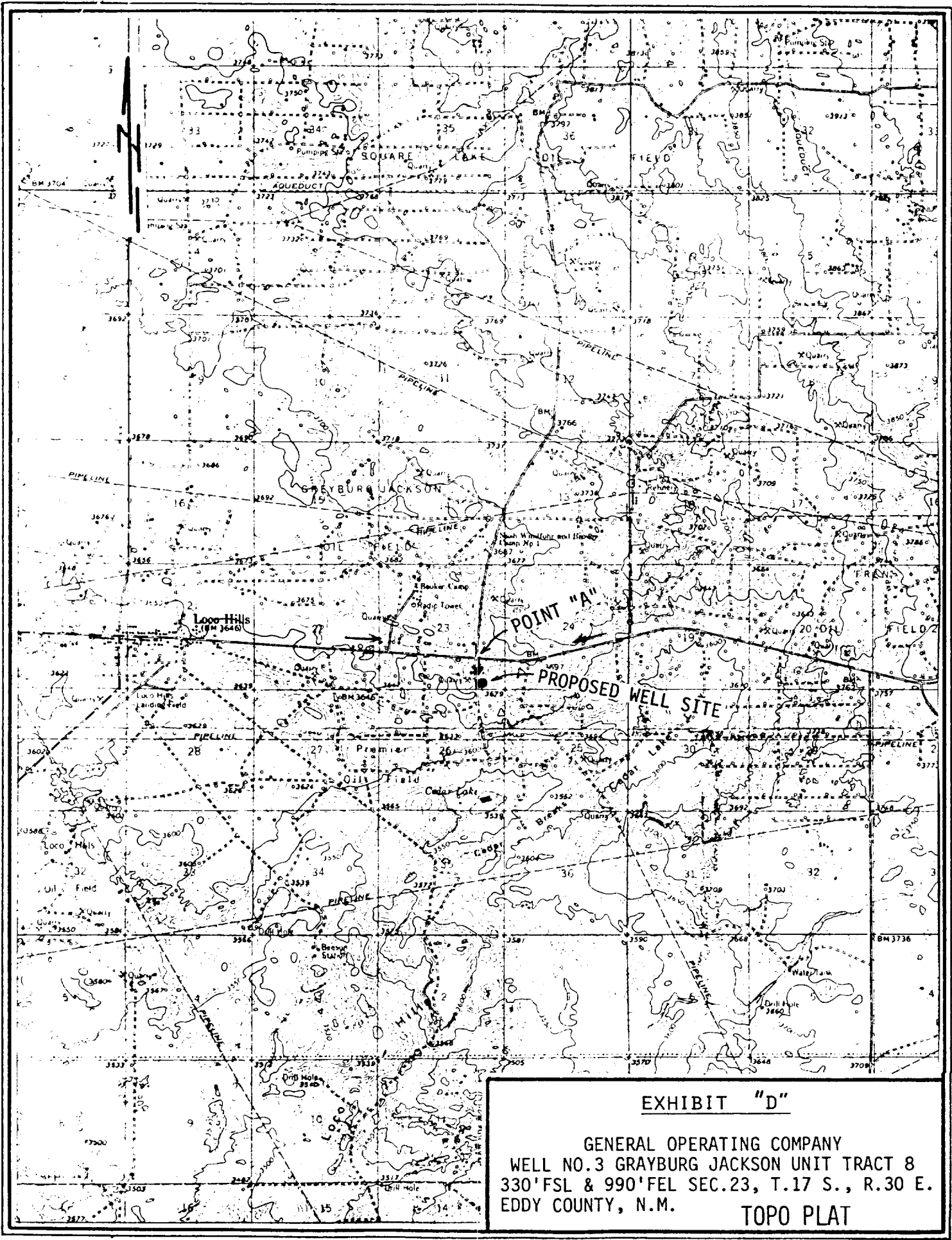


EXHIBIT "D"

GENERAL OPERATING COMPANY
 WELL NO.3 GRAYBURG JACKSON UNIT TRACT 8
 330' FSL & 990' FEL SEC. 23, T.17 S., R.30 E.
 EDDY COUNTY, N.M.
 TOPO PLAT

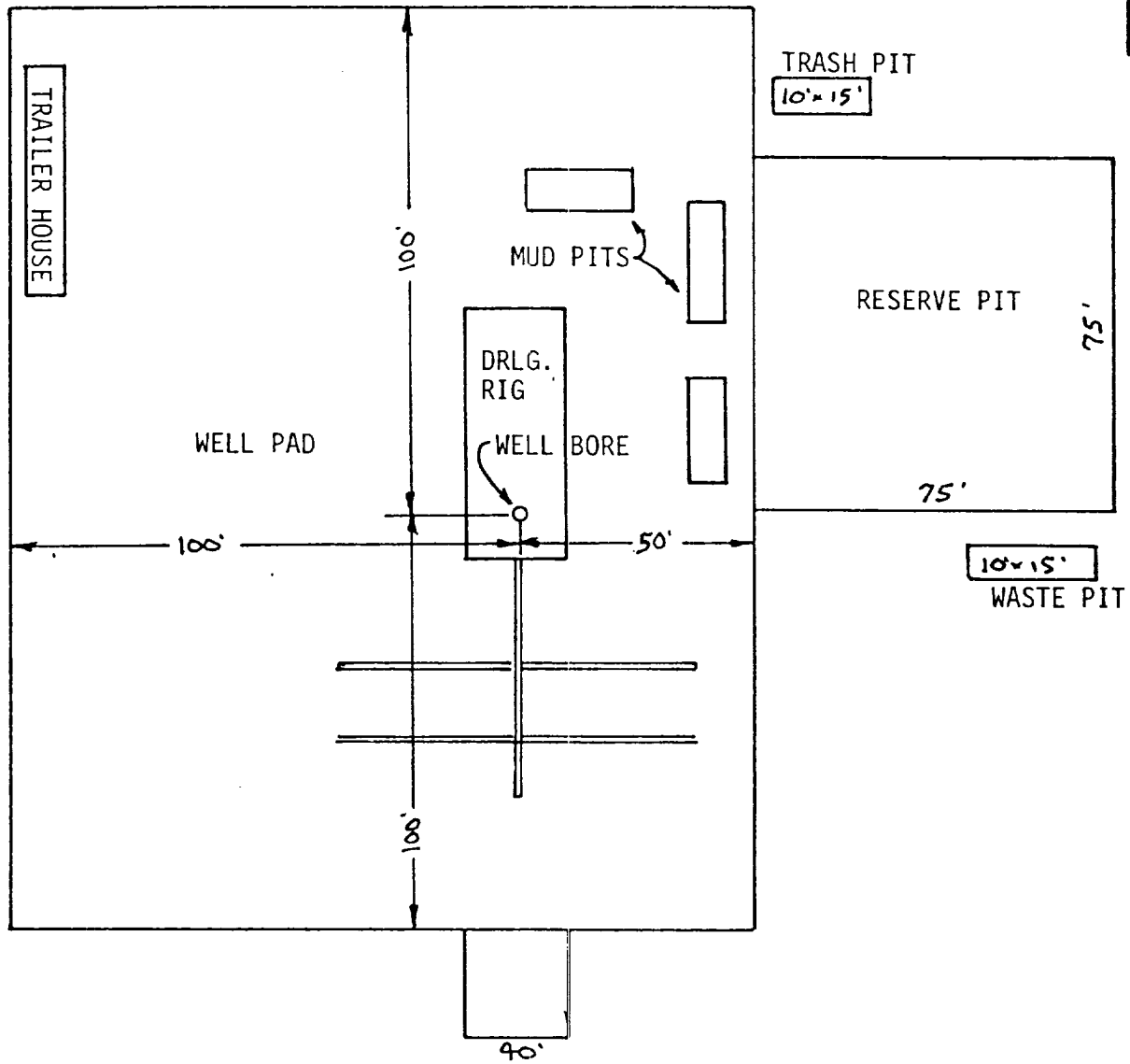


EXHIBIT "C"

GENERAL OPERATING COMPANY
WELL NO.3 GRAYBURG JACKSON UNIT TRACT 8

DRILLING RIG LAYOUT
SCALE: None