

**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

Bill Fenn, Inc.

RECEIVED

3. ADDRESS OF OPERATOR

P. O. Drawer 569 Giddings, TX 78942

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

At surface

990' FSL & 2030' FEL

At proposed prod. zone

same

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

11 miles southeast of Hagerman, NM

15. DISTANCE FROM PROPOSED*

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

990'

16. NO. OF ACRES IN LEASE

320

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

N/A

all P&A

19. PROPOSED DEPTH

8750'

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

3537.5' GL

23.

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|---------------------------------|
| 17 1/2" | 13 3/8" | 48 & 54.5# | 350' | 300 sx "C" circulate to surface |
| 12 1/4" | 8 5/8" | 24.0# | 1600' | 700 sx "HL" & "C" circulated. |
| 7 7/8" | 5 1/2" | 15.5# | 8750' | 400 sx "H" to cover formation. |

Mud Program:

0' - 350' Fresh water spud mud, gel, lime, paper:
 350' - 1,600' Fresh water mud:
 1,600' - 4,750' Cut brine water:
 4,750' - 7,600' Cut brine water, gel and oil:
 7,600' - 8,750' Cut brine water with starch:

| Mud Wt. | Visc. | Wtr/Loss |
|---------|---------|----------|
| 8.4-8.9 | 32 - 36 | N/C |
| 8.4-8.6 | 27 - 29 | N/C |
| 8.8-9.2 | 27 - 29 | N/C |
| 9.0-9.4 | 36 - 38 | N/C |
| 9.0-9.4 | 37 - 39 | 15cc W/L |

BOP Program:

A 3,000 psi wp 900 series Shaffer double hydraulic operated BOP will be used and tested daily. See Exhibit "E".

Gas not dedicated.

POST ID-1
 N/A & API
 5-19-89

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.

Agent for:

Bill Fenn, Inc.

DATE April 24, 1989

SIGNED

[Signature]

TITLE

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

S/Levi Deike, Acting

Area Manager

MAY 11 1989

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL OF THIS APPLICATION 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.

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT IN ADVANCE.

18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or representation.

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

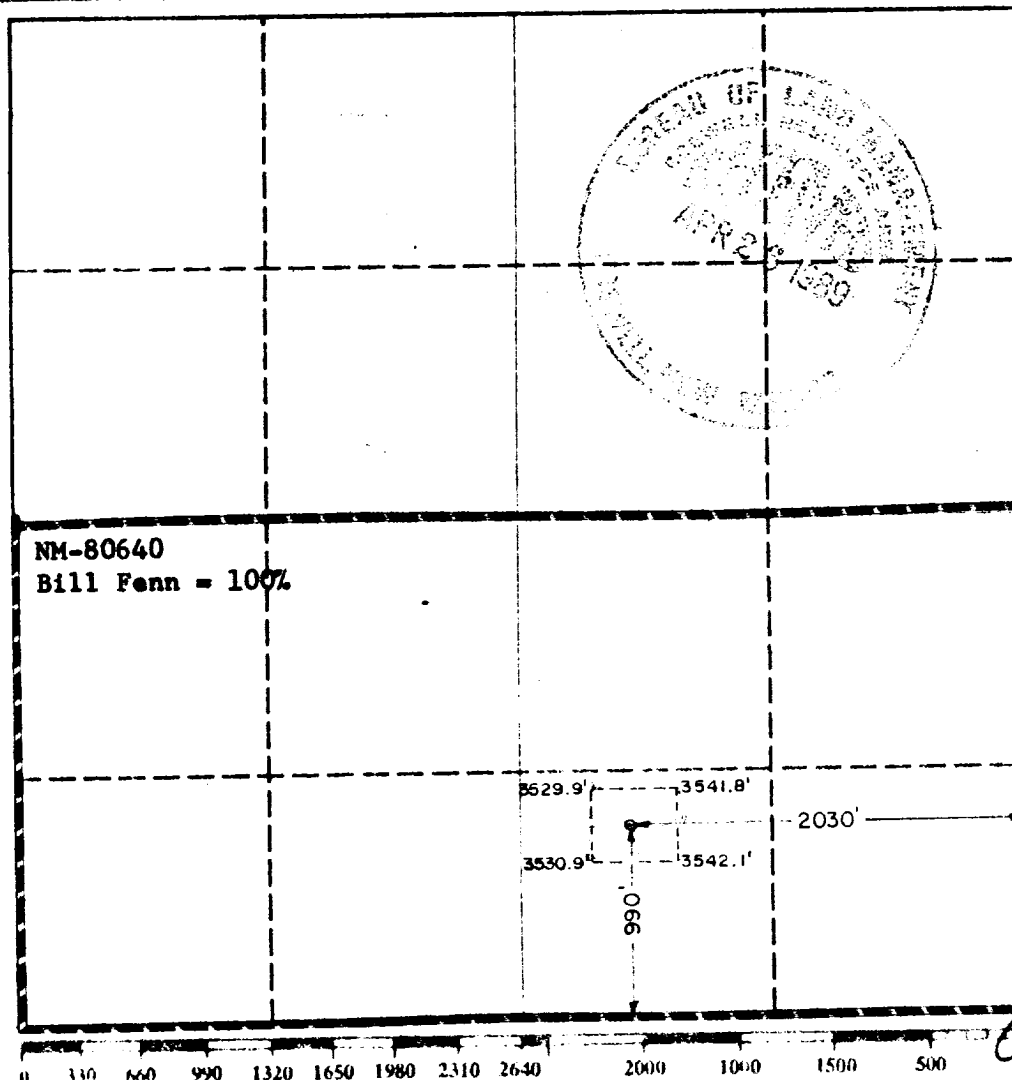
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| | | | | |
|---|------------------------------|-------------------------|------------------------------|---------------------------------|
| Operator Bill Fenn, Inc | | Lease Tanner Federal | | Well No. 1 |
| Unit Letter 0 | Section 35 | Township 14 South | Range 27 East NMPM | County Chaves |
| Actual Footage Location of Well: 990 feet from the south line and 2030 feet from the east line | | | | |
| Ground level Elev. 3537.5' | Producing Formation Atoka | | Pool Buffalo Valley Penn. | Dedicated Acreage: 320 Acres |

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 interest of all owners been consolidated by communization, 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 communization, 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.

Signature
George R. Smith
Printed Name
George R. Smith
Position
Agent for:
Company
Bill Fenn, Inc.
Date
April 24, 1989

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
April 12, 1989
Signature & Profession
John W. West
Certified No. 1234
REGISTERED PROFESSIONAL ENGINEER
AND LAND SURVEYOR
NO. 1234
JOHN W. WEST

WEEK DRILLING CO., INC. - FIG 1
BLOWOUT PREVENTER SPECIFICATION

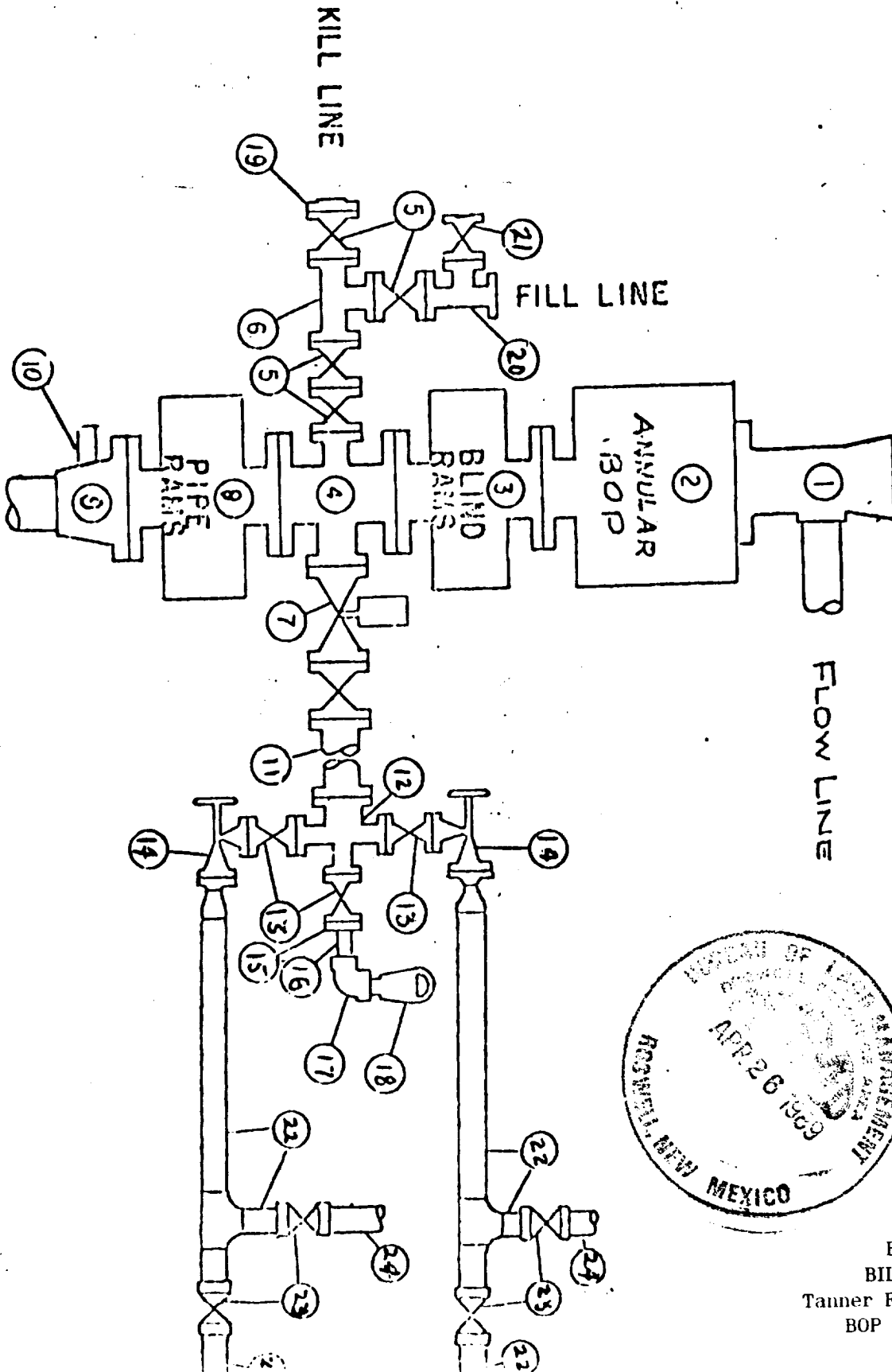


EXHIBIT "E"
 BILL FENN, INC.
 Tanner Federal, Well No. 1
 BOP Specifications

APPLICATION FOR DRILLING

BILL FENN, INC.
Tanner Federal, Well No. 1
990' FSL & 2030' FEL, SEC. 35-T14S-R27E
Chaves County, New Mexico
Lease No.: NM-80640
(Development Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Bill Fenn, Inc. submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.

2. The estimated tops of geologic markers are as follows:

| | | | |
|------------|-------|------------|-------|
| San Andres | 1408' | Atoka | 7890' |
| Glorieta | 2510' | Miss. Lime | 8210' |
| Tubb | 4125' | T.D. | 8750' |
| Abo | 4908' | | |

3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Surface water between 100' - 300'.

Oil: Possible in San Andres below 1408'

Gas: Atoka below 7890'.

4. Proposed Casing Program: See Form 3160-3.
5. Proposed Control Equipment: See Form 3160-3 and Exhibit "E".
6. Mud Program: See Form 3160-3.
7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock, pit level monitor, flow sensors and stabbing valve.
8. Testing, Logging, and Coring Program:

Drill Stem Tests: As warranted.

Logging: T.D. to Casing.: LDT-CNL,DLL-RXO/GR

Coring: None planned.

9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight.
10. Anticipated starting date: June 1, 1989.
Anticipated completion of drilling operations: Approximately 35 days.



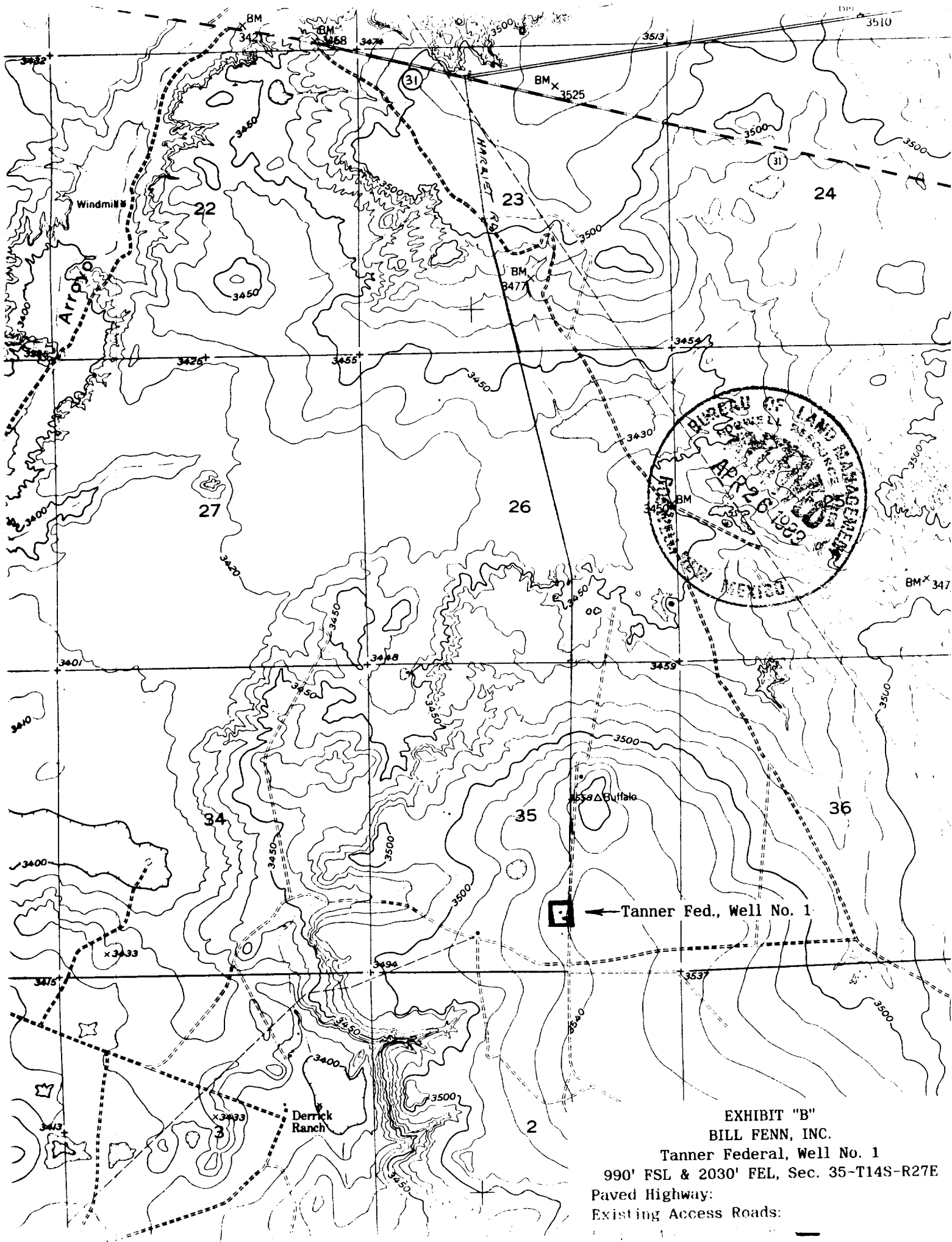


EXHIBIT "B"
BILL FENN, INC.
Tanner Federal, Well No. 1
990' FSL & 2030' FEL, Sec. 35-T14S-R27E
Paved Highway:
Existing Access Roads:

A circular postmark from Mexico City, Mexico. The text "MEXICO CITY, MEXICO" is curved along the bottom edge. The date "APR 26 1969" is in the center. Above the date, "AIR MAIL" is written in a semi-circle, and "POST OFFICE" is written in a semi-circle below it. The center of the stamp is heavily obscured by a dark, irregular ink smudge.

