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LAND OFFICE	
OPERATOR	

SANTA FE, NEW MEXICO 87501
JAN 25 90
O. C. D.
ARTESIA, OFFICE

5A. Indicate Type of Lease
STATE FEE
5. State Oil & Gas Lease No.
V 1362

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
b. Type of Well DRILL DEEPEN PLUG BACK
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

7. Unit Agreement Name

2. Name of Operator
DEANS, INC.

8. Farm or Lease Name
VALLEY B STATE

3. Address of Operator
PO BOX 457, ARTESIA, NM 88210

9. Well No.
1

4. Location of Well
UNIT LETTER H LOCATED 660 FEET FROM THE EAST LINE
AND 2310 FEET FROM THE NORTH LINE OF SEC. 27 TWP. 10 RGE. 26 NMPM

10. Field and Pool, or Wildcat
BROWN QUEEN GRAYBURG

17. County
CHAVES

19. Proposed Depth 800	19A. Formation PENROSE	20. Rotary or C.T. ROTARY
21. Elevations (show whether D.P., R.T., etc.) 3702.0	21A. Kind & Status Plug. Bond ONE WELL	21B. Drilling Contractor UNITED DRILLING
		22. Approx. Date Work will start ASAP

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
7 7/8 8 3/4	5 1/2 5 1/2	15.5	800	250	Circ.

We plan to drill a 7 7/8 inch hole to a depth of 800 feet and run 5 1/2 casing to T.D. and circulate cement to surface

Post IO-1
2-2-90
New loc & API

APPROVAL VALID FOR 180 DAYS
7/30/90

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.

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

Signed [Signature] Title Gen Mgr Date 1-25-90

(This space for State Use)
ORIGINAL SIGNED BY
MIKE WILLIAMS

APPROVED BY [Signature] TITLE SUPERVISOR, DISTRICT II DATE JAN 30 1990

CONDITIONS OF APPROVAL, IF ANY:

NOTIFY N.M.O.C.D. IN SUFFICIENT TIME TO WITNESS CEMENTING THE
5 1/2

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

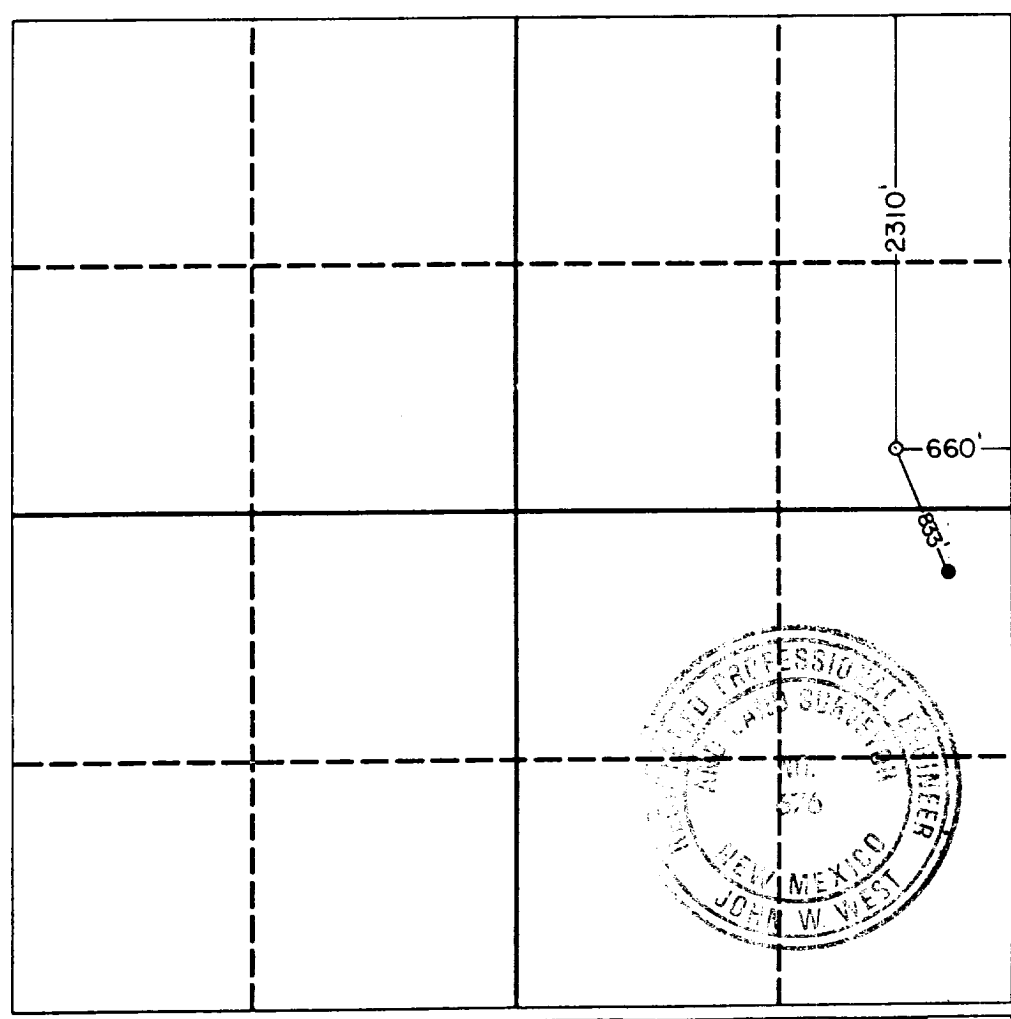
Operator DEANS INC.		Lease VALLEY B-27		Well No. 1
Unit Letter H	Section 27	Township 10 South	Range 26 East	County Chaves
Actual Footage Location of Well: 2310 feet from the North line and 660 feet from the East line				
Ground level Elev. 3702.0	Producing Formation <i>San Juan</i>	Pool <i>Valley B</i>	Dedicated Acreage: <i>2.0</i> 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.

Mike Deans
 Signature
 Mike Deans
 Printed Name
 Gen. Mgr.
 Position
 DEANS, Inc.
 Company
 1/31/90
 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
 January 22, 1990

Signature & Seal of Professional Surveyor
John W. West

Certificate No. JOHN W. WEST, 676
 RONALD J. EIDSON, 3239

128630