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LAND OFFICE	
OPERATOR	

APR 30 '90

5A. Indicate Type of Lease
STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.
V-1463-4

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work	DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>	7. Unit Agreement Name	Sunfish State Unit
b. Type of Well	OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	8. Farm or Lease Name	Sunfish State Unit
2. Name of Operator	BHP PETROLEUM COMPANY INC. Ph. 915-688-1800	9. Well No.	1
3. Address of Operator	6 Desta Drive, Ste. 3200 Midland, Texas 79705-5510	10. Field and Pool, or Wildcat	Wildcat
4. Location of Well	UNIT LETTER J LOCATED 1980' FEET FROM THE South LINE AND 1980' FEET FROM THE East LINE OF SEC. 32 TWP. 9S RGE. 27E NMRM	12. County	Chaves
19. Proposed Depth	6800'	19A. Formation	Ellenburger
20. Rotary or C.T.			Rotary
21. Elevations (Show whether DF, KT, etc.)	3913.0 GL	21A. Kind & Status Plug. Bond	Statewide
21B. Drilling Contractor	Peterson Drilling	22. Approx. Date Work will start	As Soon As Possible

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24.0# J-55	1500'±	800±	Circulated
7-7/8"	5-1/2"	15.5# J-55	6800'±	700±	2100'±

Propose to drill to about 6800' to test the Ellenburger and shallower formations.

If commercial production is indicated, the well will be completed in the deepest favorable formation, by cementing production casing, selectively perforating and stimulating. Run 2-7/8" tubing and test well.

See attached "Supplemental Data".

The gas is not dedicated.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 11/2/90
UNLESS DRILLING UNDERWAY

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.

Signed Gerry W. Long Title Agent

Date April 27, 1990

ORIGINAL SIGNED BY

APPROVED BY MIKE WILLIAMS

TITLE

DATE

MAY 2 1990

CONDITIONS OF APPROVAL

SUPERVISOR, DISTRICT II

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 1-89

OIL CONSERVATION DIVISION

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

APR 30 '90

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

O. C. D.
ARTESIA, OFFICE

Operator BHP PETROLEUM CO., INC.			Lease Sunfish State Unit		Well No. 1
Unit Letter J	Section 32	Township 9 South	Range 27 East	County Chaves	
Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the East line					
Ground level Elev. 3913.0	Producing Formation Ellenburger	Pool Wildcat		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).

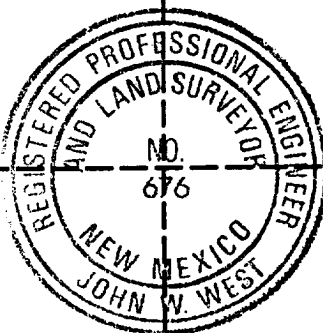
Single Lease

3. 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.? Case No. 9908 was on the March NMOCD Docket.

☒ Yes ☐ No If answer is "yes" type of consolidation Unit Approval Pending

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.

Signature Jerry W. Long
Printed Name JERRY W. LONG

Position
Agent

Company
BHP PETROLEUM COMPANY INC.

Date
April 27, 1990

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 24, 1990

Signature & Seal of
Professional Surveyor

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

125630

SUPPLEMENTAL DATA

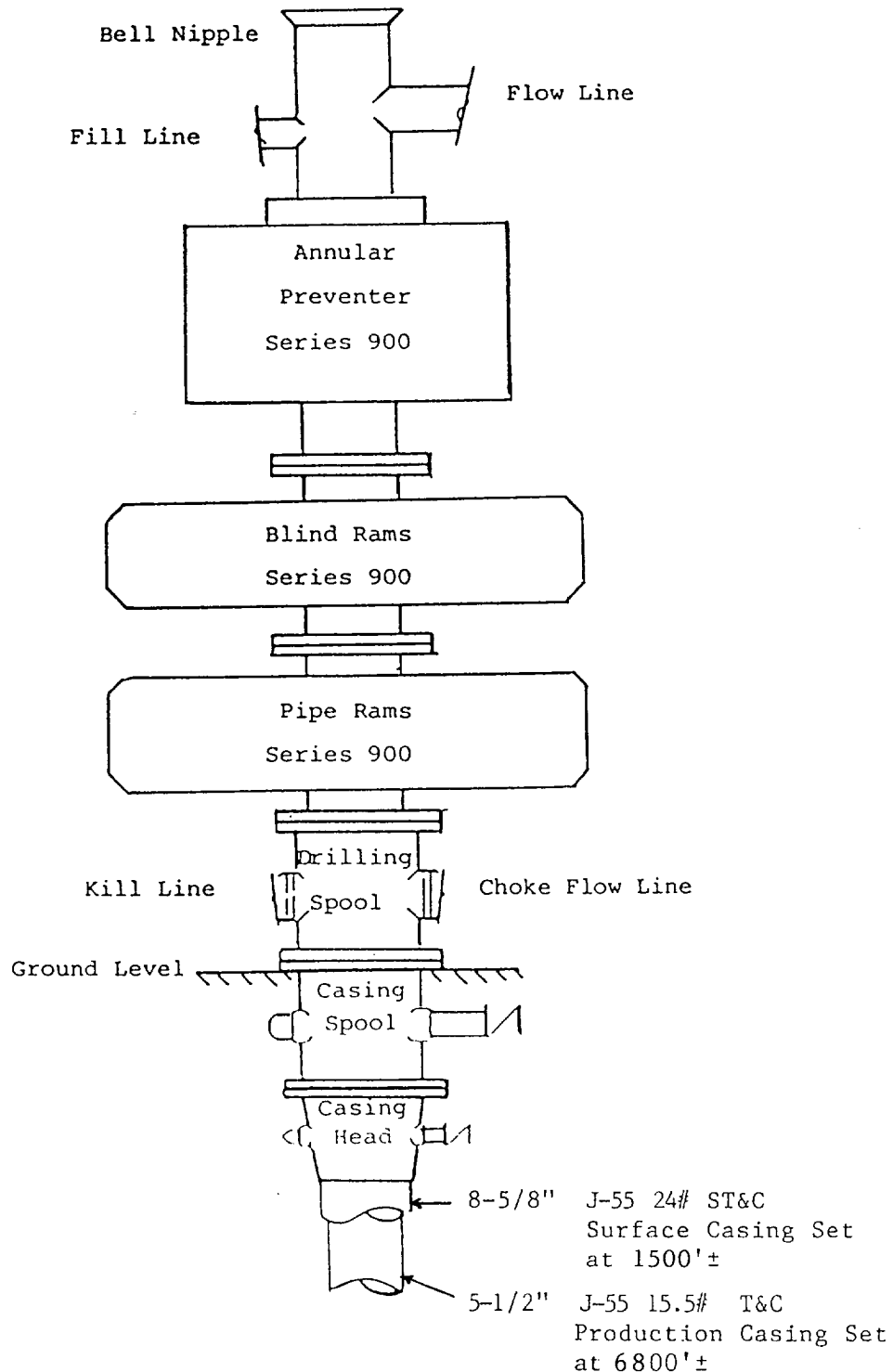
BHP PETROLEUM COMPANY INC.
No.1 Sunfish State Unit
1980'FSL 1980'FEL Sec.32-9S-27E
Chaves County, N.M.

State Lease V-1463-4

The following items supplement the information on Form C-101.

1. PRESSURE CONTROL EQUIPMENT: Pressure control equipment will include a 3000#WP blowout preventer stack with a Series 900 annular preventer and Series 900 blind and pipe rams. The BOP stack will include a kill line and choke manifold tested to 2000 psi. BOP hydraulic controls will be operated at least daily. Mud weight will be monitored to control bottom hole pressure. A kelly cock will be installed on the kelly joint and full opening safety valve will be available on the rig floor. A diagrammatic sketch of the BOP stack is attached.
2. SURFACE DAMAGES: The well and access road are located on State surface leased by L & L Ranch. Mr. Dennis Luce, grazing lessee, has been consulted regarding surface disturbance. A surface damage settlement will be negotiated with Mr. Luce.

BHP PETROLEUM COMPANY INC.
 No.1 Sunfish State Unit
 1980'FSL 1980'FEL Sec.32-9S-27E
 Chaves County, N.M.

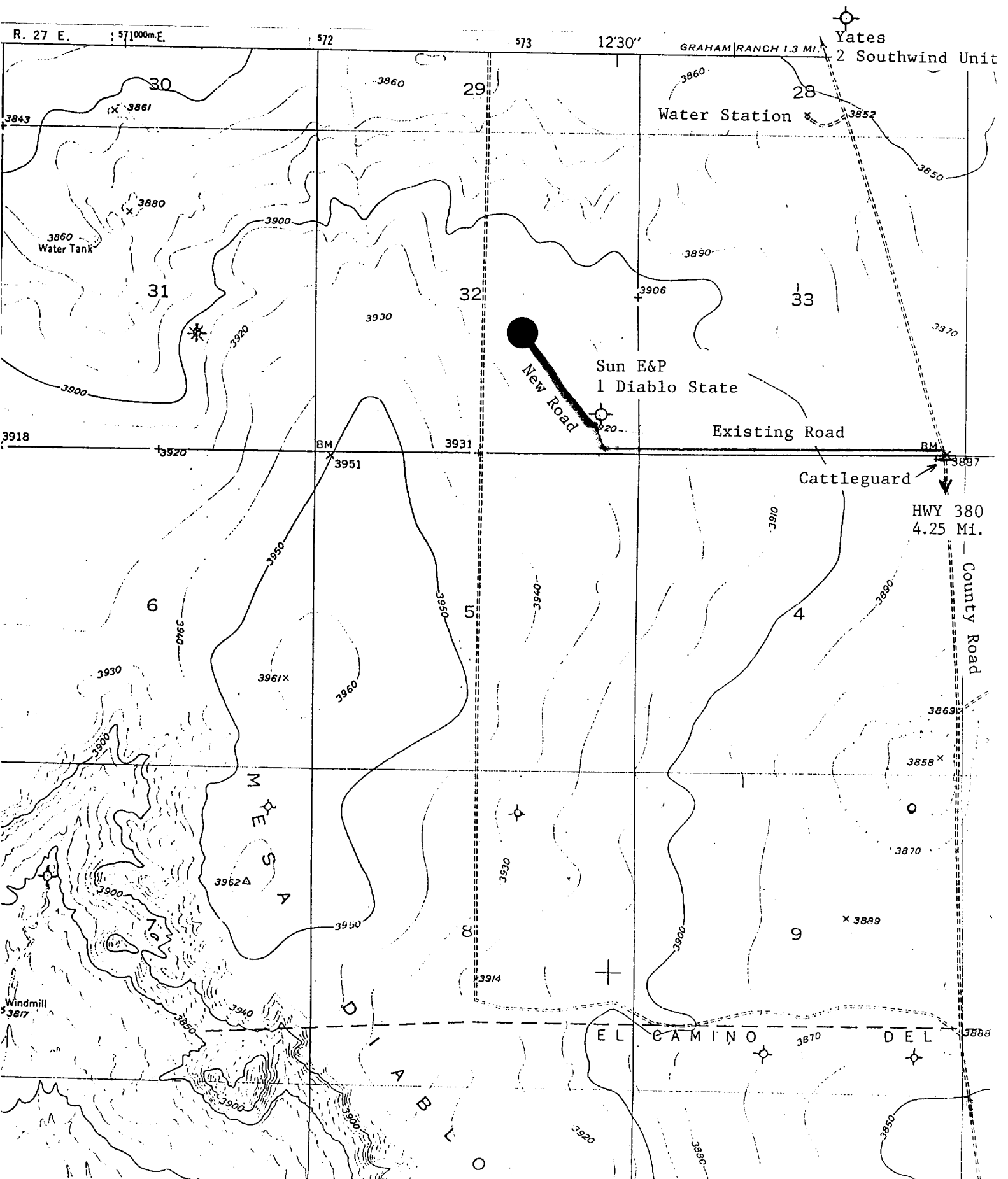


BLOWOUT PREVENTER STACK

3000#WP

Rams Operated Daily

SHP PETROLEUM COMPANY INC.
No.1 Sunfish State Unit
1980'FSL 1980'FEL Sec.32-9S-27E
Chaves County, N.M.





JERRY W. LONG
CONSULTANT

April 27, 1990

RECEIVED

2709 Rosolana Dr.
Roswell, NM 88201

APR 30 '90

O. C. D.
ARTESIA, OFFICE

STATE OF NEW MEXICO
Energy and Minerals Department
Oil Conservation Division
P.O. Drawer DD
Artesia, New Mexico 88210-1857

Re: BHP PETROLEUM COMPANY INC.
No.1 Sunfish State Unit
1980'FSL, 1980'FEL, Sec.32-9S-27E
Chaves County, New Mexico
Lease V-1463-4

Gentlemen:

Submitted herewith, for your review and approval, are five copies of Form C-101, Application to Drill, for the drilling of referenced well. Since this is the initial well to be drilled on the pending Sunfish State Unit, a copy of Form C-101 has been mailed to the New Mexico State Land Office for record purposes.

Please expedite approval since this lease has an expiration date of June 1, 1990. Send an approved copy to the operator at the address on Form C-101 and a copy of the approval sheet to me at the letterhead address.

If you have any questions regarding this Application please call me.

Sincerely yours,

JERRY W. LONG
Agent for:

BHP PETROLEUM COMPANY INC.

1 copy: New Mexico State Land Office
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

JWL/b11