

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N. M. OIL & GAS

811 S. 1ST ST.
ARTESIA, NM 88201

OMR NO. 1004-0136

Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐		5. LEASE DESIGNATION AND SERIAL NO. NM-36409	
1b. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ SINGLE ZONE ☒ MULTIPLE ZONE ☐		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Gothic Production Corporation c/o J.O. Easley, Inc.		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. 100 N. Penn, Roswell, NM 88201		8. FARM OR LEASE NAME, WELL NO. McClellan MOC Fed. #20 23554	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) 1650' FSL & 660' FWL		9. API WELL NO. 30-005-63228	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 28 miles northeast of Roswell, NM		10. FIELD AND POOL OR WILDCAT Pecos Slope Abo 82730	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O. (Also to nearest drip, unit line, if any) 660'		11. SEC. T., R., M., BLOCK AND SURVEY OR AREA 30, T5S-25E	
16. NO. OF ACRES IN LEASE 2,441.49		12. COUNTY OR PARISH Chaves	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160.0		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2,640'		19. PROPOSED DEPTH 4100'	
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3852	
22. APPROX. DATE WORK WILL START ASAP			

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	40'	Circulate to surface
12-1/4"	8-5/8"	24#	900'	550 sxs
7-7/8"	4-1/2"	10.5#	4100'	485 sxs

Duration of Program: Drilling - Ten (10) days
Completion - Nine (9) days
See attached for complete Drilling Program

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portions thereof, as described.

EXHIBITS

Exhibit "A": Drilling Program
Exhibit "B": Surface Use Plan
Exhibit "C": Land Survey Plat
Exhibit "D": Location Plat
Exhibit "E": Existing Well Plat
Exhibit "F": Rig Layout
Exhibit "G": BOP Program

Post IO-1
12-10-99
API & Loc

IN ABOVE SPACE, DESCRIBE PROPOSED PROGRAM:

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 [Signature] TITLE Agent/Gothic Prod. Corp. DATE 11-17-99

(This space for Federal or State/Office use)

PERMIT No.

APPROVAL DATE

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY (ONG, SGO) ARMANDO TITLE Acting Assistant Field Office Manager DATE DEC 17 1999

*See Instructions On Reverse Side

Title 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 statements or representations as to any matter within its jurisdiction.

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd. Aztec NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State Of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-120

Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND DEDICATION PLAT

1 API Number		2 Pool Code 82730		3 Pool Name Pecos Slope Abo			
4 Property Code		5 Property Name McClellan MOC Federal				6 Well Number 20	
7 OGRID No.		8 Operator Name Gothic Production Corporation				9 Elevation 3852'	

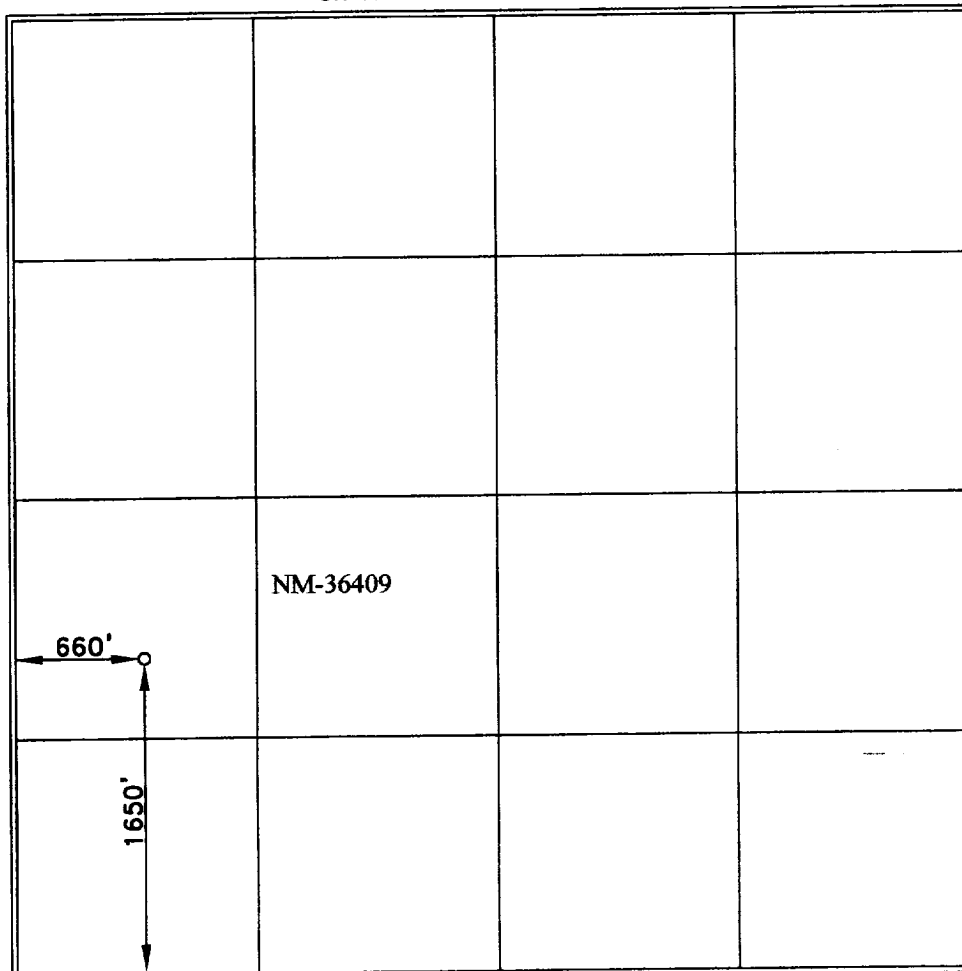
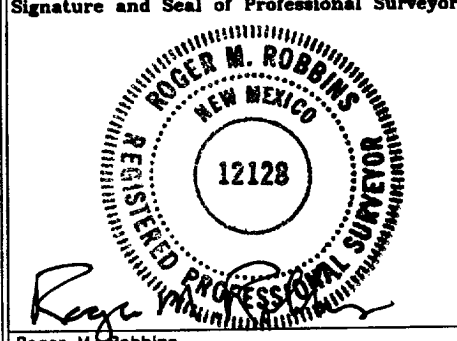
10 Surface Location

UL or Lot No.	Section	Township	Range	Lot Ida	Feet From The	North/South line	Feet From The	East/West line	County
3	30	5 S	25 E		1650'	SOUTH	660'	WEST	CHAVES

11 Bottom hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Ida	Feet From The	North/South line	Feet From The	East/West line	County
12 Dedicated Acres 160.0		13 Joint or Infill		14 Consolidation Code		15 Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Printed Name James L. Schultz Title Agent/Gothic Prod. Corp. Date 11/17/99	
				18 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 complete to the best of my knowledge and belief. Date of Survey: 10/29/1999 Signature and Seal of Professional Surveyor:  Roger M. Robbins New Mexico P.S. No. 12128	
				NM-36409	

NEW MEXICO OIL CONSERVATION DIVISION

C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well
2. The pool code for this (proposed) completion
3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number for this (proposed) completion
7. Operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines NOTE: if the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD unit letter.
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:

C	Communication
U	Unitization
F	Forced pooling
O	Other
P	Consolidation pending

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION!

15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling

16. This grid represents a standard section. You may superimpose a non-standard section over the grid. Outline the dedicated acreage and the separate leases within the dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle or horizontal hole show that portion of the well bore that is open within this pool.

Show all lots, lot numbers, and their respective acreage.

If more than one lease has been dedicated to this completion, outline each one and identify the ownership, as to both working interest and royalty.

17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.
18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

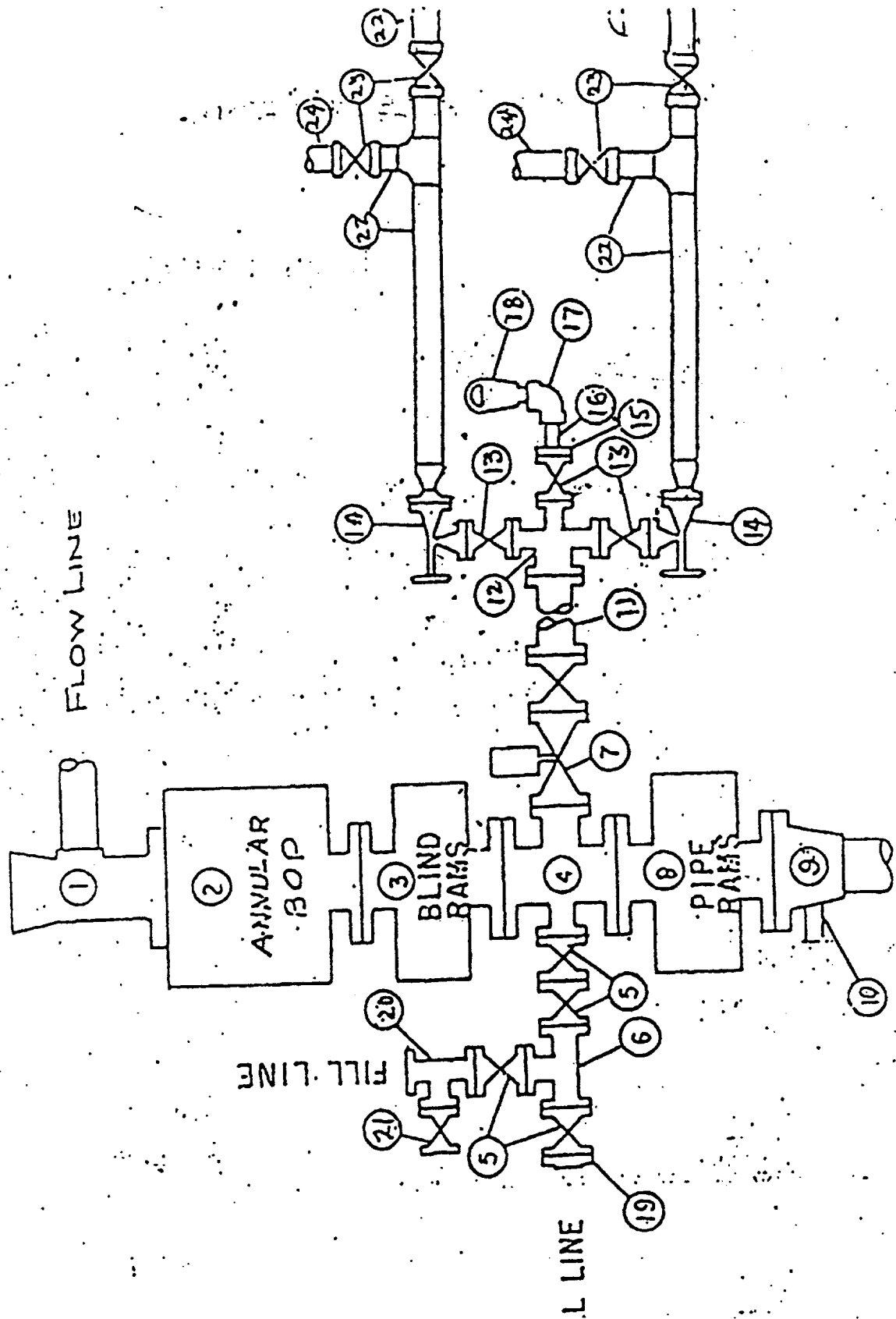


EXHIBIT "A"
McClellan MOC Fed. #20

DRILLING PROGRAM

I. The geological surface formation is recent Permian with quaternary alluvium and other surficial deposits.

II. Estimated Tops of Geological Markers:

<u>FORMATION</u>	<u>DEPTH</u>
San Andres	560'
Glorietta	1550'
Tubb	3000'
Abo	3640'
TD	4100'

III. Estimated depths at which water, oil, gas or other mineral-bearing formations are expected to be encountered:

<u>SUBSTANCE</u>	<u>DEPTH</u>
Fresh Water	None anticipated
Oil	None anticipated
Gas	Possible in Abo below 3700'

IV. Proposed Casing Program:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Grade</u>	<u>Weight Per Foot</u>	<u>Depth</u>
17-1/2"	13-3/8"	H-40	48#	40'
12-1/4"	8-5/8"	J-55	24#	900'
7-7/8"	4-1/2"	J-55	10.5#	4100'

EXHIBIT E

The map displays the following sections and their details:

- Section 1:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 2:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 3:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 4:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 5:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 6:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 7:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 8:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 9:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 10:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 11:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 12:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 13:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 14:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 15:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 16:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 17:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 18:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
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- Section 33:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 34:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 35:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.
- Section 36:** Yates Pet. 14983, Yates Pet. Managhan Fed. 754700.