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NEW MEXICO OIL CONSERVATION COMMISSION RECEIVED

30-015-25883  
Form C-101  
Revised 1-1-65

MAR 09 '88

O. C. D.

5A. Indicate Type of Lease  
STATE  FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. Type of Work

2. Type of Well DRILL  DEEPEN  PLUG BACK

OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

Name of Operator Morexco, Inc.

Address of Operator P. O. Box 481, Artesia, NM 88210

Location of Well UNIT LETTER M LOCATED 990 FEET FROM THE South LINE

990 FEET FROM THE West LINE OF SEC. 12 TWP. 19S RGE. 27E NMPM

7. Unit Agreement Name

8. Farm or Lease Name  
Mary Wolf State

9. Well No.  
2

10. ~~Loco Hills O/G/S/A~~  
Lee Hills O/G/S/A

12. County  
Eddy

19. Proposed Depth 2500' 19A. Formation San Andres 20. Rotary or C.T. Cable Tool

1. Elevations (Show whether DF, RT, etc.) 3476' Grd. 21A. Kind & Status Plug. Bond Statewide 21B. Drilling Contractor \_\_\_\_\_ 22. Approx. Date Work will start March 14, 1988

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2"	8 5/8"	23#	310'	300 sxs.	
7 7/8"	5 1/2"	10.5-15.5#	2500'	600 sxs.	

Plan to spud Loco Hills, San Andres test on or before March 14, 1988 with a 12 1/2" bit. Set 310' of 8 5/8" with 300 sxs. of cement. Drill out with a 7 7/8" bit with 10# brine to a depth of 2500' or less. If commercial shows are present, 5 1/2" casing will be set with 600 sxs. of cement and circulated to the surface. If dry hole, proper plugs will be set as prescribed by the Oil Conservation Division.

Post ID#1  
NL4 API  
3-11-88  
180  
9/10/88

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 Becky Olson Title Agent Date March 9, 1988

(This space for State Use)

Original Signed By  
Mike Williams

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE MAR 10 1988

CONDITIONS OF APPROVAL, IF ANY:

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.

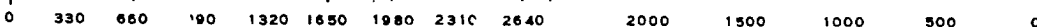
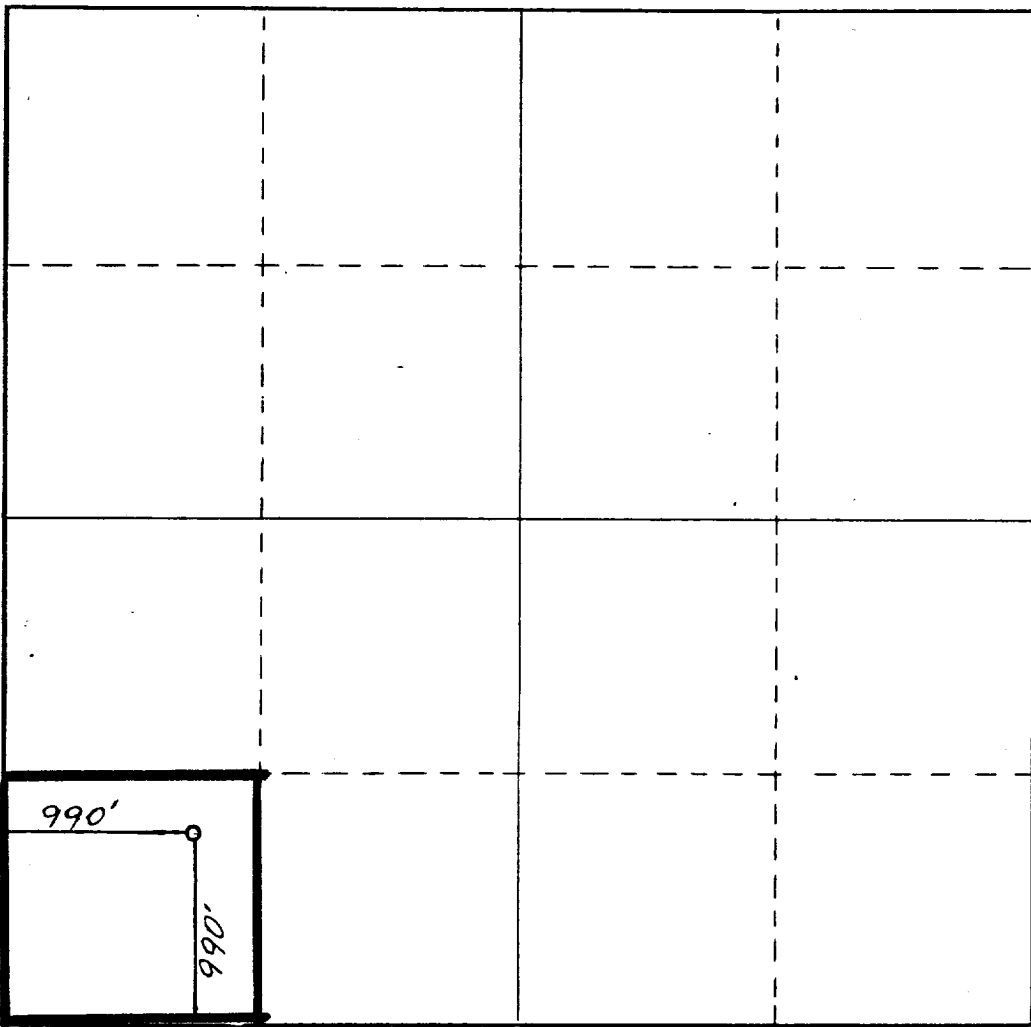
Operator <b>Morexco, Inc.</b>		Lease <b>Mary Wolf State</b>		Well No. <b>2</b>
Unit Letter <b>M</b>	Section <b>12</b>	Township <b>19 South</b>	Range <b>27 East</b>	County <b>Eddy County, N.M.</b>
Actual Footage Location of Well: <b>990</b> feet from the <b>South</b> line and <b>990</b> feet from the <b>West</b> line				
Ground Level Elev. <b>3476.</b>	Producing Formation <i>San Juan</i>	Pool <i>Well Unit San Juan</i>	Dedicated Acreage: <b>40</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 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.

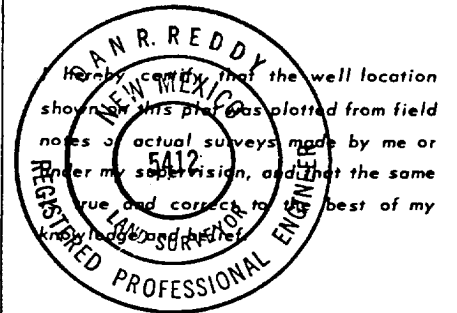


CERTIFICATION

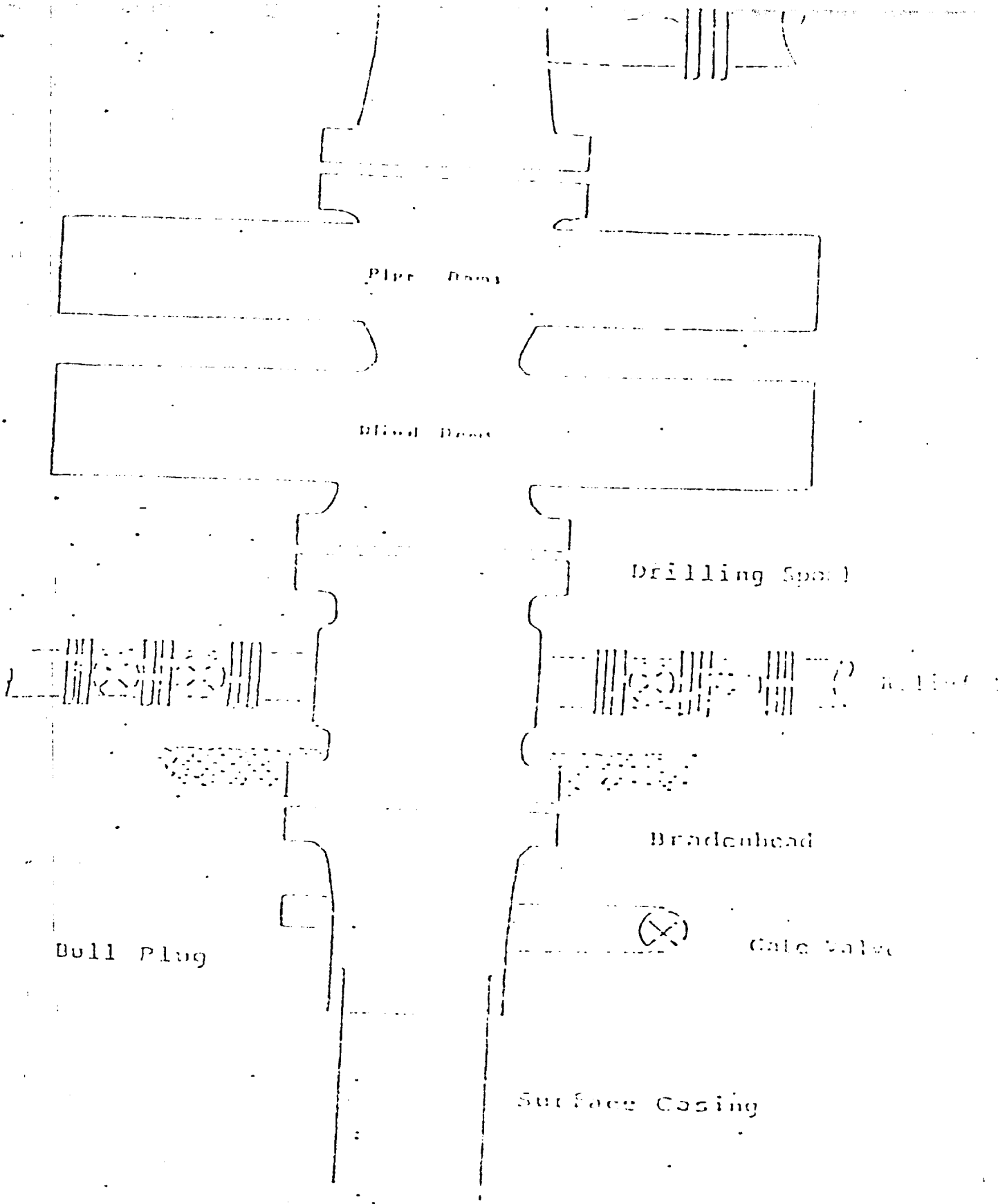
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Rebecca Olson*

Name	<b>Rebecca Olson</b>
Position	<b>Agent</b>
Company	<b>Morexco, Inc.</b>
Date	<b>March 9, 1988</b>



Date Surveyed	<b>January 8, 1988</b>
Registered Professional Engineer and/or Land Surveyor	<i>Alan R. Reddy</i>
Certificate No.	<b>NM PE&amp;LS NO. 5412</b>



Series 900 Double Gate BOP, rated at 5000 psi Working Pressure

FLOWOFF PREVENTER ARRANGEMENT

STEVE SELE

Model 900-2000