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State of New Mexico
Energy, Minerals and Natural Resources Department

JAN 07 1993

Form C-101
Revised 1-1-89

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

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

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

O. C. D.

API NO. (Assigned by O.C.D. on New Wells)

3001520808

5. Indicate Type of Lease

STATE

FEE

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL

RE-ENTER

DEEPEN

PLUG BACK

b. Type of Well:

OIL WELL

GAS WELL

OTHER

SINGLE ZONE

MULTIPLE ZONE

2. Name of Operator

National Energy Group, Inc.

3. Address of Operator

4925 Greenville Ave., Ste. 1400, Dallas, TX 75206

8. Well No.

1

9. Pool name or Wildcat

S. Carlsbad Morrow

4. Well Location

Unit Letter K : 1980 Feet From The south Line and 1980 Feet From The west Line

Section 22 Township 23 S Range 26 E NMPM Eddy County

10. Proposed Depth

11,400' PBTD

11. Formation

Atoka

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3313' GL

14. Kind & Status Plug. Bond

B02800 active

15. Drilling Contractor

DA&S or Baber

16. Approx. Date Work will start

12-22-92 or 1-4-93

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP

Proposed Operation: Recomplete from Morrow (11,432'-11,826') to Atoka at 10,956'-10994'.

Detail:

1. Install double ram BOP and pull out current production tubing.
2. Set 4½" CIBP above top Morrow perf at 11,400' + . Dump 2 sacks cement on top of CIBP.
3. Perforate Atoka from 10,956'-10,962' and 10,981'-10,994' with 3 1/8" casing gun and 2 spf.
4. Stimulate Atoka if needed with 5,000 gals acid and/or frac job to be designed later.
5. Run production packer and tubing. Set packer @ 10,906'+ and put well on production.

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.

SIGNATURE Jeannine B. Smith TITLE Chief Engineer DATE 12-8-92

TYPE OR PRINT NAME Jeannine B. Smith TELEPHONE NO. 214-692-9211

(This space for State Use)

APPROVED BY Mark Whaley TITLE Geologist DATE 1-8-93

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 7-8-93
UNLESS DRILLING UNDERWAY