

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address LAYTON ENTERPRISES, INC. 3103 - 79th St., Lubbock, TX 79423		² OGRID Number 013178
³ Property Code 005783 5786		⁴ API Number 30 - 025 - 38144
⁵ Property Name Fox A State V-2522		⁶ Well No. 7
⁹ Proposed Pool 1 Allison San Andres South		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no. A	Section 2	Township 9S	Range 36E	Lot Idn 1	Feet from the 660	North/South line North	Feet from the 430	East/West line East	County Lea
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8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4049'
¹⁶ Multiple No	¹⁷ Proposed Depth 5,200'	¹⁸ Formation San Andres	¹⁹ Contractor TBA	²⁰ Spud Date ASAP
Depth to Groundwater 200'		Distance from nearest fresh water well .9 mile		Distance from nearest surface water —'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12' mils thick Clay <input type="checkbox"/> Pit Volume: 1,200 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
18"	14"	36	40	Redi-Mix to →	SURFACE
12 - 1/4"	8 - 5/8"	24	2,100	1,100	SURFACE
7 - 7/8"	5 - 1/2"	15.5	5,200	1,500	SURFACE

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

**Permit Expires 1 Year From Approval
Date Unless Drilling Underway**

Propose to drill to 5,200' to test San Andres.
Will set 8-5/8" casing at 2,100' and circulate cement to surface.
At TD will run logs - set 5-1/2" casing and pump cement - circulate to surface.
As indicated by logs, will perforate and treat San Andres zone(s) and equip for production.
Blowout preventers will be standard double ram 2000 psi series.

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²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/>		OIL CONSERVATION DIVISION	
Printed name: Donald R. Layton		Approved by: <i>Harry Wink</i>	
Title: President		Title: FIELD REPRESENTATIVE II/STAFF MANAGER	
E-mail Address: Laytonoil@aol.com		Approval Date: SEP 29 2006	
Date: 9/25/2006		Expiration Date:	
Phone: (806) 745-4638		Conditions of Approval Attached <input type="checkbox"/>	

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30 - 025 - 38144	Pool Code 1190-01220	Pool Name ALLISON SAN ANDRES SOUTH
Property Code 005788	Property Name FOX A STATE	Well Number 7
OGRID No. 013178	Operator Name LAYTON ENTERPRISES, INC.	Elevation 4049'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	2	9 S	36 E		660	NORTH	430	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	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

	OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> Signature 9/25/2006 Date Donald R. Layton, President Printed Name	
	SURVEYOR CERTIFICATION <i>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 belief.</i> SEPTEMBER 19, 2006 Date Surveyed Signature & Seal JONES Professional Surveyor NEW MEXICO 7977 W.O. No. 7130 Certificate No. Gary L. Jones 7977 BASIN SURVEYS	