

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Ave., Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address TOM BROWN INC 508 W. Wall, Suite 500 Midland, TX 79701		OGRID Number 23230
		API Number 30-025-36569
Property Code 32794	Property Name LAGUNA DEEP UNIT	Well No. 008

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	25	19S	33E	M	660	S	660	W	Lea

Proposed Pools

GEM;MORROW, EAST (GAS) 77380

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 3602
Multiple N	Proposed Depth 13700	Formation Morrow	Contractor	Spud Date 04/01/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	25	20	94	1100	800	0
Int1	17.5	13.375	61	2500	1700	0
Int1	17.5	13.375	68	3150	1700	0
Int2	11	8.625	32	4800	700	3000
Prod	7.875	5.5	20	13700	800	8500

Casing/Cement Program: Additional Comments

The TOC on the 8-5/8 casing will be tied back a minimum of 200 inside the 13-3/8 casing (2-stage job if lost circulation is encountered in Capitan Reef). The TOC on the 5-1/2 casing will be a minimum of 500 above the uppermost potential pay in the 1st Bone Spring Sand (est top of sand @ 9250)

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	2500	Shaffer
Double Ram	5000	5000	Shaffer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.	
Electronically Signed By: Brian Franks	
Title:	
Date: 01/26/2004	Phone: 432-688-9598

OIL CONSERVATION DIVISION	
Electronically Approved By: Paul Kautz	
Title: Geologist	
Approval Date: 02/10/2004	Expiration Date: 02/10/2005
Conditions of Approval: No Conditions	

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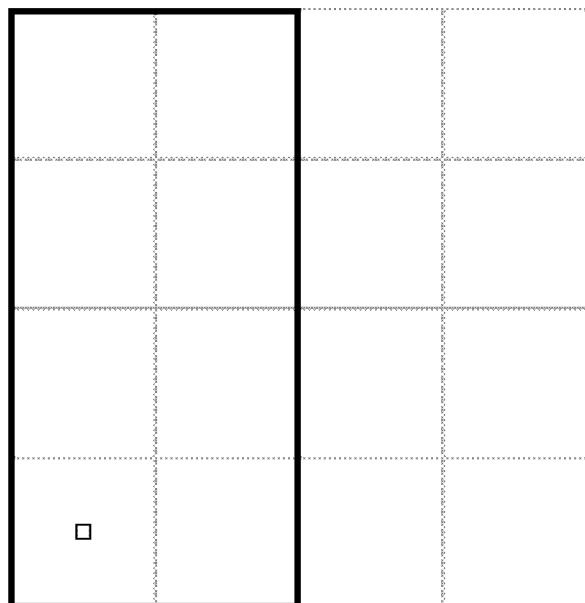
Form C-102

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36569	Pool Name GEM;MORROW, EAST (GAS)	Pool Code 77380
Property Code 32794	Property Name LAGUNA DEEP UNIT	Well No. 008
OGRID No. 23230	Operator Name TOM BROWN INC	Elevation 3602

Surface And Bottom Hole Location

UL or Lot M	Section 25	Township 19S	Range 33E	Lot Idn M	Feet From 660	N/S Line S	Feet From 660	E/W Line W	County Lea
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No.			



OPERATOR CERTIFICATION

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

Electronically Signed By: Brian Franks

Title:

Date: 01/26/2004

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 belief.

Surveyed By: Gary Eidson

Date of Survey: 01/19/2004

Certificate Number: 12641

Permit Comments

Operator: TOM BROWN INC , 23230

Well: LAGUNA DEEP UNIT #008

User Name	Comment	Comment Date
DMULL	Drilling restricted due to Potash	1/27/2004
DMULL	01/27/04 called for wavier from Potash leases. Also second plat showing Potash leases. Talked to Diane.	1/27/2004

GUIDELINES FOR PROCESSING APD FOR WELL IN POTASH AREA -- R-111-P

BLM approves federal wells in potash area so we do not have to worry about this.

STATE & FEE LEASES

Post to map and if within the potash area outlined on map or within 1 mile of that area do the following:

- 1) Make certain operator has filed a plat of the area showing the potash lessees for the area where the well is located as well as the 1-mile radius referred to.
- 2) Make certain operator has notified all of the potash lessees by certified mail of the APD. They must send copy of delivery notice to us since 20-day waiting period starts from delivery date.
- 3) Send letter to BLM and SLO advising them of this APD and request they advise if this location is within LMR or buffer zone.

BUFFER ZONE -- shallow well is 1/4 mile of LMR
-- deep well is 1/2 mile of LMR

- 4) If application is within LMR or buffer zone you must DENY it under R-111-P unless, there is a mutual agreement of lessor and lessees of oil & gas and potash interests. Copy of this agreement must be submitted with APD.
- 5) If application is outside LMR or buffer zone and no objection is received within 20 days from date of receipt by potash lessees of certified notice, the APD may be approved.

CHECK LIST FOR PROCESSING APD IN POTASH AREA

OPERATOR: Tom Brown

LEASE & WELL Laguna Deep Unit #8

LOCATION M-25-Rs-33e 660/s & 660/w PROPOSED DEPTH 13700'

DATE APD RECEIVED 1/27/04 WAS PLAT OF AREA ATTACHED _____

WERE ALL POTASH LESSEES NOTIFIED BY CERTIFIED MAIL? No Lessees

20-DAY WAITING PERIOD BEGINS _____ ENDS _____

WERE WAIVERS RECEIVED? ..

DATE SLO NOTIFIED 1/27/04 DATE REPLY RECEIVED 1/30/04

DATE BLM NOTIFIED 1/27/04 DATE REPLY RECEIVED 2/9/04

IS LOCATION INSIDE LMR OR BUFFER ZONE? YES _____ NO X

IF LOCATION INSIDE LMR OR BUFFER ZONE WAS LESSEE/LESSOR AGREEMENT FURNISHED _____

DATE APD APPROVED 2/10/04 DATE APD DENIED _____



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

BUREAU OF LAND MANAGEMENT
P O Box 1778
Carlsbad, NM 88221

STATE LAND OFFICE
ATT: Joe Mraz
P O Box 1148
Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR Tern Brown Inc

LEASE NAME Laguna Deep Unit #8

PROPOSED LOCATION M-25-19s-33e b60/s4 b60/w

PROPOSED DEPTH 13700'

Gentlemen:

The application for permit to drill identified above has been filled with this office of the New Mexico Oil Conservation Division. Pursuant to the provisions of Oil Conservation Division Order R - 111 - P, please advise this office whether the location is within an established Life-of-Mine-Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by the order.

Thank you for your assistance. Please return as soon as possible.

Very truly yours,

OIL CONSERVATION DIVISION

Chris Williams
Supervisor, District I

RESPONSE:

The above-referenced location is in LMR -----Yes _____

No X

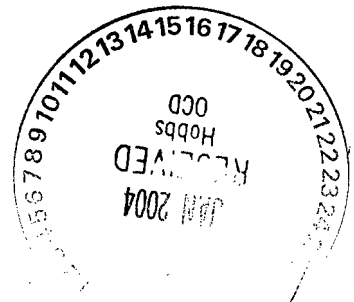
The above-referenced location is within the buffer zone -----Yes _____

No X

Signed [Signature]

Date 1/28/04

Representing SLC



Jm
01-28-04



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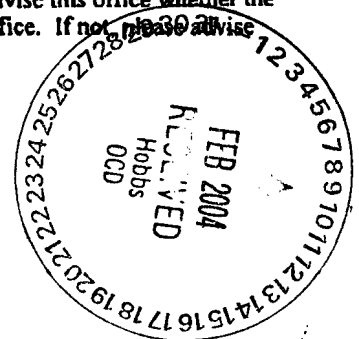
The above-referenced location is in LMR -----Yes _____ No X

The above-referenced location is within the buffer zone -----Yes _____ No X

Signed [Signature]

Date 2-2-04

Representing BLM





TOM BROWN, INC.

February 6, 2004

Land Department
Southern Region

New Mexico Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240
Attention: Donna Mull

**Re: Application for Permit to Drill
Laguna Deep Federal #8 Well
W/2 Section 25, T19S-R33E
Lea County, New Mexico**

Dear Ms. Mull:

In connection with our Application for Permit to Drill the above captioned well, please be advised that we have conducted a search to determine the current status of the existence of Potash Mining Leases in Section 25. Our findings are as follows:

1. NE/4 of Section 25: No current leases in effect. The last such lease was NM-24582 which expired 12/31/82;
2. NW/4 of Section 25: No current leases in effect. The last such leases were NM-10862 which terminated 5/31/73 as to the SW/4 NW/4 and NM-50342 which was relinquished 5/3/83 as to the N/2 NW/4 and SE/4 NW/4;
3. S/2 of Section 25: No current leases in effect. This tract has never been leased for Potash.

If you find everything to be in order, please process our Application for Permit Drill the above captioned well at your earliest convenience.

If you have any questions, please advise.

Sincerely,

Brent Robertson
Senior Landman

Br/
Cc: Brian Franks
Bruce Coit
Diane Kuykendall

