

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYH. L. 100-30-42-9312.1
P. O. BOX 1210
HOBBS, NEW MEXICO 240
SUBMIT IN TRIPPLICATE
(Other instructions on re-
verse side)Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

NM 53388

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

EL ZORRO "B" FEDERAL

9. WELL NO.

10. FIELD AND POOL, OR WILDCAT

Allison Penn

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

Sec. 24, T8S, R36E

12. COUNTY OR PARISH 13. STATE

Roosevelt NM

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)1. OIL ☒ GAS ☐ OTHER ☐
WELL WELL

2. NAME OF OPERATOR

LAYTON ENTERPRISES, INC.

3. ADDRESS OF OPERATOR

3103 - 79th St., Lubbock, Texas 79423

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface

760' FSL 560' FEL

Sec 24, T8S, R36E

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

4058.7 GL

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐PULL OR ALTER CASING ☐FRACTURE TREAT ☐MULTIPLE COMPLETE ☐SHOOT OR ACIDIZE ☐ABANDON* ☐REPAIR WELL ☐CHANGE PLANS ☐(Other) Commingle Production ☒

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐REPAIRING WELL ☐FRACTURE TREATMENT ☐ALTERING CASING ☐SHOOTING OR ACIDIZING ☐ABANDONMENT* ☐(Other) ☐(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any
proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones perti-
nent to this work.) *

This well is scheduled for drilling to commence on June 2, 1987 and will be completed in the Bough "C" Penn zone of the Allison Field. Following completion of this well, we intend to commingle all oil and gas production in existing tank battery facility with production from El Zorro Federal No. 1, Lease No. NM53389, located in NE NE $\frac{1}{4}$, Sec. 25, T8S, R36E, Roosevelt County. The two leases have identical provisions and dates. All interests, both royalty and working interests, are identical. Agreement has been reached with the surface owner. Commingling into the existing facilities will result in less surface disturbance, will eliminate need for venting gas, will provide immediate sales facility for production and disposal of produced water, plus economic benefit to operator.

Production will be allocated to each lease on a monthly basis. If this well should prove to have production potential equal to or greater than the top allowable as established by the New Mexico State Oil Conservation Division, we will install meters to measure production separately from each lease prior to commingling. If this well produces less than top allowable, production will be allocated on the basis of monthly well tests.

18. I hereby certify that the foregoing is true and correct

SIGNED

TITLE

President

DATE May 18, 1987

(This space for Federal or State office use)

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
PETER W. CHESTER

MAY 26 1987

BUREAU OF LAND MANAGEMENT
ROSWELL RESOURCE AREA

*See Instructions on Reverse Side