

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

LAYTON ENTERPRISES, INC.

3. ADDRESS OF OPERATOR

3103 79th Street

Lubbock, Texas 79423

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

At surface

760' FSL

560' FEL

Sec. 24-8S-36E

At proposed prod. zone

same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

8 Miles East-Southeast of Milnesand, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

560'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80 Ac. (S $\frac{1}{2}$ SE $\frac{1}{4}$)

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

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19. PROPOSED DEPTH

9800'

20. ROTARY OR CABLE TOOLS

Rotary

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

4058.7 GL

22. APPROX. DATE WORK WILL START*

Upon Approval

23.

PROPOSED CASING AND CEMENTING PROGRAM

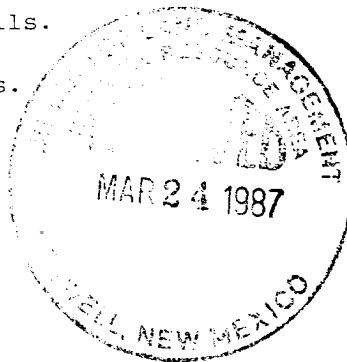
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	54.5#	350'	500sx Class C (Circ)
11"	8-5/8"	32.0#	4000'±	1100sx HL + 200sx Class C (Circ)
7-7/8"	5-1/2"	23.0#	9800'	500sx to Isolate All Oil, Gas, and Water zones

Propose to drill to approximately 9800' to test Bough "C" and intermediate formations.

See Supplemental Drilling Data for casing and BOP details.

Run 5-1/2" production casing, perforate favorable zones.

Run tubing and stimulate as necessary.



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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Donald R. Layton

TITLE

President

DATE

March 20, 1987

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

S/Phil Kirk

TITLE

Area Manager

DATE

APR 14 1987

CONDITIONS OF APPROVAL, IF ANY

APPROVAL OF THIS APPLICATION IS NEITHER A GUARANTEE NOR
CERTIFY THAT THE APPLICANT IS A LEGAL OR EQUITABLE
TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE OR WOULD
ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.
*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION AT

Form C-102
 Supersedes C-128
 Effective 1-4-85

All distances must be from the outer boundaries of the Section

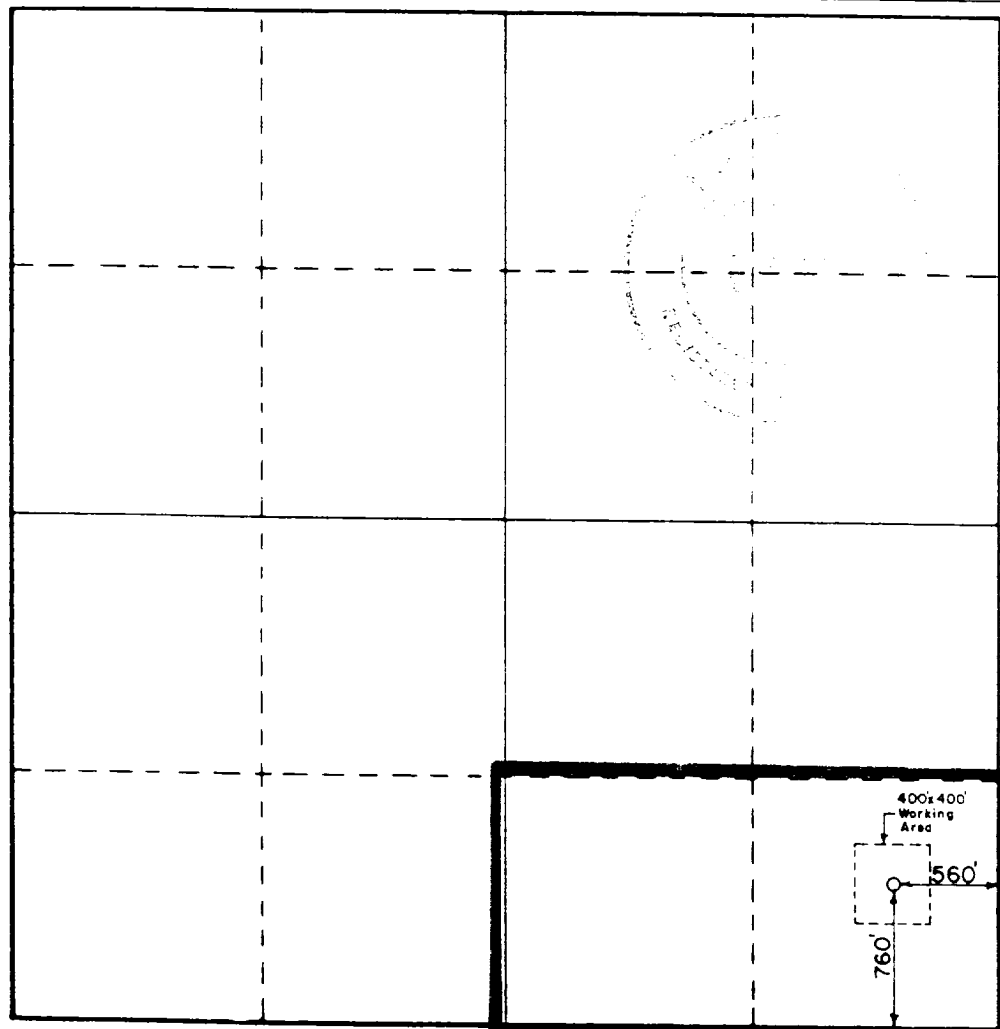
Operator Layton Enterprises, Inc.			Lease El Zoro "B" Federal		Well No. 1
Unit Letter P	Section 24	Township 8 South	Range 36 East	County Roosevelt	
Actual Footage Location of Well: 760 feet from the South line and 560 feet from the East line					
Ground Level Elev. 4058.70	Producing Formation BOUGH "B"		Pool ALISON FENN	Dedicated Acreage: 80 Acres	

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

Donald R. Layton
 Name

Donald R. Layton
 Position

PRESIDENT
 Company

LAYTON ENT. INC.
 Date

3-10-87

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 knowledge and belief.

Date Surveyed
March 18, 1987

Registered Professional Engineer
 and/or Land Surveyor

Neal D. King
 Certificate No.

6541

SUPPLEMENTAL DRILLING DATA

LAYTON ENTERPRISES, INC.

No. 1 El Zorro "B" Federal
SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec 24, T8S, R36E
Roosevelt County, N.M.

NM 53388

The following items supplement Form 3160-3 in accordance with instructions contained in Onshore Oil and Gas Order No.1:

1. SURFACE FORMATION: Tertiary
2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Red Beds	300'	Glorieta	5520'
Rustler Anhydrite	2270'	Abo	7730'
Yates	2830'	Wolfcamp	8270'
San Andres	4080'	Bough C	9630'

3. ESTIMATED DEPTHS TO WATER, OIL OR GAS FORMATIONS:

0 - 300' - Fresh Water
4080' - Oil in San Andres formation
9630' - Oil in Bough formation

4. PROPOSED CASING PROGRAM:

13-3/8" Casing - 54.5#, H-40, ST&C, cemented at 350'± with sufficient Class C to circulate.
8-5/8" Casing - 32#, H-40, ST&C, cemented at 4000'± with 1100 sx HL + 200 sx Class C to circulate.
5-1/2" Casing - 9800' - 17#, K-55 and 23#, N-80, LT&C Cemented with 500 sx.

Equivalent or better grades and weights of casing may be substituted. Additional cement may be used as appropriate.

5. PRESSURE CONTROL EQUIPMENT: The blowout preventer equipment will consist of 5000#WP double-ram preventers and choke manifold and 5000#WP annular type preventer. A sketch of the BOP stack is attached.

6. CIRCULATING MEDIUM:

- 0 - 350': Fresh Water mud
- 350' - 4000': Brine mud with additives necessary to control viscosity to 28-34 Sec. and weight to 9.6-10.1#/Gal.
- 4000' - 9500': Brine mud with additives to control viscosity to 28-34 Sec. and weight to 9.4-9.7#/Gal. with minimum water loss.
- 9500' - TD: Brine base mud with weight of 9.0-9.3#/Gal. to minimize pressure on production zone.

7. AUXILIARY EQUIPMENT: Safety valve to fit the drill pipe in use will be kept on the rig floor at all times.

8. TESTING, LOGGING AND CORING PROGRAM:

DST: Drill stem tests will be made when samples, drilling time or other data indicate a test is warranted.

Logging: Logs will include GR-CNL, FDC and DLL logs as determined by well-site geologist.

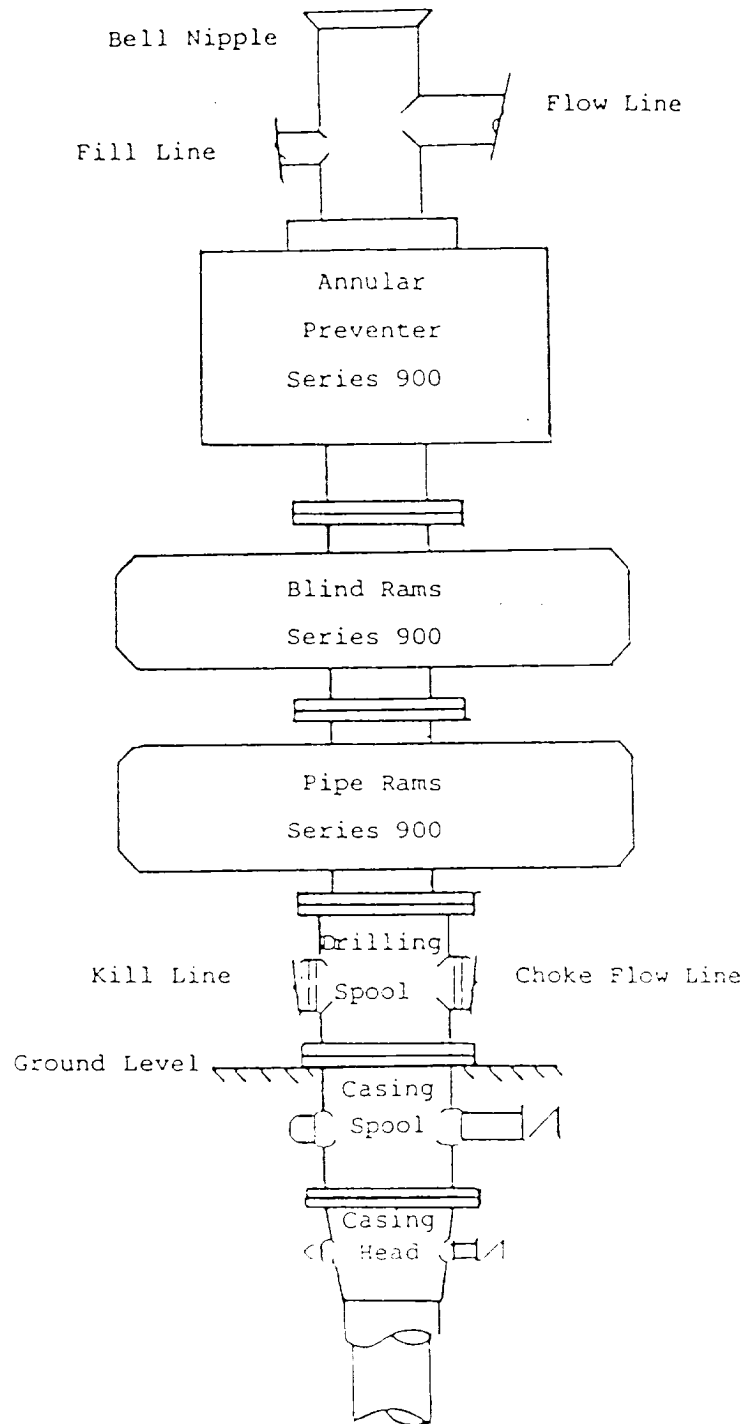
Coring: None planned

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE:

None anticipated

10. ANTICIPATED STARTING DATE: Work will start as soon as the Application is approved and will continue for about 60 days.

LAYTON ENTERPRISES, INC.
No. 1 El Zorro "B" Federal
SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec 24, T8S, R36E
Roosevelt County, N.M.



BLOWOUT PREVENTER STACK
Rams Operated Daily
5000#WP

EXHIBIT D