

UNITED
DEPARTMENT OF
BUREAU OF LAND

OPER. OGRID NO. 13178
PROPERTY NO. 5781
POOL CODE 1149
EFF DATE 6/23/95
API NO. 8D-D4L-2D875

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO

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 ST. LUBBOCK, TEXAS 79423

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

At surface

660' FSL 1980 FEL SEC 29, T8S, R36E

At proposed prod. zone

SAME

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

8 mi. EAST-SOUTHEAST OF MILESAND, NEW MEXICO

15. DISTANCE FROM PROPOSED*

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

660'

16. NO. OF ACRES IN LEASE

640

19. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

9900'

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

4061' GL

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
<u>17 1/2"</u>	<u>13 7/8"</u>	<u>54 #</u>	<u>350'</u>	<u>400 SK CLASS C (CIRC)</u>
<u>12 1/2"</u>	<u>8 7/8"</u>	<u>32 #</u>	<u>4150'</u>	<u>1100 SK HL + 200 SK CLASS C (CIRC)</u>
<u>7 7/8"</u>	<u>5 1/2"</u>	<u>20 & 23 #</u>	<u>9900'</u>	<u>1200 SK HL + 300 SK CLASS C</u>

PROPOSE TO DRILL TO APPROX. 9900' TO TEST BOUGH "C"
AND INTERMEDIATE FORMATIONS. SEE SUPPLEMENTAL
DRILLING DATA FOR CASING & BOP DETAILS.

RUN 5 1/2" PRODUCTION CASING - PERFORATE FAVORABLE ZONES.

RUN TUBING AND STIMULATE AS NECESSARY.

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION
OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION
OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT
IN ADVANCE.

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR
CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE
TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD
ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

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

MAY 15, 1995

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

Earle Smith

TITLE

Acting Area Mgr.

DATE

6/14/95

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DE, Artesia, NM 88210

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

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-041-20875	Pool Code 01149	Pool Name ALLISON PENN
Property Code 005781	Property Name EL ZORRO "B" FEDERAL	Well Number 2
OGRIE No. 013178	Operator Name LAYTON ENTERPRISES, INC	Elevation 4061'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	24	8 S	36 E		660	SOUTH	1980	EAST	BOOS.

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	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 hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature DONALD R. LAYTON Printed Name PRESIDENT Title 5-19-95 Date
	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. May 17, 1995 Date Surveyed Signature & Seal of Professional Surveyor W.D. # 5470 Certificate No. GARY L. JONES, 7977

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OFFICE**

PERTINENT INFORMATION

For

LAYTON ENTERPRISES, INC.
Well No. 2 El Zorro "B" Federal
SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 24, T8S, R36E
Roosevelt County, N.M.

LOCATION: 8 Miles East-Southeast of
Milnesand, New Mexico

FEDERAL LEASE NUMBER: NM 53388

LEASE ISSUED: September 1, 1982

ACRES IN LEASE: 640 Ac.

RECORD LESSEE: Donald R. Layton et ux Mary L. Layton

BOND COVERAGE: Operators \$25,000 Statewide Bond

AUTHORITY TO OPERATE: Designation of Operator,
to Layton Enterprises, Inc.

SURFACE OWNERSHIP: Privately-owned by John Mohon
Star Route
Milnesand, N.M. 88125
Phone: (505) 675-2378

POOL RULES: Special Pool Rules for
Allison-Pennsylvanian

EXHIBITS: A. Road and Well Map
B. Contour Map
C. Rig Layout
D. BOP Diagram
E. Choke Diagram

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SUPPLEMENTAL DRILLING DATA

LAYTON ENTERPRISES, INC.
No. 2 El Zorro "B" Federal
SW $\frac{1}{4}$ 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 40'±
with 1100 sx HL + 200 sx Class C
to circulate.

5-1/2" Casing - 9900' - 20#, N-80 and 23#, N-80, LT&C
Cemented with 1500 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 2000#WP double-ram preventers and choke manifold.

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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

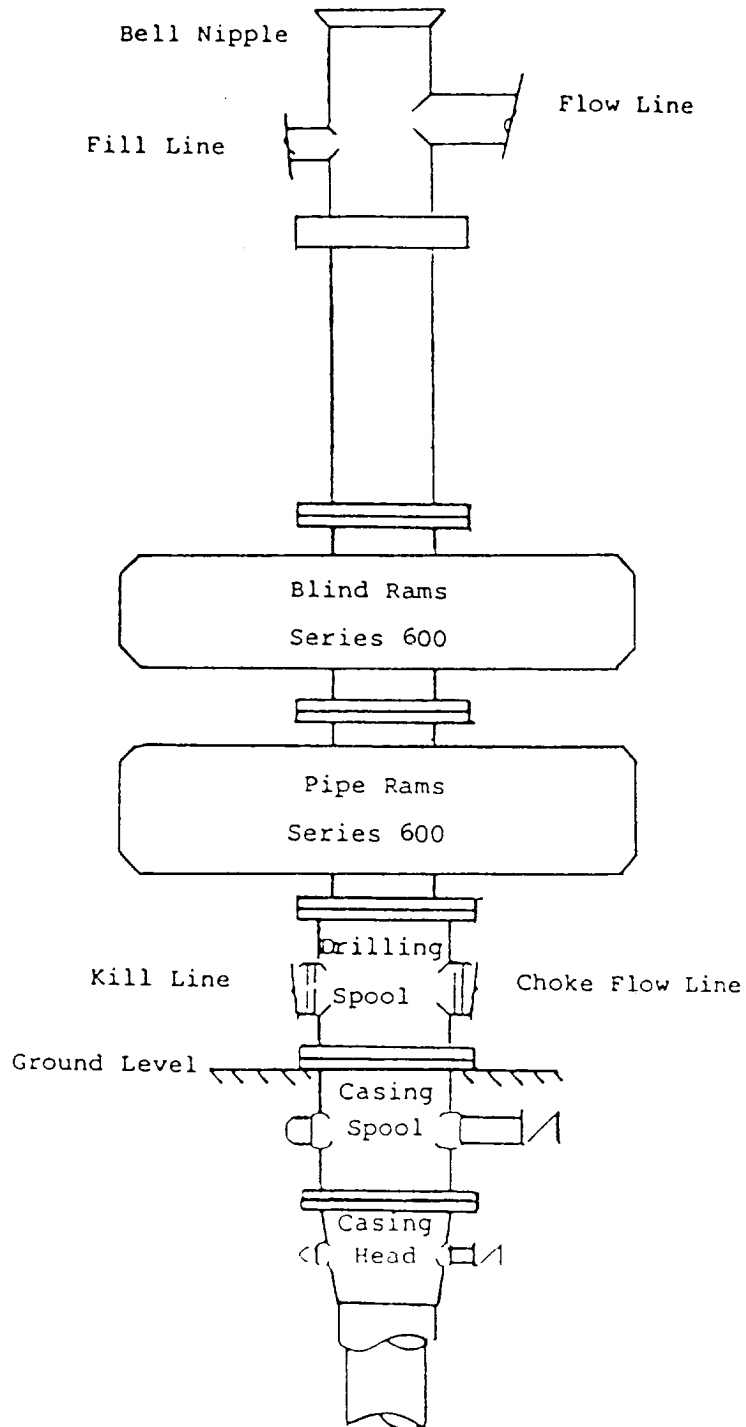
10. ANTICIPATED STARTING DATE: Work will start as soon as the Application is approved and will continue for about 60 days.

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CLERK OF COURT
OFFICE

LAYTON ENTERPRISES, INC.
No. 2 El Zorro "B" Federal
SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 24, T8S, R36E
Roosevelt County, N.M.



BLOWOUT PREVENTER STACK
Rams Operated Daily
2000#WP

EXHIBIT D

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