

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-15011
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Hilliard Oil & Gas, Inc.		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR 3000 N. Garfield, Suite 120 Midland, Texas 79701		8. FARM OR LEASE NAME Hilliard "B" Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FSL & 460' FWL At proposed prod. zone Same		9. WELL NO. 1
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15.5 mi. N. of Loco Hills and 30 mi. East of Hagerman, NM		10. FIELD AND ZONE DESIGNATION UNDESIGNATED Cedar Point-Strawn
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 460'	16. NO. OF ACRES IN LEASE 1081.04	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 26-T15S-R30E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. None	19. PROPOSED DEPTH 10,700'	12. COUNTY OR PARISH Chaves
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4087 GR		13. STATE New Mexico
22. APPROX. DATE WORK WILL START* September 15, 1984		

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"	48#	500'	550 Sx Class "C" Circulate
11"	8 5/8"	24#	3300'	1100 Sx HL + 300 sx "C" Circulate
7 7/8"	5 1/2"	17#	10,700'	1050 Sx class "H"

Mud Program:

0' - 500' Spud Mud, FW, Gel.
500' - 3,300' Brine and native mud, mud wt. 9.9-10.2 ppg, Vis. 29-33, no WL.
3,300' - 10,000' Cut brine and native mud, mud wt. 9.4-9.6 ppg, Vis. 29-33, no WL.
10,000' - 10,700' Mud up with salt water base, mud wt. 9.4-9.7 ppg, Vis. 36-43, WL 20cc.

BOP Program:

A 5000 PSI 900 Series Shaffer double hydraulic operated BOP will be used and tested daily. See exhibit "E".

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 Georger Smith Agent for: Hilliard Oil & Gas, Inc. DATE August 24, 1984
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY S/Phil Kirk TITLE Area Manager DATE 9-28-84
CONDITIONS OF APPROVAL, IF ANY:

RECEIVED

SEP 26 1984

DEF
HQS OFFICE