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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease	
STATE <input checked="" type="checkbox"/>	FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.	
LG-0272	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Aztec State	
2. Name of Operator Holly Energy, Inc.		9. Well No. 3	
3. Address of Operator P. O. Box 726, Artesia, New Mexico 88210		10. Field and Pool, or Wildcat So. Maljamar Strawn	
4. Location of Well UNIT LETTER <u>B</u> LOCATED <u>2110 710</u> FEET FROM THE <u>FNL</u> LINE AND <u>2110</u> FEET FROM THE <u>FEL</u> LINE OF SEC. <u>36</u> TWP. <u>17-S</u> RGE. <u>32-E</u> NMPM		12. County Lea	
21. Elevations (Show whether DF, RT, etc.) 3991 KB		19. Proposed Depth	
21A. Kind & Status Plug. Bond		19A. Formation	
21B. Drilling Contractor		20. Rotary or C.T.	
22. Approx. Date Work will start			

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP

The subject well was drilled to 11775', a string of 5 1/2" casing was set and cemented with 250 sacks of 50-50 posmix cement. Was perforated from 11,493' to 11,549'. The well produced 22,608 barrels of oil in 5 months with decreasing pressures and was depleted in June 1976. Since that time the well has produced approximately 500 MCF per month. We propose to load hole with 2% KCL water, put on BOP and pull tubing and packer. Set CIBP on wireline at 11,400'. Perforate in the Canyon Lime zone from 11,199' to 11,241' with 1 hole per foot as follows: 11199, 11200, 11202, 11204, 11207, 11212, 11218, 11222, 11226, 11288, 11230, 11232, 11239, and 11241'. A total of 14 holes with 4" casing gun. Run retrievable packer on 2 3/8" tubing. Swab well to initiate flow, if necessary treat with 3000 gallons 20% HCL acid containing N2.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Robert Loyd Title Superintendent Date March 7, 1977

(This space for State Use)

Orig. Signed by

Jerry Sexton

APPROVED BY Dint J. Sexton TITLE DATE MAR 10 1977

CONDITIONS OF APPROVAL, IF ANY: