

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-101
 Revised 1-1-89

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

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

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

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

API NO. (assigned by OCD on New Wells)
 30-025-30832

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 L-6721

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
 DRILL RE-ENTER DEEPEN PLUG BACK
 b. Type of Well:
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

7. Lease Name or Unit Agreement Name
 State "8"

2. Name of Operator
 W. A. Moncrief, Jr.

8. Well No.
 3

3. Address of Operator
 400 Metro Bldg., Midland, Texas 79701

9. Pool name or Wildcat
 Hume Atoka

4. Well Location
 Unit Letter D : 990 Feet From The North Line and 990 Feet From The West Line
 Section 8 Township 16S Range 34E NMPM Lea County

10. Proposed Depth
 12,750'
 11. Formation
 Atoka-Morrow
 12. Rotary or C.T.
 Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
 4142.1 Gd.
 14. Kind & Status Plug. Bond
 \$50,000 blanket
 15. Drilling Contractor
 PETERSON
 16. Approx. Date Work will start
 ASAP

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	54.5#	400'±	450 sax	circulate
11"	8 5/8"	32 & 36#	4,450'±	2,450 sax	circulate
7 7/8"	5 1/2"	17#	12,750'±	as necessary	as necessary

- (1) Drill 17 1/2" hole to 400' using spud mud.
- (2) Run 13 3/8" casing at 400' and circulate cement. WOC 18 hours
- (3) Drill 11" hole to 4,450'. Use fresh wtr mud to top of salt. Use brine from top of salt 4,450
- (4) Run 8 5/8" casing at 4,450' and circulate cement. WOC 18 hours.
- (5) Drill 7 7/8" hole to 12,750'± with fresh water mud.
- (6) Run open hole logs.
- (7) Run 5 1/2" casing and cement as necessary. Blowout Preventor diagram is attached.

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.

SIGNATURE Dewey E. Thornton TITLE Exploration Manager DATE 3-8-90
 TYPE OR PRINT NAME Dewey E. Thornton TELEPHONE NO. 915/682-1762

(This space for State Use)
 ORIGINAL SIGNED BY JERRY SEXTON
 DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE MAR 20 1990

CONDITIONS OF APPROVAL, IF ANY:

n&l 2772

Permit Expires 6 Months From Approval Date Unless Drilling Underway.