

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|--|---|---|
| ¹ Operator Name and Address Kersey + Company P.O. Box 1248 Fredericksburg Tx 78624 | | ² OGRID Number 012576 |
| ³ Property Code 005579 | ⁴ Property Name Hover State "B" | ⁵ API Number 30-025-34914 |
| | | ⁶ Well No. 8 |

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| B | 32 | 17S | 32 E | | 330 | North | 1650 | East | Lea |

⁸ Proposed 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| ⁹ Proposed Pool 1 | ¹⁰ Proposed Pool 2 |
|--------------------------------|-------------------------------|
| Maljamar Grayberg - San Andres | |

| | | | | |
|-----------------------------------|--------------------------------------|--|--|--|
| ¹¹ Work Type Code N | ¹² Well Type Code O | ¹³ Cable/Rotary Rotary | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3922 |
| ¹⁶ Multiple yes | ¹⁷ Proposed Depth 4200 | ¹⁸ Formation Grayberg-S.A. | ¹⁹ Contractor L+M Drilling | ²⁰ Spud Date Mar 1 1990 |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 11 in | 8 5/8" | 24" | 1000 | circulate | surface |
| 7 3/4 in | 4 1/2" | 11.6" | 4200 | circulate | surface |
| | | | | | |
| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.
Describe the blowout prevention program, if any. Use additional sheets if necessary.

Set 8 5/8" casing @ 1000ft, circulate cement to surface.
Drill 7 3/4 in hole to 4200ft, set 4 1/2 in casing, circulate cement to surface.
Perforate and complete Grayberg + San Andres formations between 3800 and 4100 ft

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Kenneth R Wade

Printed name:

Kenneth R Wade

Title:

Manager

Date:

1-20-2000

Phone:

830 997-7519

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Conditions of Approval:

Attached ☐

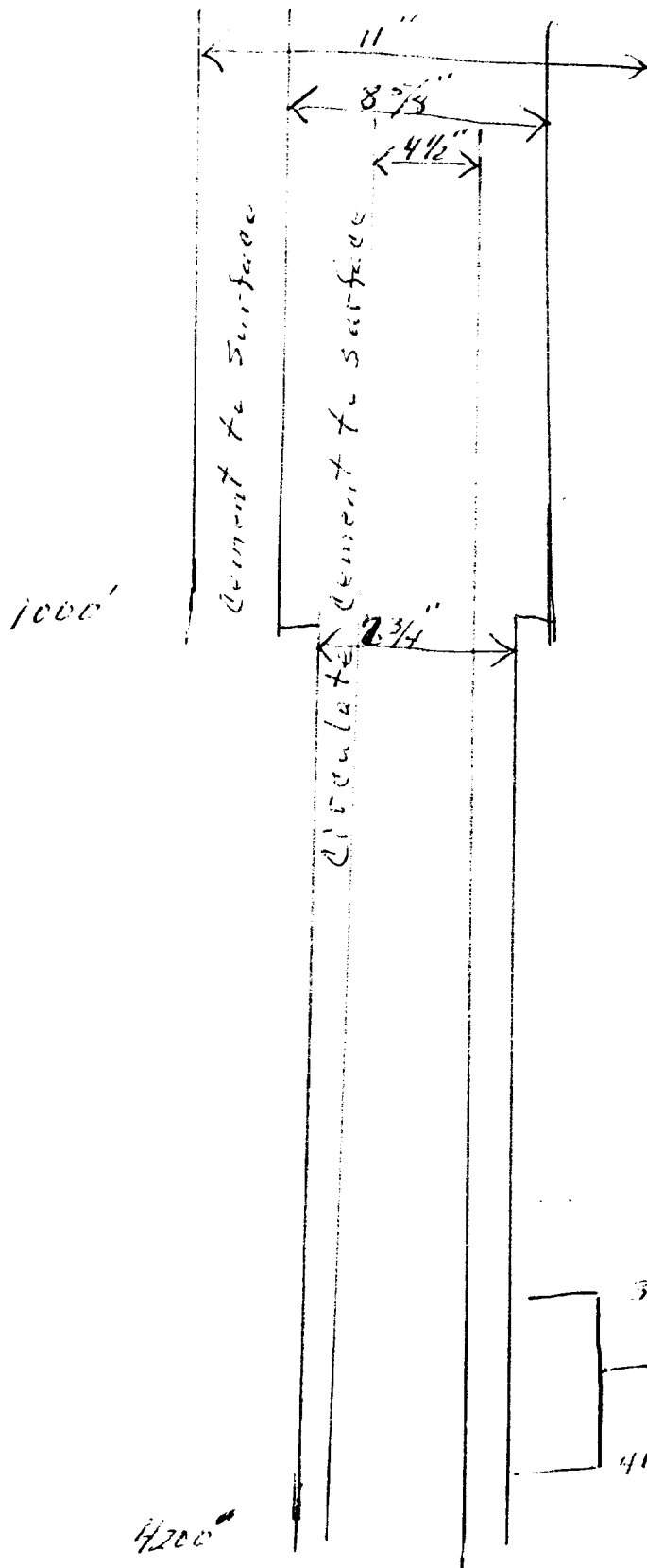
Expiration Date:

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

8

332' FNL + 1650' FEL

Sec 32 - T17S - R 32E



3300

perforate Grayberg + San Andres

4100

4200'

ABOVE DATE DOES NOT
INDICATE WHEN
CONFIDENTIAL LOGS
WILL BE RELEASED

ELF

ELF

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 DD, 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 30-025-34 914 | Pool Code 43329 | Pool Name Malinas Grayberg - San Andres |
| Property Code 25236 | Property Name HOVER STATE "B" | Well Number 8 |
| OGRID No. 012576 | Operator Name KERSEY & COMPANY | Elevation 3922' |

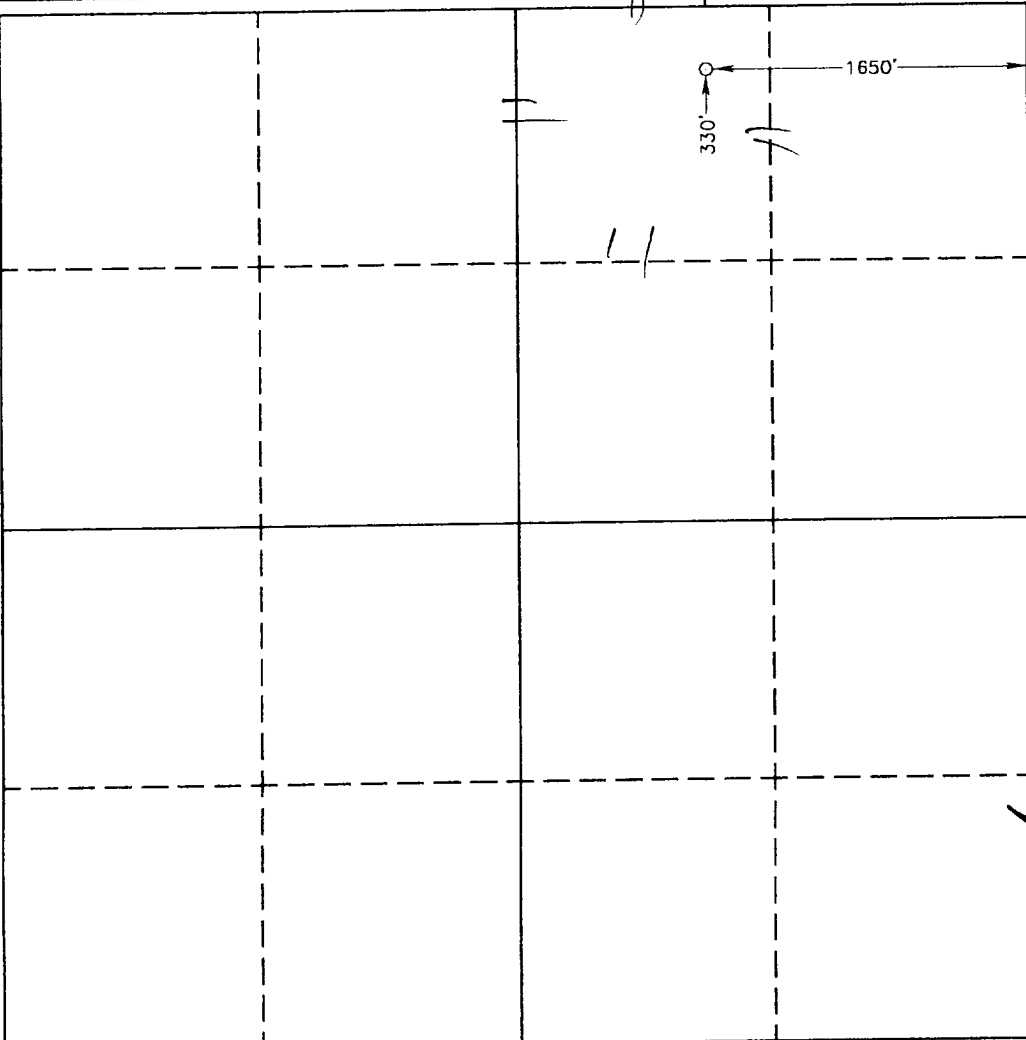
Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| B | 32 | 17 S | 32 E | | 330 | NORTH | 1650 | EAST | LEA |

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 40 | Joint or Infill 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 <i>Kenneth R White</i> Printed Name Kenneth R White Title Manager Date 1-20-2000 |
| | 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. December 29, 1999 Date Surveyed Signature <i>GARY L JONES</i> Professional Surveyor 7977 No. 84580 Certificate 7977 BASIN SURVEYS |
| | |
| | |