

District I
 P.O. Box 1900, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C-101
 Revised October 18, 1994
 Instructions on back
 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. TMBR/Sharp Drilling, Inc. P. O. Drawer 10970 Midland, TX 79702 | | ² OGRID Number 036554 |
| | | ³ API Number 30-025-35257 30-0 |
| ⁴ Property Code 24469 | ⁵ Property Name Blue Fin "24" | ⁶ Well No. 1 |

⁷ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | Count |
|---------------|-----------|------------|------------|---------|---------------|------------------|---------------|----------------|------------|
| M | 24 | 16S | 35E | | 660 | West | 760 | South | 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 | Count |
|--|---------|----------|-------|---------|-------------------------------|------------------|---------------|----------------|-------|
| | | | | | | | | | |
| ⁹ Proposed Pool 1 Townsend (Morrow) | | | | | ¹⁰ Proposed Pool 2 | | | | |

| | | | | |
|--|--|--|---|---|
| ¹¹ Work Type Code N | ¹² Well Type Code G | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code P | ¹⁵ Ground Level Elevation -3956-3964 |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 12,800' | ¹⁸ Formation Morrow | ¹⁹ Contractor TMBR/Sharp | ²⁰ Spud Date 11/19/00 |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-------------|-------------|--------------------|---------------|-----------------|----------------|
| 17½" | 13¾" | 48 | 450 | 440 | Surface |
| 11" | 8¾" | 32 | 5,000 | 1,800 | Surface |
| 7⅞" | 5½" | 17 | 12,800 | 1,200 | 4,800 |
| | | | | | |
| | | | | | |

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.

It is proposed to drill a 17½" hole to ±450' with FW, set 13¾" casing and cement casing back to surface. An 11" intermediate hole will then be drilled to ±5,000' w/brine-cut brine system and an 8¾" casing string will be set and cemented back to surface. A 3000 psi annular preventer and 3000 psi dual ram BOP will be used on the intermediate hole. A 7⅞" hole will be drilled to an approximate TD of 12,800' w/FW mud. The 5½" casing will be set at TD and cemented back to the intermediate casing at 5,000'. A 3000 psi annular preventer and a 5000 psi dual ram BOP will be used on the 7⅞" hole. Mud up will occur between 9,000' and 11,000' and several DST's are planned.

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

Signature: *Jeffrey D. Phillips*
 Printed name: **Jeffrey D. Phillips**
 Title: **Vice President**
 Date: **November 16, 2000** Phone: **(915) 699-5050**

OIL CONSERVATION DIVISION

Approved by: *James W. Henderson*
 Title: **FIELD REPRESENTATIVE II**
 Approval Date: **NOV 22 2000** Expiration Date:
 Conditions of Approval:
 Attached ☐

Permit Expires 1 Year From Approval
 Date Unless Drilling Underway