

COPY TO O. C. C.

SUBMIT IN TRIPPLICATE
(Other Ins. (done on
reverse side))Form approved.
Budget Bureau No. 42-R1425.UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
Esperanza Energy Corporation

3. ADDRESS OF OPERATOR
The Lakes at Bent Tree, Suite 210
17400 Dallas Parkway, Dallas, Texas 75254

4. LOCATION OF WELL (Report location clearly and in accordance with any special requirements*)
At surface
990' FSL & 990' FWL (SW SW) NOV 25 1980
At proposed prod. zone
same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
9 miles South of Maljamar, New Mexico

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 330'

16. NO. OF ACRES IN LEASE 80

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. ----

19. PROPOSED DEPTH 4500'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3767.4' GR

22. APPROX. DATE WORK WILL START*
October 1, 1980

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8-5/8" New	20# 8 Rnd.	350'	250 sacks Class "H" CIRCULATE
7-7/8"	4 1/2" New	10.5# K-55 8 Rd.	4500'	450 sacks 50-50 pozmix CIRCULATE

1. Drill 11" hole and set 8-5/8" surface casing to 350' with good returns.
2. Log B.O.P. checks in daily drill reports and drill 7-7/8" hole to 4500'.
3. Run tests if warranted and run 4 1/2" casing if productive.
4. Run logs, as needed, and perforate and stimulate as needed.

EXHIBITS ATTACHED

- "A" Location and Elevation Plat
"B" The Ten-Point Compliance Program
"C" The Blowout Preventer Diagram
"D" The Multi-Point Requirements for A.P.D.
"E" Access Road Maps to Location
"F" Radius Map of Field
"G" Drill Pad Layout, Production Facilities & Cut-Fill Cross-Section
"H" Drill Rig Layout

18. 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 John H. Hill TITLE President DATE 11/1/79
(This space for Federal or State office use)

PERMIT NO. APPROVED APPROVAL DATE SEP 3 1980

APPROVED BY for TITLE DISTRICT SUPERVISOR DATE SEP 3 1980

*See Instructions On Reverse Side

30-025-27037

5. LEASE DESIGNATION AND SERIAL NO.
NM-17807

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME
Marshall Federal

9. WELL NO.
#2

10. FIELD AND POOL, OR WILDCAT
Querecho Plains Queen

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
Sec. 23 T18S R32E

12. COUNTY OR PARISH
Lea

13. STATE
New Mexico

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT
EXHIBIT "A"- Location & Elevation Plat

Form O-160
Supersedes O-120
Effective 1-1-67

All distances must be from the outer boundaries of the Section

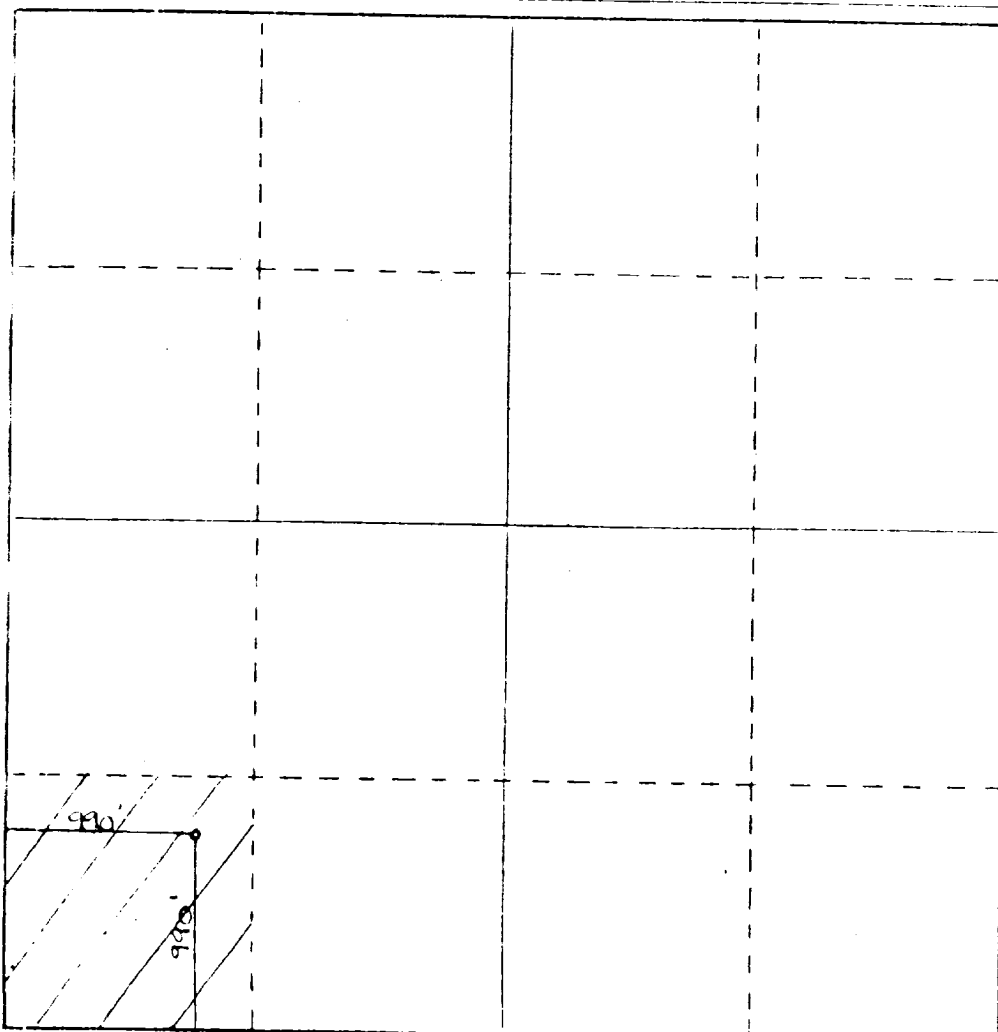
Lessee Esperanza Energy Corp.			Lease Marshall Federal (NM-17807)			Well Log Marshall Fed. #2		
Section M	Section 23	Township 18 South	Range 32 East	County Lea				
Well Footage Location of Well: 990 feet from the South line and 990 feet from the West line Ground Level Elev. 3767.4 Producing Formation Queen Pool Querecho Plains Queen Dedicated Acreage 40								

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Signature: *George Lapaseotes*
Name: **George Lapaseotes**
Position: **V. President Powers Elevation Agent Consultant for**

Company: **Esperanza Energy Corporation**

Date: **July 22, 1980**

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 knowledge and belief.

Date: **20th June 1980**
Signature: *Donald H. Huddleston*
Name: **Donald H. Huddleston**
Position: **Regional Director**

6844

330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600 6930 7260 7590 7920 8250 8580 8910 9240 9570 9900

EXHIBIT "B"
TEN-POINT COMPLIANCE PROGRAM
OF NTL-6 APPROVAL OF OPERATIONS

Attached to Form 9-331C
Esperanza Energy Corporation
Marshall Federal #2
SW SW Sec. 23 T18S R32E
990' FSL & 990' FWL
Lea County, New Mexico

1. The Geologic Surface Formation

The surface formation is the Anhydride.

2. Estimated Tops of Important Geologic Markers

Rustler Anhydride	1140'
Top of Salt	1260'
Base of Salt	2540'
Gates	2710'
Seven Rivers	2920'
Queen	3910'
TOTAL DEPTH	4500'

3. Estimated Depths of Anticipated Water, Oil, Gas or Minerals

Queen	3910'	Oil
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4. The Proposed Casing Program

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>SECTION LENGTH</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE & JOINT</u>	<u>NEW OR USED</u>
11"	0-350'	350'	8 5/8"	20# Limited Service 8Rd.	New
7 7/8"	0-4500'	4500'	4½"	10.5# K-55 8Rd.	New

Cement Program

Surface Casing: 250 sxs class "H" with 2% Ca Cl (circulate)

Production Casing: 450 sxs cement w/50-50 pozmix and salt.

5. The Operator's Minimum Specifications for Pressure Control

BOP will be a 900 series, 3000# WP. EXHIBIT "C" is a schematic diagram of the blowout preventer equipment. The BOP's will be hydraulically tested to half of working pressure after nipping up and after any use under pressure. Pipe rams will be operationally checked each 24-hour period, as will blind rams each time pipe is pulled out of the hole. Such checks of BOP will be noted on daily drilling reports.

Accessories to BOP will include an upper kelly cock and floor safety valve, with pressure rating equivalent to the BOP stack.

6. The Type and Characteristics of the Proposed Circulating Muds

Mud system will be gel-chemical with adequate stocks of sorptive agents on site to handle possible spills of fuel and oil on the surface. Heavier muds will be on location to be added if pressure requires.

<u>DEPTH</u>	<u>TYPE</u>	<u>WEIGHT #/gal.</u>	<u>VISCOSITY-sec./qt.</u>	<u>FLUID LOSS cc</u>
0-350'	native mud	-----	-----	-----
350'-TD	salt gel	9.4	50	10cc

7. The Auxiliary Equipment to be Used

- (a) An upper kelly cock will be kept in the string.
- (b) A float will be used at the bit.
- (c) Neither a mud logging unit nor a gas detecting device will be monitoring the system.
- (d) A stabbing valve will be on the floor to be stabbed into the drill pipe when kelly is not in the string.

8. The Testing, Logging and Coring Programs to be Followed

- (a) No Dst's are anticipated.
- (b) The logging program will consist of a Laterolog, Gamma Ray, Density or Sonic thru production zones. Other logs will be determined at well site to best evaluate any shows.
- (c) No coring is anticipated.
- (d) Stimulation procedures will be determined after evaluation of logs. If treatment is indicated, appropriate Sundry Notice will be submitted.

9. Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well.

No hydrogen sulfide or other hazardous fluids or gases have been found, reported or known to exist at these depths in the area.

10. Anticipated Starting Date and Duration of the Operations

The anticipated starting date is set for October 1, 1980, or as soon as possible after examination and approval of drilling requirements. Operations should be completed within 19 days after spudding the well and drilling to casing point.