

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) 30-025-28998
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LG-7974

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL <input type="checkbox"/> RE-ENTER <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Lease Name or Unit Agreement Name Sherry M. State
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		
2. Name of Operator Lanexco, Inc.		8. Well No. 1
3. Address of Operator P.O. Box 1206 Jal, New Mexico 88252		9. Pool name or Wildcat Airstrip Bone Springs
4. Well Location Unit Letter D : 330 Feet From The North Line and 660 Feet From The West Line Section 35 Township 18-S Range 34-E NMPM Lea County		

10. Proposed Depth 9280		11. Formation Bone Springs	12. Rotary or C.T.
13. Elevations (Show whether DF, RT, GR, etc.) 3991.6' GR	14. Kind & Status Plug. Bond Statewide	15. Drilling Contractor	16. Approx. Date Work will start August 20, 1990

17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
in well 17 1/2"	13 3/8	54.5 & 68	391	450 class C	Circulated
in well 11"	8 5/8	24 & 32	3991	1750 sx	Circulated
Proposed 7 7/8	4 1/2"	11.6	9280	100 sx	8800'

1. Prepare location and cellar for workover rig. Set deadmen.
2. Cut off dryhole marker. Rig up workover unit and reverse equipment. Install double ram BOP.
3. Drill out plugs: Surface-30 ft., 1650-1750, 3950-4050, 5250-5350, 7750-7850, 9050-9150. Circulate hole clean at 9280'.
4. Run 4 1/2 casing to 9280 and cement with 100 sacks class H.
5. Wait on cement 24 hours. Cut off 4 1/2 and install wellhead and BOP.
6. Test casing and wellhead to 1000 PSI.
7. Perforate approximate interval 9107-9147 and acidize.
8. Swab to evaluate. Frac if necessary.
9. Run production equipment.
10. Build tank battery and place on production.

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 Robert M. [Signature] TITLE Executive Vice President DATE 7-23-90

TYPE OR PRINT NAME _____ TELEPHONE NO. _____

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE JUL 27 1990

CONDITIONS OF APPROVAL, IF ANY:

Approved for 30 Days From Approval
Date of Last Drilling Underway