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

State of New Mexico Energy, Minerals and Natural Resources Department

Santa Fe, New Mexico 87504-2088

Form C-101 Revised 1-1-89

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

OIL CONSERVATION DIVISION P.O. Box 2088

API NO. (assigned by OCD on New Wells) 30-025-31949

DISTRICT II

P.O. Drawer DD, Artesia,	NM 88210 ,			5. Indicate Type of Lease	
DISTRICT III	•				TATE X FEE
1000 Rio Brazos Rd., Azte	sc, NM 87410			6. State Oil & Gas Lease	: No.
APPLICAT	TION FOR REDMIT	TO DOWN DEEDEN	OD DULIO DAOK	L-6691	
la Type of Work:	TION FOR PERMIT	TO DRILL, DEEPEN,	OH PLUG BACK	<u> </u>	
				7. Lease Name or Unit A	greement Name
b. Type of Well:	L X RE-ENTER	DEEPEN	PLUG BACK		
OF ABIT ABIT	OTHER	SINCLE ZONE	MULTIPLE 2008	State "HH"	(Delaware)
2. Name of Operator				8. Well No.	
Union Oil	Company of Calif	fornia		3	
3. Address of Operator				9. Pool name or Wildcat	
P. O. Box 671 - Midland, TX 79702			Geronimo (I	Delaware)	
4. Well Location Unit Letter	I : 2050 Feet F	rom The south	Line and	50 Feet From The	east Line
Section 36	Town	thip 19-S Ra	nge 32-E	nmpm Lea	County
<i>\////////////////////////////////////</i>		10. Proposed Depth	1	1. Formation	12. Rotary or C.T.
		///// 8000 '		Delaware	Rotary
13. Elevations (Show wheth 3578.3		4. Kind & Status Plug. Bond Blanket	15. Drilling Contract Unknown		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"	48#	4501	400	Surface
12 1/4"	8 5/8"	32#	2900'	1100	Surface
7 7/8"	5 1/2"	17#	8000'	1300	2800 '

3000# Hydraulic BOP's from surface to T.D.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR FLUG BACK, GIVE DATA ON FRESENT 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 know	vienage and belief.			
SKINATURE Charlotte Belson	mr Drilling Clerk	DATE 4-13-93		
TYPEORPRINTNAME Charlotte Beeson		915 Telephone no. 682–9731		
(This space for State Use)				
UNESSAY SECTION SY JEST SEXTON		APR 27 1993		
APPROVED BY PARTY OF A STATE OF A	mrs	DATE		

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

DISTRICT I

OIL CONSERVATION DIVISION
P.O. Box 2088

P.O. Box 1980, Hobbs, NM 88240

Santa Fe, New Mexico 87504-2088

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All Distances must be from the outer boundaries of the section

The Latter Section 36	Operator UNION	OIL COMPANY	OF CALIFORNIA	Lease	STATE H.H.	ELAWARE	W	ell No.
intual Postage Location of Walt. 2050 feet from the SOUTH 100 feet from the SOUTH 100 and 750 feet from the SOUTH 100 and 100 feet from the SOUTH 100 and 100 feet from the SOUTH 100	Unit Letter	Section	Township	Range			., <u>_</u>	
2050 feet from the SOUTH time and 750 feet from the EAST time strength of the	ł	36	19 SOUTH		32 EAST	NMPM		LEA
Producing Formation Sorting the acreage dedicated to the subject well by colored pencil or hackney 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 interest of all owners been consolidated by communitization untitation, force—pooling, etc.? Yes Sorting to owners and tract descriptions which have actually been consolidated. (the reverse side of this form accessary. No allowable will be assigned to the well unit all interests have been consolidated (by communitization, untitisation, forced—pool otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division. 1329.2' I have a such a such a such as the such	ctual Footage Loc	cation of Well:	• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •			·· k. ··	
3578.3' Delaware Geronimo 40 Acr. 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lesse is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lesse of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization force-pooling, etc.? Yes X No If namewer is 'ros' type of consolidation	100	1 11000 100	time and) 	feet from	the EAST	line
1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 interest of all owners been consolidated by communitization unitization, force-pooling, etc.? 4. Yes No				1			D	•
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 interest of all owners been consolidated by communitization, force-pooling, etc.? Yes					 			40 Acres
If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary. No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pool otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division. 1,329.2'	 If more than If more than 	one lease is dedicate	ated to the well, outline e	ech and identi	fy the ownership th	ereof (both	as to working	
this form necessary. No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pool otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division. OPERATOR CERTIFICATION I have certify that the sufferm consistence have no remainded haven in true and complete in best of my knowledge and lesion. Signature Printed Name Company Union Oil Co. of Cali: Date 4-13-93 SURVEYOR CERTIFICATION I have by certify that the unit location should be seen as a sufficient from this plat was picted from Asia make actual surveys make by me or under the series of the best of my knowledge and APRIL O5, 1993 Signature & Seal of Professional Surveyor ACHARC & Seal of Professional Surveyor 1306.1'	Yes	⋈ No	If answer is "yes" typ			. (**		
No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pool otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division. OPERATOR CERTIFICATION I harroby certify the the information of the interest of my innovindes and bottle. Signature Printed Name Charlotte Beeson Position Drilling Clerk Company Union Oil Co. of Cali: Date 4-13-93 SURVEYOR CERTIFICATION I harroby certify that the until iocation is on this plat was plotted from fails note actual surveys made by me or under the supervision of that the unit iocation is not this plat was plotted from fails note actual surveys made by me or under the supervision of that the surveys made by me or under the supervision of the the surveys of my knowledge shield. Date Surveyed APRIL 05, 1993 Signature APRIL 05, 1993 Signature date the surveyor APRIL 05, 1993 Signature date the surveyor date of the surve			nd tract descriptions which	n have actuall	y been consolidated	1. (Use reve	erse side of	
I hereby certify the the suformational herein is true and complete to best of my immunisate and beitef. Signature Amounts. Beasan Printed Name Charlotte Beeson Position Drilling Clerk Company Union Oil Co. of Cali: Date 4-13-93 SURVEYOR CERTIFICATION I hereby certify that the until location is not this plat was plotted from fuld note actual surveys made by me or under supervisor, and that the same is true correct to the best of my incomiding being. Date Surveyed APRIL O5, 1993 Signature & Seal of Professional Surveyor Ceptificate No. 9944 W MES. Company C	No allowable w	rill be assigned to	the well unit all inter rd unit, eliminating sucl	ests have been interest, has	en consolidated (b been approved by	y commun the Divisi	utization, unit on.	zation, forced-pooling
I harrely certify the the informational harren is true and complete to best of my howevinder and being. Signature Printed Name Charlotte Beeson Position Drilling Clerk Company Union Oil Co. of Cali: Date 4-13-93 SURVEYOR CERTIFICATION I hereby certify that the until location show this plat was plotted from fuld note actual sweeper made by me or under supervision, and that the same is true certific to the best of my knowledge being. Date Surveyed APRIL 05, 1993 Signature & Seal of Professional Surveyor Professional Surveyor APRIL 05, 1993 Signature & Seal of Professional Surveyor APRIL 05, 1993 Signature & Seal of Professional Surveyor APRIL 05, 1993 Signature & Seal of Professional Surveyor APRIL 05, 1993 Signature & Seal of Professional Surveyor APRIL 05, 1993 Signature & Seal of Professional Surveyor APRIL 05, 1993 Signature & Seal of Professional Surveyor	1 729	2'	· · · · · · · · · · · · · · · · · · ·				OPERATO	R CERTIFICATION
Charlotte Beeson Printed Name Charlotte Beeson Position Drilling Clerk Company Union Oil Co. of Cali: Date 4-13-93 SURVEYOR CERTIFICATION I hereby certify that the until location sh on this plat was plotted from field note actual surveys made by me or under supervison, and that the same is true correct to the best of my knowledge belay. Date Surveyed APRIL O5, 1993 Signature & Seal of Professional Surveyor The company Copyrights No. 1994 W/MS RONALD Fields RO	,323				 		contained herein	is true and complete to th
Charlotte Beeson Position Drilling Clerk Company Union Oil Co. of Cali: Date 4-13-93 SURVEYOR CERTIFICATION I hereby certify that the well location sh on this plat was plotted from field note actual severe made by me or under supervison, and that the same is true correct to the best of my knowledge belter. Date Surveyed APRIL 05, 1993 Signature & Soal of Professional Surveyor Ceptificate No. 1964 w/m55 RONALD #5655							Charlott	Beeson
Drilling Clerk Company Union Oil Co. of Cali: Date 4-13-93 SURVEYOR CERTIFICATION I hereby certify that the well location shoon this plat was plotted from field note actual surveys made by me or under supervison, and that the same is true correct to the best of my knowledge bester. Date Surveyed APRIL 05, 1993 Signature & Seal of Professional Surveyor Ceptificate No. 100 N N S. RONALD Eggs.								e Beeson
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Professional Surveyor OCC Certificate No. John W. Mass RONALD EUSSIGN SARVA SES.							APRI	L 05, 1993
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Unocal Energy Resour Division Unocal Corporation 1004 North Big Spring, Suite 300 P.O. Box 3100 Midland, Texas 79702 Telephone (915) 685-7600



March 26, 1993

Permian Basin Business Unit

Horizon Potash Corporation Box 279 Carlsbad, New Mexico 88221

Attn: Mr. Larry Randlett Chief Mining Engineer

RE: Proposed Drilling Operations

Township 19 South, Range 32 East NE/4SE/4 Section 36 Lea County, New Mexico

Dear Mr. Randlett:

In accordance with our meeting of March 25, 1993 in your office and to comply with NMOCD Order No. R-111-P, you are hereby notified that Union Oil Company of California proposes to drill a well approximately 8,000 feet to a depth sufficient to test the Delaware formation or shallower at the following location:

750' FEL and 2050' FSL Section 36-19S-32E

If you are in agreement with the above, please indicate your acceptance in the space provided below and return same to me for our files and further handling with the necessary agencies.

Very truly yours,

UNION OIL COMPANY OF CALIFORNIA

dba JUNOCAL

Mike Nixson SPB Landman

MAN/jb CERTIFIED MAIL

AGREED TO AND ACCEPTED THIS 15 DAY OF America, 1993.

HORIZON POTASH/CORPORATION

Title:

The factual facetor will allow to whom the arise and the date Congult poetmaster for fee. 3. Article Addressed to: 8. Article Nights and Corporation 4. Article Nights and Corporation 5. Article Nights and Corporation 6. Signature Article Nights and Corporation 6. Signature Article Nights and Corporation 7. Date of Daily Ni
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HORIZON POTASH CORP. 2	HORIZON POTASH CORP. 1	HORIZON POTASH CORP.

* HORIZON POTASH CORP HAS OPTION FROM NORANDA EXPLORATION TO DEVELOPE POTASH