

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)

30-025-31949

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

L-6691

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐

b. Type of Well:

OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. Name of Operator

Union Oil Company of California

3. Address of Operator

P. O. Box 671 - Midland, TX 79702

7. Lease Name or Unit Agreement Name

State "HH" (Delaware)

8. Well No.

3

9. Pool name or Wildcat

Geronimo (Delaware)

4. Well Location

Unit Letter I : 2050 Feet From The south Line and 750 Feet From The east Line

Section 36 Township 19-S Range 32-E NMPM Lea County

10. Proposed Depth

8000'

11. Formation

Delaware

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3578.3' GR

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Unknown

16. Approx. 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#	450'	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 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 Charlotte Beeson TITLE Drilling Clerk DATE 4-13-93

TYPE OR PRINT NAME Charlotte Beeson TELEPHONE NO. 915 682-9731

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY JERRY SEXTON TITLE PERMIT SUPERVISOR DATE APR 27 1993

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval
Date Unless Drilling Underway.

Submit to Appropriate
District Office
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Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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WELL LOCATION AND ACREAGE DEDICATION PLAT

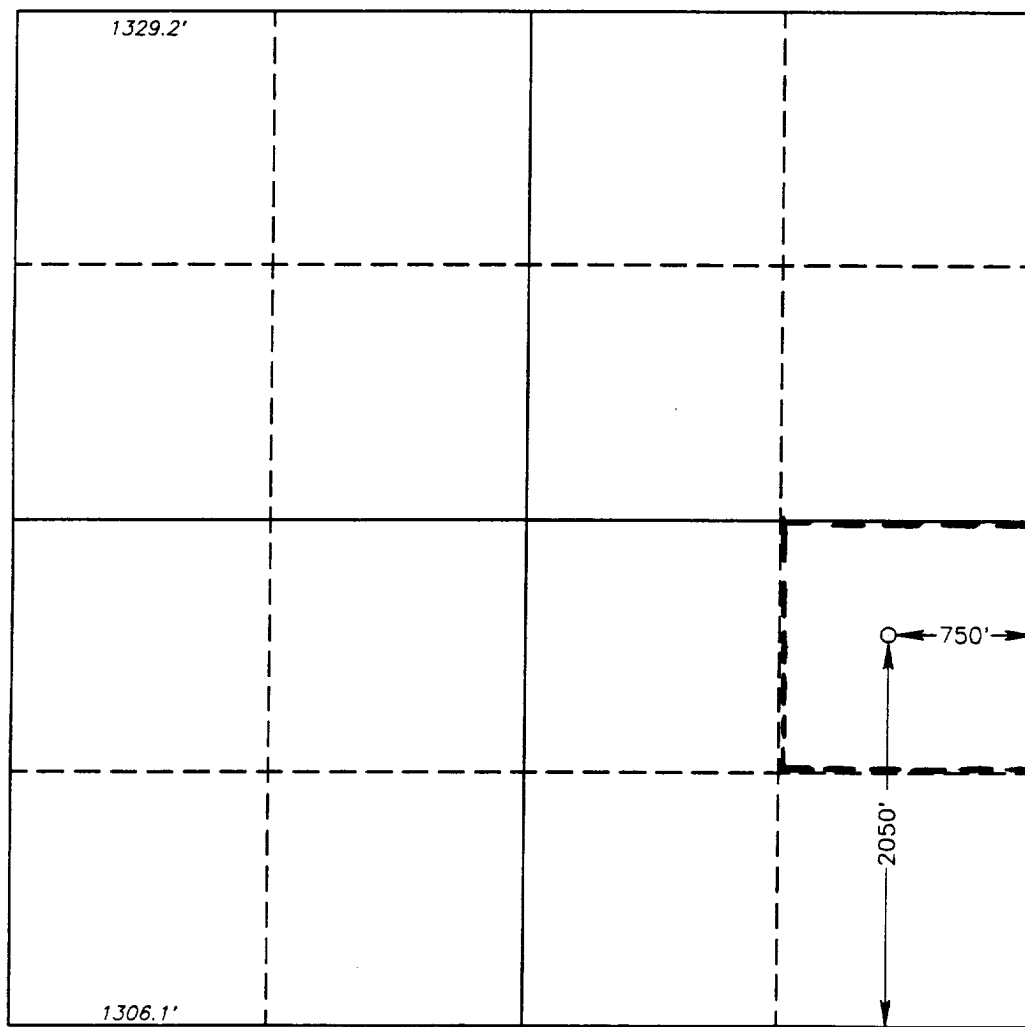
All Distances must be from the outer boundaries of the section

Operator UNION OIL COMPANY OF CALIFORNIA			Lease STATE H.H. DELAWARE		Well No. 3
Unit Letter I	Section 36	Township 19 SOUTH	Range 32 EAST NMPM	County LEA	
Actual Footage Location of Well: 2050 feet from the SOUTH line and 750 feet from the EAST line					
Ground Level Elev. 3578.3'	Producing Formation Delaware	Pool Geronimo	Dedicated Acreage: 40 Acres		

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.?
☐ Yes ☒ No If answer is "yes" type of consolidation _____

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-pooling, otherwise) or until a non-standard unit, eliminating such interest, 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
Charlotte Beeson
Printed Name
Charlotte Beeson
Position
Drilling Clerk
Company
Union Oil Co. of Calif.
Date
4-13-93

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 knowledge and belief.

Date Surveyed
APRIL 05, 1993
Signature & Seal of
Professional Surveyor

Certificate No. JOHN W. WEST 876
RONALD J. ELDON 3239
GARY W. JONES 7977
95-11-0285

Unocal Energy Resources 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:

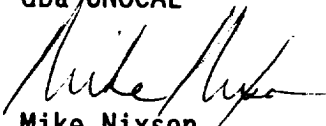
In accordance with our meeting of March 25, 1993 in your office and to comply with NMOCD Order No. R-111-P, you are hereby notified that Union Oil Company of California proposes to drill a well approximately 8,000 feet to a depth sufficient to test the Delaware formation or shallower at the following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

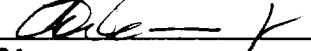
UNION OIL COMPANY OF CALIFORNIA
dba UNOCAL


Mike Nixon
SPB Landman

MAN/jb
CERTIFIED MAIL

AGREED TO AND ACCEPTED THIS 1st DAY OF April, 1993.


HORIZON POTASH CORPORATION

By: 
Title: VP

If your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to: Horizon Potash Corporation Box 279 Carlsbad, New Mexico 88221 Attn: Mr. Larry Randlett Chief Mining Engineer	
4a. Article Number P 429 58 779	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
5. Signature (Addressee) 	7. Date of Delivery 3-29-93
8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1991 * U.S. GPO : 1992-307-530

DOMESTIC RETURN RECEIPT

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

Thank you for using Return Receipt Service.

T 19 S R 32 E

UNLEASED

26

US

UNLEASED

25

US

UNLEASED

30

US

HORIZON POTASH CORP.

35

HORIZON POTASH CORP.

12-HH ○

36

3-HH ○

HORIZON POTASH CORP.

31

HORIZON POTASH CORP.

2

HORIZON POTASH CORP.

1

HORIZON POTASH CORP.

6

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

1 MILE