N.M. OIL CONS. C MISSION

Form 3160-3
(July 1992)

OPER. OGRID NO. [illegible] — RIPLICATE* 88240

UNI PROPERTY NO. [illegible]

DEPARTMEN POOL CODE [illegible]

BUREAU OF EFF. DATE [illegible]

API NO. 30-025-32617

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR P

5. LEASE DESIGNATION AND SERIAL NO.: NM 35612

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

1a. TYPE OF WORK: DRILL [X]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME, WELL NO.: POLEWSKI FED.#3

2. NAME OF OPERATOR: RAY WESTALL

9. API WELL NO.:

3. ADDRESS AND TELEPHONE NO.: P.O. BOX 4, LOCO HILLS,NM 88255 (505) 677-2370

10. FIELD AND POOL, OR WILDCAT: LUSK

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1980' FNL & 660' FWL
At proposed prod. zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SEC 31 T19S R32E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 16 MILES SE OF LOCO HILLS

12. COUNTY OR PARISH: LEA — 13. STATE: N.M.

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
990'	360	42
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
990'	7300	ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3518' — Secretary's Potash

22. APPROX. DATE WORK WILL START*: ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2	13 3/8" H-40	48# STC	500	350 SXS CIRCULATED
11"	8 5/8" J-55 ~~2428~~ 1600'	& 32#	4000	1500 SXS CIRCULATED
~~8 5/8~~ 7 7/8"	5 1/2" J-55	17#	7300	500 SXS 1 STAGE 800 SXS 2ndSTAGE W/DV TOLL @ 6500' tie back

ALL CASING WILL BE NEW.

he surface hole will be drilled with fresh water, intermediate with ~~fresh~~ 10PPG BRINE water,production with cut brine 8.7-8. 9#.

A ~~10U~~ 900s BOP will be installed on the ~~8 5/8~~ 13 3/8" casing and tested to 3,000# prior to drill out.

If well is productive the 5 1/2" casing will be cemented at TD. If non-productive the well will be plugged and abandoned.

Approval Subject to
General Requirements and
Special Stipulations
Attached

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 [signature] TITLE GEOLOGIST DATE 7/1/96

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Frank Splendoria TITLE Acting State Director DATE AUG 14 1996

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
		Lusk

⁴ Property Code	⁵ Property Name	⁶ Well Number
	Polewski Federal	3

⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
	Ray Westall	3519

¹⁰ Surface Location

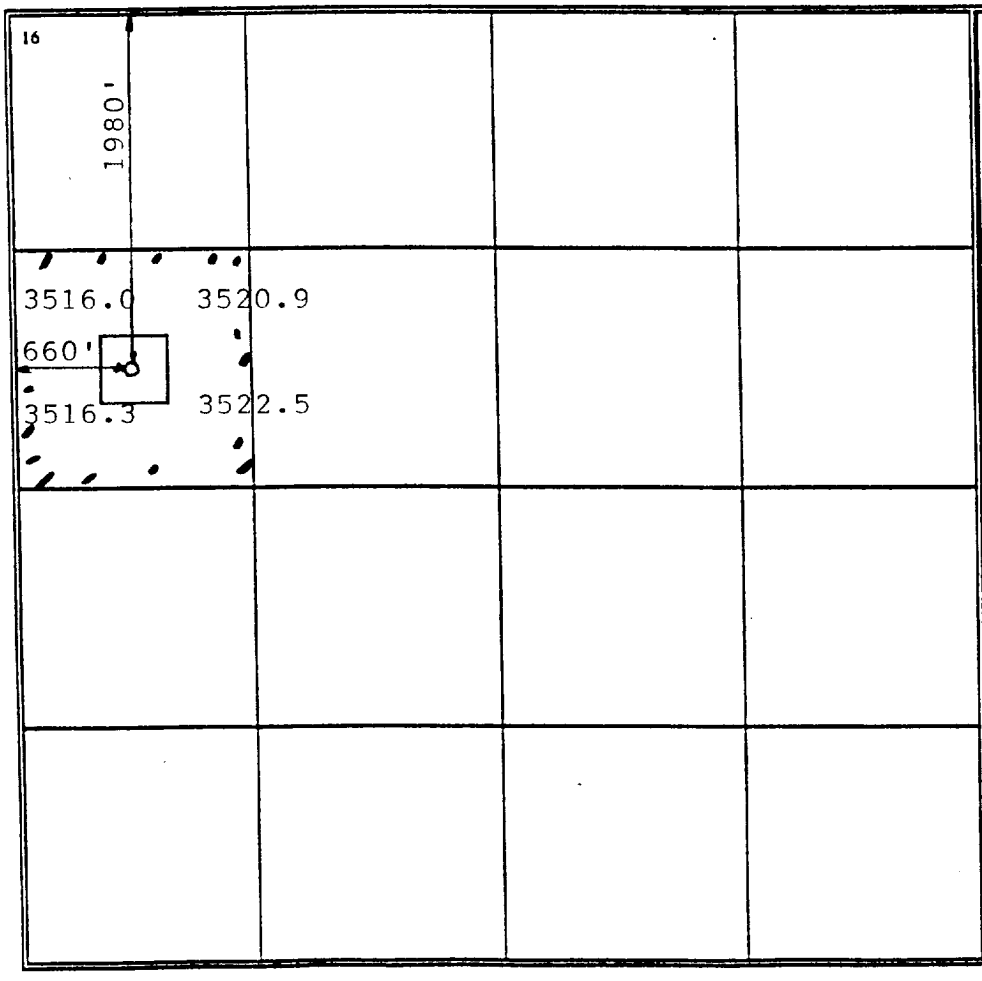
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	31	19 S	32 E		1980	North	660	West	Lea

¹¹ 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	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION

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

Signature

Printed Name
RANDALL HARRIS

Title
GEOLOGIST

Date
7/11/96

¹⁸ 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 belief.

November 6, 1995

Date of Survey

W. P. Patton

Signature and Seal of Professional Surveyor

NEW MEXICO 8112 REGISTERED PROFESSIONAL LAND SURVEYOR

Certificate Number 8112

N.M Oil Cons. Division
P.O. Box 1980
Hobbs, NM 88241

Form 3160-5
(June 1990)

RECEIVED
JUL 24 11 25 AM '96
ARE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
RAY WESTALL

3. Address and Telephone No.
P.O. BOX 4,LOCO HILLS, NM 88255 (505)677-2370

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FNL & 660' FWL
SEC 31 T19S R32E

5. Lease Designation and Serial No.
NM 35612

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
POLEWSKI FED. #3

9. API Well No.

10. Field and Pool, or Exploratory Area
LUSK

11. County or Parish, State
LEA COUNTY, NM

12 CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
☒ Notice of Intent	☐ Abandonment	☒ Change of Plans
☐ Subsequent Report	☐ Recompletion	☐ New Construction
☐ Final Abandonment Notice	☐ Plugging Back	☐ Non-Routine Fracturing
	☐ Casing Repair	☐ Water Shut-Off
	☐ Altering Casing	☐ Conversion to Injection
	☐ Other _____	☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

#1 CHANGE SIZE OF BIT TO 7 7/8 FROM 8 5/8

#2 BOP ON SURFACE CASING TESTED TO 3,000# PRIOR TO DRILL OUT

#3 ALL CASING WILL BE NEW

#4 8 5/8 CASING WILL BE 2400' 28# & 1600' 32#

#5 BRINE WILL BE USED IN INTERMEDIATE HOLE.

L. Lara
AUG 0 1996

14. I hereby certify that the foregoing is true and correct
Signed Susan R. Parker Title PRODUCTION CLERK Date 7/23/96

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.: NM 35612

6. If Indian, Allottee or Tribe Name:

SUBMIT IN TRIPLICATE

7. If Unit or CA, Agreement Designation:

1. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.: POLEWSKI FED#3

2. Name of Operator: RAY WESTALL

9. API Well No.:

3. Address and Telephone No.: PO BOX 4, LOCO HILLS, NM 88255 (505)677-2370

10. Field and Pool, or Exploratory Area: LUSK

4. Location of Well (Footage, Sec., T., R., M., or Survey Description): 1980' FNL & 660' FWL SEC 31 T19S R32E

11. County or Parish, State: LEA COUNTY, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
[X] Notice of Intent	[ ] Abandonment	[X] Change of Plans
[ ] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[ ] Other _____	[ ] Dispose Water

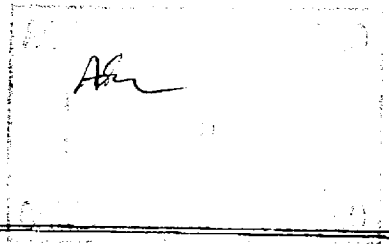
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

13 7/8" CASING CEMENT WILL BE 350 SXS OF CLASS "C" WITH 2% CaCl 2.

8 5/8" CASING CEMENT WILL BE 1500 SXS OF CLASS "C" WITH 5# PER SACK SALT & 2% CaCl 2.

5 1/2" CASING CEMENT WILL BE 500 SXS CLASS "H" WITH 2% CaCl 2.



14. I hereby certify that the foregoing is true and correct.

Signed Susan R. Parker Title PRODUCTION CLERK Date 7/25/96

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
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*See Instruction on Reverse Side

APPLICATION FOR DRILLING

Ray Westall
Polewski Federal No. 3
1980' FNL & 660' FWL
Section 31
Township 19 South, Range 32 East
Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, Ray Westall submits the following ten items of pertinent information in accordance with BLM requirements:

1. The geological surface formation is Quaternary.

2. The estimated tops of geologic markers are as follows:

Yates	2500
Seven Rivers	2750
Delaware	4200
Bone Springs	7250

3. The estimated depths at which anticipated water, oil & gas formations are expected to be encountered:
   Water 0-180'
   Oil and gas zones 4200-7250'

4. Proposed casing program: See 3160-3

5. Pressure Control Equipment:
   A ~~10"~~ 900s BOP will be installed on the ~~8 5/8~~ 13 3/8" casing and tested to 3,000# prior to drill out.

6. Mud Program:
   Fresh water in surface hole.
   10 PPG BRINE ~~Fresh~~ in intermediate hole.
   Cut brine in production hole.

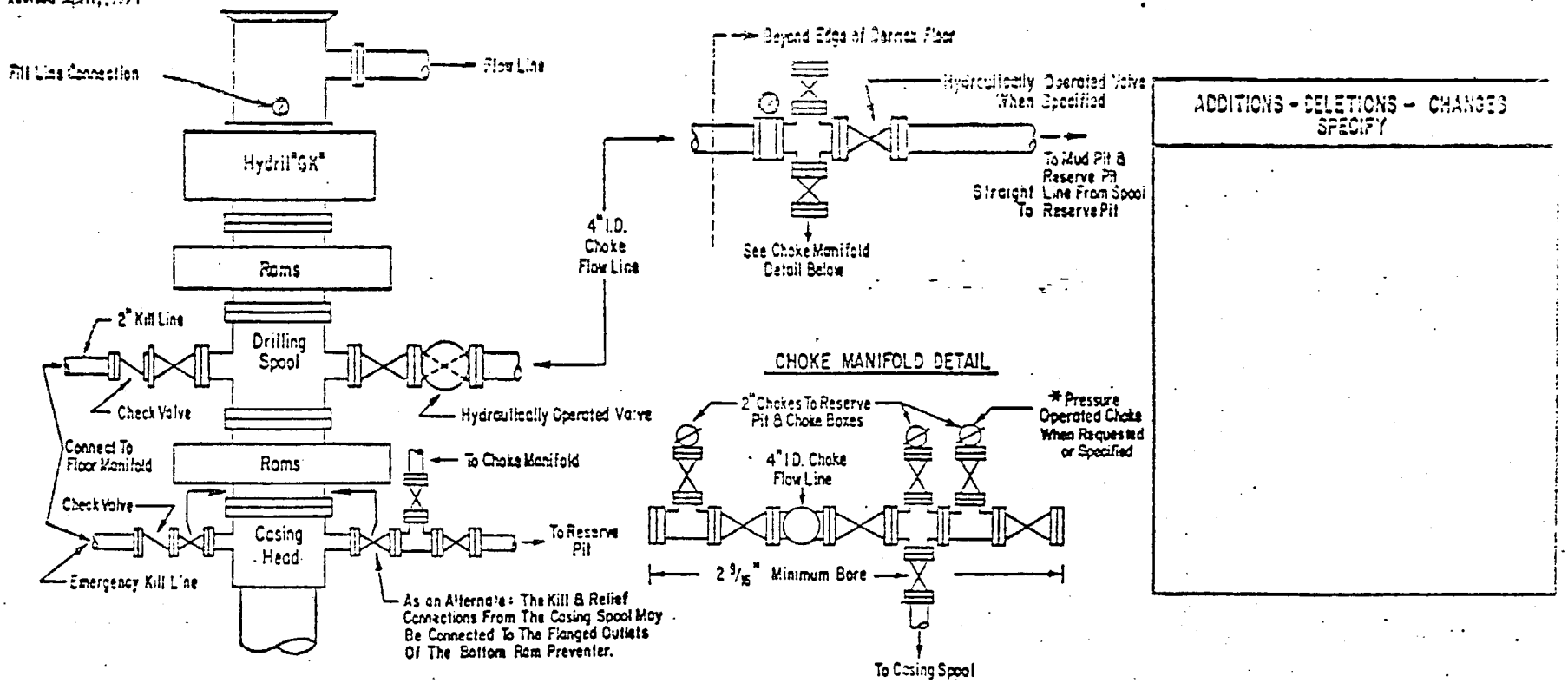
7. Auxiliary Equipment: None

8. Logging Program: CNL/FDC/Gr., DLL.

9. No abnormal pressures or temperatures are anticipated. Estimated BHP is 3500#, Estimated BHT is 130.F

10. Anticipated starting date:
    As soon as possible.
    Duration: 12 days drilling
              5 days completion

DRAWING NO. 3
Revised April, 1971



ADDITIONS - DELETIONS - CHANGES SPECIFY

3000 PSI WORKING PRESSURE BLOWOUT PREVENTER HOOK-UP

The blowout preventer assembly shall consist of one blind ram preventer and one pipe ram preventer, both hydraulically operated, a Hydril "GK" preventer; valves; chokes and connections as illustrated. If a tapered drill string is used, a ram preventer must be provided for each size of drill pipe. Casing and tubing rams to fit the preventers are to be available as needed. If correct in size, the flanged outlets of the ram preventer may be used for connecting to the 4-inch I.D. choke flow line and kill line, except when air or gas drilling. The substructure height shall be sufficient to install a rotating blowout preventer.

Minimum operating equipment for the preventers and hydraulically operated valves shall be as follows: (1) Multiple pumps, driven by a continuous source of power, capable of fluid charging the total accumulator volume from the nitrogen precharge pressure to its rated pressure within _____ minutes. Also, the pumps are to be connected to the hydraulic operating system which is to be a closed system. (2) Accumulators with a precharge of nitrogen of not less than 750 PSI and connected so as to receive the aforementioned fluid charge. With the charging pumps shut down, the pressurized fluid volume stored in the accumulators must be sufficient to close all the pressure-operated devices simultaneously within _____ seconds; after closure, the remaining accumulator pressure shall be not less than 1000 PSI with the remaining accumulator fluid volume at least _____ percent of the original. (3) When requested, an additional source of power, remote and equivalent, is to be available to operate the above pumps; or there shall be additional pumps operated by separate power and equal in performance capabilities.

The closing manifold and remote closing manifold shall have a separate control for each pressure-operated device. Controls are to be labeled, with control handles indicating open and closed positions. A pressure reducer and regulator must be provided for operating the Hydril preventer. When requested, a second pressure reducer shall be available to limit operating fluid pressures to ram preventers. Gulf Legion No.38 hydraulic oil, an equivalent or better, is to be used as the fluid to operate the hydraulic equipment.

The choke manifold, choke flow line, and choke lines are to be supported by metal stands and adequately anchored. The choke flow line and choke lines shall be constructed as straight as possible and without sharp bends. Easy and safe access is to be maintained to the choke manifold. All valves are to be selected for operation in the presence of oil, gas, and drilling fluids. The choke flow line valves connected to the drilling spool and all ram type preventers must be equipped with stem extensions, universal joints if needed, and hand wheels which are to extend beyond the edge of the derrick substructure. All other valves are to be equipped with handles.

* To include derrick floor mounted controls.