

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

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

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)
N/A
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-2317

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL <input type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Lease Name or Unit Agreement Name Hale State			
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Well No. 1			
2. Name of Operator Olsen Energy, Inc.		9. Pool name or Wildcat Vacuum Grayburg-San Andres			
3. Address of Operator 16414 San Pedro, Suite 470, San Antonio, Texas 78232					
4. Well Location Unit Letter <u>E</u> : <u>2310</u> Feet From The <u>North</u> Line and <u>330</u> Feet From The <u>West</u> Line Section <u>31</u> Township <u>17-S</u> Range <u>34-E</u> NMPM <u>Lea</u> County					
10. Proposed Depth 4800		11. Formation San Andres			
12. Rotary or C.T. Rotary					
13. Elevations (Show whether DF, RT, GR, etc.) 4200 Gr.		14. Kind & Status Plug. Bond 1 well, applied for			
15. Drilling Contractor DA&S		16. Approx. Date Work will start 1-30-90			
17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
10"	8 5/8"	24	1581	100	750 Now in place
8"	7"	20	4615	125	2700 " " "
6 1/2"	4 1/2"	10.5	4570 - 4800		4570

1. Drill 6 1/2" hole from present TD of 4693' (in San Andres) to 4800' (in San Andres) with Pulling Unit and Reverse Unit.
2. Log.
3. Run 4 1/2" liner w/packer hanger from 4570' to TD. Cement w/sufficient "neat" cement to fill up to top of liner.

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 Dick Morton TITLE Drilling & Production Manager DATE 1-12-90
TYPE OR PRINT NAME Dick Morton TELEPHONE NO. 512-496-2466

(This space for State Use)

ORIGINAL SIGNATURE
DISTRICT

FEB 14 1990

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

RECEIVED

JAN 16 1990

OCN
HONOLULU