

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) |
| 30-025-30891 |
| 5. Indicate Type of Lease |
| STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| V-1357 |

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | |
|--|--------------------------------------|
| 1a. Type of Work: | 7. Lease Name or Unit Agreement Name |
| DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> | Mitchell "16" State |
| b. Type of Well: | 8. Well No. |
| OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | 2 |
| 2. Name of Operator | 9. Pool name or Wildcat |
| Meridian Oil Inc. | Young (Wolfcamp) |
| 3. Address of Operator | |
| 21 Desta Dr., Midland, TX 79705 | |
| 4. Well Location | |
| Unit Letter A : 469 Feet From The North Line and 554' Feet From The East Line | |
| Section 16 Township 18 South Range 32 East NMPM Lea County | |
| 10. Proposed Depth | 11. Formation |
| 11,000' | Wolfcamp |
| 12. Rotary or C.T. | |
| Rotary | |
| 13. Elevations (Show whether DF, RT, GR, etc.) | 14. Kind & Status Plug. Bond |
| 3799' GR. | Blanket |
| 15. Drilling Contractor | 16. Approx. Date Work will start |
| | 05 May 1990 |

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# | 350' | 350 sx | Surface |
| 12 1/4" | 8 5/8" | 24# | 2,900' | 1200 sx | Surface |
| 7 7/8" | 5 1/2" | 15.5# & 17# | 11,000' | 2100 sx | 2700' |

Drill 17 1/2" hole to 350'. Set 13 3/8" csg @350'. Cmt w/350 sx Class C--circulate. Drill 12 1/4" hole to 2900'. Set 8 5/8" csg @2900'. Lead w/1000 sx Lite C and tail w/200 sx Class C--circulate. Drill to TD to test the Middle & Lower Wolfcamp. If commercial, run 5 1/2" csg to 11,000'. Cmt w/sufficient volume to bring above all prospective zones. Est. TOC @2700'. Perf. and stimulate the Wolfcamp for production.

MUD PROGRAM: 0-350' spud mud; 350'-2,900' brine; 2,900'-10,700' cut brine and sweeps (chlorides 30,000+ ppm). 10,700'-TD cut brine and Drispac. MW 9.0-9.2 (solids must be less than 5% w/VIS 32-36).

BOP PROGRAM: 13 5/8"-2M annular BOP to be installed on 13 3/8" csg. 10"-3M stack to be installed on 8 5/8" and left on for remainder of drilling. Stack to consist of annular BOP, blind ram BOP, and one pipe ram BOP. After setting BOP's on 8 5/8" csg, test using an independent tester.

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 L. Bradshaw TITLE Sr. Staff Env./Reg. Spec. DATE 26 April 1990

TYPE OR PRINT NAME Robert L. Bradshaw TELEPHONE NO. 915/686-5678

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON

APPROVED BY DISTRICT I SUPERVISOR TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

APR 30 1990

Permit Expires 6 Months From Approval
Date Unless Drilling Underway

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RECEIVED

APR 27 1961

U.S. DEPT. OF JUSTICE
RECORDS SECTION