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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

30-025-27785

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No. V-279
7. Unit Agreement Name
8. Farm or Lease Name Sims 35 State
9. Well No. 2
10. Field and Pool, or Wildcat West Osudo Morrow (D)
12. County Lea
19. Proposed Depth 13,500'
19A. Formation Morrow
20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, RT, etc.) 3682.5' GR
21A. Kind & Status Plug. Bond Blanket-Active
21B. Drilling Contractor Parker Drilling Company
22. Approx. Date Work will start April 8, 1982

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
b. Type of Well DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>
2. Name of Operator HNG OIL COMPANY
3. Address of Operator P. O. Box 2267, Midland, Texas 79702
4. Location of Well UNIT LETTER J LOCATED 1980 FEET FROM THE south LINE AND 1980 FEET FROM THE east LINE OF SEC. 35 TWP. 20S RGE. 35E NMPM
21. Elevations (Show whether DF, RT, etc.) 3682.5' GR
21A. Kind & Status Plug. Bond Blanket-Active
21B. Drilling Contractor Parker Drilling Company
22. Approx. Date Work will start April 8, 1982

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#	850'	700	Circ.
12-1/4"	9-5/8"	40 & 36#	5500'	3500	Circ.
8-3/4"	7"	26 & 23#	11800'	1000	7000'
6-1/8"	4-1/2" Liner	13.5#	13500'	400	TOL: 11,500'

Pressure Control Program

A double blow-out preventor and rotating head with a choke manifold will be installed at the 13-3/8 inch and 7-inch casing points. The drill string will be equipped with a safety valve. The 13-3/8 inch casing will be tested to 5000# and the 7-inch to 5000# and 10,000# after installation.

Acreage is dedicated.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 10/2/82
UNLESS DRILLING UNDERWAY

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.

Signed Betty Gildon Title Regulatory Analyst Date 3/29/82
(This space for State Use)

ORIGINAL SIGNED BY

APPROVED BY JERRY SEXTON

CONDITIONS OF APPROVAL DISTRICT 1 SUPP

DATE APR 2 1982