

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-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|----------------------------------|----------------------------|
| Operator Name and Address. Jack Huff P. O. Box 50190 Midland, Texas 79710-0190 | | OGRID Number 36472 |
| Property Code 17789 | Property Name Shell State "B" | API Number 30-025-33838 |
| | | Well No. 2 |

7 Surface Location

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 36 | 19S | 36E | | 660 | North | 810 | West | Lea |

8 Proposed Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---------|----------|-------|---------|-----------------|------------------|---------------|----------------|--------|
| Proposed Pool 1 Yates Seven Rivers Queen | | | | | Proposed Pool 2 | | | | |

| | | | | |
|---------------------|-------------------------|------------------------|--------------------------------|---------------------------------|
| Work Type Code N | Well Type Code Gas | Cable/Rotary Rotary | Lease Type Code S | Ground Level Elevation 3607' |
| Multiple N | Proposed Depth 4000' | Formation Eumont | Contractor Rod Ric Drilling | Spud Date 4/1/97 |

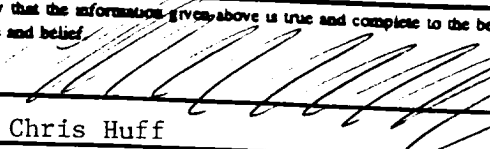
21 Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|----------------------|
| 12 1/4" | 8 5/8" | 24# | 400' | 260 | Circulate to Surface |
| 7 7/8" | 5 1/2" | 15.50# | 4000' | 730 | Circulate to Surface |
| | | | | | |
| | | | | | |

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to spud the well with a 12 1/4" hole and drill with freshwater gel to 400' where 8 5/8" casing well be set. An annular BOP will be installed at this point and a 7 7/8" hole will be drilled to 3600' with brine water. At 3600' hole will be mudded up with MF-55 & starch to TD of 4000'. The Penrose/Queen formation will be perforated and tested after running and cementing 5 1/2" casing.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

| | | | |
|--|-----------------------|--|------------------|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature:  | | OIL CONSERVATION DIVISION | |
| Printed name: Chris Huff | | Approved by: ORIGINAL SIGNED BY JERRY SEXTON | |
| Title: Operations Manager | | Title: DISTRICT I SUPERVISOR | |
| Date: 1/30/97 | Phone: (915) 683-9231 | Approval Date: FEB 17 1997 | Expiration Date: |
| | | Conditions of Approval: Attached <input type="checkbox"/> | |