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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-1-65

|                                                                        |
|------------------------------------------------------------------------|
| 5A. Initial Type of Lease                                              |
| STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 5. State Oil & Gas Lease No.                                           |

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|                            |                                                 |                                        |                                               |
|----------------------------|-------------------------------------------------|----------------------------------------|-----------------------------------------------|
| 6. Type of Work            | DRILL <input type="checkbox"/>                  | DEEPEN <input type="checkbox"/>        | PLUG BACK <input checked="" type="checkbox"/> |
| 7. Type of Well            | OIL WELL <input checked="" type="checkbox"/>    | GAS WELL <input type="checkbox"/>      | OTHER <input type="checkbox"/>                |
| 8. Single or Multiple Zone | SINGLE ZONE <input checked="" type="checkbox"/> | MULTIPLE ZONE <input type="checkbox"/> |                                               |

|                        |
|------------------------|
| 7. Unit Agreement Name |
| 8. Term or Lease Type  |
| Blankenship            |

|                                                                               |                                                     |
|-------------------------------------------------------------------------------|-----------------------------------------------------|
| 9. Name of Operator                                                           | Barnard A. Ray                                      |
| 10. Address of Operator                                                       | Box 1385 Midland, Texas 79702                       |
| 11. Location of Well                                                          | UNIT LETTER L LOCATED 590' 60" FEET FROM THE W LINE |
| 12. AND FEET FROM THE 2075 450' FN LINE OF SEC. 12 TWP. 20 S, RGE. 38 E NADON |                                                     |

|                                |        |
|--------------------------------|--------|
| 9. Well No.                    | #2     |
| 10. Field and Pool, or Wildcat | Howser |
| 12. County                     | Lea    |

|                                            |               |
|--------------------------------------------|---------------|
| 13. Proposed Depth                         | P.B. 6830     |
| 13A. Formation                             | Drinkard      |
| 13B. History of C.T.                       | W.O. Rig      |
| 21. Elevations (Show whether DF, RI, etc.) | 3569 KB       |
| 21A. Kind & Status Plug Bond               | Word & Son    |
| 21B. Drilling Contractor                   | W.O. Rig      |
| 22. Approx. Date Work will start           | Oct. 1st 1979 |

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING   | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
|--------------|------------------|-----------------|---------------|-----------------|----------|
|              | 5 1/2" - 11 1/2" |                 | 7125          | 200 SX          | 6000'    |
|              |                  |                 |               |                 |          |
|              |                  |                 |               |                 |          |

Producing from lower Clear Fork or the Drinkard pay to plug back to higher Drinkard zone 6725-6800', to perforate with about 10 holes and acid frac. Will set iron B.P. 6870 feet. Presently producing 2 to 5 BOP per day.

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 Barnard A. Ray Title Operator Date 9/5/79  
(This space for State Use)

APPROVED BY Jerry Sexton TITLE Dist. N.Y. Supv. DATE   
CONDITIONS OF APPROVAL Dist. N.Y. Supv.