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#### \*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

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State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

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OIL CONSERVATION DIVISION P.0. Box 2088

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 68210

DISTRICT III

### 1000 Rio Brazos Rd., Aztec, NM 67410

### WELL LOCATION AND ACREAGE DEDICATION PLAT

Santa Fe, New Mexico 87504-2088

All Distances must be from the outer boundaries of the section

Operator						Lease					Well No.	
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#### **APPLICATION FOR PERMIT TO DRILL**

#### WTI, LTD. "Barr None" Fed. #3 1980' FWL & 660' FNL Sec. 10-T22S-R32E Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill subject well, WTI.LTD submits the following items of pertinent information in accordance with BLM requirements on Federal Lands:

- 1. The geologic surface formation is sandy alluvium. The ground elevation at the proposed drill site is 3811.1' on the ground level.
- 2. The estimated tops of geologic markers are as follows:

Anhydrite	950'
Delaware Sand	4850'
Cherry Canyon	5875'
Brushy Canyon	7550'

3. Estimated depths at which water, oil, or gas formations are expected to be encountered are as follows:

Water:	550'			
Oil & Gas:	From 5000'8800'			

Fresh water zones will be protected by the 13 3/8" casing and the 8 5/8" casing strings, which will be cemented back to the surface.

- 4. Proposed Casing Program:
  - 13 3/8" 48# J-55 casing set at approx. 850' 8 5/8" 24# & 32# J-55 casing set at approx. 4500' 5 1.2" 17# J-55 casing set at approx. 9000'.

 Proposed Pressure Control Equipment: A 3000# working pressure double ram blow out preventer will be used throughout drilling operations. See BOP Diagram. 6. Mud Program:

A fresh water and native mud system will be used from the surface to 850'. A brine system will be used from 850' to the 8 5/8" setting depth at 4500'. Cut brine, starch, and salt gel will be used from 4500' to total depth of 9000'.

7. Auxiliary Equipment:

Upper and lower kelly cock vales, full opening stabbing valve with drill pipe connections, flow sensors, pvt.

8. Testing, Logging, and Coring Program:

Samples:	From base of surface casing to TD every 10'.
DST's:	As warranted from shows in samples.
Coring:	Side wall cores to be picked at logging.
Logging:	GR-CNL-FDC, DLL w/ RXO, EPT.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated Starting Date:

As soon as possible after approval of APD.

# EXHIBITB



## E FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.

Choke outlet to be a minimum of 4" diameter.

Kill line to be of all steel construction of 2" minimum diameter.

All connections from operating manifolds to preventers to be all steel. hole or tube a minimum of one inch in diameter.

The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.

All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.

Inside blowout preventer to be available on rig floor.

Operating controls located a safe distance from the rig floor.

Hole must be kept filled on trips below intermediate casing. Operator

not responsible for blowouts resulting from not keeping hole full.

. D. P. float must be installed and used below zone of first gas intrusion.

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