Form 3160-3
(July 1992)

N. M. OIL CONS. COMMISSION
P. O. BOX 1980
HOBBS, NEW MEXICO 88240

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT 4-28-97 RMH

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DSIGNATION AND SERIAL NO: LC 031670A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGRREEMENT NAME:

1a. TYPE OF WORK: DRILL ☒ DEEPEN ☐

b. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ OTHER — SINGLE ZONE ☒ MULTIPLE ZONE ☐

8. FARM OR LEASE NAME WELL NO: SEMU Burger B

2. NAME OF OPERATOR: Conoco Inc.

9. API WELL NO: 126

a. ADDRESS AND TELEPHONE NO: 10 Desta Dr. Ste 100W, Midland, Tx. 79705-4500 (915) 686-6548

10. FIELD AND POOL, OR WILDCAT: Skaggs Drinkard

4 LOCATION OF WELL (Report location clearly and in accordance with any State requirements *)
At surface: 1310' FSL & 1120' FWL

11. SEC, T., R., M., OR BLK. AND SURVEY OR AREA

At proposed prod. zone: Unit M — 1310' FSL & 1120' FWL — Sec. 19, T-20S, R-38E

14 DISTANCE IN MILES AND DIRECTION FROM NEAEST TOWN OR POST OFICE*

12. COUNTY OR PARISH: Lea — 13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if Any)	16 NO OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
		40
18 DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH	20. ROTARY OR CABLE TOOLS
	7000'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3535' GR

22. APPROX. DATE WORK WILL START*: 6/1/97

23 PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	M50 8-5/8"	#23	1250'	WITNESS 660 sxs, circ.
7-7/8"	K-55 5-1/2"	#15.5	7000'	WITNESS 1240 sxs, circ.

It is proposed to drill a vertical wellbore as a Drinkard producer according to the plan submitted in the following attachments:

1. Well Location and Acreage Dedication Plat (C-102)
2. Proposed Well Plan Outline
3. Surface Use Plan
4. EXHIBIT A: Vincinity and Lease Road Map
5. EXHIBIT B: 7.5 " Quadrangle Topo Map.
6. EXHIBITS C.1 - C.3: Road, pipeline & electric line plats
7. EXHIBIT D: Trailer-mounted rig layout
8. BOP & Choke Manifold Specifications
9. H2S Drilling Operations Plan.
10. Surface Owner Settlement Letter

An archeological survey will be submitted as soon as completed.

OPER. OGRID NO. 5073
PROPERTY NO. 3078
POOL CODE 57000
EFF. DATE 8/1/97
API NO. 30-025-34127

A NSL Application was filed with the OCD On March 26, 1997 and is expected to be approved by the date this well is drilled.

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described above and as covered by BLM Bond File No. ES-0085.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED Jerry W Hoover — TITLE Jerry W. Hoover, Sr. Conservation Coordinator — DATE 4/25/97

(This space for Federal or State office use)

PERMIT NO _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY (ORIG. SGD.) JAMES G. PETTENGILL TITLE ADM. MINERALS DATE

*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.

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-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-34127	57000	Skaggs Drinkard

[4] Property Code	[5] Property Name	[6] Well Number
~~003083~~ 3078	SEMU Berger B	126

[7] OGRID No.	[8] Operator Name	[9] Elevation
005073	CONOCO INC.	3535

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	19	20-S	38-E		1310	SOUTH	1120	WEST	LEA

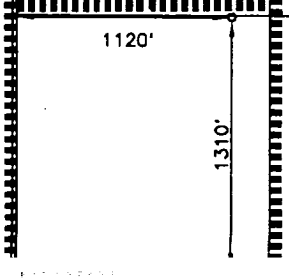
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
40			NSL-3854

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

JERRY W. HOOVER
Printed Name

SR. CONSERVATION COORDINATOR
Title

3/26/97
Date

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to best of my belief.

JANUARY ~~10~~, 1997
Date of Survey

Signature and Seal of Professional Surveyor

EARL FOOTE NEW MEXICO 8278 REGISTERED PROFESSIONAL LAND SURVEYOR

Certificate Number 8278

PR OSED WELL PLAN OUTLINE

WELL NAME **SEMU NO. 126**

LOCATION **'1120' FWL & 1320' FSL, SEC. 19, T-20S, R-38E, LEA CO.**

TVD IN 1000'	MD	FORMATION TOPS & TYPE	DRILLING PROBLEMS	TYPE OF FORMATION EVALUATION	HOLE SIZE	CASING SIZE	CASING DEPTH	FRAC GRAD	FORMATION PRESSURE GRADIENT	MUD WT	MUD TYPE	DAYS
0			POSSIBLE HOLE ENLARGEMENT AND SLOUGHING		12-1/4"				NORMAL	8.4 - 9.5	FRESH	
1		RUSTLER 1215'				8-5/8"	1250'					
			WASHOUTS IN SALT SECTION F/1400' - 2600'			M50 23#, ST&C 660 sx, circ cmt				10	BRINE	3
2		YATES 2660'		MUDLOGGERS ON @ 2600'								
		SEVEN RIVERS 2905'										
3					7-7/8"							
		QUEEN 3480'										
		PENROSE 3605'										
		GRAYBURG 3770'		H2S MONITOR ON @ 3600'								
		SAN ANDRES 3919'	PRESSURE DEPLETED POSSIBLE LOSSES AND SEEPAGE TO TOTAL DEPTH						LESS THAN 8.3			7
4												
5		GLORIETA 5290'	CASES OF DIFFERENTIAL STICKING THROUGH GLORIETA & PADDOCK									
		PADDOCK 5363'										
		BLINEBRY 5760'										
6		TUBB 6304'										
		DRINKARD 6634'										
				GR-CAL-DLL-MLL and FDC-CNL-PE-Spect GR		5-1/2"	7000		LESS THAN 8.3 BHP = 2750 psi	10	STARCH-GEL@TD	
7		TD @ 7000'		2600'-TD. Pull GR-CAL to surface casing. Only run SG across Drinkard, Blinebry & Tubb		15.5#, K-55, LT&C 1240 sx, circ cmt						17
8												

DATE 26 JANUARY, 1997

APPROVED Roger Williamson
DRILLING ENGINEER

Ray Hinchcliff
RESERVOIR ENGINEER

08:45:56 AM

Well Name: SEMU No. [illegible]

CEMENTING PROGRAM

Surface Casing String:

LEAD 460 sxs Class C Mixed at 12.7 ppg
Additives 65:35:6 Poz + 2% $CaCl_2$ + 1/4 #/sx Celloflake

TAIL 200 sxs Class C Mixed at 14.8 ppg
Additives 2% $CaCl_2$

Intermediate Casing String:

1st Stage

LEAD _____ sxs Class _____ Mixed at _____ ppg
Additives _____

TAIL _____ sxs Class _____ Mixed at _____ ppg
Additives _____
Percent free water _____ Water Loss _____ cc

2nd Stage

LEAD _____ sxs Class _____ Mixed at _____ ppg
Additives _____

TAIL _____ sxs Class _____ Mixed at _____ ppg
Additives _____
Percent free water _____ Water Loss _____ cc

Production Casing String:

1st Stage

LEAD 600 sxs Class C Mixed at 12.0 ppg
Additives 16% Gel + 0.2% A-5 + 0.3% CD-320 + .3% SMS

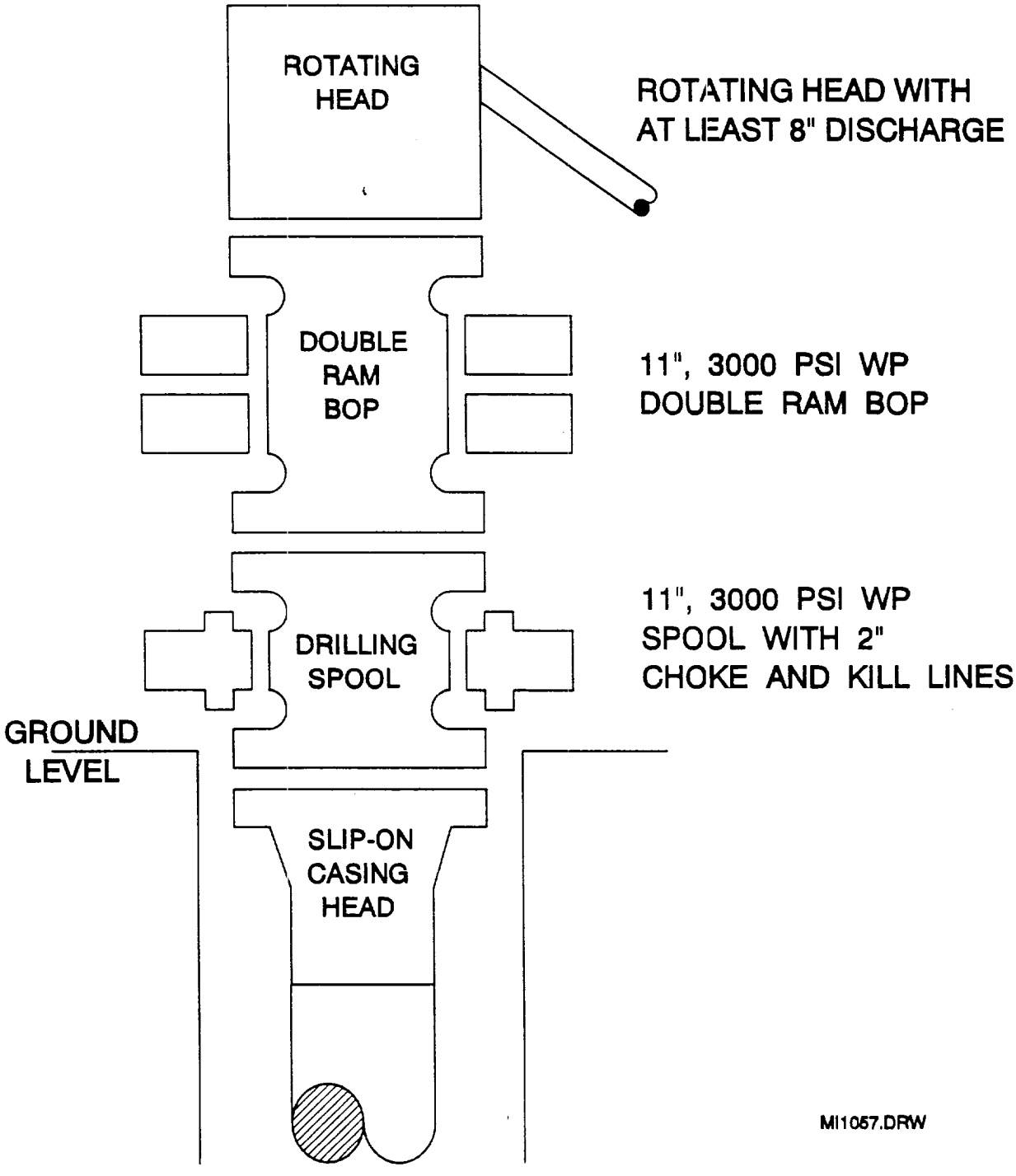
TAIL 640 sxs Class C Mixed at 14.8 ppg
Additives 1.1% FL-62 + 2% BA-90 + 1.5% A-5 + 0 .3% CD-32 + 0.2% SMS
Percent free water 0 Water Loss 51 cc

2nd Stage

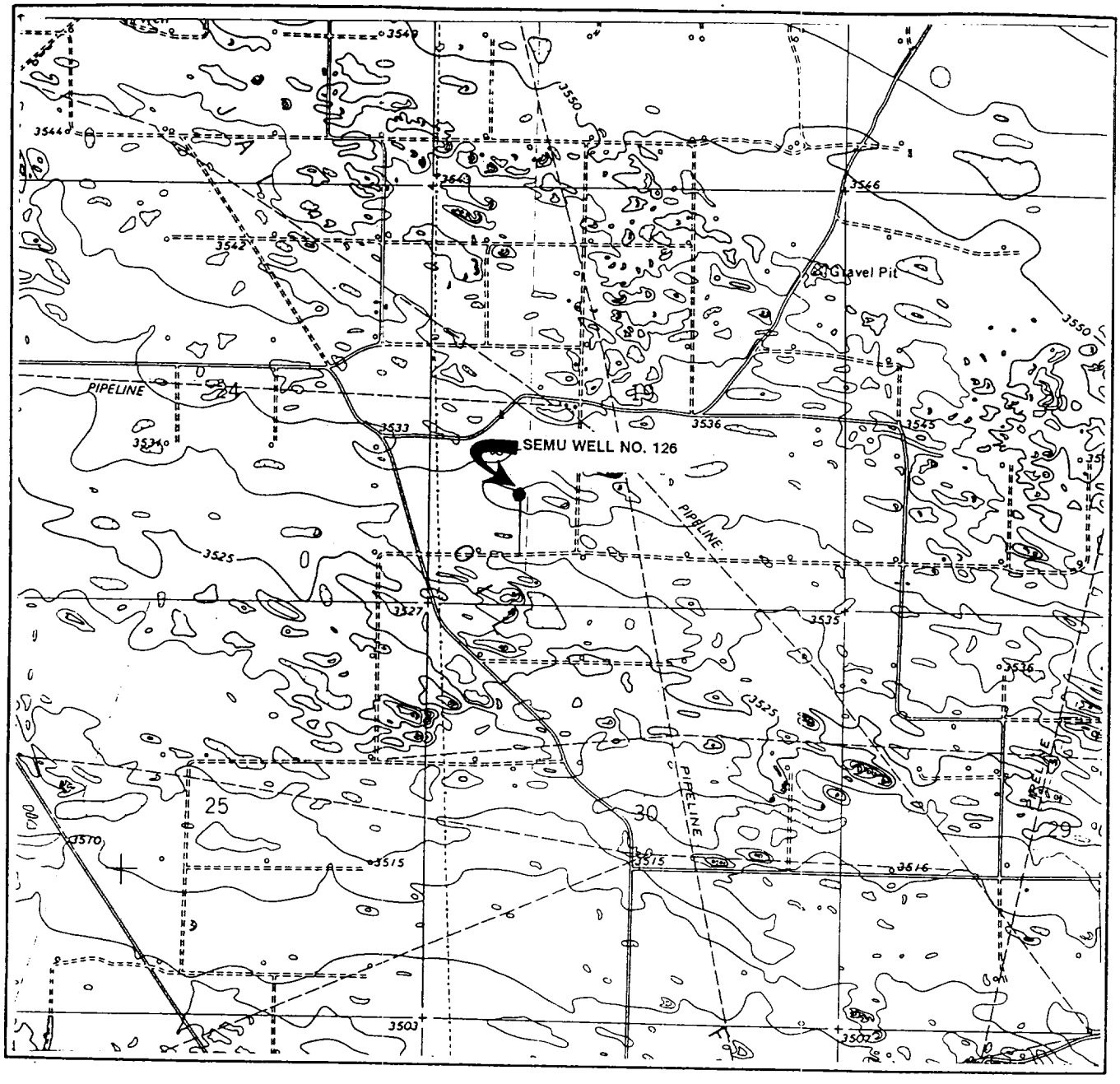
LEAD _____ sxs Class _____ Mixed at _____ ppg
Additives _____

TAIL _____ sxs Class _____ Mixed at _____ ppg
Additives _____
Percent free water _____ Water Loss _____ cc

BOP SPECIFICATIONS



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL 10'

WTC 44745

SEC. 19 TWP. 20-S RGE. 38-E

SURVEY N.M.P.M

COUNTY LEA STATE NM

DESCRIPTION 1310' FSL & 1120' FWL

ELEVATION 3535'

OPERATOR CONOCO INC.

LEASE SEMU WELL NO. 126

USGS TOPO MAP HOBBS SW, NM

WEST TEXAS CONSULTANTS, INC.

ENGINEERS-PLANNERS-SURVEYORS

MIDLAND, TEXAS

915-685-3800

EXHIBIT B