

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NEW MEXICO 83240

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | | | | |
|---|--|--|---|--|--|
| 1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> PLUG BACK <input type="checkbox"/> | | | 5. LEASE DESIGNATION AND SERIAL NO. NM029029B | | |
| b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME 11 15 AM '89 | | |
| 2. NAME OF OPERATOR American Exploration Company | | | 7. UNIT AGREEMENT NAME | | |
| 3. ADDRESS OF OPERATOR 2100 RepublicBank Center, Houston, Texas 77002 | | | 8. FARM OR LEASE NAME Sims Federal | | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FNL & 1980' FEL of Sec. 7, T22S, R38E, Lea Co., New Mexico At proposed prod. zone | | | 9. WELL NO. 2 | | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 5 Miles SE of Eunice, New Mexico | | | 10. FIELD AND POOL, OR WILDCAT So. Brunson Drinkard/ABO | | |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 1980 (Also to nearest drlg. unit line, if any) | | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 7, T22S, R38E | | |
| 16. NO. OF ACRES IN LEASE 120 | | | 12. COUNTY OR PARISH Lea | | |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL 40 | | | 13. STATE New Mexico | | |
| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, 1320 OR APPLIED FOR, ON THIS LEASE, FT. | | | 19. PROPOSED DEPTH 7900 | | |
| 20. ROTARY OR CABLE TOOLS Rotary | | | 21. APPROX. DATE WORK WILL START* March, 1989 | | |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3348.6 GL | | | | | |

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 15" | 10-3/4" | 45.5# | 838 | 600 |
| 8-3/4" | 7" | 23# & 26# | 7400 | 655 |

American Exploration Company proposes to deepen the subject well from 7400' to the base of 7" casing to 7900'. Run 4-1/2" liner from 5800' to T.D. Cement to top of liner. Test and squeeze if necessary. Drill out cement. Run GR-CBL. Perforate the Granite Wash Formation (actual depths and number of shots to be based on log evaluation). Acidize w/HCL + additives. Install pump equipment and place well on production.

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. 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. Marty B. McClanahan Sr. Production Analyst DATE 3/30/89
SIGNED Marty B. McClanahan
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY [Signature] TITLE CHIEF, NEW MEXICO DATE 4-11-89
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side