

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 199
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

| | | |
|----------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------|
| ¹ Operator name and Address ARCO PERMIAN P.O. BOX 1610 MIDLAND, TX 79702 | | ² OGRID Number 000990 ³ API Number 30-025-34544 |
| ⁴ Property Code 01509 | ⁵ Property Name MCDONALD STATE WM | |
| | | ⁶ Well No. 32 |

| ⁷ Surface Location | | | | | | | | | |
|-------------------------------|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot. Idn | Feet from the | North/South Line | Feet from the | East/West line | County |
| K | 36 | 22S | 36E | | 2310 | SOUTH | 1650 | WEST | LEA |

| ⁸ Proposed 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 |
| ⁹ Proposed Pool 1 JALMAT GAS POOL (TANSILL-YATES-SEVEN RIVERS) | | | | | ¹⁰ Proposed Pool 2 | | | | |

| | | | | |
|-----------------------------------|---------------------------------------|-----------------------------------------|-------------------------------------|----------------------------------------------|
| ¹¹ Work Type Code N | ¹² Well Type Code G | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3442 |
| ¹⁶ Multiple NO | ¹⁷ Proposed Depth 3600' | ¹⁸ Formation SEVEN RIVERS | ¹⁹ Contractor CAPSTAR | ²⁰ Spud Date 12/98 |

| ²¹ Proposed Casing and Cement Program | | | | | |
|--------------------------------------------------|-------------|--------------------|---------------|-----------------|---------------|
| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
| 11 | 8-5/8 | 24 | 425 | 300 | SURF |
| 7-7/8 | 5-1/2 | 15-1/2 | 3600 | 850 | SURF |
| | | | | | |
| | | | | | |
| | | | | | |

²²Describe 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.

Subject well planned as a 3600' straight hole.
3000 psi BOPE will be used from 425' to TD.

1 Year From Approval
Drilling Underway

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------|
| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Laurie Cherry</i> Printed name: LAURIE CHERRY Title: REG./COMP. ASST. | OIL CONSERVATION DIVISION | |
| | Approved by: <i>[Signature]</i> | |
| | Title: <i>[Signature]</i> | |
| | Approval Date: <i>[Signature]</i> | Expiration Date: <i>[Signature]</i> |

WCM
gk
MP