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SUBMIT IN To LICATE*

(Other instructions on reverse side)

Form approved. Budget Bureau No. 42-R1425.

UNITED STATES DEPARTMENT OF THE INTERIOR

LEASE DESIGNATION AND SERIAL NO. NM 28881 - 280 acres **GEOLOGICAL SURVEY** acres 6. IF INDIAN, ALLOTTEE OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK 1a. TYPE OF WORK DRILL XX 7. UNIT AGREEMENT NAME DEEPEN PLUG BACK b. TYPE OF WELL MULTIPLE ZONE S. FARM OR LEASE NAME WELL 2. NAME OF OPERATOR Diamond 31 Fed. Com. HNG OIL COMPANY 9. WELL NO. 3. ADDRESS OF OPERATOR P. O. Box 2267, Midland, Texas 79702 10. FIELD AND POOL, OR WILDCAT 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) Pitchfork Ranch /Morrow/ SEC., T., R., M., OR BLK. AND SURVEY OR AREA 1980' FSL & 1980' FWL At proposed prod. zone Sec. 31, T24S, R34E Same 12. COUNTY OR PARISH | 13. STATE 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* NM Lea 12 miles NW from Jal, NM 15. DISTANCE FROM PROPOSED* 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED DIGITATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig, unit line, if any) TO THIS WELL 660' 320 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 15,500' Rotary None 22. APPROX. DATE WORK WILL START* 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3456.2' GR When permitted 23 PROPOSED CASING AND CEMENTING PROGRAM WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT SIZE OF HOLE SIZE OF CASING 17-1/2" 13**-**3/8" 600' 600 sacks CRCULATE 61# 12-1/4" 9-5/8" 36# & 40# 5:200 ' 2500 sacks 8-3/4" 7" 134501 26# 1500 sacks 5-1/2" Liner 6-1/8" 15# 15500' 350 sacks TOL: Est. 12,500' BOP - Install at 5000' w/3000# cap. and 2450# annular preventer, at 13,000' increase to 10,000# cap. w/5000# annular preventer. Will use standard surface controlled BOP installation. Gas is dedicated 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.

*See Instructions On Reverse Side

AN WOVAL SUBJECT IN CENTRAL REQUIREMENTS AND CHICARL STIPULALIZAS

WILL SHED THINKS