

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE*

(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-025-31016

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL ☒ DEEPEN ☐ PLUG BACK ☐

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

2. NAME OF OPERATOR
 Highland Production Company

3. ADDRESS OF OPERATOR
 810 N. Dixie Blvd., Suite 202, Odessa, Texas 79761

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 2282' FNL and 2287' FWL
 At proposed prod. zone
 2282' FNL and 2287' FWL

5. LEASE DESIGNATION AND SERIAL NO.
 LC-062749-C

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Conoco "D" Federal

9. WELL NO.
 4

10. FIELD AND POOL, OR WILDCAT
 North Mason (Delaware)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Section 18

12. COUNTY OR PARISH
 Lea

13. STATE
 New Mexico

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 16 Miles SW of Jal, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 330'

16. NO. OF ACRES IN LEASE
 200

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.
 1074.0'

19. PROPOSED DEPTH
 4550

20. ROTARY OR CABLE TOOLS
 Rotary to 4350' and cable into pay

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3192 GR

22. APPROX. DATE WORK WILL START*
 September 18, 1990

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24. #	1150'	600 Sacks Class C - Circulate
7 7/8"	5 1/2"	15.5 #	4550'	800 Sacks HLC - Circulate

Additional Information:

- Surface formation is Tertiary with some Triassic exposed.
- Estimated geological tops: Rustles - 950'; Anhydrite - 1,050'; Top Salt 1,300'; Castile - 3,000'; Lamar Lime - 4,100'; Top of Delaware - 4,350'.
- Pressure control equipment: Double hydraulic pressure tested to 3,000PSI, full closing hydril on top tested to 3,000PSI. Pressure control diagram is attached. Testing will be on installation, daily and on trips.
- Proposed circulating medium: 0-1,100' Spud Mud; 1,100' - 4,550' Brine Water.
- Estimate will encounter water from 890' to 950'.
- Estimate will encounter oil at 4336'.
- Logging Program: Gamma Ray Neutron Log
- No coring or drill stem testing.
- No abnormal pressures or temperatures are expected to be encountered.
- Anticipated starting date is September 18, 1990.

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 shut-in preventer program, if any.

24. SIGNED Marvin L. Smith TITLE President DATE Sept 5, 1990

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

SEP 7 1990
RECEIVED

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-

All distances must be from the outer boundaries of the Section.

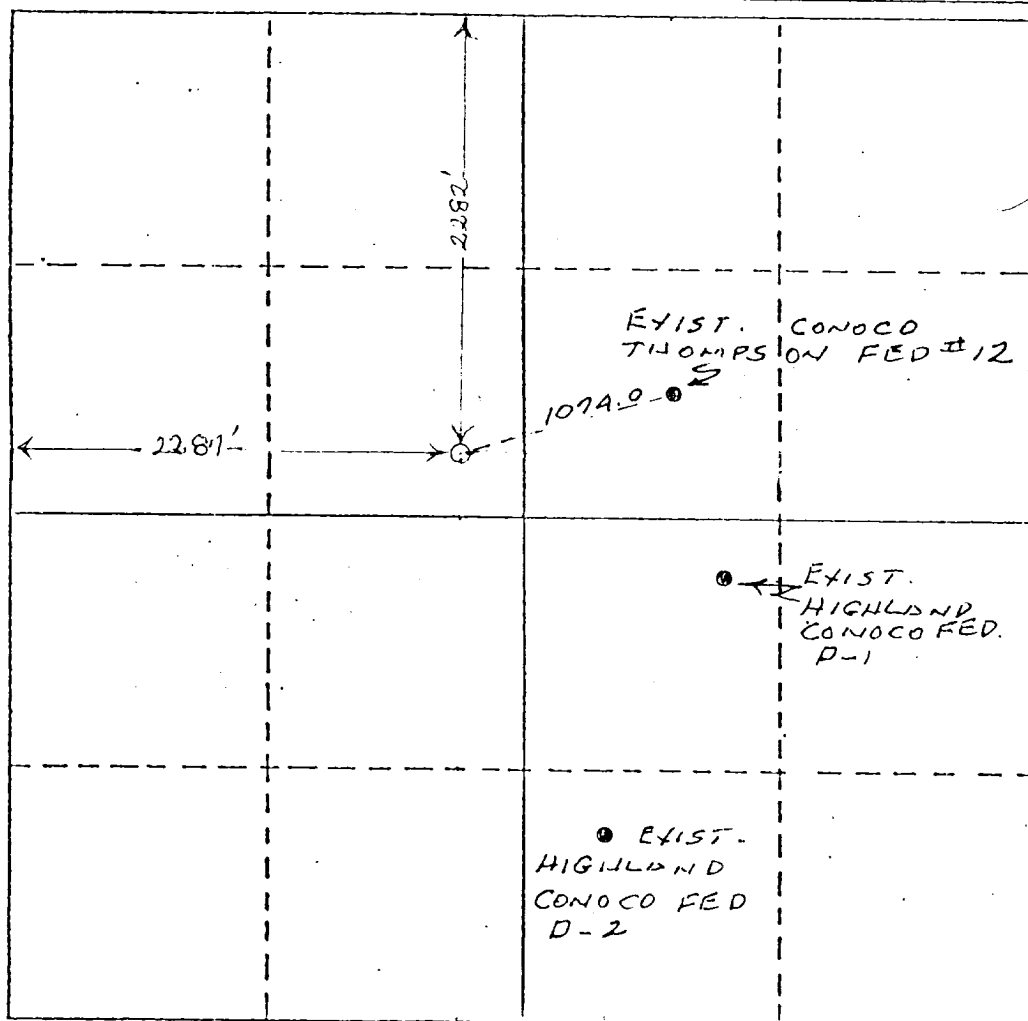
Operator Highland Production Company			Lease Conoco Federal		Well No. D-4
Unit Letter F	Section 18	Township 26 South	Range 32 East	County Lea	SEP 10 8 40 AM '90
Actual Footage Location of Well: 2282 feet from the North line and 2287 feet from the West line					
Ground Level Elev. 3192	Producing Formation Delaware Sand	Pool North Mason Delaware		Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

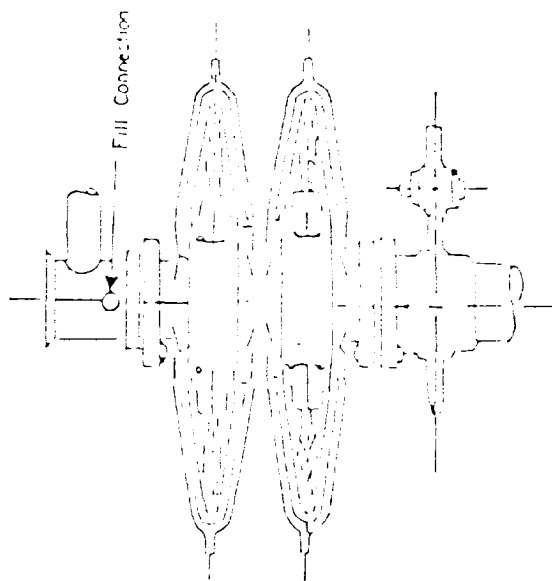
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
Marvin L. Smith
Position
President
Company
Highland Production Company
Date
September 7, 1990

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 the best of my knowledge and belief.

Date Surveyed
8-29-1990

Registered Professional Engineer and/or Land Surveyor
Truman Gaskin



Shaffer Type E Series 900 Hydraulic B.O.P.

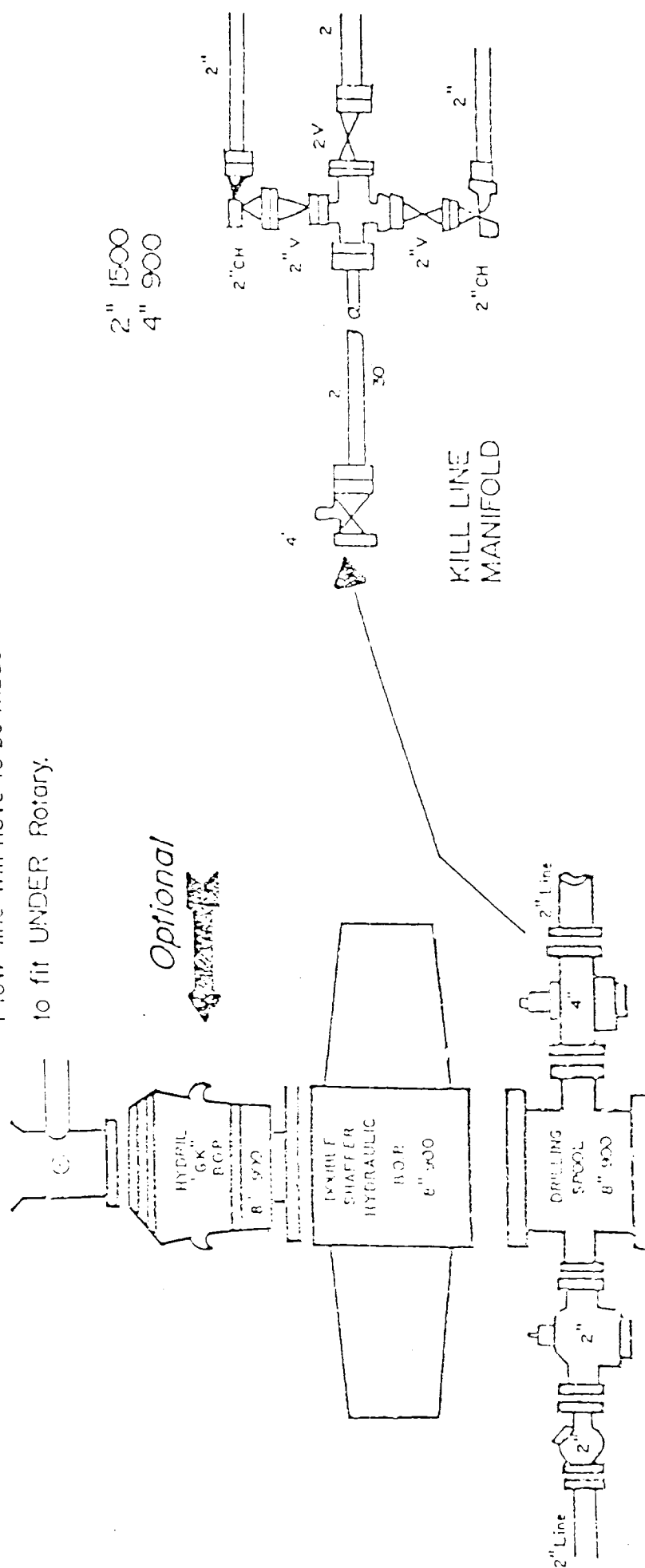
3000 PSI WORKING PRESSURE BLOWOUT PREVENTER HOOK-UP

Series 900 Pumps, or Better.

Note: B.O.P. system will meet the conditions of drilling approval required by the USGS District Office in Hobbs, New Mexico.

Highland Production Company
Conoco "D" Federal Well No. 4
Application to Drill

Flow line will have to be made
to fit UNDER Rotary.



Highland Production Company
Conoco "D" Federal Well No. 4
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