Submit to Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-101 Revised 1-1-89

DISTRICT I P.O. Box 1980, Hobbe, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION
P.O. Box 2088

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

API NO.	(assigne	d by O	CD on	New	Wells
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5. Indicate Type of Lease

STATE FEE X

DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410				6. State Oil	& Gas Lease	No.	
APPLICAT	TION FOR PERMIT T	O DRILL, DEEPEN, C	OR PLUG BACK				
la. Type of Work:				7. Lease Na	me or Unit A	greement Name	
b. Type of Well: OIL GAS WELL X WELL	RE-ENTER	DEEPEN SINGLE	PLUG BACK MULTIPLE ZONE	Skelly	7 Penros	e B Unit	
2. Name of Operator	XY USA Inc.			8. Well No.	71		
3. Address of Operator P	.0. Box 50250	Midland, TX. 7	9710	9. Pool nam Langlie		7 RVR Qn-GB	
	K : 1420 Feet Fr		Line and 26	14 Feet	From The	West	Line
Section	5 Townst	nip 23S Ran	ige 37E	NMPM	Lea	Coun	ity
		10. Proposed Depth	3850'	. Formation Qu	leen	12. Rotary or C.T. Rotary	
13. Elevations (Show whether 3334.6		Kind & Status Plug. Bond equired/Approved	15. Drilling Contract Unknow	i	16. Approx. I	Date Work will start ASAP	
17. PROPOSED CASING AND CEMENT PROGRAM							
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF	CEMENT	EST. TOP	
12 1/4"	8 5/8"	24#	400 *	260		Circulated	
7 7/8"	5 1/2"	15.5#	3850 '	810		Circulated	

It is proposed to Drill to a TD of 3850'.

See other side.

Approved to drill ONLY--Well cannot be produced until Non-standard location is approved.

Orig. Signed by Paul Kautz Geologist	тте	DATE
(This space for State Use)		
TYPEOR PRINT NAME C.W. Pollard	(Prepared by David Stewart)	тецерноме но.9156855717
I hereby certify that the information above is true and complete to the best of my know SKINATURE SKINATURE	wiedge and belief. — THE Oper Engr Supr	DATE7/12/93
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: # PROPOSAL IS 2010E. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.	S TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE	ZONE AND PROPOSED NEW PRODUCTIVE
	produced until Non-Standard (cation is approved.

Parmit Expires 6 Months From Approval Date Unless Drilling Underway.

Bit Program:	12-1/4" hole to 7-7/8" hole to				
BOP Program:	0 - 400' 400' - TD	None 3000# WP pipe and blind rams w/ 3000# WP annular preventer and choke manifold			
Mud Program:	0 - 400'	Drill w/a gel/lime slurry. Use paper to control seepage and for sweeps.			
	400' - 3500'	Drill with 10# brine water. Circulate through the reserve pit to control solids. Use paper to control seepage and for sweeps.			
	3500' - TD	Raise viscosity to 32-34 secs with salt gel. Reduce waterloss to < 15 cc's. Keep pH < 10.			
Logging Program:	TD - 2000' TD - 3950'	GR-DLL-MSFL-caliper GR-CNL-lithodensity GR-FMS			
Casing Program:	Surface	0 - 400' 8-5/8" 24# K55 STC			
	Production	0 - TD 5-1/2" 15.5# K55 STC (roughcoat 500')			
Cement program	Surface	Lead 260 sx Cl C + 2% CaCl ₂ + 1/4 pps cellophane flakes			
	Production	Lead 660 sx Premium Plus w/15 pps salt + 1/4 pps cellophane flakes			
		Tail 150 sx 50/50 Poz/Cl C + 2% gel + 3 pps KCl + .3% Halad-9			
		Calculate annular volume from caliper log and adjust volumes if necessary.			
Wellhead	5-1/2" x 2-7/	P Larken "Unistack" casing head 8" 3000# WP Larken "Unistack"			
H ₂ S safety	While drilling below 3900', protective breathing equipment at 2 sites, wind direction indicator, and automatic H ₂ S detection and alarm equipment shall be on location. All				
enger Hannard kommit o ntenta Biografi Hannard Oktober Biografia	alarm equipment shall be on location contractor and company personnel shall trained in H ₂ S safety in accordance wi Rule 36.				

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State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

DISTRICT | P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION
P.O. Box 2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer houndaries of the section

		Pa Distances in					
Operator OXY	U.S.A. INC	C.	Lease SF PEN	Kelly ROSE "B" Un	,;+		Well No.
Unit Letter Sect	tion	Township	Range			T.Compton	
к	5	23 SOUTH		37 EAST	30 my	County	I ("A
Actual Footage Location			L	3/ LASI	NMPM		<u>LEA</u>
1420 feet from		OUTH line and	2614	4		MEC	○ ▼
Ground Level Elev.	Producing Fo		Pool		feet from	athe WES	- ime
3334.6	1	vr - QN - GB	1	. 3 * 36 - 4 * *			Dedicated Acreage:
			Lai	nglie Mattix			40 Acres
1. Vuume me acreag	e dedicated to	o the subject well by colo	red pencil or hac	hure marks on the	plat below	r.	
		cated to the well, outline					
3. If more than one unitization, force-	lease of differ- pooling, etc.	rent ownership is dedicat?	ted to the well, h	ave the interest of	all owners	s been conso	lidated by communitization
X Yes	☐ No	If answer is "yes" ty	voe of consolidat	ion Unitiza	ation F	2915	
		and tract descriptions wh	-				***
unis form necessary.							
No allowable will be	e assigned to	o the well unit all int	erests have beer	consolidated (by	commur	nitization, u	nitization, forced-pooling
otherwise) or until	a non-standa	ard unit, eliminating suc	ch interest, has	been approved by	the Divisi	ion.	midzadon, forced-pooimi
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