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

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION P.O. Box 2088

Revised 1-1-89

DISTRICT II P.O. Drawer DD, Artesia, NM 88210 DISTRICT III 1000 Rio Brazos Rd., Azzec, NM 87410 OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088					API NO. (assigned by OCD on New Wells) 30-025-32114 5. Indicate Type of Lease STATE FEE X 6. State Oil & Gas Lease No.		
APPLICAT	ION FOR PERMIT TO	O DRILL, DEEPEN, O	R PLUG BACK				
la. Type of Work:				7. Lease Nar	ne or Unit Ag	reement Name	
DRILL	X RE-ENTER	DEEPEN	PLUG BACK				
b. Type of Well: OR. GAS WELL X WELL OTHER SINGLE MULTIPLE 20NE 20NE				Skelly Penrose B Unit			
2. Name of Operator O	XY USA Inc.			8. Well No.	73		
3. Address of Operator P	.0. Box 50250	Midland, TX. 79	9710	9. Pool name Langlie		7 RVR Qn-GB	
4. Well Location Unit Letter C: 20 Feet From The North Line and 1330 Feet From The West Line							
Section	8 Townsh	ip 23S Ran	ge 37E	NMPM	Lea	County	
				ormation		12. Rotary or C.T.	
10. Proposed Depth 3850'				ieen	Rotary		
13. Elevations (Show whether	P. DE PT GP etc.)	I. Kind & Status Plug. Bond	15. Drilling Contractor			Date Work will start	
ł		equired/Approved	Unknown	1		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 unitl Non-standard location is approved.

APPROVED BY	TITLE	— рат ууц 2 9 1993 —
(This space for State Use)		
TYPEOR PRINT NAME C.W. Pollard	(Prepared by David Stewart)	ТЕЛЕРНОМЕ NO.915685571 7
SIGNATURE (Chi Velland	mme Oper Engr. Supr.	DATE
I hereby certify that the information above is true and complete to the best of n	my knowledge and belief.	
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: # PROPOSED PROGRAM: # PROPOSED PROGRAM: # ANY.	OSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE 2	ZONE AND PROPOSED NEW PRODUCTIVE

Permit 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'	GR-DLL-MSFL-caliper		
	TD - 3950'	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	8-5/8" 3000# WP Larken "Unistack" casing head 5-1/2" x 2-7/8" 3000# WP Larken "Unistack" tubing head			
H ₂ S safety	breathing equi indicator, and alarm equipment contractor and trained in H.S.	ng below 3900', protective pment at 2 sites, wind direction district H,S detection and at shall be on location. All d company personnel shall be safety in accordance with TRC		

Su^{*}mit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 Santa Fe, New Mexico 87504-2088

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All Distances must be from the outer boundaries of the section

				Z.k. 12				
Operator O	XY U.S.A. INC	··	Leas	PENROSE	"B" Unic	+		Well No. 73
Unit Letter S	Section	Township	Rang	е			County	
С	8	23 SOU	лн	37	EAST	NMPM		LEA
	Actual Footage Location of Well: 30 NORTH WEST line							
	пощ ше	RTH line and	Pool			feet from	the WLO	line Dedicated Acreage:
Ground Level Elev.	Producing Fo		Į.		Mattin			40 Acres
3338.4		r - QN - GB		Langlie		niet helow		10 Refed
i							as to working	ng interest and royalty).
3. If more than o	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 interest of all owners been consolidated by communitization,							
l <u> </u>	rce-pooling, etc.	} ••••••••••••••••••••••••••••••••••••		anlidation	Unitiz	ation [R-2915	
X Yes	∐ No		yes" type of con					
		nd tract descriptio						
this form necessal No allowable wil	l he assigned to	o the well unit a ard unit, eliminati	all interests having such interes	e been conso t, has been a	olidated (by pproved by	commun the Divisio	itization, u on.	nitization, forced-pooling.
1330				T			OPERA'	TOR CERTIFICATION
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	ŧ			1		11	C.W	. Pollard
						71	Position Oper	r. Engr. Supr.
	i			į			Company OXY	USA Inc.
1	1						Date	
	1			i 1			7	/12/93
				İ			SURVE	YOR CERTIFICATION
							I hereby cert	tify that the well location shown was plotted from field notes of
	l			1				ys made by me or under my
	ļ			ļ			supervison.	and that the same is true and
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	1						Date Surv	eyed MAY 27, 1993
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