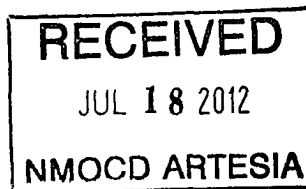


District I
 1525 N French Dr, Hobbs, NM 88240
 Phone (575) 393-6161 Fax (575) 393-0720
 District II
 811 S First St, Artesia, NM 88210
 Phone (575) 748-1283 Fax (575) 334-6170
 District III
 1000 Rio Brazos Road, Aztec, NM 87410
 Phone (505) 334-6178 Fax (505) 334-6170
 District IV
 1220 S St Francis Dr, Santa Fe, NM 87505
 Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
 Energy Minerals and Natural Resources
 Oil Conservation Division
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-101
 Revised December 16, 2011



APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Hanson Operating Company, Inc. P. O. Box 1515 Roswell, NM 88202-1515		² OGRID Number 009974
		³ API Number 30-005-63628
⁴ Property Code 303240	⁵ Property Name Trailblazer ANL State	⁶ Well No. 3

⁷ Surface Location

UL - Lot A	Section 11	Township 8S	Range 27E	Lot Idn	Feet from 990	N/S Line N	Feet From 660	E/W Line E	County Chaves
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⁸ Pool Information

00800 Acme San Andres Southeast	
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Additional Well Information

⁹ Work Type P	¹⁰ Well Type O	¹¹ Cable/Rotary R	¹² Lease Type S	¹³ Ground Level Elevation 3974' GR
¹⁴ Multiple N	¹⁵ Proposed Depth 2200'	¹⁶ Formation San Andres	¹⁷ Contractor	¹⁸ Spud Date 8/1/2012
Depth to Ground water 400'		Distance from nearest fresh water well > 5 miles		Distance to nearest surface water > 5 miles

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
	14 3/4"	11 3/4"	42#	422'	400	Circulated
	11"	8 5/8"	24#	1114'	500	Circulated
	7 7/8"	5 1/2"	15.5# / 17#	6890'	600	4064'

Casing/Cement Program: Additional Comments

--

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Attached			

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

I further certify that the drilling pit will be constructed according to NMOC D guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature.

Carol J. Smith

Printed name Carol J. Smith

Title: Production Analyst

E-mail Address: hanson@dfn.com

Date 7/17/2012

Phone: 575-622-7330

OIL CONSERVATION DIVISION

Approved By

T. C. Shepard
Geologist

Title.

Approved Date.

7/24/2012

Expiration Date.

7/24/2014

Conditions of Approval Attached

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-102

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-63628	Pool Name Acme San Andres Southeast	Pool Code 800
Property Code 303240	Property Name Trailblazer ANL State	Well No. 003
OGRID No 9974	Operator Name Hanson Operating Company, Inc.	Elevation 3974

Surface And Bottom Hole Location

UL or Lot A	Section 11	Township 08S	Range 27E	Lot Idn	Feet From 990	N/S Line N	Feet From 660	E/W Line E	County Chaves
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

			VO-2925 ■

OPERATOR CERTIFICATION

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

Electronically Signed By: *Carol J. Smith*

Title: Production Analyst

Date: 7/17/2012

SURVEYOR CERTIFICATION

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 belief.

Surveyed By: Herschel Jones

Date of Survey: 12/12/2003

Certificate Number: 3640

TRAILBLAZER ANL STATE #3

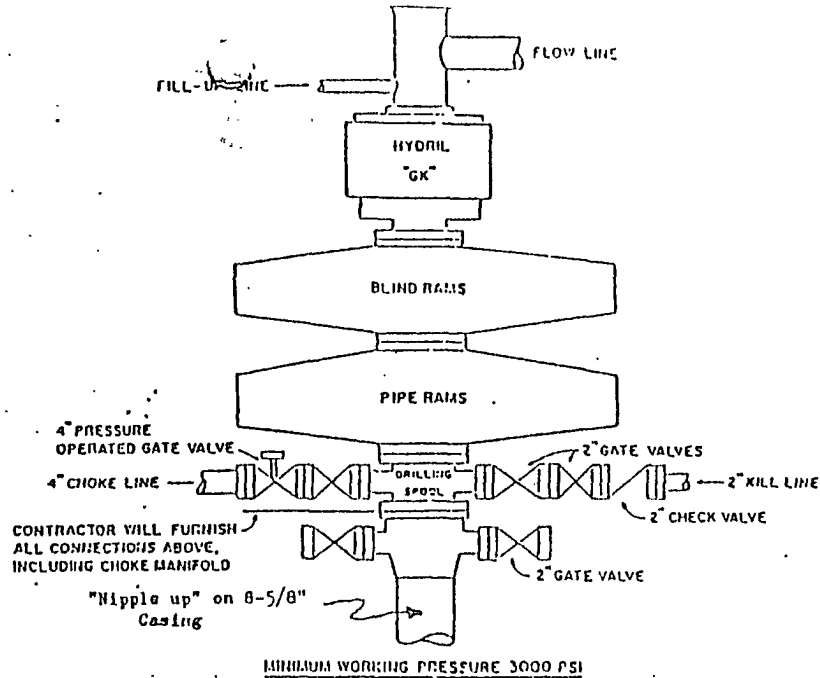
Sec11 T8S R27E

API# 3000563628

WELL DATA; 5 ½" casing @ 6,890' , TOC @ 4,064' from CBL , perf. Mississippian @ 6,524' - 6,618' (126 holes) , perf. Cisco @ 6,204' - 6,294' (104 holes) , perf. Wolfcamp @ 5,616' - 5,630' (56 holes) , squeeze Wolfcamp @ 5,616' - 5,630' with 215 sacks cement.

Procedure;

- 1.) Wireline set BP @ 5,300' & cap with 35' cement.
- 2.) Wireline set BP @ 2,350'.
- 3.) Perf. 12 squeeze holes @ 2,325'- 2,328' (4 spf).
- 4.) Wireline set cement retainer @ 2,300'.
- 5.) Pump 400 sacks class 'C' cement.
- 6.) Run gamma ray log , collar locator , & cement bond log.
- 7.) Perforate San Andres @
2,140',41',42',68',69',70',72',73',74',76',77',78',80',81'82', (1spf).
- 8.) Acidize with 5,000 gallons 20% acid + balls.
- 9.) Flow back & evaluate well.



CONTRACTOR TO FURNISH

1. ALL EQUIPMENT ABOVE CASING HEAD HOUSING INCLUDING CHOKE MANIFOLD.
2. INDEPENDENT AUTOMATIC ACCUMULATOR 3000 PSI WP.
3. B.O.P. CONTROLS TO BE LOCATED NEAR DRILLER'S POSITION AND AT SAFE DISTANCE FROM THE WELL.
4. SPARE SET PIPE RAMS TO FIT PIPE IN USE.

COMPANY TO FURNISH

1. WELLHEAD EQUIPMENT.
2. WEAR BUSHING, IF REQUIRED.

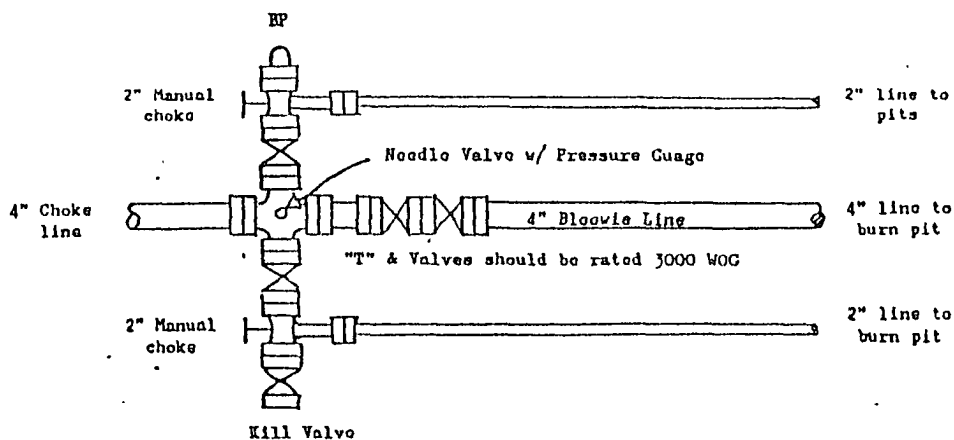
GENERAL NOTES

1. ALL VALVES, PIPING, FLANGES ETC. MUST HAVE MINIMUM WORKING PRESSURE EQUAL TO WORKING PRESSURE OF PREVENTERS. VALVES MUST BE OF THE FULL OPENING TYPE.
2. CONTROLS TO BE OF STANDARD DESIGN AND EACH MARKED SHOWING OPEN AND CLOSED POSITION.
3. CHOKE MANIFOLD AS SHOWN IN APP. 18 AND 19 REPLACABLE PARTS AND WRENCHES TO BE CONVENIENTLY LOCATED FOR IMMEDIATE USE.
4. ALL VALVES TO BE EQUIPPED WITH HANDWHEELS.
5. CHOKE LINES MUST BE SUITABLY ANCHORED.
6. DEVIATIONS FROM THIS DRAWING MAY BE MADE ONLY WITH THE PERMISSION OF THE COMPANY.

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

NORMAL PRESSURE SERVICE

CHOKE MANIFOLD SETUP



The above Manifold Hookup Design will meet minimum requirement by the Operator. Drilling Contractor to supply choke line and choke manifold. Operator to supply downstream lines from manifold assembly to pits.