

District II  
1301 W. Grand Ave., Artesia, NM 88210  
Phone:(505) 748-1283 Fax:(505) 748-9720

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

Form C-101  
Permit 29496

RECEIVED

MAY 15 2006

ARTESIA

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

1. Operator Name and Address AMERISTATE EXPLORATION, L.L.C. 111 CONGRESS AVE., STE. 2700 AUSTIN, TX 78701		2. OGRID Number 158898 3. API Number 30-015-34849
4. Property Code 302255	5. Property Name EAST MILLMAN UNIT	6. Well No. 729

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	14	19S	28E	C	1251	N	1340	W	EDDY

**8. Pool Information**

MILLMAN;YATES-SR-QN-GB-SA, EAST	46555
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3438
14. Multiple N	15. Proposed Depth 1750	16. Formation Seven Rivers	17. Contractor	18. Spud Date 5/11/2006
Depth to Ground water 105		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 6500 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	375	350	0
Prod	7.875	5.5	14	1750	550	0

**Casing/Cement Program: Additional Comments**

Plan to drill 12 1/4" hole to appx 375' using native water & set 8 5/8" surf csg, circ CI C cmt. Drill 7 7/8" hole to TD 1750' using brine water. Run OH logs. Run 5 1/2" csg & circ cmt. Perf 7 Rivers zone & stimulate as necessary for optimum production. Anticipated H2S levels are not expect to be high enough to require H2S Contingency Plan.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	1600	Hydrill

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 NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>
Printed Name: <i>Susan Perkins</i>	Approved By: <b>BRYAN G. ARRANT</b>
Title: <i>Regulatory Coordinator</i>	Title: <b>DISTRICT II GEOLOGIST</b>
Email Address: <i>S.perkins@mdtm.com</i>	Approved Date: <b>MAY 09 2006</b> Expiration Date: <b>MAY 09 2007</b>
Date: <i>5/9/06</i> Phone: <i>512-391-4921</i>	

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1006 Rio Brazos Rd., Aztec, NM 87410

District IV

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

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	<sup>2</sup> Pool Code <b>46555</b>	<sup>3</sup> Pool Name <b>MILLMAN, S-RIVERS, EAST</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>EAST MILLMAN UNIT</b>	<sup>6</sup> Well Number <b>729</b>
<sup>7</sup> GRID No. <b>158898</b>	<sup>8</sup> Operator Name <b>AMERISTATE EXPLORATION, LLC</b>	<sup>9</sup> Elevation <b>3438</b>

<sup>10</sup> Surface Location

UL or lot no. <b>C</b>	Section <b>14</b>	Township <b>19-S</b>	Range <b>28-E</b>	Lot Idn	Feet from the <b>1251</b>	North/South line <b>NORTH</b>	Feet from the <b>1340</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acre	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest in the land including the proposed bottom hole location or has a right to drill this well as this location pursuant to a contract with an owner of such a working interest, or in a voluntary pooling agreement or a compulsory pooling order heretofore issued by the division. Signature: <i>[Signature]</i> Date: <b>5/9/06</b> Printed Name: <b>LOUIS J. MURPHY</b>	
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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. MAY 9, 2006 Date of Survey: <b>MAY 9, 2006</b> Signature and Seal of Professional Surveyor: <i>[Signature]</i> Certificate Number: <b>5412</b> <b>DAN R. REDDY</b> REGISTERED PROFESSIONAL ENGINEER	
	(Seal of Dan R. Reddy, Registered Professional Engineer, No. 5412, State of New Mexico)	

District I

1625 N. French Dr., Hobbs, NM 88240  
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210  
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**

**Oil Conservation Division**

**1220 S. St Francis Dr.**

**Santa Fe, NM 87505**

Form C-102  
Permit 29496

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number	2. Pool Code 46555	3. Pool Name MILLMAN;YATES-SR-QN-GB-SA, EAST
4. Property Code 302255	5. Property Name EAST MILLMAN UNIT	6. Well No. 729
7. OGRID No. 158898	8. Operator Name AMERISTATE EXPLORATION, L.L.C.	9. Elevation 3438

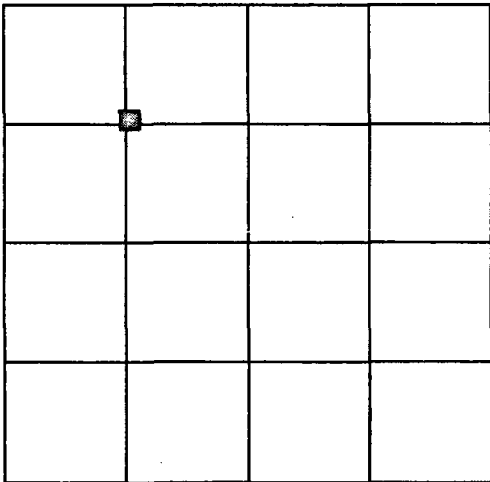
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	14	19S	28E		1251	N	1340	W	EDDY

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 0		13. Joint or Infill		14. Consolidation Code		15. Order No.			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

	<p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Title: Date:</p> <hr/> <p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>Surveyed By: Dan Reddy Date of Survey: 5/9/2006 Certificate Number: 5412</p>
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