

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT
Permit renewal request

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

Operator Name and Address: OGX Resources, P.O. Box 2064, Midland, TX 79702		OGRID Number: 217955
Property Code 36251	Property Name Buckshot State Com	API Number 30-015-35546
Proposed Pool 1: Salt Draw, Morrow, West		Well No. 1

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	31	24S	28E		1980'	South	1250'	East	Eddy

8 Proposed 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
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Additional Well Information

Work Type Code New Well	Well Type Code G	Cable/Rotary R	Lease Type Code State	Ground Level Elevation 3033'
Multiple No	Proposed Depth 13,000'	Formation Morrow	Contractor as available	Spud Date 1-20-07
Depth to Groundwater: 300-350'		Distance from nearest fresh water well: over 1/4 mile		Distance from nearest surface water: none
Pit: Liner: Synthetic X 12_mils thick Clay <input type="checkbox"/> Pit Volume: 4800_bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water X Brine X Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5"	13 3/8"	54.5#	520'	700 sx CLC	Surface
12.25	9.625"	36#	2100'	700 sx	Surface
8.5	7"	26#	9400'	1400 sx	Surface
6.25	4.5" (liner)	11.6#	9500-13000'	250 sx	9000'

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

OGX plans to drill and run & cement casing as above.

We will perforate the Morrow formation @ approx. 12,000' under a packer w/through tubing guns. The well will be flow tested down the sales line & evaluated for further stimulation.

Form C-144 for this well attached.

OGX BOP diagram attached.

Submitted request for exception to H2S requirements, no H2S anticipated or reported in this area.

23 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 X, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Printed name: Ann E. Ritchie

Title: Regulatory Agent

E-mail Address: ann.ritchie@wtor.net

Date: 1-4-07

Phone: 432 684-6381

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRANT
DISTRICT II GEOLOGIST

Title:

Approval Date:

JAN 09 2007

Expiration Date:

JAN 09 2008

Conditions of Approval Attached ☐

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

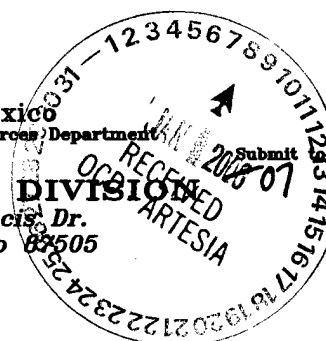
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State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505



Form C-102
Revised October 12, 2005

Submit to appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015	Pool Code 96819	Pool Name Salt Draw; Morrow (Gas) West
Property Code	Property Name BUCKSHOT STATE COM	Well Number 1
OGRID No. 217995	Operator Name OGX RESOURCES, L.L.C.	Elevation 3033'

Surface Location

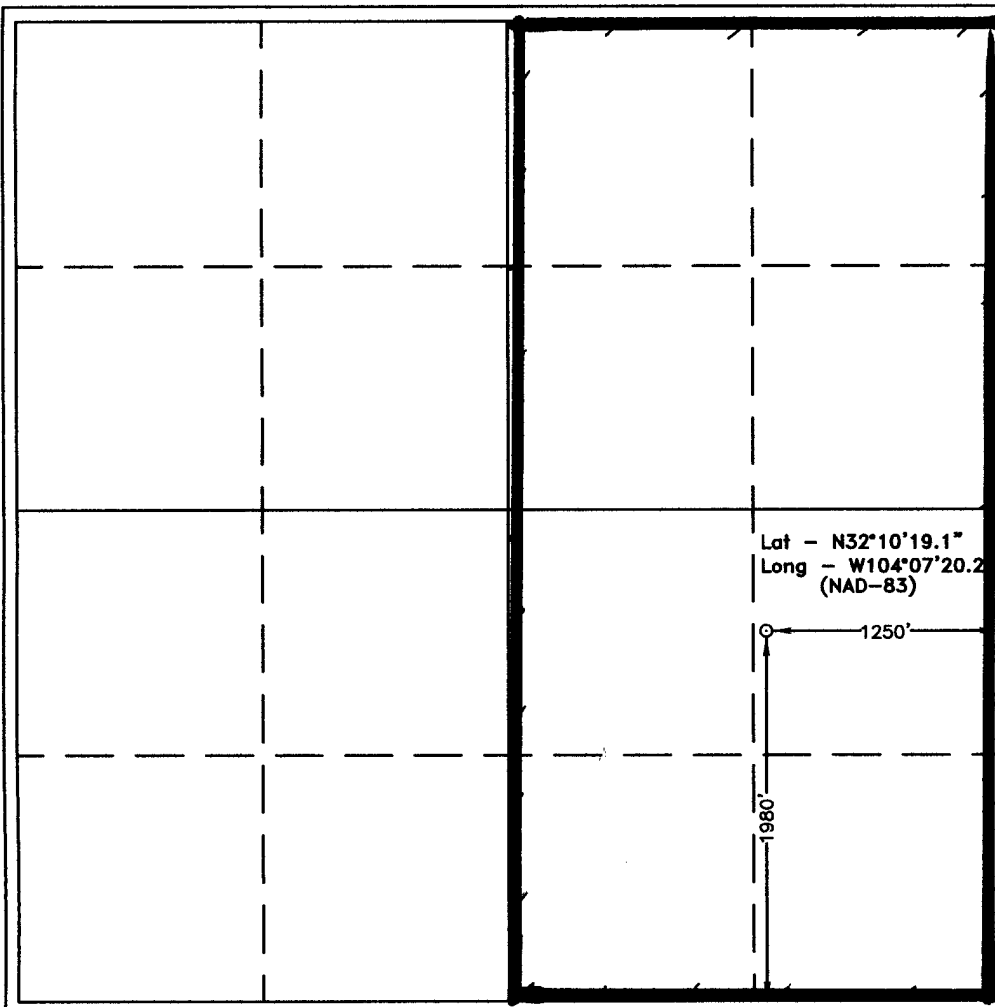
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	31	24 S	28 E		1980	SOUTH	1250	EAST	EDDY

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

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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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



OPERATOR CERTIFICATION

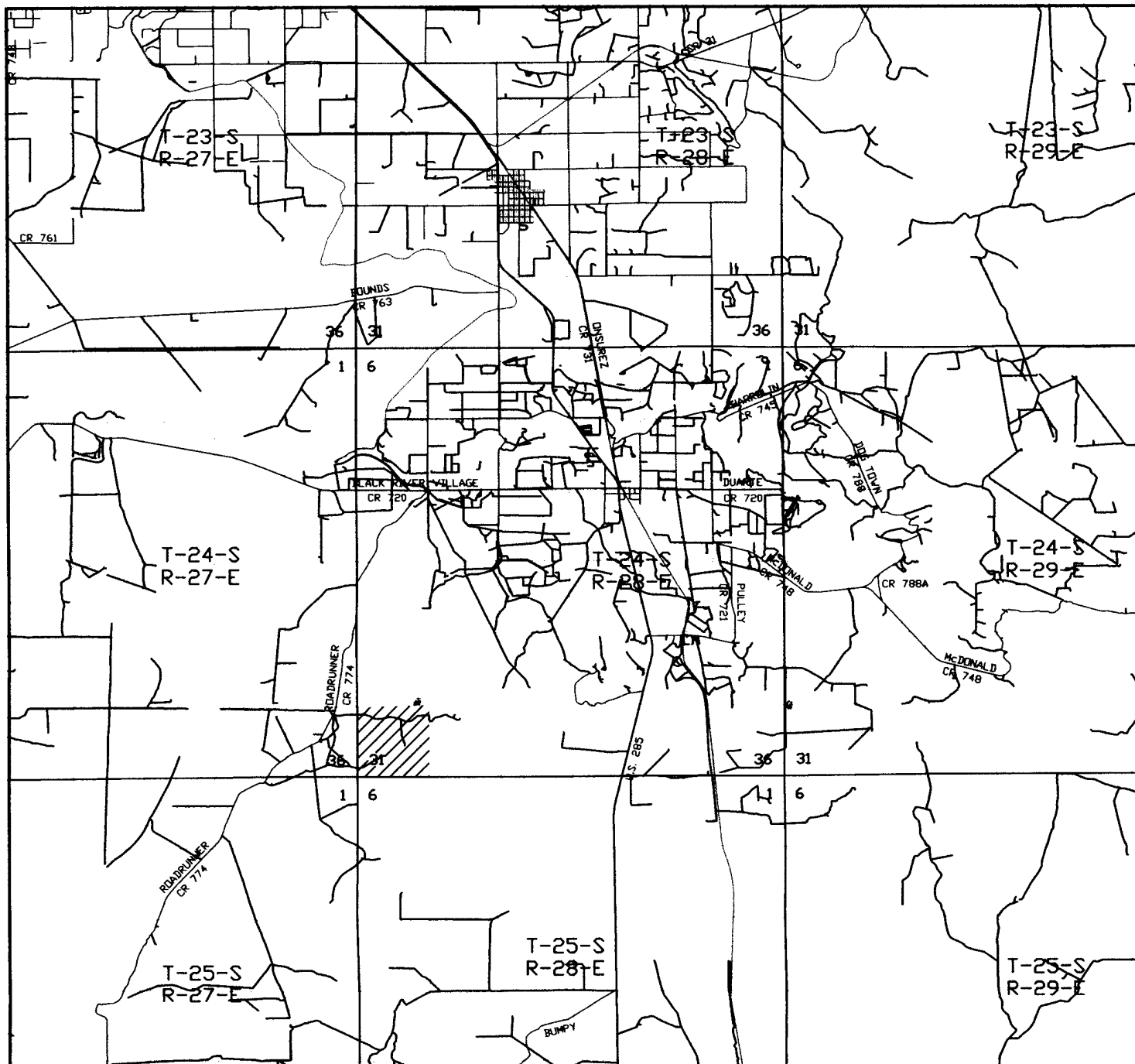
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

[Signature] **1-4-07**
Signature Date
Ann E. Ritchie, Agent
Printed Name

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.

DECEMBER 18, 2006
Date Surveyed
Signature & Seal of Professional Surveyor
[Signature]
Certificate No. **1743**
Basin Surveys
7977



BUCKSHOT STATE COM #1
 1980' FSL & 1250' FEL
 Section 31, Township 24 South, Range 28 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
basinsurveys.com

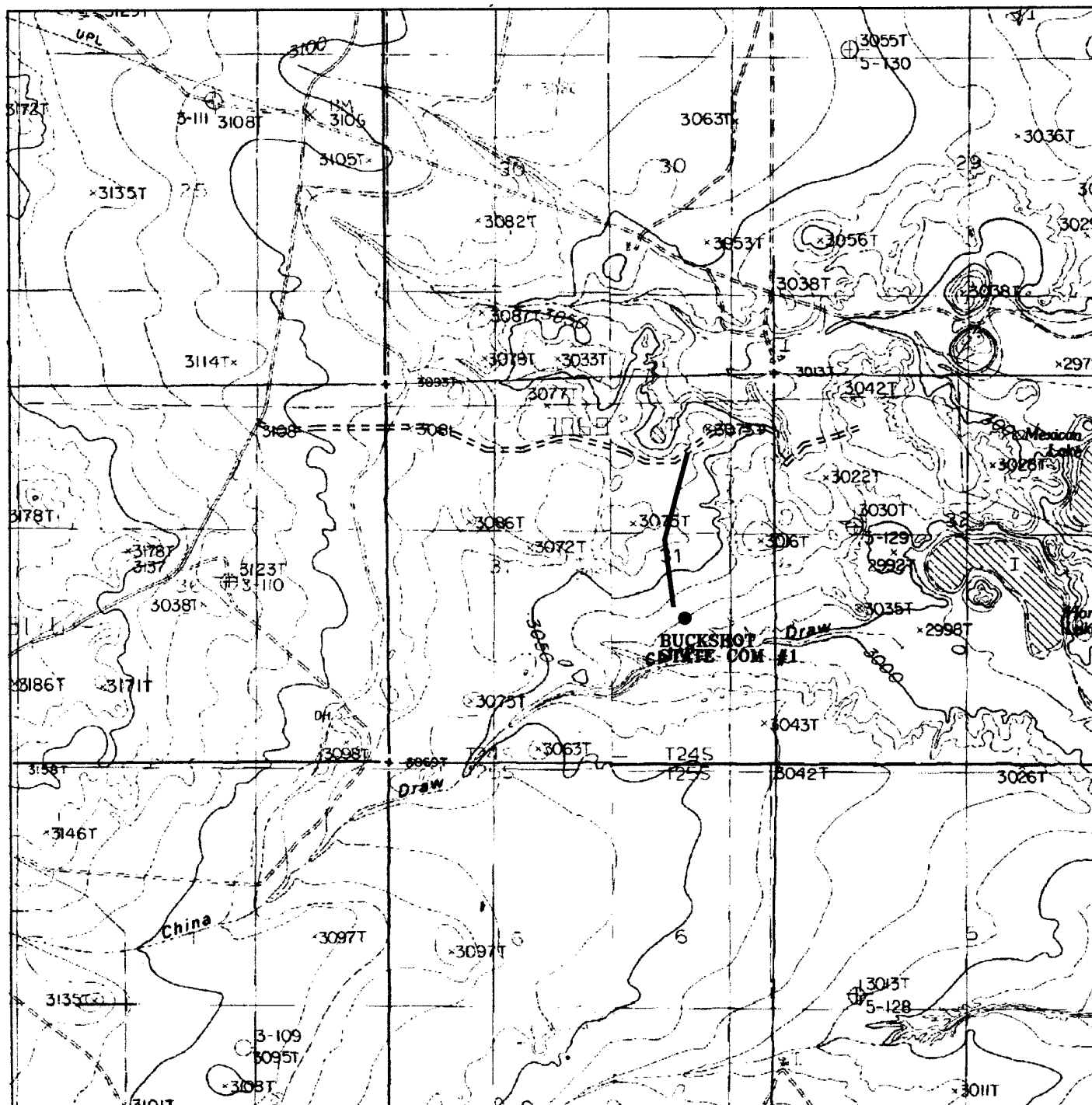
W.O. Number: 17481T

Survey Date: 12-18-2006

Scale: 1" = 2 MILES

Date: 12-20-2006

OGX
 RESOURCES
 L.L.C.



BUCKSHOT STATE COM #1

1980' FSL & 1250' FEL

Section 31, Township 24 South, Range 28 East,
N.M.P.M., Eddy County, New Mexico.



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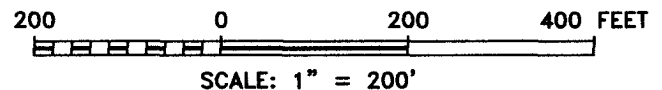
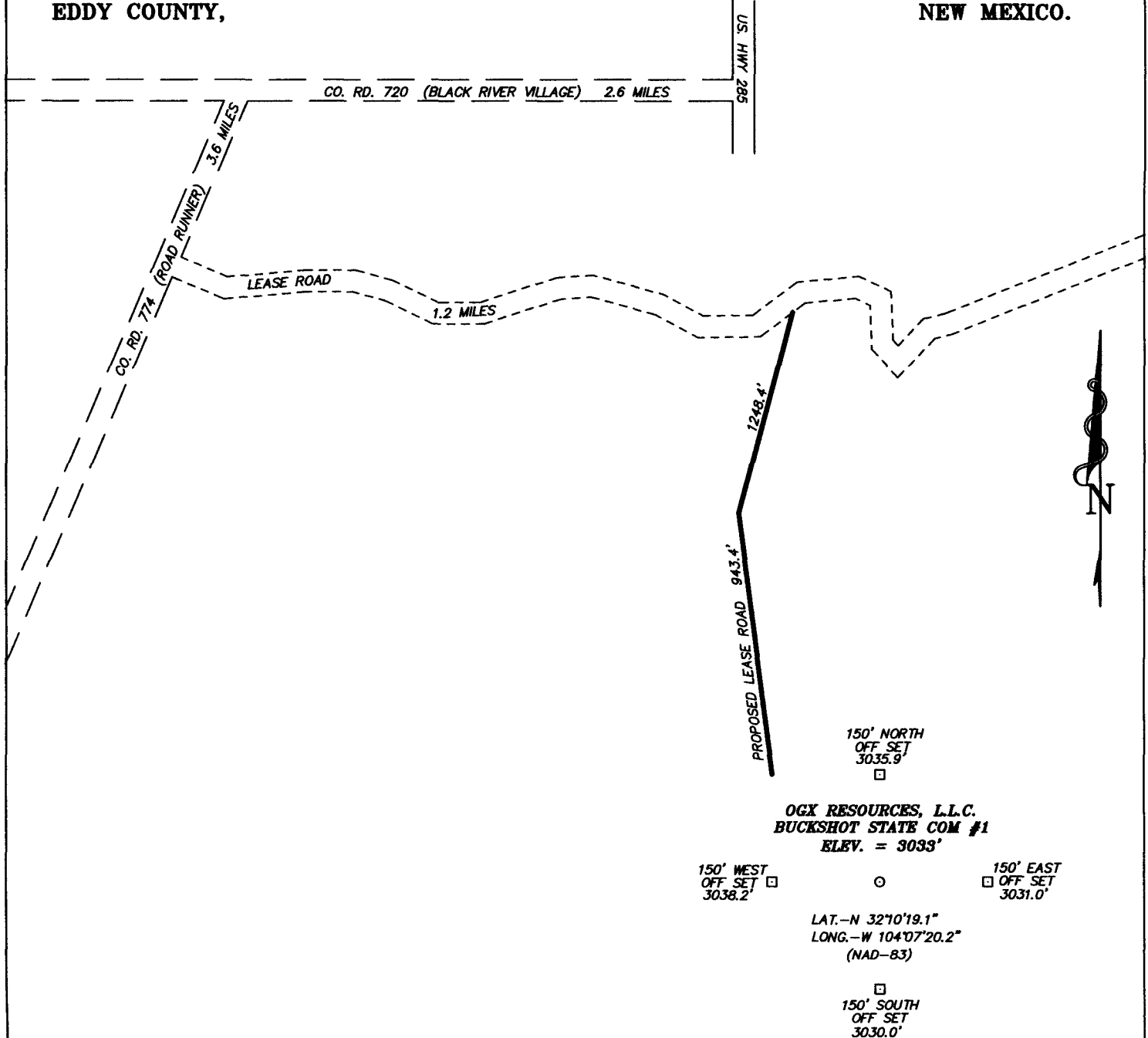
Survey Date: 12-18-2006

Scale: 1" = 2000'

Date: 12-20-2006

**OGX
RESOURCES
L.L.C.**

SECTION 31, TOWNSHIP 24 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF STATE HWY 285 AND
CO. RD. 720 (BLACK RIVER VILLAGE)
PROCEED WEST 2.8 MILES TO CO. RD. 774
(ROAD RUNNER), ON ROAD RUNNER PROCEED
SOUTHWEST 3.4 MILES TO LEASE ROAD, ON
LEASE ROAD PROCEED 1.2 MILES EAST TO
PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 17481 Drawn By: J. M. SMALL

Date: 12-20-2006 Disk: 17481W

OGX RESOURCES, L.L.C.

REF: BUCKSHOT STATE COM #1 / Well Pad Topo

THE BUCKSHOT STATE COM No. 1 LOCATED 1980' FROM THE

SOUTH LINE AND 1250' FROM THE EAST LINE OF

SECTION 31, TOWNSHIP 24 SOUTH, RANGE 28 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 12-18-2006 Sheet 1 of 1 Sheets

OGX Resources, LLC
Buckshot State Com, Well #1
Sec 31, T24S, R28E; 1980 FSL & 1250' FEL
Eddy County, New Mexico

Estimated tops:

Wolfcamp	9400'
Strawn	11,600'
Atoka	11,800'
Morrow	12,300'

Primary Objective: Morrow

Casing:

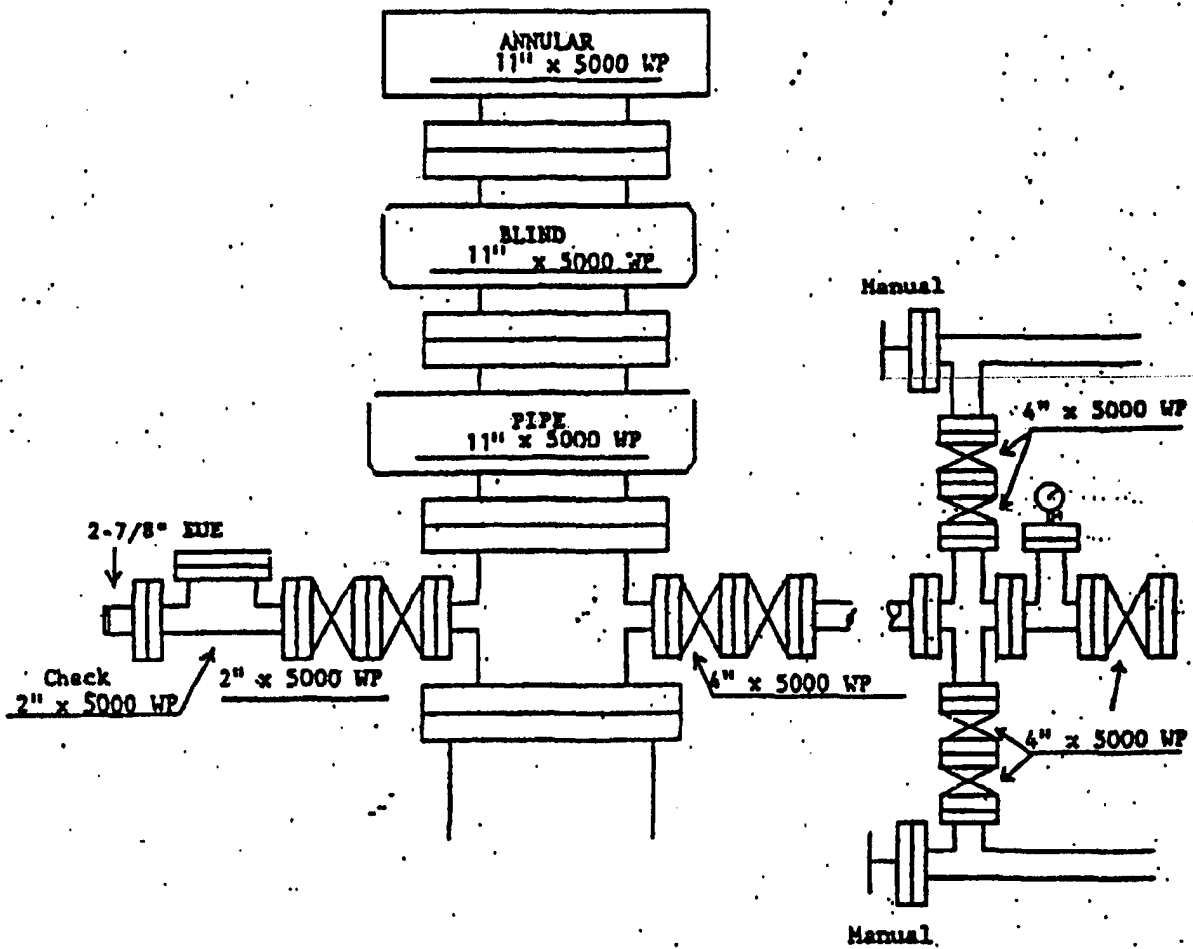
Surface: 13 3/8", 54.5/48# H-40 ST & C new casing to 520' – witness
400 sx 35:65 Poz/C w/6% betonite w/2% CaCl₂, .25#/sx celloseal; 300 sx CI w/2% CaCl₂
Intermediate: 9 5/8", 35# K55 ST & C new casing from 0-2100'
700 sx 35:65 Poz/C w/6% bentonite & 2% CaCl w .25# celloseal
Production: 7" 26#, P-110, LT & C new casing from 0-9400'
DV tool @ approx 500', 1st stage w/400 sx IFH followed w/300 sx; tail w/700 sx IFH.
Liner: 4.5", 11.6# P-110, LT & C casing from approx 9500-13000'
250 sx Super H cement w/.5% LFLC + 4% CFR-3 + 5#/sx + 1#/sx salt+.2# HR-7

Mud:

0-650' – fresh water/native mud. Lime for pH control 9-10. Paper for seepage.
Wt. 8.7-9.2 ppg, vis 32-34 sec.
650-2100' – Fresh/brine water. Lime for pH control. 10-10.5, paper for seepage.
Wt. 8.3-9.0/10.0-10.1 ppg. Vis 28-29 sec.
2100-10000' – Cut brine, lime for pH control 10-10.5. Wt 8.3-10.0 ppg Vis 28-29
10000-13000' – Mud up w/andue Vis/Flotrol system. Wt. 9.6-10 ppg, vis 32-36

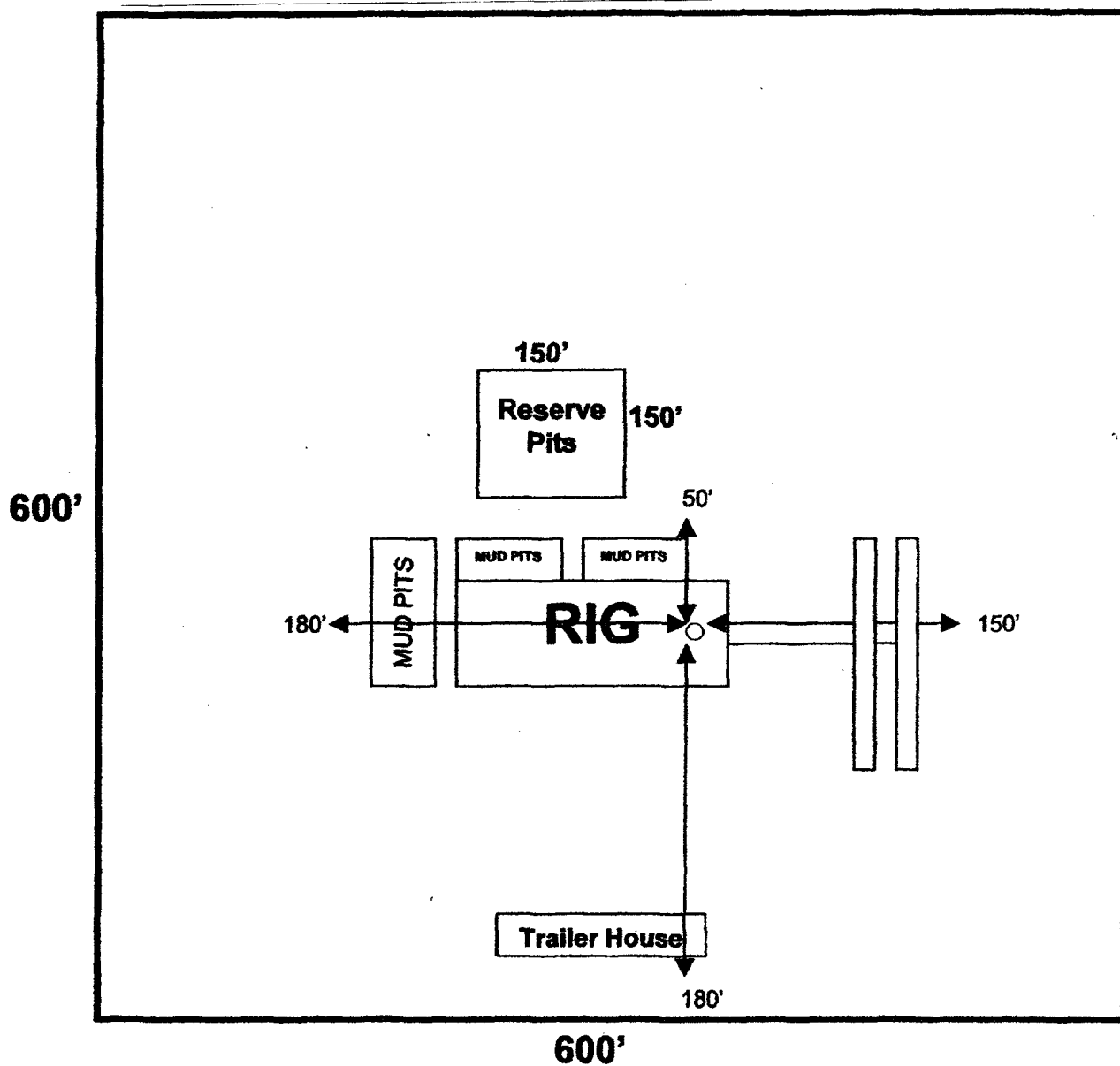
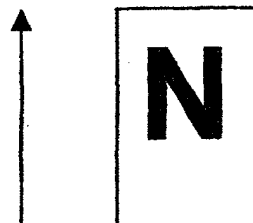
No DST's are anticipated. Mud logging from 650-TD. Electric logs –
CNL/LDT/CAL/GR/DLL/CAL/GR. No coring. No abnormal temperature or H₂S.
Highest anticipated pressure gradient .55 psi/ft. Adequate flare lines to be
installed. Drilling and completion duration 60 days.

OGX Resources LLC



DRILLING RIG LAYOUT

OGX Resources, LLC.



January 4, 2007

Oil Conservation Division
Attn: Bryan Arrant
1301 Grand Ave.
Artesia, NM 88210

RE: OGX Resources, LLC, Buckshot State Com, Well #1, (I), Sec 31, T24S,
R28E, Eddy County, New Mexico

We do not anticipate encountering any H2S during the drilling or completion of the well as referenced above, as per offset drilling and the Morrow formation.

We are respectfully requesting an exemption from the H2S requirements as per NMOC Rule 118. The anticipated total depth is 13,000' for this Malaga-Morrow (Gas) well.

Yours truly,



Ann E. Ritchie, Regulatory Agent
OGX Resources, LLC
c/o P.O. Box 953
Midland, TX 79702
432 684-6381; 682-1458-fax
ann.ritchie@wtor.net

cc: OGX Resources/Midland