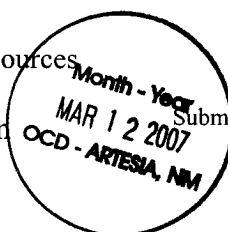


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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



☐ AMENDED REPORT

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 9974
³ Property Code 303238	⁴ Property Name Puffer BDF State Com	⁵ API Number 30 - 005-62813
⁹ Proposed Pool 1 Palma Mesa Siluro-Ordovician; Palma Mesa Strawn		¹⁰ Proposed Pool 2 Palma Mesa Cisco; Palma Mesa Wolfcamp

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
D	24	8S	27E		660'	North	990'	West	Chaves

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

Additional Well Information

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease # 12345678910111213141516171819202122232425262728293031323334353637383940	¹⁵ Ground Level Elevation 3940' GR
¹⁶ Multiple N	¹⁷ Proposed Depth 6600'	¹⁸ Formation Siluro	¹⁹ Contractor Hobbs	²⁰ Spud Date 3/15/2007
Depth to Groundwater		Distance from nearest fresh water well		
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbs		Drilling Method: Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		
Closed-Loop System <input type="checkbox"/>		Distance from nearest surface water		

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 3/8"	24#	1600'	1000	Surface
7 7/8"	5 1/2"	15.5#	6809'	400	4586'

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.

Propose to recomplete and test as follows:

1. MIRU pulling unit and install BOP.
2. Perforate Lower Silurian from 6476'-6482'. Treat with 5,000 gallons acid. Swab test. If productive, place on production. If non-productive, set CIBP at 6350' with 35' cement cap. Move up hole.
3. Perforate Strawn from 6294'-6336'. Treat with 5,000 gallons acid. Swab test. If productive, place on production. If non-productive, set CIBP at 6230' with 35' cement cap. Move up hole.
4. Perforate Cisco from 6107'-6220'. Treat with 5,000 gallons acid. Swab test. If productive, place on production. If non-productive, set CIBP at 6100' with 35' cement cap. Move up hole.
5. Perforate Wolfcamp from 5550'-5800'. Treat with 10,000 gallons acid. Swab test. If productive, place on production. If non-productive, evaluate up hole potential.

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 ☒, 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: 3/5/2007

Phone: 505-622-7330

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT
DISTRICT II GEOLOGIST

Title:

Approval Date: **MAR 19 2007**

Expiration Date: **MAR 19 2008**

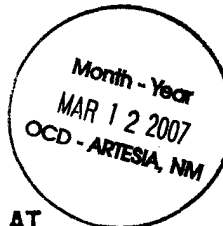
Conditions of Approval Attached ☐

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



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

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

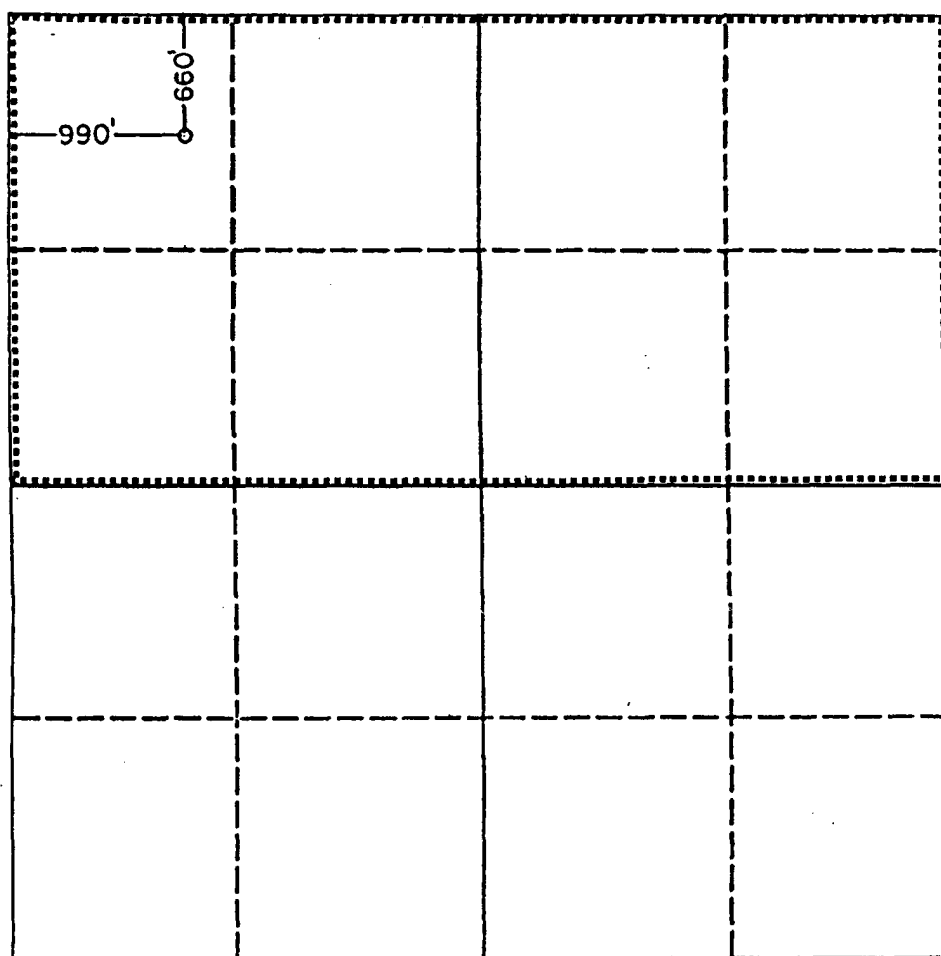
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
All Distances must be from the outer boundaries of the section

Operator Hanson Operating Co., Inc.			Lease Puffer BDF State Com		Well No. 1
Unit Letter D	Section 24	Township 8 South	Range 27 East	County Chaves	

Actual Footage Location of Well: 660 feet from the North line and 290 feet from the West line					
Ground level Elev. 3940.3	Producing Formation Siluro-Ordovician		Pool Palma Mesa	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
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).
SINGLE LEASE
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



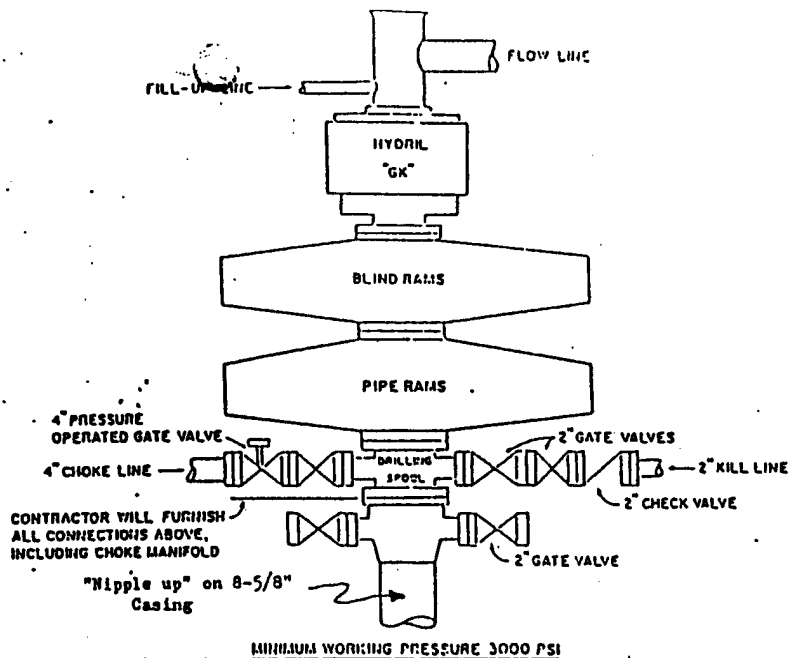
OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Carol J. Smith
Printed Name
Carol J. Smith
Position
Production
Company
Hanson Operating Co
Date
March 5, 2007

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 knowledge and belief.

Date Surveyed
March 5, 1990
Signature & Seal of Professional Surveyor
Ronald J. Eidson

Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239



CONTRACTOR TO FURNISH

1. ALL EQUIPMENT ABOVE CASING HEAD HOUSING INCLUDING CHOKER 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.

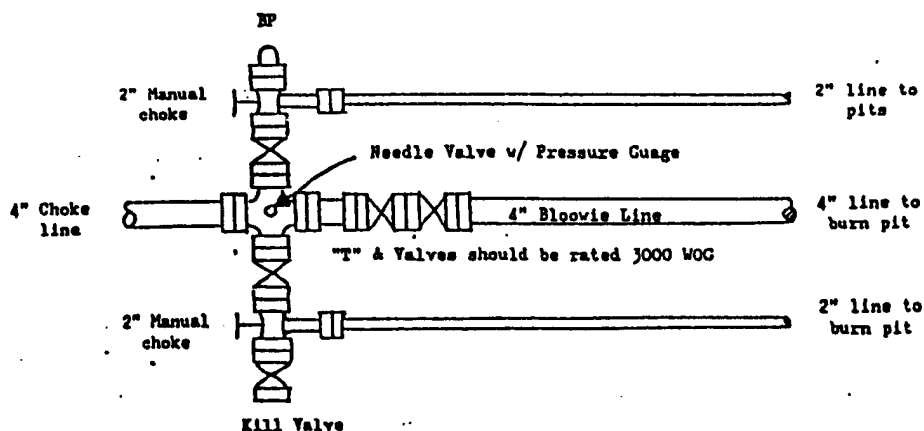
GENERAL NOTES

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. CHOKER MANIFOLD AS SHOWN IN APP. 18 AND 19 REPLACEABLE PARTS AND WRENCHES TO BE CONVENIENTLY LOCATED FOR IMMEDIATE USE.
4. ALL VALVES TO BE EQUIPPED WITH HANDWHEELS.
5. CHOKER 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

CHOKER MANIFOLD SETUP



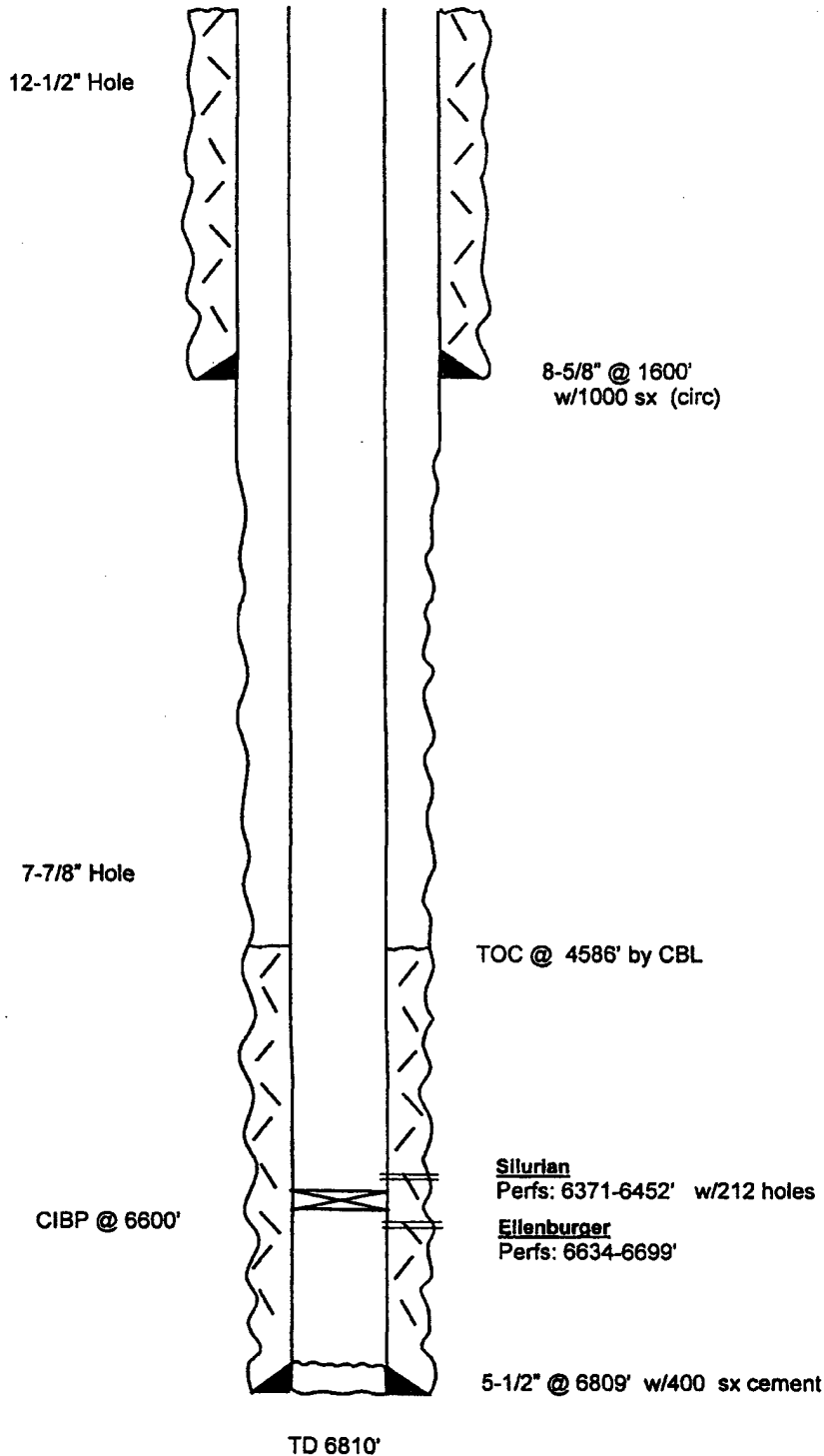
The above Manifold Hookup Design will meet minimum requirement by the Operator. Drilling Contractor to supply choke line and choke manifold. Operator to supply downstream lines from manifold assembly to pits.

WELL NAME: Puffer BDF State Com #1 FIELD: Palma Mesa
 LOCATION: 660' FNL & 990' FWL Sec 24-8S-27E Chaves County
 GL: 3940' ZERO: KB: 3952'
 SPUD DATE: 1/15/91 COMPLETION DATE: 2/26/91
 Comments: API No. 30-005-62813

CASING PROGRAM

8 5/8" 24 # J-55 ST&C	1600'
5 1/2" 15.50# J-55 ST&C	6,809'

BEFORE



Not to Scale
 6/17/03
 Cam