<u>District 1</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 Plastict III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (605) 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

E-mail Address: rachelle@jointresources.com

August 16, 2018

Phone: 817-289-1414

Date:

State of New Mexico
Energy Minerals and Natural
Resources
Oil Conservation Division

1220 South St. Francis Dr. Santa Fe. NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address OGRID Number JOINT RESOURCES COMPANY 372938 5416 Birchman Avenue API Number Fort Worth, TX 76107 30-025- 4 Property Code Property Name Well No. 222,50 COMMANDER 004H 7. Surface Location UL - Lot Section Township Range Lot Idn Feet from N/S Line Feet From E/W Line County 178 39E 700 М 31 S 1310 W Lea Proposed Bottom Hole Location tميا - UL Section Township Feet from N/S Line Feet From E/W Line County Range 6 185 39E 100 1320 W Lea Pool Information Pool Code CARTER; SAN ANDRES, SOUTH 10070 **Additional Well Information** Cable/Rotary Lease Type Well Type Ground Level Elevation Work Type ^ P 3635 ^{u.} Multiple * Formation Spud Date Proposed Depth W Contractor Nο 10.896 San Andres Norton Energy Drlg September, 2018 Depth to Ground water Distance from nearest fresh water well Distance to nearest surface water We will be using a closed-loop system in lieu of lined pits 21. Proposed Casing and Cement Program Hole Size Casing Size Casing Weight/ft Setting Depth Sacks of Cement Estimated TOC Type Surface 12.250 9.625 40 2206 900 0 Production 8.75 5.5 20 10.993 2625 800 Casing/Cement Program: Additional Comments May use a casing sleeve system. ²² Proposed Blowout Prevention Program Working Pressure Test Pressure Manufacturer Type Double Ram 3000 3000 NL Shaffer 23. I hereby certify that the information given above is true and complete to OIL CONSERVATION DIVISION the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC (A) and/or 19.15.14.9 (B) NMAC (I), if applicable. Approved By: Signatute aiteman Petroleum Engineer Printed name: Rachelle Whiteman Expiration Date: 08 Title: Regulatory Analyst Approved Date:

Conditions of Approval Attached

CONDITIONS OF APPROVAL

		-c 0 ⁻
Operator	Well name & Number	"OBB2
JOINT RESOURCES	COMMANDER # 004H	175010
itions of approval marked with X	XXXXX	AUG
		CENED
	JOINT RESOURCES	

XXXXXXX	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in	
	cement the water protection string	

Casing

XXXXXX	SURFACE & PRODUCTION CASING - Cement must circulate to surface
XXXXXXX	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
XXXXXX	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water

Lost Circulation

XXXXXX	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186

Water flows

XXXXXXX	Must notify OCD Hobbs Office of any water flow in the Salado formation at 575-370-3186. Report depth and flow rate.

Stage Tool

XXXXXX	Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186
XXXXXXX	If using Stage Tool on Surface casing, Stage Tool must be greater than 350' from surface and a minimum 200 feet above surface shoe.
XXXXXXX	When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.

Pits

XXXXXXX	If using a pit for drilling and completions, must have an approved pit form prior to spudding the well	

Completion & Production

XXXXXXX	Will require a directional survey with the C-104
XXXXXX	Operator shall notify appropriate District office when setting conductor pipe.
XXXXXX	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of spudding a well.
XXXXXXX	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD.
XXXXXXX	If an APD expires and if site construction has occurred, site remediation is required.