

**District I**  
1625 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) 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-101  
August 1, 2011  
Permit 243597

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

1. Operator Name and Address CHISHOLM ENERGY OPERATING, LLC 801 Cherry Street Fort Worth, TX 76102		2. OGRID Number 372137
4. Property Code 319804		3. API Number 30-025-44157
5. Property Name OUTLAND 14 23 STATE 2BS		6. Well No. 002H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	14	21S	34E	D	200	N	1310	W	Lea

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	23	21S	34E	E	2310	N	460	W	Lea

**9. Pool Information**

GRAMA RIDGE;BONE SPRING	28430
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**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3709
16. Multiple N	17. Proposed Depth 17908	18. Formation Bone Spring	19. Contractor	20. Spud Date 2/15/2018
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**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1810	1454	0
Int1	12.25	9.625	40	5700	2361	0
Prod	8.75	5.5	17	17908	3149	4700

**Casing/Cement Program: Additional Comments**

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**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	1500	1500	Cameron
Double Ram	5000	5000	Cameron
Pipe	5000	5000	Cameron

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.  Signature:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Bettie Watson	Approved By: Paul Kautz
Title: Regulatory Consultant	Title: Geologist
Email Address: bwatson@chisholmenergy.com	Approved Date: 10/31/2017      Expiration Date: 10/31/2019
Date: 10/30/2017      Phone: 972-979-0132	Conditions of Approval Attached

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Phone (505) 393-5181 Fax: (505) 393-0790**DISTRICT II**811 S. First St., Artesia, NM 88210  
Phone (505) 745-1283 Fax: (505) 745-9720**DISTRICT III**1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-5175 Fax: (505) 334-8170**DISTRICT IV**1226 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3450 Fax: (505) 476-3452**State of New Mexico**  
Energy, Minerals and Natural Resources DepartmentForm C-102  
Revised August 1, 2011Submit one copy to appropriate  
District Office**OIL CONSERVATION DIVISION**  
1226 South St. Francis Dr.  
Santa Fe, New Mexico 87505**WELL LOCATION AND ACREAGE DEDICATION PLAT**☐ AMENDED REPORT

API Number	Pool Code 28430	Pool Name GRAMA RIDGE, BONE SPRING
Property Code	Property Name OUTLAND 14-23 STATE 2BS	Well Number 2H
GRID No. 372137	Operator Name CHISHOLM ENERGY OPERATING, LLC	Elevation 3709'

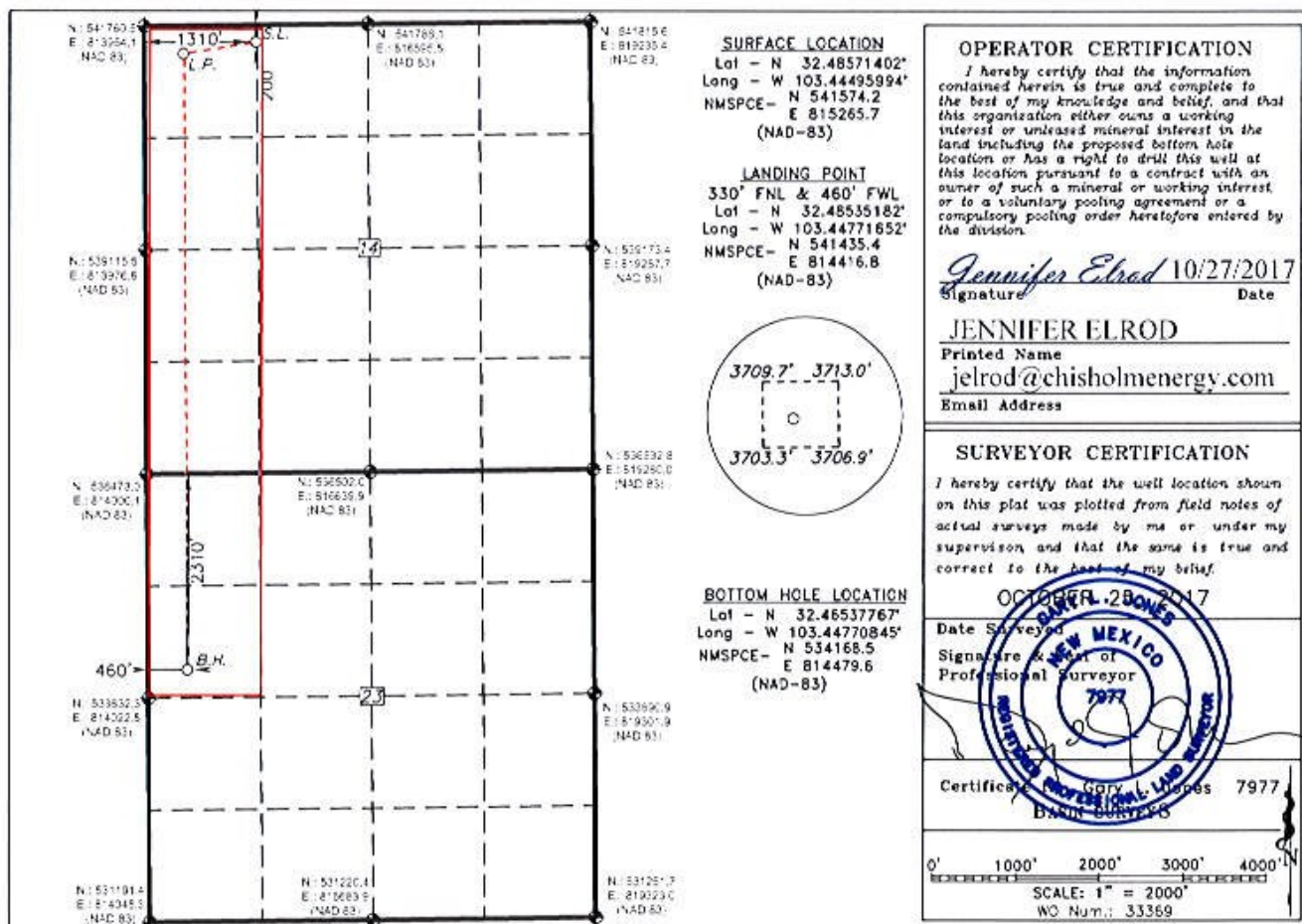
**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/SOUTH LINE	FEET from the	East/West Line	County
D	14	21 S	34 E		200	NORTH	1310	WEST	LEA

**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
E	23	21 S	34 E		2310	NORTH	460	WEST	LEA

Dedicated Acres 240	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

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

Form APD Comments

Permit 243597

**PERMIT COMMENTS**

Operator Name and Address: CHISHOLM ENERGY OPERATING, LLC [372137] 801 Cherry Street Fort Worth, TX 76102	API Number: 30-025-44157
	Well: OUTLAND 14 23 STATE 2BS #002H

Created By	Comment	Comment Date
jelrod	CSG description and Formation data attached.	10/30/2017
jelrod	FORMATION MD, ft TVD, ft TVDSS, ft Rustler 1,788 1,950 Salado 2,213 1,525 Yates 3,763 -25 Capitan Reef 3,988 -250 Delaware Mtn Gr 5,453 -1,715 Bone Spring 8,298 -4,560 1st Bone Spring SS 9,638 -5,900 2nd Bone Spring SS 10,288 -6,550 Target Basal 2nd BS SS 10,518 -6,780 3rd Bone Spring Carb 10,553 -6,815 3rd Bone Spring SS 11,058 -7,320 Wolfcamp 11,338 -7,600 Strawn 11,988 -8,250	10/30/2017

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Form APD Conditions

Permit 243597

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

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: CHISHOLM ENERGY OPERATING, LLC [372137] 801 Cherry Street Fort Worth, TX 76102	API Number: 30-025-44157
	Well: OUTLAND 14 23 STATE 2BS #002H

OCD Reviewer	Condition
pkautz	The operator shall keep a copy of the approved form C-101 and a copy of these conditions of approval at the well site.
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	Will require a directional survey with the C-104
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	Operator shall notify appropriate District office when setting conductor pipe.
pkautz	1)- The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 20 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104
pkautz	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.
pkautz	If an APD expires and if site construction has occurred, site remediation is required.
pkautz	Lost Circulation - Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186
pkautz	Stage Tool - 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.
pkautz	Gas Capture Plan - Operator to Submit Gas Capture Plan ASAP.