

SDistrict 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

Form C-101  
May 27, 2004

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

RECEIVED

Submit to appropriate District Office

☐ AMENDED REPORT

2007 DEC 13 AM 8 27

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

<sup>1</sup> Operator Name and Address <b>Tecton Energy, LLC 3000 Wilcrest, Suite 300 Houston, TX 77042</b>		<sup>2</sup> OGRID Number <b>240497</b>
		<sup>3</sup> API Number <b>30-049-20046</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>Tecton Ortiz</b>	<sup>6</sup> Well No. <b>26-1</b>
<sup>7</sup> Proposed Pool 1 <b>Wildcat - Entrada</b>		<sup>8</sup> Proposed Pool 2

<sup>7</sup> Surface Location

UL or lot no.	Section <b>26</b>	Township <b>14N</b>	Range <b>8E</b>	Lot Idn <b>M</b>	Feet from the <b>660'</b>	North/South line <b>South</b>	Feet from the <b>660'</b>	East/West line <b>West</b>	County <b>Santa Fe</b>
---------------	----------------------	------------------------	--------------------	---------------------	------------------------------	----------------------------------	------------------------------	-------------------------------	---------------------------

<sup>8</sup> 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

<sup>11</sup> Work Type Code <b>N</b>	<sup>12</sup> Well Type Code <b>O</b>	<sup>13</sup> Cable/Rotary <b>R</b>	<sup>14</sup> Lease Type Code <b>S</b>	<sup>15</sup> Ground Level Elevation <b>5855'</b>
<sup>16</sup> Multiple <b>No</b>	<sup>17</sup> Proposed Depth <b>8000'</b>	<sup>18</sup> Formation <b>Entrada</b>	<sup>19</sup> Contractor <b>TBD</b>	<sup>20</sup> Spud Date <b>May 2008</b>
Depth to Groundwater <b>Est 25' to 1000'</b>		Distance from nearest fresh water well <b>2175'</b>		Distance from nearest surface water <b>2100'</b>
Pit: Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> Pit Volume: _____bbls Drilling Method: <b>Rotary</b>				
Closed-Loop System <b>X</b> Fresh Water <b>X</b> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <b>X</b>				

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
<b>17.5"</b>	<b>13.375"</b>	<b>54.5# J-55</b>	<b>1500'</b>	<b>1850</b>	<b>Surface</b>
<b>12.25"</b>	<b>9.625"</b>	<b>36# J-55</b>	<b>4500'</b>	<b>2500</b>	<b>Surface</b>
<b>8.75"</b>	<b>7.0"</b>	<b>26# L-80</b>	<b>8000'</b>	<b>1400</b>	<b>Surface</b>

<sup>22</sup> 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.

This well is designed to test the Entrada which is the primary target at an anticipated TD of 8000'. Other potential shallower oil pays which might be encountered include the Point Lookout, Niobrara, Dakota, and Morrison. The surface casing interval will be drilled using a large water well rig and a fresh water mud system to provide maximum protection of the ground waters in the area. The intermediate and production casing intervals will be drilled using a conventional rotary drilling rig employing a closed loop system and Clean Faze mud system (an environmentally friendly food grade starch based system). Tecton reserves the right to drill the production casing interval with an air mist system. This will depend upon equipment availability and noise abatement issues. The formations to be encountered are anticipated to be normally pressured based on other wells previously drilled in the area. This is a standard oil well location. Closest water well #RG 61028.

BOP will be a double ram rated at 5000#.

This well should be considered a title hole.

<sup>23</sup> 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 type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved by:	
Printed name: G. L. Christensen	Title:	
Title: VP - Operations & Engineering	Approval Date:	Expiration Date:
E-mail Address: gchristensen@tectonenergy.com		
Date: December 12, 2007	Phone: (281) 668-8065	Conditions of Approval Attached <input type="checkbox"/>

Before the OCC  
Case 14255  
OCD Exhibit 10

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos, 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 October 12, 2005  
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 30-049-20046	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name Wildcat - Entrada
<sup>4</sup> Property Code	<sup>5</sup> Property Name TECTON ORTIZ	<sup>6</sup> Well Number 26-1
<sup>7</sup> OGRID No. 240497	<sup>8</sup> Operator Name Tecton Energy, LLC	<sup>9</sup> Elevation 5855.0'

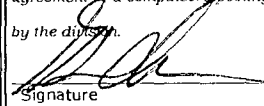
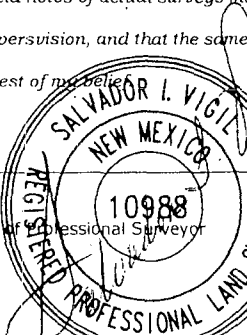
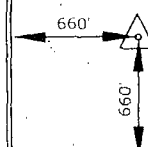
<sup>10</sup> Surface Location

UL or Lot no.	Section PROJ. 26	Township 14 N.	Range 8 E.	Lot Idn M	Feet from the 660'	North/South line South	Feet from the 660'	East/West line West	County Santa Fe
---------------	---------------------	-------------------	---------------	--------------	-----------------------	---------------------------	-----------------------	------------------------	--------------------

<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 Acres 40.0	<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

16	ORTIZ MINE GRANT	<sup>17</sup> 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 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.  Signature 12/12/07 Date G.L. CHRISTENSEN, VP Operations and Engineering Printed Name Tecton Energy, LLC (281)668-8065
	PROJECTED SECTION 26 UNSURVEYED SECTION WITHIN GRANT	<sup>18</sup> 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.  12-12-07 Date of Survey Signature and Seal of Professional Surveyor NMPS 10988 Certificate Number
 WELL SITE 26-1 ELEV = 5855.00' NAD 83 CENTRAL ZONE GRID N: 1602869.072 GRID E: 1694029.194 LATITUDE: 35°24'19.248" LONGITUDE: -106°04'12.304"		