

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 Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101  
Revised December 16, 2011

HOBBS OCD

Energy Minerals and Natural Resources

Oil Conservation Division

Permit

APR 23 2013

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

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

<sup>1</sup> Operator Name and Address Bluestem Energy Holdings, LLC 421 W. 3rd St., Suite 700, Fort Worth, TX 76102		<sup>2</sup> OGRID Number 286989
		<sup>3</sup> API Number 30-025-41137
<sup>4</sup> Property Code 3936939843	<sup>5</sup> Property Name Bobwhite 12 State Com	<sup>6</sup> Well No. 3H

<sup>7</sup> Surface Location

UL - Lot A	Section 12	Township 21 S	Range 33 E	Lot Idn	Feet from 160	N/S Line North	Feet From 496	E/W Line East	County Lea
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<sup>8</sup> Pool Information

Will drill lateral in either 2nd or 3rd Bone Spring sand.	
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Additional Well Information

<sup>9</sup> Work Type N	<sup>10</sup> Well Type O	<sup>11</sup> Cable/Rotary R	<sup>12</sup> Lease Type S	<sup>13</sup> Ground Level Elevation 3,777'
<sup>14</sup> Multiple No	<sup>15</sup> Proposed Depth 16,000' MD	<sup>16</sup> Formation Bone Spring	<sup>17</sup> Contractor	<sup>18</sup> Spud Date upon approval
Depth to Ground water >100'		Distance from nearest fresh water well 5,300' to NE		Distance to nearest surface water >2,000'

<sup>19</sup> Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf.	17-1/2"	13-3/8"	54.5	1,765'	1,300 sx	GL
Int.	12-1/4"	9-5/8"	40	5,500'	2,000 sx	GL
Prod.	8-3/4"	5-1/2"	23	16,000' MD	2,205 sx	4,500'
				11,500' TVD		

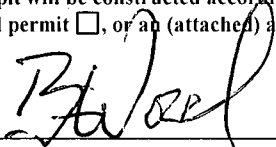
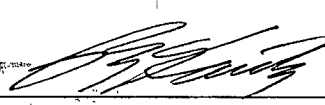
Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Pipe & Blind Rams	5,000	5,000	

Annular 5,000 2,500

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	
Signature: 		Approved By: 	
Printed name: Brian Wood		Title: Petroleum Engineer	
Title: Consultant		Approved Date: 04/25/13	Expiration Date: 04/25/15
E-mail Address: brian@permitswest.com			
Date: Apr. 22, 2013	Phone: (505) 466-8120	Conditions of Approval Attached	