

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

Form C-101  
Revised July 18, 2013

☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address FORTY ACRES ENERGY, LLC 11777B Katy Freeway, Suite #305, Houston, TX 77079		<sup>2</sup> OGRID Number 371416
<sup>3</sup> Property Code 320852		<sup>4</sup> API Number 30-025-45459
<sup>5</sup> Property Name WEST EUMONT UNIT		<sup>6</sup> Well No. 527

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
K	35	20S	36E		2365	S	2460	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
K	35	20S	36E		2365	S	2460	W	LEA

**9. Pool Information**

Pool Name	Pool Code
EUMONT; Yates-Seven Rivers-Queen (Oil)	22800

**Additional Well Information**

<sup>11</sup> Work Type N	<sup>12</sup> Well Type I	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type P	<sup>15</sup> Ground Level Elevation 3557'
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 4500'	<sup>18</sup> Formation QUEEN	<sup>19</sup> Contractor	<sup>20</sup> Spud Date 02/01/2019
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	12.25	8.265	24	1600	150	0
Prod	7.875	5.5	15.5	4500	250	0

**Casing/Cement Program: Additional Comments**

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**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	1500	Shaffer

<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 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: <i>Jessica LaMarro</i>		<b>OIL CONSERVATION DIVISION</b>	
Printed name: Jessica LaMarro		Approved By: <i>[Signature]</i>	
Title: Geologist		Title: <b>Petroleum Engineer</b>	
E-mail Address: jessica@faenergyus.com		Approved Date: 01/03/19 Expiration Date: 01/03/21	
Date: 12/20/2018	Phone: 832-706-0041	Conditions of Approval Attached	

**See Attached  
Conditions of Approval**

## CONDITIONS OF APPROVAL

API #	Operator	Well name & Number
30-025-45459	FORTY ACRES	West Eumont Unit # 527

Applicable conditions of approval marked with XXXXXX

### Administrative Orders Required

XXXXXXX	Review injection order when approved for additional conditions of approval

### Other wells

### Casing

XXXXXXX	SURFACE & PRODUCTION CASING - Cement must circulate to surface and production casing
XXXXXXX	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water

### Lost Circulation

XXXXXXX	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

XXXXXXX	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' 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.

### Completion & Production

XXXXXXX	Will require a deviational survey with the C-105
XXXXXXX	Must notify Hobbs OCD office prior to conducting MIT (575) 393-6161 ext. 114
XXXXXXX	Must conduct & pass MIT prior to any injection
XXXXXXX	May not inject prior to C-108 approval (Injection order approval)
XXXXXXX	Approval of this APD does not guarantee approval of C-108
XXXXXXX	Must conduct & pass MIT prior to any injection