

1. Operator Name and Address KAISER-FRANCIS OIL CO PO BOX 21468 TULSA , OK 74121		2. OGRID Number 12361
		3. API Number 30-015-35350
4. Property Code 34424	5. Property Name MESA 11 GRANDE	6. Well No. 004

UL - Lot D	Section 11	Township 22S	Range 26E	Lot Idn D	Feet From 990	N/S Line N	Feet From 660	E/W Line W	County EDDY
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HAPPY VALLEY STRAWN (GAS)	78070
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9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3158
14. Multiple N	15. Proposed Depth	16. Formation Strawn	17. Contractor	18. Spud Date 3/15/2007
Depth to Ground water 150		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick      Clay <input type="checkbox"/> Pit Volume:      bbls      Drilling Method:				
Closed Loon System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	500	400	0
Int1	12.25	9.625	32	2350	680	0
Prod	7.875	5.5	20	11600	390	8700

Run DV tool to 8700' & cmt w/350 sxs cmt. TOC @ 6000'.

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Cameron

Conditions of Approval Attached

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(505) 393-6161 Fax:(505) 393-0720

**District II**  
 1301 W. Grand Ave., Artesia, NM 88210  
 Phone:(505) 748-1283 Fax:(505) 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-102  
 Permit 44367

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-35350	2. Pool Code 78070	3. Pool Name HAPPY VALLEY;STRAWN (GAS)
4. Property Code 34424	5. Property Name MESA 11 GRANDE	6. Well No. 004
7. OGRID No. 12361	8. Operator Name KAISER-FRANCIS OIL CO	9. Elevation 3158

**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	11	22S	26E		990	N	660	W	EDDY

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Joint or Infill	14. Consolidation Code N/A	15. 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**

	<p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><i>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(s) 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.</i></p> <p>E-Signed By: Robert Major          Title: Manager          Date: 1/5/2007</p>
	<p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>Surveyed By: Macon McDonald          Date of Survey: 12/11/2006          Certificate Number: 12185</p>

## Permit Comments

Operator: KAISER-FRANCIS OIL CO , 12361

Well: MESA 11 GRANDE #004

API: 30-015-35350

Created By	Comment	Comment Date
RMAJOR	The BOP will be function tested daily. Blind rams will be function tested on all trips due to close proximity of dwellings. Nearest dwelling is 1226' away. No H2S is expected. However, an H2S contingency plan will be sent under separate cover along with the proposed mud program.	1/5/2007

# Permit Conditions of Approval

Operator: KAISER-FRANCIS OIL CO , 12361

Well: MESA 11 GRANDE #004

API: 30-015-35350

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	As noted, operator to drill surface and intermediate hole sections with fresh water mud.
BArrant	Please notify OCD time of spud and time to witness the cementing of the surface and intermediate strings of casing.
BArrant	Cement to cover all oil, gas and water bearing zones.