

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8161 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 181332

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

1. Operator Name and Address MOREXCO INC P. O. BOX 51208 MIDLAND, TX 79710		2. OGRID Number 15262
4. Property Code 39334		3. API Number 30-025-41746
5. Property Name OSO NEGRO		6. Well No. 002

7. Surface Location

UL - Lot	D	Section	13	Township	18S	Range	38E	Lot Idn		Feet From	660	N/S Line	N	Feet From	467	E/W Line	W	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	D	Section	13	Township	18S	Range	38E	Lot Idn	D	Feet From	660	N/S Line	N	Feet From	467	E/W Line	W	County	Lea
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9. Pool Information

BISHOP CANYON;SAN ANDRES, EAST	5770
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3623
16. Multiple N	17. Proposed Depth 5000	18. Formation San Andres	19. Contractor	20. Spud Date 3/1/2014
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	8.625	32	2050	350	0
Prod	7.875	5.5	17	5000	500	3000

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	4500	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 ☒ and/or 19.15.14.9 (B) NMAC ☒, if applicable.	OIL CONSERVATION DIVISION
Signature:	
Printed Name: Electronically filed by Rhonda Becker	Approved By: Paul Kautz
Title: Manager	Title: Geologist
Email Address: morexco@att.net	Approved Date: 3/21/2014 Expiration Date: 3/21/2016
Date: 3/18/2014 Phone: 432-684-4344	Conditions of Approval Attached

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1825 N. French Dr., Hobbs NM 88240
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1301 W. Grand Avenue, Artesia, NM 88210
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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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 5770		³ Pool Name Bishop Canyon; San Andres East	
⁴ Property Code		Oso Negro		⁵ Property Name	
⁷ OGHD No. 15262		Morexco, Inc.		⁸ Operator Name	
				⁶ Well Number 2	
				⁹ Elevation 3623'	

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	13	18 S	38 E		660'	North	467'	West	Lea

¹¹Bottom 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
¹² Dedicated Acres 40		¹³ Joint or Infill		¹⁴ Consolidation Code		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

Oso Negro No. 1 Oso Negro No. 2 Elev. 3623' NAD 83 NM East N= 639832 E= 917759 NAD 83 Lat. = 32° 45' 10.63" Long.= 103° 06' 32.22"	¹⁶		¹⁷OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>[Signature]</i> Signature DONALD G. BECKER Printed Name PROS morexco@att.net Title and E-mail Address 2/7/14 Date	
				¹⁸SURVEYOR 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. 01-28-2014 Date of Survey <i>[Signature]</i> Signature and Seal of Professional Surveyor 10324 Certificate Number

3.5 Miles NE of Hobbs, New Mexico.

File No. A-8665

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Form APD Comments

Permit 181332

PERMIT COMMENTS

Operator Name and Address: MOREXCO INC [15262] P. O. BOX 51208 MIDLAND , TX 79710		API Number: 30-025-41746
		Well: OSO NEGRO #002

Created By	Comment	Comment Date
pkautz	Land p/P	3/19/2014
pkautz	Requires NSL	3/19/2014

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Form APD Conditions
 Permit 181332

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MOREXCO INC [15262] P. O. BOX 51208 MIDLAND , TX 79710	API Number: 30-025-41746
	Well: OSO NEGRO #002

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	Will require administrative order for non-standard location
DMULL	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