

**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 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 245473

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

1. Operator Name and Address FORTY ACRES ENERGY, LLC 11777-B Katy Freeway HOUSTON, TX, TX 77079		2. OGRID Number 371416
4. Property Code 320052		3. API Number 30-025-44254
5. Property Name WEST EUMONT UNIT		6. Well No. 417

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	34	20S	36E	O	660	S	1980	E	Lea

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	34	20S	36E	O	660	S	1980	E	Lea

**9. Pool Information**

EUMONT;YATES-7 RVRS-QUEEN (OIL)	22800
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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 3570
16. Multiple N	17. Proposed Depth 4500	18. Formation Queen	19. Contractor	20. Spud Date 1/31/2018
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	24	1650	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

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 <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.  Signature: Printed Name: Huxley K Song Title: CEO Email Address: huxley@faenergyus.com Date: 12/6/2017	<p style="text-align: center;"><b>OIL CONSERVATION DIVISION</b></p> Approved By: Paul Kautz Title: Geologist Approved Date: 12/12/2017 Conditions of Approval Attached
Phone: 832-706-0057	Expiration Date: 12/12/2019

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Form C-102  
August 1, 2011  
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	<p style="text-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:                      Huxley K Song</p> <p>Title:                                      CEO</p> <p>Date:                                      12/6/2017</p> <hr/> <p style="text-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:                      Gary Jones</p> <p>Date of Survey:                      10/9/2017</p> <p>Certificate Number:              7977</p>
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State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form APD Comments

Permit 245473

PERMIT COMMENTS

Operator Name and Address: FORTY ACRES ENERGY, LLC [371416] 11777-B Katy Freeway HOUSTON, TX, TX 77079		API Number: 30-025-44254
		Well: WEST EUMONT UNIT #417

Created By	Comment	Comment Date
jessical	Pool Name: EUMONT; Yates - Seven Rivers - Queen (Oil) Pool Code: 22800	12/5/2017
ksharp	well number field can only accommodate 3 digital and 1 numeric characters. Please revise well number and resubmit.	12/6/2017
ksharp	(See Comments)	12/6/2017

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Form APD Conditions

Permit 245473

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: FORTY ACRES ENERGY, LLC [371416] 11777-B Katy Freeway HOUSTON, TX, TX 77079	API Number: 30-025-44254
	Well: WEST EUMONT UNIT #417

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	SURFACE & PRODUCTION CASING - Cement must circulate to surface
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	1)- The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 45 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104
pkautz	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD.
pkautz	If an APD expires and if site construction has occurred, site remediation is required.
pkautz	Stage Tool - 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.