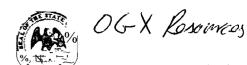
TYPE IFI

APP NO. 100 40 288 48

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau -

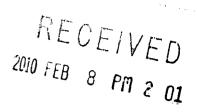
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION COVERSKEE THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE IPI-363 Application Acronyms: [NSL-Non-Standard Location] INSP-Non-Standard Proration-Unit] [SD-Simultaneous Dedication] [DHC-Downhole Commingling] (CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [PC-Pool Commingling] (OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion) ESWD-Salt Water Disposal] 11PI-Injection Pressure Increase] EEOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response] [I]TYPE OF APPLICATION - Check Those Which Apply for [A] 8085 Brushy Drown Swd 1164 Location - Spacing Unit - Simultaneous Dedication \square NSL \square NSP \square SD Check One Only for [13] or [C] Commingling - Storage - Measurement ☐ DHC \Box CTI3 \square PLC \square PC \square OLS \square OLM Injection - Disposal - Pressure Increase - Enhanced Oil Recovery [C]□ SWD ⋈ IPI \Box EOR \sqcap PPR □ WFX \square PMX **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or \square Does Not Apply [2] ☐ Working, Royalty or Overriding Royalty Interest Owners [A] [13] Offset Operators, Leaseholders or Surface Owner [C] ☐ Application is One Which Requires Published Legal Notice [D] ☐ Notification and/or Concurrent Approval by BLM or SLO U-S. Bureau of Land Management - Commissioner of Public Lands, State Land Office ☐ For all of the above, Proof of Notification or Publication is Attached, and/or, [E]☐ Waivers are Attached [F] **INFORMATION / DATA SUBMITTED IS COMPLETE - Certification** [3] I hereby certify that 1, or personnel under my supervision, have reviewed the applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common, I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken. Note: Statement must be completed by an individual with managerial and/or supervisory capacity. Ann E. Ritchie Regulatory Agent 2-1-10 Title Date Print or Type Name Signature ann.wtor@gmail.com e-mail Address

February 1, 2010

New Mexico Oil Conservation Division Attn: Will Jones, Petroleum Engineer 1220 South St. Francis Drive Santa Fe, NM 87505



RE: OGX Resources, LLC, Tesuque 2 State, Well #1, API 30 015 32799 Brushy Draw, Delaware North, Administrative Order SWD-1164 Sec 2, T26S, R29E, NMPM, Eddy County, NM

Dear Mr. Jones,

Please see attached the administrative request for an increase in the injection pressure for the above referenced well. The Step Rate Test and copy of the Administrative Order SWD-1164 are attached.

Please let me know if you will need any further information in order to consider this request. Thank you.

Yours truly,

Ann E. Ritchie, Regulatory Agent OGX Resources, LLC P.O. Box 2064 Midland, TX 79702 (432) 684-6381-Ann ann.wtor@gmail.com

attachments

OGX RESOURCES, LLC.

TESUQUE 2 STATE #1

EDDY COUNTY, NEW MEXICO

TEST DATE 12/9/2009

STEP RATE TEST

Ran step rate test with electric surface readout unit, 1 electronic pressure instrument at run depth of 4,290' and surface pressure transducer.

Step Rate Test

OGX RESOURCES, LLC. TESUQUE 2 STATE #1 TEST DATE 12/09/2009



| Psurface | B.H.P. | Psurface W/O |
|-------------|---|---|
| (psig) | (psia) | FRICTION |
| 397:10 | 2477.90 | 397.10 |
| 501.40 | 2483.50 | 499.40 |
| 639.90 | 2489.40 | 633.90 |
| 625.60 | 2490.20 | 612.60 |
| 645.00 | 2494.10 | 623.00 |
| 672.60 | 2503.00 | 639.60 |
| 704.00 | 2513.50 | 648.00 |
| 761.10 | 2527.60 | 676.10 |
| 815.50 | 2541.50 | 696.50 |
| 717.20 | 2559.70 | 559.00 |
| 935.40 | 2567.30 | 733.00 |
| 792.50 | 2576.30 | 542.50 |
| 871.20 | 2595.10 | 567.20 |
| | | |
| | | |
| | | |
| | | |
| Fette grown | | |
| | | |
| | | |
| | ٠. | |
| | | |
| | | |
| | | |
| | (psig) 397.10 501.40 639.90 625.60 645.00 672.60 704.00 761.10 815.50 717.20 935.40 792.50 871.20 | (psig) (psia) 397.10 2477.90 501.40 2483.50 639.90 2489.40 625.60 2490.20 645.00 2494.10 672.60 2503.00 704.00 2513.50 761.10 2527.60 815.50 2541.50 717.20 2559.70 935.40 2567.30 871.20 2595.10 |

95/55

Run Depth: 4290

Perforations: 4101-4480

Formation:

Total Depth: 4695

Tubing Depth: 4050

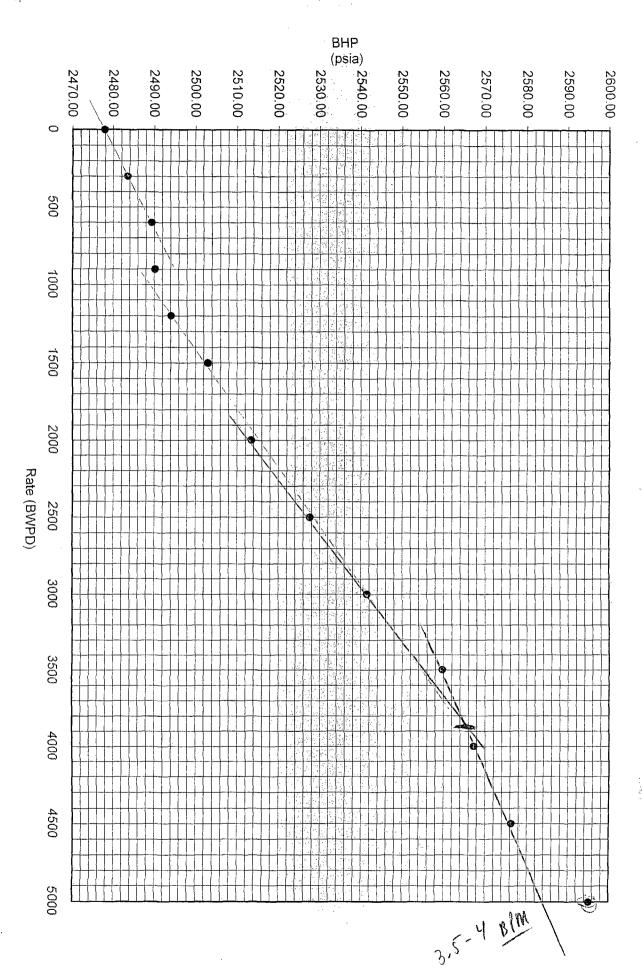
Pkr. Depth: 4041

Tested By: J. Chesshir

Instrument #: 78665

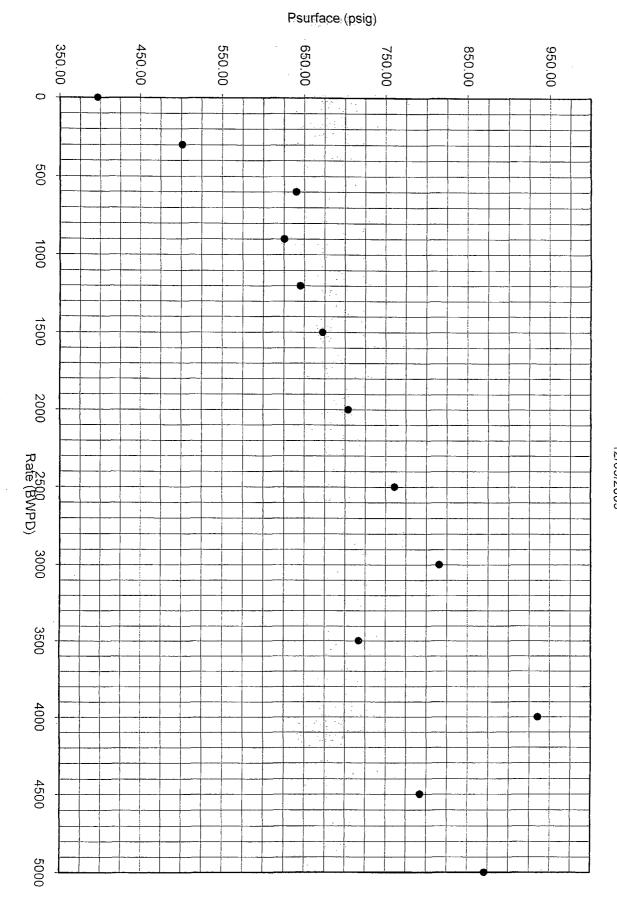
TEST RESULTS

Started out using KLC water; Ran out on 3000 bpd rate; Switched to lease water. Down approximately 1 hour between 3000bpd rate and 3500 bpd rate while waiting on water. KLC arrived and switched back halfway through 4000 bpd rate. Last 130 bbls was lease water. Break actually 2575 from looking at BHP data.



STEP RATE TEST
OGX RESOURCES, LLC.
TESUQUE 2 STATE #1
12/09/2009

PRECISION PRESSURE DATA, INC.



STEP RATE TEST OGX RESOURCES, LLC. TESUQUE 2 STATE #1 12/09/2009

> PRECISION PRESSURE DATA, INC

