

PNRM0621549392

C-103 Received 7-31-2006  
DHC No. Assigned 8-2-2006

<b>Order Number</b> HOB-0154		<b>API Number</b> 30-025-07768		<b>Operator</b> Capataz Operating Inc.		<b>County</b> Lea	
<b>Order Date</b> 		<b>Well Name</b> Blankenship		<b>Number</b> 003		<b>Location</b>	
						M UL	12 Sec
						20S T (+Dir)	
						38E R (+Dir)	
	<b>Pool 1</b>	33225	House Blinebry, South	88%	Oil %	74%	Gas %
	<b>Pool 2</b>	78960	House Tubb	12%		26%	
	<b>Pool 3</b>						
	<b>Pool 4</b>						
<b>Comments:</b> Work completed effective _____ Work cancelled effective _____ Supplement _____							

Posted to  
RBDMS  
8-3-2006

30-025-07768  
HOB-0154

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Capataz Operating Inc.

PROPERTY NAME: Blankenship

WNULSTR: 3-M, 12-20-38

33225

SECTION I:  
POOL NO. 1 House Blinebry, South ALLOWABLE AMOUNT  
142 284 MCF 2000

78760

POOL NO. 2 House Tubb 142 284 MCF 2000

POOL NO. 3 \_\_\_\_\_ MCF

POOL NO. 4 \_\_\_\_\_ MCF

POOL TOTALS 284 568

SECTION II:  
POOL NO. 1 House Blinebry, South

Oil  
 $88\% \times 284 = 249.92$

Gas  
74%  
26%

POOL NO. 2 House Tubb

12%

POOL NO. 3 \_\_\_\_\_

POOL NO. 4 \_\_\_\_\_

OIL

GAS

SECTION III:  
 $142 \div 88\% = 161.363 (162)$

SECTION IV:  
 $162 \times 88\% = 142.56 (143)$   
 $162 \times 12\% = 19.44 (19)$

Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 900 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 May 27, 2004

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. 30-025-07768
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. N/A
7. Lease Name or Unit Agreement Name Blankenship
8. Well Number 3
9. OGRID Number 3659
10. Pool name or Wildcat House; Blinebry South, Tubb

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator  
Capataz Operating, Inc

3. Address of Operator PO Box 10549  
Midland, TX 79702

4. Well Location  
 Unit Letter M : 950 feet from the South line and 950 feet from the West line  
 Section 12 Township 20S Range 38E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3561 GR

Pit or Below-grade Tank Application  or Closure

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK  PLUG AND ABANDON   
 TEMPORARILY ABANDON  CHANGE PLANS   
 PULL OR ALTER CASING  MULTIPLE COMPL

SUBSEQUENT REPORT OF:

- REMEDIAL WORK  ALTERING CASING   
 COMMENCE DRILLING OPNS.  P AND A   
 CASING/CEMENT JOB

OTHER:  OTHER: DHC: Blinebry & Tubb

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.  
*Per R-11363*

Pool Names: House; Blinebry South (33225), House; Tubb (78760)  
 Perforations:  
 Blinebry 5942-50, 5996-6002, 6026-46, 6082-86' 4 SPF  
 Tubb 6674-84, 6704-14, 6734-47' 4 SPF

The allocation method will be as follows:

	Oil	%	Water	%	Gas	%
Blinebry	7	88	22	73	28	74
Tubb	1	12	8	27	10	26
	8	100	30	100	38	100

Downhole commingling will not reduce the value of the pools.  
 Ownership is the same for each of these pools.

DHC Order No. HOB-0154



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit  or an (attached) alternative OCD-approved plan .

SIGNATURE \_\_\_\_\_ TITLE Agent DATE 07/26/2006

or print name H Scott Davis E-mail address: Capataz1@sbcglobal.net Telephone No. (432)620-8820  
 For State Use Only

APPROVED BY: \_\_\_\_\_ TITLE PETROLEUM ENGINEER DATE AUG 02 2006  
 Conditions of Approval (if any): \_\_\_\_\_

District I  
1625 N. French Dr., Hobbs, NM 88240  
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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**

API Number 30-025-07768		Pool Code 332205	Pool Name House, Blinebry, South
Property Code 301012	Property Name Blankenship		Well Number 3
OGRID No. 3659	Operator Name Capataz Operating, Inc.		Elevation 3561

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	12	20S	38E		950'	South	950'	West	Lea

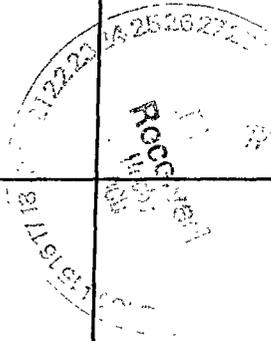
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres    <sup>13</sup> Joint or Infill    <sup>14</sup> Consolidation Code    <sup>15</sup> 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>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature</p> <p>H Scott Davis</p> <p>Printed Name</p> <p>Agent</p> <p>Title and E-mail Address</p> <p>09/24/04 capataz1@sbcglobal.net</p> <p>Date</p>					
				<p>18 SURVEYOR CERTIFICATION</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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>		
				<p>Certificate Number</p>		



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AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-07768		Pool Code 78760	Pool Name House, Tubb
Property Code 301012	Property Name Blankenship		Well Number 3
OGRID No. 3659	Operator Name Capataz Operating, Inc.		Elevation 3561

10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	12	20S	38E		950'	South	950'	West	Lea

11 Bottom 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
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			

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				Certificate Number	

