

PNRM0621928693

C-103 Received 7-31-2006

DHC No. Assigned 8-7-2006

Order Number

HOB-0160

API Number

30-025-37316

Operator

Capataz Operating Inc.

County

Lea

Order Date

Well Name

Salem

Number

001

Location

A

UL

3

Sec

205

T (+Dir)

38E

R (+Dir)

Oil %

80%

Gas %

73%

Pool 1

33230

House Blinebry

Pool 2

47510

Nadine Drinkard Abo

Pool 3

Pool 4

Comments:

Work completed effective \_\_\_\_\_  
Work cancelled effective \_\_\_\_\_  
Supplement \_\_\_\_\_

Posted to  
RBDM &  
8-7-2006

30-025-37316  
HOB-0160

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Capataz Operating Inc.

PROPERTY NAME: Salem

WNULSTR: 1-A, 3-20-38

SECTION I:

ALLOWABLE AMOUNT

33230

POOL NO. 1 House Blinebry

142

284

MCF

2000

47510

POOL NO. 2 Nadine Drinkard Abo

187

9999

MCF

99999

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

MCF

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

MCF

POOL TOTALS 329

SECTION II:

POOL NO. 1 House Blinebry

Oil

80% = 263.20

Gas

73%

POOL NO. 2 Nadine Drinkard Abo

20%

27%

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

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

OIL

GAS

SECTION III:

$142 \div 80\% = 177.50 (178)$

SECTION IV:

$178 \times 80\% = 142.40 (142)$

$178 \times 20\% = 35.60 (36)$

Submit 3 Copies to Appropriate District 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  
 100 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.	30-025-37316
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	SALEM
8. Well Number	1
9. OGRID Number	03659
10. Pool name or Wildcat	House;Blinebry & Nadine; Drinkard-Abo

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  
 P.O. Box 10549,  
 Midland, TX 79702

4. Well Location  
 Unit Letter A : 990 feet from the North line and 450 feet from the East line  
 Section 3 Township 20s Range 38E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 3573' 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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: DHC Blinebry, Drinkard-Abo <input checked="" type="checkbox"/>	

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 (33230) Nadine; Drinkard-Abo (47510)  
 BLINEBRY 5981-84,6000-03,37-39,43-45,48-56,6128-35 & 6140-48' 4 spf  
 DRINKARD 6932-40,90-94,7000-02,13-15,18-19,28-33,35-38 & 7047-54'  
 ABO 7380-82,90-92,7439-42 & 7444-48' 4 spf

The allocation method will be as follows: Test 20 BO x 71 MCF x 52 BW

	Oil Alloc%	Gas Alloc%	Wtr Alloc%
Blinebry	16 80	60 85	38 <del>72</del> 73
Drinkard-Abo	4 20	11 15	14 27
	20 100	71 100	52 100

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



DHC Order No. HOB-0160

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

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

APPROVED BY: \_\_\_\_\_ TITLE PETROLEUM ENGINEER DATE AUG 07 2006

Conditions of Approval (if any):

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III  
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DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals, and Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 15, 2000  
Submit to Appropriate District Office  
State Lease, 4 copies  
Fee Lease, 3 copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-37316		<sup>2</sup> Pool Code 38210 33230		<sup>3</sup> Pool Name House, Blinebry	
<sup>4</sup> Property Code 34904		<sup>5</sup> Property Name SALEM			<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 3659		<sup>8</sup> Operator Name CAPATAZ OPERATING COMPANY			<sup>9</sup> Elevation 3573'

<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
A	3	20 SOUTH	38 EAST, N.M.P.M.		990'	NORTH	450'	EAST	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 4.0	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.

**<sup>17</sup> OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.*

Signature:

Printed Name: H Scott Davis

Title: Agent

Date: 6-24-05

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**<sup>18</sup> SURVEYOR 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.*

Date of Survey: MAY 27, 2005

Signature and Seal of Professional Surveyor:

V. L. BEZNEREK P.S. #7920  
JOB # 105838 / 70SW / E.U.O.

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Form C-102  
Revised August 15, 2000  
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State Lease - 4 copies  
Fee Lease - 3 copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-37316	<sup>2</sup> Pool Code 33210	<sup>3</sup> Pool Name Nadine, Drinkard - Abo
<sup>4</sup> Property Code 34904	<sup>5</sup> Property Name SALEM	
<sup>7</sup> OGRID No. 3659	<sup>8</sup> Operator Name CAPATAZ OPERATING COMPANY	
		<sup>6</sup> Well Number 1
		<sup>9</sup> Elevation 3573'

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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<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 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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<sup>16</sup> 	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: Printed Name: H Scott Davis Title: Agent Date: 6-24-05
	<sup>18</sup> SURVEYOR 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. Date of Survey: MAY 27, 2005 Signature and Seal of Professional Surveyor: Certificate Number: V. L. BEZNAR R.P.S. #7920 JOB # 103838 / 70SW / E.U.O.