

P N A M 0700430175

C-103 Received 11-22-2006  
DHC No. Assigned 11-22-2006

<b>Order Number</b> HOB-0174	<b>API Number</b> 30-025-34634	<b>Operator</b> Capataz Operating Inc	<b>County</b> Lea			
<b>Order Date</b> 11/22/06	<b>Well Name</b> Pall Mall		<b>Number</b> 001	<b>Location</b>		
				<b>A</b> UL	<b>14</b> Sec	<b>205</b> T (+Dir)
						<b>38e</b> R (+Dir)
<b>Pool 1</b>	06660	Blinebry O+G (O:1)	25%	87%		
<b>Pool 2</b>	78760	House Tubb	63%	5%		
<b>Pool 3</b>	33250	House Drinkard	12%	8%		
<b>Pool 4</b>						
<b>Comments:</b> Work completed effective _____ Work cancelled effective _____ Supplement _____						

Posted to  
R B D M  
1-4-2007

30-025-34634

HOB-0174

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Capataz Operating Inc

PROPERTY NAME: Fall Mall

WNULSTR: 1-A, 14-205-380

	SECTION I:	ALLOWABLE AMOUNT	
06660	POOL NO. 1 <u>Blinebry 846 (Oil)</u>	<u>107</u>	<u>428</u> MCF 4000
78760	POOL NO. 2 <u>House Tubb</u>	<u>142</u>	<u>284</u> MCF 2000
33250	POOL NO. 3 <u>House Drinkard</u>	<u>142</u>	<u>284</u> MCF 2000
33210	POOL NO. 4 <u>House Abo</u>	<u>187</u>	<u>374</u> MCF 2000
	POOL TOTALS	<u>578</u>	<u>1370</u>

	SECTION II:	OIL	Gas
	POOL NO. 1 <u>Blinebry Oil+Gas (Oil)</u>	<u>25%</u>	<u>25%</u>
	POOL NO. 2 <u>House Tubb</u>	<u>63% X 578 = 364.14</u>	<u>8%</u>
	POOL NO. 3 <u>House Drinkard</u>	<u>12%</u>	<u>67%</u>
	POOL NO. 4 <u>House Abo</u>	<u>0%</u>	<u>0%</u>

SECTION III: OIL GAS

$107 \div 63\% = 169.841 (170)$

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SECTION IV:

$170 \times 25\% = 42.50 (43)$

$170 \times 63\% = 107.10 (107)$

$170 \times 12\% = 20.40 (20)$

$170 \times 0\% =$

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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  
 1220 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.	30-025-34634
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	PALL MALL
8. Well Number	1
9. OGRID Number	03659
10. Pool name or Wildcat	BlinebryO&G, House;Tubb,HDrinkard,HAbo

**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 : 660 feet from the North line and 660 feet from the East line  
 Section 14 Township 20S Range 38E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 3575' 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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
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, Tubb, 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: Blinebry O&G (06660), House; Tubb ( 78760), House; Drinkard (33250) & House; Abo (33210)  
 BLINEBRY 5923-26,32-36,73-81,93-98,6000-05,17-45 & 6075-89' 1 jspf  
 TUBB 6696-6708,6720-32 & 6736-48'  
 DRINKARD 6960-64,70-74,77-85,91-94,96-7006,9-12,15-20,22-26 & 7032-52' 1 jspf  
 ABO 7277-7428 & 7562-7640'

The allocation method will be as follows: Test 8 BO x 76 MCF x 12 BW

	Oil Alloc%	Gas Alloc%	Wtr Alloc%
Blinebry	2 25	66 87	3 25
Tubb	5 63	4 5	1 8
Drinkard	1 12	6 8	8 67
Abo	0 0	0 0	0 0
	8 100	76 100	12 100

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

DHC Order No. *HOB-0174*

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 NMOC guidelines , a general permit  or an (attached) alternative OCD-approved plan .

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

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

APPROVED BY: *Hayward Wink* OC FIELD REPRESENTATIVE II/STAFF MANAGER NOV 22 2006  
 Conditions of Approval (if any) TITLE DATE

DISTRICT I  
P.O. Box 1860, Hobbs, NM 88241-1860

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34634	Pool Code 06660 26660	Pool Name Blinebry Oil & Gas (Oil)
Property Code 24645	Property Name PALL MALL	Well Number 1
OGRID No. 3659	Operator Name CAPATAZ OPERATING INC.	Elevation 3575

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	14	20 S	38 E		660	NORTH	660	EAST	LEA

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 40	Joint or Infill	Consolidation Code	Order No.
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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><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <i>H Scott Davis</i></p> <p>Printed Name H Scott Davis</p> <p>Title Agent</p> <p>Date 4/9/99</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>Date Surveyed April 6, 1999</p> <p>Signature <i>Ronald E. Edson</i></p> <p>Professional Surveyor NEW MEXICO 3239 4-07-99</p> <p>DMCC</p> <p>State No. RONALD E. EDSON 3239 CARRIE EDSON 12641 MCDONALD 12185</p>

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

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Energy, Minerals and Natural Resources Department

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34634		Pool Code 33210	Pool Name House (ABO)
Property Code 24-645	Property Name PALL MALL		Well Number 1
OGRID No. 3659	Operator Name CAPATAZ OPERATING INC.		Elevation 3575

Surface Location

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□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34634	Pool Code 33250	Pool Name House (Drinkard)
Property Code 24645	Property Name PALL MALL	Well Number 1
OGRID No. 3659	Operator Name CAPATAZ OPERATING INC.	Elevation 3575

Surface Location

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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-025-34634</b>	Pool Code <b>33210</b>	Pool Name <b>House (ABO)</b>
Property Code <b>24-645</b>	Property Name <b>PALL MALL</b>	Well Number <b>1</b>
OGRID No. <b>36-59</b>	Operator Name <b>CAPATAZ OPERATING INC.</b>	Elevation <b>3575</b>

**Surface Location**

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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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