

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 Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr, Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

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

Form C-101
Revised August 1, 2011

HOBBS OCD

Permit

DEC 05 2011

RECEIVED

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

¹ Operator Name and Address THREE RIVERS OPERATING COMPANY LLC 1122 S. CAPITAL OF TX HWY., #325 AUSTIN, TX 78746		² OGRID Number 272295
		³ API Number 30-025-26218
⁴ Property Code 38959	⁵ Property Name BUDDY	⁶ Well No 1

7 Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
D	9	12S	32E		660	N	660	W	LEA

8 Pool Information

CAPROCK; WOLFCAMP	<i>North</i>	9330 9180
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Additional Well Information

⁹ Work Type E	¹⁰ Well Type O	¹¹ Cable/Rotary R	¹² Lease Type P	¹³ Ground Level Elevation 4391
¹⁴ Multiple N	¹⁵ Proposed Depth 8800	¹⁶ Formation WOLFCAMP	¹⁷ Contractor	¹⁸ Spud Date 12/26/2011
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

19 Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
SURFACE	17.5	13.375	61	350	350	SURFACE
INT 1	12.25	8.625	24	3700	1600	SURFACE
PROD	7.875	4.5	11.6	8800	400	7000

Casing/Cement Program: Additional Comments

Set 4 1/2" 11/6# N80 @ 880' w/ FL @ 8760'; cmt w/ 400 sx Calss C; displace w/ 135 bbls Kcl	Permit Expires 2 Years From Approval Date Unless Drilling Underway
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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
HYDRIL	5000	5000	N/A

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

Printed name. **TOM STRATTON**

Title **OPERATIONS ENGINEER**

E-mail Address: **tstratton@3rnr.com**

Date **12/02/2011** Phone **512-706-9849**

OIL CONSERVATION DIVISION

Approved By. *[Signature]*

Title **PETROLEUM ENGINEER**

Approved Date **DEC 07 2011** Expiration Date **DEC 07 2013**

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway**

Conditions of Approval Attached

DEC 08 2011 *Re-Entry* *COA*

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District IV
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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-102
August 1, 2011

Permit 140881

HOBBS OCD

DEC 05 2011

WELL LOCATION AND ACREAGE DEDICATION PLAT **RECEIVED**

1 API Number 30-025-26218	2. Pool Code 9180 9330	3 Pool Name CAPROCK; WOLFCAMP North
4. Property Code 38959	5. Property Name BUDDY	6. Well No. 001
7. OGRID No. 272295	8 Operator Name THREE RIVERS OPERATING COMPANY LLC	9. Elevation 4391

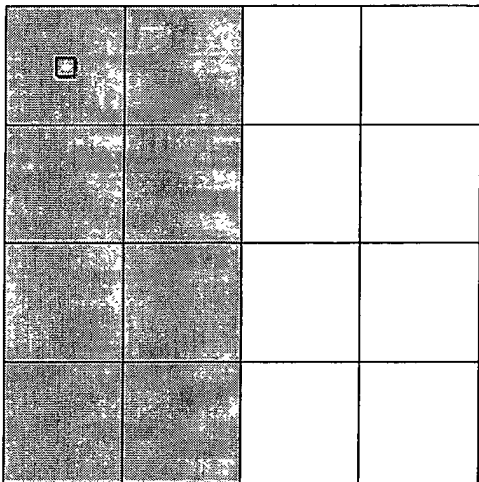
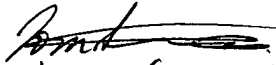
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	9	12S	32E		660	N	660	W	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12 Dedicated Acres 320.00		13 Joint or Infill		14. Consolidation Code		15. 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 align="center">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, 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:  Title: Operations Engineer Date: 12/2/11</p>
	<p align="center">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>Surveyed By: John West Date of Survey: 2/6/1979 Certificate Number: 676</p>



HOBBS OCD

DEC 05 2011

BUDDY #1 - API # 30-025-26218
SEC 9 - 12S - 32E

RECEIVED

WELLBORE:

13-3/8" 61# @ 350', CMT W 350 SX; CMT TO SURFACE
8-5/8" 24/32# @ 3700'; CMT W/ 1600 SX; CMT TO SURFACE

CMT PLUGS:

SURFACE - 10 SX: 0-30' - DRILL OUT
CSG - 35 SX: 3650-3750' - DRILL OUT
HOLE - 35 SX: 4900-5000' (TOP GLORIETTA) - DRILL OUT
HOLE - 35 SX: 7200-7300' (TOP ABO) - DRILL OUT
HOLE - 35 SX: 9000-9100' (TOP BOUGH C) - WILL NOT DRILL OUT

PROCEDURE:

RE-ENTRY - DRILLING

PREPARE LOCATION; DIG OUT CELLAR
MAKE NECESSARY WELLHEAD TIE-IN TO SURFACE/INTERMEDIATE CSG
SET TANKS, FILL WITH 9.2# MUD
MOVE IN DRILLING RIG; SET RACKS, UNLOAD DRILL PIPE
BEGIN DRILLING CMT PLUGS; DRILL 4 CMT PLUGS ABOVE DOWN TO 8800'
CIRCULATE AND CONDITION HOLE
RUN 8800' 4-1/2" 11.6# N80 CASING WITH SHOE & FLOAT COLLAR (8760' EST)
CEMENT WITH 400 SX CLASS C CMT (EST - 1800' FILL - TOP ABO)
DISPLACE WITH 135 BBLS 2% KCL TO BUMP PLUG - WOC
RELEASE RIG; REMOVE ALL DRILLING EQUIPMENT

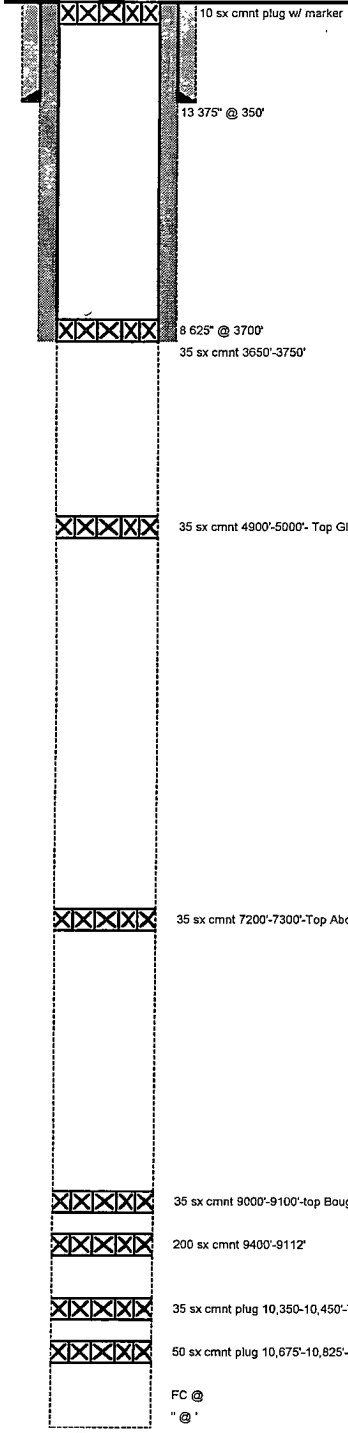
COMPLETION

MIRU COMPLETION WORKOVER RIG
NIPPLE UP B-SECTION WELLHEAD - 5K FLANGE
NIPPLE UP BOP
UNLOAD 2-3/8" TUBING ON RACKS
RIG UP WIRELINE - RUN GR/JB TO PBTD - 8760'
RUN GR-CNL-CCL-CBL FROM PBTD TO TOC - EST 7000'
PERF WOLFCAMP 8617-23' W 2 JSPF - 3-1/8" GUN
RIH W/ TBG, ARROW SET PKR, 1 JT TAILPIPE TO 8630'
SPOT 250 GALS 15% HCL NEFE ACROSS PERF
PULL UP & SET PKR @ 8500'; EOT @ 8531'
BREAK DOWN PERFS
SWAB BACK; TEST
STIMULATE WOLFCAMP W/ 3000 GALS 15% HCL NEFE
SWAB BACK & TEST FOR PRODUCTION
RELEASE PKR & PULL TBG OOH
RIH W/ BHA, S.N., TBG; SET S.N. @ 8650'
RUN RODS & PUMP & SET IN S.N.
SET 456 PUMPING UNIT W/ GAS ENGINE
SET TANK BATTERY - SEPARATOR, HEATER, 2-400 OIL TANKS, 2-400 WATER TANKS
PUT WELL TO PRODUCTION

T.S.

CURRENT:

3ROC



WELL NAME: Buddy #1 FIELD: Undesignated LSE#:
STATE: New Mexico COUNTY: Lea LOCATION: 660' FNL, 660' FWL, Sec 9
API NO: SPUD DATE: FORMATION:
TD: 11265' PBDT: ELEVATION: 4391' GL (+12)' KB

PIPE RECORD								CEMENT & HOLE DATA				
CSG	OD	GRADE	THD	WT/FT	TOP	BTM	# JTS	BIT SIZE	DEPTH	SX	WT.	TOC
Surf	13 375"			61 0#	0'	350'		17 500"		350		Surf
Surf	8 625"			2 4# & 3 2#	0'	3700'		12 250"		1600		Calc
Prod					0'			7 875"				Calc
Tbg	2 375"	J-55	8rd	4 7#	0'							

Remarks:

CAPACITIES			
	(bbl/ft)	(ft/bbl)	(cf/ft)
TBG-CSG 2 375 in 4 7#	00387	258 65	02170
CSG in #	01554	64 34	08730
VOLUME BETWEEN			
	(bbl/ft)	(ft/bbl)	(cf/ft)
TBG-CSG 2.375x	01006	99 37	05650
TBG-CSG			
CSG-HOLE			
TBG-HOLE			
TBG-HOLE			

PERFORATION RECORD					
DATE	TOP	BTM	ZONE	STATUS	SPF

SRC Wt%:
LOGS:
LANDMAN: GEOLOGIST:

TUBULAR GOODS PERFORMANCE					
Material	ID (in)	Drift (in)	Collapse* (psi)	Burst* (psi)	Tensile* (lbs)
13 375" 61#	8 097	7 972	1,370	2,950	263,000
" #	4 000	3 875	6,350	7,780	212,000
2 375" J-55 8rd 4 7#	1 995	1 901	8,100	7,700	71,700

* Safety Factor Not Included

TD 11265'
PBDT *

PREPARED BY:
DATE:
Updated:

OFFICE:
FAX:

PROPOSED W/B 3 ROC

WELL NAME: Buddy #1 FIELD: Undesignated LSE#:
 STATE: New Mexico COUNTY: Lea LOCATION: 660' FNL, 660' FWL; Sec. 9
 API NO: SPUD DATE: FORMATION:
 TD: 11265' PBDT: ELEVATION: 4391' GL (+12)' KB

PIPE RECORD								CEMENT & HOLE DATA				
CSG	OD	GRADE	THD	WT/FT	TOP	BTM	# JTS	BIT SIZE	DEPTH	SX	WT.	TOC
Surf	13.375"			61 0#	0'	350'		17.500"		350		Surf
Surf	8.625"			24# & 32#	0'	3700'		12.250"		1600		Calc
Prod					0'			7.875"				Calc
Tbg	2.375"	J-55	8rd	4.7#	0'							

Remarks:

CAPACITIES	(bbl/ft)	(ft/bbl)	(cf/ft)	
TBGxCSG:	2.375 in. 4.7#	00387	258.65	02170
CSG in. #		01554	64.34	08730
VOLUME BETWEEN	(bbl/ft)	(ft/bbl)	(cf/ft)	
TBGxCSG:	2.375x	01006	99.37	05650
TBGxCSG				
CSGxHOLE				
TBGxHOLE				
TBGxHOLE				

PERFORATION RECORD					
DATE	TOP	BTM	ZONE	STATUS	SPF

4 1/2" 11.6# N-80
 TO CR 7000' (1800' F.U.)

W/C PERFS - 8617-23' w/ 2 jsff

FLC 8760' CMT w/ 400SX
 SHOC 8800 CL 6 CMT

- XXXXXX 35 sx cmnt 9000'-9100'-top Bough "C"
- XXXXXX 200 sx cmnt 9400'-9112'
- XXXXXX 35 sx cmnt plug 10,350-10,450'-Top Atoka
- XXXXXX 50 sx cmnt plug 10,675-10,825'-Top Morrow

FC @
 * @ *

TD 11265'
 PBDT *

SRC W1%:					
LOGS:					
LANDMAN:	GEOLOGIST:				
TUBULAR GOODS PERFORMANCE					
Material	ID (in)	Drift (in)	Collapse* (psi)	Burst* (psi)	Tensile* (lbs)
13.375" 81#	8.097	7.972	1,370	2,950	263,000
* #	4.000	3.875	6,350	7,780	212,000
2.375" J-55 8rd 4.7#	1.995	1.901	8,100	7,700	71,700

* Safety Factor Not Included

PREPARED BY:
 DATE:
 Updated:

OFFICE:
 FAX: