

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 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-101
August 1, 2011
Permit 139307

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

1. Operator Name and Address RMR OPERATING, LLC 415 W. Wall Street Midland, TX 79701		2. OGRID Number 281085
		3. API Number 30-025-40457
4. Property Code 38890	5. Property Name MEDICINE MAN STATE	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	16	26S	36E	E	1650	N	990	W	LEA

8. Pool Information

SIOUX;TANSILL-YATES-SEVEN RIVERS	56610
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 2946
14. Multiple N	15. Proposed Depth 3846	16. Formation Yates	17. Contractor	18. Spud Date 12/15/2011
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 Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	32	1400	515	0
Prod	7.875	5.5	17	3846	330	0

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

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 <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Paul Kautz	
	Title: Geologist	
	Approved Date: 2/28/2011	Expiration Date: 2/28/2013
Printed Name: Electronically filed by CYNTHIA S CHRESTMAN		
Email Address: cynthia@redmountainresources.com		
Date: 10/27/2011	Phone: 501-367-8137	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 139307

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40457	2. Pool Code 56610	3. Pool Name SIOUX;TANSILL-YATES-SEVEN RIVERS
4. Property Code 38890	5. Property Name MEDICINE MAN STATE	6. Well No. 001
7. OGRID No. 281085	8. Operator Name RMR OPERATING, LLC	9. Elevation 2946

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	16	26S	36E		1650	N	990	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 40.00	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

<table border="1" style="width: 100%; height: 150px;"> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> </table>																									<p style="text-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: CYNTHIA S CHRESTMAN Title: Date: 10/27/2011</p> <hr/> <p style="text-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: Gary Jones Date of Survey: 9/20/2011 Certificate Number: 25328</p>

Permit Comments

Operator: RMR OPERATING, LLC , 281085

Well: MEDICINE MAN STATE #001

API: 30-025-40457

Created By	Comment	Comment Date
pkautz	Land s/S	10/28/2011
CHERRERA	OCD RECIEVED C144 CLEZ. OCD PERMIT # P1-04248	2/28/2012

Permit Conditions of Approval

Operator: RMR OPERATING, LLC , 281085
Well: MEDICINE MAN STATE #001
API: 30-025-40457

OCD Reviewer	Condition
pkautz	requires proof of notification to second operator