

**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 151296

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

1. Operator Name and Address REGENERATION ENERGY, CORPORATION P. O. Box 210 Artesia, NM 88210		2. OGRID Number 280240
		3. API Number 30-025-40670
4. Property Code 39311	5. Property Name SHEARN STATE COM	6. Well No. 001H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	32	23S	35E	M	330	S	380	W	LEA

**8. Pool Information**

CINTA ROJO, DELAWARE	96341
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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 3445
14. Multiple N	15. Proposed Depth 13047	16. Formation Delaware	17. Contractor	18. Spud Date 8/1/2012
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	17.5	13.375	54.5	1400	1170	
Int1	12.25	9.625	40	5150	1500	
Prod	7.875	5.5	17	13047	1260	

**Casing/Cement Program: Additional Comments**

If lost circulation encountered at ~1100', will drill to 1400' and set Davis Lynch Stage Tool at approx 850' and cement 13 3/8" casing in 2 stages, if no lost circulation encountered, will drill to approx 1400' and set 13 3/8 with 1300sx in 1 stage, circ to sfce; Will run DVT on production string at approx. 5100' and circ cement into 9 5/8" casing.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	
Pipe	5000	5000	

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"/> .	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Electronically filed by JOEL W MILLER	Approved By: Paul Kautz	
Title: Secretary/Treasurer	Title: Geologist	
Email Address: jmillar@pvtn.net	Approved Date: 7/5/2012	Expiration Date: 7/5/2014
Date: 7/3/2012	Phone: 575-736-3535	Conditions of Approval Attached

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

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name <b>SHEARN STATE COM</b>	Well Number <b>1H</b>
OGRID No.	Operator Name <b>REGENERATION ENERGY CORPORATION</b>	Elevation <b>3445'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>32</b>	<b>23-S</b>	<b>35-E</b>		<b>330</b>	<b>SOUTH</b>	<b>380</b>	<b>WEST</b>	<b>LEA</b>

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
<b>D</b>	<b>32</b>	<b>23-S</b>	<b>35-E</b>		<b>330</b>	<b>NORTH</b>	<b>330</b>	<b>WEST</b>	<b>LEA</b>

Dedicated Acres	Joint or Infill	Consolidation Code	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><b>GEODETIC COORDINATES</b> NAD 27 NME</p> <p><b>SURFACE LOCATION</b> Y=457606.4 N X=789630.3 E LAT.=32.254603° N LONG.=103.396446° W</p> <p><b>BOTTOM HOLE LOCATION</b> Y=462226.8 N X=789535.6 E</p> <p><b>CORNER COORDINATES TABLE</b></p> <table border="1"> <tr> <td>Ⓐ</td> <td>Y=462553.9 N, X=789202.5 E</td> </tr> <tr> <td>Ⓑ</td> <td>Y=462565.3 N, X=790521.0 E</td> </tr> <tr> <td>Ⓒ</td> <td>Y=457272.9 N, X=789253.5 E</td> </tr> <tr> <td>Ⓓ</td> <td>Y=457285.2 N, X=790573.5 E</td> </tr> </table> <p><b>DETAIL</b></p> <p>3444.1' 3441.8' 600' 3453.8' 3448.7'</p> <p>GRID. AZ.=358°49'29" HORIZ. DIST.=4622.2'</p> <p>330' B.H.</p> <p>380' S.L.</p> <p>SEE DETAIL</p>	Ⓐ	Y=462553.9 N, X=789202.5 E	Ⓑ	Y=462565.3 N, X=790521.0 E	Ⓒ	Y=457272.9 N, X=789253.5 E	Ⓓ	Y=457285.2 N, X=790573.5 E	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unless mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</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>MAY 18, 2012</p> <p>Date of Survey _____</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>Ronald J. Eidson</i></p> <p>Certificate Number <b>12641</b> <b>3239</b></p> <p><b>Ronald J. Eidson</b> <b>12641</b></p> <p><b>AF</b> <b>JWSC W.O.: 12.11.0877</b></p>
Ⓐ	Y=462553.9 N, X=789202.5 E								
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## Permit Comments

**Operator:** REGENERATION ENERGY, CORPORATION , 280240

**Well:** SHEARN STATE COM #001H

**API:** 30-025-40670

Created By	Comment	Comment Date
pkautz	Land p/S	7/3/2012
CHERRERA	OCD RECEIVED FORMC C144 CLEZ. OCD PERMIT # P1-04885	7/5/2012

# Permit Conditions of Approval

**Operator:** REGENERATION ENERGY, CORPORATION , 280240

**Well:** SHEARN STATE COM #001H

**API:** 30-025-40670

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string