

**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) 749-1283 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 221209

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

|  |                                      |                               |
|--|--------------------------------------|-------------------------------|
| 1. Operator Name and Address<br>AMTEX ENERGY INC<br>P.O. Box 3418<br>Midland, TX 79702 |                                      | 2. OGRID Number<br>785        |
|  |                                      | 3. API Number<br>30-025-43302 |
| 4. Property Code<br>316337   | 5. Property Name<br>DAGGER STATE COM | 6. Well No.<br>504H           |

**7. Surface Location**

|               |               |                 |              |              |                   |               |                  |               |               |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|---------------|
| UL - Lot<br>H | Section<br>30 | Township<br>21S | Range<br>33E | Lot Idn<br>H | Feet From<br>2610 | N/S Line<br>N | Feet From<br>560 | E/W Line<br>E | County<br>Lea |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|---------------|

**8. Proposed Bottom Hole Location**

|               |               |                 |              |              |                  |               |                  |               |               |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot<br>A | Section<br>19 | Township<br>21S | Range<br>33E | Lot Idn<br>A | Feet From<br>330 | N/S Line<br>N | Feet From<br>560 | E/W Line<br>E | County<br>Lea |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|---------------|

**9. Pool Information**

|                                  |       |
|----------------------------------|-------|
| WC-025 G-06 S213326D;BONE SPRING | 97929 |
|----------------------------------|-------|

**Additional Well Information**

|                           |                             |  |                         |                                    |
|---------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type<br>New Well | 12. Well Type<br>OIL        | 13. Cable/Rotary                       | 14. Lease Type<br>State | 15. Ground Level Elevation<br>3784 |
| 16. Multiple<br>N         | 17. Proposed Depth<br>18400 | 18. Formation<br>2nd Bone Spring Sand  | 19. Contractor          | 20. Spud Date<br>6/20/2016         |
| Depth to Ground water     |                             | Distance from nearest fresh water well |                         | Distance to nearest surface water  |

We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 14.75     | 10.75       | 40.5             | 1700          | 1155            | 0             |
| Int1 | 9.875     | 7.625       | 29.7             | 10300         | 1090            | 0             |
| Prod | 6.75      | 5.5         | 20               | 18400         | 350             | 10150         |

**Casing/Cement Program: Additional Comments**

|  |
|--|
|  |
|--|

**22. Proposed Blowout Prevention Program**

| Type       | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 3000             | 3000          | CAMERON      |

|  |                                  |
|--|----------------------------------|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable.<br><br>Signature: | <b>OIL CONSERVATION DIVISION</b> |
| Printed Name: Electronically filed by Karol Eads   | Approved By: Paul Kautz          |
| Title: Office Manager/Accounting Supervisor  | Title: Geologist                 |
| Email Address: keads@amtenergy.com   | Approved Date: 6/17/2016         |
| Date: 5/31/2016  | Expiration Date: 6/17/2018       |
| Phone: 432-686-0847  | 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, NM 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   |
|               | 97927              | Bone Spring |
| Property Code | Property Name      | Well Number |
|               | DAGGER STATE COM   | 504H        |
| OGRID No.     | Operator Name      | Elevation   |
| 000785        | AMTEX ENERGY, INC. | 3783.8'     |

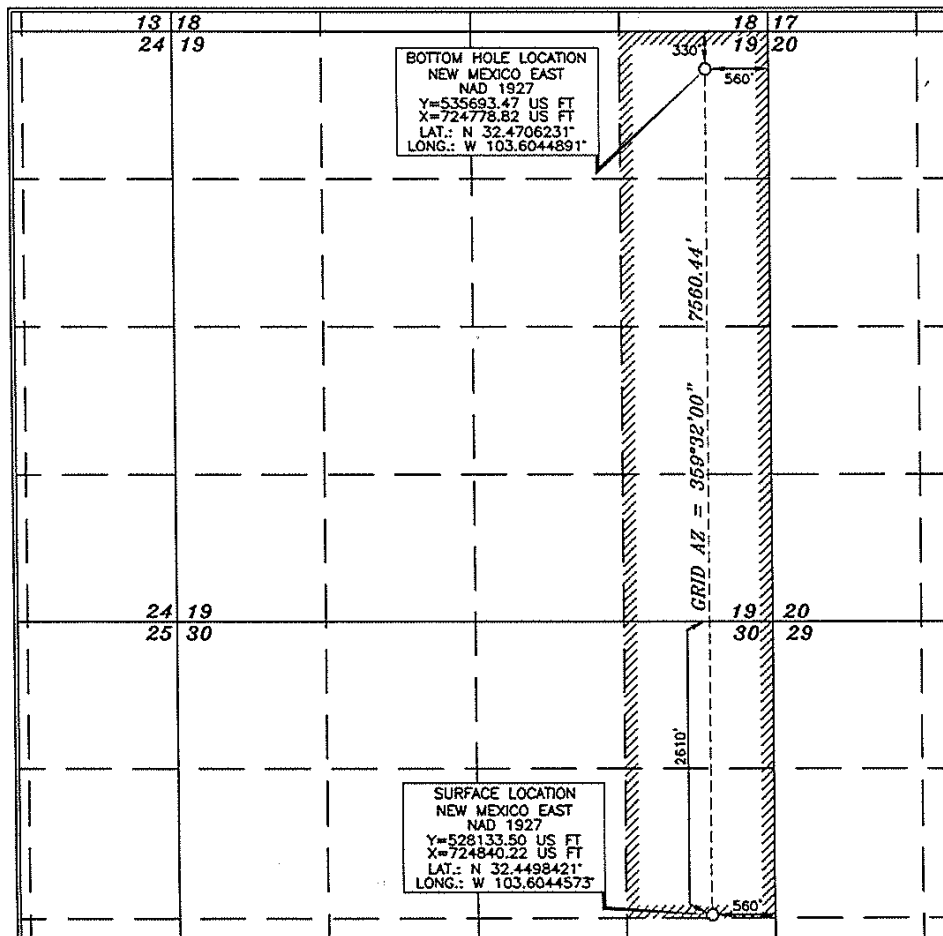
**Surface Location**

| UL or lot no. | Section | Township | Range             | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| H             | 30      | 21 SOUTH | 33 EAST, N.M.P.M. |         | 2610'         | NORTH            | 560'          | 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 |
|-----------------|-----------------|--------------------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| A               | 19              | 21 SOUTH           | 33 EAST, N.M.P.M. |         | 330'          | NORTH            | 560'          | EAST           | LEA    |
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No.         |         |               |                  |               |                |        |
| 240             |                 |                    |                   |         |               |                  |               |                |        |

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.



**OPERATOR CERTIFICATION**

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 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.

*William J. Savage* / 05-20-16  
Signature Date

William J. Savage  
Printed Name

bsavage@amtexenergy.com  
E-mail Address

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**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.

APRIL 8, 2016  
Date of Survey

Signature and Seal of Professional Surveyor

*Terry D. Alsel* 5/2/2016  
Certificate Number 15079

WO# 160406WL (Rev. A) (04)

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**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form APD Comments

Permit 221209

**PERMIT COMMENTS**

|  |                                 |
|--|---------------------------------|
| Operator Name and Address:<br>AMTEX ENERGY INC [785]<br>P.O. Box 3418<br>Midland, TX 79702 | API Number:<br>30-025-43302     |
|  | Well:<br>DAGGER STATE COM #504H |

| Created By | Comment | Comment Date |
|------------|---------|--------------|
|------------|---------|--------------|

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Form APD Conditions

Permit 221209

**PERMIT CONDITIONS OF APPROVAL**

|  |                                 |
|--|---------------------------------|
| Operator Name and Address:<br>AMTEX ENERGY INC [785]<br>P.O. Box 3418<br>Midland, TX 79702 | API Number:<br>30-025-43302     |
|  | Well:<br>DAGGER STATE COM #504H |

| OCD Reviewer | Condition  |
|--------------|--|
| pkautz       | Will require a directional survey with the C-104   |
| 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   |
| pkautz       | If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.  |
| pkautz       | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement   |
| pkautz       | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water   |
| pkautz       | Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186  |
| pkautz       | Must notify OCD Hobbs Office of any water flows in the Salado Formation at 575-370-3186. Report depth and flow rate  |
| pkautz       | 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.   |
| pkautz       | Potash Area Three String Casing Program - In accordance with R-111-P all strings shall be cemented to surface. Salt Protection String - If the cement fails to reach the surface or the bottom of the cellar, where required, the top of the cement shall be located by a temperature or other survey and additional cementing shall be done until the cement is brought to the surface.   |
| pkautz       | The New! Gas Capture Plan (GCP) notice is posted on the NMOCD website under Announcements. The Plan became effective May 1, 2016. A copy of the GCP form is included with the NOTICE and is also in our FORMS section under Unnumbered Forms. Please review filing dates for all applicable activities currently approved or pending and submit accordingly. Failure to file a GCP may jeopardize the operator's ability to obtain C-129 approval to flare gas after the initial 60-day completion period. |
| pkautz       | 1) SURFACE, INTERMEDIATE & PRODUCTION CASING - Cement must circulate to surface --   |