

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 261959

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

1. Operator Name and Address FORTY ACRES ENERGY, LLC 2121 Sage Road Houston, TX 77056		2. OGRID Number 371416
4. Property Code 320052		3. API Number 30-025-45491
5. Property Name WEST EUMONT UNIT		6. Well No. 217

7. Surface Location

UL - Lot J	Section 2	Township 21S	Range 35E	Lot Idn J	Feet From 3135	N/S Line N	Feet From 1950	E/W Line E	County Lea
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8. Proposed Bottom Hole Location

UL - Lot J	Section 2	Township 21S	Range 35E	Lot Idn J	Feet From 3135	N/S Line N	Feet From 1950	E/W Line E	County Lea
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9. Pool Information

EUMONT;YATES-7 RVRS-QUEEN (OIL)	22800
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3568
16. Multiple N	17. Proposed Depth 4500	18. Formation Queen	19. Contractor	20. Spud Date 2/25/2019
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	12.25	8.265	24	1600	150	0
Prod	7.875	5.5	15.5	4500	250	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	1500	Shaffer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒ if applicable. Signature: Printed Name: Huxley K Song Title: CEO Email Address: huxley@faenergyus.com Date: 1/8/2019	OIL CONSERVATION DIVISION Approved By: Paul F Kautz Title: Geologist Approved Date: 1/15/2019 Expiration Date: 1/15/2021 Conditions of Approval Attached
Phone: 832-706-0057	

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Form C-102
August 1, 2011
Permit 261959

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-45491	2. Pool Code 22800	3. Pool Name EUMONT;YATES-7 RVRS-QUEEN (OIL)
4. Property Code 320052	5. Property Name WEST EUMONT UNIT	6. Well No. 217
7. OGRID No. 371416	8. Operator Name FORTY ACRES ENERGY, LLC	9. Elevation 3568

10. Surface Location

UL - Lot J	Section 2	Township 21S	Range 35E	Lot Idn J	Feet From 3135	N/S Line N	Feet From 1950	E/W Line E	County Lea
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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

	OPERATOR CERTIFICATION <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> E-Signed By: Huxley K Song Title: CEO Date: 1/8/2019
	SURVEYOR CERTIFICATION <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> Surveyed By: Gary Jones Date of Survey: 12/27/2018 Certificate Number: 7977

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Form APD Comments

Permit 261959

PERMIT COMMENTS

Operator Name and Address: FORTY ACRES ENERGY, LLC [371416] 2121 Sage Road Houston, TX 77056		API Number: 30-025-45491
		Well: WEST EUMONT UNIT #217

Created By	Comment	Comment Date
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Form APD Conditions

Permit 261959

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: FORTY ACRES ENERGY, LLC [371416] 2121 Sage Road Houston, TX 77056	API Number: 30-025-45491
	Well: WEST EUMONT UNIT #217

OCD Reviewer	Condition
pkautz	Will require a deviation survey with the C-104 Add
pkautz	SURFACE & PRODUCTION CASING - Cement must circulate to surface
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	1)- The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 45 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104
pkautz	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD.
pkautz	Stage Tool 1) Must notify OCD Hobbs Office prior to running Stage Tool at 5753703186 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.