Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
June 19, 2008

WELL API NO.
30-019-20137

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.
NA

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name
Singleton Properties LLC

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

8. Well Number
Latigo Ranch 3-5

2. Name of Operator
SWEPI LP

CONFIDENTIAL

9. OGRID Number
250036

3. Address of Operator
P.O. Box 576 Houston, TX

10. Pool name or Wildcat
Wildcat

4. Well Location
Unit Letter **K** : **1831+/-** feet from the **South** line and **1768+/-** feet from the **West** line
Section **5** Township **10 N** Range **23 E** NMPM County **Guadalupe**

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
4687 +/- graded

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	X	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
OTHER:	☐			OTHER:	☐		

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SWEPI LP proposes to change the surface location of the well from that indicated on the approved APD (1810 +/- from the South line and 1801 +/- from the West line) to the location indicated above. A revised Well Location Map is attached.

SWEPI LP proposes to change the estimated depths to formation tops and total depth indicated on the approved APD to the revised estimated depths presented below. These revisions are based on logs from wells recently drilled in the area.

Significant Formations Tops	Drill Depth	Subsea Depth	Significant Formations Tops	Drill Depth	Subsea Depth
Santa Rosa	984	3700	Yeso	2194	2490
Bernal	1224	3460	Pennsylvanian	5814	-1130
San Andres	1384	3300	Mississippian	13584	-8900
Glorieta	1784	2900	Total Depth	13634	-8950

SWEPI LP proposes to modify the Drilling and Completion Plan (DCP) and Surface Use Plan (SUP) to provide the option to switch from water-based mud (WBM) to oil-based mud (OBM) when drilling the prospective production zones below the total depth of the intermediate casing string. The revised DCP and SUP are attached.

Spud Date: February 1, 2009 (est.) Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Michael L. Bergstrom TITLE: Regulatory Coordinator DATE: January 26, 2009

Type or print name: Michael L. Bergstrom E-mail address: michael.bergstrom@shell.com PHONE: (303) 222-6347

For State Use Only

APPROVED BY: Ed Martin TITLE DISTRICT SUPERVISOR DATE 2/6/09
Conditions of Approval (if any):

Latigo Ranch 3-5 Drilling and Completion Plan (revised)

The well will be drilled with potable (TDS<3,000 ppm) water–based fluids from surface to the bottom of the Santa Rosa Formation ("freshwater aquifer"). Surface conductor and surface casing will be installed and cemented. Below the Santa Rosa Formation, the well will be drilled with nonpotable (TDS>10,000 ppm) water-based fluids to the top of the prospective zones. Intermediate casing strings will be installed and cemented. The well will be drilled with nonpotable (TDS>10,000 ppm) water-based fluids and/or oil-based fluids to total vertical depth (TVD). Additional intermediate casing strings and/or production casing will be installed and cemented. Upon completion of drilling, the casing will be perforated in selected prospective zones. Hydraulic fracturing will be performed in the prospective zones, and gas and water flow testing will be conducted in individual and/or commingled zones.

Drilling Program

- Lithology
  - Tucumcari Basin
    - This area has been the subject of limited oil & gas exploration activity
    - Prospective formations are in the Pennsylvanian section
- Fluid-Bearing Formations
  - Potable water (Surface – 1500 feet below ground surface)
  - Brackish water (1500+ feet below ground surface)
  - Natural gas/condensate (~8000+ feet below ground surface)
- Drilling Fluids
  - Freshwater drilling fluids
    - Potable (TDS< 3,000 ppm) water-based, 8.3-8.6 ppg, viscosifiers and LCM additives
  - Brackish water drilling fluids
    - Non-potable (TDS>10,000 ppm) water-based fluids, 8.6-10.0 ppg, salt, lime, caustic soda, viscosifiers and LCM additives
  - Lost Circulation Materials (LCM)
    - LCM consisting of, but not limited to, cedar fibers, mica, drilling paper, graphite, walnut plug, cottonseed hulls and calcium carbonate may be used to address lost circulation zones encountered during drilling
  - Oil-based drilling fluids
    - Diesel fuel-based fluids, 7.5-9.5 ppg, inhibited
- Wellhead Pressure Control (Blowout Prevention [BOP])
  - Wellhead BOP equipment is standard design for "tight gas" wells (Attachment A3)
    - Maximum pressures for equipment (wellhead A section to be 11" 5,000 psi; wellhead B section to be 11" 10,000 psi; BOP with 11" 5,000 psi annular preventer; and Ram preventers with 11" 10,000 psi)
    - Maximum downhole pressures anticipated ~6500 psi
  - BOP testing procedures will conducted by third party contractor

- Ram preventers to 10,000 psi and 250 psi; Annular preventer to 2500 psi and 250 psi, for 10 minutes and 5 minutes, respectively

Casing and Cementing Program

- All casing run and set will be new and unused.
- Surface Casing
  - 14.75-inch diameter well bore, drilled to 1300 feet.
  - 10.75-inch diameter casing installed and cemented to surface
- Intermediate Casing
  - 9.875-inch diameter well bore, drilled to 5900 feet.
  - 7.625-inch diameter casing installed and cemented to 1000 feet
- Production Casing
  - 6.5-inch diameter well bore, drilled to 13650 feet.
  - 4.5-inch diameter casing installed and cemented to 5400 feet

Well Completion

- Casing Perforation
  - Perforate casing in prospective sand zones, using three shots per foot (spf), 120 degree, phased perforating guns
- Hydraulic Fracturing
  - Treat prospective sand zones with ceramic and/or sand proppant materials during well stimulation

Logging and Testing

- Lithologic Logging
  - Mudlogging (to TVD); Selective coring (whole and/or rotary sidewall)
- Wireline-Logging, including, but not limited to:
  - Gamma Ray, Resistivity, Porosity, Neutron and Sonic data collection
- Flow Testing
  - Flow individual or combinations of production zones for up to 14 days
  - Flow entire well for up to 120 days

Water Supply for Drilling and Completions

- One water well (minimum 5-½-inch and maximum 7-inch diameter casing) will be drilled on-site about 500 feet east of the well location, on the edge of the well site
  - A temporary appropriation of up to 3 acre feet (AF) of potable water was obtained from the Office of State Engineer-District 6 (OSE) for production of potable water from the Santa Rosa aquifer
- Potable groundwater will be available from the nearby Webb CD-1 water well
  - A temporary appropriation of up to 3 acre feet (AF) of potable water from the Santa Rosa aquifer was previously approved by the Office of State Engineer-District 6 (OSE) and recently renewed by OSE-District 7.
- Potable groundwater will be available from the Pajarito Ranch (Newkirk, NM)
  - Parajito Creek Ranch holds appropriations for more than 500 acre feet (AF) of potable groundwater, which may be sold for any and all uses.
- Nonpotable produced water will be available from wells previously drilled in the area (e.g., Webb CD-1, Webb 3-23, and Latigo Ranch 2-34)
  - Produced water from the completion and testing of previous wells may be stored, and may be treated and re-used at other well locations

Latigo Ranch 3-5 Surface Use Plan (revised)

The well location, associated facilities and access roads will be constructed on fee surface, upon approval of the surface owner. Well site and access roads will be constructed to withstand the loads occurring during mobilization, placement and operation of drilling, completion and testing equipment. Construction activities will be conducted to minimize surface disturbances and to readily accommodate reclamation activities on disturbed areas.

Existing Roads

- Access to Location
  - From the town of Cuervo, New Mexico
    - Drive north on County Road, about 5.9 miles (Topographic Map A)
    - Follow Pipeline Corridor road west toward Webb CD-1 well location, about 2.6 miles (Topographic Map A)
    - Follow Webb Ranch road north toward Webb CD-1 well location, about 2.2 miles (Topographic Map A)
    - From Webb Ranch road, turn west, follow improved two track road west, south, west and south, about 6.3 miles, to Latigo 3-5 well location (Topographic Map B)

Roads to be Constructed/Maintained

- Improved Roads
  - County Road (maintained by Guadalupe County)
    - Constructed of compacted crushed aggregate and fill
- Two-Track Roads
  - Latigo Ranch and Webb Ranch Roads
    - Existing improved 2-Track road extends to Webb CD-1 well location
      - Constructed of compacted crushed aggregate and fill
      - Culverts and/or rock-filled, low water crossings installed
    - Construct improved 2-Track road segments: (1) along Pipeline Corridor, and (2) extending to Latigo 3-5 well location
      - Grade/crown road, placing crushed aggregate, as needed
      - Install culverts and/or rock-filled, low water crossings, as needed

Well Site Layout

- Well pad location and associated facilities are shown on Well Location, Latigo Ranch 3-5, Topographic Map A, and Topographic Map B
  - The staked well location and proposed access road are shown on Location Photos
  - Well location, water well, access roads, lined pits, above-ground tanks and temporary buildings, and storage areas are shown on Location Layout for Latigo Ranch 3-5

Water Supply

- Water well will be drilled at a location about 500 feet south of the well location, on the edge of the well site (Location Layout for Latigo Ranch 3-5)

Existing Oil & Gas Wells

- Webb CD-1 well, Webb 3-23 well and Latigo Ranch 2-34 well are nearby

Existing and/or Proposed Facilities

- Well Site Facilities
    - Located at well site at approximate locations shown on Location Layout for Latigo Ranch 3-5
- Temporary living quarters
    - Located at well site initially, possibly moved to other, more centrally located area in the near future

Storm Water Management Plan

- Stormwater management and erosion control practices will be implemented during construction, operations and reclamation (Storm Water Prevention Plan [SWPP])

Waste Management and Disposal

- Water-based drilling fluids (WBM), cuttings and other solids will be processed in a closed loop system; fluids will be re-used, solids will be transported for off-site disposal
- Oil-based drilling fluids (OBM), cuttings and other solids will be processed in a closed loop system; fluids will be re-used, solids will be transported for off-site disposal
- Oil-based drilling fluids (OBM) remaining after drilling will be shipped to the vendor, re-processed, and then used on subsequent drilling projects
- Other solid wastes will be accumulated and dispose of off-site at permitted landfill

Produced Water Management and Disposal

- Produced water, and hydraulic fracturing fluids will be evaporated on-site; some fluids may be treated and re-used on-site or at other well locations. Concentrated waste fluids will be disposed of off-site at permitted disposal facility

Construction Materials

- Fill material and Aggregate - obtained from local sources
- Top Soil - temporarily stockpiled at perimeter of well pad and along construction corridors for subsequent use during reclamation

Reclamation

- Areas temporarily disturbed during construction, and well drilling, completion and testing will be reclaimed to original conditions, as soon as is practical and in consultation with the surface owner
    - Disturbed areas will be re-contoured to match existing topography
    - Topsoil salvaged during construction activities will be spread to a minimum thickness of 6 inches
    - Reclaimed areas will be planted with seed mixture recommended by local Soil Conservation Service and/or BLM staff, and approved by surface owner
- Areas disturbed during construction and subsequent oil & gas production will be reclaimed to original conditions, as soon after oil & gas production ceases as is practical, and in consultation with the surface owner

Other Information

- Construction and operation of an oil & gas well in Guadalupe County, New Mexico does not require a special use permit or waiver from the County

SWEPI

Well location, (AS-BUILT) LATIGO RANCH #3-5, Located as shown in T10N, R23E, N.M.P.M., Guadalupe County, New Mexico.

BASIS OF ELEVATION

HILL TRIANGULATION STATION LOCATED IN T10N, R23E, N.M.P.M. TAKEN FROM THE CUERVO QUADRANGLE, NEW MEXICO, GUADALUPE COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5356 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Nelson J. Marshall 12446

REGISTERED LAND SURVEYOR
REGISTRATION NO. 12446
STATE OF NEW MEXICO

STATE OF NEW MEXICO · NELSON J. MARSHALL · 12446 · REGISTERED LAND SURVEYOR

LEGEND:

- └ = 90° SYMBOL
- ● = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 35°07'10.43" (35.119564)
LONGITUDE = 104°31'34.19" (104.526164)
(NAD 27)
LATITUDE = 35°07'10.23" (35.119508)
LONGITUDE = 104°31'32.24" (104.525622)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 3000'	05-12-08	08-27-08
PARTY: T.A. C.D. L.K.	REFERENCES: G.L.O. PLAT	
WEATHER: HOT	FILE: SWEPI	

Shell Exploration & Production

RECEIVED
2009 JAN 28 PM 12 59

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division-District 4
1220 South St. Francis Drive
Sante Fe, New Mexico 87505
Attn.: Ed Martin, District Supervisor

Shell Exploration & Production Co.
Regulatory Affairs-EP Americas
4582 S. Ulster Street Parkway
Suite 1400
Denver, Colorado 80237

CONFIDENTIAL

January 26, 2009

Subject: Notice of Intention to Change Plans
Shell Exploration & Production Co., Latigo Ranch 3-5 (API No. 30-019-20137)
Guadalupe County, New Mexico

Dear Mr. Martin:

Shell Exploration & Production Company, dba SWEPI LP (Shell) is submitting our Notice of Intention (Form C-103) to change plans (well location, estimated geologic markers, estimated total depth, Drilling and Completion Plan, and Surface Use Plan) for the subject well to New Mexico Oil Conservation Division-District 4 (OCD) for your review and approval. Shell anticipates beginning drilling, completion and testing activities for this well, on or about February 4, 2009.

Shell requests that OCD hold any information regarding this well confidential for the period designated under NMOCD rules. All documents submitted are clearly marked as "confidential".

If you have any questions or require any additional information regarding these reports, please contact me at (303) 222-6347, or David Janney at Kleinfelder in Albuquerque at (505) 344-7373.

Regards,

Michael L. Bergstrom
Regulatory Coordinator
Shell Exploration & Production Company

Attachments: Form C-103
Drilling and Completion Plan (revised)
Surface Use Plan (revised)
Well Location Map