

2007 JUL 14 AM 10 51

DIVIDER PAGE

Ref. to

PMES0-412735351

Supp: 8-3-04

DOYLE HARTMAN

Oil Operator
500 NORTH MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702

2004 JUL 14 AM 10 51

(432) 684-4011
(432) 682-7616 FAX

July 13, 2004

CERTIFIED MAIL (RECEIPT NO. 7001 1140 0002 8323 3128) AND FEDEX

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505

**Re: Re-submittal of Proof of Notices corresponding to Administrative Application for
Simultaneous Dedication, as required by NMOCD letter, dated May 6, 2004
Proposed New Mexico State "AA" No. 7 / (A-22-23S-36E or B-22-23S-36E)
NE/4 Section 22, T-23-S, R-36-E
Lea County, New Mexico
[Administrative Order SD-80-12 Jalmat (Gas) Proration Unit]**

Dear Mr. Stogner:

Reference is made to your letter dated May 6, 2004, corresponding to our administrative application to the New Mexico Oil Conservation Division, for approval of our simultaneous-dedication application, corresponding to our 160-acre New Mexico State "AA" Jalmat (Gas) proration unit, consisting of the NE/4 Section 22, T-23-S, R-36-E, Lea County, New Mexico, filed with the New Mexico Oil Conservation Division, March 26, 2004.

In this regard, we are re-submitting our original March 26, 2004 application to you, along with proof of notice, to all offset operators, as required in your letter of May 6, 2004.

Administrative Order SD-80-12, corresponding to the 160-acre New Mexico State "AA" Jalmat (Gas) proration unit, consisting of the NE/4 Section 22, T-23-S, R-36-E, Lea County, New Mexico, grants approval to simultaneously dedicate the following two (2) Jalmat wells, to the subject 160-acre Jalmat (Gas) proration unit.

New Mexico State "AA" No. 1
New Mexico State "AA" No. 4

H-22-23S-36E
B-22-23S-36E

As to the New Mexico State "AA" No. 4 well, the well was drilled and completed as a tubingless completion; i.e., the 2 7/8" O.D. tubing serves as the casing string, with 1 1/2" O.D. tubing serving as the tubing string. As a result of the highly-restrictive mechanical arrangement, and with the

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
March 25, 2004
Page 2

present lower pressures, the New Mexico State "AA" No. 4 is not mechanically capable of efficiently and effectively recovering remaining lease reserves.

Consequently, we hereby propose to drill the New Mexico State "AA" No. 7 well, as a **replacement** Jalmat producer, for the New Mexico State "AA" No. 4 well, with the **proposed** New Mexico State "AA" No. 7 Jalmat well to be located in either A-22-23S-36E (660' FNL and 810' FEL) or B-22-23S-36E (660' FNL and 1650' FEL). Upon the successful completion of the New Mexico State "AA" No. 7 well, the New Mexico State "AA" No. 4 well will be plugged and abandoned, along with the currently temporarily-abandoned New Mexico State "AA" No. 2 well, situated in A-22-23S-36E.

Approval of this simultaneous dedication application will prevent waste, by allowing for the optimal recovery of remaining gas reserves (including gas reserves from tighter Jalmat strata, within the Jalmat interval). The subject application will also allow a material portion of the remaining reserves to be recovered during the current period of reduced North American gas deliverability and tighter gas supplies.

Notice of this administrative application, and our request for written waiver (as enclosed herewith), has been sent by certified mail to the applicable diagonal and adjacent offset Jalmat operators, which operator's are as follows:

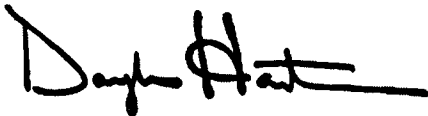
- 1) Mission Resources Corporation
1331 Lamar, Suite 1455
Houston, Texas 77010-3039
Kent Rogers, V.P. Operations
Certified Mail Receipt No. 7001 1140 0002 8323 3111 (Mailed July 13, 2004)
- 2) Lanexco, Inc.
P.O. Box 2730
Midland, Texas 79702
Certified Mail Receipt No. 7001 1140 0002 8323 3098 (Mailed July 13, 2004)
- 3) BP America
Box 1610
600 N. Marienfeld
Midland, Texas 79701
Attn: Dave McKenna, Operations Center Manager
Certified Mail Receipt No. 7001 1140 0002 8323 3104 (Mailed July 13, 2004)

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
July 13, 2004
Page 3

We thank you for your thoughtful review of this matter.

Very truly yours,

DOYLE HARTMAN, Oil Operator

A handwritten signature in black ink, appearing to read "Doyle Hartman". The signature is stylized with a large initial "D" and a long horizontal stroke at the end.

Doyle Hartman
Owner

2009 JUL 14 AM 10:51

DIVIDER PAGE



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

May 6, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

Doyle Hartman, Oil Operator
P. O. Box 10426
Midland, Texas 79702

Attention: Doyle Hartman

Re: *Administrative application (Division reference No. pMES0-412735351) filed with the Division on March 29, 2004 for an exception to the well density requirements, Rule 3 (C) of the "Special Pool Rules for the Jalmat Gas Pool (79240)," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001, within an existing non-standard 160-acre Jalmat gas spacing unit comprising the NE/4 of Section 22, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico (approved by Division Order No. R-520, issued in Case No. 673 on August 12, 1954).*

Dear Mr. Hartman:

Your application is incomplete with respect to notice. Please refer to Rule 4 (B) (3) of the special rules currently governing the Jalmat Gas Pool, which states in part:

"the applicant has obtained consent of or given notice to all operators of any unit or units adjacent to the spacing unit requiring the well density exception..."

You failed to provide such notice to the Jalmat operator to the south in the existing 80-acre unit comprising the N/2 SE/4 of Section 22 and to the southeast in the existing 320-acre unit comprising the S/2 of Section 23, both in Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

The subject application is hereby **denied** and is being returned to you at this time.

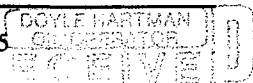
Sincerely,

Michael E. Stogner
Engineer/Hearing Officer

MES/ms

cc: SH
LL

cc: New Mexico Oil Conservation Division – Hobbs
Mr. J. E. Gallegos, Legal Counsel for Doyle Hartman, Oil Operator – Santa Fe



MAY 11 2004

DOYLE HARTMAN

Oil Operator
500 NORTH MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702

(432) 684-4011
(432) 682-7616 FAX

March 26, 2004

CERTIFIED MAIL (RECEIPT NO. 7001 1140 0002 8323 2114) AND FEDEX

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505

Re: Administrative Application for Simultaneous Dedication
Proposed New Mexico State "AA" No. 7 / (A-22-23S-36E or B-22-23S-36E)
NE/4 Section 22, T-23-S, R-36-E
Lea County, New Mexico
[Administrative Order SD-80-12 Jalmat (Gas) Proration Unit]

Gentlemen:

Administrative Order SD-80-12, corresponding to the 160-acre New Mexico State "AA" Jalmat (Gas) proration unit, consisting of the NE/4 Section 22, T-23-S, R-36-E, Lea County, New Mexico, grants approval to simultaneously dedicate the following two (2) Jalmat wells, to the subject 160-acre Jalmat (Gas) proration unit.

New Mexico State "AA" No. 1	H-22-23S-36E
New Mexico State "AA" No. 4	B-22-23S-36E

As to the New Mexico State "AA" No. 4 well, the well was drilled and completed as a tubingless completion; i.e., the 2 7/8" O.D. tubing serves as the casing string, with 1 1/2" O.D. tubing serving as the tubing string. As a result of the highly-restrictive mechanical arrangement, and with the present lower pressures, the New Mexico State "AA" No. 4 is not mechanically capable of efficiently and effectively recovering remaining lease reserves.

Consequently, we hereby propose to drill the New Mexico State "AA" No. 7 well, as a **replacement** Jalmat producer, for the New Mexico State "AA" No. 4 well, with the **proposed** New Mexico State "AA" No. 7 Jalmat well to be located in either A-22-23S-36E (660' FNL and 810' FEL) or B-22-23S-36E (660' FNL and 1650' FEL). Upon the successful completion of the New Mexico State "AA" No. 7 well, the New Mexico State "AA" No. 4 well will be plugged and abandoned, along with the currently temporarily-abandoned New Mexico State "AA" No. 2 well, situated in A-22-23S-36E.

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
March 26, 2004
Page 2

Approval of this simultaneous dedication application will prevent waste, by allowing for the optimal recovery of remaining gas reserves (including gas reserves from tighter Jalmat strata, within the Jalmat interval). The subject application will also allow a material portion of the remaining reserves to be recovered during the current period of reduced North American gas deliverability and tighter gas supplies.

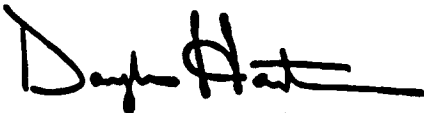
Notice of this administrative application, and our request for written waiver (as enclosed herewith), has been sent by certified mail to the applicable diagonal and adjacent offset Jalmat operators, which sole operator is as follows:

- 1) Mission Resources Corporation
1331 Lamar, Suite 1455
Houston, Texas 77010-3039
Kent Rogers, V.P. Operations
Certified Mail Receipt No. 7001 1140 0002 8323 2138 (Mailed March 26, 2004)

We thank you for your thoughtful review of this matter.

Very truly yours,

DOYLE HARTMAN, Oil Operator

A handwritten signature in black ink, appearing to read "Doyle Hartman", with a stylized, sweeping underline.

Doyle Hartman
Owner

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DIVIDER PAGE

Existing Jalmat (Gas) Proration Unit
New Mexico State "AA"
NE/4 Section 22, T-23-S, R-36-E
(160 acres)



Existing Jalmat (Gas) Well
New Mexico State "AA" No. 4
660' FNL & 1855' FEL (B)
Section 22, T-23-S, R-36-E

**(To be P&A'd upon completion
of New Mexico State "AA" No. 7)**

Existing Jalmat (Gas) Well
New Mexico State "AA" No. 1
1980' FNL & 660' FEL (H)
Section 22, T-23-S, R-36-E

Acreage Ownership Plat
T-23-S, R-36-E
Lea County, NM

Adjacent and Diagonal Jalmat Operators

Doyle Hartman-operated
New Mexico State "AA" Jalmat P.U.
NE/4 Section 22, T-23-S, R-36-E
Lea County, New Mexico
(160 acres)

Tract	Color Code	Operator	Jalmat P.U. Description	Lease Name	Well No.	Jalmat Well Location(s)	No. of Wells	Offset Well Spacing (acres/well)
1	Orange	Mission Resources Corp.	SW/4 Section 14 SE/4 Section 15 T-23-S, R-36-E (320 acres)	Matkins	1 2 3 4 5 6	P-15-23S-36E I-15-23S-36E L-14-23S-36E K-14-23S-36E O-15-23S-36E J-15-23S-36E	6	53.3
2	Green	Mission Resources Corp.	SW/4 Section 15 T-23-S, R-36-E (160 acres)	Stevens "B-15"	2* 3	K-15-23S-36E N-15-23S-36E	1	160.0
3	Pink	Mission Resources Corp.	N/2 SE/4, SE/4 SE/4 Section 21 & NE/4 NW/4, S/2 NW/4, SW/4 Section 22, T-23-S, R-36-E (400 acres)	State "A A/C 1"	19* 94 97 112* 113* 114	E-22-23S-36E C-22-23S-36E F-22-23S-36E J-21-23S-36E P-21-23S-36E I-21-23S-36E	3	133.3
4	Purple	Lanexco Inc.	N/2 SE/4 Section 22 T-23-S, R-36-E (80 acres)	El Paso State	1	J-22-23S-36E	1	80.0
5	Brown	BP America	S/2 Section 23 T-23-S, R-36-E (320 acres)	Sinclair "A" State	1 2* 10	I-23-23S-36E K-23-23S-36E M-23-23S-36E	2	160.0
6	Blue	Mission Resources Corp.	N/2 Section 23 T-23-S, R-36-E (320 acres)	State "A A/C 1"	26* 27 65 72 73 84 98 105 109*	G-23-23S-36E F-23-23S-36E D-23-23S-36E E-23-23S-36E C-23-23S-36E G-23-23S-36E B-23-23S-36E H-23-23S-36E A-23-23S-36E	7	45.7

1600 acres

* Inactive/Abandoned Well



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

November 10, 1980

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

NJP ✓
File AA#4
COPY - AA#1
POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Grace Petroleum Corp.
P. O. Drawer 2358
Midland, Texas 79702

Attention: Mr. Douglas W. Rice

Administrative Order SD-80-12

Gentlemen:

You are hereby authorized to simultaneously dedicate a 160-acre proration unit comprising the NE/4 of Section 22, Township 23 South, Range 36 East, NMPM, to your New Mexico State "AA" Well No. 1 located 1980 feet from the North line and 660 feet from the East line and your New Mexico State "AA" Well No. 4, located 660 feet from the North line and 1855 feet from the East line, both in said Section 22, Lea County, New Mexico.

Further, you are hereby permitted to produce the allowable from any of the wells on the proration unit in any proportion.

Sincerely,


JOE D. RAMEY,
Director

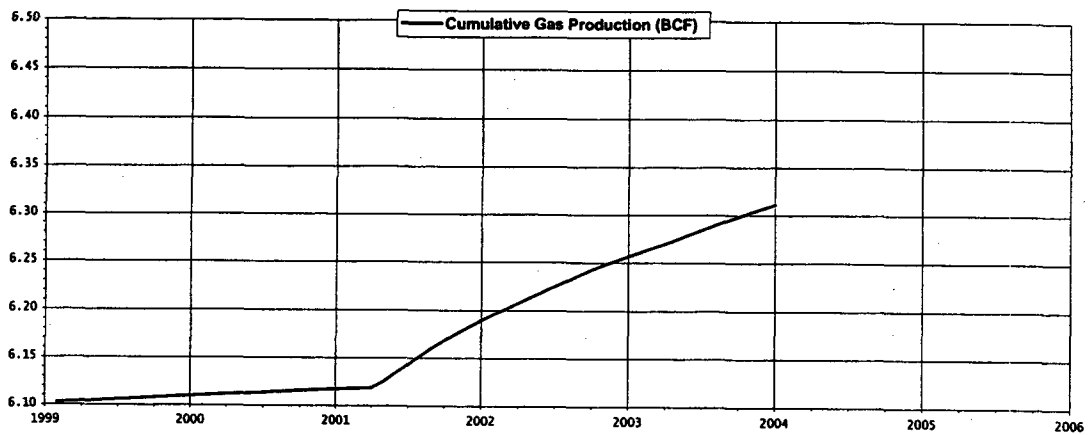
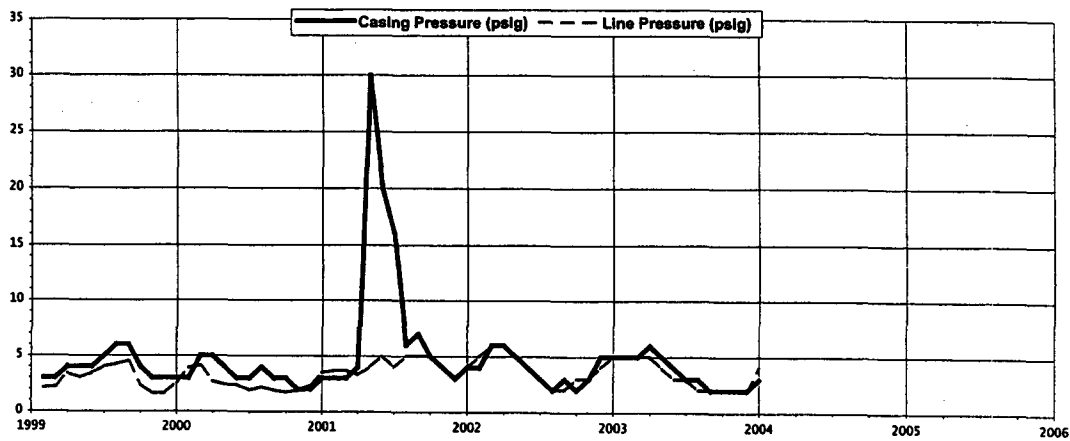
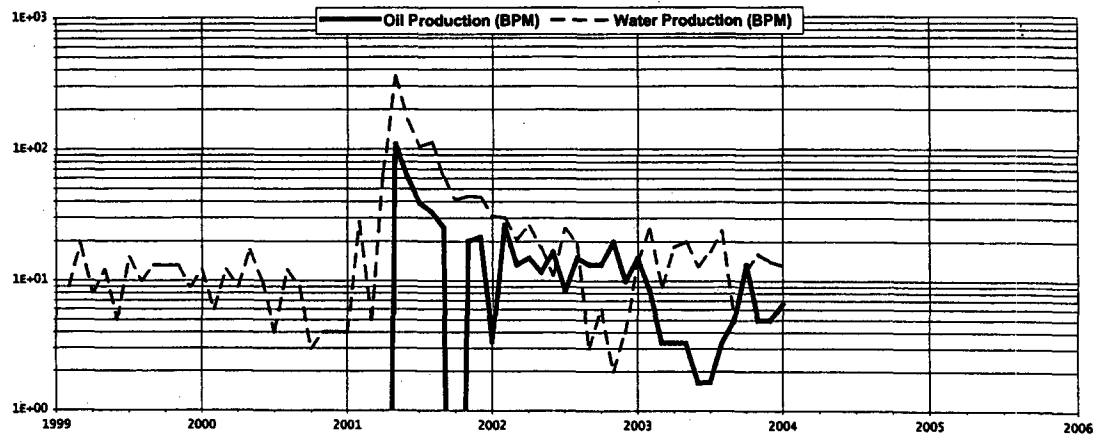
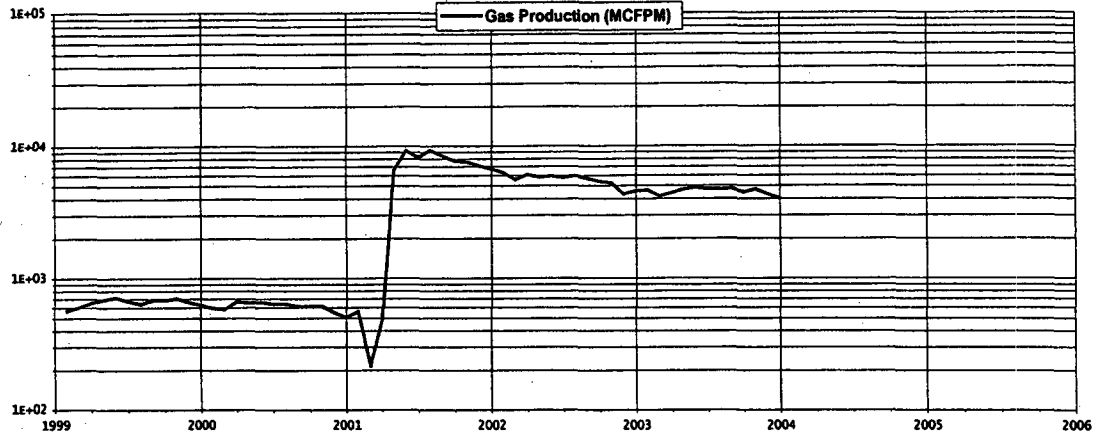
JDR/RLS/dr

cc: Oil Conservation Division - Hobbs
Oil & Gas Engineering Committee - Hobbs

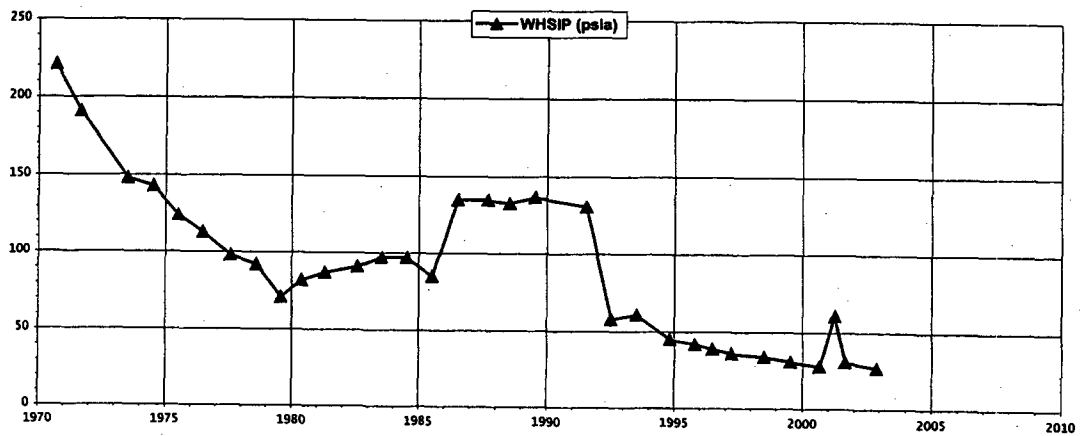
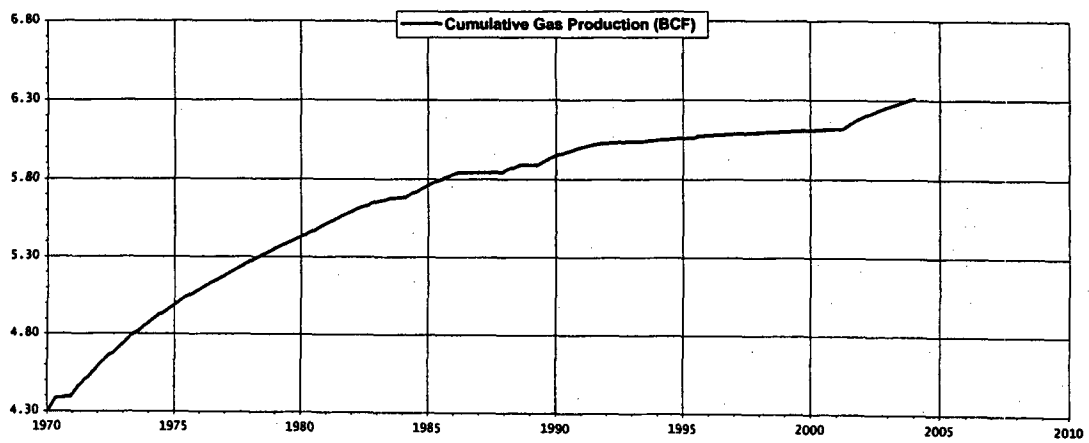
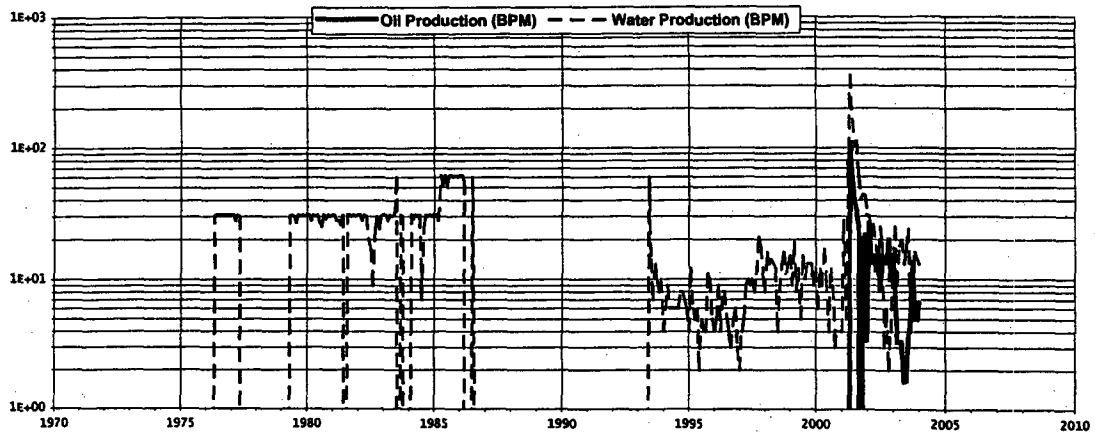
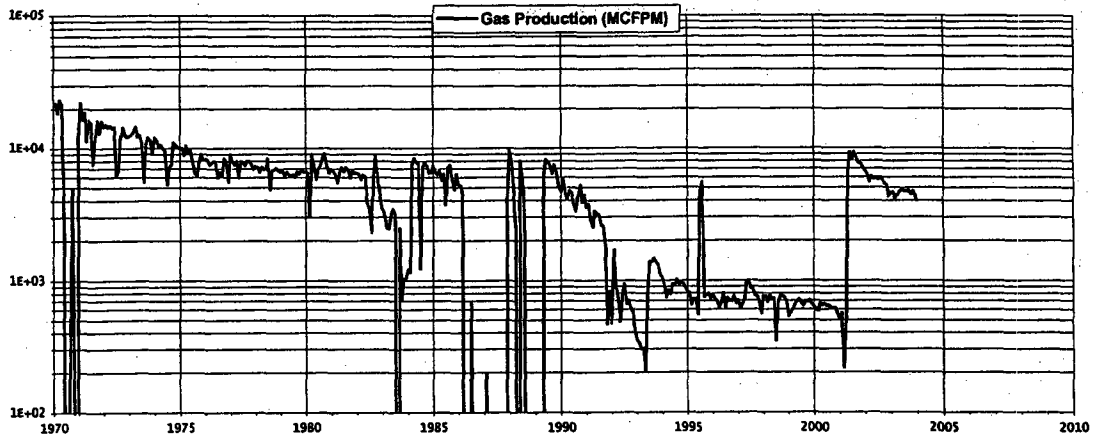
2009 JUL 14 AM 10 51

DIVIDER PAGE

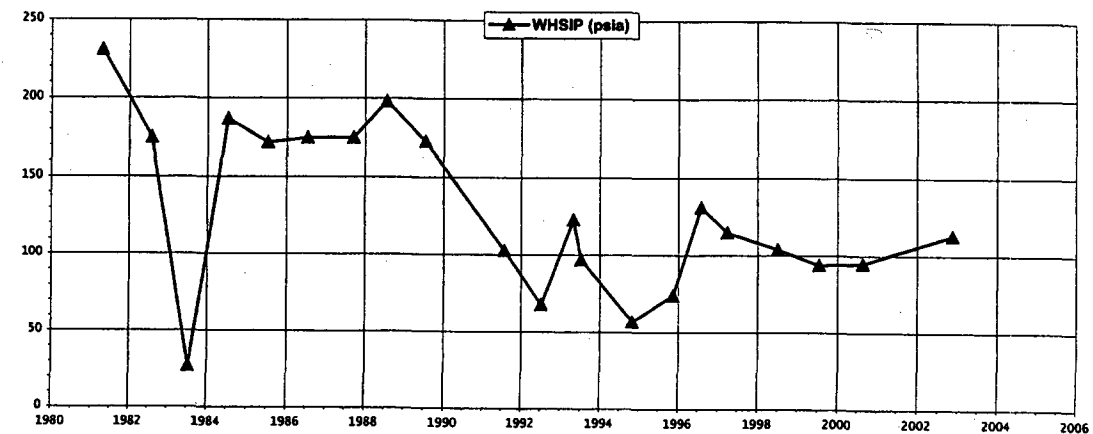
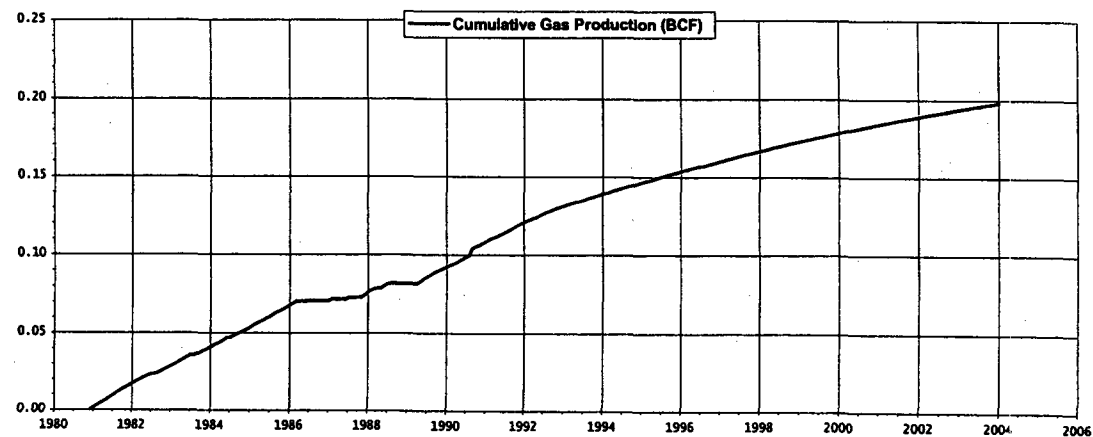
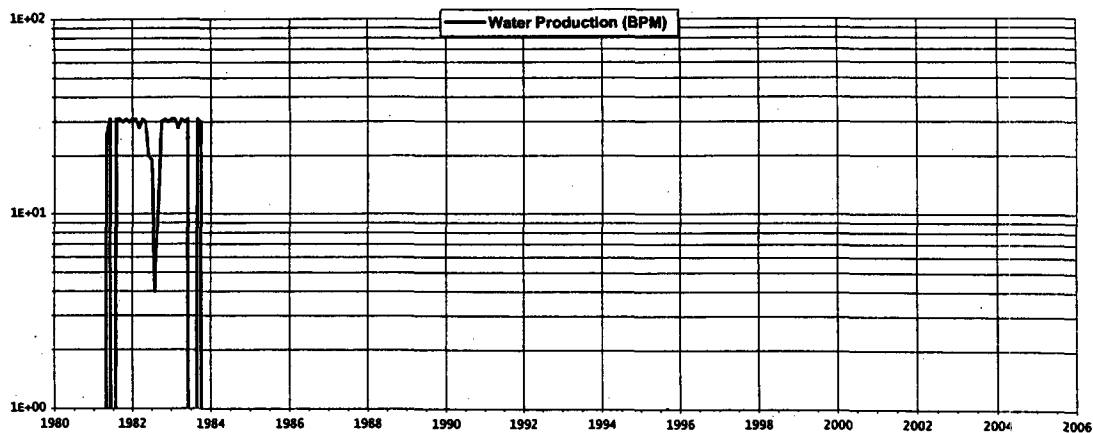
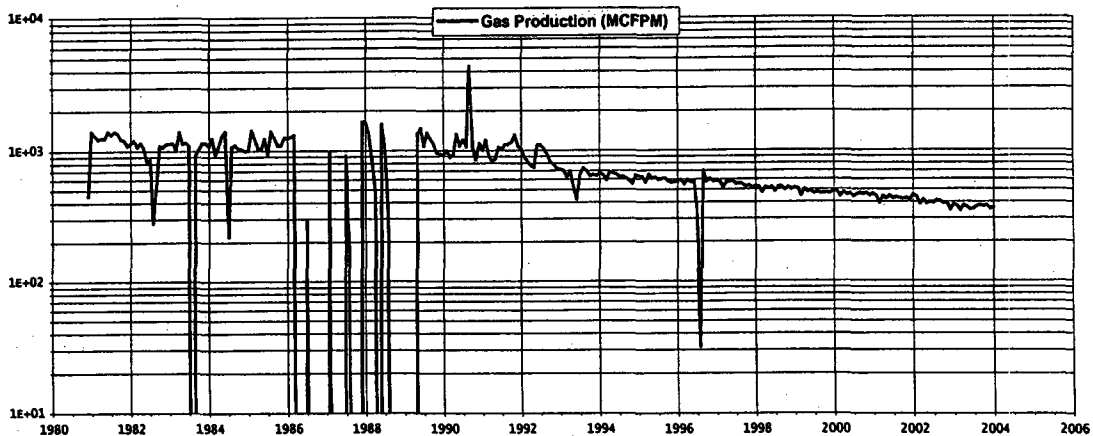
New Mexico State AA #1
 Jalmat (Tansil/Yates/Seven Rivers)
 H-22-23S-38E
 Doyle Hartman



New Mexico State AA #1
Jalmat (Tansil/Yates/Seven Rivers)
H-22-23S-36E
Doyle Hartman



New Mexico State AA #4
 Jalmat (Tansil/Yates/Seven Rivers)
 B-22-23S-36E
 Doyle Hartman



2004 JUL 14 AM 10 51

DIVIDER PAGE

DOYLE HARTMAN

Oil Operator
500 NORTH MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702

(432) 684-4011
(432) 682-7616 FAX

March 26, 2004

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

ADJACENT AND DIAGONAL JALMAT OPERATOR

Proposed New Mexico State "AA" No. 7 / (A-22-23S-36E or B-22-23S-36E)

NE/4 Section 22, T-23-S, R-36-E

Lea County, New Mexico

[Administrative Order SD-80-12 Jalmat (Gas) Proration Unit]

Re: Notice and Waiver Request for Simultaneous Dedication

Gentlemen:

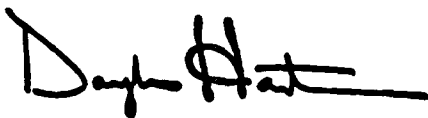
This letter shall serve as (1) our written notice, and (2) request for written waiver, pertaining to our herein enclosed administrative application to the New Mexico Oil Conservation Division, for approval of our simultaneous-dedication application, corresponding to our 160-acre New Mexico State "AA" Jalmat (Gas) proration unit, consisting of the NE/4 Section 22, T-23-S, R-36-E, Lea County, New Mexico.

As can be ascertained from the herein-enclosed application, the subject application requests approval to drill the New Mexico State "AA" No. 7 well, as a **replacement** Jalmat producer, for the New Mexico State "AA" No. 4 well, on the 160-acre Jalmat proration unit, with the average well spacing remaining 80-acres per well.

If you are agreeable to granting a written waiver for our herein proposed administrative application, we respectfully request that you execute this letter (at your earliest convenience), in the space provided below, and promptly return one executed copy in the self-addressed stamped envelope enclosed herewith. The second copy of this letter, as well as the enclosed copy of our administrative application, to the NMOCD, shall be retained for your files.

Yours very truly,

DOYLE HARTMAN, Oil Operator



Doyle Hartman
Owner

Adjacent and Diagonal Jalmat Operator
Notice and Waiver Request for Simultaneous Dedication
Proposed New Mexico State "AA" No. 7 / (A-22-23S-36E or B-22-23S-36E)
March 26, 2004
Page 2

APPROVAL IS HEREBY GRANTED TO REPLACE THE NEW MEXICO STATE "AA" NO. 4 WELL WITH THE PROPOSED NEW MEXICO STATE "AA" NO. 7 WELL AS THE SECOND ACTIVE JALMAT WELL ON THE 160-ACRE NEW MEXICO STATE "AA" JALMAT P.U.

Signature

Company Name

Date

cc: Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505

ADJACENT AND DIAGONAL JALMAT OPERATOR

Notice and Waiver Request

Simultaneous Dedication

Proposed New Mexico State "AA" No. 7 / (A-22-23S-36E or B-22-23S-36E)

NE/4 Section 22, T-23-S, R-36-E

Lea County, New Mexico

[Administrative Order SD-80-12 Jalmat (Gas) Proration Unit]

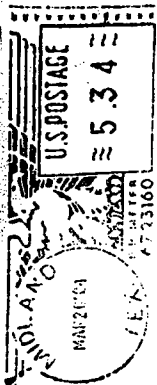
1) Mission Resources Corporation

1331 Lamar, Suite 1455

Houston, Texas 77010-3039

Kent Rogers, V.P. Operations

Certified Mail Receipt No. 7001 1140 0002 8323 2138 (Mailed March 26, 2004)



U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$ 1.29
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.34

Postmark
Here

Sent To
Kent Rogers, V.P. Operations
Street, Apt. No. **Mission Resources Corporation**
or PO Box No. **1331 Lamar, Suite 1455**
City, State, ZIP+4 **Houston, TX 77010-3039**

PS Form 3800, January 2001

See Reverse for Instructions

RTMAN

ator

P.O. Box 10426

MIDLAND, TEXAS 79702

Kent Rogers, V.P. Operations
Mission Resources Corporation
1331 Lamar, Suite 1455
Houston, TX 77010-3039

102595-01-M-2509

Domestic Return Receipt

PS Form 3811, August 2001

(Transfer from service label)

7001 1140 0002 8323 2138

2. Article Number

Kent Rogers, V.P. Operations
Mission Resources Corporation
1331 Lamar, Suite 1455
Houston, TX 77010-3039

1. Article Addressed to:

■ Attach this card to the back of the mailpiece,
or on the front if space permits.
so that we can return the card to you.

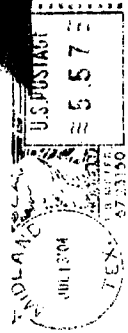
B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail
☐ Registered
☐ Insured Mail
☐ C.O.D.
☐ Return Receipt for Merchandise
☐ Express Mail

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No



7001 1140 0002 8323 3098
7001 1140 0002 8323 3098

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$	1.52
Certified Fee		2.30
Return Receipt Fee (Endorsement Required)		1.75
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	5.57

Postmark
Here

Sent To: **Lanexco, Inc.**
P.O. Box 2730
Midland, Texas 79702

DOYLE HARTMAN
Oil Operator
P.O. Box 10426
MIDLAND, TEXAS 79702

Lanexco, Inc.
P.O. Box 2730
Midland, Texas 79702

PS Form 3811, July 1999
Domestic Return Receipt
102595-99-M-1789

2. Article Number (Copy 1)
7001 1140 0002 8323 3098

1. Article Addressed to:
Lanexco, Inc.
P.O. Box 2730
Midland, Texas 79702

3. Service Type
☒ Certified Mail
☐ Registered Mail
☐ Return Receipt for Merchandise
☐ Insured Mail
☐ C.O.D.

4. Restricted Delivery? (Extra Fee)
☐ Yes
☐ No

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below:
☐ No

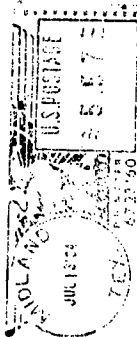
C. Signature
☐ Agent
☐ Addressee

A. Received by (Please Print Clearly) B. Date of Delivery

COMPLETE THIS SECTION ON DELIVERY

COMPLETE THIS SECTION

■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.



U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, Not for International Mail)

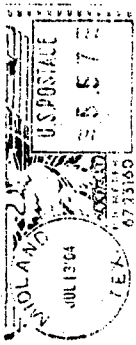
Postage	1.52	Postment Date:
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.57	

Sent To
BP America
Box 1610
Midland, Texas 79701
Attn: Dave McKenna, Oper.
Center Mgr

DOYLE HARTMAN
Oil Operator
P.O. Box 10426
MIDLAND, TEXAS 79702

BP America
Box 1610
Midland, Texas 79701
Attn: Dave McKenna, Oper.
Center Mgr

SENDER: COMPLETE THIS SECTION	
1. Article Addressed to: ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.	
2. Article Number (Copy from PS Form 3811, July 1999) 7001 1140 0002 8323 3104	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail <input type="checkbox"/> Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input type="checkbox"/> No	
4. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:	
5. Signature X Agent Addressee	
6. Received by (Please Print Clearly) B. Date of Delivery	
COMPLETE THIS SECTION ON DELIVERY	
Domestic Return Receipt 102595-99-M-1789	



7001 1140 0002 8323 3111

USPS Retail Service	
CERTIFIED MAIL RECEIPT	
Domestic Mail Only. No Insurance Coverage Provided.	
Package	\$ 1.52
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.95
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.57
Sent To:	
Mission Resources Corporation	
1331 Lamar, Suite 1455	
Houston, Texas 77010-3039	
Kent Rogers, V.P. Operations	
City, State, ZIP+4	

USPS Retail Service

DOYLE HARTMAN
Oil Operator
P.O. Box 10426
MIDLAND, TEXAS 79702

Mission Resources Corporation
1331 Lamar, Suite 1455
Houston, Texas 77010-3039
Kent Rogers, V.P. Operations

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

7001 1140 0002 8323 3111

2. Article Number (Copy from s)

1. Article Addressed to:

■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

Mission Resources Corporation
1331 Lamar, Suite 1455
Houston, Texas 77010-3039
Kent Rogers, V.P. Operations

3. Service Type

☒ Certified Mail
☐ Registered
☐ Return Receipt for Merchandise
☐ Insured Mail
☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes
☐ No

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

C. Signature

X

Addressed to: ☐ Addressee ☐ Agent

A. Received by (Please Print Clearly) B. Date of Delivery

COMPLETE THIS SECTION ON DELIVERY

2009 JUL 14 AM 10:51

DIVIDER PAGE

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

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

¹ Operator Name and Address Doyle Hartman 500 N. Main St. Midland, TX 79701		² OGRID Number 6473
		³ API Number 30-025-
⁴ Property Code 5058	⁵ Property Name New Mexico "AA" State	⁶ Well No. 7
⁹ Proposed Pool 1 Jalmat (T-Y-7R) Gas		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no. B	Section 22	Township 23S	Range 36E	Lot 1dn	Feet from the 660'	North/South line North	Feet from the 1650'	East/West line East	County Lea
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⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
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Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3373'
¹⁶ Multiple No	¹⁷ Proposed Depth 3750'	¹⁸ Formation Y-7R	¹⁹ Contractor Capstar	²⁰ Spud Date 10/01/2004
Depth to Groundwater 141'		Distance from nearest fresh water well 2 mi.		Distance from nearest surface water N/A
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 8905 bbls Drilling Method: Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				
Closed-Loop System <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	36 #/ft	450'	350 sx	Circ.
8 3/4"	7"	26 #/ft	3750'	850 sx	Circ.

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Before drilling out from under 9 5/8" O.D. surface casing, the well will be equipped with a Hydriil and a 3000-psi, series-900, double-ram, hydraulic BOP.

Cement volumes will be adjusted, as necessary, to ensure that cement will be circulated behind all strings.

²³ 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 ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Steve Hartman

Title: Engineer

E-mail Address: dhoo@swbell.net

Date: 07/13/2004

Phone: (432) 684-4011

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

DISTRICT I
P.O. Box 1890, Hobbs, NM 88241-1890

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Arizola, NM 88211-0719

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brasos Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-	Pool Code 79240	Pool Name Jalmat (T-Y-7R) Gas
Property Code 5058	Property Name New Mexico "AA" State	Well Number 7
OGRID No. 6473	Operator Name Doyle Hartman	Elevation 3373'

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	22	23S	36E		660'	North	1650'	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
Dedicated Acres 160	Joint or Infill Y	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><u>Existing Jalmat (Gas) Well</u> New Mexico State "AA" No. 4 680' FNL & 1855' FEL (B) Section 22, T-23-S, R-36-E (To be P&A'd upon completion of New Mexico State "AA" No. 7)</p>	<p>4</p>	<p>880'</p>	<p>1650'</p>	<p>7</p>
<p><u>Proposed Infill Jalmat Well</u> New Mexico "AA" State No. 7 680' FNL & 1650' FEL (B) Sec. 22, T-23-S, R-36-E</p>	<p>GEODETIC COORDINATES NAD 27 NME Y = 472838.1 X = 834939.6 LAT. 32°17'43.06"N LONG. 103°14'57.85"W</p>	<p>1</p>		
<p><u>Existing Jalmat (Gas) Well</u> New Mexico State "AA" No. 1 1980' FNL & 660' FEL (H) Section 22, T-23-S, R-36-E</p>				
<p><u>Existing Jalmat (Gas) P.U.</u> New Mexico "AA" State NE/4 Section 22, T-23-S, R-36-E Lea County, NM (160 acres)</p>				

OPERATOR CERTIFICATION

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

Steve Hartman

Signature

Steve Hartman

Printed Name

Engineer

Title

07/13/2004

Date

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.

AUGUST 18, 2003

Date Surveyed

Signature & Seal of Professional Surveyor

Ronald J. Eidson

08/19/03

08.11.0874

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12841

BOP & Choke Manifold Diagram
 New Mexico State "AA" No. 7
 660' FNL & 1650' FEL (B)
 Sec. 22, T-23-S, R-36-E

ROTARY TABLE

Flow line will have to be made
 to fit UNDER Rotary.

Optional