

DATE IN 07/08/2013	SUSPENSE	ENGINEER P13	LOGGED IN 07/08/2013	TYPE NSL	APP NO. PAXK1318937798
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

#### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
 X NSL ☐ NSP ☐ SD

Vision Energy's  
 Hogback Deep 12 #34  
 30-045-35403

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

#### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

#### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Brian Wood

Print or Type Name

Signature

Consultant

Title

7-3-13

Date

brian@permitswest.com

e-mail Address

**REQUEST FOR ADMINISTRATIVE APPROVAL  
NONSTANDARD LOCATION  
VISION ENERGY GROUP LLC  
HOGBACK DEEP 12 #34  
500' FSL & 1700' FEL  
SECTION 12, T. 29 N., R. 17 W., SAN JUAN COUNTY, NM  
API 30-045-35403**

I. The proposed oil well (see APD as Exhibit A) is on Navajo tribal surface and Navajo tribal oil and gas lease I-89-IND-58 (4,480 acres). The well is 2,140' from the closest lease line (Exhibit B). The proposed oil well is nonstandard for the Hogback Penn (Pool 32770) due to an effort to minimize road length, road dust, and impacts to grazing land between two nearby ( $\approx$ 300 yards) homes (Exhibit C).

Vision requests a nonstandard location due to land uses. The well could have been staked at 660 FSL & 1700 FEL. However that would have increased the road length and its impacts by 23%.

A standard location must be at least 660' from the quarter section line. The well bore is 500' from the south quarter line (see C-102 as EXHIBIT D). It is 160' too far south.

II. Form C-102 showing the well and 160 acre pro ration unit (SE4 Section 12) is attached as Exhibit D.

There are no other existing Hogback Penn acreage dedications or wells in the state. The well encroaches 160' too far south toward the N2 Section 13. The encroachments are part of the same tribal lease. There is common ownership in the Hogback Penn in the affected quarter sections.

III. The tribal oil and gas lease boundary is shown on EXHIBIT B. The well encroaches to the south. The encroachments are part of the same lease. No other existing Hogback Penn pro ration unit touches the proposed pro ration unit. There is common ownership of the Hogback Penn working interest in the quarter section (SE4 Section 12) in which the well is located, the quarter section (NE4 Section 13) toward which the well encroaches, the closest cornering quarter section (NW4 Section 13), and all of the lease. No existing leases border or touch this lease. This information is current and correct.

IV. Exhibit E shows the proposed well, proration unit, and all wells. The only active wells on the lease are a SWD and Hogback Dakota oil wells. Vision Energy does not believe directional drilling to a standard location is cost effective for this well.

V. Road distance and its resulting impacts to neighbors prevent a standard location.

VI. Archaeology is not an issue.

VII. The well could have been staked ay 660 FSL & 1700 FEL. However, distance from roads and the need to minimize impacts to nearby neighbors prevent a standard location.

VIII. Vision Energy does not believe directional drilling to a standard location is cost effective for this well.

IX. I hereby certify that there is common ownership and partner approval of the Hogback Penn working interest in the lease which comprises the proposed 160 acre spacing unit (SE4 Section 12), the adjacent quarter section (NE4 Section 13) of the sides toward which it encroaches, and the single closest corner to the proposed well (NW4 Section 13) toward which it encroaches and that the information is current and correct. Therefore, notice to any affected party is not required.



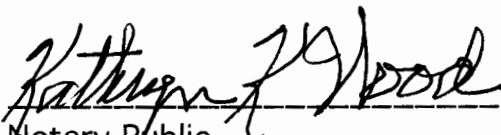
\_\_\_\_\_  
Brian Wood, Consultant

7-3-13

\_\_\_\_\_  
Date

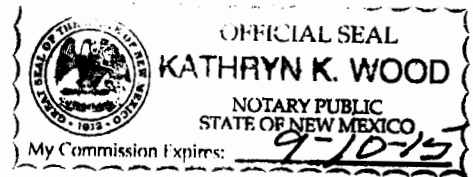
STATE OF NEW MEXICO            )  
  ) SS:  
COUNTY OF SANTA FE            )

The foregoing instrument was acknowledged before me this 3rd day of July, 2013 by Brian Wood. Witness my hand and official seal.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 9-10-15

Business Address: 37 Verano Loop, Santa Fe, NM 87508



cc: Harrison, OCD (Aztec & Santa Fe)

# RECEIVED

Form 3160-3  
(August 2007)

AUG 13 2012

FORM APPROVED  
OMB No. 1004-0137  
Expires July 31, 2010

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Farmington Field Office  
Bureau of Land Management

## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 189-IND-58
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name NAVAJO NATION
2. Name of Operator VISION ENERGY GROUP LLC		7. If Unit or CA Agreement, Name and No.
3a. Address 39 OLD RIDGEBURY ROAD DANBURY CT 06810		8. Lease Name and Well No. HOGBACK DEEP 12 #34
3b. Phone No. (include area code) 203 837 2538		9. API Well No. 30-045- 35463
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 500' FSL & 1700' FEL At proposed prod. zone SAME		10. Field and Pool, or Exploratory HOGBACK PENN & WC LEADVILLE
14. Distance in miles and direction from nearest town or post office* 5 AIR MILES WSW OF WATERFLOW, NM		11. Sec., T. R. M. or Blk. and Survey or Area SWSE 12-29N-17W NMMPM
15. Distance from proposed* 940' location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease 4,480	12. County or Parish SAN JUAN
17. Spacing Unit dedicated to this well SE4 PENN & SWSE LEADVILLE	13. State NM	
18. Distance from proposed location* 2.220' (P&A 7-A 1) to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 7,500'	20. BLM/BIA Bond No. on file 015037275
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,116' UNGRADED	22. Approximate date work will start* 11/01/2012	23. Estimated duration 1 MONTH

### 24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature *Brian Wood* Name (Printed/Typed) BRIAN WOOD (505 466-8120) Date 08/01/2012

Title CONSULTANT (FAX 505 466-9682)

Approved by (Signature) *B. Mankiewicz* Name (Printed/Typed) Date 4/30/13

Title AEM Office FFO

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

EXHIBIT A

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or a States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOC FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOC PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

\*(Instructions on page 2)

HOLD ON FOR NMOC - HOGBACK PENN

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

This action is subject to technical and procedural review pursuant to 43 CFR 3160.3 and appeal pursuant to 43 CFR 3165.4

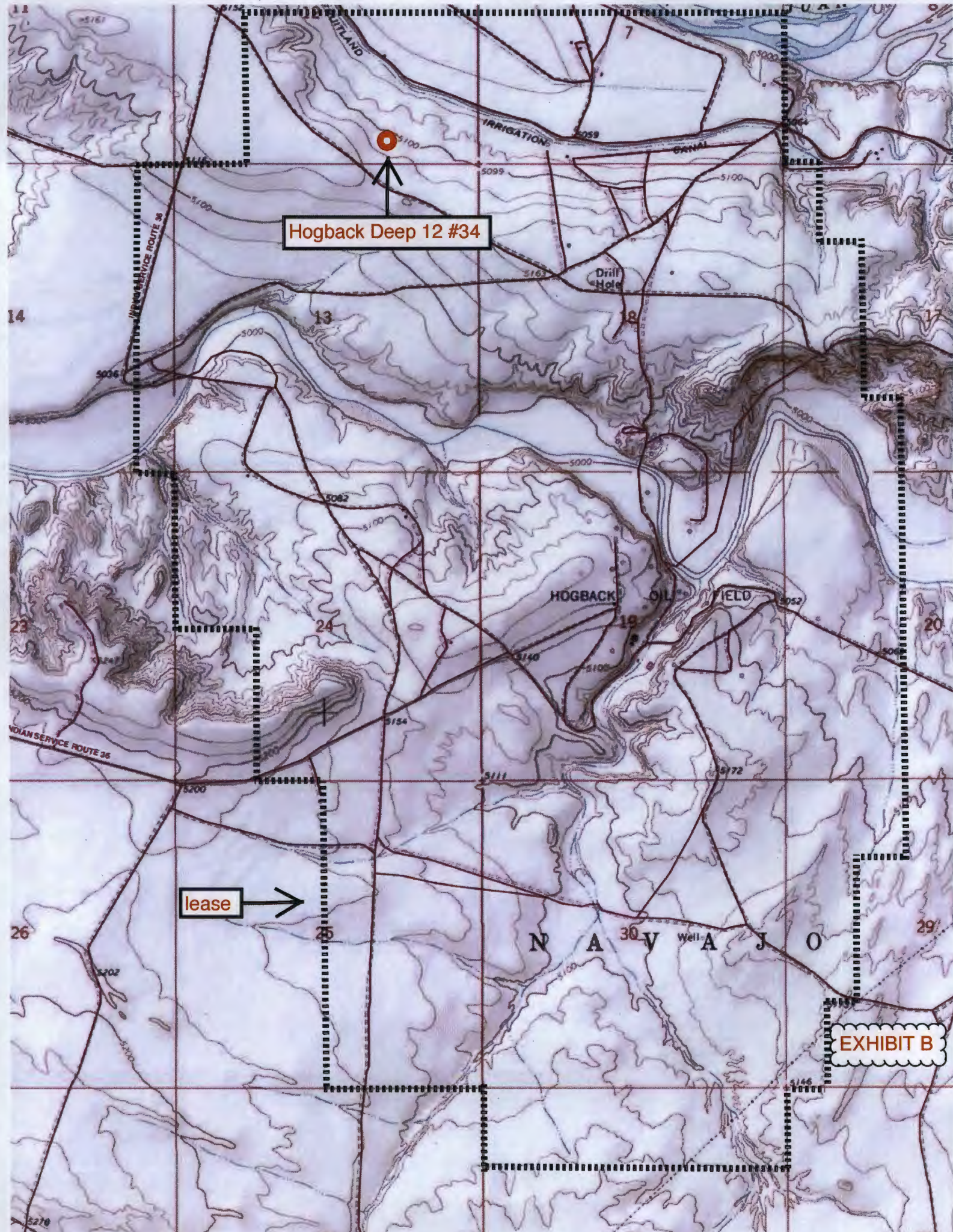
NMOC  
FY

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

MAY 23 2013 ca

NOTIFY AZTEC OCD 24 HRS.  
PRIOR TO CASING & CEMENT





Hogback Deep 12 #34

lease

EXHIBIT B



Hogback Deep 12 #34  
center stake



36.73547, -108.58044

Survey

643 ft

EXHIBIT C

Google earth

Imagery Date: 6/10/2011 lat: 36.735470° lon: -108.580440° elev: 5115 ft eye alt: 8107 ft

# RECEIVED

**DISTRICT I**  
1625 N. French Dr., Hobbs, N.M. 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

**DISTRICT II**  
811 S. First St., Artesia, N.M. 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, N.M. 87410  
Phone: (505) 334-6178 Fax: (505) 334-8170

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, N.M. 87505  
Phone: (505) 478-3460 Fax: (505) 478-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department

AUG 13 2012

Form C-102

Revised August 1, 2011

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, N.M. 87505

Submit one copy to appropriate

Farmington Field Office  
Bureau of Land Management

District Office

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045- <b>35403</b>	<sup>2</sup> Pool Code 32770	<sup>3</sup> Pool Name HOGBACK PENN
<sup>4</sup> Property Code <b>39891</b>	<sup>5</sup> Property Name HOGBACK DEEP 12	
<sup>6</sup> Well Number 34	<sup>7</sup> Operator Name VISION ENERGY GROUP LLC	
<sup>8</sup> Elevation 5116	<sup>9</sup> Surface Location	

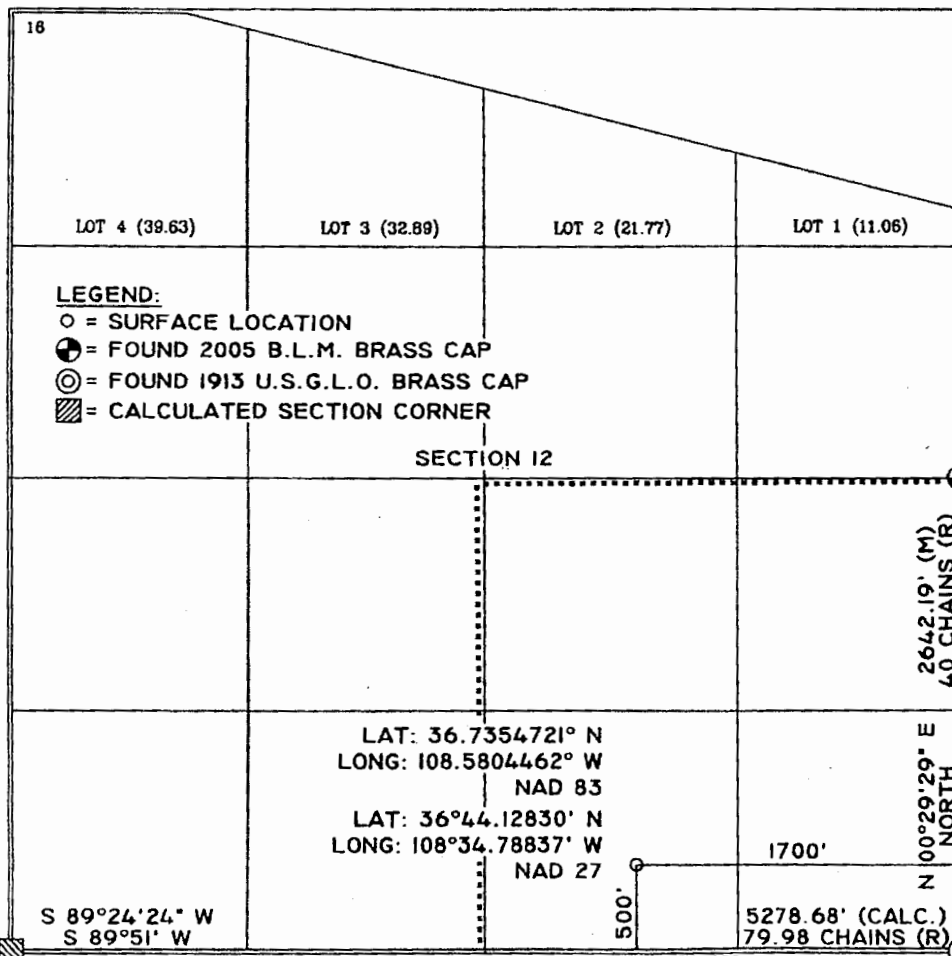
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	12	29 N	17 W		500	SOUTH	1700	EAST	SAN JUAN

### <sup>11</sup> 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

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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



### <sup>17</sup> 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.

Signature: *Brian Wood* Date: 8-1-12  
Printed: BRIAN WOOD  
E-mail Address: brian@permitswest.com

### <sup>18</sup> SURVEYOR CERTIFICATION

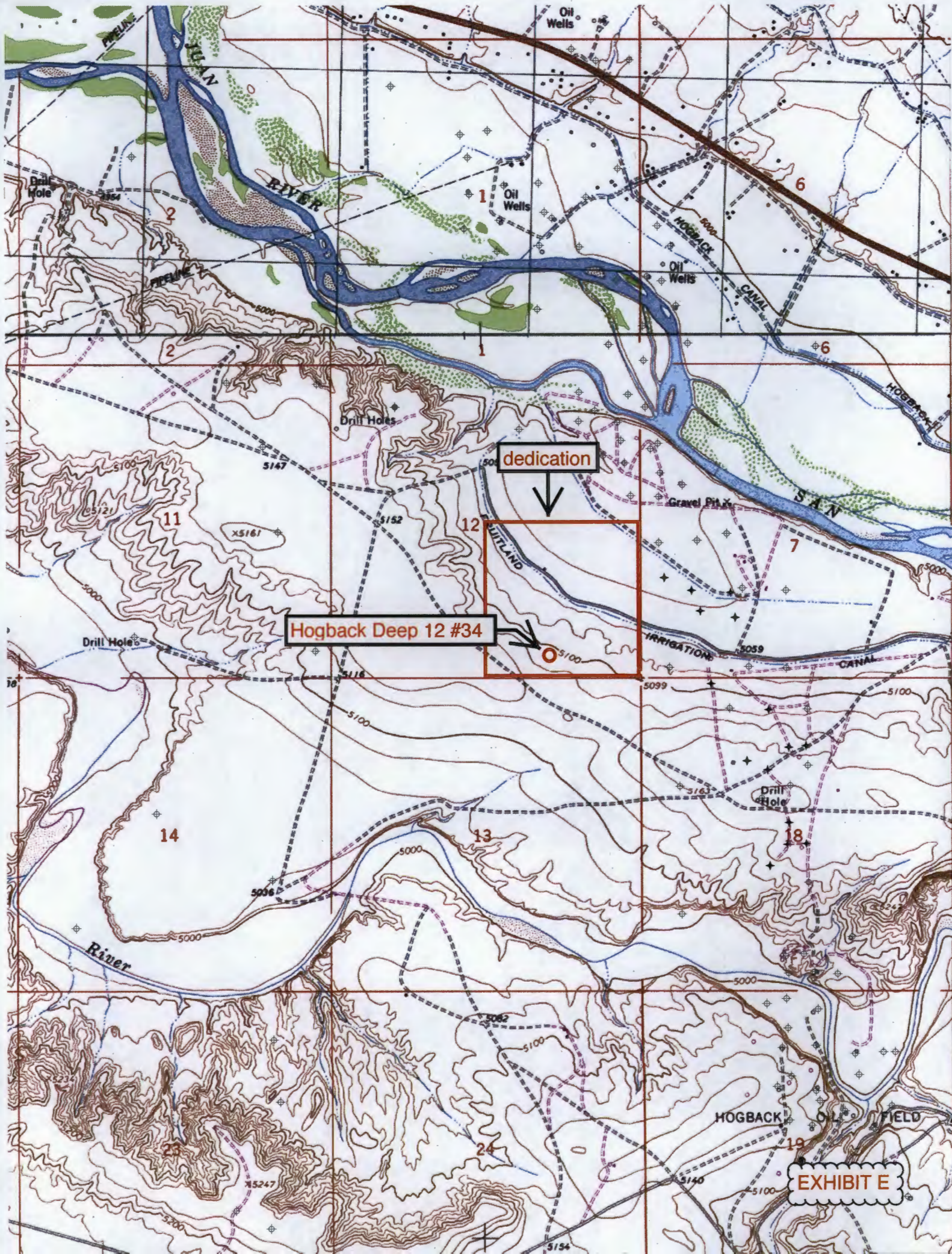
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same are true and correct to the best of my belief.

Date of Survey: 04/11/12  
Signature and Seal of Professional Surveyor: *John J. Cronich*  
Certificate Number: 14831

NEW MEXICO  
REGISTERED PROFESSIONAL SURVEYOR  
14831

EXHIBIT D





dedication

Hogback Deep 12 #34

EXHIBIT E