

PNRMO621554686

C-103 Received 7-31-2006
DHC No. Assigned 8-2-2006

| | Order Number | API Number | Operator | County | | | |
|--|--------------|------------------|------------------------|----------|-----------|-----------------|-----------------|
| | H-0159 | 30-025-36962 | Capataz Operating Inc. | Lea | | | |
| | Order Date | Well Name | Number | Location | | | |
| | | Plow Boy Federal | 001 | J UL | 35 Sec | 19S T (+Dir) | 38E R (+Dir) |
| | | | Oil % | Gas % | | | |
| Pool 1 | 33230 | House Blinebry | 80% | 81% | | | |
| Pool 2 | 33470 | House Tubb | 10% | 12% | | | |
| Pool 3 | 33250 | House Drinkard | 10% | 8% | | | |
| Pool 4 | | | | | | | |
| Comments: Work completed effective _____ Work cancelled effective _____ Supplement _____ | | | | | | | |

Posted to
RBDMS
8-3-2006

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-36962

HOB-0159

OPERATOR: Capataz Operating Inc.

PROPERTY NAME: Plow Boy Federal

WNULSTR: 1-J, 35-19-38

| SECTION I: | | ALLOWABLE AMOUNT | |
|-------------|-------------------------------------|------------------|---------------------|
| 33230 | POOL NO. 1 <u>House Blinebry</u> | <u>142</u> | <u>284</u> MCF 2000 |
| 33470 | POOL NO. 2 <u>House Tubb, North</u> | <u>142</u> | <u>284</u> MCF 2000 |
| 33250 | POOL NO. 3 <u>House Drinkard</u> | <u>142</u> | <u>284</u> MCF 2000 |
| | POOL NO. 4 _____ | | MCF |
| POOL TOTALS | | <u>426</u> | <u>852</u> |

| SECTION II: | | Oil | Gas |
|-------------|--------------------------|--------------------|-----|
| POOL NO. 1 | <u>House Blinebry</u> | 80% X 426 = 340.80 | 81% |
| POOL NO. 2 | <u>House Tubb, North</u> | 10% | 12% |
| POOL NO. 3 | <u>House Drinkard</u> | 10% | 8% |
| POOL NO. 4 | _____ | | |

| <u>OIL</u> | <u>GAS</u> |
|---|------------|
| SECTION III: <u>$142 \div 80\% = 177.50 (178)$</u> | _____ |
| SECTION IV: <u>$178 \times 80\% = 142.40 (142)$</u> | _____ |
| <u>$178 \times 10\% = 17.80 (18)$</u> | _____ |
| <u>$178 \times 10\% = 17.80 (18)$</u> | _____ |

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
S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

| | |
|--|--------------|
| WELL API NO. | 30-025-36962 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> | |
| 6. State Oil & Gas Lease No. | |
| 7. Lease Name or Unit Agreement Name PLOW BOY FEDERAL | |
| 8. Well Number | 1 |
| 9. OGRID Number | 03659 |
| 10. Pool name or Wildcat House; Blinebry; H Tubb; H Drinkard | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3593' GR | |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> | |
| Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ | |
| Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ | |

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: DHC Blinebry, Tubb, Drinkard ☒

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.

Pool Names: ³³²³⁰House; Blinebry ³³⁴⁷⁰House; Tubb ³³²⁵⁰House; Drinkard ^{Per R-11363}House; Abo
BLINEBRY 5996-6002, 39-43, 99-6102 & 6177-81' 3 jspf
TUBB 6714-16, 39-44 & 6778-80' 4 jspf
DRINKARD 7027-29, 44-46, 70-79 & 7096-7106' 1 jspf

The allocation method will be as follows: Test 10 BO x 55 MCF x 52 BW

| | Oil Alloc% | Gas Alloc% | Wtr Alloc% |
|----------|------------|------------|------------|
| Blinebry | 8 80 | 42 76 | 42 81 |
| Tubb | 1 10 | 6 11 | 6 12 |
| Drinkard | 1 10 | 7 13 | 4 8 |
| | 10 100 | 55 100 | 52 100 |

Downhole commingling will not reduce the value of the pools.
Ownership is the same for each of these pools.

DHC Order No. HOB-0159

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE

TITLE Agent

DATE 07/26/2006

or print name H. Scott Davis
For State Use Only

E-mail address: Capataz1@sbcglobal.net

Telephone No. (432)620-8820

APPROVED BY:

TITLE

PETROLEUM ENGINEER

DATE

AUG 02 2006

Conditions of Approval (if any):

DISTRICT I
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State of New Mexico

Energy, Minerals, and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

Form C-102

Revised August 15, 2000

Submit to Appropriate District Office

State Lease - 4 copies

Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|---|
| ¹ API Number 30-025-36962 | ² Pool Code 33230 | ³ Pool Name House, Blinebry |
| ⁴ Property Code 34423 | ⁵ Property Name PLOWBOY FED | ⁶ Well Number 1 |
| ⁷ OGRID No. 3659 | ⁸ Operator Name CAPATAZ OPERATING COMPANY | ⁹ Elevation 3593' |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| C | 35 | 19 SOUTH | 38 EAST, N.M.P.M. | | 2275' | SOUTH | 2310' | EAST | LEA |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| ¹² Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. | | | | | | |

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|--|---|
| <div><p>16</p><p>2275'</p><p>2310'</p><p>40 ACRE LEASE</p><p>EXISTING ROAD</p></div> | <div><p>17 OPERATOR CERTIFICATION</p><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p><p>Signature: </p><p>Printed Name: H Scott Davis</p><p>Title: Agent</p><p>Date: 09/25/05</p><p>18 SURVEYOR CERTIFICATION</p><p>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.</p><p>SEPTEMBER 29, 2004</p><p>Date of Survey: </p><p>Signature and Seal of Professional Land Surveyor: </p><p>Certification Number: V. L. BEZNER R.P.S. #7920</p><p>JOB #98251 / 70SE / E.U.O.</p></div> |
|--|---|

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Santa Fe, New Mexico 87505

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1220 S. St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|--|
| ¹ API Number 30-025-36962 | ² Pool Code 33470 | ³ Pool Name House; Tubb, North |
| ⁴ Property Code 34423 | ⁵ Property Name PLOWBOY FED | ⁶ Well Number 1 |
| ⁷ OGRID No. 3659 | ⁸ Operator Name CAPATAZ OPERATING COMPANY | ⁹ Elevation 3593' |

¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|---------------|----------------------|----------------------------|---------|------------------------|---------------------------|------------------------|------------------------|---------------|
| UL or lot no. C | Section 35 | Township 19 SOUTH | Range 38 EAST, N.M.P.M. | Lot Idn | Feet from the 2275' | North/South line SOUTH | Feet from the 2310' | East/West line EAST | County LEA |
|--------------------|---------------|----------------------|----------------------------|---------|------------------------|---------------------------|------------------------|------------------------|---------------|

¹¹ 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 |
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| | |
|--|---|
| <p>¹⁶</p> <p>NAD 27 NM'E ZONE X = 874303 Y = 589806 LAT.: N 32°36'56\" LONG.: W 103°07'04\"</p> <p>40 ACRE LEASE</p> <p>2275'</p> <p>2310'</p> <p>EXISTING ROAD</p> | <p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature H Scott Davis</p> <p>Printed Name Agent</p> <p>Title 09/25/05</p> <p>Date</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>SEPTEMBER 29, 2004</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>Certificate Number V. L. BEZNER R.P.S. #7920</p> <p>JOB #98251 / 70SE / E.U.O.</p> |
|--|---|

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