

DATE IN <u>8.17.10</u>	SUSPENSE	ENGINEER <u>DB.</u>	LOGGED IN <u>8.17.10</u>	TYPE <u>NSL</u>	APP NO. <u>1022957782</u>
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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



Aspen Operating Co.
 217598
 State CA #1

ADMINISTRATIVE APPLICATION CHECKLIST 30-025-03639

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

6255

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
 NSL NSP SD
- 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 _____

Agent Vernon Dyer
 575-420-0355

- [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 *Does Not Apply*
- [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.

VERNON D. DYER *Vernon Dyer* Agent 8/17/2010
 Print or Type Name Signature Title Date
vdye@oil@Cableone.net Not
 e-mail Address

Vernon D. Dyer CPL# 3174
POBox 1692
Roswell, NM 88202-1692
575-622-4941 ---Office
575-420-0355 ---Cell
575-627-8208 ---Fax

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D OIL & GAS PROPERTIES

July 15, 2010

RE: Aspen Operating Company
State CA #1
Lea County, New Mexico

David Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Brooks:

Aspen Operating Company, LLC filed a C-101 and C-102, application for drilling of a Devonian Well, being the State CA #1 located in the SE/SE/ of Section 9, T-10-S R-36-E, Lea County New Mexico. As I was advise by Donna Mull of the Hobbs Office, the location is in the Crossroads South Pool with 80 acre pool units and a standard location is 660' FEL & 660' FSL. The bottom-hole location for this application is 330' FEL and therefore a Non Standard Location (NSL) and we are to notify all offset Operators with a producing Devonian Well. I researched the public records (State Land Office and Oil Conservation Division) to determine the minerals are owned by the State of New Mexico (SLO) which are leased to the following:

1. North Offset, North Half of Section is unleased and there is not a producing well on the land.
2. West Offset, West Half of Southeast is unleased and there is not a producing well located on the land.
3. South Offset, North half of Section is leased to Cimarex Energy Company (VB-1495-0001) and there is not a producing well on the land.
4. East Offset, Southwest Quarter of Section leased to Yates Petroleum Corporation (VO-8466-0000) and there is not a producing well on the land

I am taking the liberty to copy both Cimarex Energy and Yates Petroleum of this notice. We are also requesting approval of the NSL so we may proceed with the drilling of the above well. If you have any questions, please feel free to contact me.

Yours very truly,

Vernon D. Dyer
Vernon D. Dyer CPL 3174

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RECEIVED

DISTRICT I
1025 N. French Dr., Hobbs, NM 88240

JUN 25 2010

State of New Mexico

Form C-102
Revised October 15, 2009

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

Energy, Minerals and Natural Resources Department

Submit one copy to appropriate
District Office

DISTRICT III
1090 Rio Brazos Rd., Artec, NM 87410

HOBBSOOD CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code 13560	Pool Name Crossroads Devonian, South
Property Code 38224	Property Name STATE CA	Well Number 1
OCRID No. 217598	Operator Name ASPEN OPERATING CO.	Elevation 4022'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
P	9	10 S	36 E		652	SOUTH	680	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
P	9	10 S	36 E		422	SOUTH	330	EAST	LEA

Dedicated Acres 80	Joint or Infill	Consolidation Code	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

N 859005.4780 E 865487.1780		N 599358.7700 E 870783.9700	<p>OPERATOR CERTIFICATION</p> <p>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 undivided 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.</p> <p><i>Vernon D. Dyer</i> 6-24-2010 Signature Date</p> <p>VERNON D. DYER Printed Name</p>
			<p>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>FEBRUARY 25 2010 Date Surveyed</p> <p><i>[Signature]</i> Signature of Professional Surveyor</p> <p>7977</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

PROPOSED BOTTOM HOLE LOCATION

Lat - N 33°27'20.83"
Long - W 103°15'14.86"
NMSPC - N 89498.104
E 870493.751
(NAD-83)

SURFACE LOCATION

Lat - N 33°27'22.36"
Long - W 103°15'18.80"
NMSPC - N 895229.351
E 870156.973
(NAD-83)

Per mw

Vernon D. Dyer CPL# 3174
POBox 1692
Roswell, NM 88202-1692
575-622-4941----Office
575-420-0355---Cell
575-627-8208---Fax

RECEIVED OCD

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D OIL & GAS PROPERTIES

2010 JUL 19 PM 1:18
July 15, 2010

RE: Aspen Operating Company
State CA #1
Lea County, New Mexico

David Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

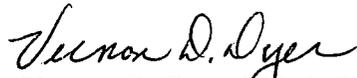
Dear Mr. Brooks:

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Yours very truly,


Vernon D. Dyer CPL 3174

.....
TAKE WHAT YOU DO SERIOUSLY,
BUT TAKE YOURSELF LIGHTLY.

Copy 1

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
RECEIVED
Energy, Minerals and Natural Resources
Oil Conservation Division
JUN 25 2010
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
June 16, 2008

Submit to appropriate District Office

AMENDED REPORT

HOBBSOCD

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

Operator Name and Address Aspen Operating, L.L.C. 801 Cherry St., Suite 810, Unit 23, Fort Worth TX 76102		OGRID Number 217598
Property Code 38224		API Number 30-025-03639
Property Name STATE CA		Well No. 1
Proposed Pool 1 SOUTH CROSSROADS DEVONIAN		Proposed Pool 2

Surface Location									
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	9	10 S	36 E	N/A	652	SOUTH	680	EAST	LEA

Proposed 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
P	9	10 S	36 E	N/A	422	SOUTH	330	EAST	LEA

Additional Well Information				
Work Type Code REENTRY SIDETRACK	Well Type Code OIL	Cable/Rotary ROTARY	Lease Type Code S	Ground Level Elevation 4022'
Multiple	Proposed Depth 14,000'	Formation DEVONIAN	Contractor TBA	Spud Date 07-15-2010 - TENTATIVE

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
EXISTING	13 3/8"	54.5	300'	200	SURFACE
EXISTING	8 5/8"	32 & 36	4186'	500	2200'
7 7/8"	5 1/2"	17	13,123	1000	9500'

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

- 1) Reenter & Drill 11" to top of cut of the 8 5/8" at 2,186 Ft. Tie back to 8 5/8" and test patch. NU 5,000 psi. BOPE Double Ram Stack with 3,000 psi annular preventer.
- 2) Clean 7 5/8" hole to KOP at 9,500 feet. Kick-off to BHL (see above) to TVD of 14,000 feet.
- 3) Set 5 1/2" casing cemented from Total Depth to 9,500 feet. Cement from 6,000 feet into intermediate casing with cementing tool (DV Tool).

See attached well bore diagram.

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Re-Entry**

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

Signature: *Michael B. Wilson*

Printed name: Michael B. Wilson

Title: Production Manager

E-mail Address: mwilson@aspen-oil.com

Date: 6-24-2010 Phone: (817) 455-2311

OIL CONSERVATION DIVISION

Approved by: *[Signature]*

Title: PETROLEUM ENGINEER

Approval Date: JUL 21 2010 Expiration Date:

OCD CONDITION OF APPROVAL of Drilling
Intent to drill ONLY --- CANNOT produce until the Non-Standard
Location has been approved by OCD Santa Fe office

RECEIVED

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

JUN 25 2010

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 15, 2009

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

Submit one copy to appropriate
District Office

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

HOBBSOIL CONSERVATION DIVISION
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Property Code <i>38224</i>	Property Name STATE CA	Well Number 1
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Dedicated Acres <i>80</i>	Joint or Infill	Consolidation Code	Order No.
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<p>N 899805 4780 E 865487 1760</p>	<p>N 899858 7760 E 870763 9700</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Vernon D. Dyer</i> <i>6-24-2010</i> Signature Date</p> <p><i>VERNON D. DYER</i> Printed Name</p>	
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<p>PROPOSED BOTTOM HOLE LOCATION</p> <p>Lot - N 33°27'20.03" Long - W 103°15'14.86" NMSPC - N 894998.104 E 870493.751 (NAD-83)</p>		<p>SURFACE LOCATION</p> <p>Lot - N 33°27'22.36" Long - W 103°15'18.80" NMSPC - N 895229.351 E 870156.973 (NAD-83)</p>	
<p>N 894532 3990 E 865534 6520</p>		<p>N 894579 0400 E 870828 9320</p>	

Per mw