

UNITED STATES
DEPARTMENT OF THE INTERIOR
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. NMNM1134182
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator: Regeneration Energy Corp.		7. If Unit or CA Agreement, Name and No.
3a. Address: PO Box 210 Artesia, NM 88211-0210	3b. Phone No. (include area code): (575)738-3535	8. Lease Name and Well No. Madera 17 Federal #1H
4. Location of Well (Report location clearly and in accordance with any State requirements.): At surface 330' FNL 380' FEL Unit letter A (NENE) SHL At proposed prod. zone 330' FSL 380' FEL Unit letter P BHL		9. API Well No.
14. Distance in miles and direction from nearest town or post office: 20 miles from Jal		10. Field and Pool, or Exploratory Antelope Ridge/Bone Spring
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 330"	16. No. of acres in lease 640	11. Sec., T. R. M. or Blk. and Survey or Area Sec. 17 T24S R34E
17. Spacing Unit dedicated to this well 160	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. About 5000'	12. County or Parish Lea County
19. Proposed Depth MD:13573 TVD:9200	20. BLM/BIA Bond No. on file NMB000764	13. State NM
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3561' GL	22. Approximate date work will start* 12/01/2012	23. Estimated duration 45 days

24. Attachments

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

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| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature:	Name (Printed Typed): William Miller	Date: 09/28/2012
Title: Landman		
Approved by (Signature):	Name (Printed Typed): George MacDonell	Date: 5/1/13
Title: FIELD MANAGER	Office: CARLSBAD FIELD OFFICE	

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.

APPROVAL FOR TWO YEARS

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 agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

Carlsbad Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached

Oil Conservation Division
Case No. 15043
Exhibit No. 1

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (505) 748-1203 Fax: (505) 748-9750

DISTRICT III
1600 Rte. 180, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1320 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

HOBBS OCU

MAY 03 2013

RECEIVED

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 80025-41199	Pool Code 96434	Pool Name Red Hills
Property Code 39880	Property Name MADERA 17 FEDERAL	Well Number 1H
UGRID No. 280240	Operator Name REGENERATION ENERGY CORPORATION	Elevation 3561'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	17	24-S	34-E		330	NORTH	380	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	17	24-S	34-E		330	SOUTH	380	EAST	LEA

Dedicated Acres 160	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

<p>DETAIL</p> <p>3562.8' 3562.5' 3559.7' 3559.5'</p> <p>600' 600'</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=446173.2 N X=762588.3 E</p> <p>BOTTOM HOLE LOCATION Y=441554.8 N X=762627.6 E</p> <p>CORNER COORDINATES TABLE</p> <p>A) Y=446495.9 N, X=761648.4 E B) Y=446506.0 N, X=762965.2 E C) Y=441217.8 N, X=761693.2 E D) Y=441227.8 N, X=763010.7 E</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or leased 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>William Miller</i> 11/12/12 Signature Date</p> <p>William Miller Printed Name</p> <p><i>wmiller@pvtv.net</i> E-mail Address</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>AUGUST 17, 2012</p> <p>Date of Survey</p> <p><i>Ronald J. Eidson</i> Signature of Professional Surveyor</p> <p>NEW MEXICO 3239 RECEIVED 11/12/2012</p> <p><i>Ronald J. Eidson</i> Certified Professional Surveyor Ronald J. Eidson 12641 3239</p> <p>AF/DBR Rev: 11/19/2011 JWBC W.O.: 12.11.1459</p>
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JUN 04 2013