



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

August 8, 2001

Jeff Phillips
TMBR/Sharp Drilling, Inc.
PO Drawer 10970
Midland, TX 79702

RE: 1) Application to drill TMBR/Sharp Drilling, Inc., Blue Fin 25 # 1, located in E-25, T16S, R35E 1913 PNL and 924 FWL,
API number 30-025-35653
2) Voiding API Number 30-025-35653

Dear Mr. Jeff Phillips

We can not approve Form C-101 Application for permit to drill the above well do to the overlapping of the dedicated acreage in the NW/4 of Sec 25, T16s, R35E. The proposed completion interval for this application was a Wildcat;Mississippian (Gas) pool, with the N/2 of Sec 25, T16S, R35E comprising 320 acres dedicated to this well. On July 19, 2001 the Oil Conservation Division office in Hobbs approved an application to drill a well from David H Arrington Oil & Gas, Inc. This well was the David H Arrington Oil & Gas, Inc., Triple-Hackle Dragon 25 # 1, located in E-25, T16S, R35E 1815 PNL and 750 FWL and dedicated to this well was the W/2 of Sec 25, T16S, R35E comprising 320 acres for the proposed completion as a Wildcat;Mississippian (Gas) pool. Therefor API number 30-025-35653 is here by voided.

Since TMBR/Sharp Drilling believes that they are the only operator with the rights to drill this well, it is suggested that they take this mater up with David Arrington Oil & Gas Inc.

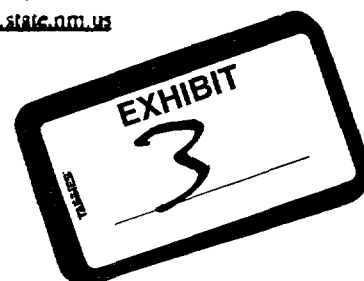
Yours very truly,

OIL CONSERVATION DIVISION

Chris Williams (AK)

Chris Williams
District I, Supervisor

PFK



District I
PO Box 1780, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

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

| | | |
|--|--|--|
| ¹ Operator Name and Address: TMBR/Sharp Drilling, Inc. P. O. Drawer 10970 Midland, TX 79702 | | ¹ OGRID Number 036554 |
| | | ¹ API Number 30-025-35653 |
| ¹ Property Code 28579 | ¹ Property Name Blue Fin "25" | ¹ Well No. 1 |

² Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | Count |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|-------|
| E | 25 | 16S | 35E | | 1913 | North | 924 | West | Lea |

³ 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 | Count |
|---|---------|----------|-------|---------|--|------------------|---------------|----------------|-------|
| ¹ Proposed Pool 1 Townsend; Mississippian, N. | | | | | ² Proposed Pool 2 Townsend; Morrow | | | | |

| | | | | |
|-----------------------------------|---|--|--|--|
| ¹¹ Work Type Code N | ¹² Well Type Code G | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code P | ¹⁵ Ground Level Elevation 3959 |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 13,200' | ¹⁸ Formation Mississippian | ¹⁹ Contractor TMBR/Sharp | ²⁰ Spud Date 9/01/01 |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 17 1/2" | 13 1/2" | 54.5 | 420 | 500 | Surface |
| 12 1/2" | 9 1/2" | 40 | 5,000 | 1800 | Surface |
| 8 1/2" | 7" | 23 & 26 | 12,000 | 1000 | 5,000 |
| 6 1/2" | 4 1/2" | 11.6 | 13,200 | 135 | 11,900 |

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.

It is proposed to drill a 17 1/2" hole to $\pm 420'$ with fresh water & set 13 1/2" csg & cement to surface. A 12 1/2" intermediate hole will be drilled to $\pm 5000'$ with cut-brine system & 9 1/2" csg will be set & cemented back to surface. A 3000 psi annular preventer & 3000 psi dual ram BOP will be used on the intermediate hole. An 8 1/2" hole will be drilled to a TD of $\pm 12,000'$ with FW mud where 7" csg will be set at TD & cemented back to the intermediate csg @ 5000'. We will drill a 6 1/2" hole to TD of $\pm 13,200'$. We plan to run a 4 1/2" liner to TD with top of liner @ 11,900' & cement w/135 sacks. A 3000 psi annular preventer & a 5000 psi double ram BOP will be used on the 8 1/2" & 6 1/2" hole. Mud up will occur between 9000' & 10,000' & several DST's are planned.

| | | | |
|---|--|----------------------------------|--|
| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>L. Arnold</i> | | OIL CONSERVATION DIVISION | |
| Printed name: Lennie Arnold | | Approved by: | |
| Title: Production Manager | | Title: | |
| Date: August 6, 2001 | | Approval Date: | |
| Phone: (513) 699-5050 | | Expiration Date: | |
| Conditions of Approval: Attached <input type="checkbox"/> | | | |

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

- f i

1988, Edition, NM 88841-1088

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-105

Revised February 18, 1984

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

P.O. Drawer 28, Arroyo, NM 88411-0719

DISTRICT III

1000 Elie Avenue Rd., Arroyo, NM 87410

DISTRICT IV

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|-----------------------------------|---|---|
| API Number 30-025-35653 | Pool Code 86390 | Pool Name Townsend; Mississippian, N. |
| Property Code 28579 | Property Name BLUEFIN 25 | Well Number 1 |
| Order No. 036554 | Operator Name TMBR/SHARP DRILLING, INC. | Elevation 3959' |

Surface Location

| UL or Lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South Line | Feet from the | East/West Line | County |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|------------|
| E | 25 | 16-S | 35-E | | 1913 | NORTH | 924 | WEST | 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 | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 320 | | | |

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

| | | |
|--|---|--|
| | OPERATOR CERTIFICATION | |
| | I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. | |
| | Signature Lonnie Arnold Printed Name Production Manager Title 8/7/01 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. | |
| | JULY 26, 2001 Date Surveyed AWB Signature of Surveyor 001170899 Certification No. 001170899 Surveyor's Name AWB State NEW MEXICO Year 1984 | |