

OCD Artesia

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

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. SH: NM046256 BHL: NM0437522	
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 type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator MYCO Industries, Inc.		7. If Unit or CA Agreement, Name and No.	
3a. Address P.O. Box 840, Artesia, NM 88211-0840		8. Lease Name and Well No. East Turkey Track Fed Com #71 (8252)	
3b. Phone No. (include area code) 575.748.4290		9. API Well No. 30-015- 39826	
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 2080' FNL & 10' FEL, Unit H At proposed prod. zone 1980' FNL & 330' FWL, Unit E		10. Field and Pool, or Exploratory Santo Nino, Bone Spring (54600)	
14. Distance in miles and direction from nearest town or post office* Approx 7 miles S/SW of Loco Hills, NM		11. Sec., T. R. M. or Blk. and Survey or Area Sec 26-T18S-R29E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 10'		12. County or Parish Eddy	
16. No. of acres in lease 160		13. State NM	
17. Spacing Unit dedicated to this well 160		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1188' from SL 115'	
19. Proposed Depth 7935' TVD 12752' MD		20. BLM/BIA Bond No. on file NMB000376	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3449' GR		22. Approximate date work will start* 10/01/2011	
23. Estimated duration 60 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:

- | | |
|--|---|
| 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) A. N. Muncy	Date 09/28/2011
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Title
Exploration/Operations Manager

Approved by (Signature) /s/ Don Peterson	Name (Printed/Typed)	Date JAN 9 2012
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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)

Capitan Controlled Water Basin

Approval Subject to General Requirements
& Special Stipulations Attached

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or Myco Industries, Inc., am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 2nd day of August, 2011.

Signed: A.N. Muncy, PECS

Printed Name: A.N. Muncy

Position: Exploration/Operations Manager

Address: PO Box 840, Artesia, New Mexico 88211

Telephone: (575) 748-4280

Field Representative (if not above signatory): A.N. Muncy

E-mail: anmuncy@mycoinc.com.

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

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 July 16, 2010
Submit to Appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-39826	Pool Code 54600	Pool Name Santo Nino, Bone Spring
Property Code 8243	Property Name EAST TURKEY TRACK FEDERAL COM	Well Number 7H
OGRID No. 015445	Operator Name MYCO INDUSTRIES, INC.	Elevation 3448'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	26	18-S	29-E		2080	NORTH	10	EAST	EDDY

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
E	26	18-S	29-E		1980	NORTH	330	WEST	EDDY
Dedicated Acres 160		Joint or Infill		Consolidation Code		Order No.			

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>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 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</p> <p><i>A.N. Muncy, PELS</i> 8-27-11 Signature Date A.N. Muncy, PELS Printed Name anmuncy@mycoinc.com E-mail Address</p>
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=625736.4 N X=591327.9 E LAT.=32.719894° N LONG =104.036379° W</p> <p>BOTTOM HOLE LOCATION Y=625821.9 N X=586398.6 E</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>MAY 10, 2011</p> <p>Date of Survey Signature & Seal of Professional Surveyor: Certificate Number 3239 LA JWSC W.O.: 11.11.0867</p>

30-015-39824

MYCO INDUSTRIES, INC.

East Turkey Track Federal Com #7H
2080' FNL & 10' FEL, Surface Hole
1980' FNL & 330' FWL, Bottom Hole
Section 26 – T18S – R29E
Eddy County, New Mexico

1. The estimated tops of geologic markers are as follows:

Rustler	360'
Salt	550'
Base of Salt	850'
Yates	1210'
Seven Rivers	1300'
Queen	2180'
Grayburg	2540'
San Andres	3020'
Bone Spring	3910'
First Bone Spring Ss	7045'
Second Bone Spring Ss	7860'

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approximately 50'

Oil or gas: OIL: Queen-Grayburg-San Andres and Bone Spring

- 3. Pressure Control Equipment:** BOPE will be installed on the 13 3/8" casing. A 13 3/8" 3000 psi WP well head will be installed on the 13 3/8" casing. A 13 5/8" 3M BOP will be installed on the well head and the casing and well head will be tested to 1000 psi prior to drilling out below the 13 3/8" casing shoe. A FIT test to 10.4#/gal EMW will be performed and then 12 1/4" hole will be drilled and 9 5/8" casing will be set at 3200. A 13 5/8" 3M X 11" 5M "B" Section will be installed on the wellhead and an 11" 5M Double Ram BOP Stack will be nipped up on the "B" section. BOP systems will be consistent with API RP 53. A third party BOP Pressure test to 250 psi low and 5000 psi high will be conducted on the BOP equipment and manifold before drilling out from under the 9 5/8" casing string after being set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit 9.

See
COA

3m BOP
tested to 2M
prior to drilling
surf. shoe

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock valves, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when Kelly is not in use.

4. The proposed casing and cementing program:

A. Casing Program (All New):

Hole Size	Casing Size	Wt/Ft	Grade	Coupling	Interval	Length
17 1/2"	13 3/8"	48#	H-40	ST&C	0-325' 350	325'
12 1/4"	9 5/8"	36#	J-55	LT&C	0-3200'	3200'
8 3/4"	5 1/2"	17#	L-80	BTC	0-12752'	12752'

This well will be drilled vertically to 7546'. At 7546' the well will be kicked off and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 12752' MD (7935' TVD) where 5-1/2" casing will be set and cemented to the surface. Penetration point of producing zone will be encountered at 2065' FNL & 440' FEL of Section 26-T18S-R29E. The deepest TVD in the well is 8023' in the lateral.

Minimum Casing Design Factors: Burst 1.10, Tensile 1.8, Collapse 1.125

B. Cementing Program:

Surface casing: TOC surface. Lead with 200 sacks Thixotropic + 1% CaCl₂ (WT 14.8, YLD 1.64); tail in with 200 sacks Class "C" + 2% CaCl₂ (WT 14.8 YLD 1.34).
200% Excess

Intermediate casing: TOC surface. Lead with 600 sacks Lite "C" (WT 12.8, YLD 1.88).
Tail in with 250 sacks "C" + 2% CaCl₂ (WT. 14.8 YLD 1.32)
150% Excess

Production Casing:

Stage I: TOC 7000' DV tool at 7000'. Lead with 1375 sacks PecosValleyLt (WT 13.0 YLD 1.41)

Stage II: TOC Surface' DV tool at 7000'. Lead with 700 sacks PecosVILt (WT 13.3 YLD 1.41) Tail with 200 sx Class "H" (Yld--1.19, Wt--15.6#)
Calculated using 30% Excess

5. Mud Program and Auxiliary Equipment:

Interval	Type	Weight	Viscosity	Fluid Loss
0-325' 350'	Fresh Water	8.6-9.2	29-32	N/C
325 -3200'	Brine Water	10.0-10.2	28-28	N/C
3200'-7546'	Cut Brine	8.9-9.1	28-29	N/C
7546'-12752'	Cut Brine	8.9-9.1	32--38	<15cc
(Lateral Section)				

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. Evaluation Program: *See COA*

Samples: 30' samples to 6500'; 10' samples 6500'-TD

Logging: MWD-GR

Coring: None anticipated.

DST's: As warranted

Mudlogging: 6500' to TD

7. Abnormal Conditions, Bottom hole pressure and potential hazards:

Anticipated BHP:

From: 0	TO: 325'	Anticipated Max.	BHP: 290 PSI
From: 325'	TO: 3200'	Anticipated Max.	BHP: 1510 PSI
From: 3200'	TO: 12752'	Anticipated Max.	BHP: 3300 PSI

Abnormal pressures or temperatures anticipated: None

Lost Circulation Zones Anticipated: None

H₂S Zones Anticipated: None

Maximum Bottom Hole Temperature: 132 F

8. Anticipated Starting Date:

Plans are to drill this well as soon as possible after receiving approval and obtaining a drilling rig contract. It will take approximately 30 days to drill the well with completion taking another 21 days.



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Drilling Services

Proposal

MYCO INDUSTRIES, INC.

EAST TURKEY TRACK FEDERAL COM #7H

EDDY CO, NM

WELL FILE: **PLAN 1**

JULY 6, 2011

Weatherford International, Ltd.

P.O. Box 61028
Midland, TX 79711 USA
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+1.432.561.8895 Fax
www.weatherford.com

Myco Industries, Inc.
East Turkey Track Federal Com #7H
Eddy Co., NM

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	270.99	0.00	0.00	0.00	0.00	0.00	0.00	
2	7545.63	0.00	270.99	7545.63	0.00	0.00	0.00	0.00	0.00	
3	8305.08	91.13	270.99	8023.00	8.44	-486.84	12.00	270.99	486.91	PBHL
4	12752.08	91.13	270.99	7935.00	85.50	-4932.30	0.00	0.00	4933.04	PBHL

SITE DETAILS

East Turkey Track Federal Com 7H
 Site Centre Northing: 625736.40
 Easting: 591327.90
 Ground Level: 3448.00
 Positional Uncertainty: 0.00
 Convergence: 0.16

WELL DETAILS

Name+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
7H 0.00	0.00	625736.40	591327.90	32°43'11.619N	104°02'10.965W	N/A

TARGET DETAILS

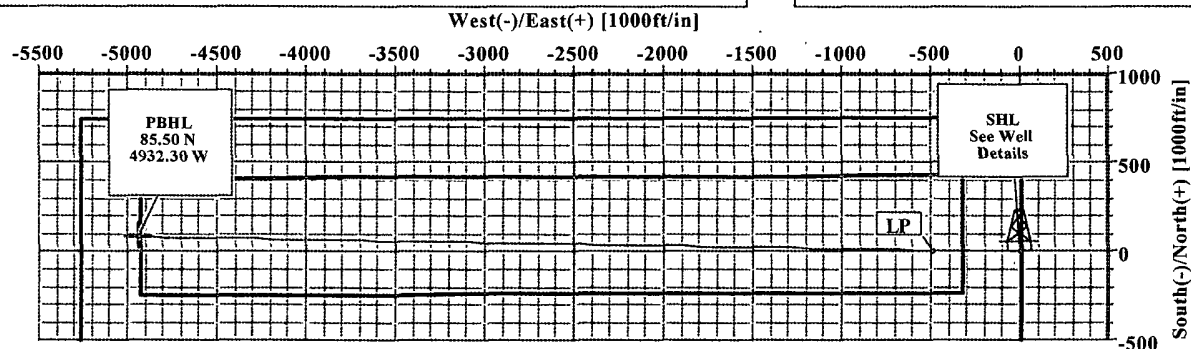
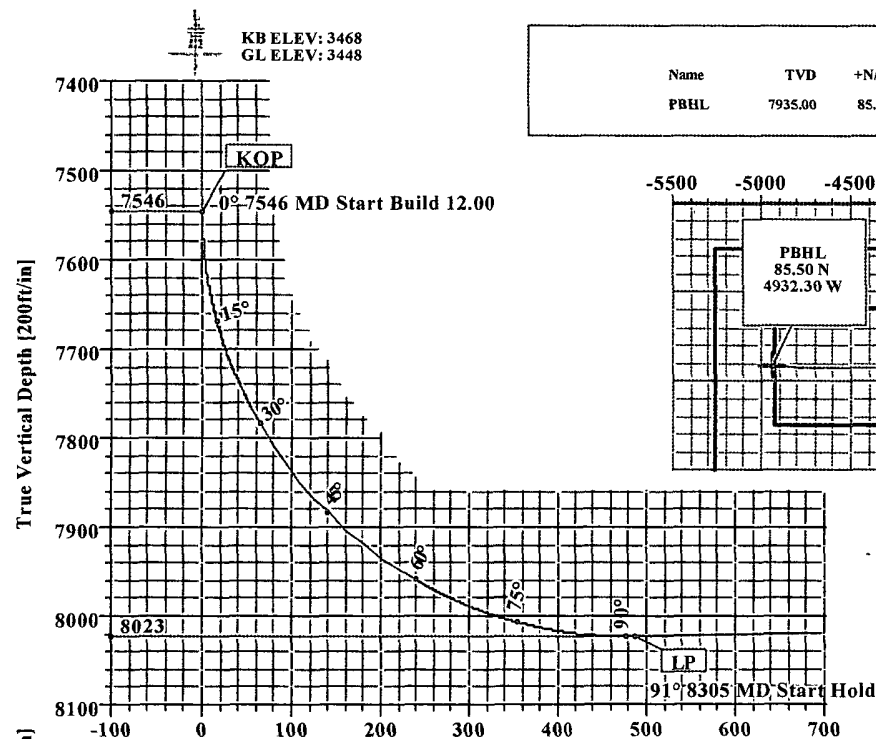
Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
PBHL	7935.00	85.50	-4932.30	625821.90	586395.60	Point



Azimuths to Grid North
 True North: -0.16°
 Magnetic North: 7.64°

Magnetic Field
 Strength: 48859nT
 Dip Angle: 60.56°
 Date: 10/1/2011
 Model: IGRF2010

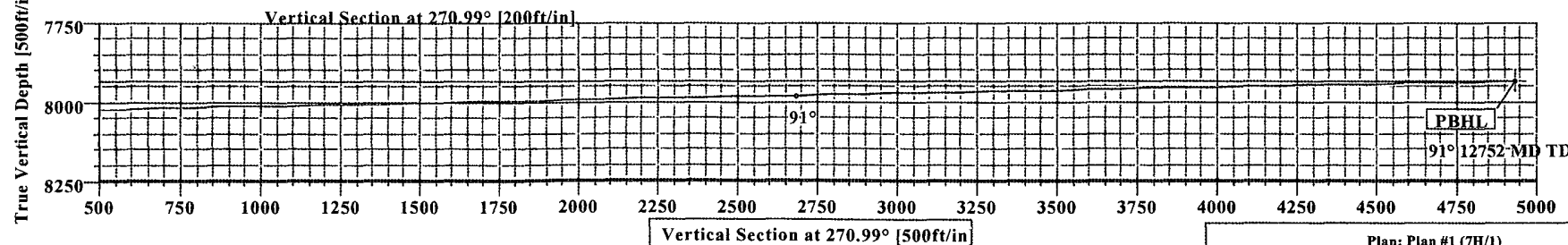
Total Correction to Grid North: 7.64°



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FIELD DETAILS

Eddy County, NM (Nad 27)
 Geodetic System: US State Plane Coordinate System 1927
 Ellipsoid: NAD27 (Clarke 1866)
 Zone: New Mexico, Eastern Zone
 Magnetic Model: IGRF2010
 System Datum: Mean Sea Level
 Local North: Grid North



Plan: Plan #1 (7H/1)

Created By: Keith Noack

Date: 7/6/2011

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WFT Plan Report - X & Y's



Weatherford

Company: Myco Industries, Inc.	Date: 7/6/2011	Time: 13:38:13	Page: 1
Field: Eddy County, NM (Nad 27)	Co-ordinate(NE) Reference: Well: 7H, Grid North		
Site: East Turkey Track Federal Com 7H	Vertical (TVD) Reference: SITE 3468.0		
Well: 7H	Section (VS) Reference: Well (0.00N,0.00E,270.99Azi)		
Wellpath: 1	Survey Calculation Method: Minimum Curvature	Db: Sybase	

Plan: Plan #1	Date Composed: 7/6/2011
Principal: Yes	Version: 1
	Tied-to: From Surface

Field: Eddy County, NM (Nad 27)

Map System: US State Plane Coordinate System 1927
Geo Datum: NAD27 (Clarke 1866)
Sys Datum: Mean Sea Level

Map Zone: New Mexico, Eastern Zone
Coordinate System: Well Centre
Geomagnetic Model: IGRF2010

Site: East Turkey Track Federal Com 7H

Site Position:	Northing: 625736.40 ft	Latitude: 32 43 11.619 N
From: Map	Easting: 591327.90 ft	Longitude: 104 2 10.965 W
Position Uncertainty: 0.00 ft		North Reference: Grid
Ground Level: 3448.00 ft		Grid Convergence: 0 16 deg

Well: 7H	Slot Name:
Well Position: +N/-S 0.00 ft	Latitude: 32 43 11.619 N
+E/-W 0.00 ft	Longitude: 104 2 10.965 W
Position Uncertainty: 0.00 ft	

Wellpath: 1	Drilled From: Surface
Current Datum: SITE	Tie-on Depth: 0.00 ft
Magnetic Data: 10/1/2011	Above System Datum: Mean Sea Level
Field Strength: 48859 nT	Declination: 7.80 deg
Vertical Section: Depth From (TVD)	Mag Dip Angle: 60 56 deg
ft	+E/-W
	Direction
	deg
7935.00	0.00
0.00	270.99

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0 00	0.00	270.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
7545.63	0.00	270.99	7545.63	0.00	0.00	0.00	0.00	0.00	0.00	
8305.08	91.13	270.99	8023.00	8.44	-486.84	12.00	12.00	0.00	270.99	
12752.08	91.13	270.99	7935.00	85.50	-4932.30	0.00	0.00	0.00	0.00	PBHL

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
7500.00	0.00	270.99	7500.00	0.00	0.00	0.00	0.00	625736.40	591327.90	
7545.63	0.00	270.99	7545.63	0.00	0.00	0.00	0.00	625736.40	591327.90	KOP
7600.00	6.52	270.99	7599.88	0.05	-3.09	3.09	12.00	625736.45	591324.81	
7700.00	18.52	270.99	7697.32	0.43	-24.73	24.74	12.00	625736.83	591303.17	
7800.00	30.52	270.99	7788.14	1.15	-66.16	66.17	12.00	625737.55	591261.74	
7900.00	42.52	270.99	7868.35	2.18	-125.56	125.58	12.00	625738.58	591202.34	
8000.00	54.52	270.99	7934.46	3.47	-200.34	200.37	12.00	625739.87	591127.56	
8100.00	66.52	270.99	7983.57	4.98	-287.22	287.26	12.00	625741.38	591040.68	
8200.00	78.52	270.99	8013.55	6.63	-382.42	382.47	12.00	625743.03	590945.48	
8300.00	90.52	270.99	8023.07	8.35	-481.76	481.83	12.00	625744.75	590846.14	
8305.08	91.13	270.99	8023.00	8.44	-486.84	486.91	12.00	625744.84	590841.06	LP
8400.00	91.13	270.99	8021.12	10.08	-581.73	581.82	0.00	625746.48	590746.17	
8500.00	91.13	270.99	8019.14	11.82	-681.69	681.80	0.00	625748.22	590646.21	
8600.00	91.13	270.99	8017.17	13.55	-781.66	781.78	0.00	625749.95	590546.24	
8700.00	91.13	270.99	8015.19	15.28	-881.62	881.76	0.00	625751.68	590446.28	
8800.00	91.13	270.99	8013.21	17.02	-981.59	981.74	0.00	625753.42	590346.31	
8900.00	91.13	270.99	8011.23	18.75	-1081.56	1081.72	0.00	625755.15	590246.34	

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WFT Plan Report - X & Y's



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Company: Myco Industries, Inc.
Field: Eddy County, NM (Nad 27)
Site: East Turkey Track Federal Com 7H
Well: 7H
Wellpath: 1

Date: 7/6/2011 Time: 13:38:13 Page: 2
Co-ordinate(NE) Reference: Well: 7H, Grid North
Vertical (TVD) Reference: SITE 3468.0
Section (VS) Reference: Well (0.00N,0.00E,270.99Azi)
Survey Calculation Method: Minimum Curvature Db: Sybase

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
9000.00	91.13	270.99	8009.25	20.48	-1181.52	1181.70	0.00	625756.88	590146.38	
9100.00	91.13	270.99	8007.27	22.21	-1281.49	1281.68	0.00	625758.61	590046.41	
9200.00	91.13	270.99	8005.29	23.95	-1381.45	1381.66	0.00	625760.35	589946.45	
9300.00	91.13	270.99	8003.31	25.68	-1481.42	1481.64	0.00	625762.08	589846.48	
9400.00	91.13	270.99	8001.33	27.41	-1581.38	1581.62	0.00	625763.81	589746.52	
9500.00	91.13	270.99	7999.36	29.15	-1681.35	1681.60	0.00	625765.55	589646.55	
9600.00	91.13	270.99	7997.38	30.88	-1781.31	1781.58	0.00	625767.28	589546.59	
9700.00	91.13	270.99	7995.40	32.61	-1881.28	1881.56	0.00	625769.01	589446.62	
9800.00	91.13	270.99	7993.42	34.34	-1981.24	1981.54	0.00	625770.74	589346.66	
9900.00	91.13	270.99	7991.44	36.08	-2081.21	2081.52	0.00	625772.48	589246.69	
10000.00	91.13	270.99	7989.46	37.81	-2181.17	2181.50	0.00	625774.21	589146.73	
10100.00	91.13	270.99	7987.48	39.54	-2281.14	2281.48	0.00	625775.94	589046.76	
10200.00	91.13	270.99	7985.50	41.28	-2381.11	2381.46	0.00	625777.68	588946.79	
10300.00	91.13	270.99	7983.52	43.01	-2481.07	2481.44	0.00	625779.41	588846.83	
10400.00	91.13	270.99	7981.55	44.74	-2581.04	2581.42	0.00	625781.14	588746.86	
10500.00	91.13	270.99	7979.57	46.47	-2681.00	2681.40	0.00	625782.87	588646.90	
10600.00	91.13	270.99	7977.59	48.21	-2780.97	2781.38	0.00	625784.61	588546.93	
10700.00	91.13	270.99	7975.61	49.94	-2880.93	2881.37	0.00	625786.34	588446.97	
10800.00	91.13	270.99	7973.63	51.67	-2980.90	2981.35	0.00	625788.07	588347.00	
10900.00	91.13	270.99	7971.65	53.41	-3080.86	3081.33	0.00	625789.81	588247.04	
11000.00	91.13	270.99	7969.67	55.14	-3180.83	3181.31	0.00	625791.54	588147.07	
11100.00	91.13	270.99	7967.69	56.87	-3280.79	3281.29	0.00	625793.27	588047.11	
11200.00	91.13	270.99	7965.71	58.60	-3380.76	3381.27	0.00	625795.00	587947.14	
11300.00	91.13	270.99	7963.74	60.34	-3480.72	3481.25	0.00	625796.74	587847.18	
11400.00	91.13	270.99	7961.76	62.07	-3580.69	3581.23	0.00	625798.47	587747.21	
11500.00	91.13	270.99	7959.78	63.80	-3680.66	3681.21	0.00	625800.20	587647.24	
11600.00	91.13	270.99	7957.80	65.54	-3780.62	3781.19	0.00	625801.94	587547.28	
11700.00	91.13	270.99	7955.82	67.27	-3880.59	3881.17	0.00	625803.67	587447.31	
11800.00	91.13	270.99	7953.84	69.00	-3980.55	3981.15	0.00	625805.40	587347.35	
11900.00	91.13	270.99	7951.86	70.73	-4080.52	4081.13	0.00	625807.13	587247.38	
12000.00	91.13	270.99	7949.88	72.47	-4180.48	4181.11	0.00	625808.87	587147.42	
12100.00	91.13	270.99	7947.90	74.20	-4280.45	4281.09	0.00	625810.60	587047.45	
12200.00	91.13	270.99	7945.93	75.93	-4380.41	4381.07	0.00	625812.33	586947.49	
12300.00	91.13	270.99	7943.95	77.67	-4480.38	4481.05	0.00	625814.07	586847.52	
12400.00	91.13	270.99	7941.97	79.40	-4580.34	4581.03	0.00	625815.80	586747.56	
12500.00	91.13	270.99	7939.99	81.13	-4680.31	4681.01	0.00	625817.53	586647.59	
12600.00	91.13	270.99	7938.01	82.86	-4780.28	4780.99	0.00	625819.26	586547.62	
12700.00	91.13	270.99	7936.03	84.60	-4880.24	4880.97	0.00	625821.00	586447.66	
12752.08	91.13	270.99	7935.00	85.50	-4932.30	4933.04	0.00	625821.90	586395.60	PBHL

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	Latitude Deg Min Sec	Longitude Deg Min Sec
PBHL			7935.00	85.50	-4932.30	625821.90	586395.60	32 43 12.598 N	104 3 8.697 W

Weatherford International Ltd.
WFT Plan Report - X & Y's



Weatherford®

Company: Myco Industries, Inc.	Date: 7/6/2011	Time: 13:38:13	Page: 3
Field: Eddy County, NM (Nad 27)	Co-ordinate(NE) Reference:	Well: 7H, Grid North	
Site: East Turkey Track Federal Com 7H	Vertical (TVD) Reference:	SITE 3468.0	
Well: 7H	Section (VS) Reference:	Well (0.00N,0.00E,270.99Azi)	
Wellpath: 1	Survey Calculation Method:	Minimum Curvature	Db: Sybase

Casing Points

MD	TVD	Diameter	Hole Size	Name

Annotation

MD ft	TVD ft	
7545.63	7545.63	KOP
8305.08	8023.00	LP
12752.07	7935.00	PBHL

Formations

MD	TVD	Formations	Lithology	Dip Angle	Dip Direction

**Weatherford®****Weatherford Drilling Services**

GeoDec v5.03

Report Date: July 06, 2011
Job Number: _____
Customer: Myco Industries, Inc.
Well Name: East Turkey Track Federal Com #7H
API Number: _____
Rig Name: _____
Location: Eddy County, NM (Nad 27)
Block: _____
Engineer: KRN

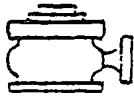
US State Plane 1927	Geodetic Latitude / Longitude
System: New Mexico East 3001 (NON-EXACT)	System: Latitude / Longitude
Projection: SPC27 Transverse Mercator	Projection: Geodetic Latitude and Longitude
Datum: NAD 1927 (NADCON CONUS)	Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866	Ellipsoid: Clarke 1866
North/South 625736.400 USFT	Latitude 32.7198942 DEG
East/West 591327.900 USFT	Longitude -104.0363792 DEG
Grid Convergence: .16°	
Total Correction: +7.64°	

Geodetic Location WGS84	Elevation =	0.0 Meters
Latitude =	32.71989° N	32° 43 min 11.619 sec
Longitude =	104.03638° W	104° 2 min 10.965 sec

Magnetic Declination =	7.80°	[True North Offset]
Local Gravity =	.9989 g	Checksum = 6687
Local Field Strength =	48855 nT	Magnetic Vector X = 23792 nT
Magnetic Dip =	60.56°	Magnetic Vector Y = 3260 nT
Magnetic Model =	IGRF-2010g11	Magnetic Vector Z = 42546 nT
Spud Date =	Oct 01, 2011	Magnetic Vector H = 24015 nT

Signed: _____

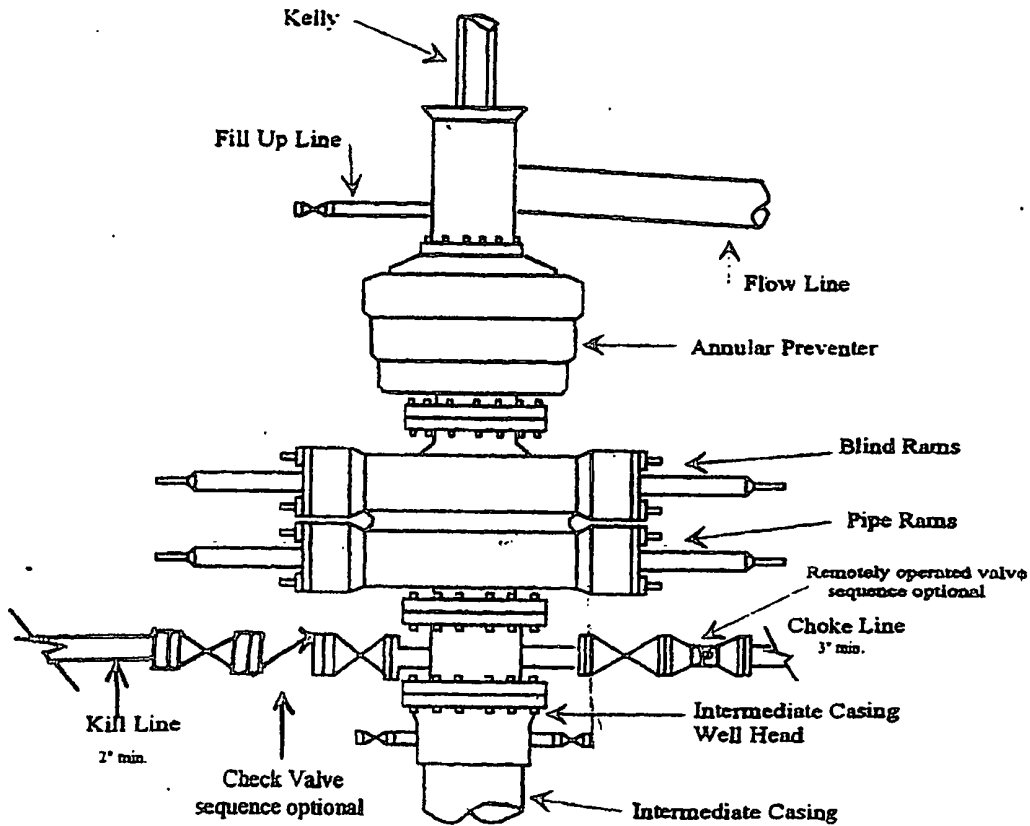
Date: _____



MYCO INDUSTRIES, INC.

BOP-4

Typical 5,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features

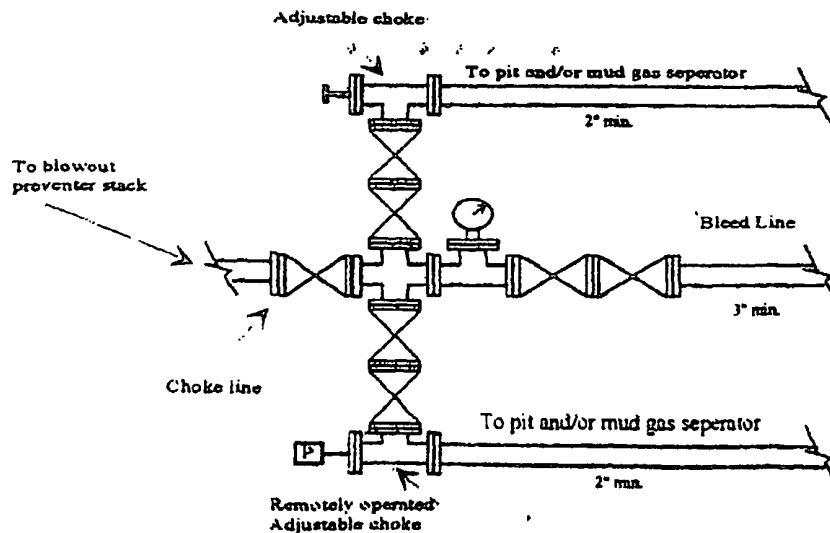
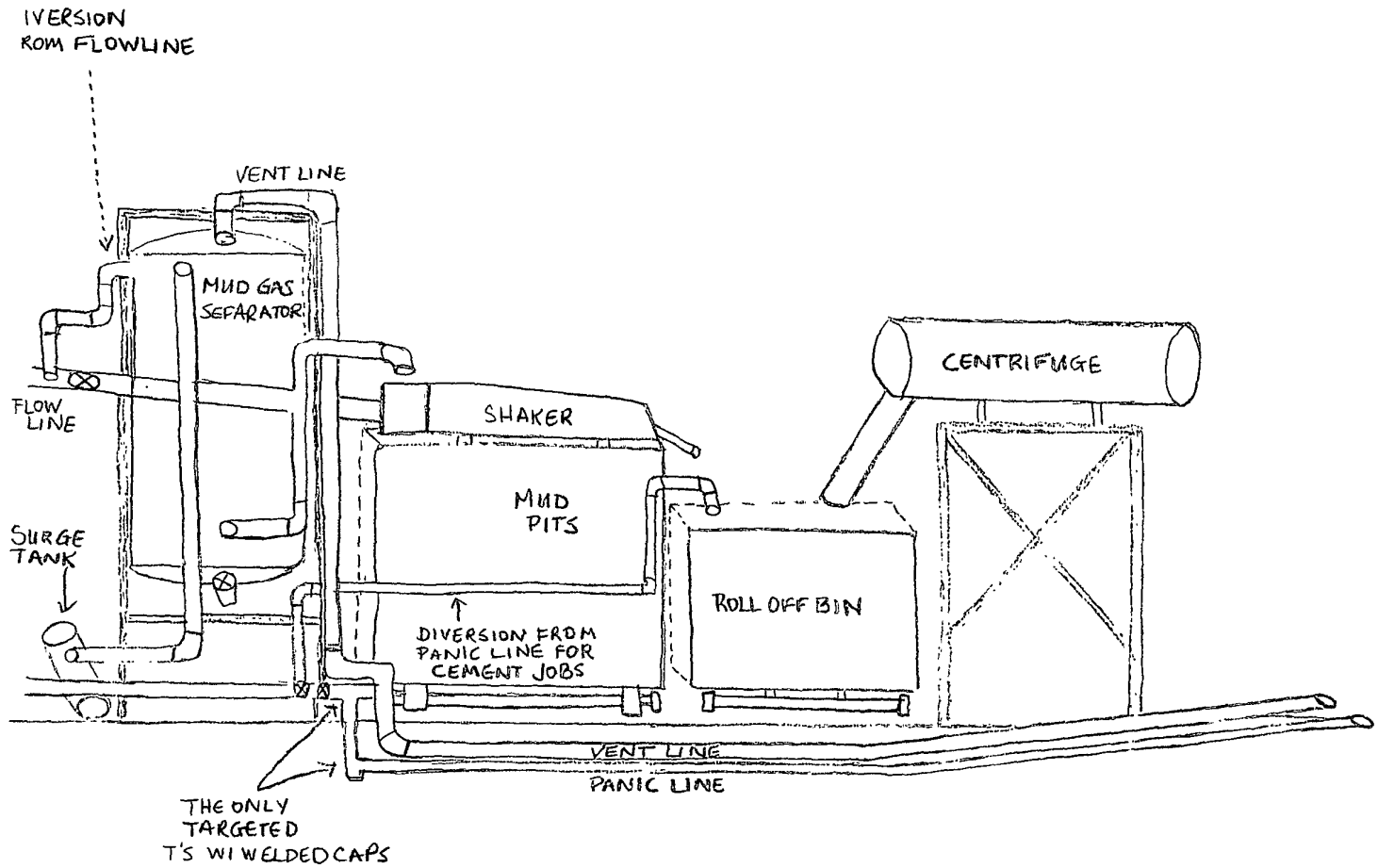


EXHIBIT 9

MYCO INDUSTRIES, INC.
Piping from Choke Manifold
to the Closed-Loop Drilling Mud System



MYCO INDUSTRIES, INC.**CLOSED-LOOP DESIGN PLAN**

Myco Industries, Inc. ("Myco") shall design and construct its closed-loop system closed-loop system to ensure the confinement of oil, gas or water to prevent uncontrolled releases.

The design plan for the closed-loop system shall use appropriate engineering principles and practices and follow applicable manufacturers' requirements. The plan shall include operating and maintenance procedures and a closure plan, as set out below. For further information on the closed-loop system design, please see the attached diagram.

Myco's closed loop system will not use a drying pad, temporary pit, below grade tank or sump. It will use an aboveground haul-off bin suitable for holding solids and fluids from rig operations. No fencing will be constructed around the closed-loop system. Signage shall be posted per the C-144 form to which this plan is attached.

CLOSED-LOOP OPERATING AND MAINTENANCE PLAN

Myco shall operate and maintain the closed-loop system in a manner that will contain solids and liquids, maintain the system's integrity, prevent contamination of fresh water and protect public health and the environment. To attain this goal, the following procedures will be followed:

1. Myco shall recycle, reuse or reclaim or dispose of all drilling fluids in a manner approved by NMOCD rules.
2. Myco shall not discharge into or store any hazardous waste in the closed-loop system, including the haul-off bin, nor shall it allow miscellaneous solid waste or debris into same.
3. The haul-off bin will be of sufficient volume to maintain a safe freeboard prior to disposal of the solids and liquids from rig operations. Disposal will be done on a periodic basis, whenever a haul-off bin is determined to be at full volume capacity. The solids and liquids in the closed-loop system will be transported off the drill site and disposed at the NMOCD-permitted disposal facility or facilities listed below. The designated NMOCD-permitted disposal facility is:

Disposal Facility:
Controlled Recovery, Inc.

NMOCD Permit No.:
NM-01-0006

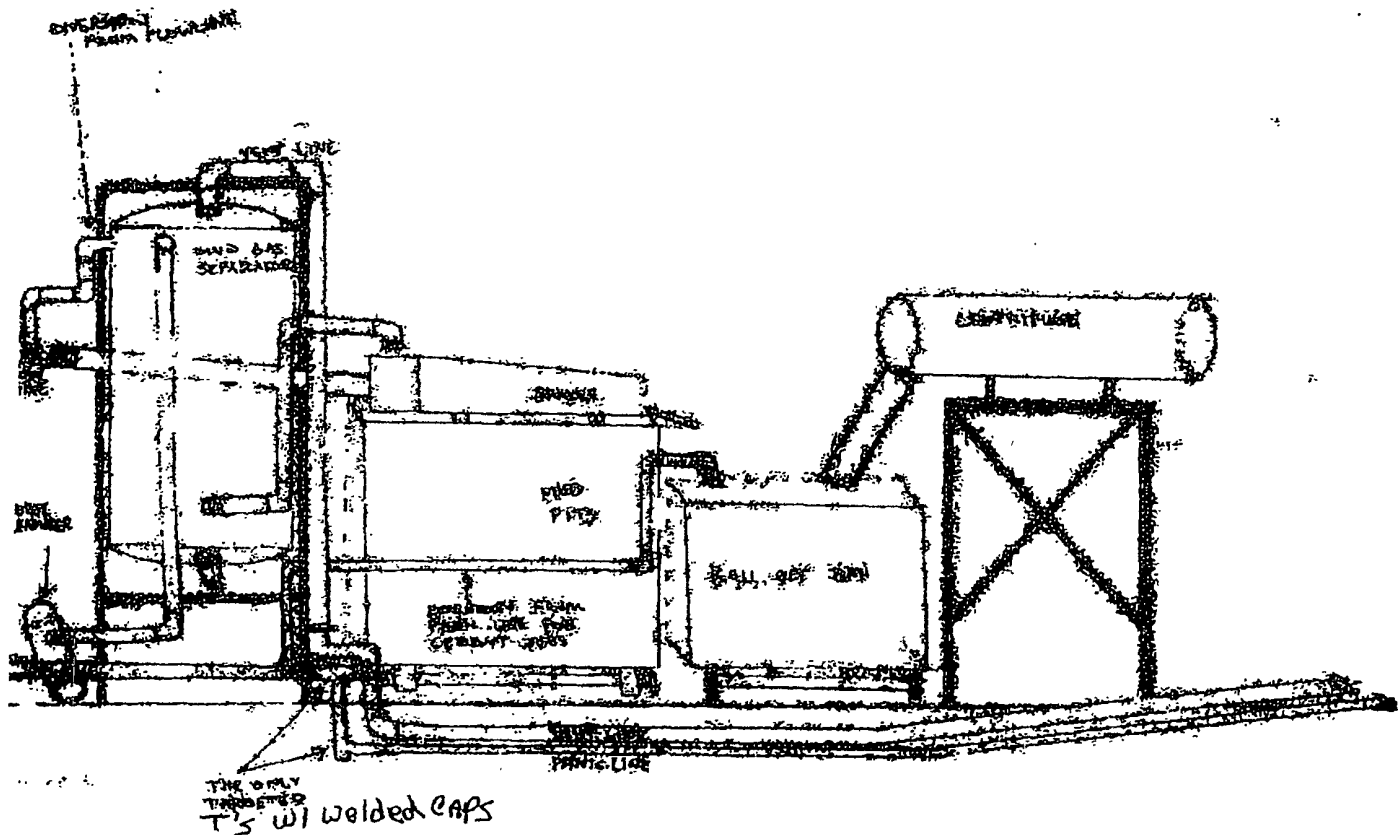
4. The closed-loop system will be inspected at least daily while the drilling or workover rig is on-site. Myco shall maintain a log of such inspections.
5. If some component of the closed-loop system develops a leak, or if any penetration of a component occurs below the liquid's surface, then Myco shall promptly remove all liquid above the damage or leak line, notify the appropriate NMOCD district office within 48 hours of the discovery and repair the damage or replace the affected closed-loop system component.

CLOSED-LOOP CLOSURE PLAN

The closure for this drill site is not subject to the closure requirements for temporary pits specified in Subsection B of 19.15.17.13, NMAC, as Myco will not use any temporary pits in conjunction with its closed-loop system. The closure for this drill site is not subject to the closure requirements for closed-loop systems using drying pads specified in Subsection D of 19.15.17.13, NMAC, as Myco will not use any drying pads in conjunction with its closed-loop system. Further, the closed-loop system operations and associated activities will all be performed on the drilling pad, and will not be performed on or in areas that will not be used for future service and operations. The closure for the closed-loop system at this site will be performed as follows:

1. Immediately following termination of rig operations, all solids and liquids remaining in the closed-loop system will be transported in the haul-off bin or bins to the NMOCD-permitted facility(ies) listed above.
2. The closed-loop system components, including any and all haul-off bins, will be removed from the location in conjunction with the move of the drilling or completion rig from the well site.
3. Within six months from the date that CWEI releases the drilling or workover rig, Myco will complete and execute items 9 and 10 of the attached C-144 CLEZ and file same with the appropriate NMOCD district office.

MYCO INDUSTRIES, INC.
Piping from Choke Manifold
to the Closed-Loop Drilling Mud System



Myco Industries, Inc.

**423 W. Main Street
Artesia, NM 88210**

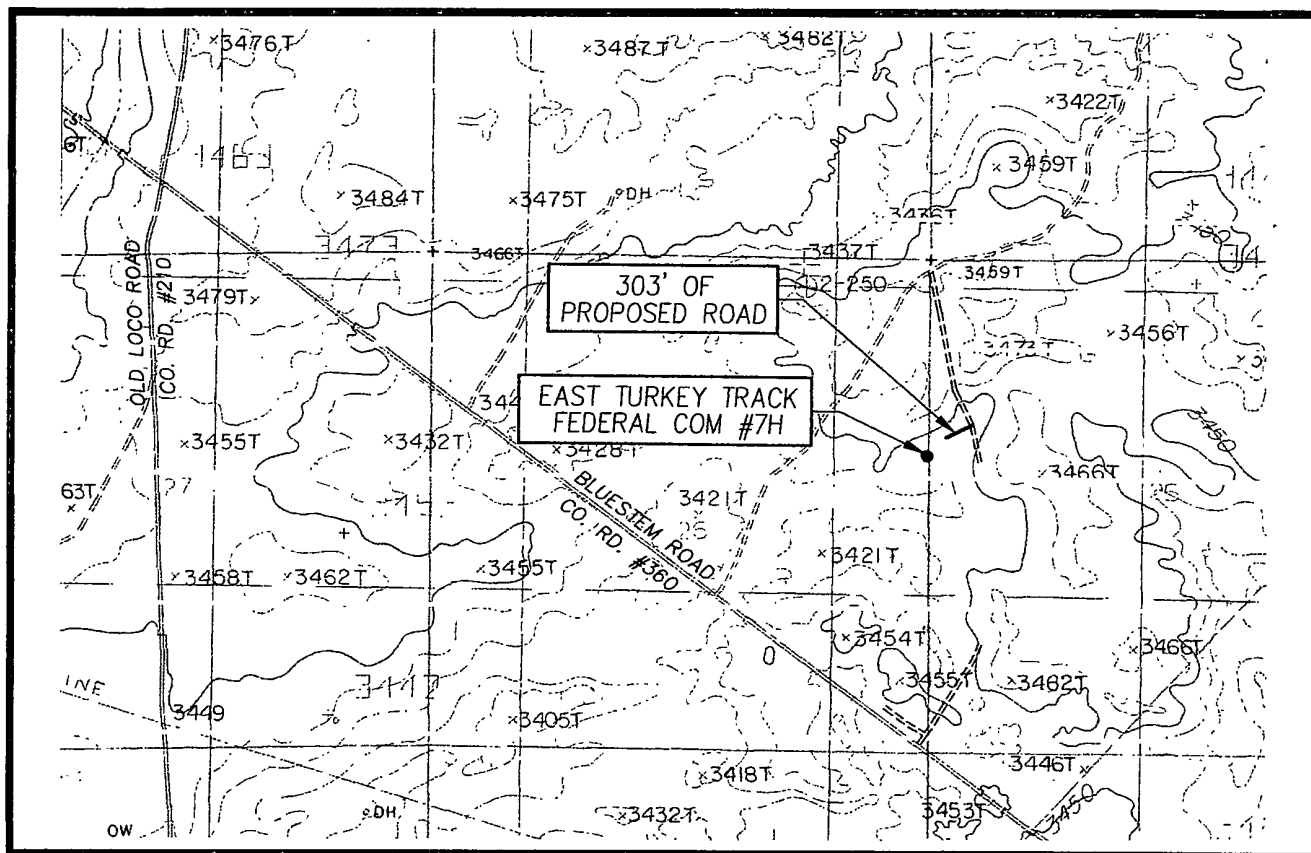
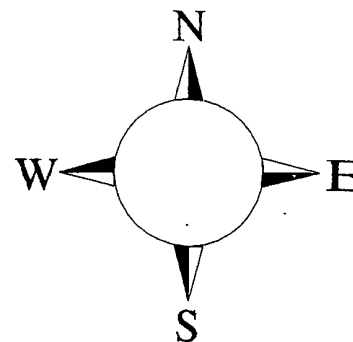
Hydrogen Sulfide (H₂S) Contingency Plan

For

East Turkey Track Federal Com #7H

**2080' FNL & 10' FEL
Sec-26, T-18S, R-29E
Eddy County NM**

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Assumed 100 ppm ROE = 3000²
100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the case of a release of gas containing H₂S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H₂S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H₂S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Myco personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Myco Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Myco Industries, Inc. Phone Numbers

Myco Office (575) 748-4280
Nelson Muncy/Operations Engineering Manager (575) 748-4289
..... (575) 308-3502
Carlos Guerrero/Field Supervisor (575) 746-7318
..... (575) 703-7318
Artesia Answering Service (575) 748-4302
(During non-office hours)

Agency Call List

Eddy County (575)

Artesia

State Police 746-2703
City Police..... 746-2703
Sheriff's Office 746-9888
Ambulance 911
Fire Department 746-2701
LEPC (Local Emergency Planning Committee) 746-2122
NMOCD..... 748-1283

Carlsbad

State Police 885-3137
City Police..... 885-2111
Sheriff's Office 887-7551
Ambulance 911
Fire Department 885-2111
LEPC (Local Emergency Planning Committee)..... 887-3798
US Bureau of Land Management 887-6544

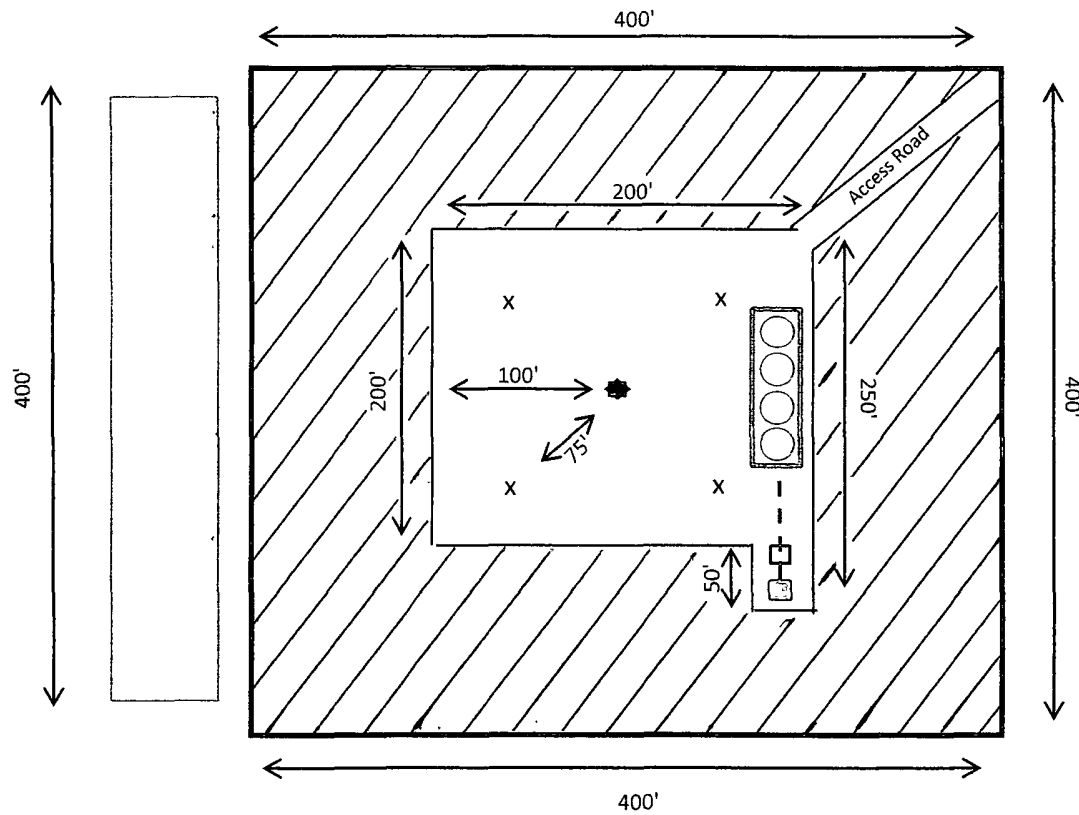
New Mexico Emergency Response Commission (Santa Fe) (505) 476-9600
24 HR (505) 827-9126
New Mexico State Emergency Operations Center (505) 476-9635
National Emergency Response Center (Washington, DC) ... (800) 424-8802

Other

Boots & Coots IWC 1-800-256-9688 or (281) 931-8884
Cudd Pressure Control..... (915) 699-0139 or (915) 563-3356
Halliburton (575) 746-2757
B. J. Services..... (575) 746-3569

Flight For Life -4000 24th St, Lubbock, TX (806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX (806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM (505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM (505) 842-4949

EXHIBIT 6



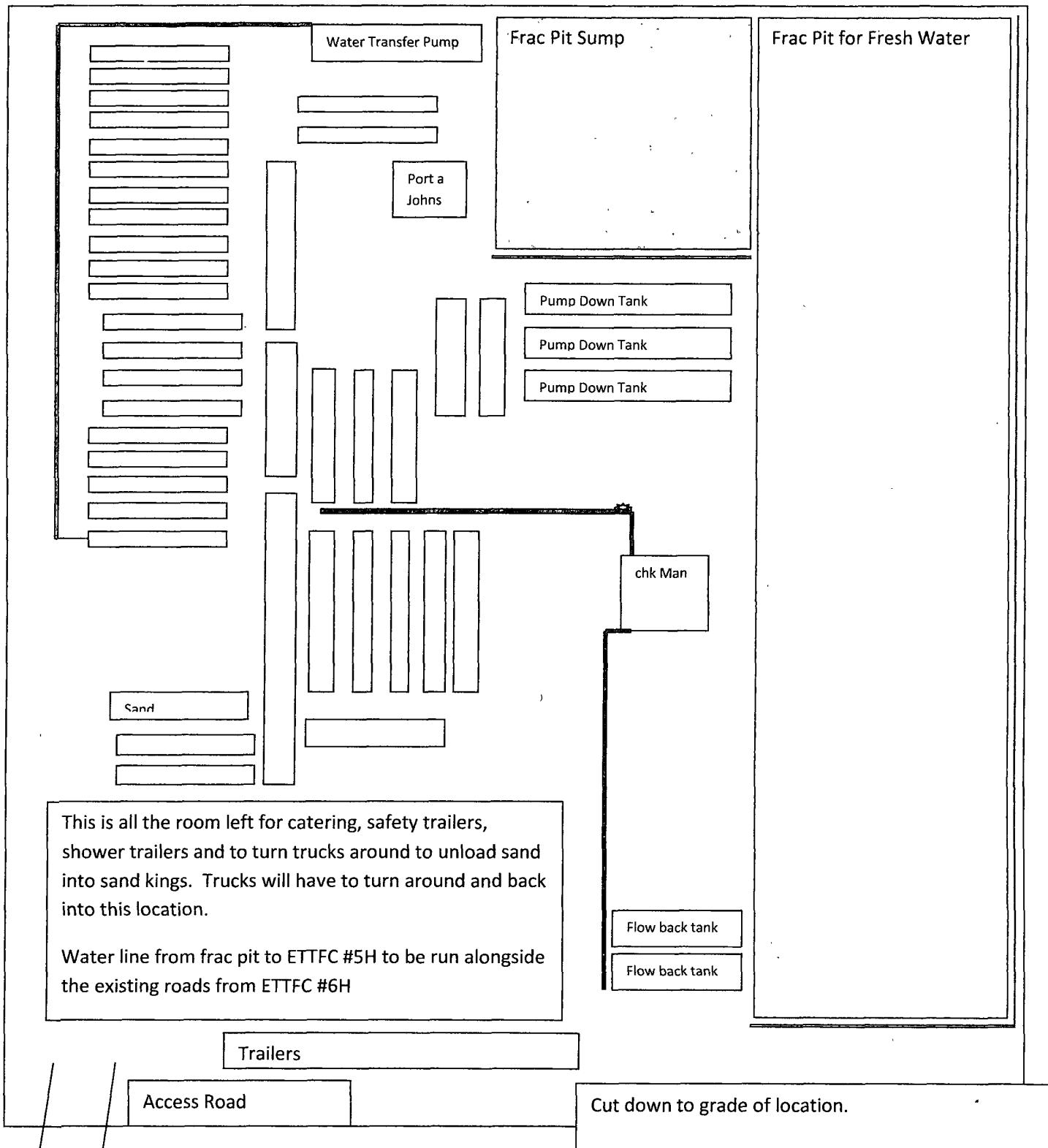
N
↑
Not to Scale

Legend	
● Well Location	□ Fire Well (40' x 100')
X Anchors	□ Heater Treater (6' x 20')
□ Soil Stockpile	□ Gas Sales Meter
- - - Flowline	○ 500 BBL Oil
▨ Area of Interim Rec.	○ 500 BBL Water

MYCO Industries, Inc.

East Turkey Track Fed Com #7H
Drilling & Production Pad Plat

T18S-R29E-Section 26
Eddy County, New Mexico



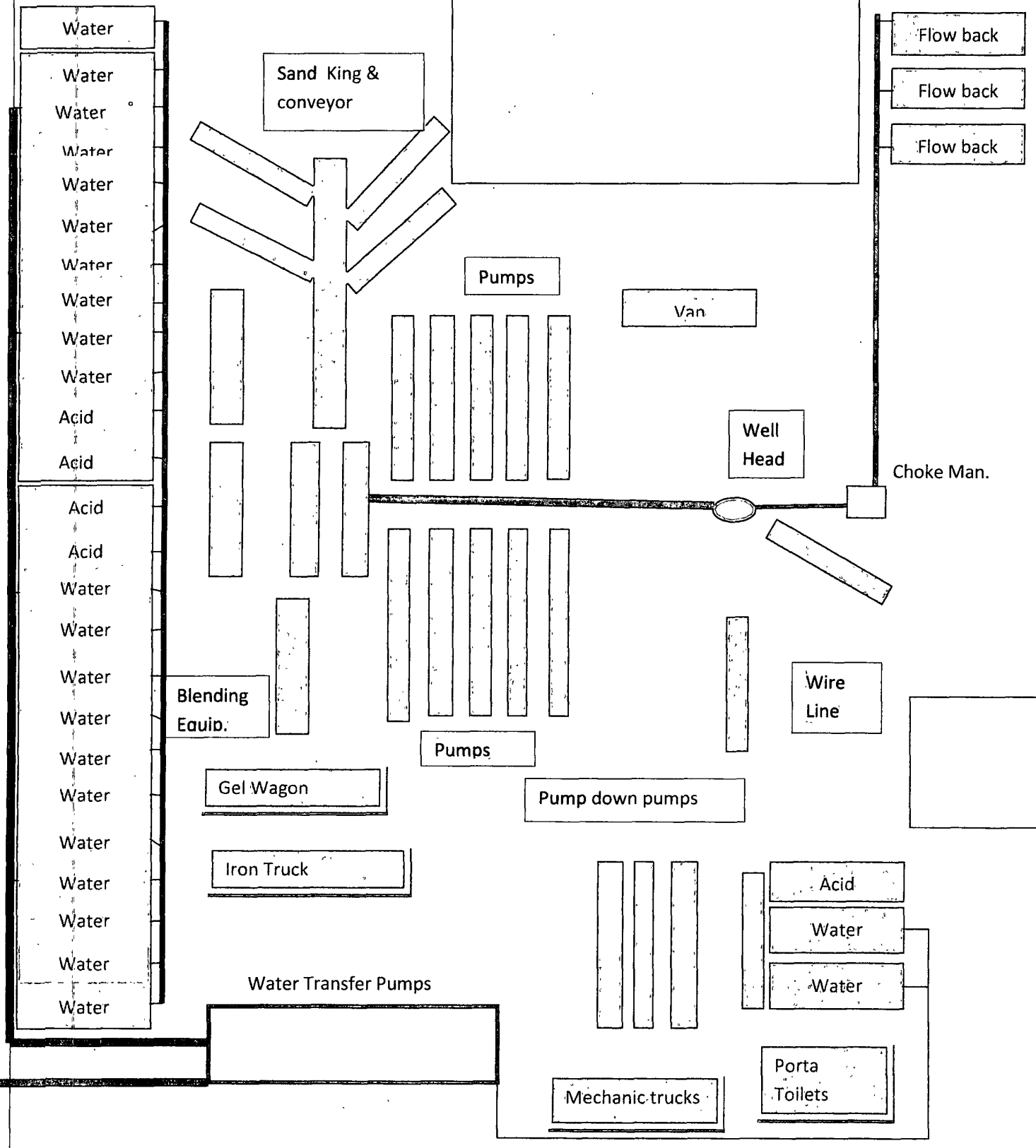
Frac design with frac pond
1":50'

Myco ETTFC #&H

West →

Road Entrance on location.

This area is for trucks to bring in sand while we are frac'ing and unload into the sand kings.



Frac design without frac pond
1"=50'

30-015-39636

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	MYCO INDUSTRIES, INC.
LEASE NO.:	NM0437522
WELL NAME & NO.:	7H-TURKEY TRACK FED COM
SURFACE HOLE FOOTAGE:	2080' FNL & 10' FEL
BOTTOM HOLE FOOTAGE:	1980' FNL & 330' FWL
LOCATION:	Section 26, T. 18 S., R. 29 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
 - Well Pad Construction Requirement
 - Production Facility Requirement
 - Lesser Prairie-Chicken Timing Stipulations
 - Ground-level Abandoned Well Marker
 - Communitization Agreement
- ☒ **Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- ☐ **Road Section Diagram**
- ☒ **Drilling**
 - H2S – Onshore Order 6 Requirements
 - Logging Requirements
 - Waste Material and Fluids
- ☐ **Production (Post Drilling)**
 - Well Structures & Facilities
- ☐ **Interim Reclamation**
- ☒ **Final Abandonment & Reclamation**