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Date:

June 16, 2012

1625 N French Dr , Hobbs, NM 88240 Phone (575) 393-6161 Fax (575) 393-0720 District II

811 S First St , Artesia, NM 88210 Phone (575) 748-1283 Fax (575) 748-9720 District III

1000 Rio Brazos Road, Aztec, NM 87410 Phone (505) 334-6178 Fax. (505) 334-6170 District IV

1220 S St Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico

Form C-101 Revised December 16, 2011

Permit

Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

RECEIVED JUN 2 0 2012

NMOCD ARTESIA APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address OGRID Number 18862 Ray Westall Operating, Inc. API Number P. O. Box 4, Loco Hills, NM 88255 30-015-27090 Property Name Well No Lusk B 1 **Surface Location** UL - Lot N/S Line Lot Idn Feet from F/W Line Section Feet From Township Range County P 19 S 31 E 800 South 560 16 East Eddy ⁸ Pool Information Additional Well Information Well Type 11 Cable/Rotary 13 Ground Level Elevation Work Type Lease Type 3,508 \mathbf{E} R 17 Contractor 18 Spud Date Multiple 5 Proposed Depth 16 Formation No 2,700 SWD; Yates upon approval Distance to nearest surface water > 1 mi. Depth to Ground water Distance from nearest fresh water well >50' >5,280' 19 Proposed Casing and Cement Program Type Hole Size Casing Size Casing Weight/ft Setting Depth Sacks of Cement Estimated TOC 54.5 500' Surf. 17-1/2" 13-3/8" 550 SX GL2,200' $\overline{\mathrm{GL}}$ Int. 8-5/8" 32 900 SX 2,000' Prod. 7-7/8" 5-1/2" 20 6,850' 1,300 SX Casing/Cement Program: Additional Comments Will drill 4 plugs, set CIBP @ 2700' topped w/ 30' cmt, & perf 2420'-2581'. **Proposed Blowout Prevention Program** Type Working Pressure Test Pressure Manufacturer 2,000 1,000 I hereby certify that the information given above is true and complete to the best OIL CONSERVATION DIVISION of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines , a general permit , or an (attached) alternative Approved By OCD-approved plan . . Signature¹ Printed name. Title. Brian Wood Approved Date. Expiration Date Title Consultant E-mail Address brian@permitswest.com

Conditions of Approval Attached

Phone: (505) 466-8120

District I

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State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

■ AMENDED REPORT

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30-015-	API Number 27090	r		² Pool Code 96090		³Pool Name SWD; Yates							
1300 g	2°de	·	•		6	⁶ Well Number 1							
70GRID 1886		*Operator Name 'Elevation Ray Westall Operating, Inc. 3508											
					¹⁰ Surface L	ocation							
UL or lot no. P	Section 16	Township 19 S	Range 31 E	Lot Idn	Feet from the	North/South line South	Feet from the 560	East/West line East	County Eddy				
			" Bot	tom Hole	Location If	Different From	Surface						
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line			County				
12 Dedicated Acres	¹³ Joint o	r Infill 14 C	onsolidation (Code 15 Ord	er No.								
No allowable v	vill be ass	signed to th	is completi	on until all	interests have b	een consolidated o	r a non-standar	d unit has been a	pproved by the				

16				17 OPERATOR CERTIFICATION
				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 yoluntary pooling agreement or a compulsory pooling
				order in relative entered by the division.
				6-16-12
				Signature Date
				Brian Wood
				Printed Name
				brian@permitswest.com
			,	E-mail Address
			\	
				*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
	i			same is true and correct to the best of my belief
				June 29, 1993
				Date of Survey
				Signature and Seal of Professional Surveyor
		56	60'	Original survey by
		•	\leftarrow	Gary L. Jones
		│		_
			•	on file with NMOCD
		800'		Certificate Number 7877
				1011

INJECTION WELL DATA SHEET

11 (0)	ECTION WEEL DIGITION	321						
OPERATOR: RAY WESTALL OPERATING, INC.								
WELL NAME & NUMBER: LUSK B 1								
WELL LOCATION: 800 FSL & 560 FEL	P	16	19 S	31 E				
FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE				
WELLBORE SCHEMATIC AS IS	WELL CONSTRUCTION DATA Surface Casing							
10 sx 0'-60' 13-3/8" 54.5# in 17-1/2" hole @ 500'	Hole Size: 17-	1/2"	Casing Size: 1	3-3/8"				
10 sx 0'-60' 17-1/2" hole @ 500' TOC = GL 25 sx 646' - 875'	Cemented with:	550 sx.	or	ft³				
875'	Top of Cement:	SURFACE	Method Determine	ed: VISUAL				
25 sx 1150' - 8-5/8" 323 in 1375' 11" hole @ 2200' TOC = GL		Intermediate	<u>Casing</u>					
25 sx 2045' - 205' - 205' - 205' - 205' - 205' - 205' - 205' - 205' - 205' - 2	Hole Size: 11"		Casing Size:	8-5/8"				
2250'	Cemented with:	900sx.	or	ft ³				
5-1/2" 20# in	Top of Cement:	SURFACE	Method Determine	ed:VISUAL				
7-7/8" hole @ 6850' TOC = 2000' (?) (estimate)		Production	Casing					
	Hole Size:	7-7/8"	Casing Size:	5-1/2"				
	Cemented with:	1,300 sx.	or	ft ³				
CIBP @ 4500'	Top of Cement:	2,000'	Method Determine	ed: ESTIMATED				
w/ 35' cmt Delaware perforated 4526' - 4642'	Total Depth:	6,850'						
4526' - 4642' 6682' - 6728'		Injection I	nterval					
PBTD 6728' TD 6850'	2,420	'feet	to	2,581'				
(not to scale)		(Perforated or Open He	de ; indicate which)					

INJECTION WELL DATA SHEET

OPERATOR: RAY WESTALL OPERATING, INC.									
WELL NAME & NUMBER: LUSK B 1									
WELL LOCATION: 800 FSL & 560 FEL FOOTAGE LOCATION	P UNIT LETTER	16 SECTION	19 S TOWNSHIP	31 E RANGE					
<u>WELLBORE SCHEMATIC</u> PROPOSED	WELL CONSTRUCTION DATA Surface Casing								
### 13-3/8" 54.5# in 17-1/2" hole @ 500' TOC = GL ### 8-5/8" 323 in 11" hole @ 2200' TOC = GL ### Will set tbg @ ~2400' ### Will perf Yates 2420'- 2581' ### Will set CIBP @ 2700' ### Set CIBP @ 2700' #### Set CIBP @ 2700' ##### Set CIBP @ 2700' #### Set CIBP @ 2700' ##### Set CIBP @ 2700' ##################################	Cemented with: Top of Cement: Hole Size:11" Cemented with:	550 sx. SURFACE Intermediat 900 sx.	Casing Size: 8-5/8" or Method Determined: VISUAL						
CIBP @ 4500' w/ 35' cmt CIBP @ 4500' w/ 35' cmt Delaware perforated 4526' - 4642' 6682' - 6728' TD 6850' (not to scale)	Cemented with:	2,000' 6,850' <u>Injection I</u>	or Method Determine interval to	ft³					