

District I
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 Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-101
August 1, 2011

Permit 159867

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

1. Operator Name and Address GUARDIAN OPERATING CORP. 6824 Island Cir. Midland, TX 79707		2. OGRID Number 287300
		3. API Number 30-015-23099
4. Property Code 39662	5. Property Name GUITAR 10	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	10	24S	28E	B	660	N	2310	E	EDDY

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	10	24S	28E	B	660	N	2310	E	Eddy

9. Pool Information

CULEBRA BLUFF; WOLFCAMP, SOUTH (GAS)	75750
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Additional Well Information

11. Work Type New Well RE	12. Well Type GAS	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 2991
16. Multiple N	17. Proposed Depth 11200	18. Formation Wolfcamp	19. Contractor	20. Spud Date 2/1/2013
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	26	20	94	374	875	
Int1	17.5	13.375	61	2510	2740	
Int2	12.25	9.625	4047	9846	2800	
Liner1	8.5	7.625	39	11200	450	
Prod	6.5	5.5	20	11200	150	

Casing/Cement Program: Additional Comments

This is a re-entry of existing P&A'd wellbore. All above casing is already in the ground. Will run 11,000' 20# 5.5" P-110 casing and cmt w/ 150 sx class 'H'.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	3500	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: <i>[Signature]</i>		OIL CONSERVATION DIVISION	
Printed Name: RANAIL CATE		Approved By: <i>[Signature]</i>	
Title: PRESIDENT		Title: <i>[Signature]</i>	
Email Address: GUARDIAN_OPE@yahoo.com		Approved Date: 1/28/2013 Expiration Date: 1/28/2015	
Date: 1/14/13 Phone: 432-553-1849			

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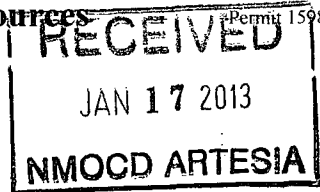
District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico**Energy, Minerals and Natural Resources****Oil Conservation Division****1220 S. St Francis Dr.****Santa Fe, NM 87505**

Form C-102
August 1, 2011

Permit 159867

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-23099	2. Pool Code 75750	3. Pool Name CULEBRA BLUFF; WOLFCAMP, SOUTH (GAS)	
4. Property Code 39662	5. Property Name GUITAR 10		6. Well No. 001
7. OGRID No. 287300	8. Operator Name GUARDIAN OPERATING CORP.		9. Elevation 2991

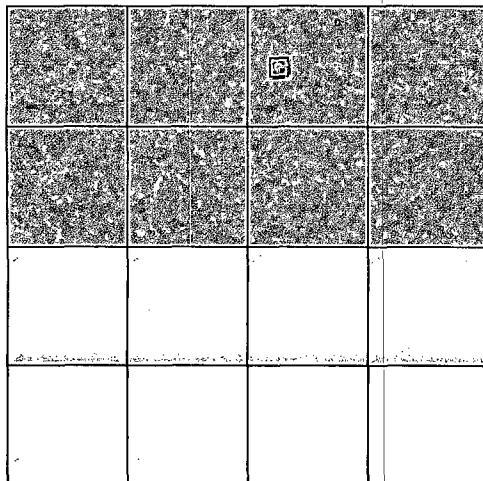
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	10	24S	28E		660	N	2310	E	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00		13. Joint or Infill		14. Consolidation Code Forced Pooling		15. Order No. R-13667			

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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) 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.

E-Signed By: *[Signature]*Title: **PRESIDENT**Date: **11/14/2013****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.

Surveyed By: **John West**Date of Survey: **11/18/1979**Certificate Number: **676**

API # 30-015-23099

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION STATEMENT

Form No. 1
Supersedes O-128
Effective 1-1-75

All distances must be from the outer boundary of the Section

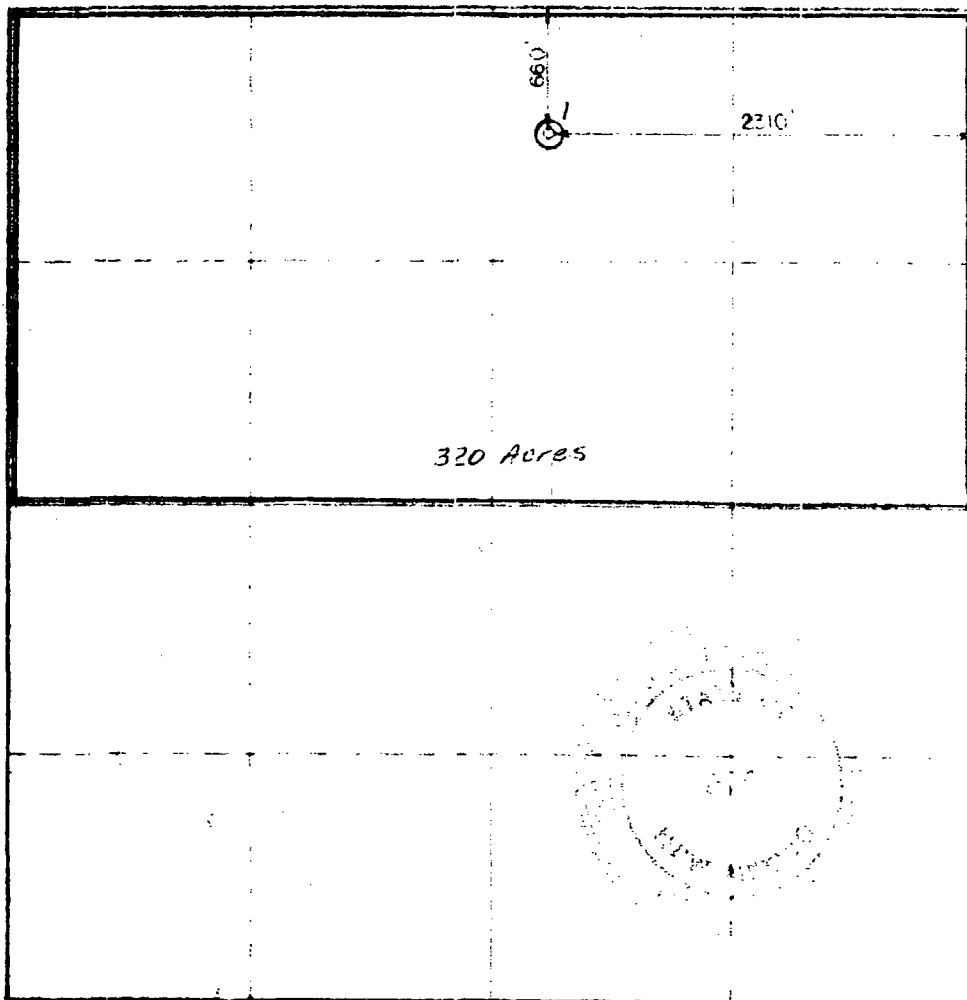
Operator AMINOIL USA, INC.		County Guirer		Section 1	
North 1/4 B	Section 10	Range 24 South	Meridian 28 East	Eddy	
Acres 2310	East	Acres 660	North		
Ground Level 2990.7	Morrow	Unit Malaga Morrow	320		

1. Outline the acreage dedicated to the subject well in column **H** of the map.
2. If more than one lease is dedicated to the well, outline each separately (ownership interest, both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have interests of all owners been consolidated by communitization, unitization, forced-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation **Unitization**

If answer is "no," list the owners and tract descriptions which have actually been consolidated (attach a separate sheet of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated by communitization, unitization, forced-pooling, or otherwise or until a non-standard unit, eliminating said interests, has been approved by the Commission.



I hereby certify that the information furnished herein is true and correct to the best of my knowledge and belief.

Jerry L. Harper

Jerry L. Harper

Operations Supt.

Aminoil USA, Inc.

December 6, 1979

I hereby certify that the information furnished herein is true and correct to the best of my knowledge and belief.

November 13, 1979

John W. West

John W. West 876
PATRICK A. ROMERO 8863
Rogers, E. 3239

1/14/13

Guitar 10 No. 1
660' FN & 2310 FE
Sec 10-24S-28E, Eddy

Closed Loop Design Plan

This operation will consist of drilling out cement plugs to 11,150' and circulating the hole clean, which can be accomplished using a reverse unit and 200 bbl circulating tank. Since it will be entirely within existing casing, there will be no cuttings from new hole drilled.

Operation and Maintenance

The circulating tank will be monitored for type of fluid recovered. A vacuum truck will always be on site.

Any water and brine will be vacuumed and sent to a commercial produced water disposal well(s). Any mud based fluids and cement from the plugs will be sent to one of the approved solids disposal sites.

No hazardous waste or other debris will be discharged into the tank.

No waste will be buried on the site.

A daily log will be kept of all operations and fluids recovered.

Closure

The circulating tank will be closed in accordance with 19.15.17.13 NMAC.

All recovered fluids and solids will be transported to proper disposal facilities.

The circulating tank will be removed at completion of the re-entry operation. At plugging of the well the site will be restored and re-vegetated to preexisting conditions when possible.

- 1) Article II., Exhibits – We will need an Exhibit B, Producer's 88 Form 342, added providing a $\frac{1}{4}$ royalty for Spiral, Inc.'s mineral interest. When you sent a copy of the JOA earlier, it did not include a copy of Exhibit D or F. Please provide those as well.
- 2) Article III., B., Line 17 – Provide Spiral, Inc's JOA with a $\frac{1}{4}$ fraction in this line and not delete the printed language in this paragraph.
- 3) Exhibit A – Please provide a complete Exhibit A. We need to know the exact legal description for the contract area and all other information contained in an Exhibit A.
- 4) Exhibit B – Add a Producer's 88 Form 342 Oil and Gas Lease form, providing a $\frac{1}{4}$ royalty in each blank of the royalty provision.
- 5) Exhibit C, III. Overhead, Line 53 – Check "shall be covered by the overhead rates" and delete the checked item in Line 54.
- 6) Exhibit C, IV.2, A. New Material – Please provide us with a list of the Eastern mill published base prices.
- 7) Exhibit D – Please provide a copy for our review.
- 8) Exhibit F – Please provide a copy for our review.

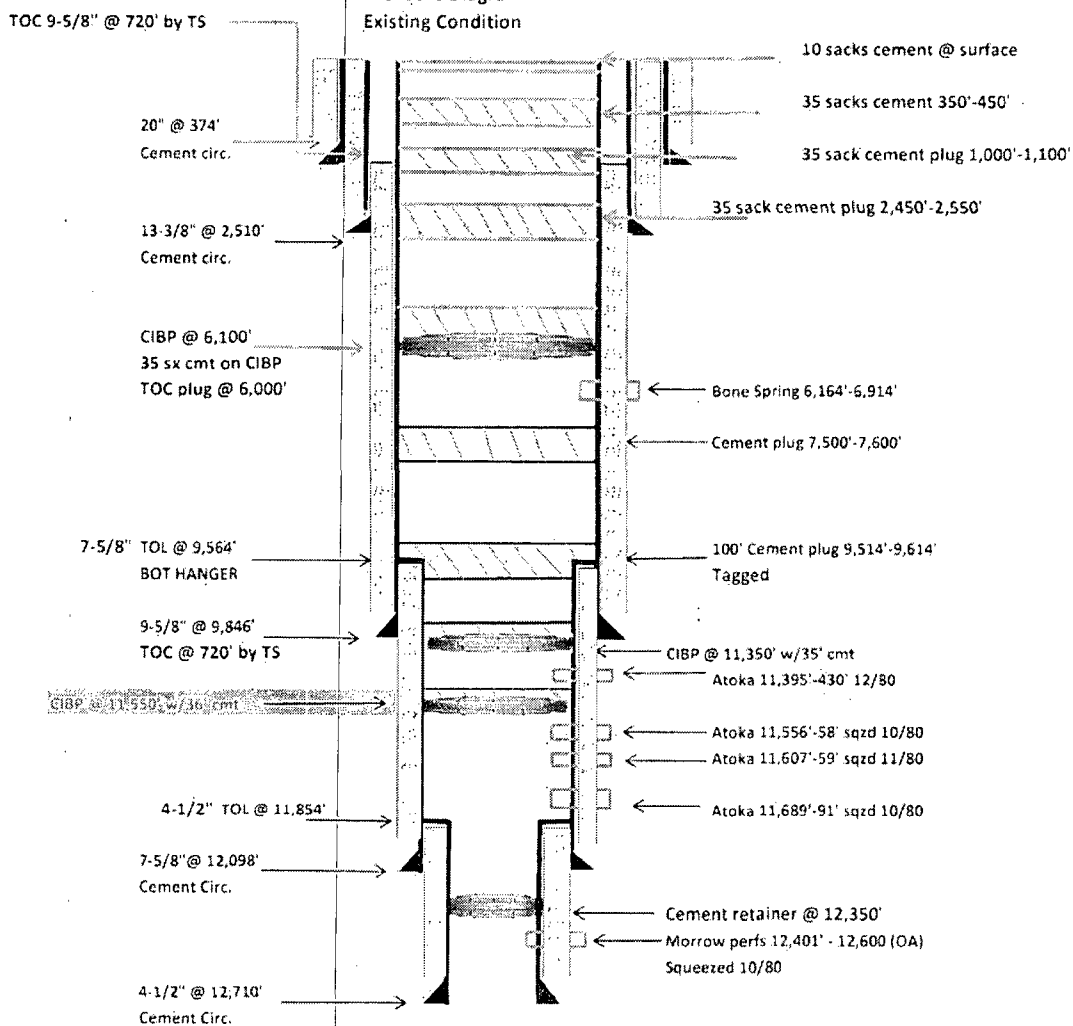


RECEIVED
 JAN 28 2013
 NMOCD ARTESIA

GUARDIAN OPERATING CORPORATION

GUITAR No. 1 P&A 01/19/1984

Wellbore Diagram
 Existing Condition



GUARDIAN OPERATING CORPORATION

GUITAR No. 1

Wellbore Diagram
Proposed

RECEIVED

JAN 28 2013

NMOCD ARTESIA

TOC 9-5/8" @ 720' by TS

20" @ 374'
Cement circ.

13-3/8" @ 2,510'
Cement circ.

Proposed TOC @ +/- 9,040'
In 9-5/8" x 5-1/2" annulus

7-5/8" TOL @ 9,564'
BOT HANGER

9-5/8" @ 9,846'
TOC @ 720' by TS

CIBP @ 11,550' w/36' cmt

4-1/2" TOL @ 11,854'

7-5/8" @ 12,098'
Cement Circ.

4-1/2" @ 12,710'
Cement Circ.

Proposed:

5-1/2", 20 lb/ft, P-110 LTC
Set from surface to 11,200'

Bone Spring 6,164'-6,914'
Proposed to squeeze

Proposed Wolfcamp
Perforations
10,250'-10,700' (OA)

CIBP @ 11,350' w/35' cmt

Atoka 11,395'-430' 12/80

Atoka 11,556'-58' sqzd 10/80

Atoka 11,607'-59' sqzd 11/80

Atoka 11,689'-91' sqzd 10/80

Cement retainer @ 12,350'

Morrow perms 12,401' - 12,600 (OA)
Squeezed 10/80