

District II  
1301 W. Grand Ave., Artesia, NM 88210  
Phone:(505) 748-1283 Fax:(505) 748-9720

Form C-101  
Permit 68873

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

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

1. Operator Name and Address FAIRWAY RESOURCES OPERATING, LLC 538 SILICON DRIVE, SUITE 101 SOUTHLAKE, TX 76092		2. OGRID Number 241598
		3. API Number 30-015-36116
4. Property Code 302899	5. Property Name SOUTH RED LAKE II UNIT	6. Well No. 057

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	36	17S	27E	G	2305	N	1650	E	EDDY

**8. Pool Information**

RED LAKE;QUEEN-GRAYBURG-SA	51300
----------------------------	-------

**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3650
14. Multiple N	15. Proposed Depth 2100	16. Formation San Andres Formation	17. Contractor	18. Spud Date 3/1/2008
Depth to Ground water 101		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner. Synthetic <input checked="" type="checkbox"/> 12 mls thick Clay <input type="checkbox"/> Pit Volume: 5000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	20	400	250	0
Prod	7.875	5.5	15.5	2100	350	0

**Casing/Cement Program: Additional Comments**

1. Drill 12 1/4" hole to 400' with fresh water mud. Run and set 400' of new 8 5/8", 20 ppf, ERW, R3, STC, X-65 casing (65,000 psi SMYS, collapse setting rating to 877' with 1.125 SF, tension setting rating to 4,657' with 1.8 SF). Cement with 250 sacks of Class "C" cement with 2% CaCl, circulate cement to surface. 2. Drill 7 7/8" hole to 2,100' with cut brine mud system. Run and set 2,100' of used yellow-band, inspected, and tested 5 1/2", 15.5 ppf, J-55, LT&C API casing (0 - 15% body wall reduction, hydrotested to 4,400 psi). Cement with 200 sacks of 50-50 Pozmix and 150 sacks of Class "C" cement with 2% CaCl, circulate cement to surface. H2S levels are not high enough in this area to require an H2S contingency plan.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Cindy Flood	Approved By: Bryan Arrant
Title: Office Manager	Title: Geologist
Email Address: cflood@fairwayresources.com	Approved Date: 2/11/2008   Expiration Date: 2/11/2010
Date: 2/11/2008   Phone: 817-416-1946	Conditions of Approval Attached

## Permit Conditions of Approval

**Operator:** FAIRWAY RESOURCES OPERATING, LLC , 241598

**Well:** SOUTH RED LAKE II UNIT #057

**API:** 30-015-36116

OCD Reviewer	Condition
kmwilson	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
kmwilson	Operator must use fresh water mud when drilling surface hole.

## Permit Comments

**Operator:** FAIRWAY RESOURCES OPERATING, LLC , 241598

**Well:** SOUTH RED LAKE II UNIT #057

**API:**

**There are no comments for this permit**

DISTRICT I  
1825 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  
1220 S St. Francis Dr., Santa Fe, NM 87506

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-36116</b>	Pool Code <b>51300</b>	Pool Name <b>Red Lake; Queen-Grayburg-SA</b>
Property Code <b>302899</b>	Property Name <b>SOUTH RED LAKE 2 UNIT</b>	Well Number <b>57</b>
OGRID No.	Operator Name <b>FAIRWAY RESOURCES</b>	Elevation <b>3650'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>G</b>	<b>36</b>	<b>17 S</b>	<b>27 E</b>		<b>2305</b>	<b>NORTH</b>	<b>1650</b>	<b>EAST</b>	<b>EDDY</b>

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.						

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

	<b>OPERATOR CERTIFICATION</b>  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 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.  <b>Kenneth Pearce 2-1-08</b> Signature Date <b>Kenneth Pearce</b> Printed Name
	<b>SURVEYOR CERTIFICATION</b>  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.  <b>JANUARY 28 2008</b> Date Surveyed <b>GARY L. JONES</b> Signature <b>GARY L. JONES</b> Professional Surveyor  <b>W. B. JONES 19086</b> Certificate No. Gary L Jones 7977  BASIN SURVEYS