

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
May 27, 2004

**S** Oil Conservation Division  
1220 South St. Francis Dr. MAY 12 2008  
Santa Fe, NM 87505 **OCD-ARTESIA**

Submit to appropriate District Office

AMENDED REPORT

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

|   |                                     |                                   |
|---|-------------------------------------|-----------------------------------|
| Operator Name and Address<br><i>Aspen Oil Inc. PO Box 2674 Hobbs NM 88241</i> |                                     | OGRID Number<br><i>1071</i>       |
| Property Code<br><i>15362 32322</i>   | Property Name<br><i>Malco state</i> | API Number<br><i>30-015-36343</i> |
| Proposed Pool 1<br><i>Empire Yates Seven Rivers</i>                           |                                     | Proposed Pool 2                   |

| UL or lot no. | Section   | Township   | Range      | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County      |
|---------------|-----------|------------|------------|---------|---------------|------------------|---------------|----------------|-------------|
| <i>G</i>      | <i>31</i> | <i>17S</i> | <i>28E</i> |         | <i>1650</i>   | <i>NORTH</i>     | <i>2310</i>   | <i>East</i>    | <i>Eddy</i> |

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

**Additional Well Information**

|  |                              |  |                             |   |
|--|------------------------------|--|-----------------------------|---|
| Work Type Code<br><i>N</i>   | Well Type Code<br><i>0</i>   | Cable/Rotary<br><i>R</i>   | Lease Type Code<br><i>S</i> | Ground Level Elevation<br><i>3671</i>                 |
| Multiple<br><input type="checkbox"/>   | Proposed Depth<br><i>650</i> | Formation<br><i>yates 7 Rivers</i>   | Contractor<br><i>Martin</i> | Spud Date<br><i>after a probe</i>                     |
| Depth to Groundwater<br><i>352'</i>  |                              | Distance from nearest fresh water well<br><i>2 miles</i>   |                             | Distance from nearest surface water<br><i>2 miles</i> |
| Liner: Synthetic <input type="checkbox"/> <i>12</i> mils thick Clay <input type="checkbox"/> |                              | Pit Volume: <i>150</i> 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 checked="" type="checkbox"/> |                             |   |

**Proposed Casing and Cement Program**

| Hole Size    | Casing Size  | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC  |
|--------------|--------------|--------------------|---------------|-----------------|----------------|
| <i>7 7/8</i> | <i>5 1/2</i> | <i>17</i>          | <i>600'</i>   | <i>175</i>      | <i>Surface</i> |
|              |              |                    |               |                 |                |
|              |              |                    |               |                 |                |

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.

*Rig up Air rig drill to 600' set 5 1/2 casing circulate to surface. Drill to 650' open hole place well on prod*

**NOTE:** New Pit Rule  
NMAC 19-15-17

|   |                            |  |                                 |
|---|----------------------------|--|---------------------------------|
| 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 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: <i>George A Chase Jr</i>  |                            | Approved by: <i>Jim W. Brown</i>                         |                                 |
| Title: <i>CO/owner</i>  |                            | Title: <i>District II Supervisor</i>                     |                                 |
| E-mail Address: <i>3jchase@myway.com</i>  |                            | Approval Date: <i>5/22/08</i>                            | Expiration Date: <i>5/22/10</i> |
| Date: <i>5-12-2008</i>  | Phone: <i>575-365-8702</i> | Conditions of Approval Attached <input type="checkbox"/> |                                 |

*✓ 4/14/08  
5:02:08*

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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 October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|   |  |   |  |   |                                |
|---|--|---|--|---|--------------------------------|
| <sup>1</sup> API Number<br>30-015-36343   |  | <sup>2</sup> Pool Code<br>22230               |  | <sup>3</sup> Pool Name<br>Empire Yates Seven Rivers |                                |
| <sup>4</sup> Property Code<br>15702-32322 |  | <sup>5</sup> Property Name<br>Malco State     |  |   | <sup>6</sup> Well Number<br>2  |
| <sup>7</sup> OGRID No.<br>10701           |  | <sup>8</sup> Operator Name<br>Aspen Oil, Inc. |  |   | <sup>9</sup> Elevation<br>3671 |

<sup>10</sup> Surface Location

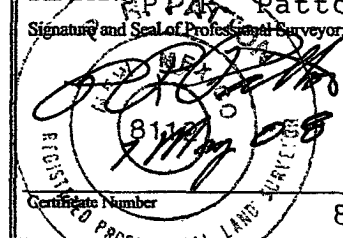
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| G             | 31      | 17 S     | 28 E  |         | 1650          | North            | 2310          | East           | Eddy   |

<sup>11</sup> 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| G             |         |          |       |         |               |                  |               |                |        |

|                                     |                                    |                                  |                         |
|-------------------------------------|------------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>40 | <sup>13</sup> Joint or Infill<br>Y | <sup>14</sup> Consolidation Code | <sup>15</sup> 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.

|    |       |       |   |
|----|-------|-------|---|
| 16 | 1650' | 2310' | <sup>17</sup> OPERATOR CERTIFICATION<br>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 voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.<br><br>George A. Chase Jr<br>Signature Date 5-12-2008 |
|    |       |       | <sup>18</sup> SURVEYOR CERTIFICATION<br>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.<br><br>May 3, 2008<br>Date of Survey<br>P. P. Patton<br>Signature and Seal of Professional Surveyor   |
|    |       |       |    |
|    |       |       | Certificate Number<br>8112  |

**ASPEN OIL, INC.**

P. O. Box 2674  
Hobbs, NM 88241

Telephone: 505-382-2277  
Fax: 505-382-0403

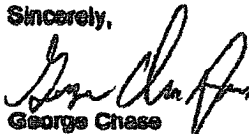
5-12-98

Mr. Bryan Arrant  
New Mexico Oil & Gas Division  
1301 W. Grand Avenue  
Artesia, NM 88210

Re: *Malco state # 2*

This letter is in reference to the Oil Conservation Division's requirements for an H2S contingency plan for the above captioned well. No H2S, abnormal pressures or temperatures are expected in the drilling of the above captioned well.

Sincerely,

  
George Chase

Agren Oil Inc

malco state #2

7 7/8 hole

5 1/2 casing 600'

Bottom hole 650'