

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised March 17, 1999

NOTIFY OCD SPUD & TIME
TO WITNESS 8 5/8" CASING

on **RECEIVED** Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

JAN 2 2 2004

OCD-ARTESIA

☐ AMENDED REPORT

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

¹ Operator Name and Address Manzano Oil Corporation P.O. Box 2107, Roswell, NM 88202-2107		² OGRID Number 031954
		³ API Number 30 - 005 - 63658
⁴ Property Code	⁵ Property Name Lauralea	⁶ Well No. 3

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	35	7S	26E		660	South	1650	West	Chaves

⁸ Proposed 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

⁹ Proposed Pool 1 Undes. Foor Ranch, North Pre Permian	¹⁰ Proposed Pool 2 Leslie Spring Wolfcamp
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¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3811'
¹⁶ Multiple N	¹⁷ Proposed Depth 6000	¹⁸ Formation Pre-Cambrian	¹⁹ Contractor United	²⁰ Spud Date ~ 2/9/04

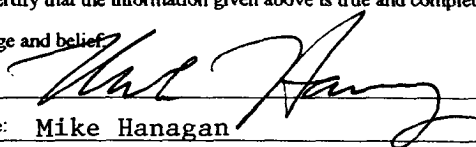

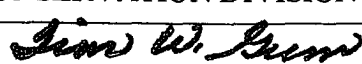
²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#-J55	925'	500 sx	Surface
7 7/8"	5 1/2"	15.50# - J55	6000'	425 sx	~3000'

²² 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.

Drill 12 1/4" hole to 925' - Set 8 5/8" 24#/ft J-55 casing to TD & Cement w/sufficient cement to circulate cement to surf. (Estimate 460 sx to circ)- WOC for at least 12 hrs prior to drilling on shoe - Prior to drilling out in 7 7/8" hole, NU 3000# working press BOP and test to 1000# (BOP diagram attached - Drill 7 7/8" hole to estimated depth of 6000' - Log well & DST as necessary - If productive, run 5 1/2" 15.50#/ft J-55 casing to TD and cement with sufficient cement to bring top of cement to approx 3,000' (Above Abo) - If not productive, Plug & Abandon as per NMOC instructions

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: 		 OIL CONSERVATION DIVISION	
Printed name: Mike Hanagan		Approved by: 	
Title: Managing Member		Title: SUPERVISOR, DISTRICT II	
Date: 1/16/04		Approval Date: JAN 3 1 2004	Expiration Date: JAN 3 1 2005
Phone: 505 623-1996		Conditions of Approval: Attached <input type="checkbox"/>	

Cement to cover all oil, gas and water bearing zones.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name		Well Number
	Lauralee		3
OGRID No.	Operator Name		Elevation
013954	MANZANO, LEE OIL CORPORATION		3811

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹¹ Bottom Hole Location If Different From Surface

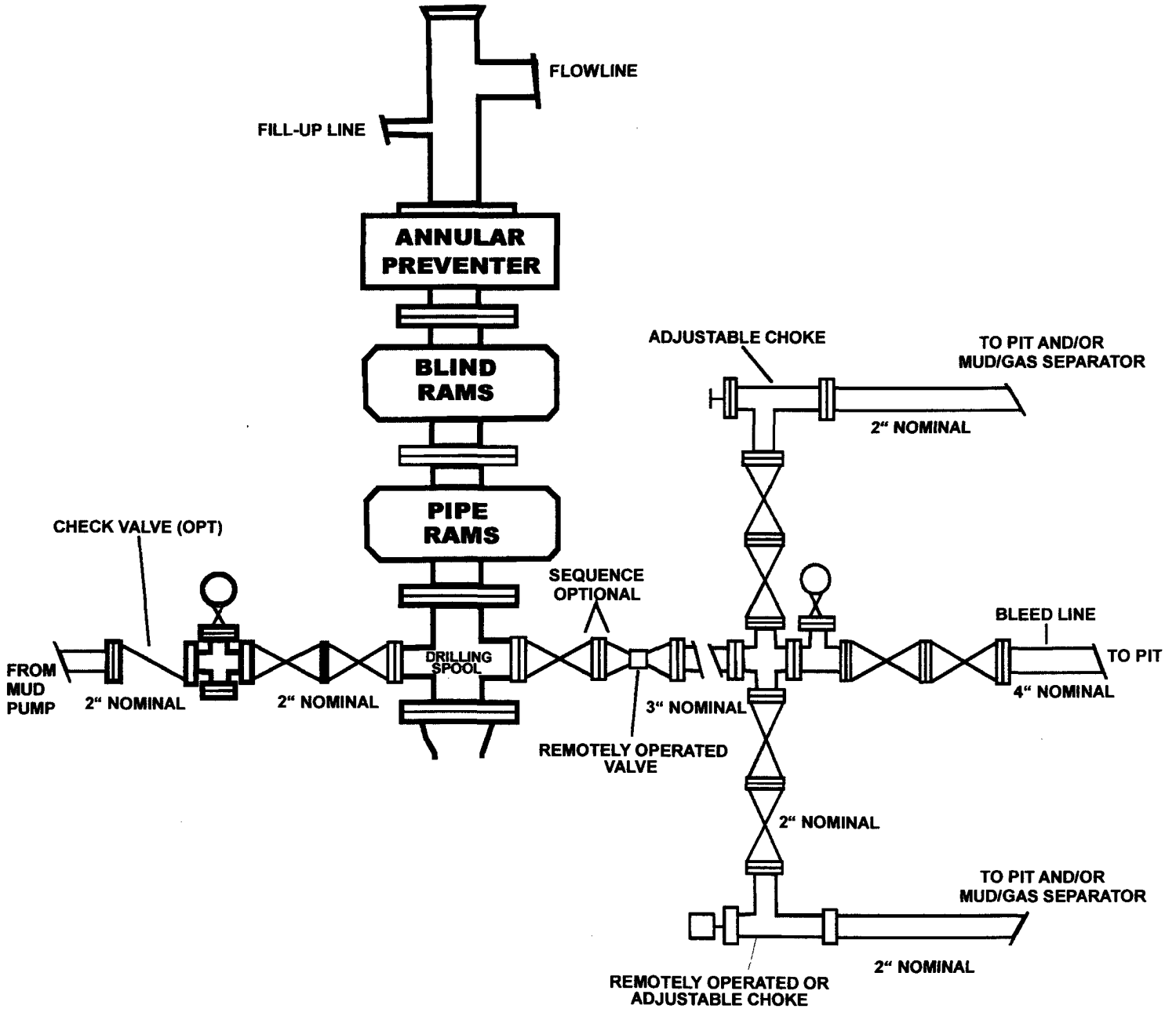
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
320	N		

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 	<p>RECEIVED JAN 22 2004 OCD-ARTESIA</p>		<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p></p> <p>Signature</p> <p>MIKE HANAGAN</p> <p>Printed Name</p> <p>MANAGING MEMBER</p> <p>Title</p> <p>1/16/03</p> <p>Date</p>
			<p>¹⁸ 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>January 14, 2004</p> <p>Date of Survey</p> <p>P. R. Patton</p> <p>Signature and Seal of Professional Surveyor:</p> <p></p> <p>Certificate Number</p> <p>3112</p>

MANZANO LAURALEA #3
BOP DIAGRAM
3000# SYSTEM



Manzano, LLC

P.O. Box 2107

Roswell, New Mexico 88202-2107

(505) 623-1996

January 30, 2004

New Mexico Oil Conservation Division – District 2
1301 W. Grand Av.
Artesia, NM 88210

Attention: Mr. Bryan Arrant

RE: Application For Permit To Drill (C-101)
Manzano Oil Corporation (OGRID No. 031954)
660' FS & 1650' FW
Section 35-T7S-R26E
Chaves County, New Mexico

Dear Bryan:

As per our conversation regarding compliance with the hydrogen sulfide rule (19.15.3.118), I have checked with our drilling contractor (United Drilling), which has drilled numerous wells in this immediate area, as well as with pumpers on adjacent leases, and no one was aware of the presence of H₂S in this area.

According to the section D of the rule it appears that a H₂S contingency plan is necessary only if the proposed operation involves potentially hazardous volumes of hydrogen sulfide. As hydrogen sulfide has not previously been encountered in this immediate area, we do not anticipate a potentially hazardous volume of H₂S and respectfully request that you approve our application to drill the above referenced well without a H₂S contingency plan.

Should you have any questions please give me a call at 623-1996. As we are planning on spudding this well around February 5th I would appreciate your prompt approval of this permit.

Sincerely,

Mike Hanagan

Mike Hanagan