

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
June 16, 2008

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

¹ Operator Name and Address PNL Operating, LLC P.O. Box 831 Casper, WY 82602		² OGRID Number 265076
		³ API Number 30-045-35093
⁴ Property Code 37997	⁵ Property Name NEBE	⁶ Well No 1
⁹ Proposed Pool 1 Kutz Pictured Cliffs, West		¹⁰ Proposed Pool 2 RCVD JAN 11 '10

⁷ Surface Location

OIL CONS. DIV.

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	23	29N	13W		1965	North	1885	West	San Juan

⁸ Proposed Bottom Hole Location If Different From Surface

DIST. 3

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

¹¹ Work Type Code New Well	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 5284
¹⁶ Multiple No	¹⁷ Proposed Depth 1250'	¹⁸ Formation Pictured Cliffs	¹⁹ Contractor Aztec - Rig 507	²⁰ Spud Date Jan/Feb 2010

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
8 3/4"	7"	20	± 125'	50 sxs (57.5 ft ³)	Surface
6 1/4"	4 1/2"	10.5	± 1250'	175 sxs (215 ft ³)	Surface

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.

PNL Operating, LLC proposes to drill and complete a 1250' Pictured Cliffs well at the referenced location. The casing and cementing program are intended to isolate behind pipe and cement all oil, gas, and water bearing formations. The estimated formation tops are: Surface - Valley Fill, Kirtland - 30', Fruitland - 800', and Pictured Cliffs 1135'. A closed loop mud system will be utilized with all solids and liquids removed from the location. Sufficient mud materials will be on location at all times to control any unforeseen lost circulation problems or abnormal pressures in the Farmington Sands. A 3M BOPE well control system consisting of an 11" single ram, an 11" annular preventor, and an 11" rotating head. Before drilling out under the surface casing, the casing and BOPE will be tested to 1250 psi.

This well is located in the same in the same quarter-quarter section as the BP Amercia Production Company operated Gallegos Canyon Unit No. 94 well. A copy of this application along with its C-102 has been sent to them.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Paul C. Bertoglio*

Printed name: Paul C. Bertoglio

Title: Managing Member

E-mail Address: paulb@tribcsp.com

Date: January 7, 2010

Phone: (307) 577-1990

OIL CONSERVATION DIVISION

Approved by:

Title: *DEPUTY OIL & GAS INSPECTOR, DIST. 3*

Approval Date: *1-25-2010* Expiration Date: *1-25-2012*

Conditions of Approval Attached ☐

FEB 03 2010

RECEIVED

NOV 6 2 2009

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1301 W Grand Avenue, Artesia, NM 87210District III
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1220 St. Francis Dr., Santa Fe, NM 87505State of New Mexico
Energy, Minerals & Natural Resources DepartmentOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87504-2088

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

¹ API Number 30045-35093	² Pool Code 79680	³ Pool Name KUTZ PICTURED CLIFFS, WEST
⁴ Property Code	⁵ Property Name NEBE	⁶ Well Number # 1
⁷ OGRID No 265076	⁸ Operator Name PNL Operating, LLC	⁹ Elevation 5284

¹⁰ Surface Location

UL or Lot No F	Section 23	Township 29 N	Range 13 W	Lot Idn	Feet from the 1965	North/South line NORTH	Feet from the 1885	East/West line WEST	County SAN JUAN
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¹¹ Bottom Hole Location If Different From Surface

⁷ 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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¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No
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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

	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 voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Paul C. Bertoglio</i> 11/7/10 Signature Date Paul C. Bertoglio Printed Name
	¹⁸ 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. October 22, 2009 Date of Survey Signature and Seal of Professional Surveyor
	7016 Certificate Number

PNL Operating, LLC

PO Box 831
Casper, WY 82602

(307) 577-1990
Fax (307) 577-0061

January 12, 2010

New Mexico Oil Conservation Division
Attn: Ms. Dorothy Phillips
1220 South St. Francis Dr.
Santa Fe, NM 87505

RE: Letter of Credit – Bonding

RCVD JAN 14 '10

Nebe #1

SENW Sec 23, T29N-R13W
San Juan County, NM
API # 30 045 _____
Letter Of Credit # CAS 1779

OIL CONS. DIV.
DIST. 3

Dear Ms. Phillips,

Enclosed please find an original Irrevocable Letter of Credit for an individual well plugging on the referenced well from First Interstate Bank, Casper, Wyoming.

Per my conversation with Karen Sharp in the Aztec office it is my understanding that she will provide you with the API number for the well as soon as it is assigned. Accordingly the LOC references the well location and not the API number.

If additional information is needed please advise.

Thank you,

RM Energy, LLC



Lance R. Neiberger

Cc: NMOCD
1000 Rio Brazos Rd
Aztec, NM 87410