

ATS-07-193

OCD-HOBBS

Form 3160-3
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

| | | |
|--|--|--|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. NM-1410 |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator Plantation Operating, LLC | | 7. If Unit or CA Agreement, Name and No. |
| 3a. Address 2203 Timberloch Place, Suite 229 The Woodlands, Texas 77380 | 3b. Phone No. (include area code) 281-296-7222 | 8. Lease Name and Well No. Elliott B-6 #2 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 1980' FSL and 800' FWL At proposed prod. zone Unit L | | 9. API Well No. 30-025-38298 |
| 14. Distance in miles and direction from nearest town or post office* | | 10. Field and Pool, or Exploratory Eumont (Yates-7Rivers-Queen) |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) | 16. No. of acres in lease 74.06 | 11. Sec., T. R. M. or Blk. and Survey or Area L-6, T-22-S, R-37-E |
| 17. Spacing Unit dedicated to this well 74.06 | 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. | 12. County or Parish Lea |
| 19. Proposed Depth 3800' 3900' | 20. BLM/BIA Bond No. on file NMB000344 | 13. State NM |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3469' GL | 22. Approximate date work will start* | 23. Estimated duration 10 Days |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form: NSL-5576 SD-200704

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

| | | |
|---|---|--------------------|
| 25. Signature <i>Kimberly Faldyn</i> | Name (Printed/Typed) Kimberly Faldyn | Date 12/19/2006 |
| Title Production Tech | | |

| | | |
|--|----------------------|---------------------|
| Approved by (Signature) /s/ James Stovall | Name (Printed/Typed) | Date JAN 22 2007 |
| Title ACTING FIELD MANAGER | | |

Office
CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

CAPTAN CONTROLLED WATER BASIN

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

| LOT 4 | LOT 3 | LOT 2 | LOT 1 |
|-------------------|--|----------|----------|
| 37.24 AC LOT 5 | 40.12 AC | 40.21 AC | 40.30 AC |
| 37.13 AC LOT 6 | <p>GEODETIC COORDINATES NAD 27 NME</p> <p>$Y=517951.0$ N $X=847439.8$ E</p> <p>$LAT.=32^{\circ}25'08.15''$ N $LONG.=103^{\circ}12'26.72''$ W</p> | | |
| 37.07 AC LOT 7 | | | |
| 36.99 AC | | | |

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

[Signature] 12/24/06
Signature Date
John Albers
Printed Name

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.

MAY 18, 2006

Date Surveyed REV:09/02/06
Signature & Seal of Professional Surveyor MR

[Signature] 8/7/06
06.11.0847

Certificate No. GARY EDSON 12641
RONALD J. EDSON 3239

DISTRICT I

1155 N. FRANKLIN DR., MOORE, NM 86840

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2006

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

1301 W. GRAND AVENUE, ALBUQUERQUE, NM 87102

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|-------------------------|--|----------------------------------|
| API Number 30-025- | Pool Code 76480 | Pool Name Eumont (Y-7R-Q) Gas |
| Property Code 302101 | Property Name ELLIOTT B-6 | Well Number 2 |
| OGRIID No. 237788 | Operator Name PLANTATION OPERATING, LLC | Elevation 3469' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 6 | 6 | 22-S | 37-E | | 1980 | SOUTH | 800 | WEST | LEA |

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 74.06 | Joint or Infill Y | Consolidation Code | Order No. | NSP 327 11/16/56. SD-200704 NSL-5576 | | | | | |

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

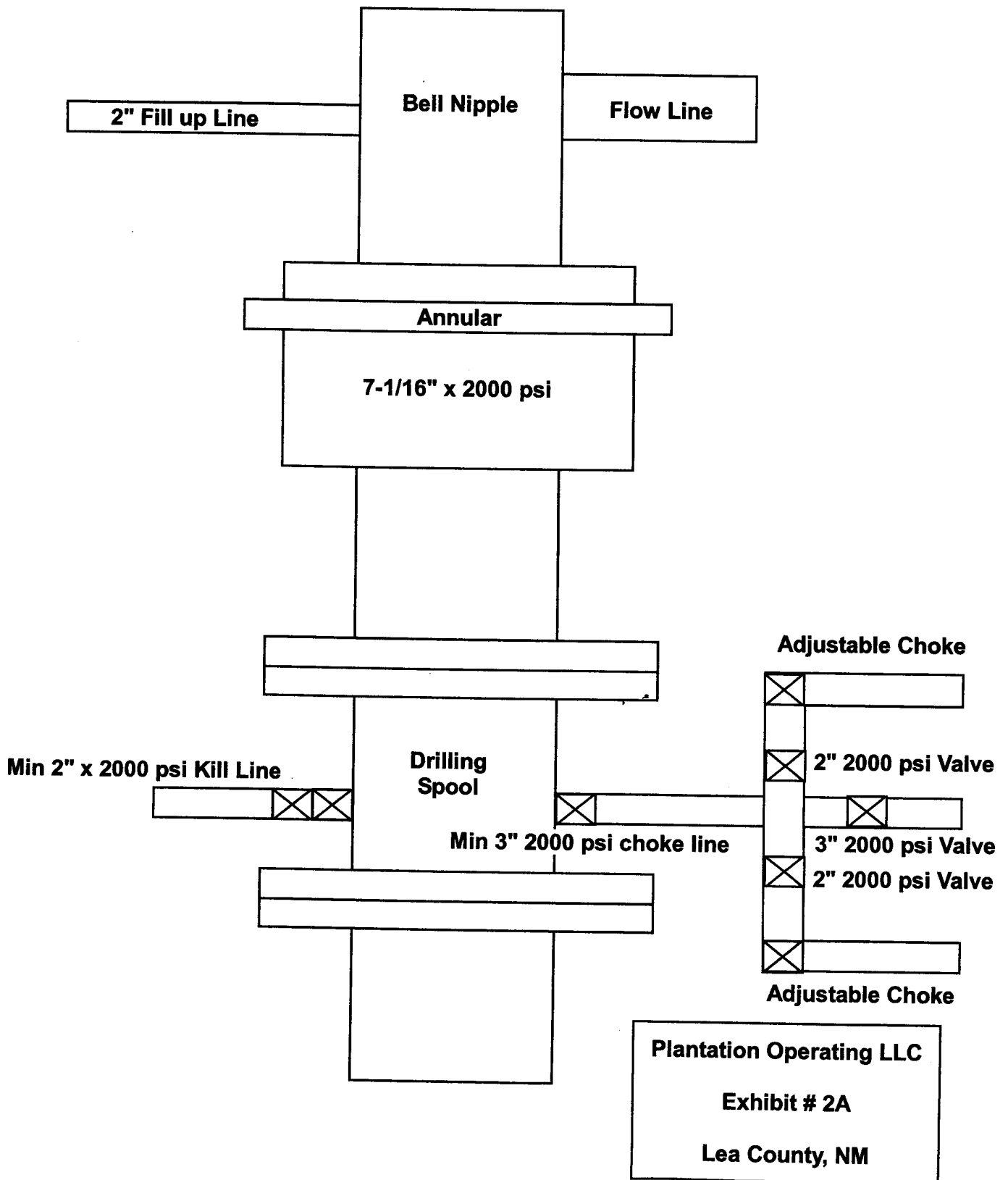
| | | | |
|----------|----------|----------|----------|
| LOT 4 | LOT 3 | LOT 2 | LOT 1 |
| 37.24 AC | 40.12 AC | 40.21 AC | 40.30 AC |
| LOT 5 | | | |
| 37.13 AC | | | |
| LOT 6 | | | |
| 3470.3' | | | |
| 3464.3' | | | |
| 600' | | | |
| 800' | | | |
| 3468.4' | | | |
| 3467.0' | | | |
| 37.07 AC | | | |
| LOT 7 | | | |
| 1980' | | | |
| 36.99 AC | | | |

GEODETIC COORDINATES
NAD 27 NME
Y=517951.0 N
X=847439.8 E
LAT.=32°25'08.15" N
LONG.=103°12'26.72" W

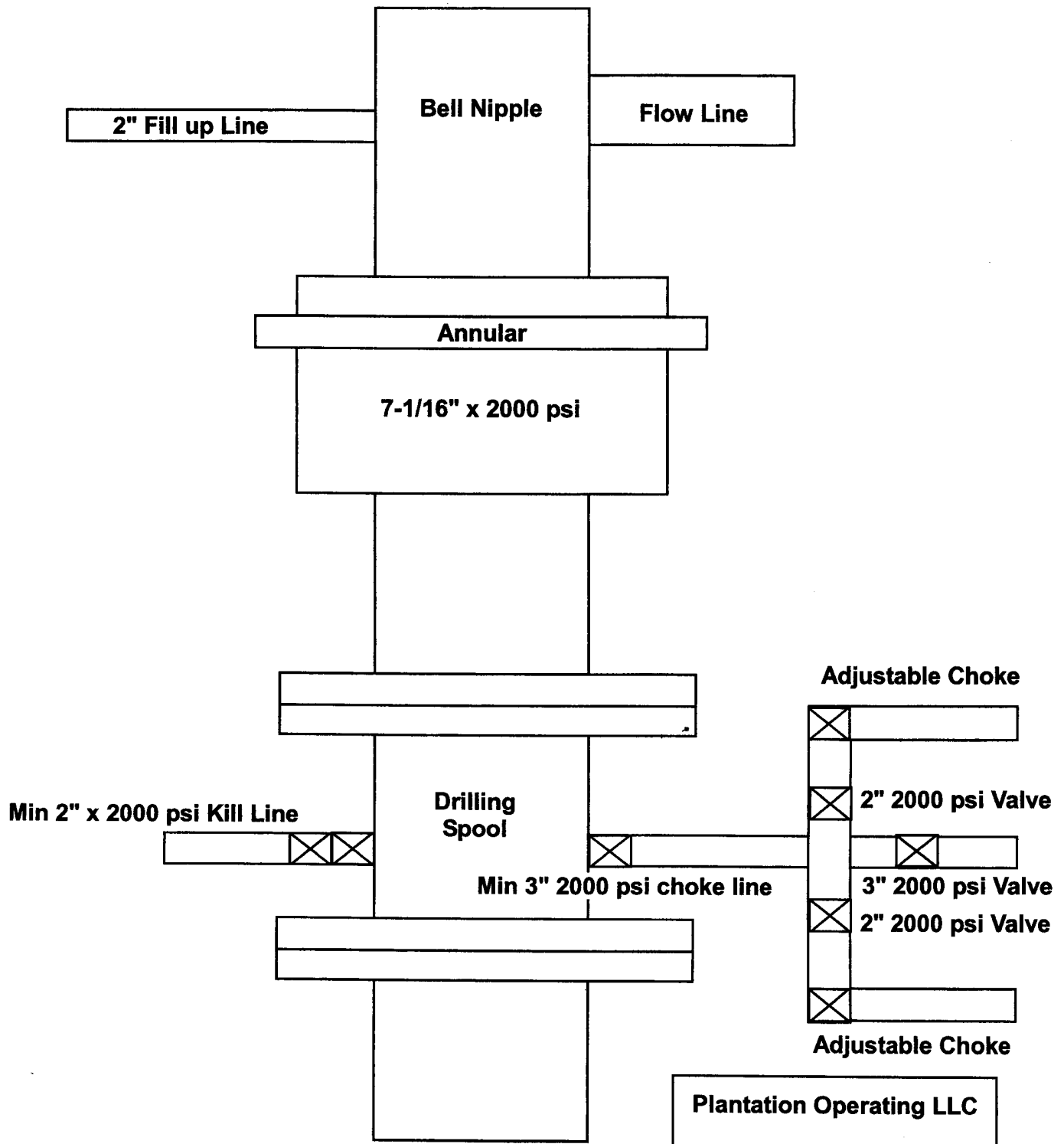
OPERATOR CERTIFICATION
I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.
Signature: John Allred
Date: 12/13/06
Printed Name: John Allred

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.
MAY 18, 2006
Date Surveyed: REV:09/02/06
Signature: GARY KIDSON
Professional Surveyor: MR
GARY KIDSON
NEW MEXICO
06.110847
Certificate No. GARY KIDSON 12841
RONALD J. KIDSON 3239

Plantation Operating, LLC
BOP Schematic for 8-3/4" Hole



Plantation Operating, LLC
BOP Schematic for 6-1/8 or- 7-7/8" Hole



Plantation Operating LLC

Exhibit # 2A

Lea County, NM

CONDITIONS OF APPROVAL - DRILLING

Well Name & No. 2-Elliott B-6
Operator's Name: Plantation Operating, LLC
Location: 1980FSL, 0800FWL, Section 6, T-22-S, R-37-E
Lease: NM-1410

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 - for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 7 inch 4-1/2 inch

C. BOP tests

2. Although Hydrogen Sulfide has not been reported in this section, it has been reported in section 17 with measurements at 300 ppm. It is recommended that monitoring equipment be onsite prior to drilling into the Yates formation.

3 Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

6. A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.

7. Gamma-Ray/Neutron logs shall be run from the base of the Salado Formation to the surface; cable speed not to exceed 30 feet per minute.

II. CASING:

1. The 7 inch surface casing shall be set **a minimum of 25' into the Rustler Anhydrite approximately 1200 feet and above the salt**, below usable water and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string. **Centralizers are to be installed according to Onshore Order 2.B.1.f.**

Possible lost circulation in the Delaware formation.

2. The minimum required fill of cement behind the 4-1/2 inch production casing is **cement shall circulate to surface.**

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 7 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) is 2M psi.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.

Engineer on call phone: 505-706-2779

WWI 011907