

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 OGX RESOURCES, LLC P. O. BOX 2064 MIDLAND, TX 79702		2. OGRID Number 217955
		3. API Number 30-015-35558
4. Property Code 36463	5. Property Name KIMBER STATE	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	7	25S	28E	C	660	N	1980	W	EDDY

8. Pool Information

SALT DRAW; MORROW, WEST (G)	96819
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3067
14. Multiple N	15. Proposed Depth	16. Formation Morrow	17. Contractor	18. Spud Date 6/1/2007
Depth to Ground water 150		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input 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	17.5	13.375	54.5	520	700	0
Int1	12.25	9.625	36	2460	700	0
Prod	8.5	7	26	9500	1060	0
Liner1	6.75	4.5	11.6	12900	425	9100

Casing/Cement Program: Additional Comments

13 3/8 csg set depth is 520'. Mud wt 8.6-8.8, 36-38 vis. 1st Lead Slurry= 200 sxs Class H cmt + 1% bwoc calcium chloride + 0.25 lb/sxs cello flake + 10 lb/sxs LCM-1 + 50% fresh water. 2nd Lead Slurry= 300 sxs (35:65) Poz (Fly Ash): Class C cmt. + 2% bwoc calcium chloride + 0.25 lb/sxs cello flake + 56.4% bwoc bentonite + 96.6% fresh water. Tail Slurry= 200 sxs Class C cmt. + 2% bwoc calcium chloride + 56.4% fresh water. 9 5/8 csg set depth is 2460'. Mud wt 10.0-10.1, vis. 29-30. Lead Slurry= 500 sxs (50:50) Poz (Fly Ash): Class C cmt. + 5% bwow sodium chloride + 0.25 lb/sxs cello flake + 5 lb/sxs LCM-1 + 10% bwoc bentonite + 134.8% fresh water. Tail Slurry= 200 sxs Class C cmt. + 2% bwoc calcium chloride + 56.4% fresh water. 7" csg set depth is 9500'. Mud wt. 8.4-10.0, vis. 28-29. Lead Slurry= 860 sxs (50:50) Poz (Fly Ash): Class H cmt + 5% bwow sodium chloride + 0.125 lb/sxs cello flake + 10% bwoc bentonite + 0.3% bwoc FL-52A + 139.7% fresh water. Tail Slurry 20 sxs Class H cmt. + 0.5

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	5000	Weatherford

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"/> .	OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Frank Agar	Approved By: Bryan Arrant	
Title: Member	Title: Geologist	
Email Address: kip@carlowcorp.com	Approved Date: 4/20/2007	Expiration Date: 4/20/2008
Date: 4/17/2007	Phone: 432-685-1287	Conditions of Approval Attached

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

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

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name KIMBER STATE		Well Number 1
OGRID No.	Operator Name OGX RESOURCES, L.L.C.		Elevation 3067'

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	7	25 S	28 E		660	NORTH	1980	WEST	EDDY

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.						

<p style="text-align: center;">LAT-N32°09'00.3" LONG-W104°07'44.9" (NAD-83)</p>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <h3 style="text-align: center; margin: 0;">OPERATOR CERTIFICATION</h3> <p style="font-size: small; margin: 5px 0;">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.</p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> Angela Lightner 4-17-07 </div> <div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 5px;"> Signature Date </div> <div style="margin-top: 10px;"> Angela Lightner </div> <div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 5px;"> Printed Name </div> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <h3 style="text-align: center; margin: 0;">SURVEYOR CERTIFICATION</h3> <p style="font-size: small; margin: 5px 0;">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 style="text-align: center; font-size: large; margin: 10px 0;">APRIL 10, 2007</p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> Gary L. Jones 7977 </div> <div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 5px;"> Date Surveyed Signature of Surveyor </div> <div style="margin-top: 10px;"> [Signature] </div> <div style="display: flex; justify-content: space-between; font-size: x-small; margin-top: 5px;"> Professional Surveyor </div> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <div style="text-align: center;"> </div> </div> <div style="border: 1px solid black; padding: 5px;"> <div style="display: flex; justify-content: space-between; font-size: small; margin: 0;"> Certificate No. Gary L. Jones 7977 </div> </div>
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Permit Comments

Operator: OGX RESOURCES, LLC , 217955

Well: KIMBER STATE #001

API: 30-015-35558

Created By	Comment	Comment Date
FMAGAR	We do not anticipate encountering any H2S during the drilling or completion of the well, as per offset drilling and the Morrow formation. We request an exemption from the H2S requirements according to the NMOC Rule 118. The anticipated total depth is 12,900' for the Salt Draw Morrow West (Gas) well.	4/17/2007

Permit Conditions of Approval

Operator: OGX RESOURCES, LLC , 217955

Well: KIMBER STATE #001

API: 30-015-35558

OCD Reviewer	Condition
BArrant	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
BArrant	As noted, operator to drill surface hole with fresh water mud.
BArrant	Operator to set surface casing above the Salado formation. Please refer to offset geology for more information.