

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 30-015-35778
4. Property Code 36773	5. Property Name JUST RIGHT	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
N	7	24S	28E	N	660	S	1980	W	EDDY

8. Pool Information

MALAGA,MORROW, WEST (GAS)	80925
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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 3070
14. Multiple N	15. Proposed Depth 13000	16. Formation Morrow	17. Contractor	18. Spud Date 11/1/2007
Depth to Ground water 160		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000

Pit: Liner: Synthetic ☒ 12 miles thick Clay ☐ Pit Volume: 28500 bbls Drilling Method:
 Closed Loop System ☐ Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☒

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	48	520	700	0
Int1	12.25	9.625	36	2470	860	0
Int2	8.75	7	26	9400	1180	0
Prod	6.125	4.5	11.6	13000	445	9100
Liner1	6.125	4.5	11.6	11000	445	0

Casing/Cement Program: Additional Comments

13.375", set depth is 520', 48 ppf, J-55 drilled w/ Fresh water, cement 1st lead slurry: 200 sx Premium cmt + 1% CaCl + 10 lbm/sk Glisonite + 0.25 lbm/sk Poly-E-Flake. 2nd lead slurry: 300 sx Lt. Premium cmt. + 2% CaCL + 0.25 lbm/sk Poly-E-Flake. Tail slurry: 200 sx Premium Plus cmt. + 2% CaCl, mud wt. 8.9-8.8, Vis. 36-38, pH 9.0-10.0, FL-N/C. - 9 5/8", set depth is 2470', 36 ppf, J-55, drilled w/ Brine, cement lead slurry: 660 sx 50/50 Poz Premium Plus cmt. + 10% Bentonite + 5% Salt + 5 lbm/sk Glisonite + 0.25 lbm/sk Poly-E-Flake. Tail slurry: 200 sx Premium Plus cmt. + 2% CaCl, mud wt. 10.1-10.1, vis. 29-30, pH 9.0-10.0 FL-N/C. 2nd intermediate casing- 7", 26 ppf, P-110, drilled w/ Fresh water, cement lead slurry: 980 sx 50/50 Poz Premium cmt. + 10% Bentonite + 0.3% Halad-9 + 5% Salt + 0.125% lbm/sk Poly-E-Flake. Tail slurry: 200 sx Premium cmt. + 0.5% Halad-9, mud wt. 8.4-10.0, vis. 28-29, pH 9.0-10.0, FL-N/C. Production casing- 4 1/2", 9400'-11,000' ppf 11.6, P-110, mud wt. 8.4-10.0, v

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	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 ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐ .	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: 9/6/2007	Expiration Date: 9/6/2008
Date: 9/6/2007	Phone: 432-685-1287	Conditions of Approval Attached

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 80925	Pool Name Malaga Morrow West (Gas)
Property Code	Property Name JUST RIGHT	Well Number 1
OGRID No. 217955	Operator Name OGX RESOURCES, L.L.C.	Elevation 3070'

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	7	24 S	28 E		660	SOUTH	1980	WEST	EDDY

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 320	Joint or Infill	Consolidation Code	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

				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 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. Angela Lightner 8-509 Signature Date Angela Lightner 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. AUGUST 17 2007 Date Surveyed Signature [Signature] Seal of Professional Surveyor W.C. Jones 15235 Certificate No. Gary L. Jones 7977 BASIN SURVEYS	

Permit Comments

Operator: OGX RESOURCES, LLC , 217955

Well: JUST RIGHT #001

API: 30-015-35778

Created By	Comment	Comment Date
FMAGAR	OGX does not anticipate H2S on this location.	9/5/2007

Permit Conditions of Approval

Operator: OGX RESOURCES, LLC , 217955

Well: JUST RIGHT #001

API: 30-015-35778

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.