State of New Mexico

Form C-101 Permit 133251

Energy, Minerals and Natural Resources

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

| APPLICATION FOR | PERMIT TO DRILL | RF-FNTFR | DEEPEN | PLUGBACK | OR ADD A ZONE |
|-----------------|-----------------|----------|--------|----------|---------------|
| | | | | | |

| THREE RIVERS OP | r Name and Address ERATING COMPANY LLC | OGRID Number 272295 |
|---------------------------|---|-------------------------------|
| | pital of Texas Hwy in, TX 78746 | 3. API Number 30-015-39148 |
| 4. Property Code 38669 | 5. Property Name STATE 151729 3ROC | 6. Well No. 004 |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| K | 15 | 17S | 29E | K | 1650 | S | 1650 | W | EDDY |

8. Pool Information

| GJ;7RVS-QN-GB-GLORIETA-YESO | 07558 |
|------------------------------|-------|
| OJ, KVS-QIV-OB-OLOKIETA-TESO | 9/338 |

Additional Well Information

| | 93 | . I dditto I di | CH IMIOIH | divion. | | |
|------------------------------------|------------------------|--------------------------|--------------------|---|------------------------------------|--|
| 9. Work Type New Well | | | lotary | 12. Lesse Type State | 13. Ground Level Elevation 3562 | |
| 14. Multiple N | 15. Proposed 1 5500 | Depth 16. Form | | 17. Contractor | 18. Spud Date | |
| Depth to Ground | water | Distance from ne | earest fresh water | wett | Distance to nearest surface water | |
| Liner: Synthetic Closed Loop Syste | | s thick Clay Pit Volume: | bbis | Drilling Method: Fresh Water X Brine D | rieset/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 | 320 | 360 | 0 |
| Int1 | 11 | 8.625 | 24 | 840 | 260 | 0 |
| Prod | 7.785 | 5.5 | 15.5 | 5500 | 745 | 0 |

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

| <u> </u> | | The state of the s | |
|----------|------------------|--|--------------|
| Type | Working Pressure | Test Pressure | Manufacturer |
| Annular | 2000 | 1500 | Schaffer |

| of my knowledge and belief. | tion given above is true and complete to the best ling pit will be constructed according to | Approved By: Randy Dade | | | | |
|---|--|-----------------------------|----------------------------|--|--|--|
| NMOCD guidelines , a ger OCD-approved plan . | neral permit , or an (attached) alternative | | | | | |
| Printed Name: Electronic | ally filed by Jim Keisling | Title: District Supervisor | | | | |
| Title: VP Engineering | No. | Approved Date: 6/21/2011 | Expiration Date: 6/21/2013 | | | |
| Email Address: jkeisling@ | §3rnr.com | | | | | |
| Date: 6/17/2011 | Phone: 512-600-3182 | Conditions of Approval Atta | ched | | | |

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Form C-102 Permit 133251

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | TELE LOCATION AND ACI | ditor bebicinion in | | | |
|------------------|-----------------------|--|--------------|--|--|
| 1. API Number | 2. Pool Code | 3. Pool Name GJ;7RVS-QN-GB-GLORIETA-YESO | | | |
| 30-015-39148 | 97558 | | | | |
| 4. Property Code | 5. Propert | y Name | 6. Well No. | | |
| 38669 | STATE 151 | STATE 151729 3ROC | | | |
| 7. OGRID No. | 8. Operato | or Name | 9. Elevation | | |
| 272295 | THREE RIVERS OPERA | TING COMPANY LLC | 3562 | | |

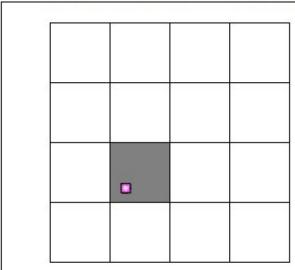
10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| K | 15 | 17S | 29E | | 1650 | S | 1650 | W | EDDY |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section | Township | Range | Lot | Idn | Feet From | N/S Lin | ne | Feet From | E/W Line | County |
|---------------|-------------|----------|-----------------|-----|-----|-------------------|---------|----|-----------|---------------|--------|
| 0.500 100 100 | cated Acres | 13. | Joint or Infill | | 14 | . Consolidation (| Code | | | 15. Order No. | |

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(s) 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.

E-Signed By: Jim Keisling Title: VP Engineering Date: 6/17/2011

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.

Surveyed By: Ronald Eidson Date of Survey: 2/22/2011 Certificate Number: 3239

Permit Comments

Operator: THREE RIVERS OPERATING COMPANY LLC , 272295 Well: STATE 151729 3ROC #004

API: 30-015-39148

| Created By | Comment | Comment Date | |
|------------|----------|--------------|--|
| Artesia | Land S/S | 8/21/2011 | |

Permit Conditions of Approval
Operator: THREE RIVERS OPERATING COMPANY LLC , 272295
Well: STATE 151729 3ROC #004

API: 30-015-39148

| OCD Reviewer | Condition |
|-----------------|--|
| Artesia | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |