

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 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
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 244692

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

1. Operator Name and Address CHISHOLM ENERGY OPERATING, LLC 801 Cherry Street Fort Worth, TX 76102		2. OGRID Number 372137
4. Property Code 318410		3. API Number 30-025-44197
5. Property Name GAZELLE 32 STATE COM 2BS		6. Well No. 002Y

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	32	18S	33E	D	200	N	1270	W	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	32	18S	33E	N	330	S	1830	W	Lea

9. Pool Information

CORBIN;BONE SPRING, SOUTH	13160
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3759
16. Multiple N	17. Proposed Depth 14350	18. Formation Bone Spring	19. Contractor	20. Spud Date 11/19/2017
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1505	1378	0
Int1	12.25	9.625	43.5	5610	2151	0
Prod	8.75	5.5	17	14350	1977	5110

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	1500	1500	CAMERON
Double Ram	5000	5000	CAMERON
Pipe	5000	5000	CAMERON

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Bettie Watson	Approved By: Paul Kautz
Title: Regulatory Consultant	Title: Geologist
Email Address: bwatson@chisholmenergy.com	Approved Date: 11/15/2017 Expiration Date: 11/15/2019
Date: 11/14/2017 Phone: 972-979-0132	Conditions of Approval Attached

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
Phone (505) 393-8181 Fax: (505) 393-9720

DISTRICT II
811 S. First St., 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
1226 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3450 Fax: (505) 476-3452

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1226 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 13160	Pool Name Corbin; Bone Spring
Property Code	Property Name GAZELLE 32 STATE COM 2BS	Well Number 2Y
OGRID No. 372137	Operator Name CHISHOLM ENERGY OPERATING, LLC	Elevation 3759'

Surface Location

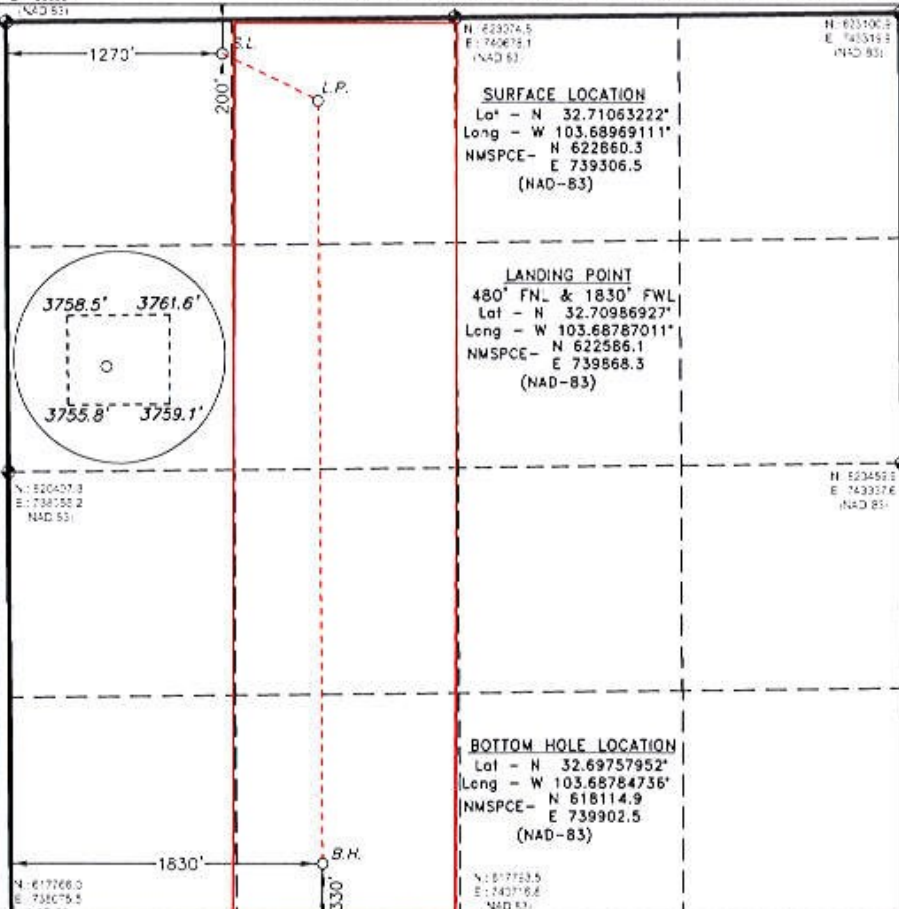
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/SOUTH LINE	FEET from the	East/West Line	County
D	32	18 S	33 E		200	NORTH	1270	WEST	LEA

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
N	32	18 S	33 E		330	SOUTH	1830	WEST	LEA

Dedicated Acres 160	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

	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Jennifer Elrod</i> 11/14/17 Signature Date</p> <p>Jennifer Elrod Printed Name jelrod@chisholmenergy.com Email Address</p> <p>SURVEYOR CERTIFICATION</p> <p>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>NOVEMBER 10, 2017 Date Surveyed</p> <p><i>[Signature]</i> Signature of Professional Surveyor</p> <p><i>[Seal]</i> Professional Surveyor 7977</p> <p>Certified to the State of New Mexico BASIC SURVEY</p> <p>0' 1000' 2000' 3000' 4000' SCALE: 1" = 2000' WO Num.: 33382</p>
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form APD Comments

Permit 244692

PERMIT COMMENTS

Operator Name and Address: CHISHOLM ENERGY OPERATING, LLC [372137] 801 Cherry Street Fort Worth, TX 76102		API Number: 30-025-44197
		Well: GAZELLE 32 STATE COM 2BS #002Y

Created By	Comment	Comment Date
jelrod	FORMATION MD, ft TVD, ft TVDSS, ft Rustler 1367 2383 Salado 1650 2100 7 Rivers 3506 244 Queen 4190 -440 Delaware Mtn Gr 6277 -2550 Bone Spring 7407 -3657 1st Bone Spring SS 8700 -4950 2nd Bone Spring SS 9289 -5539 3rd Bone Spring SS 10292 -6542 Wolfcamp 10544 -6794 Strawn 12067 -8317	11/14/2017

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Form APD Conditions

Permit 244692

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: CHISHOLM ENERGY OPERATING, LLC [372137] 801 Cherry Street Fort Worth, TX 76102	API Number: 30-025-44197
	Well: GAZELLE 32 STATE COM 2BS #002Y

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	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
pkautz	Pit construction and closure must satisfy all requirements of your approved plan.
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	1)- The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 20 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104
pkautz	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD.
pkautz	Lost Circulation - Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186
pkautz	Stage Tool - 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.
pkautz	Gas Capture Plan - Operator to Submit Gas Capture Plan ASAP.