

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 257643

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 322466		3. API Number 30-025-45222
5. Property Name OUTLAND STATE UNIT 11 2 1BS		6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	11	21S	34E	O	225	S	1630	E	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	2	21S	34E	J	2500	S	1980	E	Lea

9. Pool Information

GRAMA RIDGE;BONE SPRING, NORTH	28434
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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 3670
16. Multiple N	17. Proposed Depth 17000	18. Formation 1st Bone Spring Sand	19. Contractor	20. Spud Date 11/1/2018
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	1830	1715	0
Int1	12.25	9.625	40	5500	2175	0
Prod	8.75	5.5	20	17000	3020	0

Casing/Cement Program: Additional Comments

Int. will be 2 stage cmnt program w/ DV Tool set @ 3800'
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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2500	2500	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 Jennifer Elrod	Approved By: Paul F Kautz
Title: Sr. Regulatory Tech	Title: Geologist
Email Address: jelrod@chisholmenergy.com	Approved Date: 9/25/2018 Expiration Date: 9/25/2020
Date: 9/21/2018 Phone: 817-953-3728	Conditions of Approval Attached

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District IV
1220 S. St. Francis Dr., Santa Fe, NM 87503
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 28434	³ Pool Name Grama Ridge; Bone Spring, North
⁴ Property Code	⁵ Property Name OUTLAND STATE UNIT 11-2 1BS	⁶ Well Number 1H
⁷ OGRID No. 372137	⁸ Operator Name CHISHOLM ENERGY OPERATING, LLC	⁹ Elevation 3670.6

*** Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	11	21S	34E		225	SOUTH	1630	EAST	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
J	2	21S	34E		2500	SOUTH	1980	EAST	LEA

¹⁰ Dedicated Acres 240	¹¹ Joint or Infill	¹² Consolidation Code	¹³ 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>NWSP EAST (FT) N = 554914.40 E = 816435.69</p> <p>L4 L3 L2 L1</p> <p>L5 L6 L7 L8</p> <p>L12 L11 L10 L9</p> <p>L13 L14 L15 L16</p> <p>BOTTOM OF HOLE 2500' FSL, 1980' FEL LAT. = 32.5076561°N LONG. = 103.4385008°W NWSP EAST (FT) N = 549573.73 E = 817190.46</p> <p>NWSP EAST (FT) N = 547067.15 E = 816550.34</p> <p>LANDING POINT & FTP 100' FSL, 1980' FEL LAT. = 32.4868365°N LONG. = 103.4373662°W N = 541835.30 E = 817254.85 GRID AZ. TO LP S69°45'28"W HORIZ. DIST 371.91 FT</p> <p>NWSP EAST (FT) N = 541788.38 E = 816595.32</p> <p>SHL & KOP 1630'</p>	<p>NWSP EAST (FT) N = 547095.54 E = 819125.40</p> <p>NWSP EAST (FT) N = 547095.54 E = 819190.94</p> <p>OUTLAND STATE UNIT 11-2 1BS 1H 225' FSL, 1630' FEL ELEV. = 3670.6' LAT. = 32.4868365°N (NAD83) LONG. = 103.4373662°W NWSP EAST (FT) N = 542024.02 E = 817603.69</p> <p>NWSP EAST (FT) N = 541816.14 E = 819235.23</p>	<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 undivided 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> 9/21/18 Signature Date</p> <p>Jennifer Elrod Printed Name</p> <p>jelrod@chisholmenergy.com E-mail 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>SEPTEMBER 13, 2018 Date of Survey</p> <p><i>William F. Jaramillo</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number: WILLIAM F. JARAMILLO, PLS 12797 SURVEY NO. 6539</p>
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Intent ☒ As Drilled ☐

API #

Operator Name:

CHISHOLM ENERGY OPERATING, LLC

Property Name:

OUTLAND STATE UNIT 11-2 18S

Well Number

1H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
O	11	21S	34E		225	SOUTH	1630	EAST	LEA
Latitude					Longitude				NAD
32.4868965					103.4373662				83

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
O	11	21S	34E		100	SOUTH	1980	EAST	LEA
Latitude					Longitude				NAD
32.4865508					103.4385009				83

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
J	2	21S	34E		2500	SOUTH	1980	EAST	LEA
Latitude					Longitude				NAD
32.5076561					103.4385008				83

Is this well the defining well for the Horizontal Spacing Unit? ☐

WELL LOCATED IN A STATE UNIT

Is this well an infill well? ☐

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name:

Property Name:

Well Number

KZ 06/29/2018

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Form APD Comments

Permit 257643

PERMIT COMMENTS

Operator Name and Address: CHISHOLM ENERGY OPERATING, LLC [372137] 801 Cherry Street Fort Worth, TX 76102		API Number: 30-025-45222
		Well: OUTLAND STATE UNIT 11 2 1BS #001H
Created By	Comment	Comment Date
pkautz	Requested GCP 09/25/2018	9/25/2018

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Form APD Conditions

State of New Mexico
Energy, Minerals and Natural Resources
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Permit 257643

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: CHISHOLM ENERGY OPERATING, LLC [372137] 801 Cherry Street Fort Worth, TX 76102	API Number: 30-025-45222
	Well: OUTLAND STATE UNIT 11 2 1BS #001H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
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 45 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	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.