

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address SWEPI LP, P.O. Box 576, Houston, Texas 77001 (Local Contact: Shell Exploration & Production Company, 4582 S. Ulster St. Pkwy., Suite 1400, Denver, CO 80237)		<sup>2</sup> OGRID Number 250036
<sup>3</sup> Property Code 37165		<sup>4</sup> API Number 30-019-20138
<sup>5</sup> Property Name Singleton Properties LLC		<sup>6</sup> Well No. Latigo Ranch 3-3
<sup>9</sup> Proposed Pool 1		<sup>10</sup> Proposed Pool 2

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<sup>7</sup> Surface Location SEE REVISION									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	3	10N	23E		1261+/-	South	23+/-	West	Guadalupe

<sup>8</sup> Proposed 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

Additional Well Information				
<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 4674 graded
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 13,674	<sup>18</sup> Formation Mississippian	<sup>19</sup> Contractor Nabors Drilling	<sup>20</sup> Spud Date ~April 1, 2009
Depth to Groundwater ~600 feet (Santa Rosa aquifer)		Distance from nearest fresh water well ~1.2 miles (Latigo Ranch 3-5 water well)		Distance from nearest surface water ~8500 feet (unnamed ephemeral drainage)
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 20_mils thick Clay <input type="checkbox"/> Pit Volume: 84,430 bbls Drilling Method: Fresh Water <input type="checkbox"/> 0-1,300 ft, Brine <input type="checkbox"/> 1,300'-13,674 ft Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input checked="" type="checkbox"/> Gas/Air <input type="checkbox"/>				

<sup>21</sup> Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
30-inch	20-inch	Conductor	90 feet	NA	0 feet
14.75-inch	10.75-inch	40.5 lbs.	1300 feet	930	0 feet
9.875-inch	7.625-inch	29.7 lbs.	5900 feet	1188	1000 feet
6.5-inch	4.5-inch	13.5 & 15.1 lbs.	13674 feet	388	5400 feet

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

See Attachment A – Latigo Ranch 3-3 Drilling & Completion Plan

Attachment A1 – Nabors B.O.P. Stack Diagram

See Attachment B – Latigo Ranch 3-3 Surface Use Plan

See Attached Maps

Location Photos

Well Location, Latigo Ranch 3-3

Location Layout for Latigo Ranch 3-3

Topographic Map A

Topographic Map B

<sup>23</sup> 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 ☐

Signature: *Michael L. Bergstrom*

Printed name: Michael L. Bergstrom

Title: Regulatory Coordinator

E-mail Address: michael.bergstrom@shell.com

Date: 2/9/2009

Phone: 303 222 6347

OIL CONSERVATION DIVISION

Approved by: *Ed Martin*

Title:

DISTRICT SUPERVISOR

Approval Date: 3/16/09

Expiration Date: 3/16/11

Conditions of Approval Attached ☐



# Shell Exploration & Production

2009 FEB 11 PM 12 10

State of New Mexico  
Energy, Minerals and Natural Resources Dept.  
Oil Conservation Division-District 4  
1220 South St. Francis Drive  
Sante Fe, New Mexico 87505  
Attn.: Ed Martin, District Supervisor

**Shell Exploration & Production Co.**

Regulatory Affairs-EP Americas  
4582 S. Ulster Street Parkway  
Suite 1400  
Denver, Colorado 80237

**CONFIDENTIAL**

February 9, 2009

**Subject:** Application for Permit to Drill (APD) <sup>3</sup>  
Shell Exploration & Production Co., Latigo Ranch 3<sup>3</sup>  
Guadalupe County, New Mexico

Dear Mr. Martin:

Shell Exploration & Production Company, dba SWEPI LP (Shell) requests that New Mexico Oil Conservation Division-District 4 (OCD) review and approve the APD for the subject well. This exploration well is located in area that has no existing oil & n gas production, and is targeting prospective zones that have been the subject of limited exploration. Therefore, Shell requests that OCD hold any information regarding this well confidential for the period designated under NMOCD rules. All documents submitted are clearly marked as "confidential".

Shell is currently investigating an alternative access route to this well location, as shown on the Well Topographic Maps A and B. If an alternative route is selected for this well, we will amend the APD. Shell anticipates beginning drilling, completion and testing activities for this well, on or about April 1, 2009.

If you have any questions or require any additional information regarding this APD, please contact me at (303) 222-6347, or David Janney at Kleinfelder in Albuquerque at (505) 344-7373.

Regards,

Michael L. Bergstrom  
Regulatory Coordinator  
Shell Exploration & Production Company

Attachments: Form C-101  
Drilling & Completion Plan  
Surface Use Plan  
Location Photos and Maps  
Form C-102  
Form C-144

## Latigo Ranch 3-3 Drilling and Completion Plan

The well will be drilled with potable (TDS<3,000 ppm) water-based fluids from surface to the bottom of the Santa Rosa Formation ("freshwater aquifer"). Surface conductor and intermediate casing strings will be installed and cemented. Below the Santa Rosa Formation, the well will be drilled with nonpotable (TDS>10,000 ppm) water-based fluids or oil-based mud (OBM), as necessary to minimize lost circulation and address difficult drilling conditions, to total vertical depth (TVD). Additional intermediate casing strings and production casing will be installed and cemented. Upon completion of drilling, the casing will be perforated in selected prospective zones. Hydraulic fracturing will be performed in the prospective zones, and gas and water flow testing will be conducted in individual and/or commingled zones.

### Drilling Program

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- Lithology
  - Tucumcari Basin
    - This area has been the subject of limited oil & gas exploration activity
  - Prospective formations are in the Pennsylvanian section
- Fluid Bearing Formations
  - Potable water (Surface – 1500 feet below ground surface)
  - Brackish water (1500+ feet below ground surface)
  - Natural gas/condensate (~8000+ feet below ground surface)
- Drilling Fluids
  - Freshwater drilling fluids
    - Potable (TDS< 3,000 ppm) water-based, 8.3-8.6 ppg, viscosifiers and LCM additives
  - Brackish water drilling fluids
    - Non-potable (TDS>10,000 ppm) water-based fluids, 8.6-10.0 ppg, salt, lime, caustic soda, viscosifiers and LCM additives
  - Oil-based drilling fluids (OBM)
    - as needed in non-potable zones otherwise drilled with brackish water
  - Lost Circulation Materials (LCM)
    - As needed, LCM consisting of, but not limited to, cedar fibers, mica, drilling paper, graphite, walnut plug, cottonseed hulls and calcium carbonate may be introduced into the well bore to address any lost circulation zones encountered during drilling
- Wellhead Pressure Control (Blowout Prevention [BOP])
  - Wellhead BOP equipment is standard design for "tight gas" wells, as shown on Attachment A1
    - Maximum pressures for equipment (wellhead A section to be 11" 5,000 psi; wellhead B section to be 11" 10,000 psi; BOP with 11" 5,000 psi annular preventer; and Ram preventers with 11" 10,000 psi)
    - Maximum downhole pressures anticipated ~6500 psi
  - BOP testing procedures conducted by third party contractor upon installation

- Ram preventers to 10,000 psi and 250 psi; Annular preventer to 2500 psi and 250 psi, for 10 minutes and 5 minutes, respectively

### **Casing and Cementing Program**

- All casing run and set will be new and unused.
- Surface Casing
  - 14.75-inch diameter well bore, drilled to 1300 feet.
  - 10.75-inch diameter casing installed and cemented to surface
- Intermediate Casing
  - 9.875-inch diameter well bore, drilled to 5900 feet.
  - 7.625-inch diameter casing installed and cemented to 1000 feet
- Production Casing
  - 6.5-inch diameter well bore, drilled to 13674 feet.
  - 4.5-inch diameter casing installed and cemented to 5400 feet

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### **Well Completion**

- Casing Perforation
  - Perforate casing in prospective sand zones, using three shots per foot (spf), 120 degree, phased perforating guns
- Hydraulic Fracturing
  - Treat prospective sand zones with ceramic and/or sand proppant materials during hydraulic fracturing

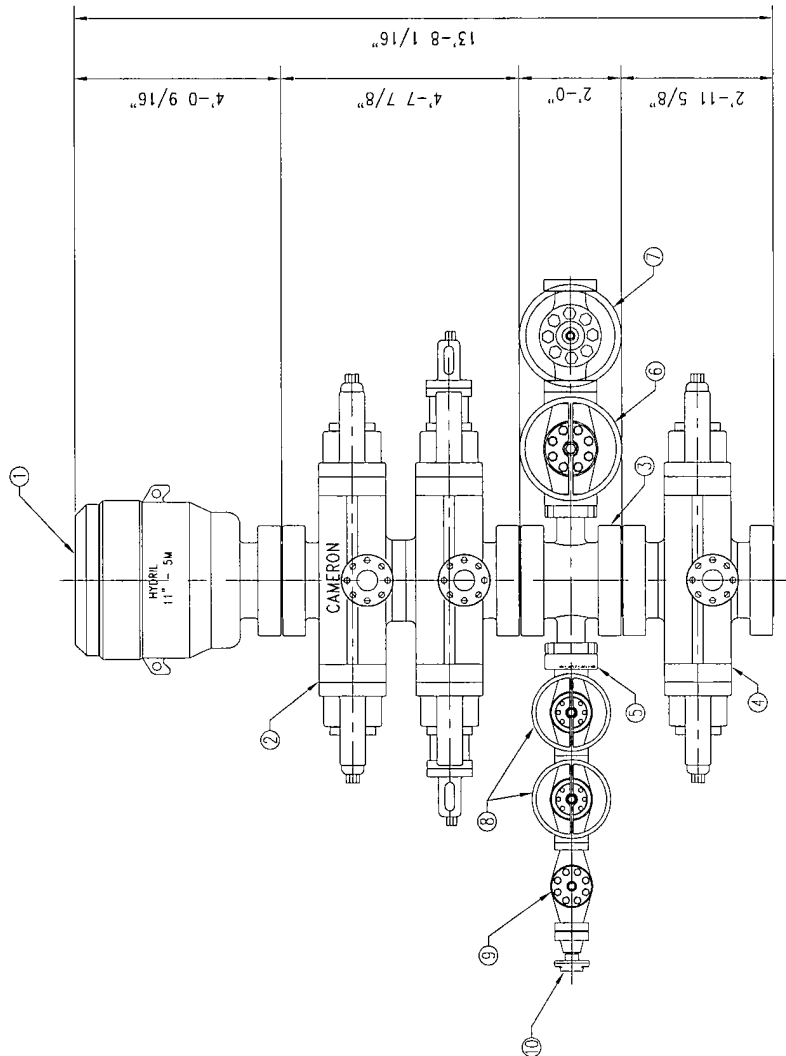
### **Logging and Testing**

- Lithologic Logging
  - Mudlogging (to TVD); Selective coring (whole and/or rotary sidewall)
- Wireline-Logging, including but not limited to:
  - Gamma Ray, Resistivity, Porosity, Neutron and Sonic data collection
- Flow Testing
  - Flow individual production zones for up to 14 days
  - Flow entire well for up to 120 days
  - Total flow testing period not to exceed 120 days, without additional approval

### **Water Supply for Drilling and Completions**

- One water well (minimum 5 1/2-inch and maximum 7-inch diameter casing) will be drilled on-site about 500 feet west of the well location, on the edge of the well site
  - A temporary appropriation of up to 3 acre feet (AF) of potable water will be obtained from the Office of State Engineer-District 7 (OSE) for production of potable water from the Santa Rosa aquifer
- Potable groundwater will also be available from the Webb CD-1 water well located on the Webb Ranch, about 3 miles from the well site
  - A temporary appropriation of up to 3 acre feet (AF) of potable water was previously approved by the Office of State Engineer-District 6 (OSE) for production of potable water from the Santa Rosa aquifer. This appropriation will expire in September 2009, and will be renewed with the OSE.
- Potable groundwater will be available from wells located on the Pajarito Ranch, about 22 miles from the well site
  - Pajarito Creek Ranch holds appropriations for more than 500 acre feet (AF) of potable groundwater, which may be sold for any and all uses.

BILL OF MATERIALS	
NO.	QTY
DESCRIPTION	
1	11" 5M GK SCREW HEAD ANNULAR B.O.P. w/10M BTM FLANGE
2	11" 10M TYPE U DOUBLE B.O.P. C/W 4 OFF 4 1/16" 10M FLANGED OUTLETS
3	11" 10M DRILL SPOOL FLG. x FLG. CW 2 OFF 4 1/16" 10M FLANGED OUTLETS, 24" FACE TO FACE
4	11" 10M TYPE U SINGLE B.O.P. C/W 2 OFF 4 1/16" 10M FLANGED OUTLETS (2)
5	1 DSA 4 1/16" 10M x 2 1/16" 10M
6	1 4 1/16" 10M MANUAL VALVE
7	1 4 1/16" 10M HCR VALVE
8	2 2 1/16" 10M MANUAL VALVE
9	1 2 1/16" 10M CHECK VALVE
10	1 2 1/16" 10M X 2" 1502 ADAPTER



ELEVATION

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NOTES:  
1. VALVE SEQUENCE FOR BOP STACK  
MOUNTED CHOKE LINE VALVES IS  
OPTIONAL (ITEMS 6 AND 7).

TITLE: COPYRIGHTED		RIG PAGE 750		B.O.P. STACK 11"-10M	
THIS DRAWING IS SHOWN TRUE SCALE ONLY WHEN PRINTED ON THIS SIZE PAPER		ERC	RC	P-750	B
NABORS		DR BY:	EES	SCALE:	NONE
		DATE:	11/21/2005	APP:	
		ER DWG:		755-04	

ISSUED FOR INFORMATION ONLY		02/07/07	EES	PB
DESCRIPTION		DATE	BY	APP.
REV.				
REF.				

THIS DOCUMENT AND THE INFORMATION CONTAINED HEREIN IS A CONFIDENTIAL DISCLOSURE. IT IS SHOWN TO YOUR COMPANY WITH THE UNDERSTANDING IT IS NOT TO BE REPRODUCED OR USED FOR ANY PURPOSE WITHOUT THE WRITTEN CONSENT OF NABORS INDUSTRIES.

## Latigo Ranch 3-3 Surface Use Plan

The well location, associated facilities and access roads will be constructed on fee surface, upon approval of the surface owner. Well site and access roads will be constructed to withstand the loads occurring during mobilization, placement and operation of drilling, completion and testing equipment. Construction activities will be conducted to minimize surface disturbances and to readily accommodate reclamation activities on disturbed areas.

**JAITH**

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### Existing Roads

- Access to Location
  - From the town of Cuervo, New Mexico
    - Drive north on County Road, about 5.9 miles (Topographic Map A)
    - Follow Pipeline Corridor road west toward Webb CD-1 well location, about 3.8 miles (Topographic Map A)
    - Follow Webb Ranch road north toward Webb CD-1 well location, about 1.8 miles (Topographic Map A)
    - From Webb Ranch road, turn west, follow improved two track road west, south, west and south, about 3.1 miles, to Latigo 3-5 well location
    - From Latigo 3-5 well location go south to pipeline road and turn east, follow pipeline road, about 1.3 miles, to Latigo 3-3 (Topographic Map B). Latigo 3-3 is southeast of Cuervo Hill, north of the pipeline road

### Roads to be Constructed/Maintained

- Improved Roads
  - County Road (maintained by Guadalupe County)
    - Constructed of compacted crushed aggregate and fill
- Two-Track Roads
  - Latigo Ranch and Webb Ranch Roads
    - Existing improved 2-Track road extends to Latigo 3-5 well location
      - Constructed of compacted crushed aggregate and fill
      - Culverts and/or rock-filled, low water crossings installed
    - Construct improved 2-Track road segment: north and approximately parallel to the Pipeline Corridor to Latigo 3-3 well location
      - Grade/crown road, placing crushed aggregate, as needed
      - Install culverts and/or rock-filled, low water crossings, as needed
    - Alternative to construct a 2-Track road segment: from near the Webb CD-1 well location to Latigo 3-3 well location, east of Cuervo Hill (Topographic Map B)
      - Grade/crown road, placing crushed aggregate, as needed
      - Install culverts and/or rock-filled, low water crossings, as needed

### **Well Site Layout**

- Well pad location and associated facilities are shown on Well Location, Latigo Ranch 3-3, Topographic Map A, and Topographic Map B
  - The staked well location and proposed access road are shown on Location Photos
  - Well location, water well, access roads, lined pits, above-ground tanks and temporary buildings, and storage areas are shown on Location Layout for Latigo Ranch 3-3

### **Water Supply**

- Water well will be drilled at a location about 500 feet west of the well location, on the edge of the well site

### **Existing Oil & Gas Wells**

- Webb CD-1 well, Webb Ranch 3-23 well, Latigo Ranch 2-34, and Latigo Ranch 3-5 wells are nearby

### **Existing and/or Proposed Facilities**

- Well Site Facilities
  - Located at well site at approximate locations shown on Location Layout for Latigo Ranch 3-3
- Temporary living quarters
  - Located at well site initially, possibly moved to other, more centrally located area in the near future

### **Storm Water Management Plan**

- Stormwater management and erosion control practices will be implemented during construction, operations and reclamation (Storm Water Prevention Plan [SWPP])

### **Waste Management and Disposal**

- Water-based drilling fluids (WBM), cuttings and other solids will be processed in a closed loop system; fluids will be re-used, solids will be transported for off-site disposal
- Oil-based drilling fluids (OBM), cuttings and other solids will be processed in a closed loop system; fluids will be re-used, solids will be transported for off-site disposal
- Oil-based drilling fluids (OBM) remaining after drilling will be shipped to the vendor, re-processed, and then used on subsequent drilling projects
- Other solid wastes will be accumulated and disposed of off-site at permitted landfill

### **Produced Water Management and Disposal**

- Produced water, and hydraulic fracturing fluids will be evaporated on-site; some fluids may be treated and re-used on-site or at other well locations. Concentrated waste fluids will be disposed of off-site at permitted disposal facility

### **Construction Materials**

- Fill material and Aggregate - obtained from local sources
- Top Soil - temporarily stockpiled at perimeter of well pad and along construction corridors for subsequent use during reclamation

### **Reclamation**

- Areas temporarily disturbed during construction, and well drilling, completion and testing will be reclaimed to original conditions, as soon as is practical and in consultation with the surface owner

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- Disturbed areas will be re-contoured to match existing topography
- Topsoil salvaged during construction activities will be spread to a minimum thickness of 6 inches
- Reclaimed areas will be planted with seed mixture recommended by local Soil Conservation Service and/or BLM staff, and approved by surface owner
- Areas disturbed during construction and subsequent oil & gas production will be reclaimed to original conditions, as soon after oil & gas production ceases as is practical, and in consultation with the surface owner

**Other Information**

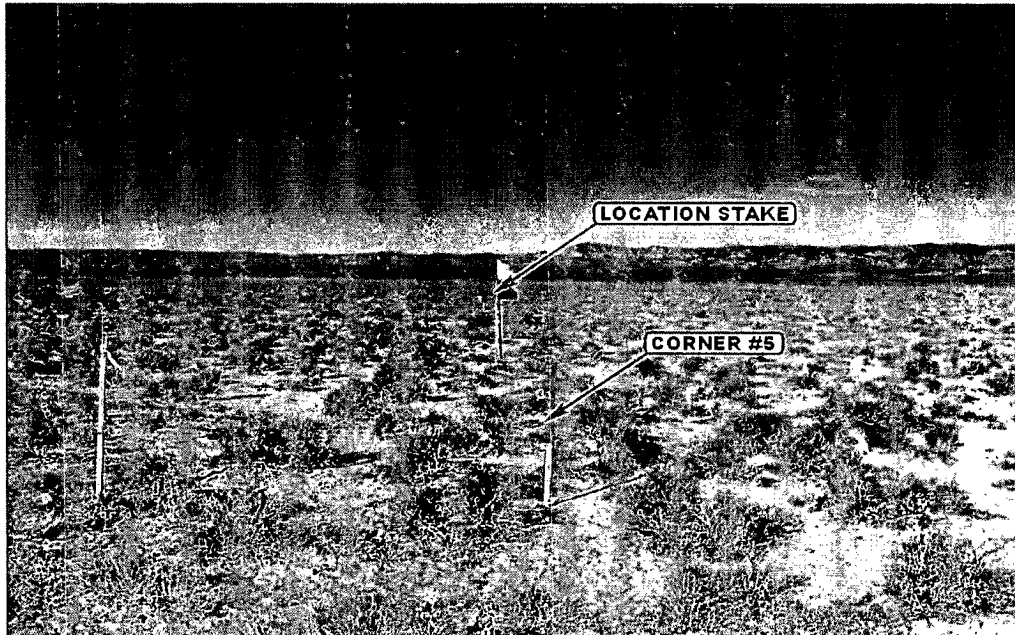
- Construction and operation of an oil & gas well in Guadalupe County, New Mexico does not require a special use permit or waiver from the County

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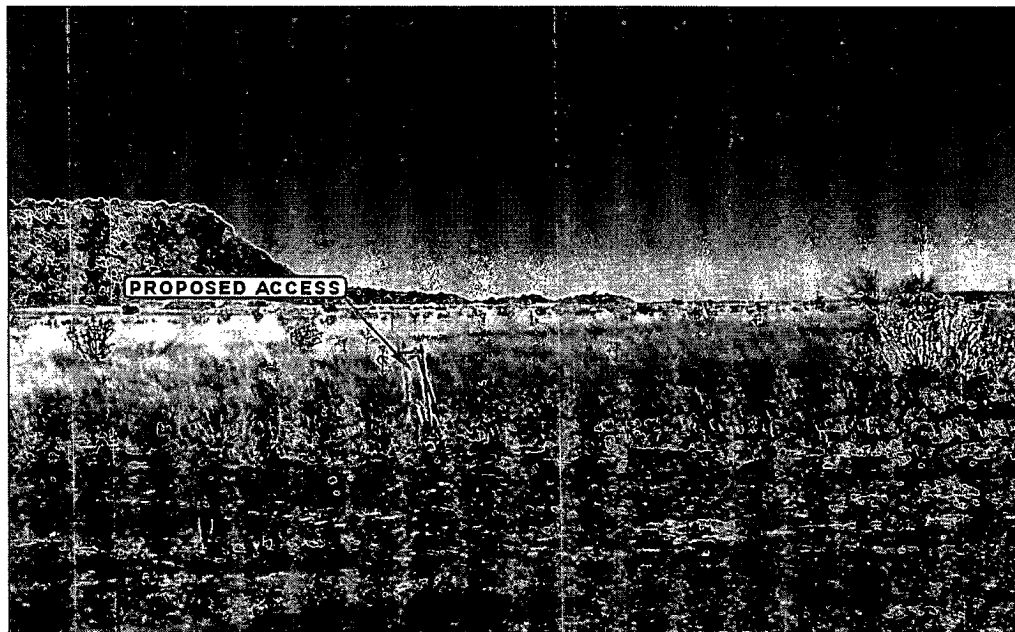
**SWEPI**  
**LATIGO RANCH #3-3**  
**LOCATED IN GUADALUPE COUNTY, NEW MEXICO**  
**SECTION 3, T10N, R23E, N.M.P.M.**

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**PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE**

**CAMERA ANGLE: SOUTHERLY**



**PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS**

**CAMERA ANGLE: EASTERLY**



- Since 1964 -



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**LOCATION PHOTOS**

**12 17 08**  
MONTH DAY YEAR

**PHOTO**

**TAKEN BY: N.H.**

**DRAWN BY: J.H.**

**REV: 01-27-09 L.K.**

SWEPI

T10N, R23E, N.M.P.M.  
(ASSUMED)

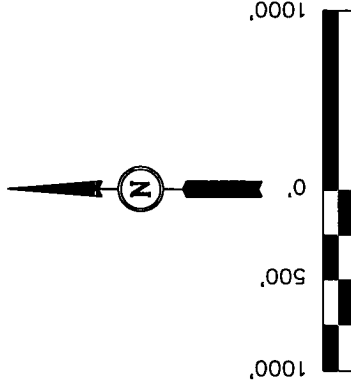
Well location, LATIGO RANCH #3-3, located as shown in T10N, R23E, N.M.P.M., Guadalupe County, New Mexico.

BASIS OF ELEVATION

HILL TRIANGULATION STATION LOCATED IN T10N, R23E, N.M.P.M. TAKEN FROM THE CUERVO QUADRANGLE, NEW MEXICO, GUADALUPE COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5356 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAID ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*William J. Marshall*  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 12446  
STATE OF NEW MEXICO  
SOA J. MARSHALL

REVISED: 01-27-09  
REVISED: 12-17-08

UNTAH ENGINEERING & LAND SURVEYING  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 3000'	03-03-08	03-12-08
PARTY	REFERENCES	
B.B. M.A. L.K.	G.L.O. PLAT	
WEATHER	FILE	
COLD	SWEPI	

PRESTON BECK  
LAND GRANT LINE

DASHED GRID LINES ON THIS PLAT HAVE BEEN PROJECTED FROM SURVEY MONUMENTS FOUND EAST OF PRESTON BECK LAND GRANT LINE. FOOTAGES TO GRID LINES WITHIN LAND GRANT ARE APPROXIMATE.

Set Marked Stone,  
NW-SE Fenceline  
Lat 35.143561  
Long 104.473311

S28°10'33"E - 7653.78' (Meas.)

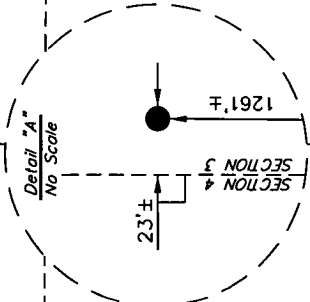
Set Marked Stone,  
NW-SE Fenceline  
Lat 35.125028  
Long 104.467233

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(Apprx.)  
SEC. 3

LATIGO RANCH #3-3  
LAT 35.118108  
LONG 104.496450

SEE REVISION



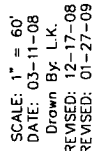
T11N  
T10N

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

## LOCATION LAYOUT FOR

LATIGO RANCH #3-3  
SECTION 4, T10N, R23E, N.M.



**NOTE:**  
Flare Pit is to  
be located a min.  
of 100' from the  
Well Head.

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Total Pit Volume  
= 84,430 Bbl/s. ±  
21,130 Cu. Yds.

Elev. Ungraded Ground at Location Stake = 4674.5'

**NOTE:**

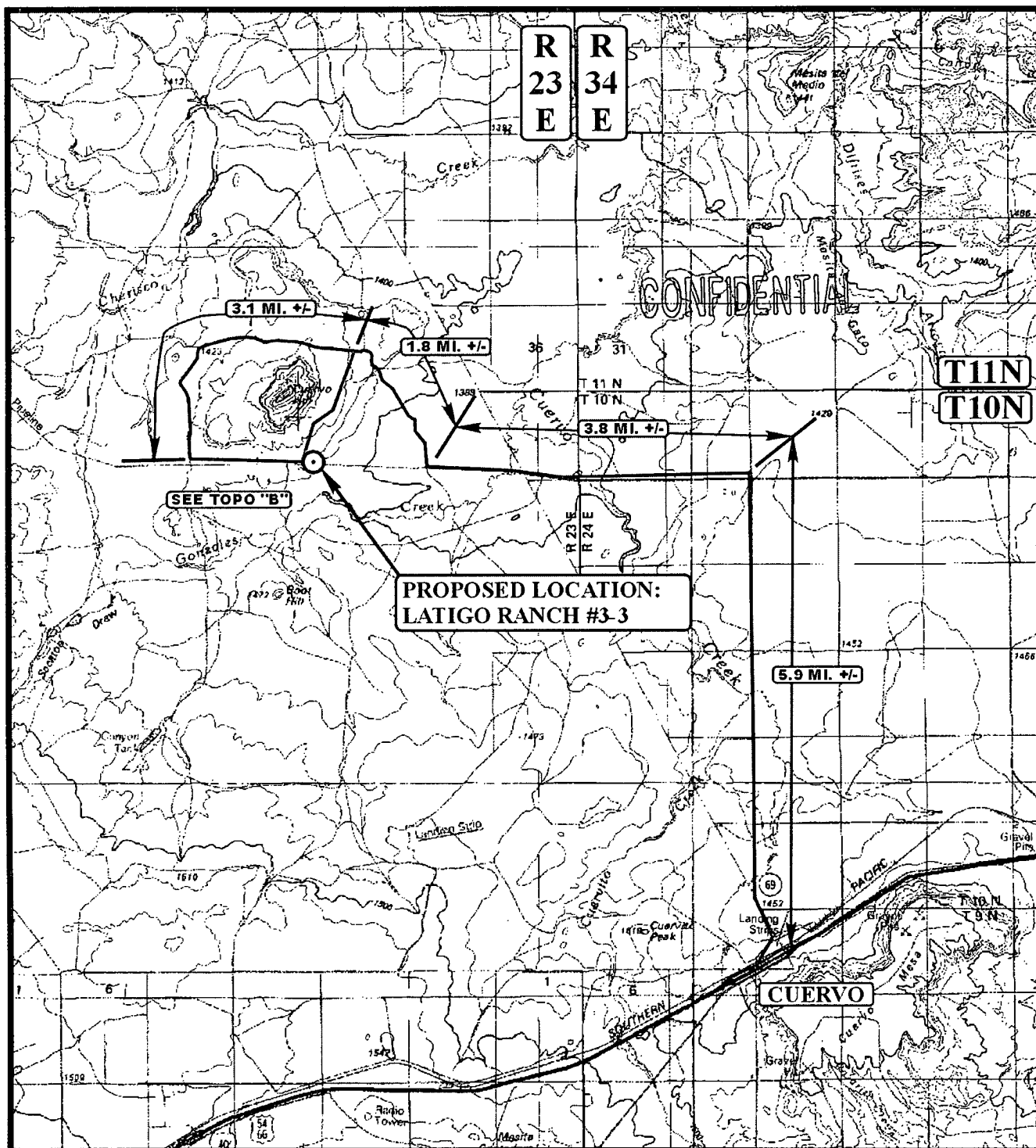
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

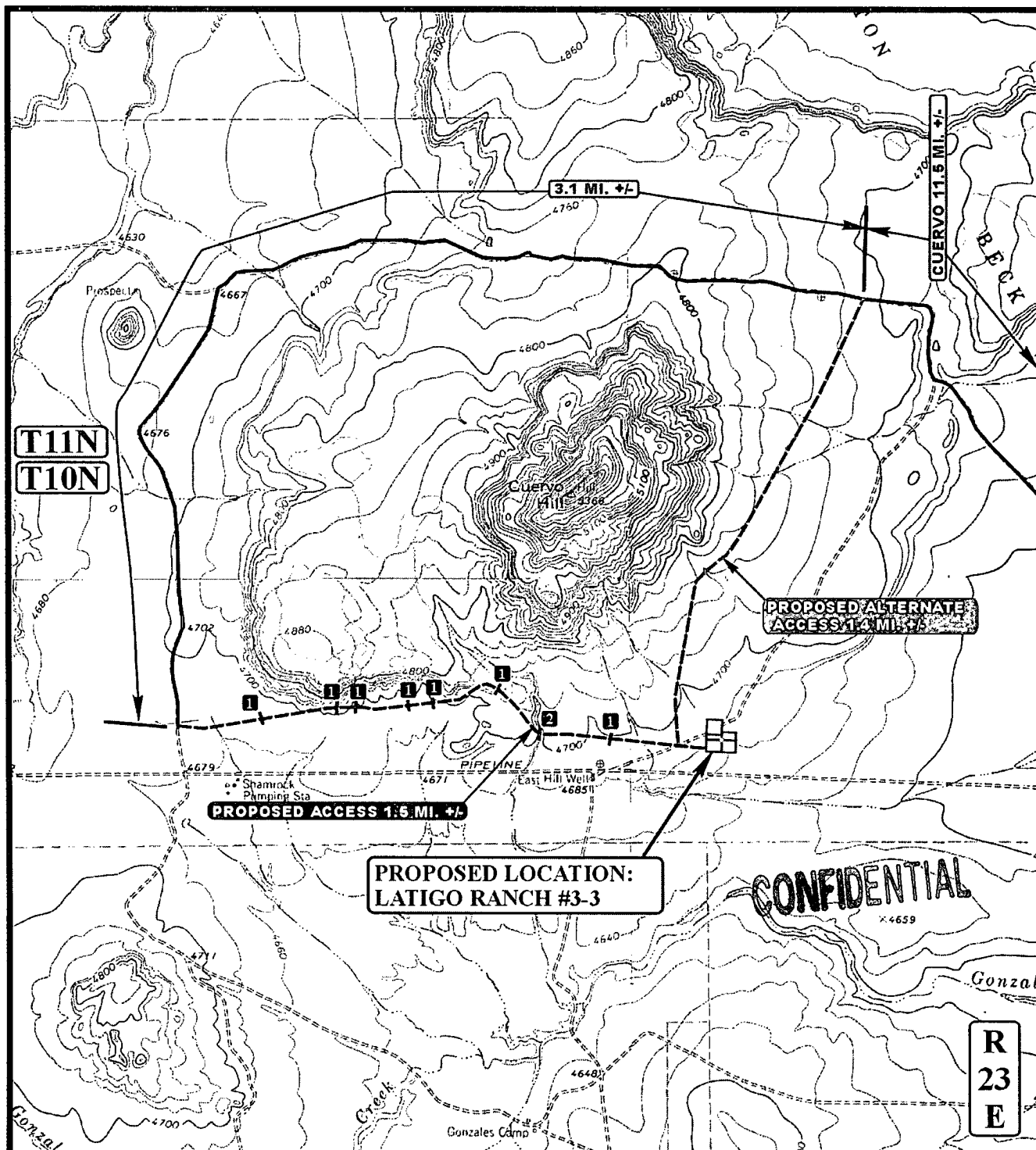
**NOTE:**  
FILL QUANTITY INCLUDES  
5% FOR COMPACTION

APPROXIMATE YARDAGES

12") Topsoil Stripping	=	7,290 Cu. Yds.		EXCESS MATERIAL	=	30,353.0 Cu. Yds.
Remaining Location				Topsoil & Pit Backfill (1/2 Pit Vol.)	=	17,860 Cu. Yds.
				EXCESS UNBALANCE (After Interim Rehabilitation)	=	12,490 Cu. Yds.
TOTAL CUT	=	43,130 CU.YDS.				
FILL	=	12,780 CU.YDS.				

NAD 83 (SURFACE LOCATION)  
 LATITUDE = 35°07'03.19" (35.118108)  
 LONGITUDE = 104°29'47.22" (104.498450)  
 NAD 27 (SURFACE LOCATION)  
 LATITUDE = 35°07'04.99" (35.118053)  
 LONGITUDE = 104°29'45.28" (104.495911)





# LEGEND:

- EXISTING ROAD
- - - PROPOSED ACCESS ROAD
- 1 18" CMP REQUIRED
- 2 LOW WATER CROSSING



# SWEPI

LATIGO RANCH #3-3  
SECTION 3, T10N, R23E, N.M.P.M.  
LAT 35°07'05.19" LONG 104°29'47.22"



Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC  
MAP

12 17 08  
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.H. REV: 01-27-09 L.K.



SEE REVISION

District I  
1625 N. French Dr., Hobbs, NM 88240  
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1301 W. Grand Avenue, Artesia, NM 88210  
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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 October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-019-20138		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code 37165	<sup>5</sup> Property Name Singleton Properties LLC		<sup>6</sup> Well Number Latigo 3-3
<sup>7</sup> OGRID No. 250036	<sup>8</sup> Operator Name SWEPI LP		<sup>9</sup> Elevation 4674.0 graded

<sup>10</sup> Surface Location

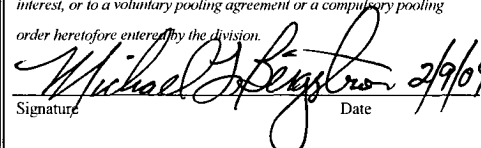
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	3	10N	23E		1261+/-	South	23+/-	West	Guadalupe

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 160.00	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<sup>16</sup> See Attached Map - Well Location, Latigo Ranch #3-3	CONFIDENTIAL			<sup>17</sup> <b>OPERATOR CERTIFICATION</b> 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.  Signature _____ Date 2/9/09 Michael L. Bergstrom Printed Name
				<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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.
				Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____

SEE REVISED FOOTAGES

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-144  
June 1, 2004

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

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: SWEPI LP Telephone: (303) 222-6347 e-mail address: michael.bergstrom@shell.com  
Address: P.O. Box 567, Houston, TX 77001 (Local contact: Shell Exploration & Production Company, 4582 S. Ulster St. Pkwy., Suite 1400, Denver, CO 80237)  
Facility or well name: Latigo Ranch 3-3 API #: 30-019-20138 U/L or Qtr/Qtr K Sec 3 T 10N R 23E  
County: Guadalupe Latitude 35.118108 Longitude 104.496450 NAD: 1927 ☐ 1983 ☒  
Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐

**Pit**

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☒ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 20 mil Clay ☐

Pit Volume 84,430 bbl

**Below-grade tank**

Volume:        bbl Type of fluid:       

Construction material:       

Double-walled, with leak detection? Yes ☐ If not, explain why not.       

**CONFIDENTIAL**

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

**( 0 points)**

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

**( 0 points)**

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

**( 0 points)**

**Ranking Score (Total Points)**

**0**

**If this is a pit closure:** (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility       . (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface        ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

**See Attached Map - Location Layout for Latigo 3-3, for proposed design and specifications for pits.**

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 2/9/2009

Printed Name/Title Michael L. Bergstrom

Signature Michael L. Bergstrom

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title       

Signature       

Date:       

SEE REVISION