

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87505 (505) 466-8120

January 19, 2000

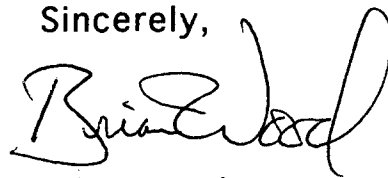
Mike Stogner
NM Oil Conservation Div.
2040 S. Pacheco St.
Santa Fe, NM 87505

Dear Mike,

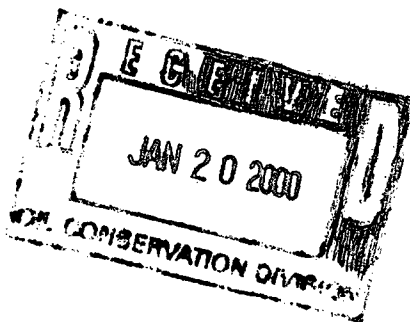
On behalf of Trend Exploration, I am enclosing an application for a non-standard location based on 3-D seismic. Because of the proprietary nature of the seismic data, I ask that isochron map be kept confidential. I will provide evidence of notification once the green cards are returned to me.

Please call me if you have any questions.

Sincerely,


Brian Wood

cc: Buchanon
OCD-Hobbs



REQUEST FOR ADMINISTRATIVE APPROVAL FOR NON-STANDARD LOCATION
FOR TREND EXPLORATION I, LLC
PENJU #1 OIL WELL
4135' FSL & 2318' FEL SEC. 2, T. 16 S., R. 36 E., LEA COUNTY, NM

I. The well is on private surface and a private oil and gas lease. The proposed location is non-standard for the Lovington Penn NE (aka, Northeast Lovington-Pennsylvania Pool). Standard location must be within 150' of the center of a quarter-quarter. Well is 335' too far south and 188' too far west. (Closest standard location would be 4470 FSL and 2130 FEL.) The APD is attached.

II. A C-102 showing the well location and proration unit (Lots 10 and 15 of Sec. 2 which totals 80.00 acres) is attached. A General Land Office survey plat is also attached which shows Section 2 (boldly outlined). The lease (Lots 9, 10, 15, and 16 = 160.00 acres) is shown on the attached **CONFIDENTIAL** 3-D isochron map.

III. According to NM Oil Conservation Records, there is no production from the Strawn within a mile radius. A copy of the Lovington 7.5' USGS map is attached showing the proposed well site, spacing units (dashed lines), and lease (thick solid line). There is only one lease within a minimum 322' radius. Trend is the operator of all oil and gas interests in its private lease. A registered letter was sent on January 19 to the offset interest owners. A copy of the receipt and letter will be provided.

IV. A copy of the Lovington 7.5' USGS map is attached. The proposed well site is marked. Proration unit (80 acre stand up including Lots 10 and 15) are marked by dashed lines.

V. Trend selected its location based on a 3-D seismic survey. A standard drilling window does not overlap the optimum top of the indicated reservoir (see attached **CONFIDENTIAL** isochron map from the seismic survey).

VI. No archaeology sites were found.

VII. Surface conditions are not an issue.

VIII. Directional drilling is not feasible because it is not cost effective.

IX. I hereby certify that notice has been sent to the following lessees, lessors, operators of spacing units, or owners of undrilled leases which adjoin the applicant's spacing unit on one or more of the two sides or the single closest corner to the proposed well and that the information is current and correct:

Anson Energy Corp.
BankOne Texas as Trustee for Garrett, Goodrich, & Malloy
Chesapeake Operating Inc.
ExxonMobil
First Nat'l. Bank of Brownfield as Trustee for Brownfield
Goodrich, Robert R.
Malloy, John F. & as agent Malloy, Malloy, & Malloy
Manzano Oil Corp.
Naruna Company

Brian Wood, Consultant, 1-19-00
Signature, Title, & Date

STATE OF NEW MEXICO)
) SS:
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 19 day of January 2000 by Brian Wood. Witness my hand and official seal.

Kathryn K. Wood
Notary Public
My Commission Expires: 09/07/03
Business Address: 37 VERANO LOOP, SANTA FE, NM 87505

OFFICIAL SEAL
KATHRYN K. WOOD
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires: 09/07/03

cc: Buchanon, Hobbs OCD

DISTRICT I
P.O. Box 1888, Hobbs, NM 88241-1888

DISTRICT II
P.O. Drawer 12, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brases Rd., Asteo, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 40760	Pool Name LOVINGTON PENN NE
Property Code	Property Name PENJU	Well Number 1
OCRD No. 185245	Operator Name TREND EXPLORATION COMPANY	Elevation 3894

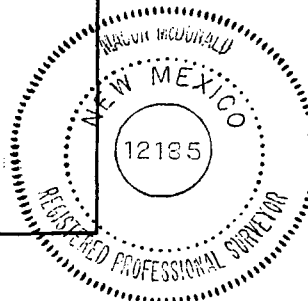
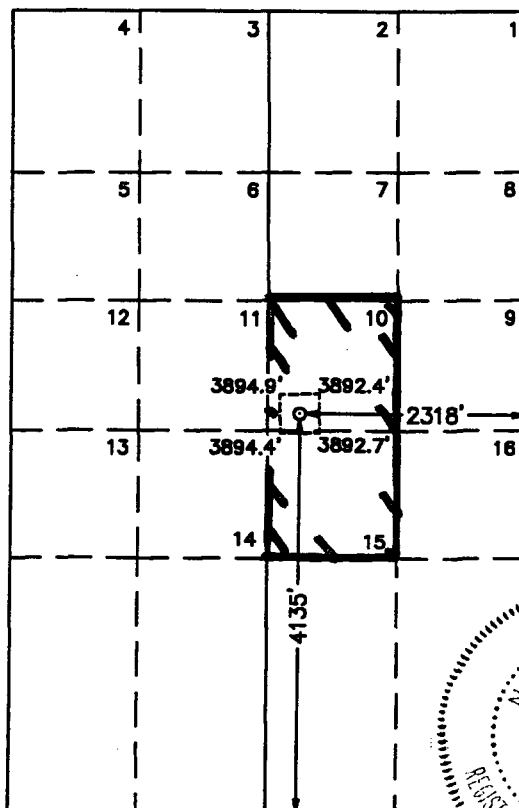
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
10	.2	.16 S	.36 E		4135	SOUTH	2318	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
Dedicated Acres	Joint or Infill	Consolidation Code	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 the the information
contained herein is true and complete to the
best of my knowledge and belief.

Brian Wood
Signature

BRIAN WOOD
Printed Name

CONSULTANT
Title

JAN. 19, 2000
Date

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.

December 8, 1999

Date Surveyed
Signature & Seal of
Professional Surveyor

Macon McDonald
W.O. Num. 99-21-0544

Certificate No. MACON McDONALD 12185
RONALD J. EIDSON 3239
GARY EIDSON 12641

PU BOX 1980, MIDLAND, NM 88201-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

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

Operator Name and Address. Trend Exploration I, LLC 500 N. Loraine, Suite 1130, Midland, Tx. 79705		OGRID Number API Number 30 - 0
Property Code	Property Name Penju	Well No. #1

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
10*	2	16s	36e		4135	South	2318	East	Lea

8 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

9 Proposed Pool 1

Lovington Penn NE (Strawn)

10 Proposed Pool 2

11 Work Type Code N	12 Well Type Code O	13 Cable/Rotary R	14 Lease Type Code P	15 Ground Level Elevation 3894'
16 Multiple No	17 Proposed Depth 12,000'	18 Formation Strawn	19 Contractor .	20 Spud Date 3-1-00

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	48	400'	440 sx	Surface
11"	8-5/8"	32	4,700'	1430 sx	Surface
7-7/8"	5-1/2"	17	12,000'	550 sx	8,000'

** 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.

Will use 5000# BOP and run CNL-FDC, Dual Induction, Sonic, and Dipmeter logs.

*Applying for a non-standard location.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Brian Wood

Printed name:

Brian Wood

Title

Consultant

Date

January 19, 2000

Phone

(505) 466-8120

OIL CONSERVATION DIVISION

Approved by:

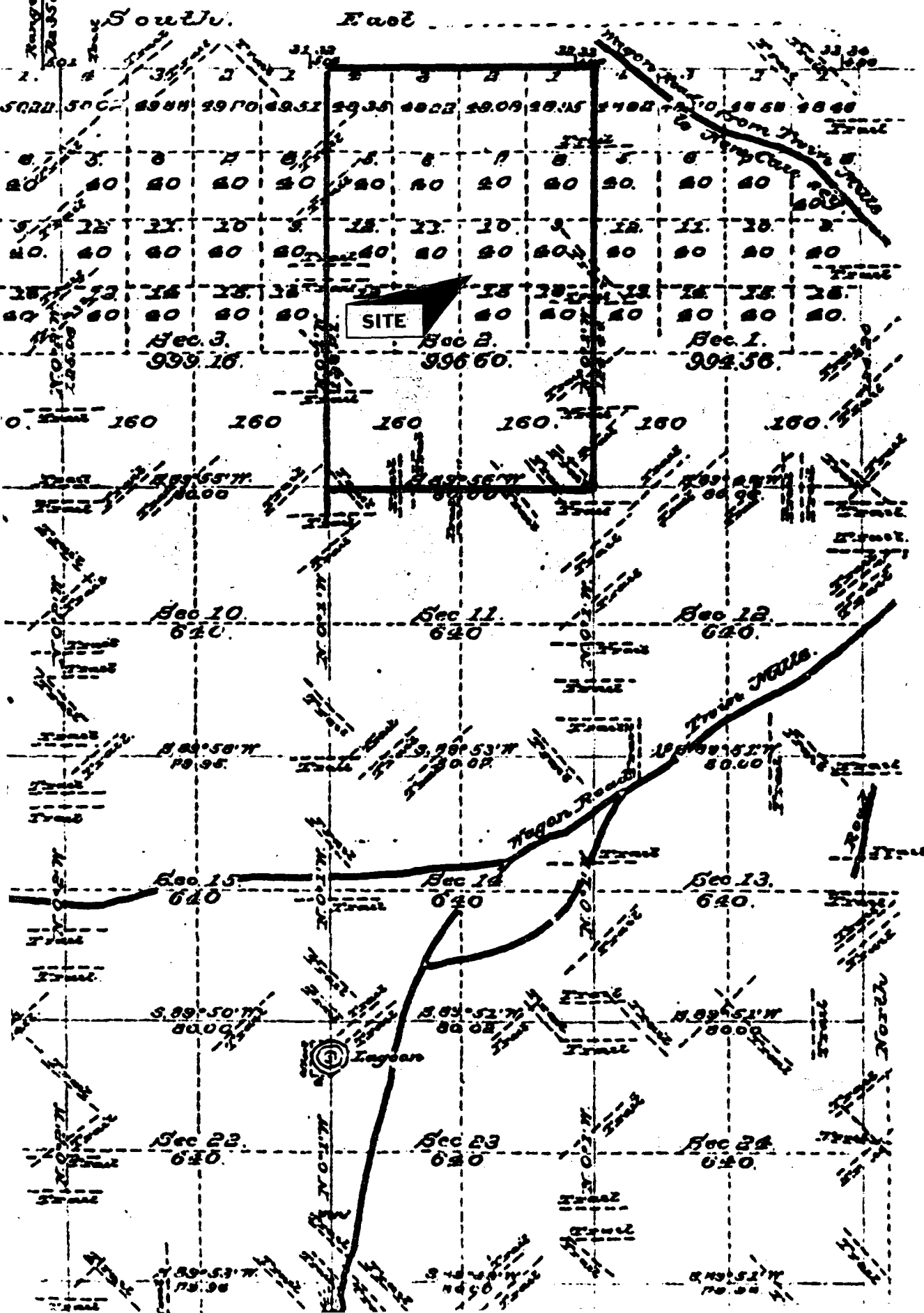
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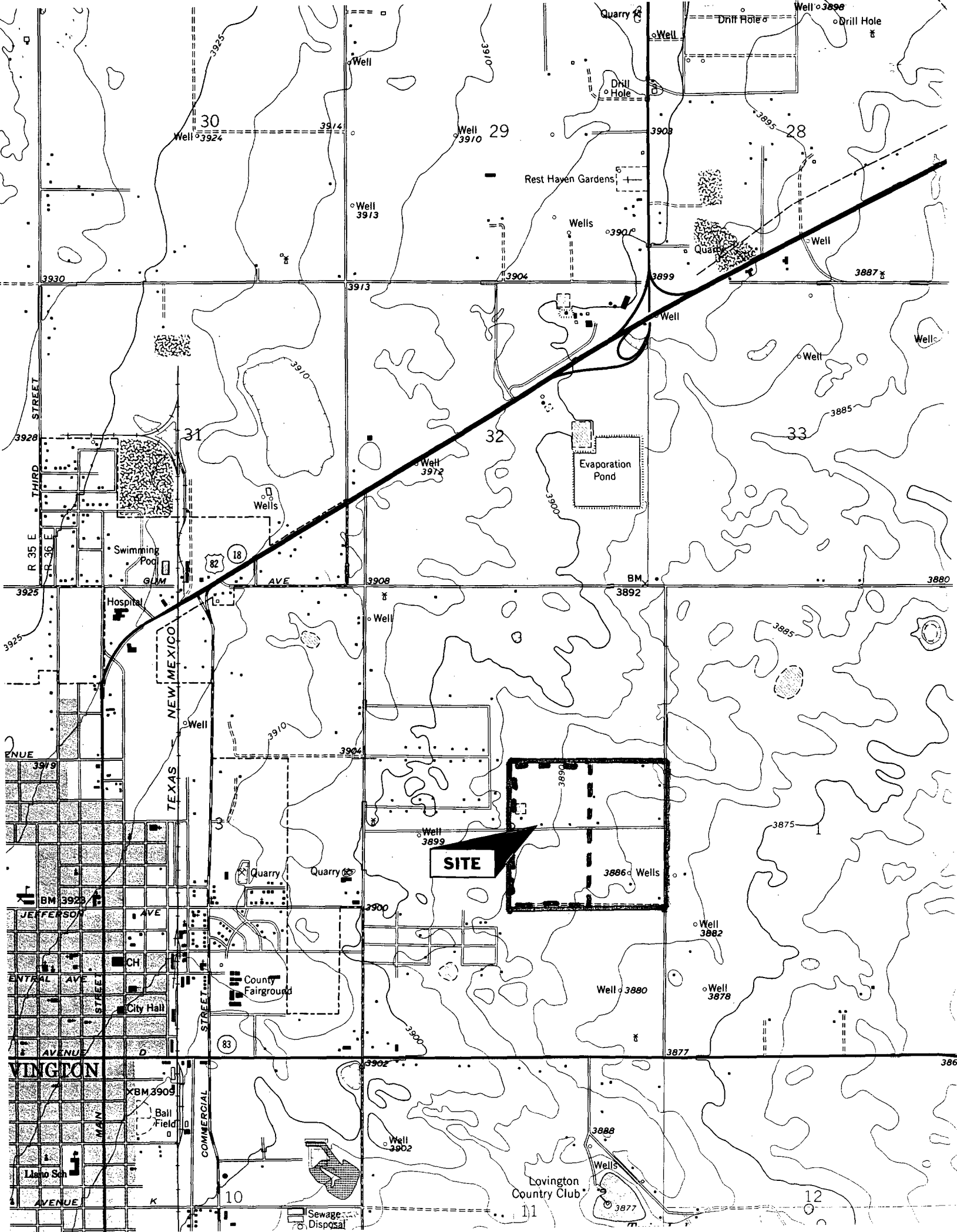
Approval Date:

Expiration Date:

Conditions of Approval
Attached ☐

1433838 A.





January 19, 2000

Land Dept.
Anson Energy Corp.
P. O. Box 24060
Oklahoma City, Ok. 73124

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Trend Exploration I, LLC is applying to drill the Penju #1 oil well. Standard location must be within 150' of the center of a quarter-quarter. The well is 335' too far south and 188' too far west to qualify as a standard location. (Closest standard location is 4470 FSL and 2130 FEL.)

Well Name: Penju #1

Proposed Producing Zone: Strawn

Location: 4135' FSL & 2318' FEL Sec. 2, T. 16 S., R. 36 E.,
Lea County, NM on a private lease

Approximate Locations: ≈1 miles east of Lovington, NM

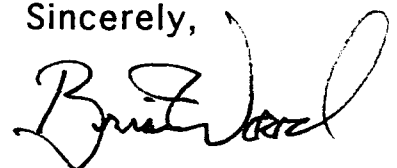
Applicant Name: Trend Exploration I, LLC (915) 687-3888

Applicant's Address: 500 North Loraine, Suite 1130, Midland, Tx. 79705

Submittal Information: Application for a non-standard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 2040 S. Pacheco, Santa Fe, NM 87504. Their phone number is (505) 827-7131.

Please call me if you have any questions.

Sincerely,



Brian Wood

January 19, 2000

Trustee for Gavin R. Garrett Mineral Agency
Trustee for Goodrich Marital Deduction Trust #1
Trustee for Goodrich Family Trust #2
Trustee for Malloy Trust
BankOne Texas N.A.
P.O. Box 2605
Ft. Worth, Tx. 76113

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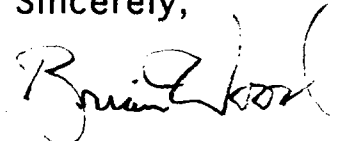
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Sincerely,



Brian Wood

January 19, 2000

Trustee of Allie Brownfield Trust
Trustee of A. R. Brownfield Estate
First National Bank of Brownfield
P. O. Box 1067
Brownfield, Tx. 79316

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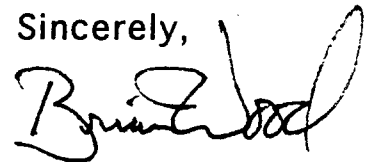
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Please call me if you have any questions.

Sincerely,



Brian Wood

January 19, 2000

Land Dept.
Chesapeake Operating Inc.
P. O. Box 18496
Oklahoma City, Ok. 73154

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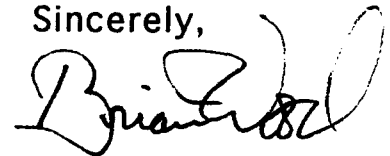
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Please call me if you have any questions.

Sincerely,



Brian Wood

January 19, 2000

Glen Cox
Land Dept.
ExxonMobil
P. O. Box 4697
Houston, Tx. 77210-4697

Dear Glen,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Trend Exploration I, LLC is applying to drill the Penju #1 oil well. Standard location must be within 150' of the center of a quarter-quarter. The well is 335' too far south and 188' too far west to qualify as a standard location. (Closest standard location is 4470 FSL and 2130 FEL.)

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Lea County, NM on a private lease

Approximate Locations: ~1 miles east of Lovington, NM

Applicant Name: Trend Exploration I, LLC (915) 687-3888

Applicant's Address: 500 North Loraine, Suite 1130, Midland, Tx. 79705

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Please call me if you have any questions.

Sincerely,



Brian Wood

January 19, 2000

Robert Goodrich
640 Camp Bowie Blvd., Suite 67
Ft. Worth, Tx. 76116

Dear Mr. Goodrich:

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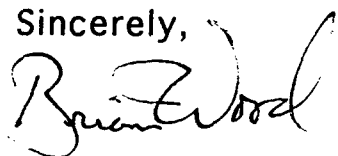
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Please call me if you have any questions.

Sincerely,

Brian Wood

January 19, 2000

John F. Malloy, individual
and as agent and attorney-in-fact for
John Goodrich Malloy, Paul Malloy, & Margaret Cecilia Malloy
301 Northwest 63rd, Suite 510
Oklahoma City, Ok. 73116

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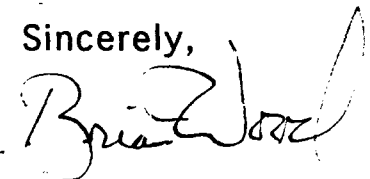
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Sincerely,



Brian Wood

January 19, 2000

Land Dept.
Manzano Oil Corp.
P. O. Box 2107
Roswell, NM 88202

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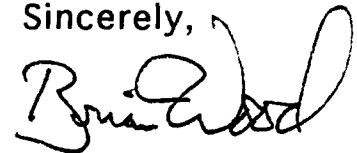
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Sincerely,



Brian Wood

January 19, 2000

Land Dept.
Naruna Company
500 Throckmorton, Suite 2402
Ft. Worth, Tx. 76102

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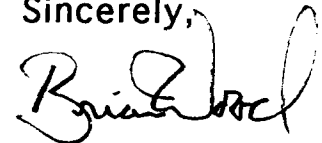
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Sincerely,



Brian Wood

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

02/14/00 15:31:30
OGOMES -TPMT
PAGE NO: 1

Sec : 02 Twp : 16S Rng : 36E Section Type : LONG

12	4	5	11	3	6	10	2	7	1	8	9	
40.00	49.35	40.00	40.00	49.22	40.00	40.00	49.08	40.00	48.95	40.00	40.00	
Federal owned			Federal owned			CS			CS	CS		
						E03003 0001			OPEN			
						MOBIL PRODUCING T			State part owner			
						10/10/59						
13			14			15			16			
40.00			40.00			40.00			40.00			
Federal owned			Federal owned			Federal owned			Federal owned			

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12