

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____

*API PENDING
 State N # 2
 Alamo Permian
 Resources*

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or
- [F] Waivers are Attached

RECEIVED OGD
 2013 MAR 11 PM 3:42

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

CARIE STOKER
 Print or Type Name

Carie Stoker
 Signature

Regulatory Affairs Coord 3/11/13
 Title Date

estoker@helsoil.com
 e-mail Address



March 8, 2013

Emailed

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG
Division Director

Re: Application for Unorthodox Well Location
State N #002
1060' FSL & 1600' FWL (Unit N)
Section 8, T-18 South, R-28 East, NMPM
Eddy County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.15.13, Alamo Permian Resources, LLC, ("Alamo") respectfully requests administrative approval of an unorthodox oil well location for its proposed State N #002. This well will initially be drilled as a development oil well in the Artesia; Q-GB-SA Pool 3230 at an unorthodox well location 1060 feet from the South line and 1600 feet from the West line (Unit N) of Section 8, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico. The well will be dedicated to an existing 40-acre spacing and proration unit in the Artesia; Q-GB-SA Pool 3230 comprising the SE/SW of Section 8. This unit is currently dedicated in the Artesia; Q-GB-SA Pool 3230 to Alamo's State N #001 (API No. 30-015-02643).

The Artesia; Q-GB-SA Pool 3230 Pool is currently governed by Division Rule 19.15.15.9 which requires standard 40 acre oil spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit.

As shown on the attached aerial map, there are buried gas lines within the SE/SW of Section 8 that preclude drilling at a legal distance from the North line of this 40-acre tract. Relocating this well to the East or South side of the buried lines is unacceptable because this would place the well too close to existing wells in Unit O and Unit N. The proposed unorthodox location is necessary in order to maintain a safe distance from the buried gas line and Alamo's existing State N #001 well.

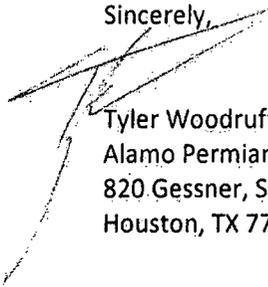
The affected offset acreage comprises the SW/SW, NE/SW, and NW/SW of Section 8. Alamo currently operates numerous wells within the affected offset tracts that produce from the Artesia; Q-GB-SA Pool 3230. Please note that the working interest ownership between the drill tract and the three affected offset tracts is common. Consequently, notice of this application is not required to any party.

Attached is a Form C-102 showing the proposed well and an aerial map showing the buried gas lines and other existing wells in the spacing unit.

In summary, approval of the application will provide Alamo the opportunity to recover additional oil and gas reserves from the Artesia; Q-GB-SA Pool 3230 underlying the SE/SW of Section 8 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

If you should have any questions, please call me at 832-657-8005.

Sincerely,



Tyler Woodruff
Alamo Permian Resources, LLC.
820 Gessner, Suite 1650
Houston, TX 77024

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
511 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 743-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 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

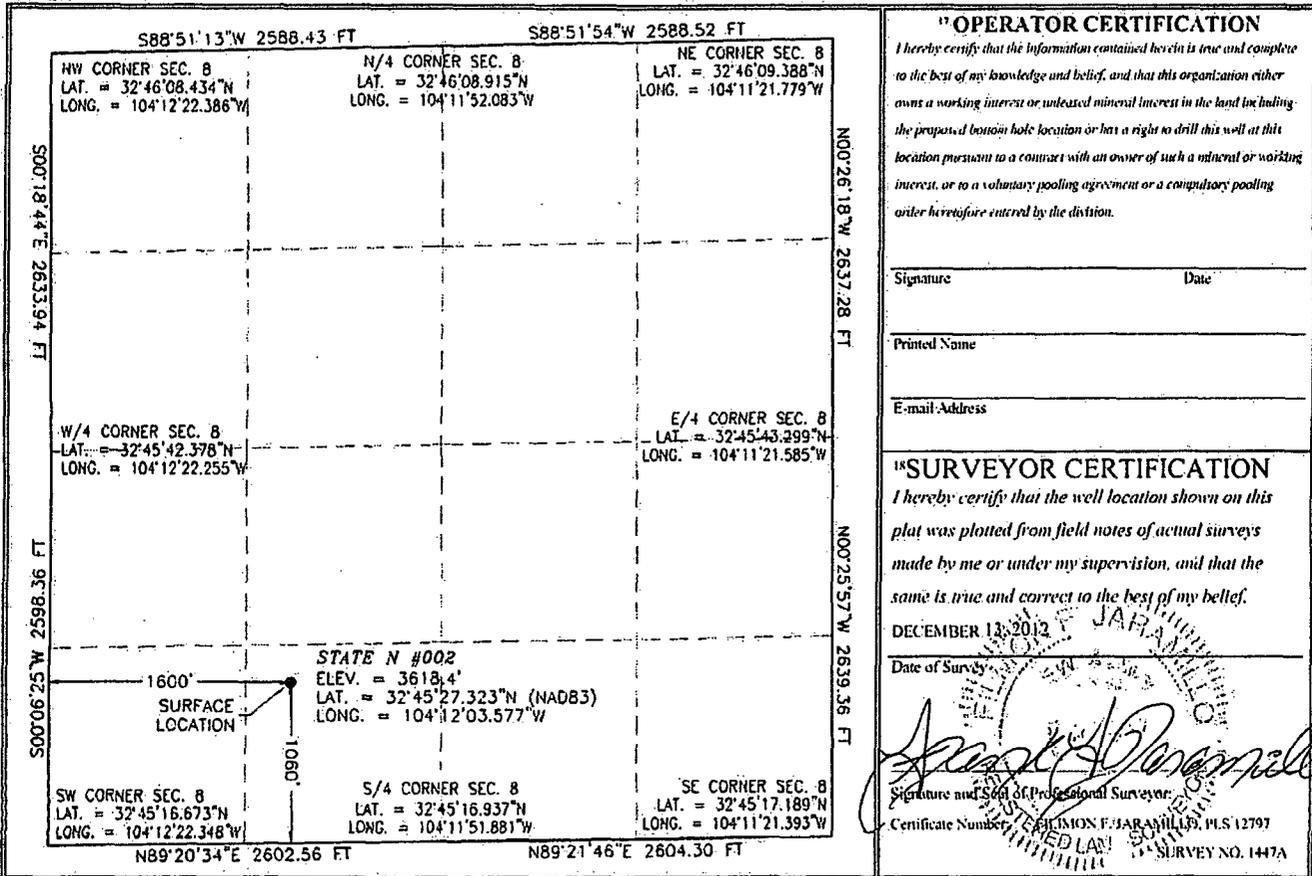
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

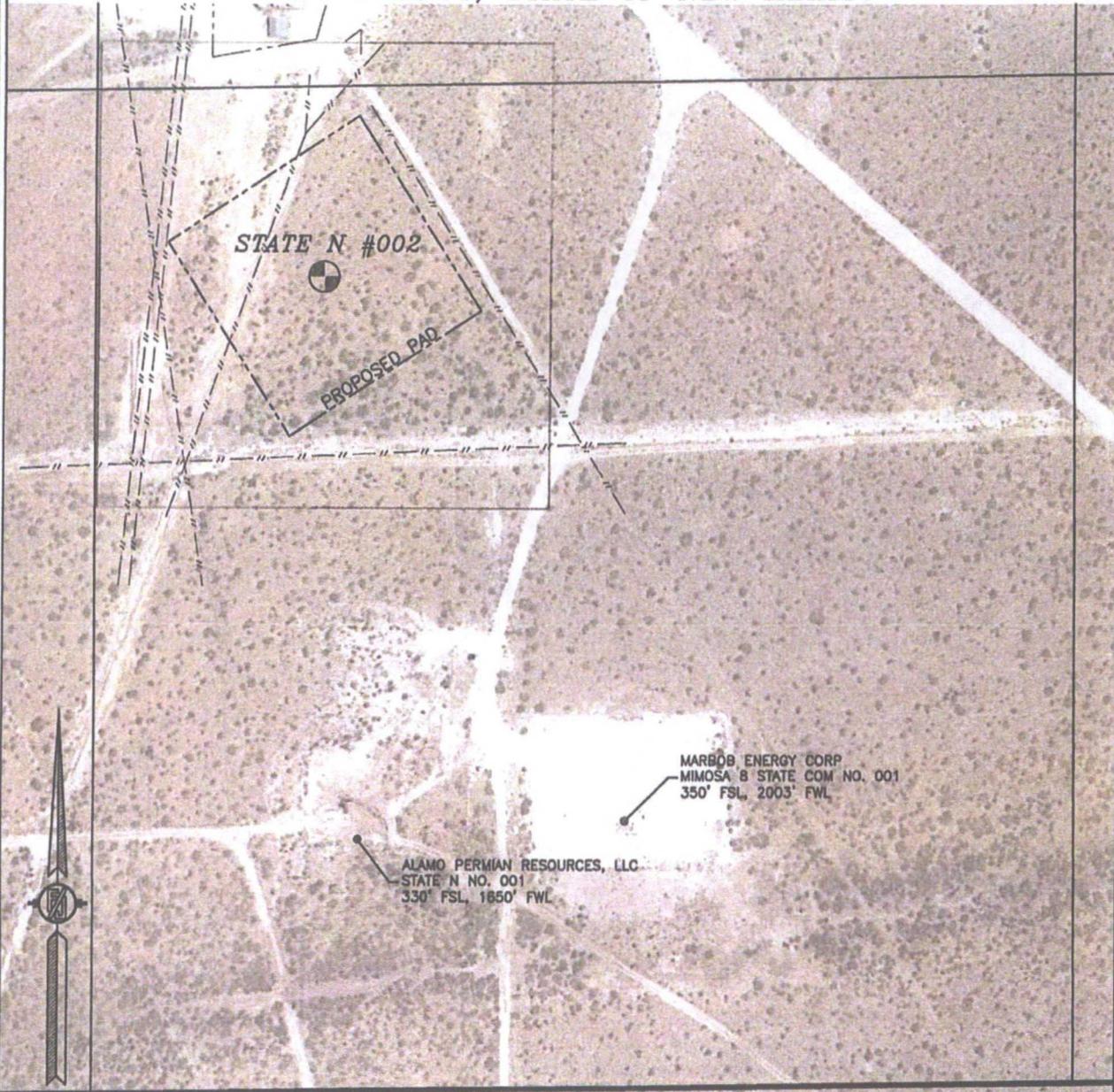
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-41186		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name STATE N			⁶ Well Number 002				
⁷ OGRID No. 274841		⁸ Operator Name ALAMO PERMIAN RESOURCES, LLC			⁹ Elevation 3618.4				
¹⁰ Surface Location									
UL or lot no. N	Section 8	Township 18 S	Range 28 E	Lot Idn	Feet from the 1060	North/South line SOUTH	Feet from the 1600	East/West line WEST	County EDDY
¹¹ 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
¹² Dedicated 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.



SECTION 8, TOWNSHIP 18 SOUTH, RANGE 28 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO



AERIAL PHOTO: 020 100 200 300
 GOOGLE EARTH
 JUNE 2011
 SCALE 1" = 200'

UNIT N - SE/4 SW/4
 SECTION 8, TOWNSHIP 18 SOUTH,
 RANGE 28 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

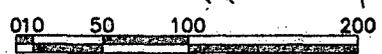
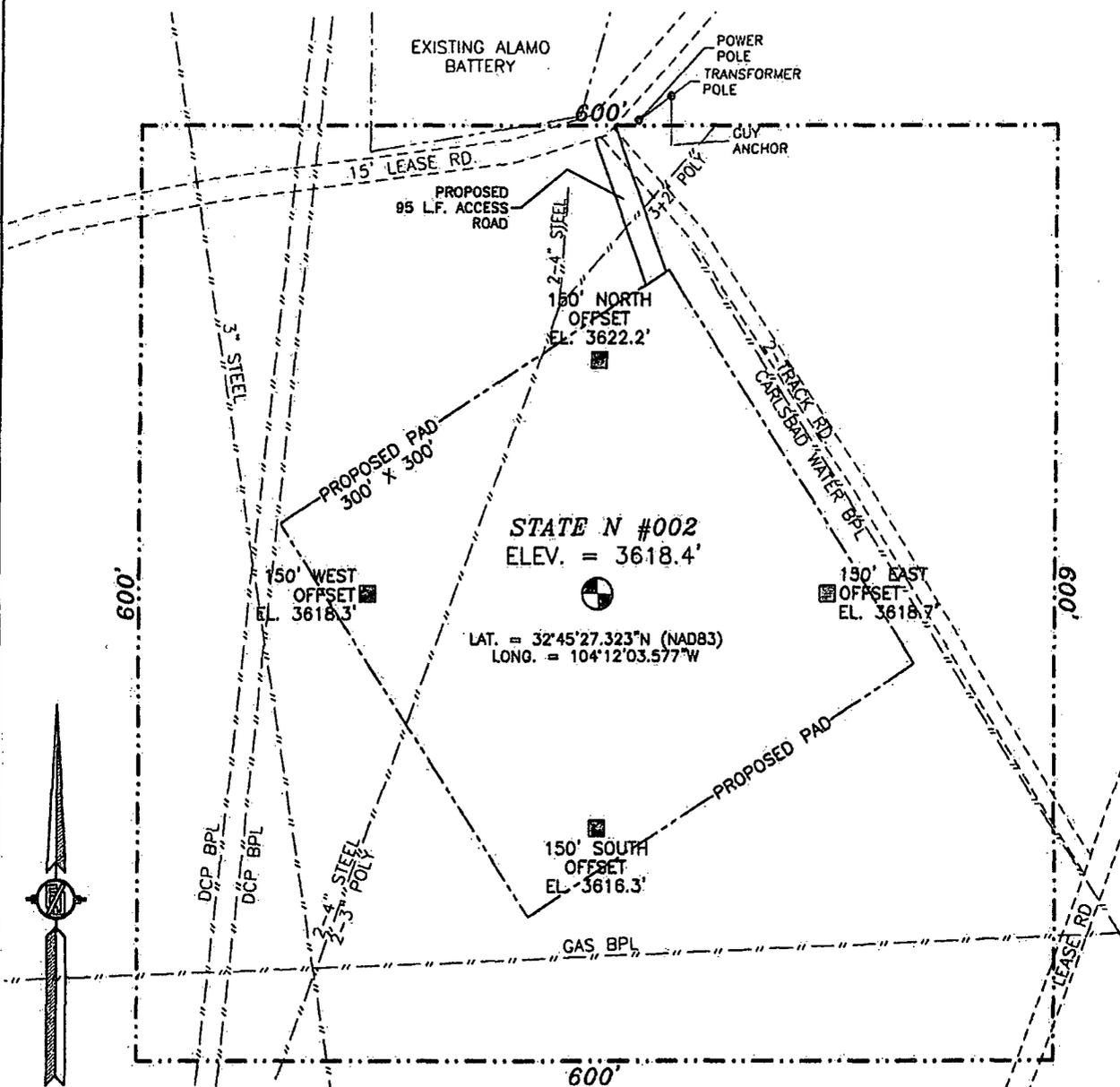
ALAMO PERMIAN RESOURCES, LLC
 STATE N #002
 LOCATED 1060 FT. FROM THE SOUTH LINE
 AND 1600 FT. FROM THE WEST LINE OF
 SECTION 8, TOWNSHIP 18 SOUTH,
 RANGE 28 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

FOR INFORMATION PURPOSES ONLY, DATA COMPILED FROM FIELD,
 OCD RECORDS AND UNCONTROLLED AERIAL PHOTOGRAPHY

JANUARY 3, 2013 SURVEY NO. 1447A

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SECTION 8, TOWNSHIP 18 SOUTH, RANGE 28 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO



SCALE 1" = 100'
 DIRECTIONS TO LOCATION
 FROM INTERSECTION OF ILLINOIS RD. #208 & HILLTOP RD. #204 GO
 SOUTHEAST ON HILLTOP RD. #204 APPROX. 0.8 MILE TO A LEASE RD.
 ON RIGHT SIDE (WEST) OF ROAD TURN RIGHT AND GO APPROX. 0.3
 MILES TO A ALAMO TANK BATTERY SOUTH OF ALAMO TANK BATTERY
 300' IS LOCATION.

ALAMO PERMIAN RESOURCES, LLC
 STATE N #002
 LOCATED 1060 FT. FROM THE SOUTH LINE
 AND 1600 FT. FROM THE WEST LINE OF
 SECTION 8, TOWNSHIP 18 SOUTH,
 RANGE 28 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

JANUARY 3, 2013

SURVEY NO. 1447A

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
 (575) 234-3341



March 13, 2013

State Land Office
P.O. Box 1148
Santa Fe, NM 87504

RE: Alamo Permian Resources, LLC, wholly owned operating company for
Alamo Resources II, LLC, the title holding company for properties
Application for Unorthodox Well Location
State N #002
1060' FSL & 1600' FWL (UNIT N)
Section 8, T-18 South, R-28 East, NMPM
Eddy County, New Mexico

Dear Sirs:

Please be advised that Alamo Resources II, LLC ("Alamo") has applied for approval of an unorthodox location with the NMOCD. Attached is a copy of the packet sent to the NMOCD in Santa Fe, New Mexico. The affected offset acreage comprises the NE/SW and NW/SW of Section 8. Alamo currently operates numerous wells within the affected offset tracts that produce from the Artesia; Q-GB-SA Pool 3230. The working interest ownership between the drill tract and the two affected offset tracts is common. Consequently, notice of this application is not required to any party. Do not hesitate to contact us at (832) 657-8005 should you have any questions or need further data. Thank you for your attention in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Carrie Stoker".

Carrie Stoker
Regulatory Affairs Coordinator

U.S. Postal Service™ *St. Mary's SLO*
CERTIFIED MAIL™ RECEIPT *Letter*
 (Domestic Mail Only; No Insurance Coverage Provided)

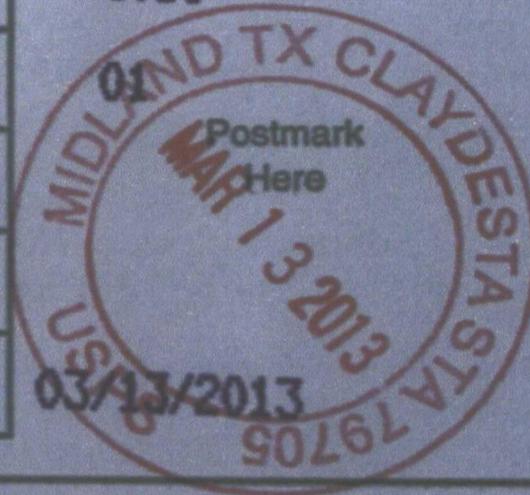
For delivery information visit our website at www.usps.com®

SANTA FE NM 87504

OFFICIAL USE

Postage	\$	\$1.12
Certified Fee		\$3.10
Return Receipt Fee (Endorsement Required)		\$2.55
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.77

0710



Sent To

State Land Office

Street, Apt. No.;
or PO Box No.

P.O. Box 1148

City, State, ZIP+4

Santa Fe NM 87504

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 8514 7095
 4158 1000