

Rec: 8/18/03 Sub: NA

MEF/ms.

PMESD-323239049

LIMARK CORPORATION

Mark A. Philpy
President

P. O. Box 10708
Midland, Texas 79702-7708
(432) 684-5765 (FAX) 684-5959

August 15, 2003

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
Attention: Mike Stogner
1220 South St. Francis Drive
Santa Fe, NM 87505

RECEIVED

AUG 18 2003

Oil Conservation Division

Re: Non Standard Location
State DZ #2 well (State Lease #NM VA 1873)
990' FSL & 1200' FWL (Unit M) of Section 23, T12S, R38E
Trinity (Wolfcamp) Field
Lea County, New Mexico

Gentlemen:

Limark Corporation hereby requests issuance of a Non-Standard Location permit for the above subject well. This location is unorthodox based upon our geological interpretation of 3-D seismic for the Wolfcamp formation (a copy of our interpretation is attached to this letter). All mineral ownership is uniform in this 80 acre lease. The only existing well that will be affected by the proposed well is our currently producing State DZ #1 well completed in the same field and reservoir.

Please advise if further information is required.

Yours sincerely,



Mark A. Philpy,
President

mphilpy@limarkcorp.com

8/12/03 10:15 AM

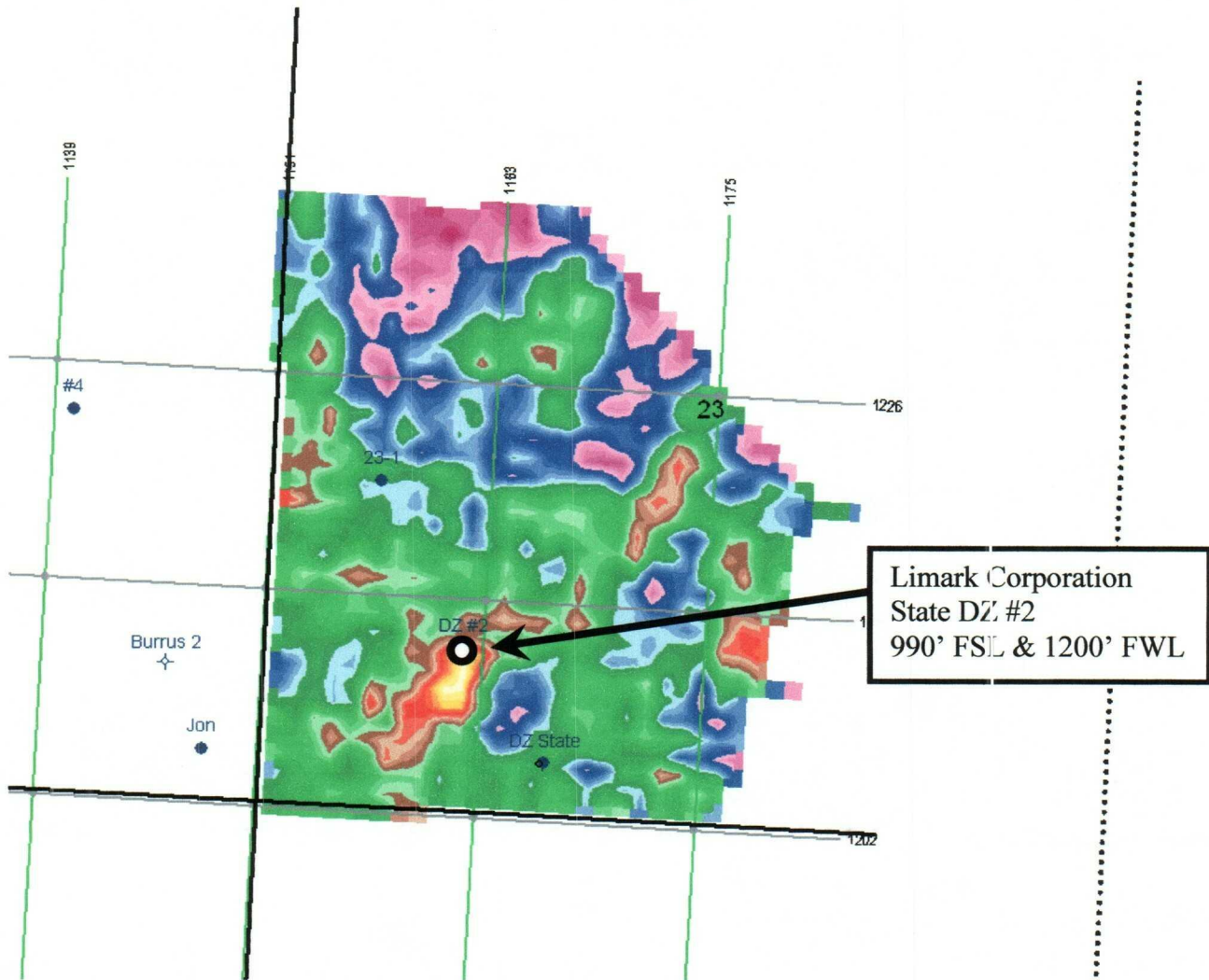
- talked w/ Mr. Mark Philby about the
future of their administration

8/18/03 3:00 PM

Mark Philby called about their
administration.

**Limark Corporation
State DZ #2
Location Plat
990' FSL & 1200' FWL of Section 23, T12S, R38E
Lea County, New Mexico**

3-D Seismic Interpretation



80 Acre Lease is South Half of Southwest Quarter
Bright Yellow is highest structural point

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

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

Form C-101
Revised March 17, 1999

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

¹ Operator Name and Address Limark Corporation P.O. Box 10708 Midland, Texas 79702-7708		² OGRID Number 152527
		³ API Number
³ Property Code 30904	⁵ Property Name State DZ	⁶ Well No. 2

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
M	23	12S	38E		990	South	1200	West	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 Trinity; Wolfcamp	¹⁰ Proposed Pool 2
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¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3793' GR
¹⁶ Multiple No	¹⁷ Proposed Depth 9300'	¹⁸ Formation Wolfcamp	¹⁹ Contractor Patterson	²⁰ Spud Date

²¹ Proposed Casing and Cement Program

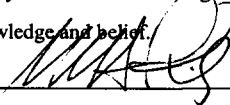
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48# & 54.5#	400'	360 sx	surface
12 1/4"	9 5/8"	36# & 40#	4500'	1340 sx	surface
8 3/4"	7"	23# & 26#	9300'	325 sx	7500' (est)

²² 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.

Drill 17 1/2" surface hole to 400'. Run 13 3/8" casing. Cement with 360 sx cement. Drill 12 1/4" hole to 4500'. Run 9 5/8" casing. Cement with 1340 sx cement and circulate to surface. Drill 8 3/4" hole to 9300'. Run logs. Run 7" casing. Cement with 325 sx cement. Perforate in Wolfcamp zone. Producing into existing battery.

Blowout preventor attached.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: 		OIL CONSERVATION DIVISION	
Printed name: Mark A. Philpy		Approved by:	
Title: President		Title:	
Date: 08/14/2003		Approval Date:	Expiration Date:
Phone: 915/684-5765		Conditions of Approval:	
		Attached <input type="checkbox"/>	

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

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

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

OIL CONSERVATION DIVISION

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 59890	Pool Name Trinity; Wolfcamp
Property Code 30904	Property Name STATE DZ	Well Number 2
OGRID No. 152527	Operator Name LIMARK CORPORATION	Elevation 3793'

Surface Location

UL or lot No. M	Section 23	Township 12-S	Range 38-E	Lot Idn	Feet from the 990'	North/South line SOUTH	Feet from the 1200'	East/West line WEST	County LEA
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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.

				LOT 1
				39.46 AC LOT 2
				38.57 AC LOT 3
				37.69 AC LOT 4
				36.80 AC

GEODETIC COORDINATES
NAD 27 NME
Y = 824289.2 N
X = 885633.9 E
LAT. = 33°15'34.55"N
LONG. = 103°04'18.56"W

1200'

990'

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____

Printed Name _____

Title _____

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.

August 08, 2003

Date Surveyed _____ AWB

Signature & Seal of Professional Surveyor

Ronald J. Edson

03-11-0830

Certification No. RONALD J. EDSON 3239
TARY EDSON 12641

CMD : ONGARD 08/19/03 14:15:24
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TP0S

OGRID Idn : 152527 API Well No: 30 25 36373 APD Status(A/C/P): A
Opr Name, Addr: LIMARK CORPORATION Aprvl/Cncl Date : 08-18-2003
PO BOX 10708
MIDLAND, TX 79702

Prop Idn: 30904 STATE DZ Well No: 2

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
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Surface Locn :	M	23	12S	38E			FTG 990 F S	FTG 1200 F W
OCD U/L :	M		API County :	25				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation : 3793

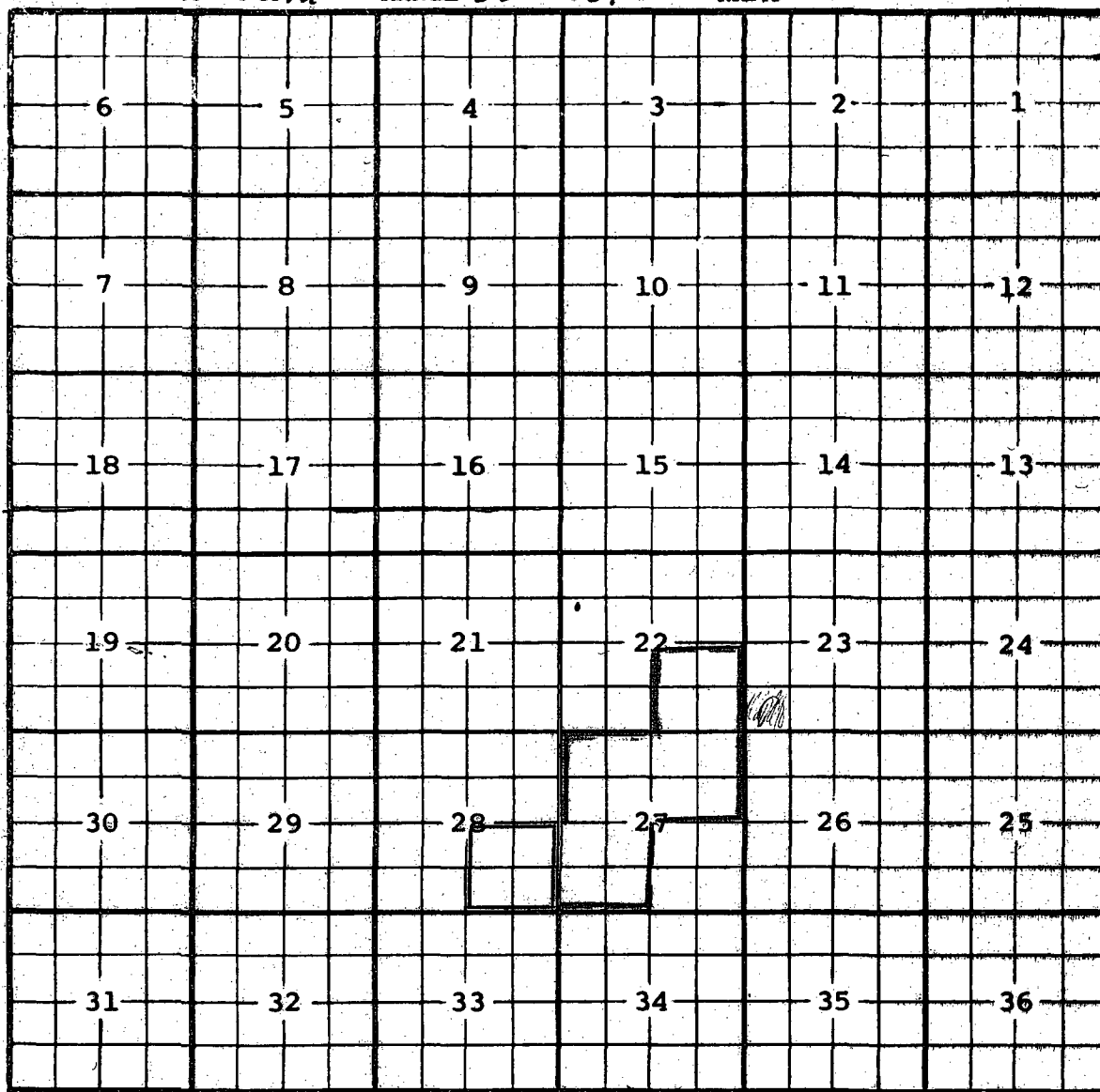
State Lease No: Multiple Comp (S/M/C) : S
Prpsd Depth : 9300 Prpsd Frmtn : WOLFCAMP/CANNOT PROD UNTIL NSL APPVL

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

COUNTY *Lea*POOL *Trinity - Wolfcamp*TOWNSHIP *12 South*RANGE *38 East*

NMPM



Description: $\frac{SE}{4}$ Sec 28 (R-5417, 4-1-77)

Ext: $\frac{SE}{4}$ Sec. 22, $\frac{N}{2}$ and $\frac{SW}{4}$ Sec. 22 (R-11728, 2-20-02)

Sec : 23 Twp : 12S Rng : 38E Section Type : NORMAL

D 40.00 Federal owned	C 40.00 CS V06643 0000 YATES PETROLEUM C 06/01/07	B 40.00 CS V06643 0000 YATES PETROLEUM C 06/01/07	1 39.46 Federal owned
E 40.00 Fee owned	F 40.00 Fee owned	G 40.00 Federal owned	2 38.57 Fee owned
L 40.00 Fee owned A	K 40.00 Fee owned	J 40.00 Fee owned	3 37.69 Fee owned
M 40.00 CS VA1873 0000 ENERSTAR RESOURCE 12/01/03 A	N 40.00 CS VA1873 0000 ENERSTAR RESOURCE 12/01/03 A	O 40.00 Federal owned	4 36.80 Fee owned

[illegible]