

pNRM0621928693

C-103 Received 7-31-2006

DHC No. Assigned 8-7-2006

Order Number		API Number	Operator		County			
HOB-0160		30-025-37316	Capataz Operating Inc.		Lea			
Order Date		Well Name		Number	Location			
		Salem		001	A	3	205	38E
					UL	Sec	T (+Dir)	R (+Dir)
				Oil %	Gas %			
Pool 1	33230	House Blinebry		80%	73%			
Pool 2	47510	Nadine Drinkard Abo		20%	29%			
Pool 3								
Pool 4								
<div>Comments: Work completed effective _____ Work cancelled effective _____ Supplement _____</div>								

Posted to  
RBDM 2  
8-7-2006

③

30-025-37316  
HOB-0160

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Capataz Operating Inc.

PROPERTY NAME: Salem

WNULSTR: 1-A, 3-20-38

SECTION I:

33230 POOL NO. 1 House Blinebry ALLOWABLE AMOUNT 142 284 MCF 2000

47510 POOL NO. 2 Nadine Drinkard Abo 187 9999 MCF 99999

POOL NO. 3 \_\_\_\_\_ MCF

POOL NO. 4 \_\_\_\_\_ MCF

POOL TOTALS 329 \_\_\_\_\_

SECTION II:

POOL NO. 1 House Blinebry OIL 80% = 263.20 Gas 73%

POOL NO. 2 Nadine Drinkard Abo 20% 27%

POOL NO. 3 \_\_\_\_\_

POOL NO. 4 \_\_\_\_\_

OIL

GAS

SECTION III:

$142 \div 80\% = 177.50 (178)$  \_\_\_\_\_

SECTION IV:

$178 \times 80\% = 142.40 (142)$  \_\_\_\_\_

$178 \times 20\% = 35.60 (36)$  \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Submit 3 Copies to Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
100 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
May 27, 2004

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO.	30-025-37316
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	SALEM
8. Well Number	1
9. OGRID Number	03659
10. Pool name or Wildcat	House;Blinebry & Nadine; Drinkard-Abo

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator  
Capataz Operating, Inc.

3. Address of Operator  
P.O. Box 10549,  
Midland, TX 79702

4. Well Location  
Unit Letter A; 990 feet from the North line and 450 feet from the East line  
Section 3 Township 20s Range 38E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3573' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: DHC Blinebry, Drinkard-Abo ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Per R-11363

Pool Names: House; Blinebry (33230) Nadine; Drinkard-Abo (47510)  
BLINEBRY 5981-84,6000-03,37-39,43-45,48-56,6128-35 & 6140-48' 4 spf  
DRINKARD 6932-40,90-94,7000-02,13-15,18-19,28-33,35-38 & 7047-54'  
ABO 7380-82,90-92,7439-42 & 7444-48' 4 spf

The allocation method will be as follows: Test 20 BO x 71 MCF x 52 BW

	Oil Alloc%	Gas Alloc%	Wtr Alloc%
Blinebry	16 80	60 85	38 72 73
Drinkard-Abo	4 20	11 15	14 27
	20 100	71 100	52 100

Downhole commingling will not reduce the value of the pools.  
Ownership is the same for each of these pools.

DHC Order No.

HOB-0160

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

SIGNATURE

TITLE Agent

DATE 07/26/2006

or print name H. Scott Davis  
State Use Only

E-mail address: Capataz1@sbcglobal.net

Telephone No. (432)620-8820

APPROVED BY:

TITLE

PETROLEUM ENGINEER

DATE AUG 07 2006

Conditions of Approval (if any):

**DISTRICT I**  
1625 N. French Dr., Hobbs, NM 88240

**DISTRICT II**  
1301 W. Grand Avenue, Artesia, NM 88210

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

**DISTRICT IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-102  
Revised August 15, 2000  
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 <b>30-025-37316</b>	<sup>2</sup> Pool Code <b>33210 33230</b>	<sup>3</sup> Pool Name <b>House, Blinebry</b>
<sup>4</sup> Property Code <b>34904</b>	<sup>5</sup> Property Name <b>SALEM</b>	<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>3659</b>	<sup>8</sup> Operator Name <b>CAPATAZ OPERATING COMPANY</b>	<sup>9</sup> Elevation <b>3573'</b>

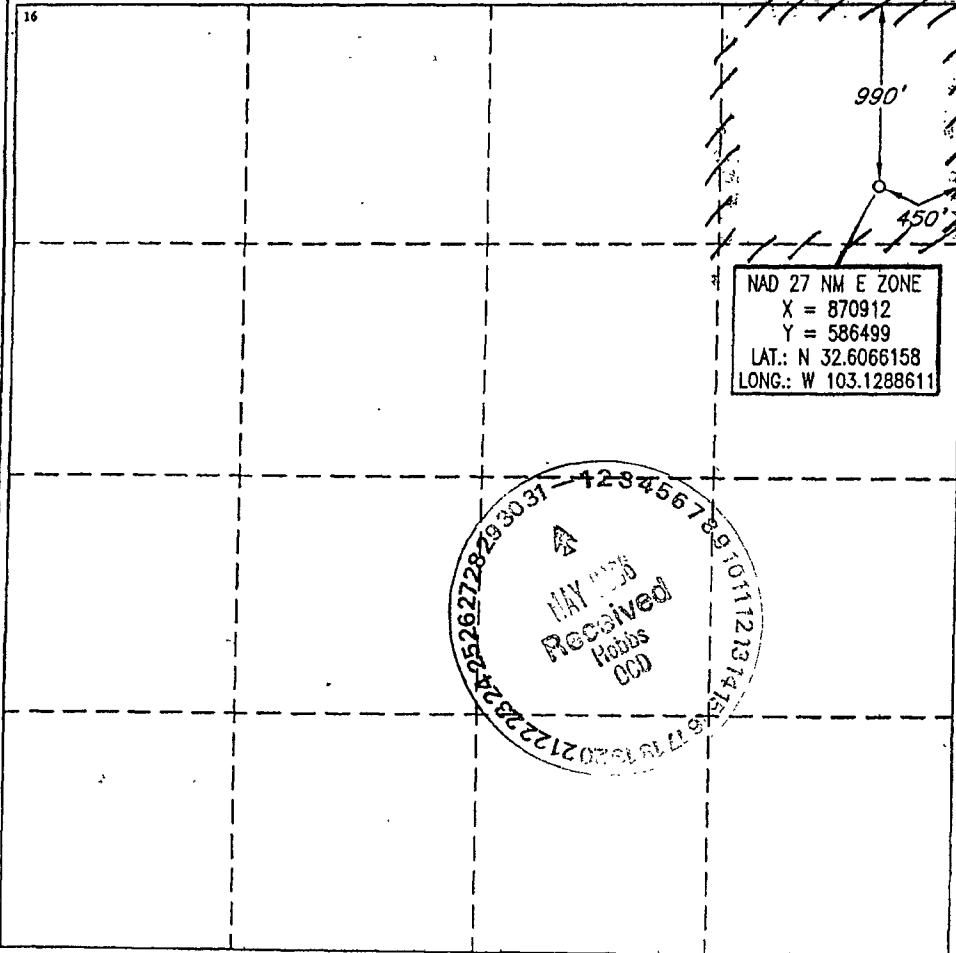
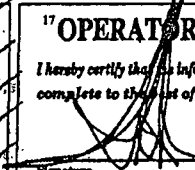
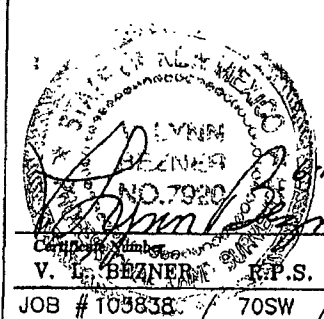
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>3</b>	<b>20 SOUTH</b>	<b>38 EAST, N.M.P.M.</b>		<b>990'</b>	<b>NORTH</b>	<b>450'</b>	<b>EAST</b>	<b>LEA</b>

<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
<b>40</b>									
<sup>12</sup> Dedicated Acres <b>40</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.

<p><sup>16</sup></p>  <p>NAD 27 NM E ZONE X = 870912 Y = 586499 LAT.: N 32.6066158 LONG.: W 103.1288611</p>	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: </p> <p>Printed Name: <b>H Scott Davis</b></p> <p>Title: <b>Agent</b></p> <p>Date: <b>6-24-05</b></p>
	<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></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><b>MAY 27, 2006</b></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p></p> <p><b>V. L. BEZNAR</b> E.P.S. #7920 JOB # 105838 / 70SW / E.U.O.</p>

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

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

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-102  
Revised August 15, 2000  
Submit to Appropriate District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

☐ AMENDED REPORT

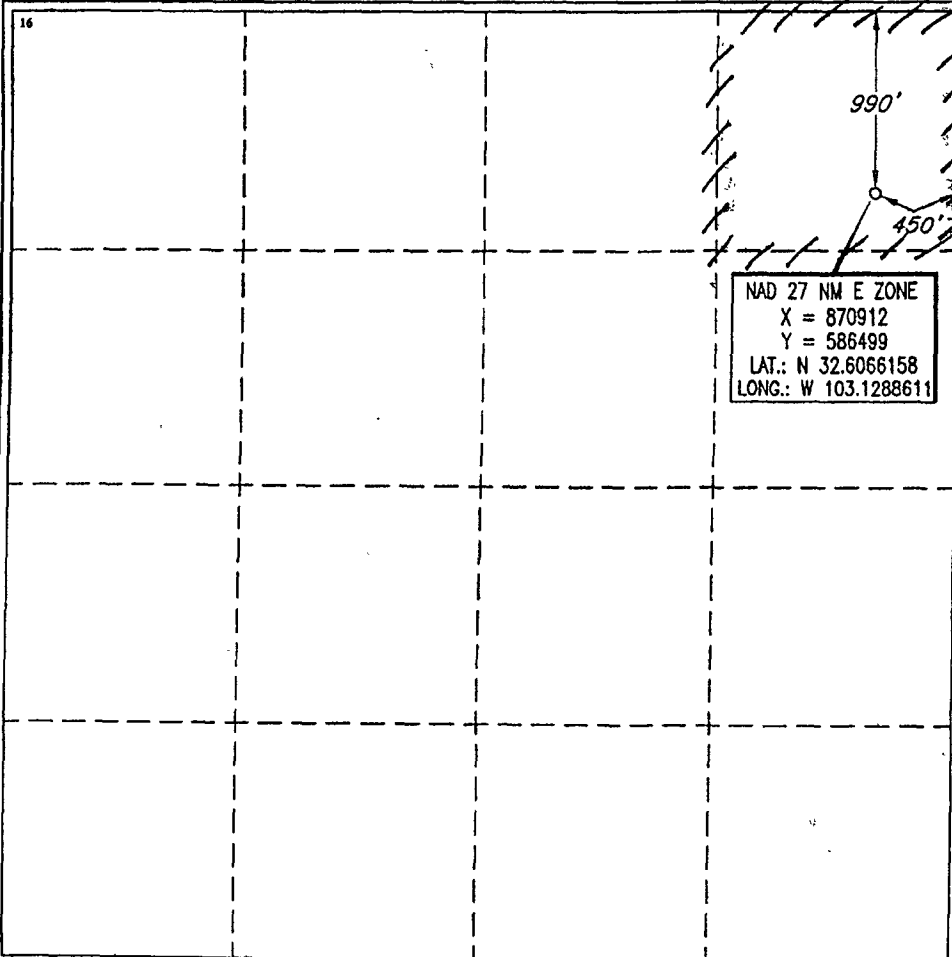
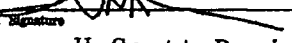
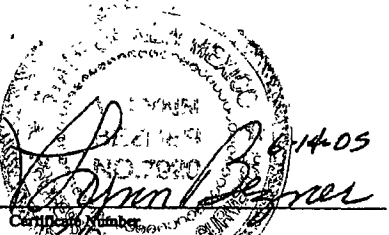
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-025-37316</b>	<sup>2</sup> Pool Code <b>33210</b>	<sup>3</sup> Pool Name <b>Nadine, Drinkard - Abo</b>
<sup>4</sup> Property Code <b>34904</b>	<sup>5</sup> Property Name <b>SALEM</b>	<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>3659</b>	<sup>8</sup> Operator Name <b>CAPATAZ OPERATING COMPANY</b>	<sup>9</sup> Elevation <b>3573'</b>

<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
<b>A</b>	<b>3</b>	<b>20 SOUTH</b>	<b>38 EAST, N.M.P.M.</b>		<b>990'</b>	<b>NORTH</b>	<b>450'</b>	<b>EAST</b>	<b>LEA</b>

<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 <b>40</b>		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.

<div><sup>16</sup></div> 	<b><sup>17</sup> OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature:  Printed Name: <b>H Scott Davis</b> Title: <b>Agent</b> Date: <b>6-24-05</b>	
	<b><sup>18</sup> 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: <b>MAY 27, 2005</b> Signature and Seal of Professional Surveyor:  Certification Number: <b>V. L. BEZNER R.P.S. #7920</b> JOB # <b>103838</b> / <b>70SW</b> / <b>E.U.O.</b>	