

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
March 4, 2004

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

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 OGX Resources LLC - P.O. Box 2064 Midland, TX 79702		² OGRID Number 217955	RECEIVED ³ API Number 30 - 015 - 24013 MAY 06 2004
⁴ Property Code	⁵ Property Name Pardue "19" Com.	⁶ Well No. 1	

⁷ Surface Location

UL or lot no. 1	Section 19	Township 24-S	Range 28-E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 660	East/West line East	County Eddy
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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
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⁹ Proposed Pool 1 Wildcat Morrow	¹⁰ Proposed Pool 2
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Drilling Pit Location and Other Information

UL or lot no. 1	Section 19	Township 24-S	Range 28-E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 660	East/West line East	County Eddy
Depth to ground water 35'				Distance from nearest fresh water well 3 miles			Distance from nearest surface water 6 miles		
¹¹ Work Type Code E		¹² Well Type Code G		¹³ Cable/Rotary Rotary		¹⁴ Lease Type Code P		¹⁵ Ground Level Elevation 3078.6 GR	
¹⁶ Multiple N		¹⁷ Proposed Depth 12,900'		¹⁸ Formation Morrow		¹⁹ Contractor Unknown		²⁰ Spud Date ASAP	

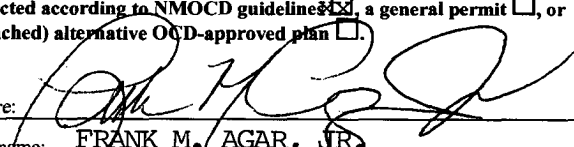
²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
20"	16"	65	662'	in place	
14 3/4"	10 3/4"	40.50	2335'	in place	
9 1/2"	7 5/8"	26.40 & 29.70	10,286'	in place	
6 1/2"	5" liner	23	9998'-12,900'	in place	

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.

The Pardue #1 Com. was originally drilled and abandoned by Internorth Inc. on 6/26/82. OGX Resources LLC plans to re-enter this well, drill out all plugs and clean out to original TD of 12,900'. Purpose is to test the Morrow and all intermediate zones of interest. Steel pits will be used.

²³ 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: 
Printed name: FRANK M. AGAR, JR.
Title: Member
E-mail Address: kip@carlowcorp.com

Date: 5/5/04
Phone: 432/685-1287

 OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: MAY 13 2004 Expiration Date: MAY 13 2005

Conditions of Approval:

Attached ☒ (P: +)

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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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	Wildcat	³ Pool Name
⁴ Property Code	⁵ Property Name Pardue "19" Com		⁶ Well Number 1
⁷ OGRID No. 217955	⁸ Operator Name OGX Resources, LLC		⁹ Elevation 3078

¹⁰ Surface Location

UL or lot no. I	Section 19	Township 24S	Range 28E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 660	East/West line East	County Eddy
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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 320	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

16					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Frank M. Agar Jr. Printed Name Member, kip@carlowcorp.com Title and E-mail Address 5-4-2004 Date
					¹⁸ 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. SEE ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor:
					Certificate Number

TOT DRILLING CORPORATION
10" 5000# Blow Out Equipment

Pardue "19" Com.

Drilling Nipple

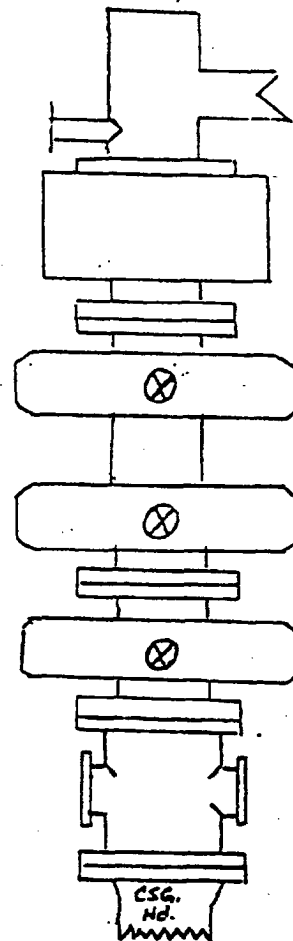
Annular

4½" Pipe Rams

Blind Rams

4½" Pipe Rams

4" Mud Cross



Excess Equipment:

2- 2" 5000# Manual valves	H2s Trim
1- 2" 5000# Check Valve	
1- 4" 5000# Manual Valve	H2s Trim
1- 4" Hydraulic Valve	H2s Trim
Complete Choke Manifold w/ 1- Positive & 1 manual choke	
Complete package H2s Trim	



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

13 May 2004

OGX Resources, LLC
P.O. Box 2064
Midland, Texas 79702
RE:

Permit Stipulations - Pardue "19" Com # 1 1980' FSL & 660' FEL Unit I SEC-19 T-24S R-28E

The Oil Conservation Division of Artesia is in receipt of your application to construct a pit for the purpose of drilling. The request is hereby accepted and approved with the following provisions:

1. Construction and closing of pit(s) must meet the criteria of Rule 19.15.2.50 and the Pit Guidelines.
2. The pit is not located in any watercourse, lakebed, sinkhole, playa lake, or wetland.
3. Notice is to be given to the OCD prior to construction of the pit(s).
4. Liner must be a minimum of 12 mil. woven.
5. Liner choice may cause the pit's contents and the liner to be removed and disposed of in a manner approved by the Division.
6. Pit encapsulations must meet all specific criteria including, but not limited to:
 - A. Site evaluation
 - B. Liner thickness and type must meet requirements as per guidelines.
 - C. Amount of and type of cover
 - D. Drill cuttings will be sampled as per guidelines. Notify OCD 48 hours prior to any sampling event
 - E. In the event that the integrity of the pit lining is breached in a manner such that soil contamination would result, the contents of the pit will have to be disposed of in an approved OCD facility.
7. The pit will not be used for any additional storage of fluids.
8. The Division may attach additional conditions to any permit upon a finding that such conditions are necessary to prevent the contamination of fresh water, or to protect public health or the environment. (19.15.2.50.C.3.G.1.)
9. Re-seeding mixture will must be approved or authorized by surface owner.

If I can be of any further assistance, please feel free to call (505) 748-1283 ext. 109.

Sincerely,

Van Barton

OGXResources LLC

P.O. Box 2064 • Midland, TX 79702 • (432) 685-1287 Fax (432) 685-1320

May 5, 2004

Via Fax 505-748-9720 and Mail

State of New Mexico
Energy, Minerals, and Natural Resources
Oil Conservation Division (OCC)
District II
1301 W. Grand Avenue
Artesia, New Mexico 88210

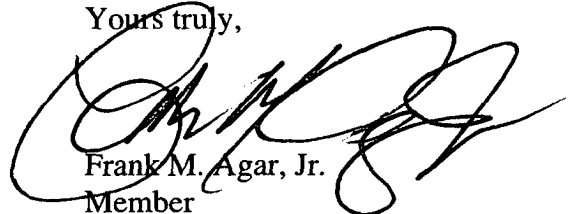
Attention: Mr. Bryan Arrant

Pardue "19" Com. #1
Sec. 19-24S-28E
Eddy County, New Mexico

Gentlemen:

Pursuant to Rule 118, we believe that there will not be any occurrence of H₂S in connection with our operation on the referenced well. We, therefore, ask for an exception to Rule 118 in regard to our application to re-enter.

Yours truly,



Frank M. Agar, Jr.
Member

FMAJr/fab
Enclosures

RECEIVED

MAY 06 2004

OCC-ARTESIA