

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  
Santa Fe, NM 87505

RECEIVED

SEP 11 2012

MOCD ARTESIA

Submit to appropriate District Office

☐ AMENDED REPORT

Form C-101  
June 16, 2008

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

Operator Name and Address <b>TARCO ENERGY, L.C.</b> <b>12403 CR 2300, Lubbock, TX 79456</b>		OGRID Number <b>279579</b>
Property Code <b>39362</b>	Property Name <b>BLAKE STATE</b>	API Number <b>30 - 015 - 40679</b>
Proposed Pool 1 <b>EMPIRE; YATES-SEVEN RIVERS (22230)</b>		Well No. <b>4</b>
Proposed Pool 2		

Surface Location

UL or lot no. <b>B</b>	Section <b>2</b>	Township <b>18S</b>	Range <b>27E</b>	Lot Idn <b>2</b>	Feet from the <b>968</b>	North/South line <b>North</b>	Feet from the <b>2300</b>	East/West line <b>East</b>	County <b>Eddy</b>
---------------------------	---------------------	------------------------	---------------------	---------------------	-----------------------------	----------------------------------	------------------------------	-------------------------------	-----------------------

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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Additional Well Information

Work Type Code <b>N</b>	Well Type Code <b>O</b>	Cable/Rotary <b>Air Rotary</b>	Lease Type Code <b>S</b>	Ground Level Elevation <b>3578.6</b>
Multiple <b>No</b>	Proposed Depth <b>540</b>	Formation <b>Seven Rivers</b>	Contractor	Spud Date <b>08/01/2012</b>

Proposed Casing and Cement Program


Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
<b>7.875</b>	<b>4.5</b>	<b>9.5 #</b>	<b>540</b>	<b>95</b>	<b>0</b>

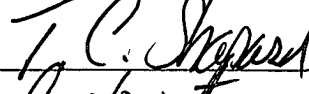
Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

The Drill Rig is truck mounted. The Air Compressor is operated from a "PTO" from the drilling engine. Drill 8" hole to 360' then 7.875" hole to 530'. Run Compensated Neutron and Gamma Ray-CCL logs. Set 4.50" surface casing, cement to surface. Perforate Seven Rivers formation. Perform acid treatment job w/ approx 1500 gal acid & additives.

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

OIL CONSERVATION DIVISION

Signature:   
Printed name: **Eddie Seay**

Approved by:   
Title: **800/0615**

Title: **Agent**

Approval Date: **9/13/2012** Expiration Date: **9/13/2014**

E-mail Address: **seay04@leaco.net**

Date: **7/17/2012** Phone: **575-390-2454**

Conditions of Approval Attached ☐

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
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

API Number <b>30-015-40679</b>	Pool Code <b>22230</b>	Pool Name <b>YATES - Seven Rivers</b>
Property Code <b>39362</b>	Property Name <b>BLAKE STATE</b>	Well Number <b>4</b>
OGRID No. <b>279579</b>	Operator Name <b>TARCO ENERGY, L.C.</b>	Elevation <b>3578.6'</b>

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>B</b>	<b>2</b>	<b>18 SOUTH</b>	<b>27 EAST, N.M.P.M.</b>		<b>968'</b>	<b>NORTH</b>	<b>2300'</b>	<b>EAST</b>	<b>EDDY</b>

Bottom Hole Location If Different From Surface

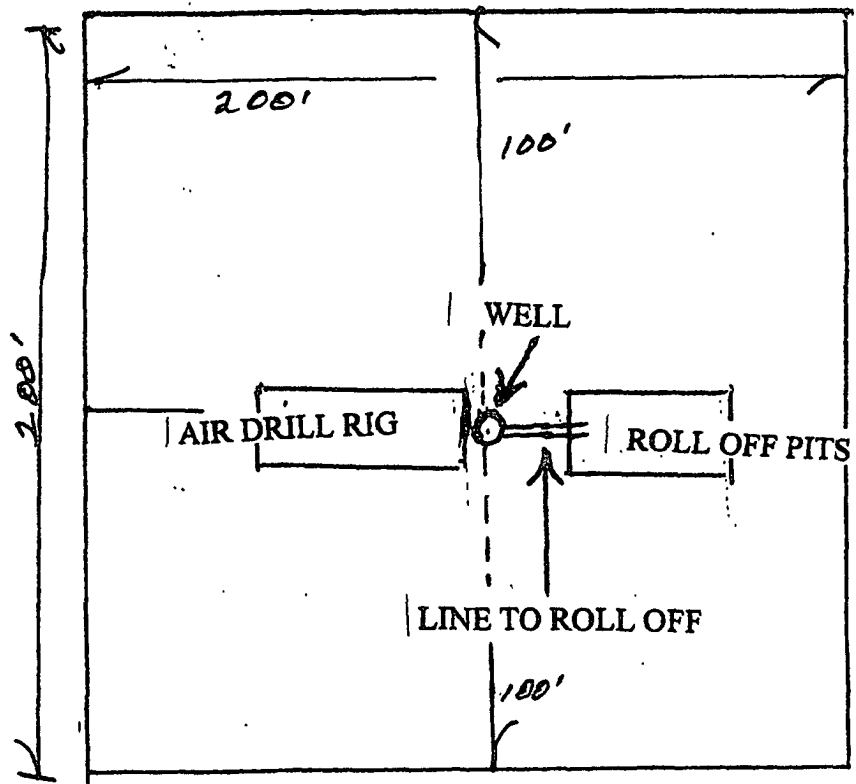
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres		Joint or Infill	Consolidation Code		Order No.				

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.

<p><b>SURFACE LOCATION</b> NEW MEXICO EAST NAD 1927 Y=847718.6 X=526308.4 LAT.: N 32.7806404° LONG.: W 104.2477297</p> <p>968'</p> <p>2300'</p> <p>OPERATOR: Please do not report production under this pool id code until OCD confirms perfs and appropriate pool designation on completion and C104 approvals.</p>	<p><b>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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered in the division.</p> <p><i>[Signature]</i> 7/9/2012 Signature Date <b>JOE L. TARVER</b> Printed Name <b>JOE@TARCOsupply.com</b> E-mail Address</p>
	<p><b>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>BERRY J. ASH</b> 15079 MAY 21, 2012 Date of Survey Signature and Seal of Professional Surveyor</p> <p><i>[Signature]</i> 5/31/2012 Certificate Number 15079</p>

WO# 120521WL-1 (KA)

RIG PLAT



## OPERATIONAL & MAINTENANCE:

Solids removed from well bore with air will go to roll off bins. The solids are then hauled to disposal.

### Operation and Maintenance

Closed Loop equipment will be inspected daily by each tour and any necessary maintenance performed.

Any leak in system will be repaired and/or contained immediately.

OCD notified within 48 hours

Remediation process started

### Closure Plan

During drilling operations all liquids, drilling fluids and cuttings will be hauled off via CRI(Controlled Recovery Incorporated Permit R-9166)