

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
May 27, 2004

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

RECEIVED

JUL 14 2006 Submit to appropriate District Office

☐ AMENDED REPORT

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

¹ Operator Name and Address Rubicon Oil & Gas, LLC 508 West Wall St STE 500 Midland, TX 79701		² Grid Number 194266
		³ API Number 30 - 015-21639
⁴ Property Name 36037	Overshot State 10	⁵ Well No. #1
⁶ Proposed Pool 1 Catchlaw Draw		⁷ Proposed Pool 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
I	10	21S	25E		2141	South	656	East	Eddy

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

Additional Well Information

¹¹ Work Type Code E	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3350'
¹⁶ Multiple No	¹⁷ Proposed Depth 10,700	¹⁸ Formation	¹⁹ Contractor	²⁰ Spud Date 7/10/2006
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic 12_mils thick Clay ☐ Pit Volume 7500 bbls Drilling Method: Closed-Loop System ☐				
According to operator we do not expect to encounter H2S during the proposed recompletion Fresh Water X Brine X Diesel/Oil-based ☐ Gas/Air ☐				

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#	373'	450 sxs Cl C	Surface
11"	8 5/8"	32#	2293'	1050 sxs	Surface
7 7/8 3/4"	4 1/2"	17#	10,700'	350 sxs Cl H	9000'

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.

Original well drilled by Cotton Petroleum Corporation - State LG 2727. P&A'd well 1/1/1976. Propose to re-enter well, drill out plugs, run 4 1/2" casing @ 10,700' cmt w/350 sxs Cl H, bring cmt above Strawn formation ~9000' Perforate & stimulate Morrow/Atoka formations.

NSL-S447

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 NMOC guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Kay Maddox

Title: Regulatory Agent

E-mail Address: Cyquest5@yahoo.com

Date: 6/21/2006

Phone: (432) 638-8475

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRANT

Title:

DISTRICT II GEOLOGIST

Approval Date: SEP 25 2006

Expiration Date: SEP 25 2007

Conditions of Approval Attached ☐

Rubicon Oil & Gas , LLC
Overshot Prospect

Re-entry Candidate

Located in section 10, T 21S, R 25E, the well was originally drilled by Cotton Petroleum Corporation in January 1976 as the State LG 2727 to a total depth of 10,700'. The well was drilled and abandoned with a total of 7 cement plugs set in place. Rubicon has re-surveyed the dry hole marker to confirm the location and acquired the S/2 of Section 10 under their lease. Rubicon will file an application for a permit to re-enter the existing well as the **Overshot State 10 No. 1** and test the Morrow / Atoka potential of the well.

Plan Outline:

1. Dig out dryhole marker to casing cut-offs and plumb the 8-5/8" casing to surface.
2. Weld on 8-5/8" SOW X 11" 5000 psi flanged head.
3. MIRU 500 series workover rig and associated rentals.
4. NU 11" 5000 psi BOPE and choke manifold.
5. Drill out 7 plugs in 7-7/8" hole utilizing 9.6 to 10 ppg brine mud to TD of 10,700'.
6. Run 4-1/2" casing to 10,700' and cement w/ ~ 350 sks Class H cement + additives to bring cement top to above the Strawn formation ~ 9000'.
7. Perforate and stimulate prospective intervals in the Morrow / Atoka formations.
8. Test for commercial hydrocarbon production
9. Build needed facilities and produce.

Attachments:

1. Current survey
2. Well bore diagram
3. Pit application
4. BOE diagram

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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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-21639	² Pool Code	³ Pool Name Wildcat Morrow
⁴ Property Code	⁵ Property Name OVERSHOT STATE 10	⁶ Well Number 1
⁷ OGRID No. 194266	⁸ Operator Name Rubicon Oil and Gas, LLC	⁹ Elevation 3350'

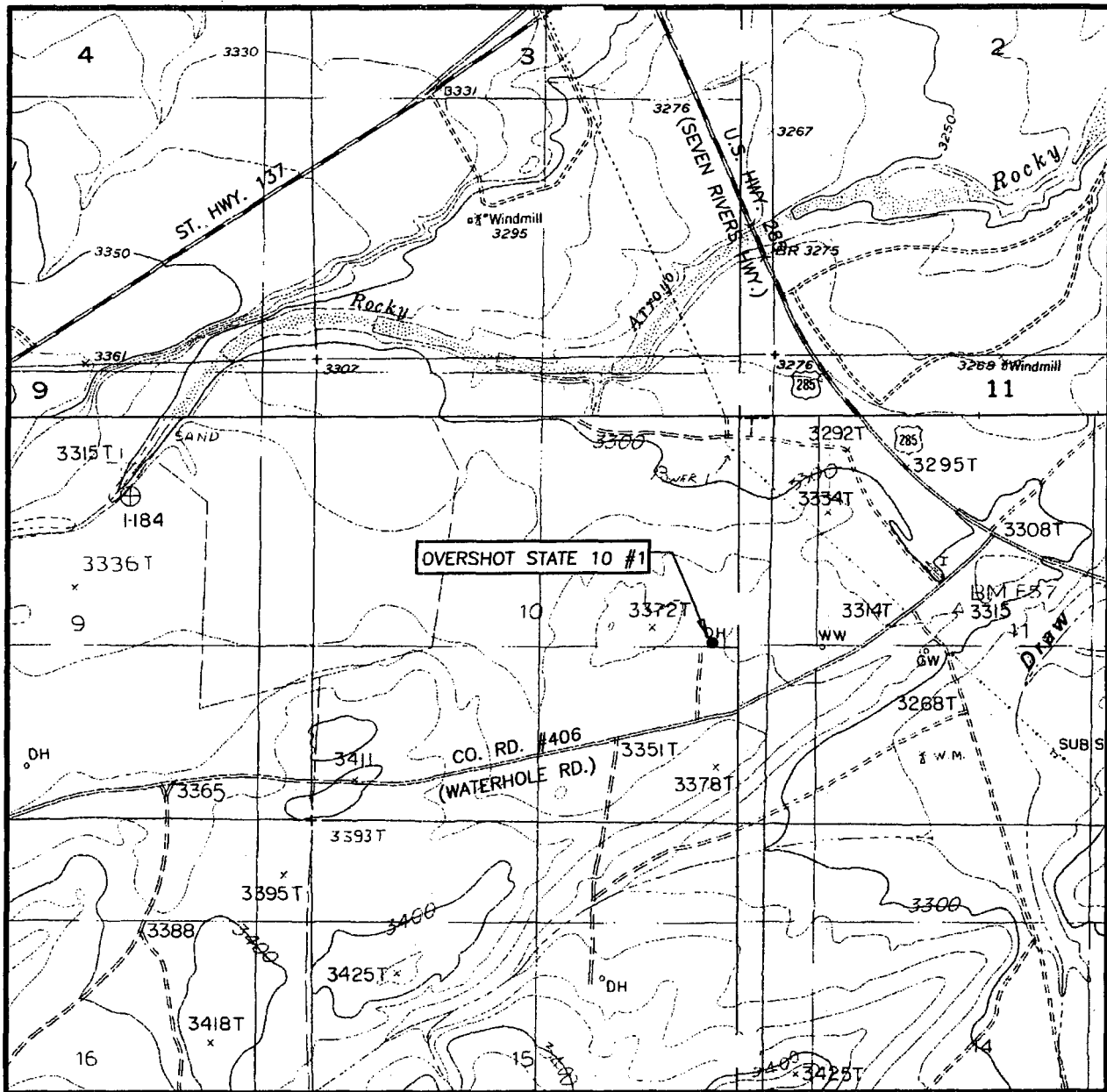
¹⁰ Surface Location									
UL or lot no. I	Section 10	Township 21-S	Range 25-E	Lot Idn	Feet from the 2141	North/South line South	Feet from the 656	East/West line East	County Eddy

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 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, 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 by the division. Signature _____ Date _____ Kay Maddox 7/3/2006 Printed Name _____			
	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. Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____			

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

SEC. 10 TWP. 21-S RGE. 25-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2141' FSL & 656' FEL

ELEVATION 3350'

OPERATOR RUBICON OIL AND GAS, LLC

LEASE OVERSHOT STATE 10

U.S.G.S. TOPOGRAPHIC MAP
AZOTEA PEAK, N.M.

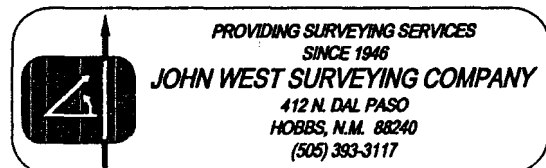
CONTOUR INTERVAL:

AZOTEA PEAK, N.M. - 20'

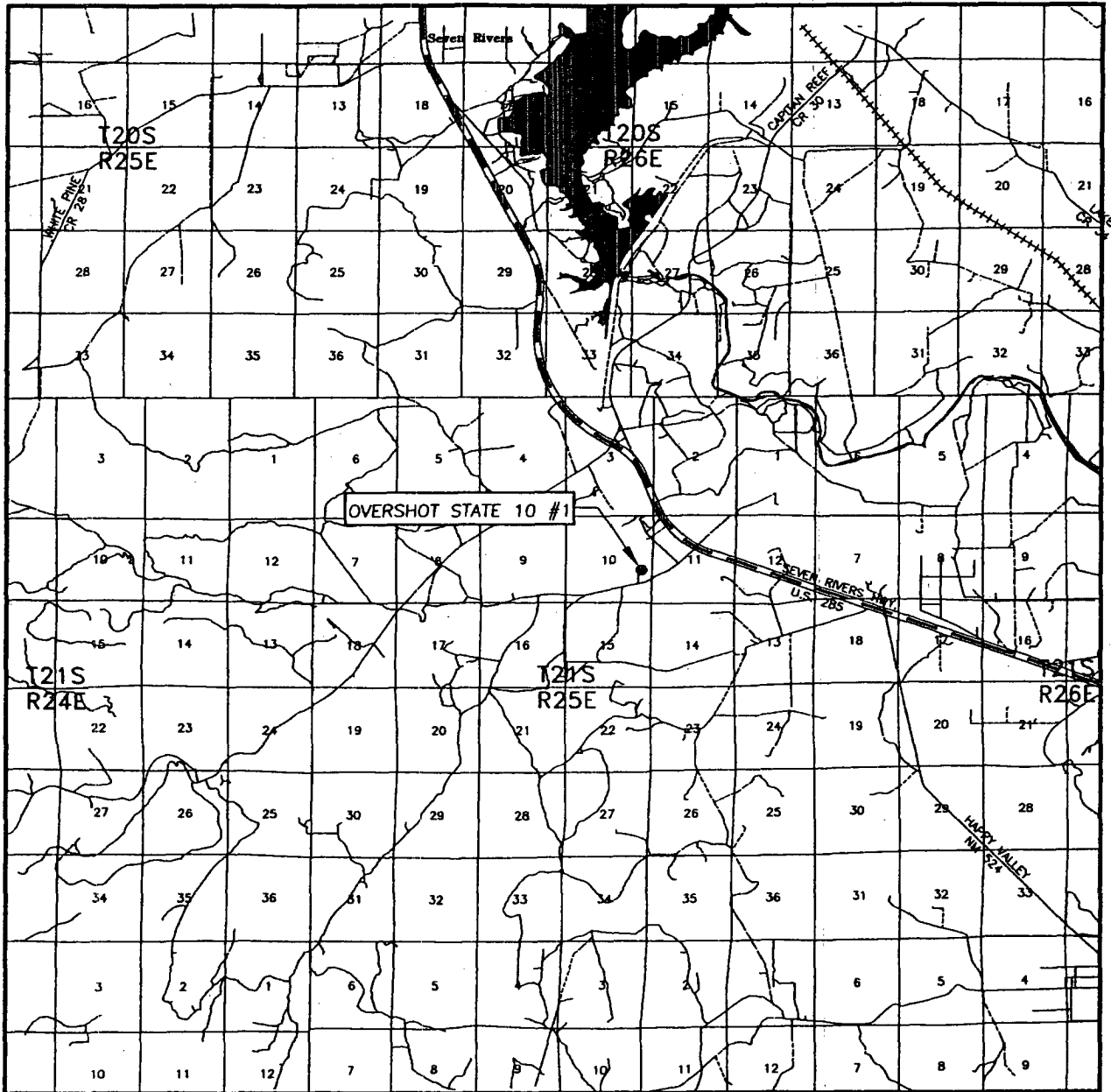
SEVEN RIVERS, N.M. - 10'

LAKE MCMILLAN SOUTH, N.M. - 10'

CARLSBAD WEST, N.M. - 20'



VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 10 TWP. 21-S RGE. 25-E

SURVEY N.M.P.M.

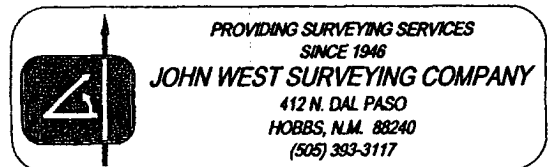
COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2141' FSL & 656' FEL

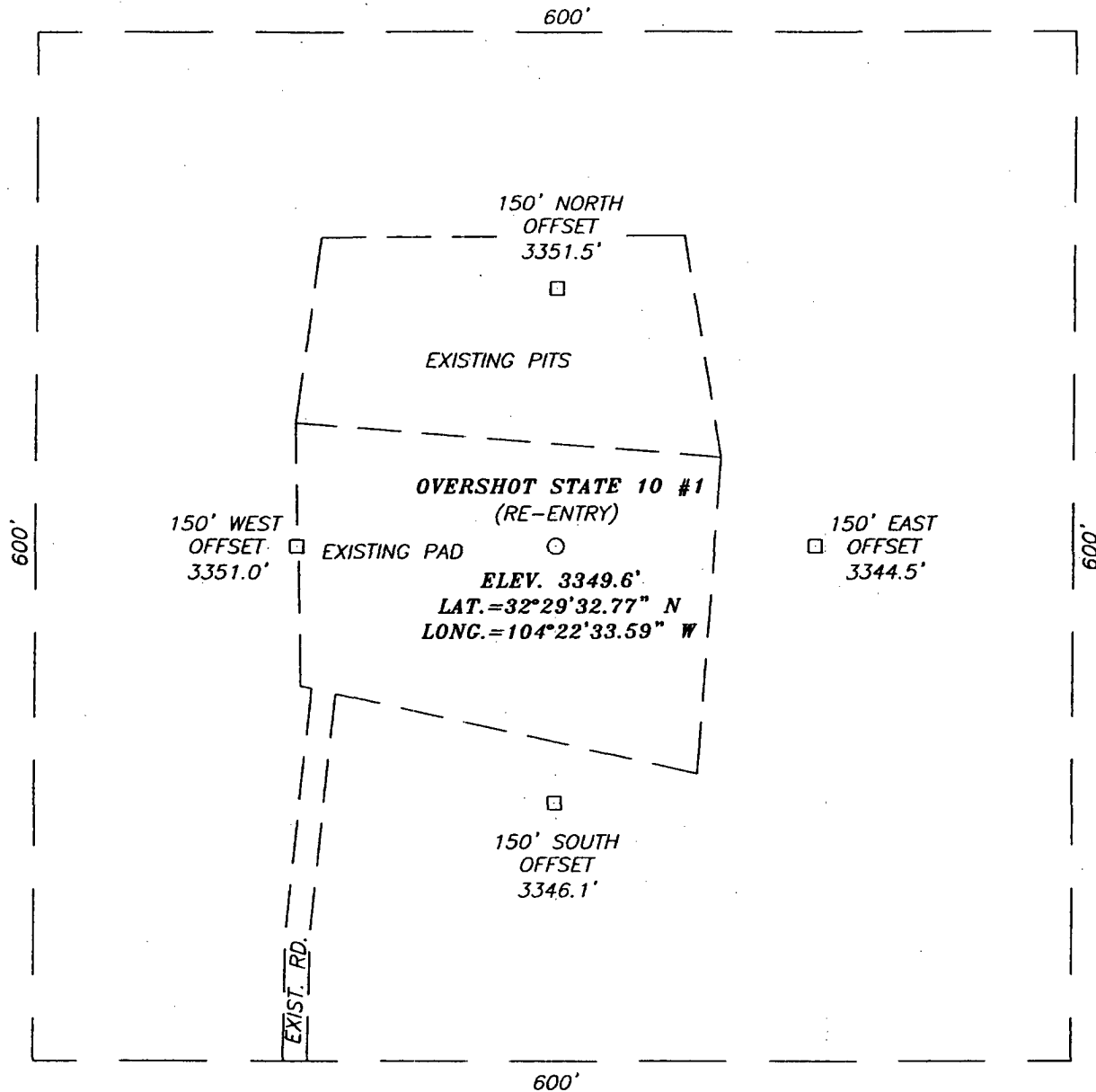
ELEVATION 3350'

OPERATOR RUBICON OIL AND GAS, LLC

LEASE OVERSHOT STATE 10

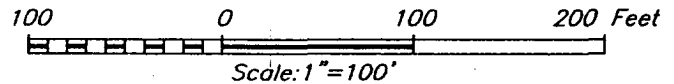


SECTION 10, TOWNSHIP 21 SOUTH, RANGE 25 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



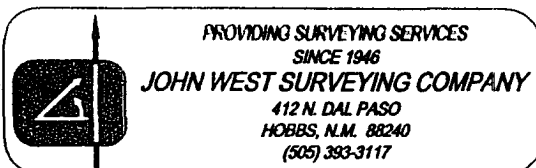
DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. 285 AND CO. RD. #406 (WATER HOLE RD.), GO WEST ON CO. RD. #406 APPROX. 0.8 MILES. TURN RIGHT AND GO NORTH APPROX. 0.2 MILES TO AN EXISTING PAD FOR A DRY HOLE. THIS IS LOCATIONI.



RUBICON OIL AND GAS, LLC

OVERSHOT STATE 10 #1
 LOCATED 2141 FEET FROM THE SOUTH LINE
 AND 656 FEET FROM THE EAST LINE OF SECTION 10,
 TOWNSHIP 21 SOUTH, RANGE 25 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



Survey Date: 04/27/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.0708	Dr By: M.R.
Date: 05/01/06	Disk: CD#6
06110708	Scale: 1"=100'

Cotton Petroleum
State LG 2727
Overshot Prospect
Eddy County, New Mexico

1980' FSL
660' FEL
Section 10
Unit I
Township 21S
Range 25E

KB: 3339'
GL: 3339'

P&A'd: 1/8/1976
Spud: 11/13/1975

Existing Wellbore
API No. 30-01521639

Bit Size: 17-1/2"

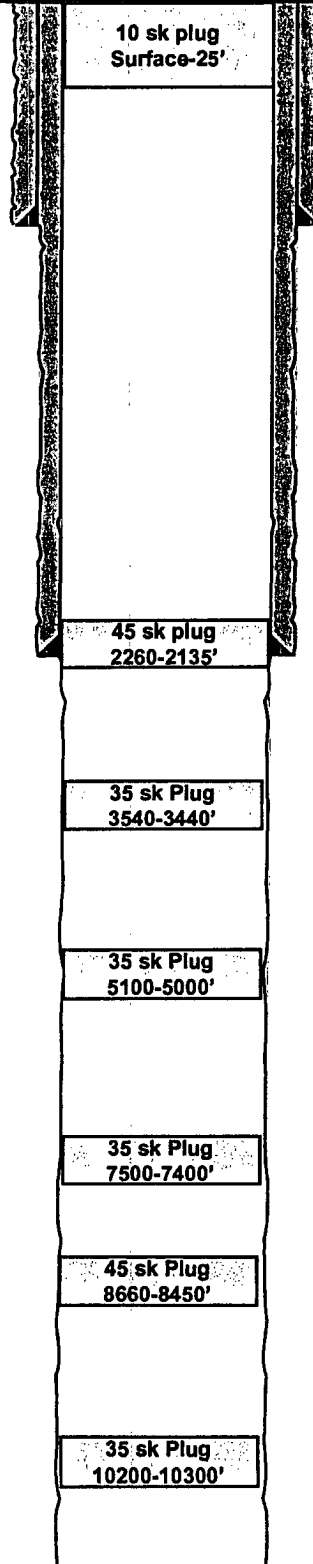
13-3/8" 48.0# @ 373' w/ 450 sx. + 8-1/2 yds Ready mix
Cmt to surface.

Bit Size: 11"

8-5/8" 32# @ 2293' w/ 1050 sx. Cmr circ to surface.

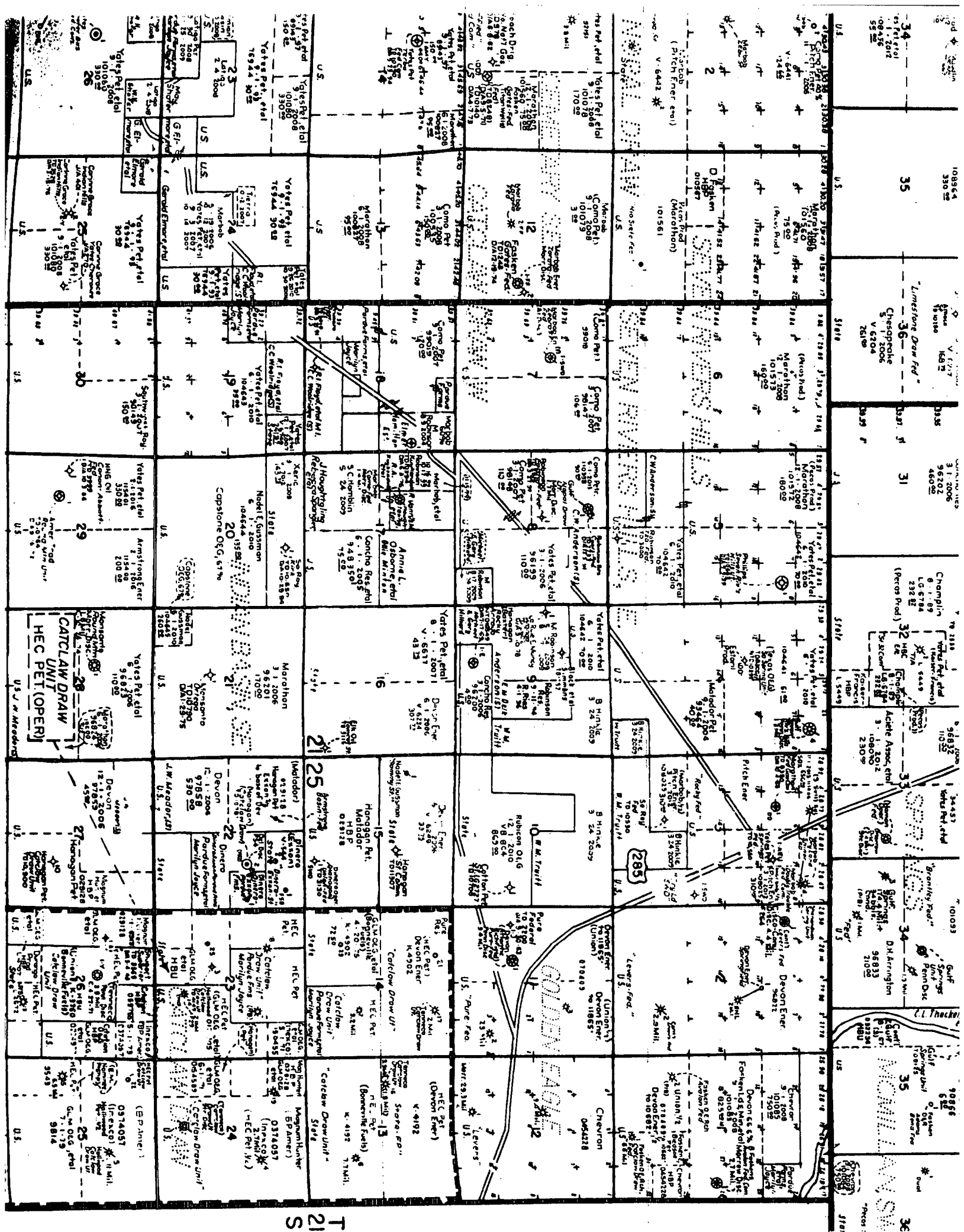
Bit Size: 7-7/8"

TD: ~10,700'



Capitan ~ 908'
Delaware ~1800'

Bone Springs ~3550'
Wolfcamp ~7500'
Stawn ~9000'
Morrow ~10100'



July 13, 2006

Mr. Michael Stogner
New Mexico Oil Conservation Division
Engineering Bureau
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Application for Administrative Non-Standard Location Order for:

Rubicon Oil and Gas, LLC
Overshot State 10 #1
API # 30-015-21639
2141 FSL & 656 FEL
Section 10, T21S, R25E, Unit Ltr I
Eddy County, NM
Wildcat Morrow

Dear Mr. Stogner,

Rubicon Oil and Gas, LLC requests that a non-standard location order be issued for the above listed well. The well was originally drilled by Cotton Petroleum Corporation as the State LG 2727, at a standard location of 1980 FSL & 660 FEL. The well never produced and was plugged as a dry hole January 1, 1976. Rubicon proposes to re-enter this well and try to complete the Morrow. Rubicon had the well re-surveyed in April 2006 and the well footages have determined that the well is now at a non-standard location.

Rubicon Oil and Gas respectfully requests that an administrative non-standard location order be granted for this well. The operator would be utilizing an existing wellbore that was previously permitted and drilled at a standard location, to test for commercial oil reserves.

The offset operators have been notified. See attached verification.

Sincerely,



Kay Maddox - Regulatory Agent
(432) 638-8475
Kay.Maddox@yahoo.com

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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

~~Revised 1-1-76~~

5a. Indicate Type of Lease State ☒ Fee ☐
5. State Oil & Gas Lease No. LG2727
7. Unit Agreement Name
8. Farm or Lease Name State LG2727
9. Well No. 1
10. Field and Pool, or Wildcat Undesignated Morrow
12. County Eddy

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 L-1" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL ☐ GAS WELL ☒ OTHER ☐
2. Name of Operator Cotton Petroleum Corporation
3. Address of Operator 816 Building of the Southwest, Midland, Texas 79701
4. Location of Well UNIT LETTER <u>I</u> <u>1980</u> FEET FROM THE <u>South</u> LINE AND <u>660</u> FEET FROM THE <u>East</u> LINE, SECTION <u>10</u> TOWNSHIP <u>21-S</u> RANGE <u>25-E</u> NMPM.

15. Elevation (Show whether DF, RT, GR, etc.)

3339' GL

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	PLUG AND ABANDONMENT ☒
PULL OR ALTER CASING ☐	OTHER ☐	CASING TEST AND CEMENT JOB ☐	OTHER ☐

17. 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.

TD 10700

1/176 - Captioned well was permanently plugged by Halliburton Co. this date. 373' 13 3/8" 48# H-40 and 2293' 8 5/8" 32# K-55 casing w/cement circulated to surface was left in the hole. The hole was loaded w/9.2#gal. mud and the following cement plugs were spotted:

35 sx.	Class C Neat cement	10,200-10,300'
45 sx.	" " "	8,660- 8,450'
35 sx.	" " "	7,500- 7,400'
35 sx.	" " "	5,100- 5,000'
35 sx.	" " "	3,540- 3,440'
45 sx.	" " "	2,260- 2,135'
10 sx.	" " "	Plug at surface

RECEIVED

JAN 13 1976

O. C. C.
ARTERIA, OFFICE

The drilling pad has been cleared of junk and the pits will be leveled in 60-90 days when they have sufficiently dried.

Handwritten notes:
1-2-76
1-2-76

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

SIGNED [Signature] TITLE Division Production Mgr. DATE 1/8/76

APPROVED BY [Signature] TITLE DATE
CONDITIONS OF APPROVAL, IF ANY:

Notification Of Offset Operators:

Devon Energy Corporation
20 N Broadway
Oklahoma City, OK
73102

Marbob Energy
PO Box 227
Artesia, NM 88211

Bureau Of Land Management
PO Box 27115
Santa Fe, NM 87502

Surface Owner:

New Mexico State Land Office
PO Box 1148
Santa Fe, NM 87504

The above listed parties have been sent by certified mail a copy of this Non-standard location order application on this the 13th day of July, 2006.



Kay Maddox-Regulatory Agent

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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 October 12, 2005
Submit to Appropriate District Office
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Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-21639		² Pool Code	³ Pool Name Wildcat Morrow
⁴ Property Code	⁵ Property Name OVERSHOT STATE 10		⁶ Well Number 1
⁷ OGRID No. 194266	⁸ Operator Name Rubicon Oil and Gas, LLC		⁹ Elevation 3350'

¹⁰ Surface Location

UL or lot no. I	Section 10	Township 21-S	Range 25-E	Lot Idn	Feet from the 2141	North/South line South	Feet from the 656	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
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¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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, 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 by the division. Signature: <u>Key Maddox</u> Date: <u>7/3/2006</u> Printed Name: <u>Key Maddox</u>
					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. Date of Survey: Signature and Seal of Professional Surveyor: Certificate Number:



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

September 12, 2006

Rubicon Oil and Gas, LLC
Attn: Kay Maddeox
508 W. Wall Ave., Suite 500
Midland, TX 79701

Administrative Order NSL-5447

Dear Ms. Maddox:

Reference is made to the following:

- (a) your application (**administrative application reference No. pTDS0-619935751**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on July 17, 2006 on behalf of Rubicon Oil and Gas, LLC (Rubicon);
- (b) your letter dated August 17, 2006, supplementing the information in the application;
- (c) the Division's records pertinent to this request.

Rubicon has requested to re-enter and re-complete its Overshot State 10 Well No. 1 (API No. 30-015-21639) at an unorthodox Morrow location, 2141 feet from the South line and 656 feet from the East line (Unit I) of Section 10, Township 21 South, Range 25 East, N.M.P.M., in Eddy County, New Mexico. The S/2 of Section 10 will be dedicated to this well in order to form a standard 320-acre spacing unit for a wildcat Morrow completion. Wildcat Morrow spacing is governed by statewide Rule 104.C(2), which provides for 320-acre units, with wells located at least 660 feet from the outer boundary of the quarter section on which the well is located.

Rubicon's application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

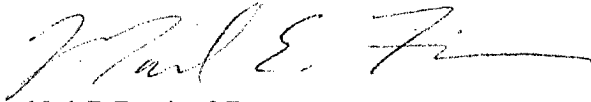
The requested location is approximately 656 feet west of the East boundary, and 499 feet south of the North boundary of the SE/4 of Section 10. It is our understanding Rubicon seeks to re-enter an existing well drilled by another operator that was permitted for standard a location 1980 feet FSL and 660 feet FEL of Section 10. We further understand that Rubicon has re-surveyed the location and determined that the well is actually located at the unorthodox location for which Rubicon seeks approval in this application.

Pursuant to Division Rule 1210.A(2), Rubicon has filed proof of notice of this application to Devon Energy Corporation, Marbob Energy Corp., the United States Bureau of Land Management, the New Mexico State Land Office, Pitch Energy Corporation, Rick Sell, Eram Ali, Charles M. Morgan, Mitchell E. Cheney, John D. Pool, Thomas Malcolm Wade, Fred Corey, Lynn S. Charuk and Steve Sell. It is our understanding that these persons are all of the "affected persons," as defined in Rule 1210.A(2)(a), as to the N/2 of Section 10 and the W/2 of Section 11, the units toward which the proposed location will encroach.

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox Morrow gas well location for Rubicon's Overshot State 10 Well No. 1 is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe