

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

DEC 27 2007

Form C-101
May 27, 2004

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

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 TREK OPERATING, LLC 10159 E. 11TH ST., #401 TULSA, OK 74128-3028 | | ² OGRID Number 255281 |
| ³ Property Code 36926 | ⁴ Property Name CARMEX | ⁵ API Number 30-D15-36023 |
| ⁶ Well No 1 | | |
| ⁹ Proposed Pool 1 LOVING BRUSHY CANYON, EAST (40350) | | ¹⁰ Proposed Pool 2 |

⁷ Surface Location

| | | | | | | | | | |
|--------------------------|----------------------|-------------------------|----------------------|---------|------------------------------|----------------------------------|------------------------------|-------------------------------|-----------------------|
| UL or lot no J | Section 34 | Township 23-S | Range 28-E | Lot Idn | Feet from the 1980 | North/South line SOUTH | Feet from the 1980 | East/West line EAST | County 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 N | ¹² Well Type Code O | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code P | ¹⁵ Ground Level Elevation 3031' |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 6600' | ¹⁸ Formation BONE SPRING | ¹⁹ Contractor UNKNOWN | ²⁰ Spud Date 2/1/2008 |
| Depth to Groundwater 25' | | Distance from nearest fresh water well 3000' | | Distance from nearest surface water 6000' |
| Pit: Liner Synthetic <input type="checkbox"/> muls thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method | | | | |
| Closed-Loop System <input checked="" type="checkbox"/> (NO PIT) Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> | | | | |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|---------------|---------------|--------------------|----------------|-----------------|----------------|
| 18" | 14" | 50 | 0-40' | 0 | NA |
| 12.25" | 8.625" | 24 | 0-460' | 350 | SURFACE |
| 7.875" | 5.500" | 17 | 0-6600' | 700 | 2300' |
| | | | | | |
| | | | | | |

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.

1. With air rig, drill 18" hole to 40'. Set conductor casing at 0-40' (no cement).
2. With rotary rig, drill 12 1/4" hole at 0-460' with fresh mud. Set surface casing at 0-460'. Cement casing from 460' to surface. Wait on cement.
3. With salt water mud, drill 7 7/8" hole to 6600'. Set production casing at 0-6600'. Cement casing from 6600' up to 2300', in salt section. Wait on cement.
4. Commence completion operations.

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 ☐.

Signature

Brad D. Burks

Printed name: **BRAD D. BURKS**

Title: **GENERAL MANAGER**

E-mail Address: **OFFICE@BKXCORP.COM**

Date: **12/26/2007**

Phone: **918-582-3855**

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRAÑT
DISTRICT II GEOLOGIST

Approval Date: **JAN 04 2008**

Expiration Date: **JAN 04 2010**

Conditions of Approval Attached ☐

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

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco DEC 27 2007

Santa Fe, N M 87505 **OCD-ARTESIA**

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------|---------------------|---------------------------------------|
| API Number 30-015- | Pool Code 40350 | Pool Name Loving Brushy Canyon, E. |
| Property Code | Carmex | Property Name |
| OGRID No. 255281 | Trek Operating, LLC | Operation Name |
| | | Well Number #1 |
| | | Elevation 3031 |

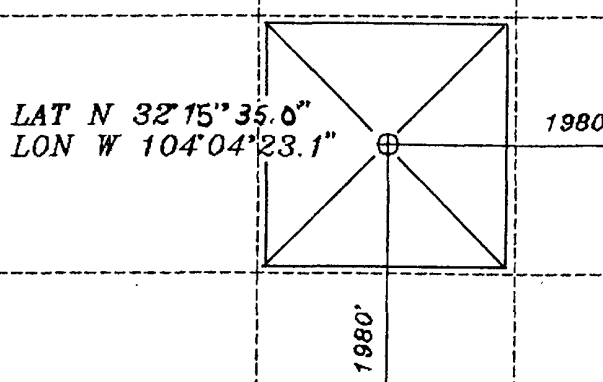
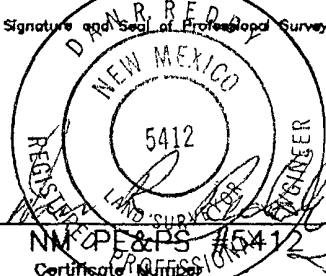
Surface Location

| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|----------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| UL or Lot No. J | Section 34 | Township 23-S | Range 28-E | Lot Idn. | Feet from the 1980 | North/South line SOUTH | Feet from the 1980 | East/West line EAST | County EDDY |
|--------------------|---------------|------------------|---------------|----------|-----------------------|---------------------------|-----------------------|------------------------|----------------|

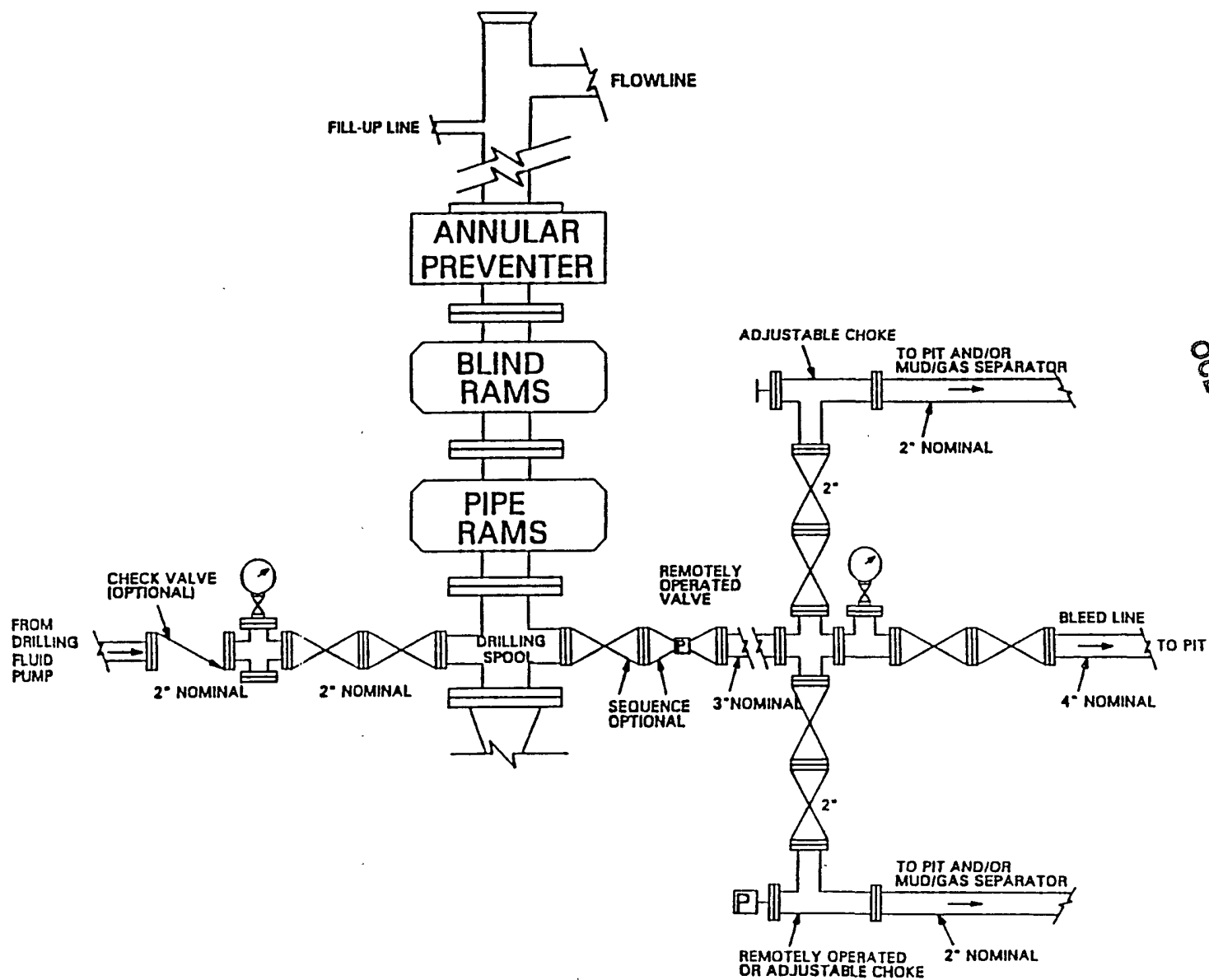
Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-----------------------|----------------------|-------------------------|-----------|----------|---------------|------------------|---------------|----------------|--------|
| UL or Lot No. | Section | Township | Range | Lot Idn. | Feet from the | North/South line | Feet from the | East/West line | County |
| Dedicated Acres 40 | Joint or Infill N | Consolidation Code C | Order No. | | | | | | |

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

| | |
|---|--|
|  | OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. |
| | Signature <i>Brad D Burks</i> |
| | Printed Name BRAD D. BURKS |
| | Title GENERAL MANAGER |
| | Date 12/26/2007 |
| | 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 KNOWLEDGE AND BELIEF. |
| | Date of Survey JULY 31, 2004 |
| | Signature and Seal of Professional Surveyor  |

PROPOSED 5-M BOPE AND CHOKE ARRANGEMENT



DEC 27 2001
OCD-AKTESIA

**New Mexico Office of the State Engineer
POD Reports and Downloads**

**DEC 27 2007
OCD-ARTESIA**

Township: 23S Range: 28E Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic
☒ All

POD / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

iWATERS Menu

Help

AVERAGE DEPTH OF WATER REPORT 12/13/2006

| Bsn | Tws | Rng | Sec | Zone | X | Y | Wells | (Depth Water in Feet) | | |
|-----|-----|-----|-----|------|---|---|-------|-----------------------|-----|-----|
| | | | | | | | | Min | Max | Avg |
| C | 23S | 28E | 05 | | | | 1 | 33 | 33 | 33 |
| C | 23S | 28E | 06 | | | | 11 | 20 | 85 | 45 |
| C | 23S | 28E | 07 | | | | 2 | 40 | 50 | 45 |
| C | 23S | 28E | 08 | | | | 3 | 16 | 50 | 35 |
| C | 23S | 28E | 09 | | | | 1 | 30 | 30 | 30 |
| C | 23S | 28E | 10 | | | | 2 | 19 | 25 | 22 |
| C | 23S | 28E | 11 | | | | 2 | 15 | 16 | 16 |
| C | 23S | 28E | 12 | | | | 1 | 20 | 20 | 20 |
| C | 23S | 28E | 13 | | | | 4 | 15 | 50 | 33 |
| C | 23S | 28E | 14 | | | | 2 | 29 | 30 | 30 |
| C | 23S | 28E | 15 | | | | 5 | 12 | 54 | 37 |
| C | 23S | 28E | 16 | | | | 3 | 33 | 55 | 40 |
| C | 23S | 28E | 17 | | | | 2 | 50 | 75 | 63 |
| C | 23S | 28E | 18 | | | | 3 | 42 | 217 | 113 |
| C | 23S | 28E | 19 | | | | 2 | 10 | 45 | 28 |
| C | 23S | 28E | 20 | | | | 3 | 34 | 70 | 55 |
| C | 23S | 28E | 21 | | | | 7 | 6 | 69 | 23 |
| C | 23S | 28E | 22 | | | | 10 | 30 | 160 | 54 |
| C | 23S | 28E | 23 | | | | 7 | 12 | 75 | 46 |
| C | 23S | 28E | 24 | | | | 1 | 36 | 36 | 36 |
| C | 23S | 28E | 25 | | | | 7 | 27 | 60 | 44 |
| C | 23S | 28E | 27 | | | | 2 | 18 | 40 | 29 |
| C | 23S | 28E | 28 | | | | 2 | 3 | 10 | 7 |
| C | 23S | 28E | 29 | | | | 1 | 15 | 15 | 15 |
| C | 23S | 28E | 30 | | | | 1 | 8 | 8 | 8 |
| C | 23S | 28E | 33 | | | | 1 | 190 | 190 | 190 |
| C | 23S | 28E | 34 | | | | 1 | 25 | 25 | 25 |
| C | 23S | 28E | 35 | | | | 1 | 30 | 30 | 30 |

TREK OPERATING, LLC

10159 E. 11TH St., #401

Tulsa, OK 74128-3028

Phone: 918.582.3855 Fax: 918.582.3865

DEC 27 2007
OCD-ARTESIA

December 26, 2007

Fed-Ex Overnight Mail

NMOCD – Artesia District Office
Attn: Mr. Bryan Arrant
1301 W. Grand Ave.
Artesia, NM 88210

RE: Trek's Application to Drill New Well, OCD Form C-101
H₂S Contingency Plan, API Number Pending
Carmex #1 J34-23S-28E, Eddy County, New Mexico

Mr. Arrant,

The purpose of this letter is to accompany the referenced application to drill and to relay to your office that Trek Operating, LLC, does not believe that there will be sufficient H₂S quantities, during drilling and completion phases on this well, to meet the NMOCD's minimum requirements for the submission of an H₂S Contingency Plan, per NMOCD Rule 118.

Numerous wells have been drilled in the same congressional section of land, to similar depths, and have not reportedly encountered any quantity of H₂S gas.

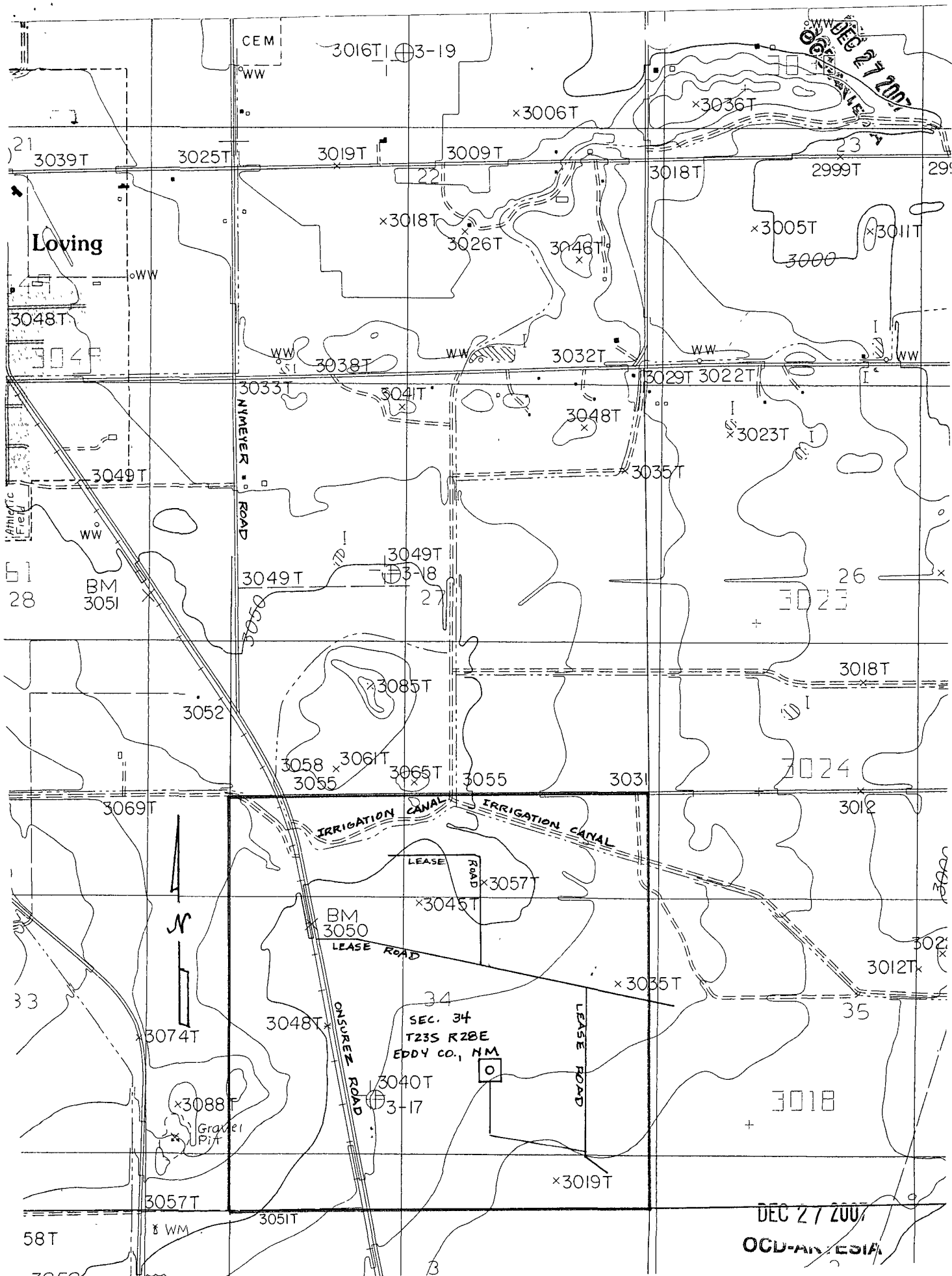
Should your office require additional information in this regard, please contact me at (918) 582-3855, extension 101.

Yours very truly,



Brad D. Burks, General Manager
Trek Operating, LLC

BDB



TREK OPERATING, LLC

10159 E. 11TH St., #401

Tulsa, OK 74128-3028

Phone: 918.582.3855 Fax: 918.582.3865

December 26, 2007

Fed-Ex Overnight Mail

DEC 27 2007
OCD-ARTESIA

NMOCD – Artesia District Office
Attn: Mr. Bryan Arrant
1301 W. Grand Ave.
Artesia, NM 88210

RE: Trek's Application to Drill New Well, OCD Form C-101
Carmex #1 J34-23S-28E, Eddy County, New Mexico

Mr. Arrant,

Enclosed for NMOCD approval is a Form C-101 for a new well to be drilled. Concurrent to this submittal to your office, an application form for a plugging bond has been sent to Ms. Dorothy Phillips at the NMOCD in Santa Fe.

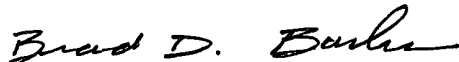
Per my conversation, today, with Dorothy Phillips, she cannot approve the plugging bond without an API number, which is assigned by your office. I understand that you cannot assign an API number without a Form C-101. The NMOCD website requests that Form C-101 be filed electronically.

I attempted to file a Form C-101 via electronic means, but the exercise proved futile. The NMOCD cannot assign a online "user identification and password" without an approved plugging bond, thereby preventing me from filing Form C-101, electronically. Since I am not fond of being a "dog chasing his tail", I opted to take Dorothy Phillips' suggestion of sending Form C-101 directly to you, via overnight mail. I trust that you will recognize that there was no other choice of delivery of the form, to you.

I have attached all of the documents that I believe are needed for your approval of Form C-101. In case I have missed something, please call me as soon as possible at (918) 582-3855, extension 101.

I appreciate your consideration of the well application.

Yours very truly,



Brad D. Burks, General Manager
Trek Operating, LLC

BDB

Attachments