

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 Dr.
Santa Fe, NM 87505

JAN 31 2008
OCD-ARTESIA

Form C-101
May 27, 2004

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 Ponderosa Petroleum Corporation P.O. Box 132 Roswell, NM 88204 | | ² OGRID Number 248481 |
| ³ Property Code 303696 | ⁴ Property Name LE Ranch 16 | ⁵ API Number 30-005-64006 |
| ⁹ Proposed Pool 1 12358, Chisum San Andres, East | | ¹⁰ Proposed Pool 2 N/A |
| | | ⁶ Well No. 25 |

7 Surface Location

| | | | | | | | | | |
|--------------------|---------------|-----------------|--------------|---------|----------------------|-----------------------|----------------------|---------------------|------------------|
| UL or lot no. A | Section 16 | Township 11S | Range 28E | Lot Idn | Feet from the 330 | North/South line N | Feet from the 990 | East/West line E | County Chaves |
|--------------------|---------------|-----------------|--------------|---------|----------------------|-----------------------|----------------------|---------------------|------------------|

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 S | ¹⁵ Ground Level Elevation 3715 |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 2250± | ¹⁸ Formation San Andres | ¹⁹ Contractor TBD | ²⁰ Spud Date 2/15/08 |
| Depth to Groundwater 130' | | Distance from nearest fresh water well 1 mile + | | Distance from nearest surface water N/A |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12mils thick Clay <input type="checkbox"/> Pit Volume: 300 bbls Drilling Method: Rotary Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input 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 |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 9 5/8" | 7" | 23# | 300' | 110 | Surface |
| 6 1/4" | 4 1/2" | 9.5# | 2150± | 80 | 1200' |
| | | | | | |
| | | | | | |
| | | | | | |

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.

Drill & complete San Andres oil well in accordance with NMOCD rules & regs. The well will be drilled from surface to TD using rotary drilling methods. The blowout preventer/pressure control equipment will be installed and maintained in accordance with NMOCD rule 109. The well may be completed as an open-hole completion of the oil producing zone by setting the production casing no more than 100 feet above the top of the producing zone. Rule 118 letter attached.

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: Fred F. Pool, III

Title: President

E-mail Address: sspool@cableone.net

Date: 1/23/08

Phone: 575 623-4667

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT

DISTRICT II GEOLOGIST

Title:

Approval Date: FEB 01 2008

Expiration Date:

FEB 01 2010

2010

CEMENT TO COVER ALL OIL,
GAS AND WATER BEARING
ZONES

District I
1625 N. French Dr., Hobbs, NM 88240
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1220 S. St. Francis Dr., Santa Fe, NM 87505

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 | ² Pool Code 12358 | ³ Pool Name Chisum San Andres, East |
| ⁴ Property Code 303696 | ⁵ Property Name LE Ranch 16 | ⁶ Well Number 25 |
| ⁷ OGRID No. 248481 | ⁸ Operator Name Ponderosa Petroleum Corporation | ⁹ Elevation 3715 |

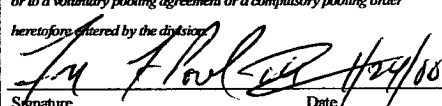
¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 16 | 11S | 28E | | 330 | N | 990 | E | Chaves |

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 40 | 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 | | SEE ATTACHED "SURVEYOR CERTIFICATION" | | 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 Fred F. Pool, III Printed Name President |
| | | | | 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 |

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---------------------------|--|--|--|--|------------------------|
| 1 API Number | | 1 Pool Code 12358 | | 1 Pool Name Chisum San Andres, East | |
| 1 Property Code 303696 | | 1 Property Name LER-16 | | | 1 Well Number 25 |
| 1 OGRID No. | | 1 Operator Name Fred Pool Drilling, Inc. Ponderosa Petroleum Corporation | | | 1 Elevation 3715.40 |

10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 16 | 11S. | 28E. | | 330 | N | 990 | E | Chaves |

11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-------------------|--------------------|-----------------------|--------------|
| 11 Dedica d Acres | 11 Joint or Infill | 11 Consolidation Code | 11 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 | | | | | <h4>17 OPERATOR CERTIFICATION</h4> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Fred E. Pool, III</i></p> <p>Signature</p> <p>Fred E. Pool, III</p> <p>Printed Name</p> <p>President</p> <p>Title</p> <p>Date</p> | |
| | | | | | | <h4>18 SURVEYOR CERTIFICATION</h4> <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>10/98</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>ROBERT F. VISAGE NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 10/13/98</p> |
| | | | | | | Certificate Number |

Ponderosa Petroleum Corporation

P.O. Box 132
Roswell, NM 88202

(505) 623-4667

January 24, 2008

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division, District II
1301 W. Grand
Artesia, NM 88210

RE: Application for Permit to Drill, LE Ranch 16, #25, 330' FNL & 990' FEL,
Section 16, T11S, R28E. Rule 118

Ladies and Gentlemen:

After careful review of Rule 118, I have determined that the referenced well location does not fall under the requirements of the Rule.

In the future, if conditions dictate, I will promptly submit the required documents as stipulated by Rule 118.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred F. Pool, III", with a long, sweeping horizontal stroke extending to the right.

Fred F. Pool, III
President
Ponderosa Petroleum Corporation