

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

JUL 30 2009

Form C-101
June 16, 2008

RM

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

Operator Name and Address OGX RESOURCES, LLC. P. O. BOX 2064 MIDLAND, TEXAS 79702		OGRID Number 217955
Property Code 37322		API Number 30 - 015-36535
Property Name CHALLENGER "1" STATE		Well No. # 1
Proposed Pool 1 (96464) CORRAL CANYON-DELAWARE NORTHWEST		Proposed Pool 2

Surface Location

UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
D	1	25S	29E		660'	NORTH	660'	WEST	EDDY

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

Work Type Code A	Well Type Code O	Cable/Rotary WELL SERVICE UNIT	Lease Type Code S	Ground Level Elevation 3100'
Multiple NO	Proposed Depth 5500'	Formation DELAWARE	Contractor UNKNOWN	Spud Date WHEN APPROVED

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
26"	20"	Conductor	40'	Redi-mix	Surface
17 1/2"	13 3/8"	48#	585		Surface
12 1/4"	9 5/8"	36#	3125'	1100 Sx.	Surface
7 7/8"	5 1/2"	17#	11,365'	2100 Sx	Surface

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.

SEE ATTACHED SHEET FOR DETAIL

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: Joe T. Janica		Approved by: [Signature]	
Printed name: Joe T. Janica		Title: Geologist	
Title: Permit Eng.		Approval Date: 7/30/09 Expiration Date: 7/30/2011	
E-mail Address: joejanica@valornet.com			
Date: 07/30/09	Phone: 575-391-8503	Conditions of Approval Attached <input type="checkbox"/>	

**OGX Resources – Recompletion Procedure
Challenger 1 State No. 1
Eddy County, New Mexico
July 2009**

General Information

Lease:	Challenger 1 State	API No.:	30-015-36535
Well No.:	1	Casing:	
Field:	Corral Draw	Sur:	13 3/8" 48# H40
County:	Eddy	1 st Int:	9 5/8" 36# J55
State:	New Mexico	Prod:	5 1/2" 17# N80
Section:	1		
Township:	25S		
Range:	29E		
Section Ties:	660' FNL & 660' FWL		

Objectives

The primary objective of this well is to perforate & evaluate the potential of the Delaware intervals. Subsequently, the Delaware and Bone Spring will be comingled.

Attachments

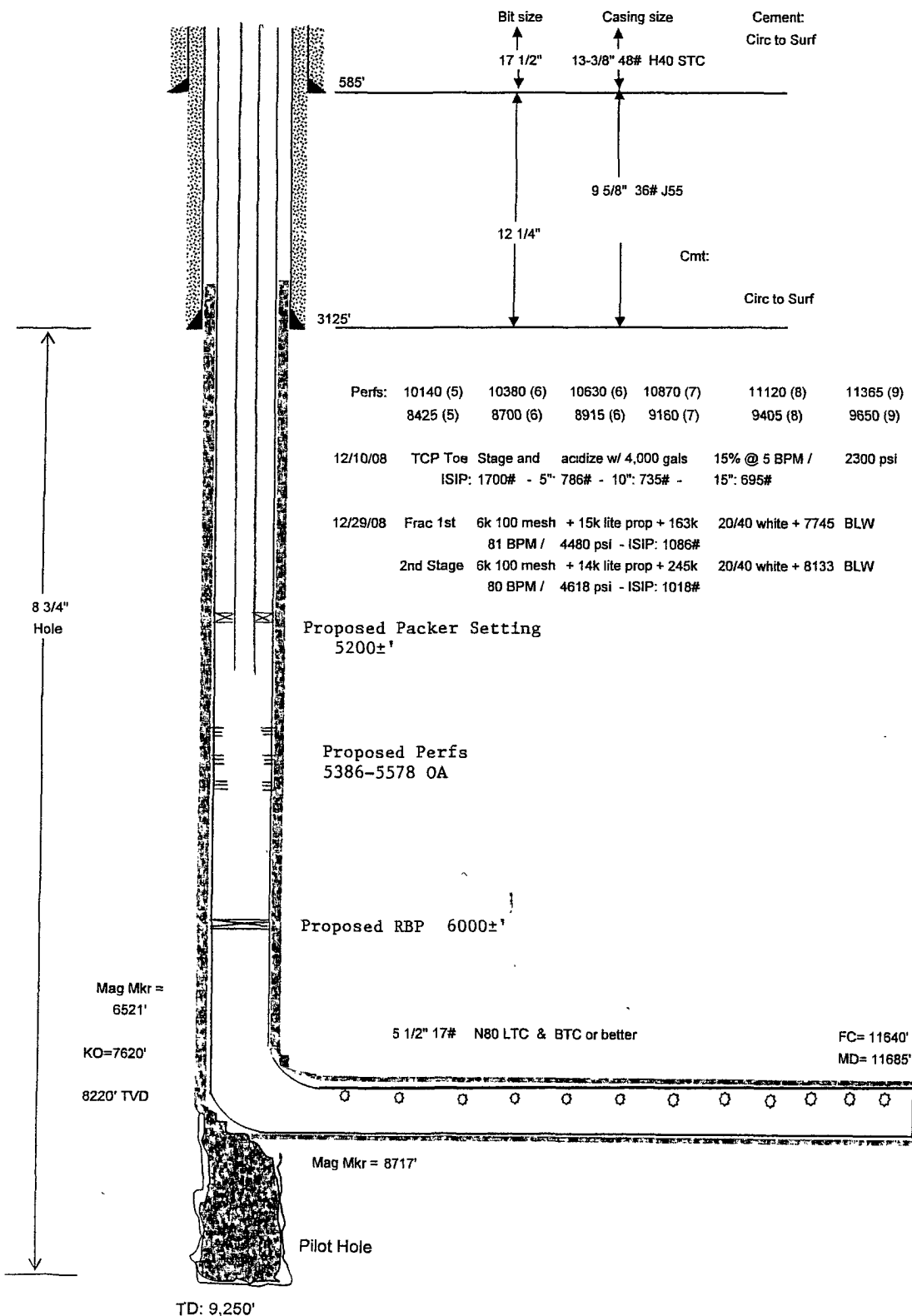
- 1) Wellbore schematic

Procedure

- 1) Hot oil well 2 days prior to MI.
- 2) MI&RU 500 series PU. POH w/ rods & pump. Install BOP. POH w/ 2 7/8" tbg.
- 3) RU wireline & lubricator. Run GR/CCL/CNL/CBL from 7000' back to 4000'. RD Wireline.
- 4) Perforate 1 JSPF 90 degree phase via csg gun at following:

5386 to 5395 (10)
5419 to 5425 (7)
5572 to 5578 (7)
RD Wireline
- 5) RIH w/ RBP & pkr to +/- 6000'. Set BP, pull up & test. Pull pkr to 5585'.
- 6) Spot 300 gals 15% HCL. Pull pkr to 5200'. Reverse 5 BBIs. Set Pkr & pressure annulas to 500 psi.
- 7) RU on tbg & pump 3500 gals 15% HCl NEFE dropping 48 bio-balls. Record SI pressures.
- 8) RD pump, flow back, swab/test zone.
- 9) Consider further stimulation.

API: 30-015-36535



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State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-36535		Pool Code 96464	Pool Name CORRAL CANYON-DELAWARE NORTHWEST
Property Code	Property Name CHALLENGER 1 STATE		Well Number 1H
OGRID No. 217995	Operator Name OGX RESOURCES		Elevation 3100'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	1	25-S	29-E		660	NORTH	660	WEST	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
M	1	25-S	29-E		350	SOUTH	660	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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>LOT 3</p> <p>LOT 2</p> <p>LOT 1</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>Joe T. Janica</i> Date: 07/30/09</p> <p>Printed Name: Joe T. Janica</p>
	<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=423821.1 N X=620480.8 E</p> <p>LAT.=32.164602° N LONG.=103.943983° W</p>	<p>SURVEYOR CERTIFICATION</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>Date Surveyed: 8/11/08 Signature: <i>Ronald J. Eidson</i> Professional Surveyor 3239</p> <p>Certificate No. GARY EIDSON 12641 RONALD EIDSON 3239</p>