

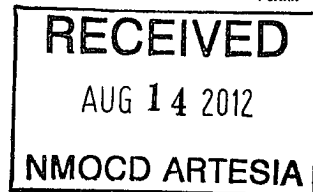
District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised December 16, 2011

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

Permit



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

¹ Operator Name and Address Tarco Energy, L.C. 12403 CR 2300 Lubbock, TX 79423		² OGRID Number 279579
		³ API Number 30-015-40620
⁴ Property Code 39400	⁵ Property Name BRAD STATE	⁶ Well No. 3

⁷ Surface Location

UL - Lot C	Section 2	Township 18 SOUTH	Range 27 EAST N.M.P.M.	Lot Idn 3	Feet from 968'	N/S Line NORTH	Feet From 2300'	E/W Line WEST	County EDDY
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⁸ Pool Information

RED LAKE; GLORIETA - 1/850 N.E.	96836
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Additional Well Information

⁹ Work Type N	¹⁰ Well Type O	¹¹ Cable/Rotary AIR ROTARY	¹² Lease Type S	¹³ Ground Level Elevation 3584.2'
¹⁴ Multiple NO	¹⁵ Proposed Depth 540	¹⁶ Formation SEVEN RIVERS	¹⁷ Contractor	¹⁸ Spud Date 09-10-2012
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
7.875		4.5"	9.5#	540	95	0

Casing/Cement Program: Additional Comments

The Drill Rig is truck mounted. The Air Compressor is operated from a "PTO" from the drilling engine. Drill 7.875" hole to 540'. Run Compensated Neutron and Gamma Ray -CCL logs. Set 4.50" casing, cement to surface. Perforate Seven Rivers formation. Perform acid treatment job w/approx 1500 gal 15% acid & additives.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer

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 D guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input checked="" type="checkbox"/> .		OIL CONSERVATION DIVISION Approved By: <i>T. C. Shepard</i> Title: <i>Geologist</i>	
Signature: <i>Joe Tarver</i> Printed name: Joe Tarver Title: President E-mail Address: joe@tarcosupply.com			
Date: Phone: 806-787-5138		Conditions of Approval Attached	

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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 August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-40620	Pool Code 96836	Pool Name RED LAKE; GL-Y/ESQ; N.E.
Property Code 39400	Property Name BRAD STATE	Well Number 3
OGRID No. 279579	Operator Name TARCO ENERGY, L.C.	Elevation 3584.2'

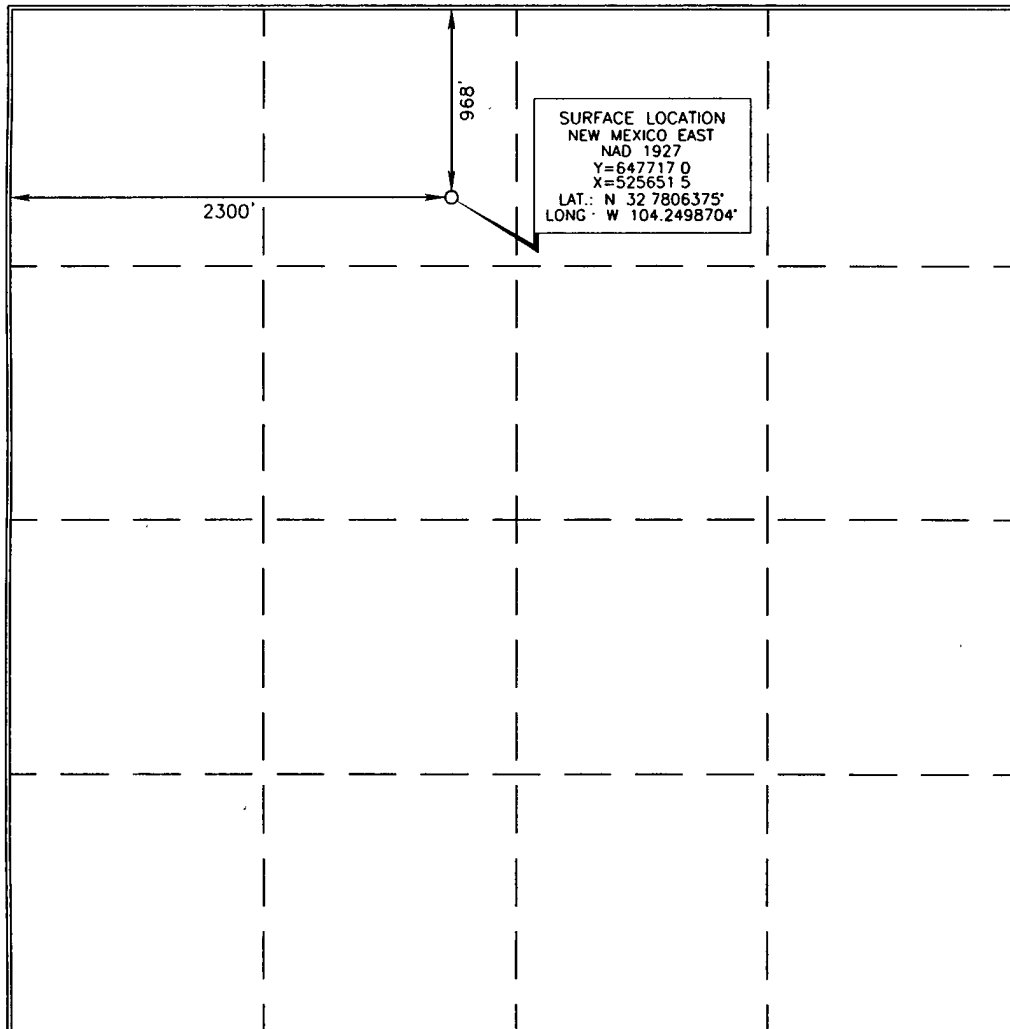
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	2	18 SOUTH	27 EAST, N.M.P.M.		968'	NORTH	2300'	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
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.



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] 8/13/2012
Signature Date

JOE L. TARVER
Printed Name
JOE@TARCOsupply.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from reliable data of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

[Signature]
Date of Survey
Signature and Seal of Professional Surveyor

[Signature] 5/31/2012
Certificate Number 15079

WO# 120521WL-9 (KA)