

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

Energy Minerals and Natural Resources

RECEIVED  
AUG 18 2005

Form C-101  
May 27, 2004

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

Submit to appropriate District Office  
OCD-ARTESIA  
☐ AMENDED REPORT

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

Operator Name and Address Marshall & Winston, Inc., P.O. Box 50880, Midland, TX 79710-0880		OGRID Number 14187
Property Code 35105		API Number 30-015-34342
Property Name King Air State		Well No. 1
Proposed Pool 1 Under. Eagle Creek, Atoka-Morrow, Case 76240		Proposed Pool 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
P	16	17S	25E		660	South	660	East	Eddy

**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**

Work Type Code	Well Type Code G	Cable/Rotary Rotary	Lease Type Code State	Ground Level Elevation 3557'
Multiple No	Proposed Depth 9000'	Formation Morrow	Contractor J. W. Drilling	Spud Date 10-1-05
Depth to Groundwater: 350'		Distance from nearest fresh water well: 2000'		Distance from nearest surface water: 2400'
Pit: Liner: Synthetic X 12 mils thick Clay <input type="checkbox"/> Pit Volume: 12000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water X Brine X Diesel Oil-based <input type="checkbox"/> Gas Air <input type="checkbox"/>				

**Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5"	13 3/8"	54.5#	375'	200 sx	Surface
12 1/4"	8 5/8"	24#	1200'	350 sx	Surface
7 7/8"	4 1/2"	11.6#	9000'	600+ sx	4900'+
Tie Back To 8 5/8" casing					

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.

Propose to drill to total depth of 9000'. Will log, evaluate. Morrow is target formation.

Other formation possibilities are the Abo, Wolfcamp, Cisco and Canyon.

Will run production string as above and cement with sufficient cement to cover all target formation with 100% excess.

Mud Program: 0-375' fresh water, 375-1200' fresh water, 1200-8000' fresh water-native brine; 8000-9000' mud up Salt Gel.

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

Printed name: Ann E. Ritchie

Title: Regulatory Agent

E-mail Address: ann.ritchie@wtor.net

Date: 8-17-05

Phone: 432 684-6381

OIL CONSERVATION DIVISION	
Approved by: <i>Ann E. Ritchie</i>	Approval Date: AUG 23 2005
Title: District II Supervisor	Expiration Date: AUG 23 2006
Conditions of Approval	

NOTIFY OCD OF SPUD & TIME TO  
WITNESS CEMENTING OF  
SURFACE & INTERMEDIATE  
CASING

## DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

## OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505Revised JUNE 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

## DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

## DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 76240	Well Name Eagle Creek, Morrow, 1 East
Property Code	Property Name KING AIR STATE	Well Number 1
OGRID No. 14187	Operator Name MARSHALL AND WINSTON, INC.	Elevation 3557'

## Surface Location

UL or lot No. P	Section 16	Township 17-S	Range 25-E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 660	East/West line EAST	County EDDY
--------------------	---------------	------------------	---------------	---------	----------------------	---------------------------	----------------------	------------------------	----------------

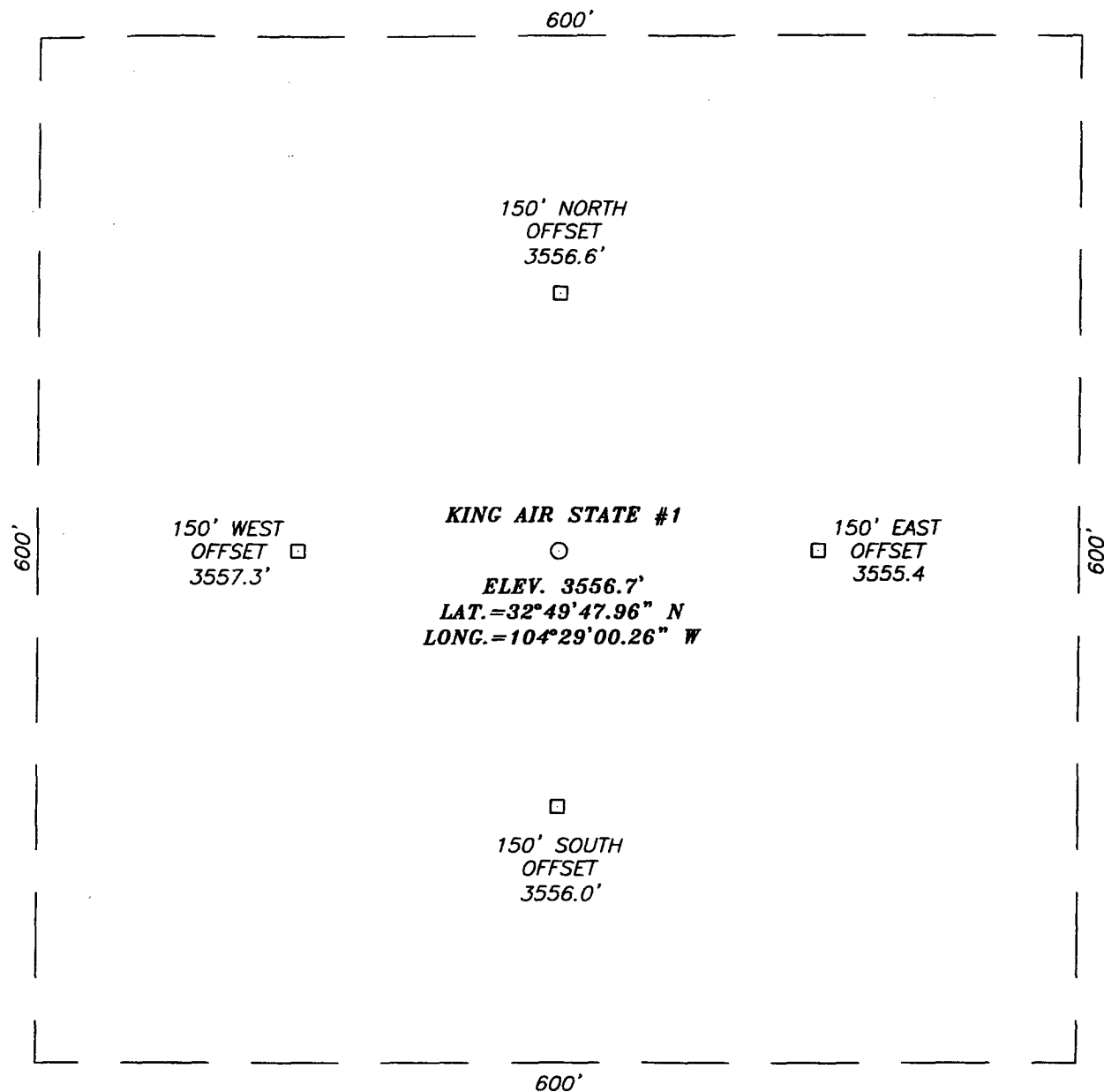
## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
------------------------	-----------------	--------------------	-----------

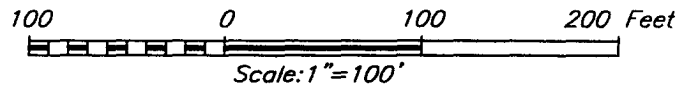
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.   Signature Ann E. Ritchie Printed Name Regulatory Agent Title 8-17-05 Date
	<b>SURVEYOR CERTIFICATION</b>  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.  FEBRUARY 21, 2005 Date Surveyed Signature & Seal Professional Surveyor NEW MEXICO GARY G. FIDSON 05.11.0307 12841



## DIRECTIONS TO LOCATION

FROM US. HWY. #82 AT MILE MARKER 102.3. GO SOUTH ALONG TRAIL ROAD FOR APPROX. 0.9 MILES. THIS LOCATION IS APPROX. 660' WEST.

**MARSHALL AND WINSTON, INC.**

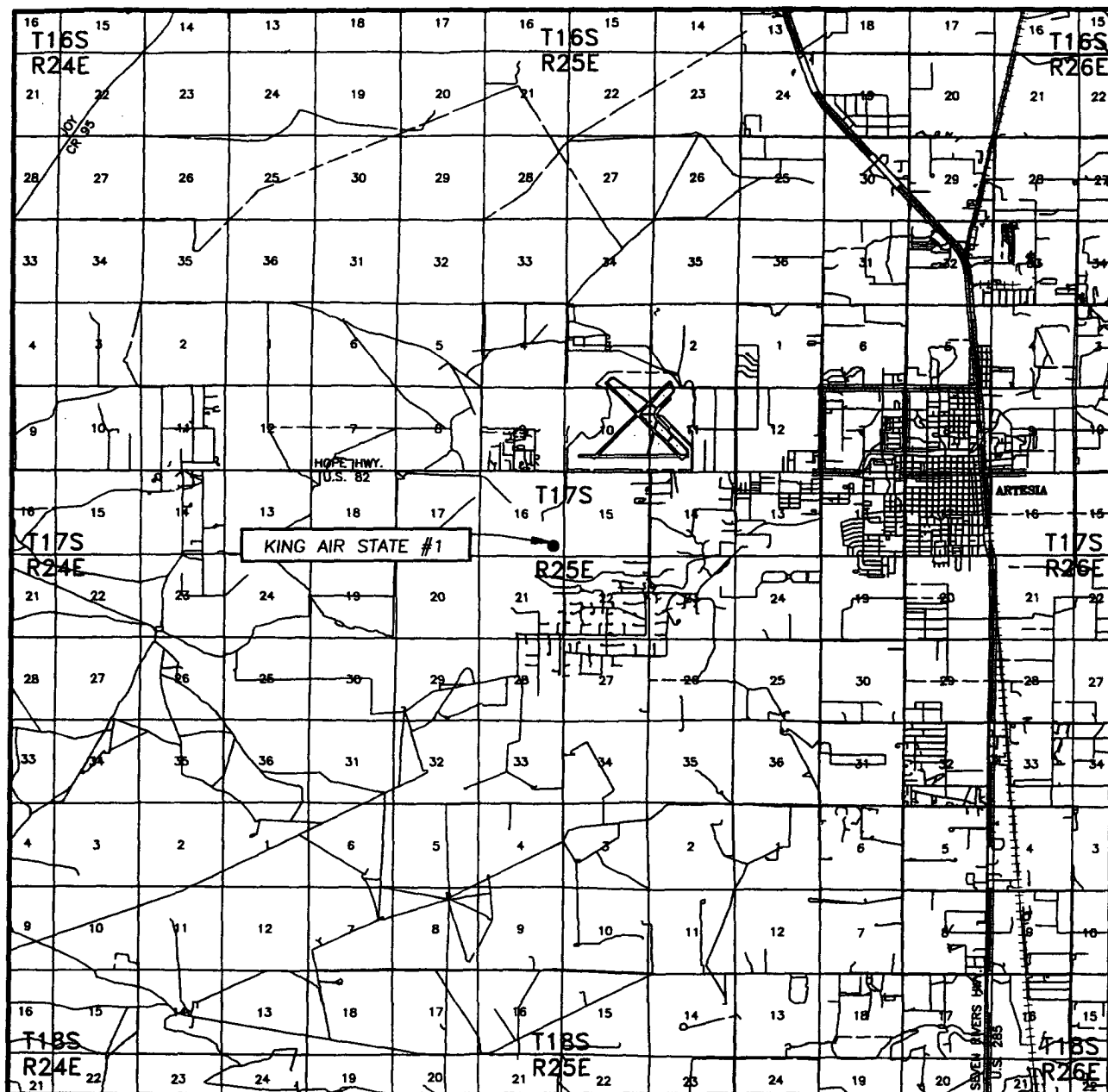
KING AIR STATE #1 WELL  
LOCATED 660 FEET FROM THE SOUTH LINE  
AND 660 FEET FROM THE EAST LINE OF SECTION 16,  
TOWNSHIP 17 SOUTH, RANGE 25 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.

Survey Date: 02/21/05	Sheet 1 of 1 Sheets		
W.O. Number: 05.11.000	Dr By: D. LOVE	Rev 1:N/A	
Date: 02/22/05	Disk: CD#4	05110307	Scale: 1"=100'



PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 393-3117

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 16 TWP. 17-S RGE. 25-E

SURVEY N.M.P.M.

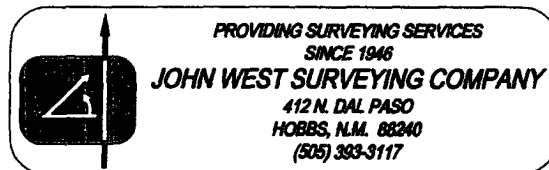
COUNTY EDDY

DESCRIPTION 660' FSL & 660' FEL

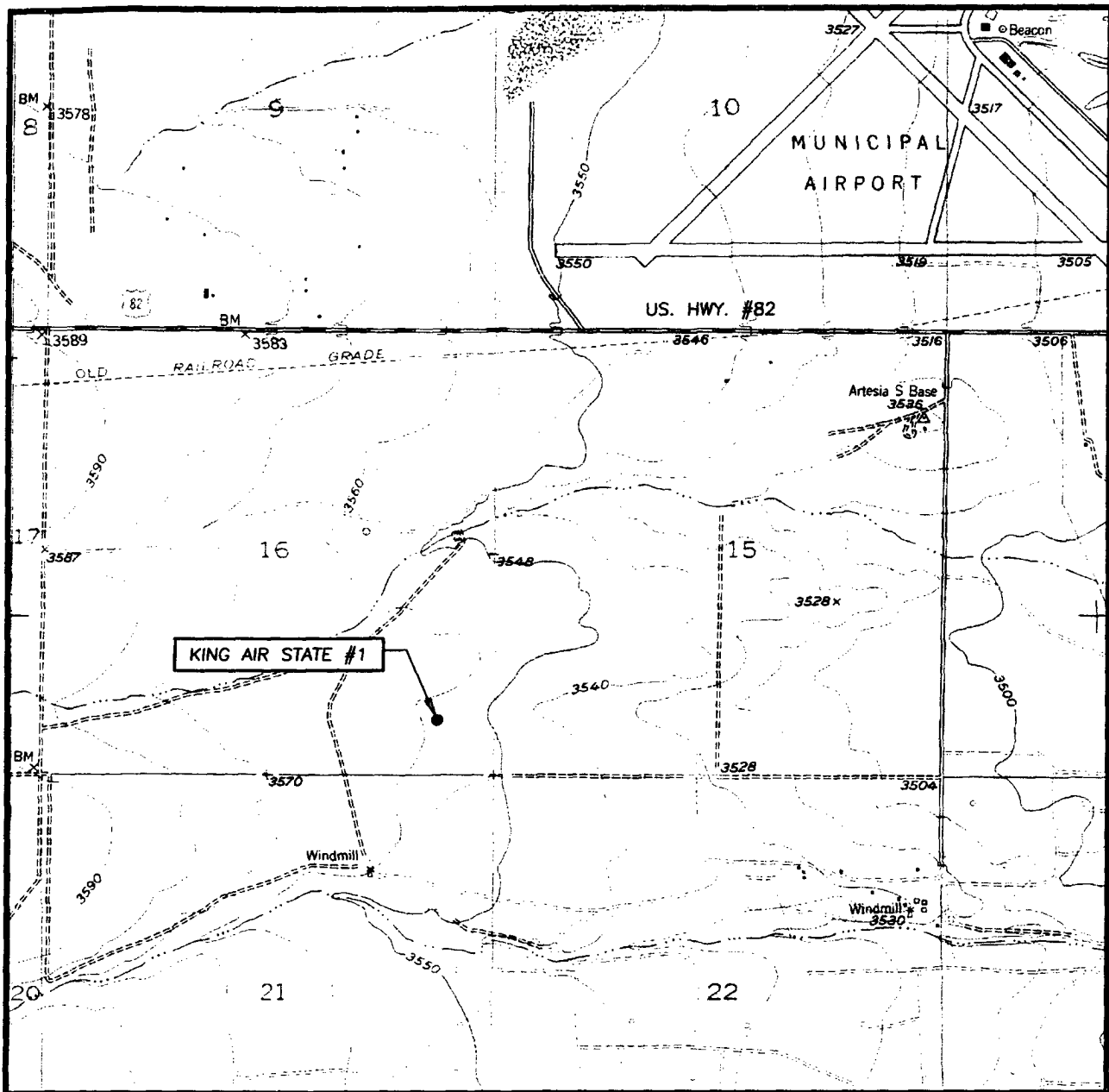
ELEVATION 3557'

OPERATOR MARSHALL AND WINSTON, INC.

LEASE KING AIR STATE



# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
ARTESIA, N.M. - 10'

SEC. 16 TWP. 17-S RGE. 25-E

SURVEY N.M.P.M.

COUNTY EDDY


DESCRIPTION 660' FSL & 660' FEL

ELEVATION 3557'

OPERATOR MARSHALL AND WINSTON, INC.

LEASE KING AIR STATE

U.S.G.S. TOPOGRAPHIC MAP  
ARTESIA, N.M.



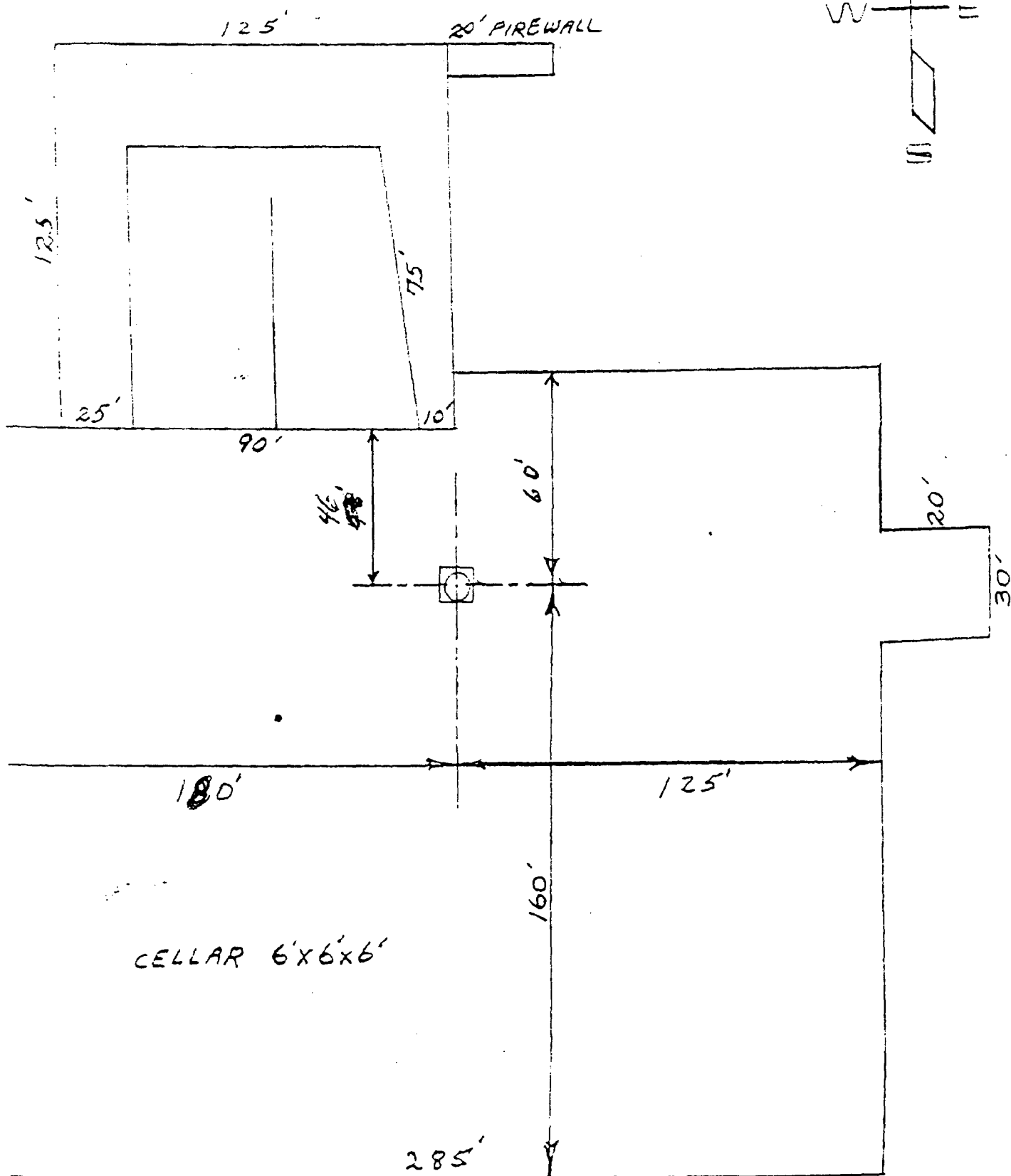
PROVIDING SURVEYING SERVICES  
SINCE 1946

**JOHN WEST SURVEYING COMPANY**

412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 393-3117

**DRILLING INC.**

**RIGS 2 AND 3 & 5**  
for Marshall & Winston, Inc.  
King Air State #1  
Eddy County, NM



# EXHIBIT A

B.O.P. STACK SPACING

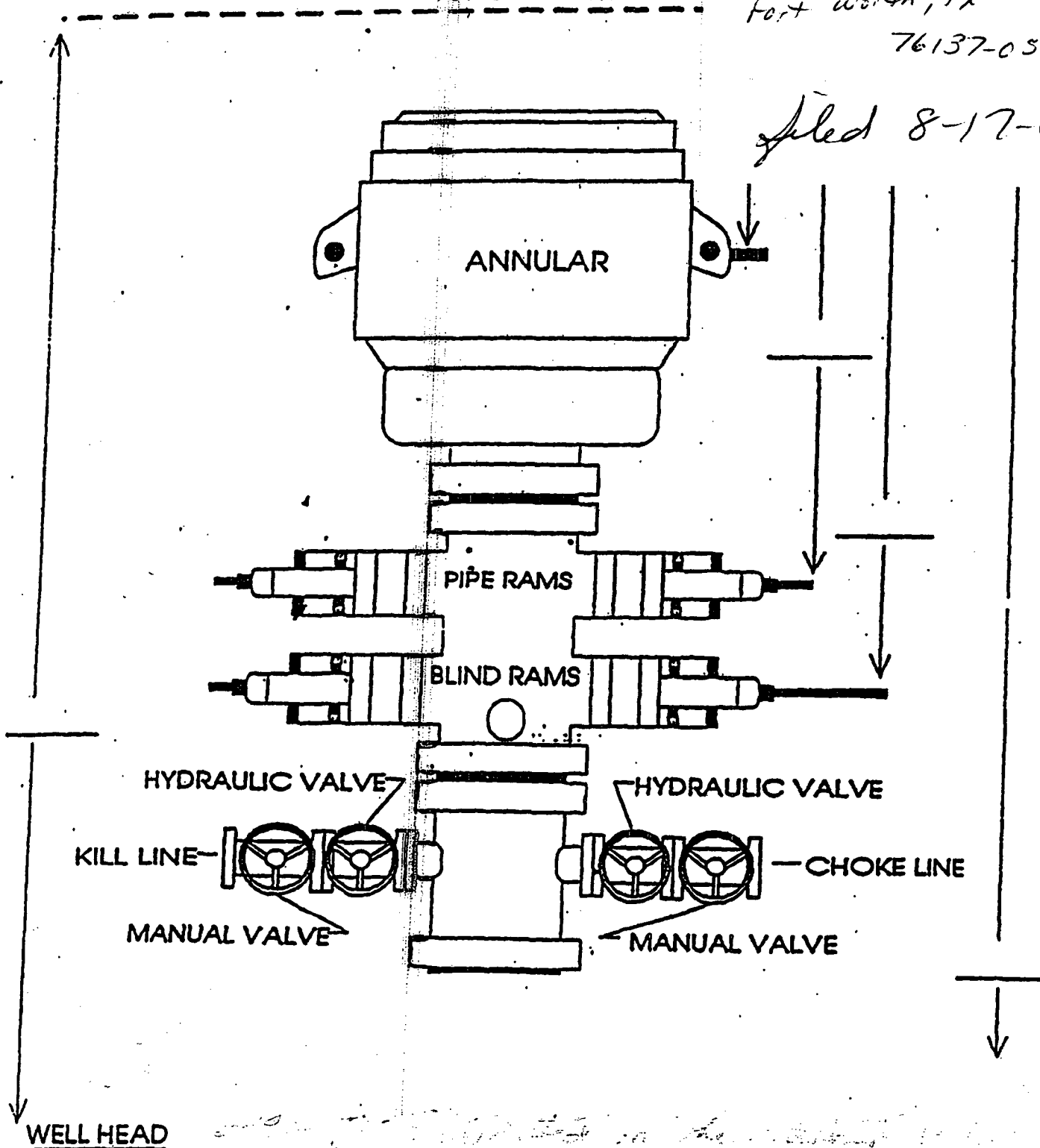
SIZE: 3000#

TOP OF ROTARY

Southwest Region - NMTT  
Air Traffic Division,  
ASW520  
3601 Meacham Blvd.  
Fort Worth, TX

76137-0520

filed 8-17-05



Marshall & Winston, Inc.

King Air State #1

WELL Eddy County, NM

CONTRACTOR

"Generic"

RIDER NO. 1

Attaching to and forming part of Improvement Damage Bond for Oil & Gas Leases, Multi-Lease (Blanket) Bond, Bond No. B05651, executed December 7, 1995, on behalf of Marshall & Winston, Inc. as Principal, in favor of the State of New Mexico as Obligee, in the amount of Twenty Thousand and No/100 Dollars (\$20,000.00).

It is understood and agreed that effective December 7, 2003, the Surety Company on the above referenced bond is amended to read **RLI Insurance Company**.

It is also understood and agreed that effective December 7, 2003, the bond number for the above referenced bond is amended from B05651 to RLB0006141.

All other conditions and terms to remain as originally written or previously changed by rider.

Signed, sealed and dated this 22nd day of September, 2003.

Marshall & Winston, Inc.

Principal

By: Charles J. Riep, Secretary

RLI Insurance Company  
8 Greenway Plaza, Suite 400  
Houston, TX 77046

Surety

By: Greg E. Chilson

Greg E. Chilson, Attorney-in-Fact





NEW MEXICO STATE LAND OFFICE  
IMPROVEMENT DAMAGE BOND FOR OIL & GAS LEASES  
MULTI-LEASE (BLANKET) BOND

Ogr id # 14187

BOND NO. B05651

(For use of Surety Company)

BOND NO. \_\_\_\_\_

(For Land Office Use)

KNOW ALL MEN BY THESE PRESENTS:

That Marshall & Winston, Inc., (~~an unincorporated partnership~~) (a corporation organized in the State of Texas, with its principal office in the City of Midland State of Texas, and authorized to do business in the State of New Mexico), as PRINCIPAL, and Underwriters Indemnity Co., a corporation organized and existing under the laws of the State of Texas, and authorized to do business in the State of New Mexico with duly appointed resident agent licensed in the State of New Mexico to execute this bond on behalf of the surety company, as SURETY, are held firmly bound unto the State of New Mexico, for the use and benefit of the New Mexico State Land Office and its lessees holding grazing or agricultural leases on State trust lands and for the use and benefit of purchasers holding purchase contract or patent to state lands, with minerals reserved, their grantees and successors in interest, pursuant to Section 19-10-26 NMSA 1978, as amended, in the sum of Twenty Thousand (\$20,000.00) lawful money of the United States, for the payment of which well and truly to be made, said PRINCIPAL AND SURETY hereby bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, the above principal has heretofore or may hereafter enter into one or more oil and gas leases with the State of New Mexico; and

WHEREAS, said leases were entered into by the said principal, subject to the requirements of the provisions of Section 19-10-26 NMSA 1978, as amended; and

WHEREAS, all or part of the lands embraced in said oil and gas leases have been leased for grazing or agricultural purposes or have been sold, with minerals reserved to the State of New Mexico, to various purchasers who hold limited patents from the State of New Mexico or State purchase contracts; and

WHEREAS, the above principal, individually, or in association with one or more other parties, has commenced or may commence development or operations upon the land embraced in the aforesaid oil and gas lease.

NOW THEREFORE, if the above bounden principal and surety or either of them or their successors or assigns, or any of them, upon demand shall make good and sufficient recompense, satisfaction or payment unto the New Mexico State Land Office and its holders of State grazing or agricultural leases, State purchase contracts, or State patents, with minerals reserved to the State, and their heirs, executors, administrators, successors and assigns, for all damages to livestock, range, water, crops, or tangible improvements on such lands as may be suffered by the New Mexico State Land Office and its lessees and purchasers or their successors in interest, by reason of such development, use or occupancy of such lands by such principal, or for such damages including attorneys' fees as a court of competent jurisdiction may determine and fix in any action brought on this bond.

THEN, THEREFORE, this obligation shall be null and void; otherwise and in default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

SIGNED AND SEALED this 7th day of December, 1995.

Marshall & Winston, Inc.

P.O. Box 50880

Midland, Texas 79710

Address

BY Robert H. Ritchie

Signature

ROBERT H. RITCHIE

Title

(Note: Principal, if corporation, affix corporate seal here)

Underwriters Indemnity Company

SURETY

8 Greenway Plaza, Suite 400

Houston, Texas 77046

Address

BY Roy C. Die

Attorney-in-fact

(Note: Corporate surety affix corporate seal here)

(ACKNOWLEDGMENTS ON REVERSE SIDE)