

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

Form C-101
March 4, 2004

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

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

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

¹ Operator Name and Address Dyad Petroleum Company 306 West Wall Suite 1410 Midland, Texas 79701		² OGRID Number 227257
		³ API Number 30 -02502321
⁴ Property Code 33997	⁵ Property Name New Mexico "BO" State	⁶ Well No. #4

⁷ 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	12	18S	34E		993'	South	990'	East	Lea

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
⁹ Proposed Pool 1 Vacuum Abo Reef					¹⁰ Proposed Pool 2				

Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	12	18S	34E						Lea
Depth to ground water 76'-100' AVE=92'					Distance from nearest fresh water well 600'		Distance from nearest surface water None		
¹¹ Work Type Code Re-entry		¹² Well Type Code Single - Oil		¹³ Cable/Rotary Rotary		¹⁴ Lease Type Code State B-936		¹⁵ Ground Level Elevation 3983'	
¹⁶ Multiple No		¹⁷ Proposed Depth 8900'		¹⁸ Formation Abo Reef		¹⁹ Contractor United		²⁰ Spud Date May 10, 2004	

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	295'	325	1800'
11"	8 5/8"	24#	3372'	600	2200'
7 7/8"	4 1/2"	9.5 & 11.6#	9485'	1300'	

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. MIRU Rotary w/BOPs. Drill out cement plugs at surface, 300-63', 1015-53'. Tie-back 8 5/8" & cement. Drill plugs @ 2200-2357'. Tie-back 4 1/2" at 2200' & cement. Drill CIBP & cement at 8600'. Run 2 3/8" tubing & packer. Prep to test & acidize old parts of 8612-24'. Per OCM

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: *Derrel C Melton*

Printed name: Derrel C. Melton

Title: Agent

OIL CONSERVATION DIVISION

Approved by:

[Signature]

Title:

PETROLEUM ENGINEER

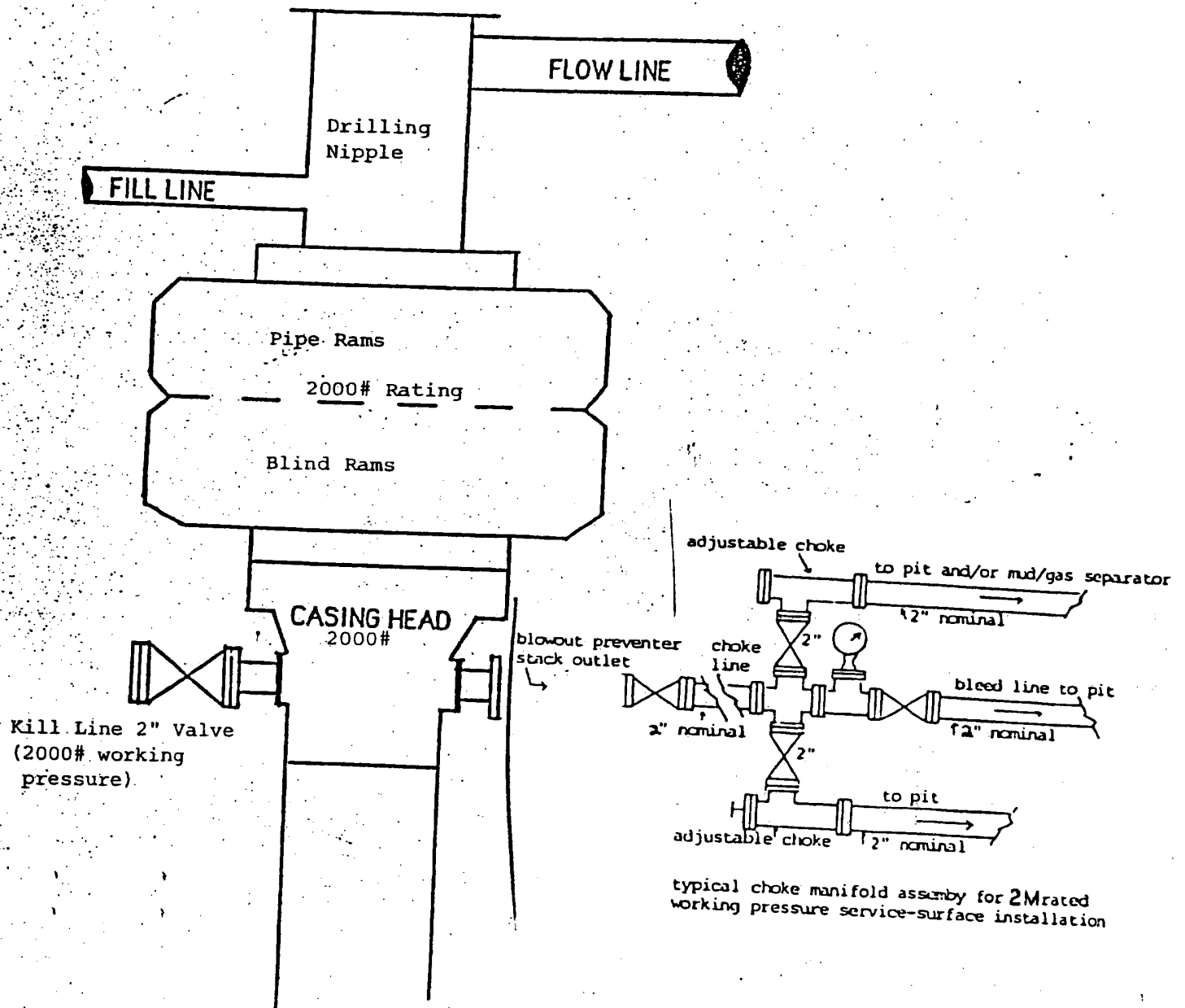
Approval Date:

Expiration Date:

MAY 18 2004

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

E-mail Address: <i>dcmel@worldnet.att.net</i>		
Date: <i>5/7/04</i>	Phone: <i>972-758-1073</i>	Conditions of Approval: Attached <input type="checkbox"/>

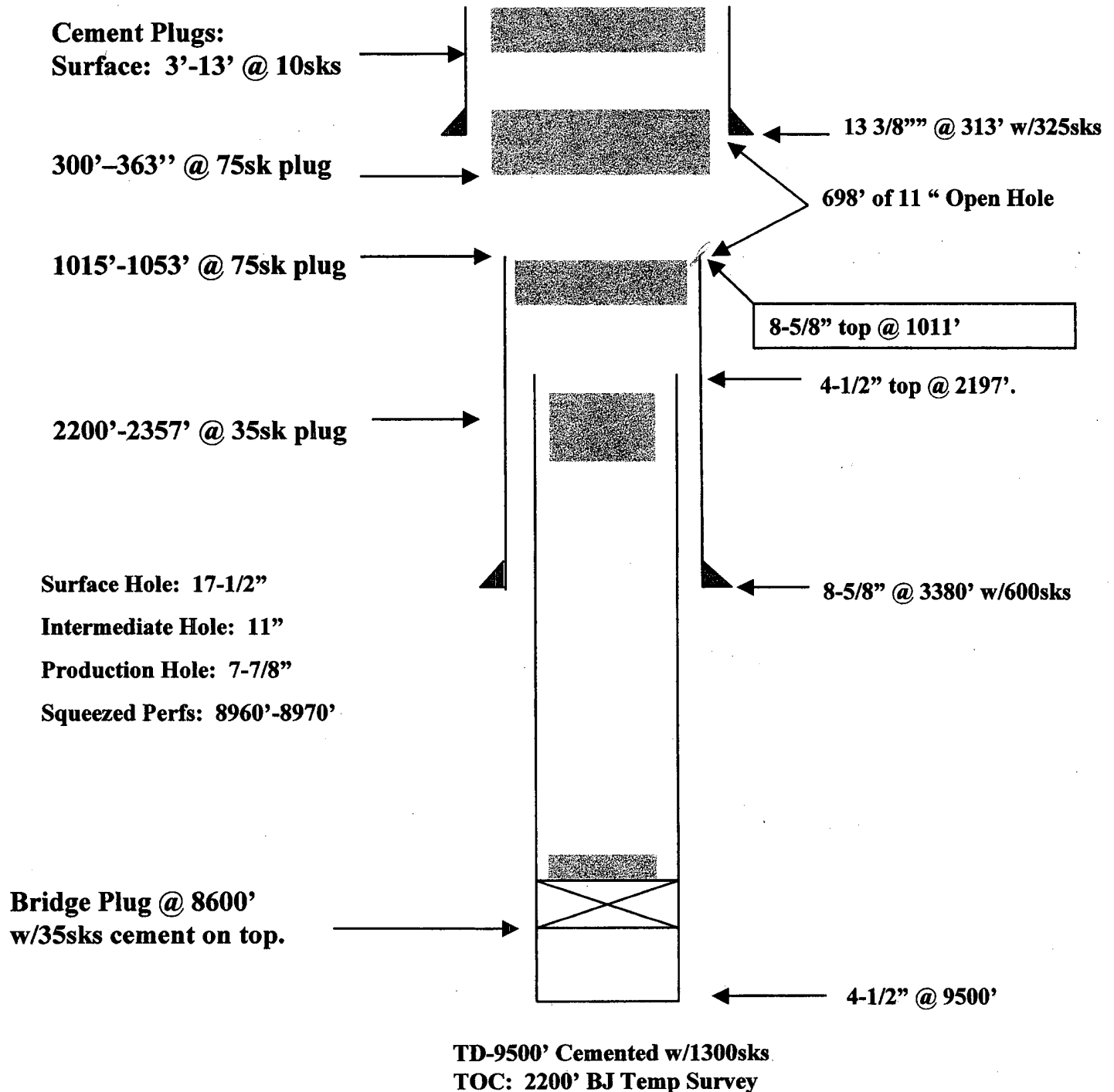


DYAD PETROLEUM COMPANY
 NEW MEXICO "BO" STATE #4
 SECTION 12-T185-R34E
 LEA COUNTY, NEW MEXICO

Dyad Petroleum Company

P&A Schematic

“BO” State #4, Lea Co., New Mexico



22 March 2004
 Mike Ethridge

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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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30.02502321	² Pool Code	³ Pool Name VACUUM ABD REEF
⁴ Property Code 33997	⁵ Property Name NEW MEXICO "13D" STATE	⁶ Well Number #4
⁷ OGRID No. 227257	⁸ Operator Name DYAD PETROLEUM COMPANY	⁹ Elevation 3983' GR

¹⁰ Surface Location

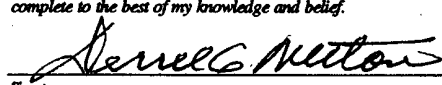
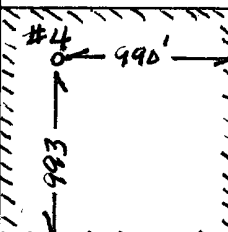
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	12	18S	34E		993'	SOUTH	990'	EAST	LEA

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.
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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					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature DERREL C. MELTON Printed Name AGENT Title and E-mail Address dcmele@worldnet.att.net Date 5/7/04
					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. SEE ATTACHED
					Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

Section A.

HOBBS OFFICE OCC

Date 7-16-62

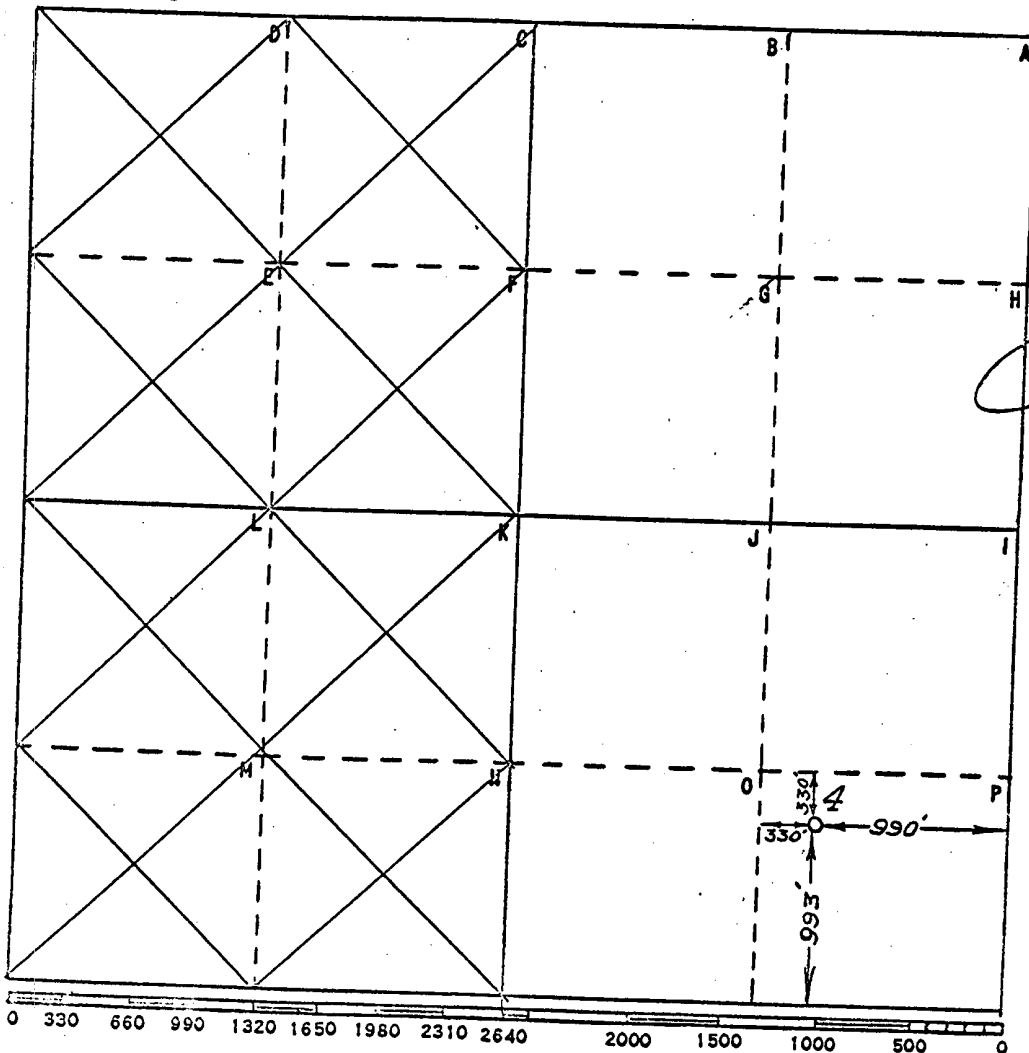
Operator Humble Oil & Refining Co. Lease New Mexico State "B0"
 Well No. 4 Unit Letter "P" Section 12 Township 18 South Range 34 East NMPH
 Located 993' Feet From South Line, 990' Feet From East Line
 County Lea G. L. Elevation Later Dedicated Acreage 40 Acres
 Name of Producing Formation Abo Pool Vacuum

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
 Yes ☒ No ☐
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes ☐ No ☐ If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and thier respective interests below:

Owner

Land Description

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief

HUMBLE OIL & REFG. CO.

(Operator)

(Representative)

Box 1600 Midland, Texas
Address

This is to certify that the well location shown on the plat in Section B 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 Surveyed

W. L. Hunterfield
Registered Professional
Engineer and/or Land Surveyor

Certificate No. 1382

FILE NO. W-A-3291

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State of New Mexico
Energy Minerals and Natural Resources

Form C-144
March 12, 2004

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

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Dyad Petroleum Company Telephone: 432-683-9290 e-mail address: mike@dyadpet.com

Address: 306 West Wall, Suite 1410, Midland, Texas 79701

Facility or well name: New Mexico "BO" State #4 API #: 30-02502321 U/L or Qtr/Qtr P Sec 12 T18S R34E

County: Lea Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

Pit Type: Drilling <input type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> RE-ENTRY Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 12 mil Clay <input type="checkbox"/> Volume 600 bbl	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
	100 feet or more	(0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)
	No	(0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)
	200 feet or more, but less than 1000 feet	(10 points)
	1000 feet or more	(0 points)
Ranking Score (Total Points)		10

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility: _____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: **5/7/04**

Printed Name/Title: Derrel C. Melton, Agent

Signature: *Derrel C. Melton*

Our certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date: **5/18/05**

Printed Name/Title:

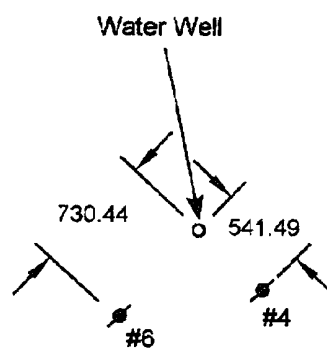
Signature: *Paul J. Kuntz*

Dyad Petroleum Co.
"BO" Re-Entry

Well #4: 993' FSL
990' FEL

Well #6: 822' FSL
1838' FEL

Section 12, T18S, R34E
Lea County, NM



New Mexico Office of the State Engineer
Well Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

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

Well / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

WATERS Menu

Help

AVERAGE DEPTH OF WATER REPORT 05/07/2004

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
L	18S	34E	12				4	76	100	92

Record Count: 4

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

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

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

Well / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

WATERS Menu

Help

WATER COLUMN REPORT 05/07/2004

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are biggest to smallest)

Well Number	Tws	Rng	Sec	q	q	q	Zone	X	Y	Depth Well	Depth Water	Water (in feet) Column
L 05139	18S	34E	12	1	2					150	95	55
L 07361	18S	34E	12	1	2					202	100	102
L 04851	18S	34E	12	2	4					155	95	60
L 05079	18S	34E	12	3	1					159	76	83

Record Count: 4

DYAD PETROLEUM COMPANY

306 W. Wall, Ste 1410, Midland, Texas 79701

Tel: (432) 683-9290, Fax: (432) 684-4775

Fax Message

May 11, 2004

Fax #: (972) 758-1934

TO : Derrel Melton

of Pages: 2

FROM : Michael Ethridge

REF. : "BO" State #4 Well

Derrel,

Please find attached page 2, rig layout with reserve pit for the OCD application to drill. I viewed the rig site yesterday and there is a fresh water well approximately 600' (stepped off) to the NW of the #4 well. It is the National Well #1 owned by Mississippi Potash in Sec. 12. The water is used in their mining operations located in Eddy county.

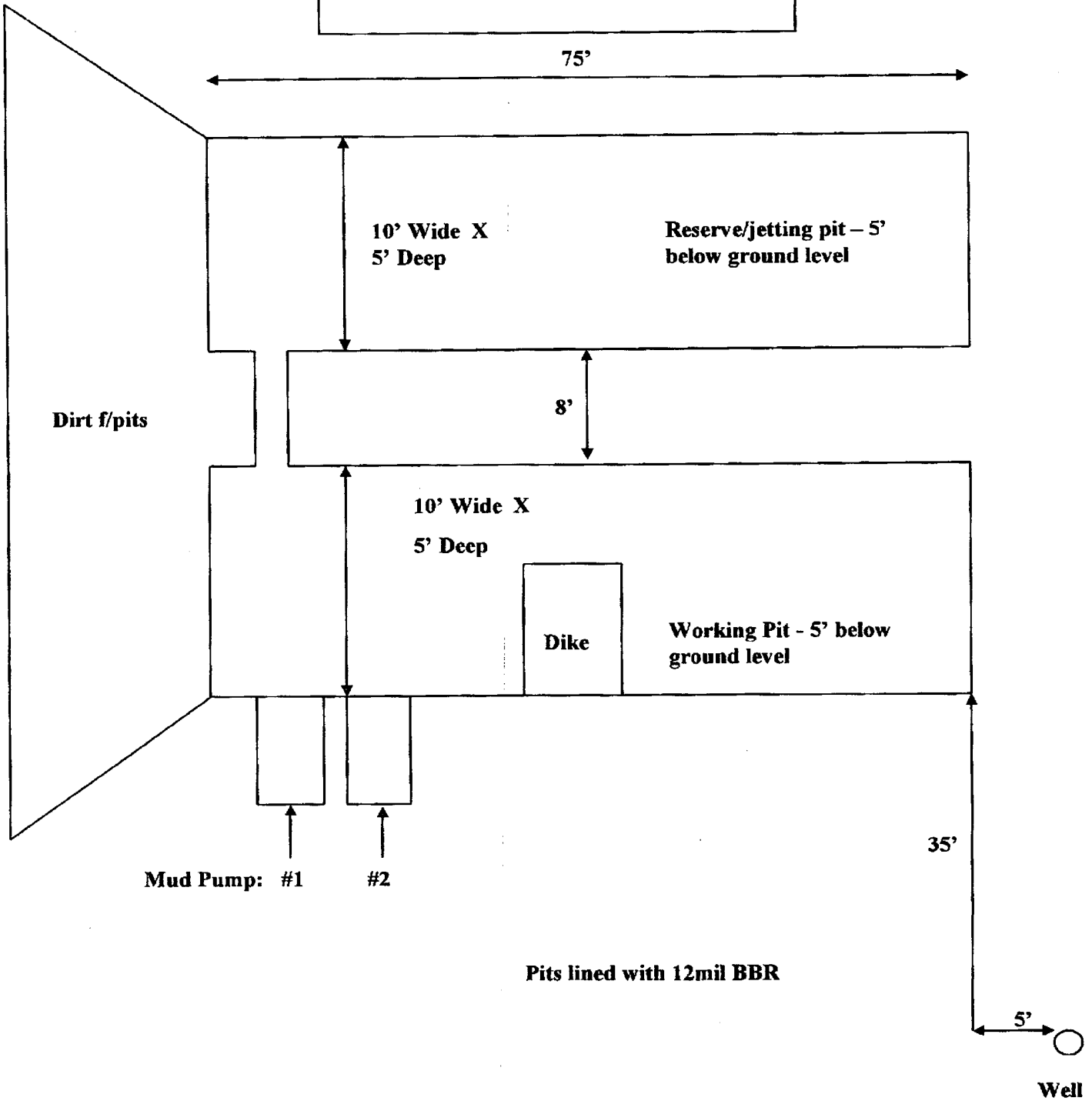
Please let me know if you need any additional information.

Thanks,


Mike

Dyad Petroleum Co.

"BO" #4 and #6
Space Saver Reserve Pit

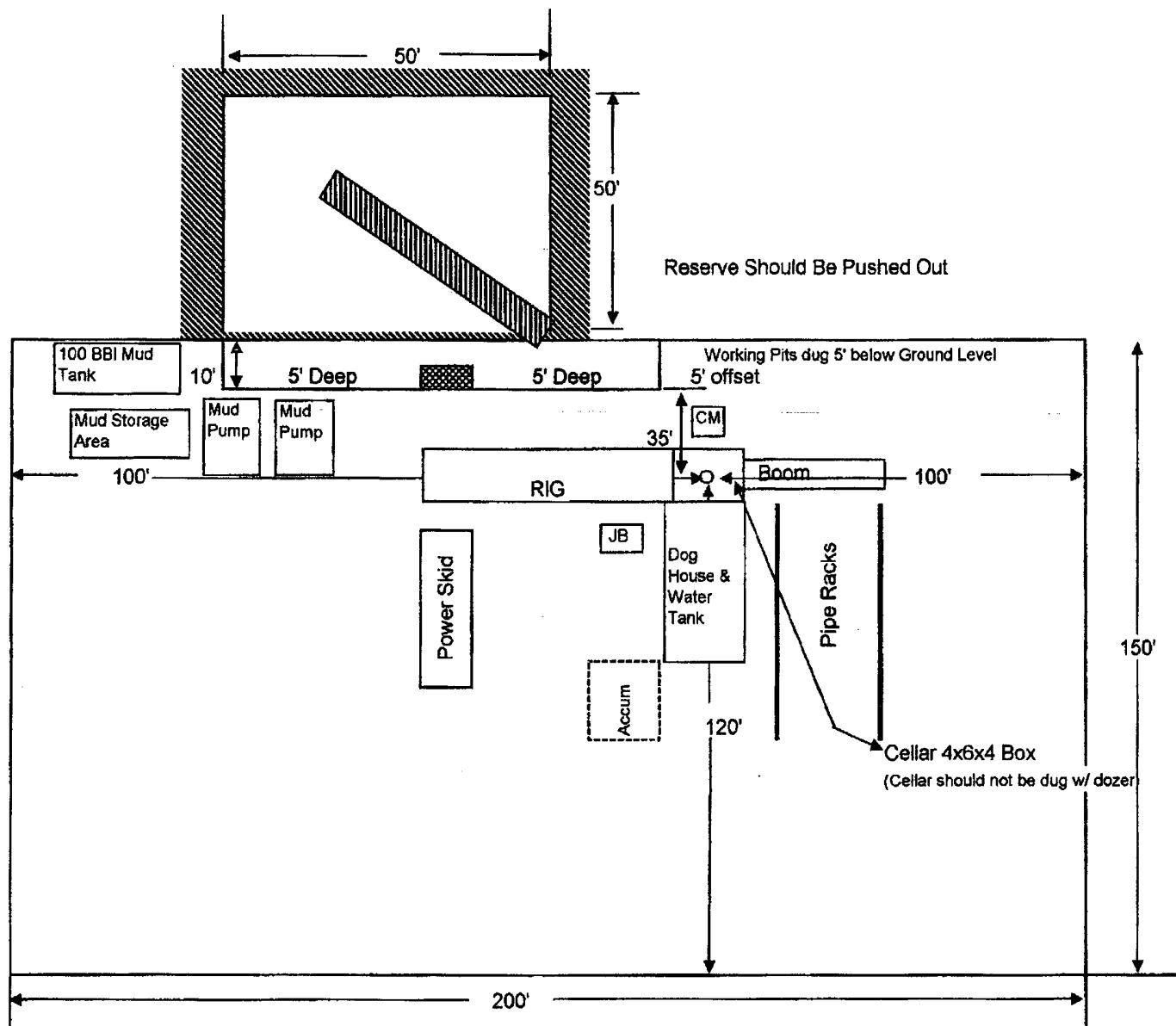


29 June 2004
Mike Ethridge

EAGLE ROCK DRILLING

Toll Free: 1 (866) TOP-DRILL

Location Specifications and Rig Layout for Earth Pits



Eagle Rock Location Layout Color

6/28/2004