

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
May 27, 2004

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

¹ Operator Name and Address Arena Resources, Inc. 4920 S. Lewis #107 Tulsa, OK 74105		² OGRID Number 220420
³ Property Code 300385		⁴ API Number 30-025-36895
⁵ Property Name East Hobbs San Andres Unit		⁶ Well No. 067
⁷ Proposed Pool 1 E. Hobbs (San Andres)		⁸ Proposed Pool 2

Surface Location

UL or lot no. O	Section 30	Township 18S	Range 39E	Lot Idn	Feet from the 480	North/South line S	Feet from the 1350	East/West line E	County Lea
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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
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Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3608
¹⁶ Multiple No	¹⁷ Proposed Depth 4700	¹⁸ Formation San Andres	¹⁹ Contractor United Drilling	²⁰ Spud Date 10/20/04
Depth to Groundwater 50		Distance from nearest fresh water well 1100		Distance from nearest surface water 2100
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 4400 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

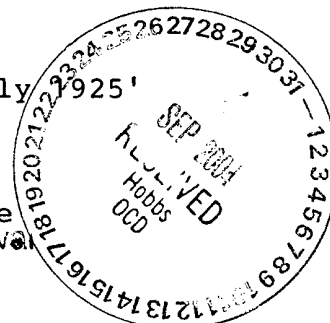
Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4	8 5/8	24	1925	950	surface
7 7/8	5 1/2	15.5	4700	950	surface

²¹ 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.

1. Move in & rig up rotary drilling rig
2. Drill 12 1/4 hole to top of anhydrite at approximately 1925'
3. Set 8 5/8 casing and cement to surface
4. Drill 7 7/8 hole to 4700' using 10 # brine
5. Obtain open-hole logs
6. Run 5 1/2" - 15.5 # casing to 4700, cement to surface

Permit Expires 1 Year From Approval
Date Unless Drilling Underway



²² 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 ☐.

OIL CONSERVATION DIVISION

Approved by:

Printed name: Phillip W. Terry

Title:

Title: Petroleum Engineer

Approval Date:

OCT 01 2004

Expiration Date:

E-mail Address: arenaresourcesok@aol.com

Date: 9/21/04

Phone: (918) 747-6060

Conditions of Approval Attached ☐

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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 JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-36895	Pool Code 32300	Pool Name Hobbs; San Andres, East
Property Code 300385	Property Name EAST HOBBS SAN ANDRES UNIT	Well Number 067
OGRID No. 220420	Operator Name ARENA RESOURCES, INC.	Elevation 3608'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	30	18-S	39-E		480	SOUTH	1350	EAST	LEA

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 40	Joint or Infill Y	Consolidation Code U	Order No. R-11980-A
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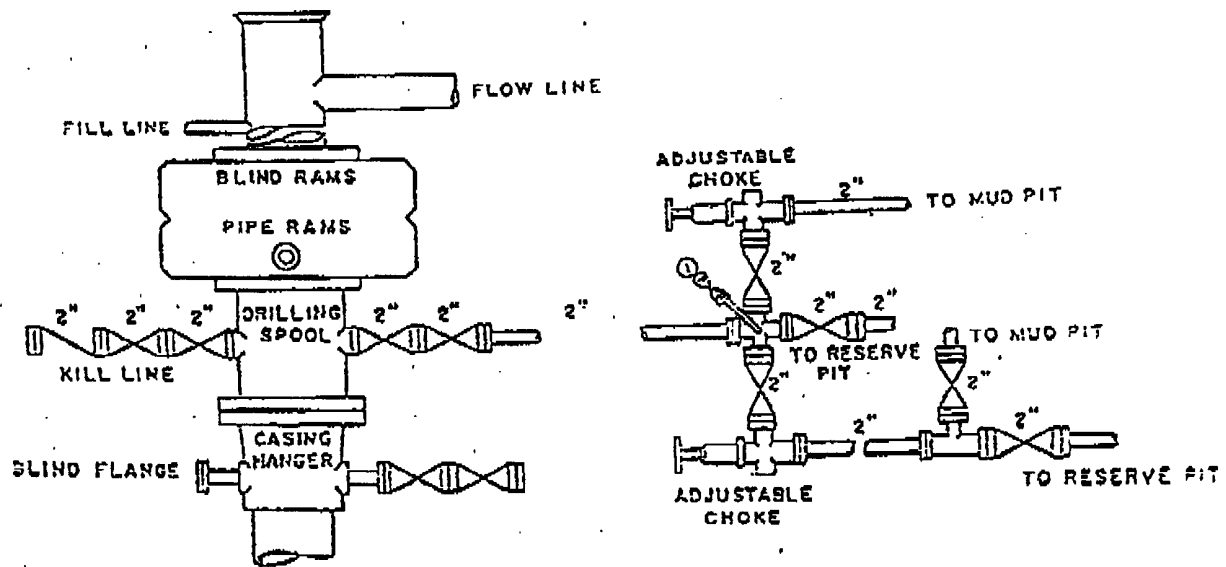
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature <u>Phillip W. Terry</u> Printed Name Petroleum Engineer <u>arenaresourcesok@aol.com</u> Title <u>September 21, 2004</u> Date
	SURVEYOR CERTIFICATION <i>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.</i> SEPTEMBER 10, 2004 Date Surveyed Signature & Seal of Professional Surveyor
	GEODETIC COORDINATES NAD 27 NME $Y=625161.8 \text{ N}$ $X=885505.0 \text{ E}$ $LAT.=32^{\circ}42'44.65 \text{ N}$ $LONG.=103^{\circ}04'48.01'' \text{ W}$
	Certificate No. GARY EDSON 12641

FROM :UNITED DRILLING INC.

FAX NO. :15056237737

Aug. 03 2004 03:57PM P2

11" Cameron Double Ram BOP**BOP DIAGRAM**

3000# Working Pressure
Rams Operated Daily

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Oil Conservation Division
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Form C-144
June 1, 2004

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: Arena Resources, Inc. Telephone: 918-747-6060 e-mail address: arenaresourcesok@aol.com
Address: 4920 S. Lewis, Suite 107 Tulsa, OK 74105
Facility or well name: *see below APT #: 30-025-36895 U/L or Qtr/Qtr O Sec 30 T18S R 39E
County: Lea Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

***East Hobbs San Andres Unit #067**

Pit	Below-grade tank	
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/>	Volume: _____ bbl Type of fluid: _____	
Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/>	Construction material: _____	
Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>20</u> mil Clay <input type="checkbox"/>	Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____	
Pit Volume <u>4400</u> bbl		
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)
	<u>50 feet or more, but less than 100 feet</u>	(10 points) XX
	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)
	<u>No</u>	(0 points) XX
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)
	<u>1000 feet or more</u>	(0 points) XX
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: (check the onsite box if you are burying in place) 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.

Additional Comments:

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: 9/21/04

Printed Name/Title Phillip W. Terry
Petroleum Engineer

Signature Phillip W. Terry

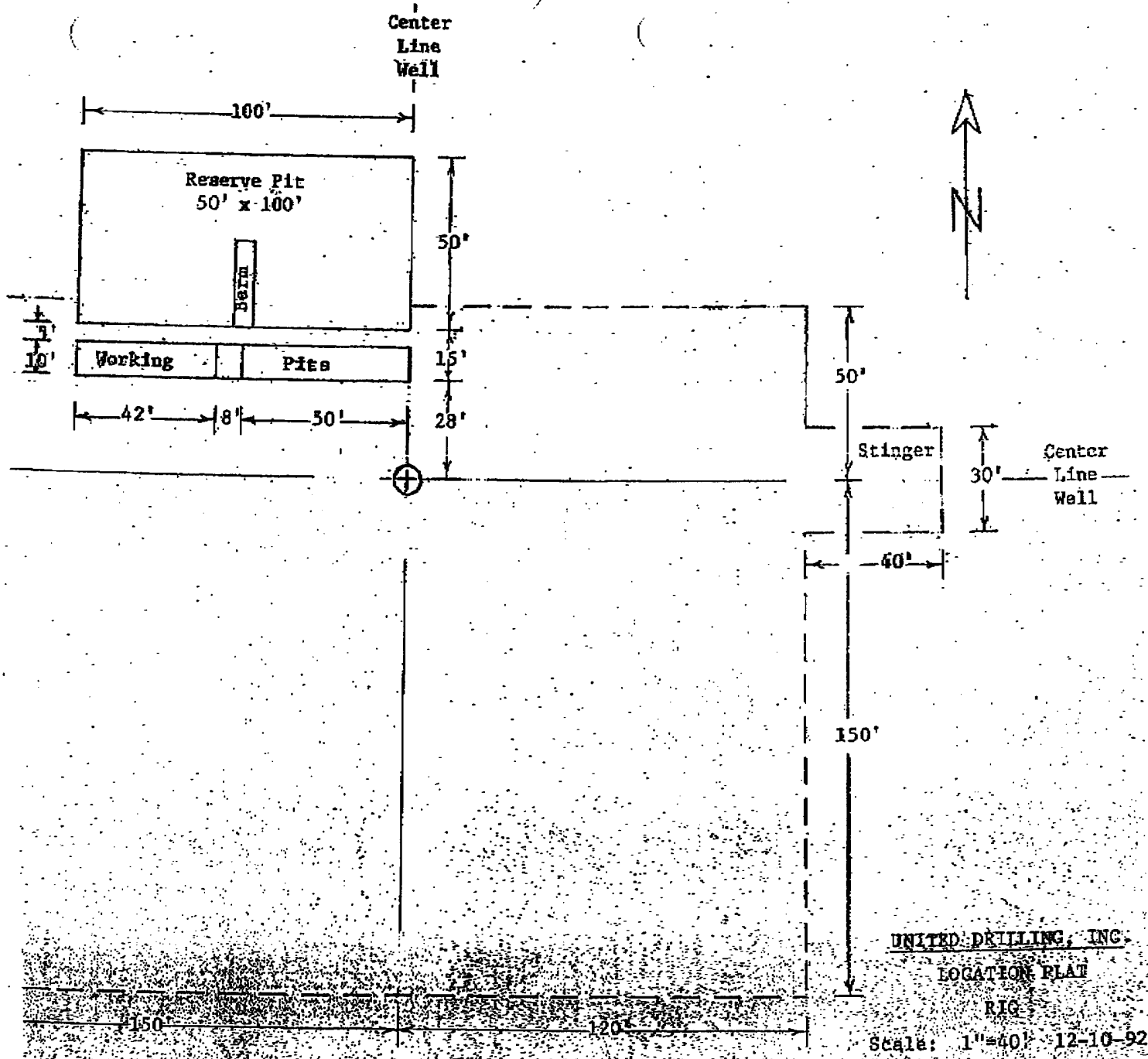
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with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

Approval:

Printed Name/Title _____

Signature _____

Date: _____



UNITED DRILLING, INC.
 LOCATION PLAT
 RIG
 Scale: 1"=40' 12-10-92