

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, Suite 107, Tulsa, OK 74105 | | ² OGRID Number 220420 |
| ³ Property Code 300385 | | ⁴ Property Name East Hobbs San Andres Unit |
| ⁵ Proposed Pool 1 E. Hobbs (San Andres) | | ⁶ Well No. (formerly Viersen #1) 055 |

| 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 | 30 | 18S | 39E | | 990 | South | 330 | 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 |
| | | | | | | | | | |

| Additional Well Information | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------|--------------------------------------------|----------------------------------------------------------|
| ¹¹ Work Type Code E | ¹² Well Type Code O | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code P | ¹⁵ Ground Level Elevation GR-3609 RKB-3624 |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 4750 | ¹⁸ Formation San Andres | ¹⁹ Contractor To Be Selected | ²⁰ Spud Date 12/15/04 |
| Depth to Groundwater 50 | | Distance from nearest fresh water well 1400 | | Distance from nearest surface water 3800 |
| Pit: Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> Pit Volume: _____bbls Drilling Method: _____ | | | | |
| Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> | | | | |

| ²¹ Proposed Casing and Cement Program | | | | | |
|--------------------------------------------------|-------------|--------------------|---------------|-----------------|------------------|
| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
| 12 1/4 | 9 5/8 set | 36 | 1876 | 800 | Surf-Circ |
| 8 3/4 | 7 set | 23 | 7961 | 875 | 3500'-temp. sur. |
| | | | | | |
| | 5 1/2 FJ | 15.50 | 4750 | 750 | Surf. |
| | | | | | |

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.

1. Install blowout preventer, rig up pump, pits, and equipment.
2. Run bit, drill collars on 2 7/8 tubing, drill out surface cement plug with 10# brine.
3. Wash down to 7" casing stub at 3371'.
4. Clean out inside 7", drill out cement plug @ 4350-4500'.
5. Clean out inside 7" to 4750'.
6. Run 5 1/2 flush joint casing to 4750' and cement to surface.
7. Complete San Andres P2-P3-P4 zones, stimulate, produce.

| | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------------------------|--|
| 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 <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | | OIL CONSERVATION DIVISION | |
| Printed name: Phillip W. Terry | | Approved by: <i>Chris Williams</i> | |
| Title: Petroleum Engineer | | Title: <i>Dist. Eng.</i> | |
| E-mail Address: arenaresourcesok@aol.com | | Approval Date: 12/2/04 Expiration Date: 12/2/05 | |
| Date: 11/30/04 | Phone: 918-747-6060 | DEC 03 2004 | |

Conditions of Approval Attached ☐ *Mud new location plot e102 before well can be produced.*

EAST HOBBS SAN ANDRES UNIT #055
 FORMERLY MORRIS OIL WELL
 VIERSEN #1

(EAST OF LANEY "A" 3)

SEC. 30 - 183-39E
 990 FSL - 330 FEL

K.B. 3624
 G.L. 3609

Spud
 12/10/04

CURRENT WELLBORE

9510-36 #
 800 SY.
 CIRC.

1876

PULLED 7" TO 1890' - STRUCK -
 LEFT 7" IN HOLE

CUT OFF CSG. © 3371

Top of Cement

3500'

9422

4350

253K CEM PLUG.

4500

U. BLINERBY 6405 - 6514

(SQUEEZED OFF)

ACID 6000 GAL - REC. 1850N - NO OIL

Cem. Cap 7045
 C15K 7080

BLINERBY PERFS 6710 - 6783

(SQUEEZED OFF)

TUBS 7113-37
 200 245 - NO OIL

ACID 6000 GAL ACID

REC. 1645N - NO OIL

C15K 7500

PER 7659 - 7932

ACID 10/20,000 GAL

SD 369 BSL - NO OIL

7" - 23"

7935 RBTD

7961 TB.

Cem 8754.

11/22/04

EAST HOBBS SAN ANDRE UNIT #055
 Formerly MORRIS OIL WELL
 VIERSEN #1

(EAST OF LANE "A" 3)

SEC. 30 - 183-39E
 990 FSL - 330 FEL

K.B. 3624
 G.L. 3609

Spud
 12/10/04

PROPOSED WELLBORE

9 5/8" - 36"
 800 ST.
 CIRC.

1876

PULLED 7" TO 1890 - STUCK -
 LEFT 7" 14 HOLE

CUT OFF CSG. @ 3371

Top of Cement

3500'

OBJECTIVE ZONE SAN ANDRE
 P2-P3-P4 4400-4650

5 1/2" - 15.5"
 FJ CSG

4750' PROPOSED SETTING DEPTH
 LEM TO SURFACE W/ 750 ST.

U. BLINERBY 6405 - 6514 (SQUEEZED OFF)
 ACID 6000 GAL - REC. 185 BW - NO OIL

CEM. CAP 7045
 C1511 7680

BLINERBY PERFS 6710 - 6783 (SQUEEZED OFF)

CEM 7113-37 ACID 6000 GAL ACID
 200000 - NO OIL REC. 164 BW - NO OIL

C1511 7500

AC 7059 - 7932
 ACID 40/20,000 GAL SW 369 BSL - NO OIL

17" - 23"

7935 RBTD
 7961 TB

CEM. 8755L

11/22/04

N MEXICO OIL CONSERVATION COMMISS
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-128
 Effective 1-1-85

All distances must be from the outer boundaries of the Section.

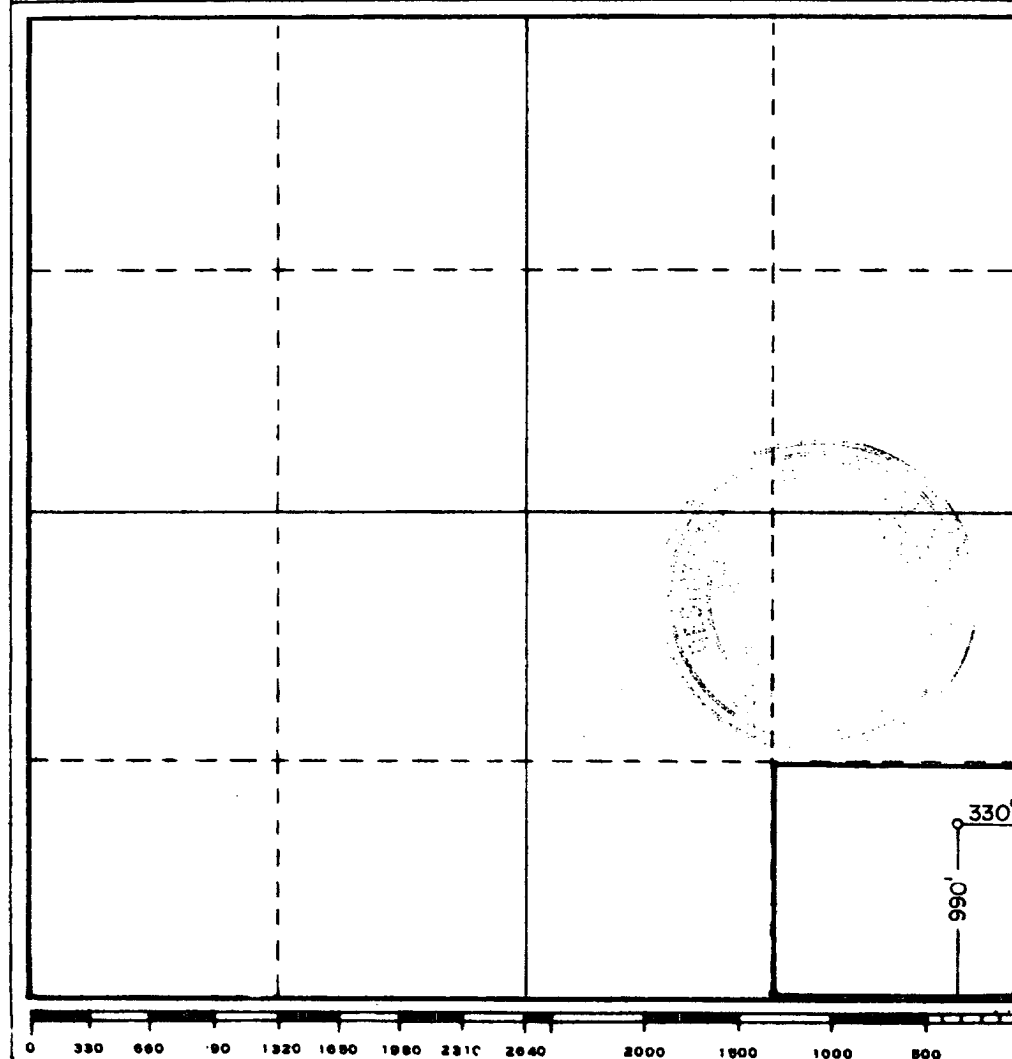
| | | | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------|-----------------------------|----------------------|--|---------------------------------------|--|--|
| Operator Morris R. Antweil | | | Lease Viersen | | | Well No. 1 | | |
| Unit Letter P | Section 30 | Township 18S | Range 39E | County Lea | | | | |
| Actual Footage Location of Well: 990 feet from the South line and 330 feet from the East line | | | | | | | | |
| Ground Level Elev. 3609.2 | Producing Formation Abo | | Pool Undesignated | | | Dedicated Acreage: 40 Acres | | |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation **Pooled**

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| CERTIFICATION | |
| I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. | |
| <i>Jerry Hillard</i> | |
| Name | Jerry Hillard |
| Position | Agent |
| Company | Morris R. Antweil |
| Date | December 5, 1984 |
| 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 knowledge and belief. | |
| Date Surveyed | Oct. 8, 1984 |
| Registered Professional Engineer and/or Land Surveyor | |
| <i>John W. West</i> | |
| Certificate No. | JOHN W. WEST, 676 |
| | RONALD J. EIDSON, 3239 |