

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 ResourcesForm C-101
May 27, 2004Oil 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 MANZANO, LLC P.O. BOX 2107 ROSWELL, NM 88202-2107		² OGRID Number 231429
³ Property Code 34671	⁵ Property Name WALLY STATE	⁴ API Number 30 - 025 - 37121
⁹ Proposed Pool 1 MALJAMAR GRAYBURG SAN ANDRES		¹⁰ Proposed Pool 2

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
D	5	17s	33e		750	NORTH	380	WEST	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 N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4232'
¹⁶ Multiple N	¹⁷ Proposed Depth 5500'	¹⁸ Formation SAN ANDRES	¹⁹ Contractor UNITED DRILLING	²⁰ Spud Date MARCH 11, 2005
Depth to Groundwater 185'		Distance from nearest fresh water well 5000'		Distance from nearest surface water > 1 MILE
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12_mils thick Clay <input type="checkbox"/> Pit Volume: 8000_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"/>				

²¹ Proposed Casing and Cement Program

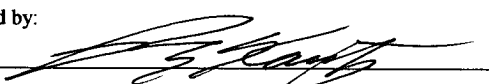
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	350'	375sx	SURFACE
7 7/8"	5 1/2"	15.50#	5500'	1500sx	SURFACE

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.

DRILL 12 1/4" HOLE TO 350' - RUN 8 5/8" 24#/ft J-55 CASING TO TD - CEMENT W/SUFFICIENT CEMENT TO CIRCULATE TO SURFACE - NU 3000# WP BOPE & TEST TO 500# W/RIG PUMPS - WOC ON CEMENT 12 HOURS BEFORE DRILLING OUT SHOE - DRILL 7 7/8" HOLE TO TD OF ~5500' - IF WELL IS PRODUCTIVE, RUN 5 1/2" 15.50#/ft J-55 CASING TO TD AND CEMENT W/SUFFICIENT VOLUME TO CIRCULATE CEMENT TO SURFACE - IF NOT PRODUCTIVE, PLUG AND ABANDON AS PER NMOCD INSTRUCTIONS

DRILLING RECORDS DO NOT INDICATE THAT H2S HAS BEEN ENCOUNTERED DURING DRILLING OPERATIONS IN THIS IMMEDIATE AREA, WE REQUEST THAT THIS APPLICATION TO DRILL BE APPROVED WITHOUT A H2S CONTINGENCY PLAN

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

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 checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: MIKE HANAGAN		Approved by: 	
Title: MANAGING MEMBER		Title: PETROLEUM ENGINEER	
E-mail Address: mhanagan@dfn.com		Approval Date: MAR 09 2005	
Date: 2/14/05	Phone: 505-623-1996	Expiration Date: Conditions of Approval Attached <input type="checkbox"/>	

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-025-37121		* Pool Code 43329	* Pool Name MALJAMAR GRAYBURG - SAN ANDRES	
* Property Code 231429 34671		* Property Name Walley		* Well Number 1
* OGRID No. 231429		* Operator Name Manzano, LLC		* Elevation 4218

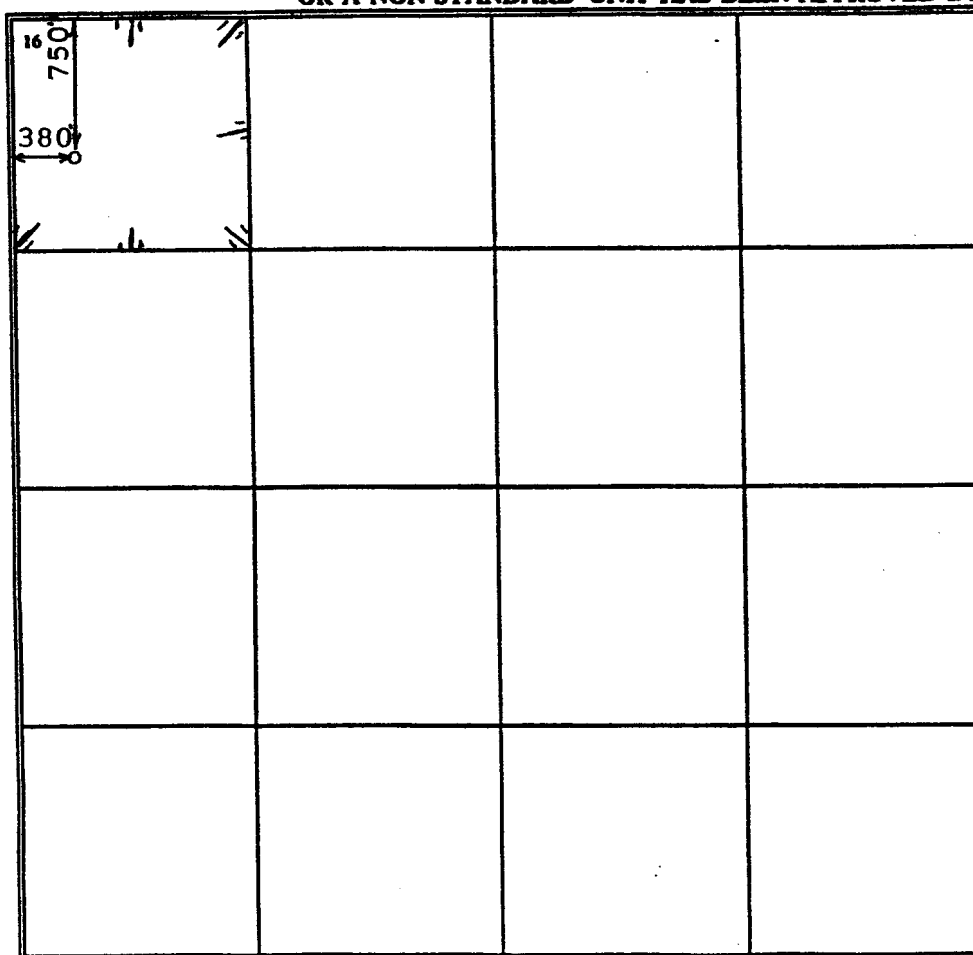

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	5	17 S	33 E		750	NORTH	380	WEST	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 NO		¹⁴ Consolidation Code		¹⁵ 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

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Mike Hanagan</u> Printed Name: <u>MIKE HANAGAN</u> Title: <u>MANAGER</u> Date: <u>3/3/05</u>			
	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. Date of Survey: <u>March 1, 2005</u> Signature and Seal of Professional Surveyor: <u>P. R. Patton</u>  Certificate Number: <u>8112</u>			