

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 LEWIS B. BURLESON, INC. P.O. BOX 2479 MIDLAND, TX 79702		² OGRID Number 013300
³ Property Code 62700 5896	⁵ Property Name STATE 10	⁴ API Number 30-025-37146
⁹ Proposed Pool 1 HARE (SAN ANDRES) EAST		⁶ Well No. 4
⁹ Proposed Pool 1 HARE (SAN ANDRES) EAST		¹⁰ Proposed Pool 2 PENROSE SKELLY C GRAYBURG

7 Surface Location

UL or lot no. E D	Section 10	Township 21-S	Range 37 E	Lot Idn	Feet from the	North/South line NORTH	Feet from the	East/Westline WEST	County LEA
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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/Westline	County
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Additional Well Information

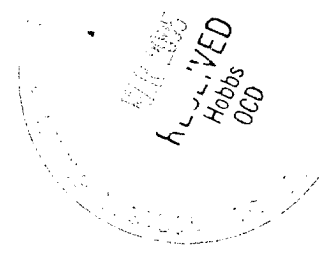
¹¹ Work Type Code NEW DRILL	¹² Well Type Code OIL	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 3469'
¹⁶ Multiple	¹⁷ Proposed Depth 5500'	¹⁸ Formation SAN ANDRES	¹⁹ Contractor CAPSTAR	²⁰ Spud Date 04/15/2005
Depth to Groundwater 160'		Distance from nearest fresh water well 6100'		Distance from nearest surface water 6100'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mil thick Clay <input type="checkbox"/> Pit Volume: 1200 bbls Drilling Method: <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"/>				
Closed-Loop System <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#	1275	550	SURF
7-7/8	5-1/2	15.5#	5500	700	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.
DRILL WELL TO TD, COMPLETE. USE PROPER BOP. SCHEMATIC ATTACHED

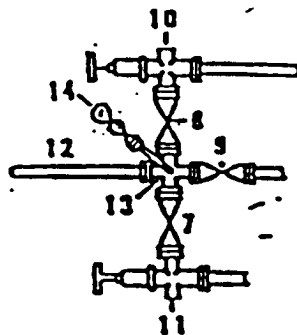
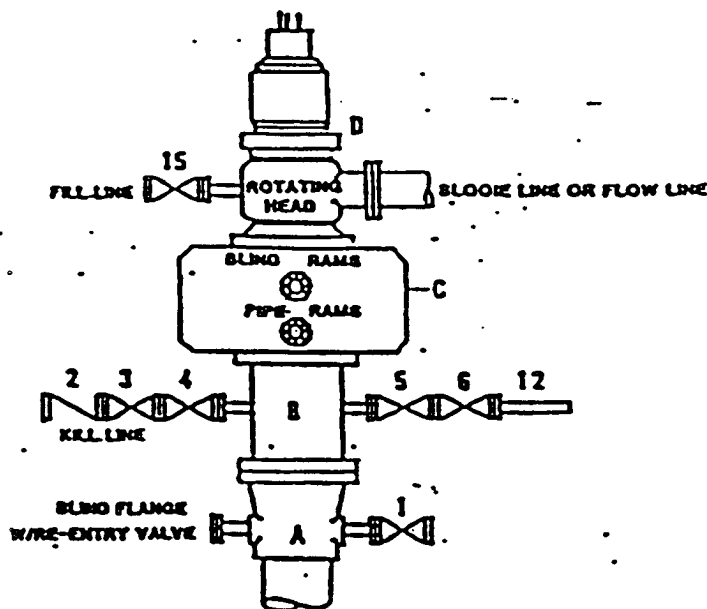
Permit Expires 1 Year From Approval
Date Unless Drilling Underway



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: STEVEN L. BURLESON		Approved by:	
Title: VICE-PRESIDENT		Title: PETROLEUM ENGINEER	
E-mail Address: GEOTTECH@PRODIGY.NET		Approval Date: MAR 22 2005	
Date: 03/16/2005	Phone: (432)683-4747	Expiration Date: <input type="checkbox"/>	
Condition of Approval Attached <input type="checkbox"/>			

**DRILLING CONTROL
CONDITION II-B 3000 WP
FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED**

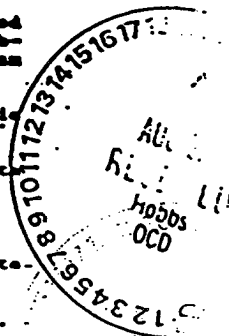
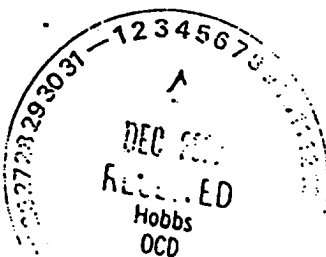
H₂S TRIM REQUIRED.
YES / NO



DRILLING CONTROL

MATERIAL LIST - CONDITION II - B

- A Texaco Wellhead
- B 3000 W.P. drilling spool with a 2" minimum flanged outlet for kill line and 3" minimum flanged outlet for choke line.
- C 3000 W.P. Dual ram type preventer, hydraulically operated with 1" steel, 3000 W.P. control lines (where sub-structure height is adequate, 2 - 3000 W.P. single ram type preventers may be utilized).
- D Rotating Head with fill up outlet and extended bleed line.
- 1,3,4, 7,8. 2" minimum 3000 W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug Valve.
- 2 2" minimum 3000 W.P. back pressure valve.
- 3,4,9. 3" minimum 3000 W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug Valve.
- 12 2" minimum schedule 80, Grade "B", seamless line pipe.
- 13 2" minimum x 3" minimum 3000 W.P. flanged cross.
- 10,11 2" minimum 3000 W.P. adjustable choke bodies.
- 14 Cameron Mod Gauge or equivalent (location optional in choke line).
- 15 2" minimum 3000 W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug Valve.



SCALE:	DATE	ESS. NO.	ORG. NO.
DRAWN BY			
CHECKED BY			
APPROVED BY			



AMERICAN PETROLEUM INSTITUTE
LABORATORY DIVISION
WASHINGTON, D.C.

LAB,
Inc.



EXHIBIT C

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRENCH DR., BOBBE, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1820 S. ST. FRANCIS DR., SANTA FE, NM 87505

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 30-025-37146	Pool Code 96601	Pool Name Hare (San Andres) East
Property Code 62700 5896	Property Name STATE 10	Well Number 4
OGRID No. 013300	Operator Name LEWIS B. BURLESON INC.	Elevation 3469'

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	10	21-S	37-E		467	NORTH	467	WEST	LEA

Bottom Hole Location If Different From Surface

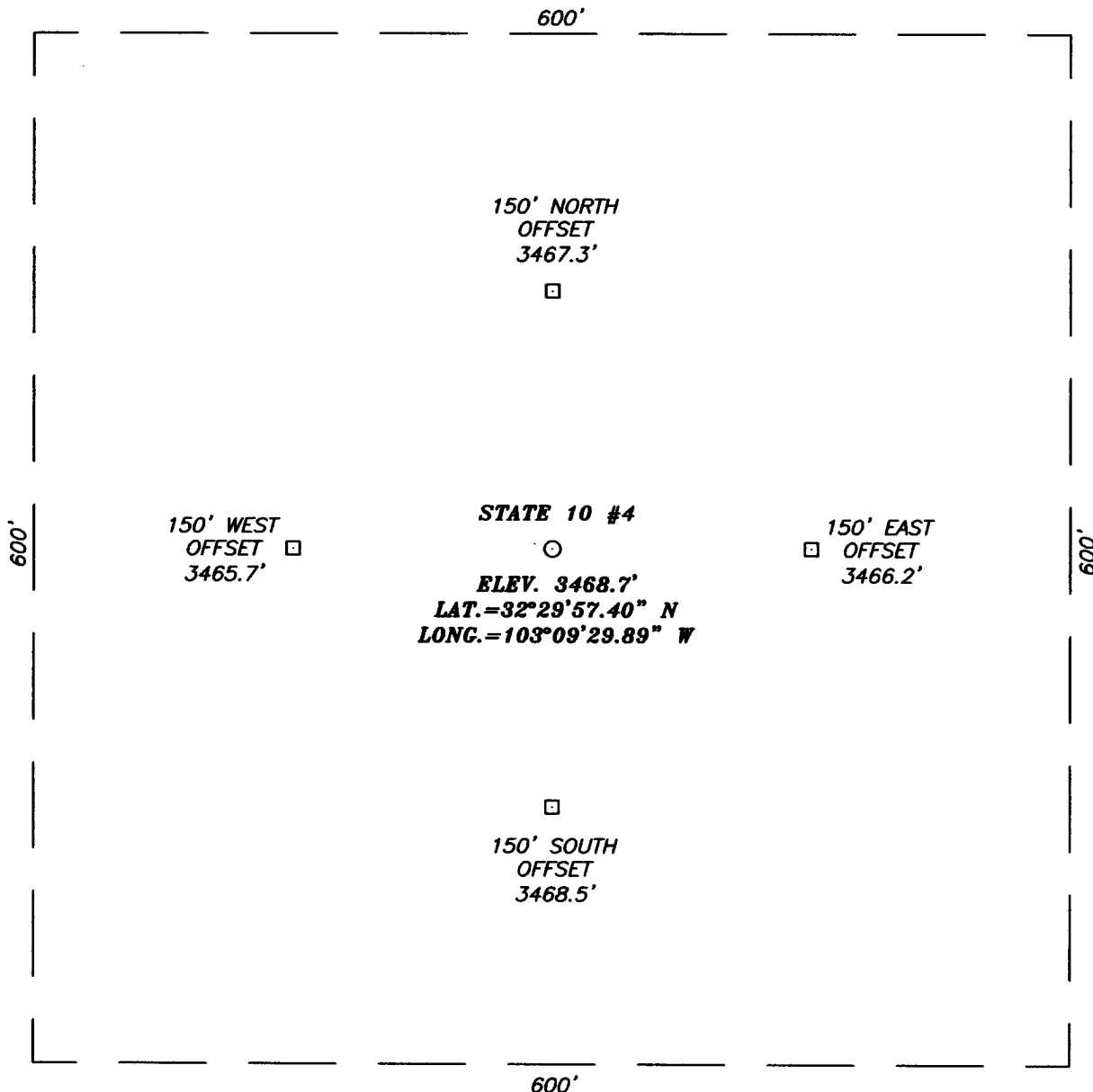
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	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

	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=547348.7 N X=862533.0 E</p> <p>LAT.=32°29'57.40" N LONG.=103°09'26.89" W</p>	<h3>OPERATOR CERTIFICATION</h3> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p></p> <p>Signature</p> <p>Steven L. Burleson</p> <p>Printed Name</p> <p>Vice-President</p> <p>Title</p> <p>3/16/2005</p> <p>Date</p>
	<h3>SURVEYOR CERTIFICATION</h3> <p>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.</p> <p>MARCH 3, 2005</p> <p>Date Surveyed</p> <p>DEL</p> <p>Signature & Seal Professional Surveyor</p> <p></p> <p>Certificate No. GARY EDSON 12641</p>	

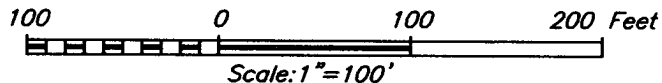
SECTION 10, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #207 (BY PASS) AND CO. RD. #34 (DECK RD.).

GO NE ON HWY. #207 APPROX. 0.4 MILES TO CATTLE GUARD ON LEFT. TURN LEFT AND GO WEST APPROX. 0.2 MILES TO INTERSECTION. TURN RIGHT AND GO NORTH APPROX. 0.1 MILES. THIS LOCATION IS APPROX. 400' EAST.



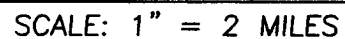
LEWIS B. BURLESON INC.

STATE 10 #4 WELL
LOCATED 467 FEET FROM THE NORTH LINE
AND 467 FEET FROM THE WEST LINE OF SECTION 10,
TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



PROVIDING SURVEYING SERVICES
SINCE 1948
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

Survey Date: 03/03/05		Sheet 1 of 1 Sheets	
W.O. Number: 05.11.0350		Dr By: D. LOVE	Rev 1:N/A
Date: 03/09/05	Disk: CD#4	05110350	Scale: 1"=100'

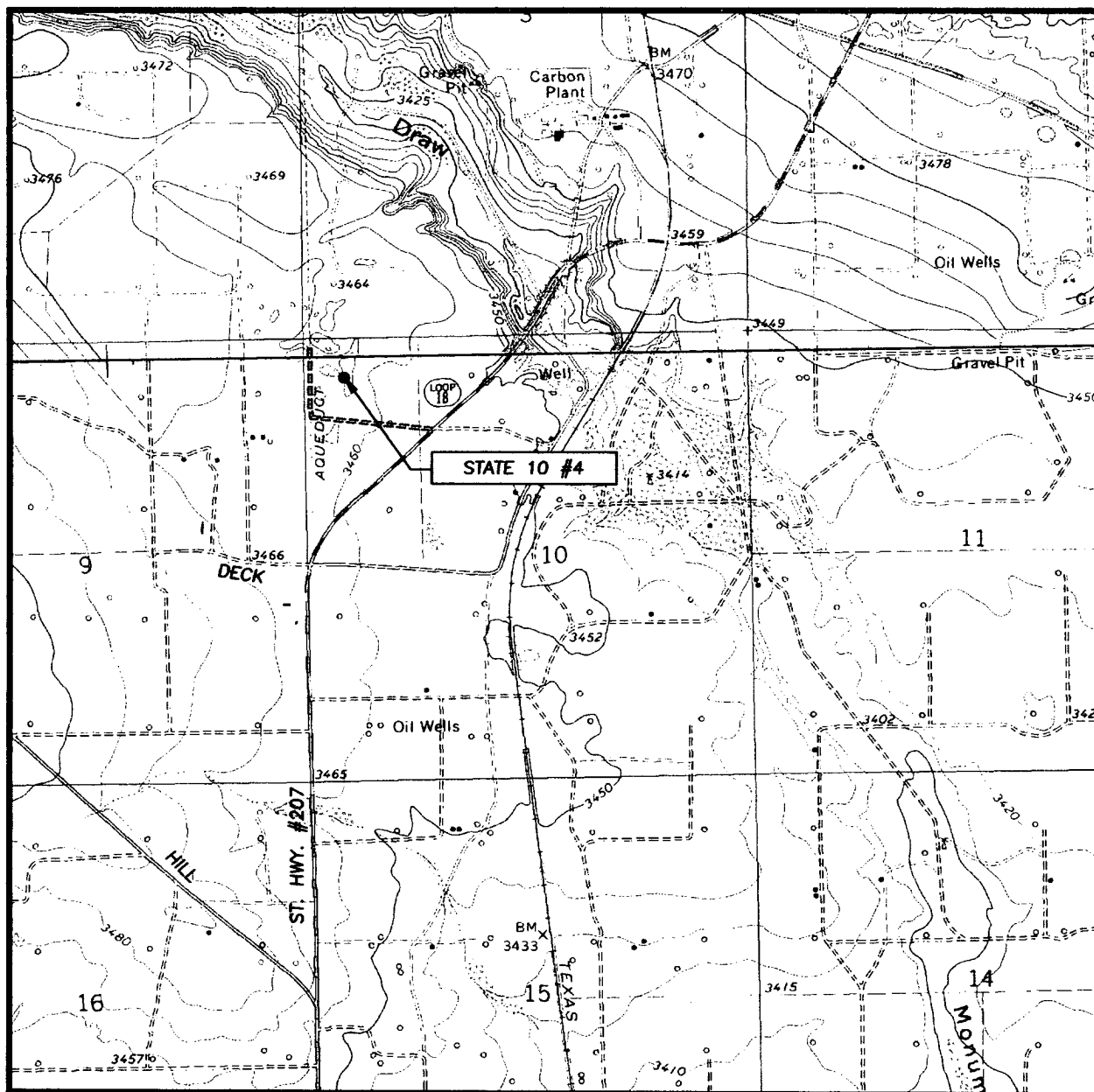


SEC. 10 TWP. 21-S RGE. 37-E
SURVEY _____ N.M.P.M. _____
COUNTY _____ LEA _____
DESCRIPTION 467' FNL & 467' FWL
ELEVATION _____ 3469'
OPERATOR _____ LEWIS B.
BURLESON INC _____
LEASE _____ STATE 10



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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
EUNICE, N.M. - 10'
HOBBS SW, N.M. - 5'

SEC. 10 TWP. 21-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 467' FNL & 467' FWL

ELEVATION 3469'

OPERATOR LEWIS B. BURLESON INC.

LEASE STATE 10

U.S.G.S. TOPOGRAPHIC MAP
EUNICE, N.M. & HOBBS SW, N.M.



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 383-3117

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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-144
June 1, 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: LEWIS B. BURLESON, INC. Telephone: (432)683-4747 e-mail address: GEOTTECH@PRODIGY.NET
Address: P.O. BOX 2479 MIDLAND, TEXAS 79702
Facility or well name: STATE 10 API#: 30-025-37146 U/I or Qtr/Qtr D Sec 10 T 21S R 37E
County: LEA Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐
Workover ☐ Emergency ☐
Lined ☒ Unlined ☐
Liner type: Synthetic ☒ Thickness 12 mil Clay ☐
Pit Volume _____ bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____
Construction material: _____
Double-walled, with leak detection? Yes ☐ If not, explain why not. _____

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) 160'

Less than 50 feet	(20 points)
50 feet or more, but less than 100 feet	(10 points)
100 feet or more	(0 points)

0

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)

0

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)

0

Ranking Score (Total Points)

0

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: 03/16/2005

Printed Name/Title STEVEN L. BURLESON, VICE-PRESIDENT Signature [Signature]

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 _____

ORIGINAL SIGNED BY
PAUL F. KAUTZ
PETROLEUM ENGINEER

MAR 22 2005

Date: _____