

OCD-HOBBS

HOBBS OCD

JAN 23 2012

11-1091

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

5. Lease Serial No.

N/M 0631 11/11/3

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No. 390415

TIGER "11" FEDERAL # 1H

9. API Well No.

30-025 40430

10. Field and Pool, or Exploratory

LEA-BONE SPRING 375707

11. Sec., T. R. M. or Blk. and Survey or Area

SECTION 11 T20S-R34E

12. County or Parish

LEA CO.

13. State

NM

1a. Type of work. ☒ DRILL

☐ REENTER

NOS RCVD 9/27/11

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other

☐ Single Zone ☐ Multiple Zone

2. Name of Operator

THREE RIVERS OPERATING COMPANY, LLC. <272295>

3a. Address 1122 S. CAPITAL OF TEXAS HIWAY

SUITE 325 AUATIN, TEXAS 78745

3b. Phone No. (include area code)

512-600-3192

UNORTHODOX

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface 30' FNL & 990' FWL SECTION 11 T20S-R34E LEA CO.

At proposed prod. zone 330' FSL & 990' FWL SECTION 11 T20S-R34E

14. Distance in miles and direction from nearest town or post office*

Approximately 25 miles Southwest of Hobbs, New Mexico

15. Distance from proposed*

location to nearest
property or lease line, ft. 30'
(Also to nearest drig. unit line, if any)

16. No. of acres in lease

160

17. Spacing Unit dedicated to this well

160

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

490'
180'

19. Proposed Depth

TVD- 11,046'

MD- 15,381

20. BLM/BIA Bond No. on file

NMB-000737 +672

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

3656' GL

22. Approximate date work will start*

WHEN APPROVED

23. Estimated duration

35 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO must be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see
Item 20 above).

5. Operator certification

6. Such other site specific information and/or plans as may be required by the
BLM.

25. Signature

Joe T. Janica

Name (Printed/Typed)

Joe T. Janica

Date

11/03/11

Title

Permit Eng.

Approved by (Signature)

/s/ Don Peterson

Name (Printed/Typed)

Date

JAN 19 2012

Title

FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to
conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United
States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

OCD CONDITION OF APPROVAL of Drilling
Intent to drill ONLY - CANNOT produce until the Non Standard
Location has been approved by OCD Santa Fe Office

*(Instructions on page 2)

Capitan Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached

THREE RIVERS OPERATING COMPANY, LLC.
TIGER "11" FEDERAL #1H
UNIT "D" SECTION 11
T20S-R34E LEA CO. NM

In response to questions asked under Section II of Bulletin NTL-6, the following information on the above well will be provided.

1. LOCATION: SL: 30' FNL & 990' FWL SECTION 11 T20S-R34E LEA CO.
BHL: 330' FSL & 990' FWL SECTION 11 T20S-R34E LEA CO.
2. ELEVATION ABOVE SEA LEVEL: 3656' GL
3. GEOLOGICAL NAME OF SURFACE FORMATION: Quaternary Aeolian Deposits;
4. DRILLING TOOLS AND ASSOCIATED EQUIPMENT: Conventional rotary drilling rig using drilling mud as a circulating medium for the removal of solids from the hole.
5. PROPOSED DRILLING DEPTH: TVD--11,046
MD- 15,381'
6. ESTIMATED TOPS OF GEOLOGICAL FORMATIONS:

Rustler anhydrite	1596'	Brushy Canyon	6690'
Top of Salt	1806'	Bone Spring (Top of lime)	8820'
Base of salt	3265'	1st Bone Spring Sd.	9448'
Yates	3520'	2nd Bone Spring Sd.	9667'
Seven Rivers/Capitan	3867'	3rd Bone Spring Sd.	10,642'
Cherry Canyon	5653'	Wolfcamp	10,890'
7. POSSIBLE MINERAL BEARING FORMATIONS:

Seven Rivers	oil/gas/water	2nd Bone Spring Sd.	oil/gas/water
Brushy Canyon	oil/gas/water	3rd Bone Spring Sd.	oil/gas/water
1st Bone Spring Sd.	oil/gas/water	Possible Fresh water	125±'

8. CASING PROGRAM:

HOLE SIZE	INTERVAL	CASING OD	WEIGHT	THREAD	COLLAR	GRADE	CONDITION
26"	0-40'	20"	NA	NA	NA	Conductor	New
17½"	0-1750' 1675'	13 3/8"	48#	8-R	ST&C	H-40	New
12½"	0-5500' 5450'	9 5/8"	40#	8-R	LT&C	N-80	New
8 3/4"	0- 15,381'	5½"	17#	8-R	LT&C	N-80	New

See
COR

CASING SAFETY FACTORS: Collapse 1.125 Burst 1.00 Body Yield 1.5
Joint Strength 8-Round 1.8
Buttress 1.6

APPLICATION TO DRILL

THREE RIVERS OPERATING COMPANY, LLC.
TIGER "11" FEDERAL #1H
UNIT "D" SECTION 11
T20S-R34E LEA CO. NM

9. CASING CEMENTING & SETTING DEPTHS:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
13 3/8"	Surface	Run and set 1750' of 13 3/8" 48# ST&C H-40 casing. Cement with 1115 Sx. of ExtendaCem-CZ Yield 1.75, tail in with 390 Sx. of HalCem Class "C" + 2% CaCl, Yield 1.35. Calculated Excess 100% circulate cement.
9 5/8"	Intermediate	Run and set 5500' of 9 5/8" 40# N-80 LT&C casing. Cement with 1285 Sx. of EconoCem Class "C" cement + additives, Yield 1.89, tail in with 490 Sx. of Class "C" cement + additives, Yield 1.33, Calculated excess 100%, circulate cement to surface.
5 1/2"	Production	Run and set 15,381' of 5 1/2" 17# N-80 LT&C casing. Cement with 685 Sx. of EconoCem Class "H" cement + HR-601 + other additives, Yield 2.44, tail in with 660 Sx. of SoluCem Class "H" + 0.253% Sx. D-AIR 5000, + 0.4% HR-601, Yield 2.61, Calculated 30% Excess, Top of cement 3700' from surface.

10. Pressure Control Equipment

*choke/
manifold
schematic*

The Pressure Control System for this well will consist of a "Multi-bowl" Wellhead (See Exhibit I), a 5000 psi Blowout Preventer (BOP) Stack (See Exhibit II), a Choke Manifold (~~See Exhibit III~~), and a Mud/Gas Separator with Flare Stack (See Exhibit IV). All BOP components will conform to and be tested to Onshore Oil & Gas Order No. 2 for a 5000 psi system. B.O.P. 13 5/8" X 13 3/8" SOW.

The Multi-bowl Wellhead will be installed on the 13 3/8" Surface Casing. The Multi-bowl type wellhead allows the setting of the intermediate and production casings without nipping-down the BOP Stack.

The BOP Stack and pressure control equipment will be nipped-up on the Multi-bowl after surface casing has been set. The BOP Stack will consist of a drilling spool, dual ram type preventer, and an annular type preventer. The dual ram preventer will be configured with drill pipe rams in the bottom cavity and blind rams in the top cavity. A remote control operating station for the BOP will be installed on the rig floor. The pipe rams will be function tested daily. The blind rams will be function tested each trip when pipe is pulled from the hole. Checks will be recorded in the Daily Report.

The drilling spool will be configured with a choke and kill line outlet. The kill outlet will be connected to the mud pumps via an isolation and check valve assembly. The choke outlet will be connected to the choke manifold via an isolation valve, a Hydraulically Controlled Valve (HCR), and a choke line.

The choke manifold will be equipped with a remotely controlled hydraulically operated choke. A remote operating station will be installed on the rig floor.

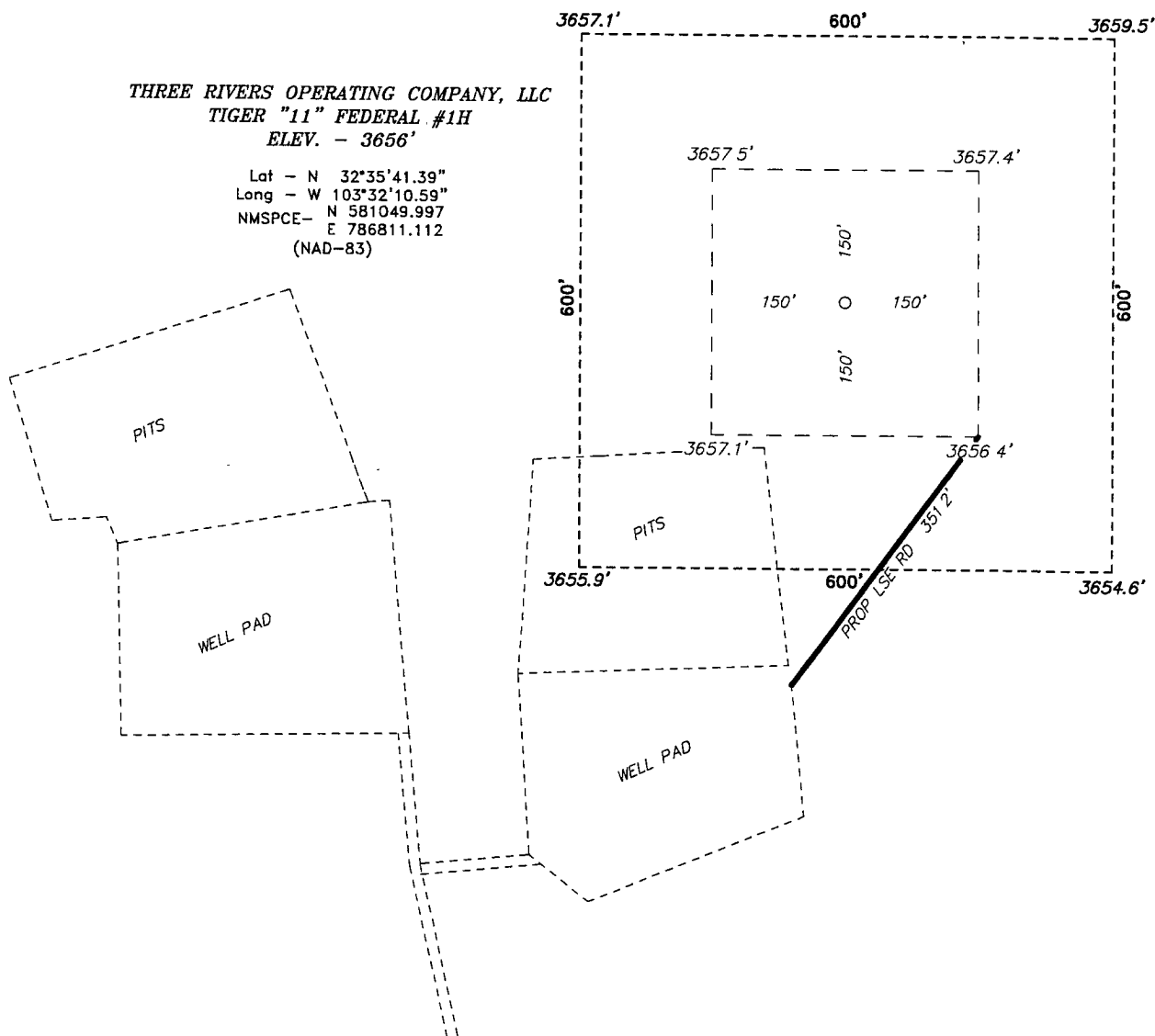
Other related Pressure Control Equipment will include an upper and lower Kelly cock, drill pipe safety valves, and inside BOP.

30-025-40430

SECTION 11, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

THREE RIVERS OPERATING COMPANY, LLC
TIGER "11" FEDERAL #1H
ELEV. - 3656'

Lat - N 32°35'41.39"
Long - W 103°32'10.59"
NMSPCE- N 581049.997
E 786811.112
(NAD-83)



Directions to Location:

FROM THE JUNCTION OF HWY 62-180 AND
MARATHON ROAD, GO SOUTH ON MARATHON 3.1
MILES TO LEASE ROAD, ON LEASE ROAD GO WEST
1.2 MILES TO WELL PAD, GO NORTH 0.1 MILES TO
THREE RIVERS #8 AND PROPOSED LEASE ROAD.

200 0 200 400 FEET

SCALE: 1" = 200'

THREE RIVERS OPERATING COMPANY, LLC

REF: TIGER "11" FEDERAL #1H / WELL PAD TOPO

THE TIGER "11" FEDERAL #1H LOCATED 30'

FROM THE NORTH LINE AND 990' FROM THE WEST LINE OF
SECTION 11, TOWNSHIP 20 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS

P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 25362

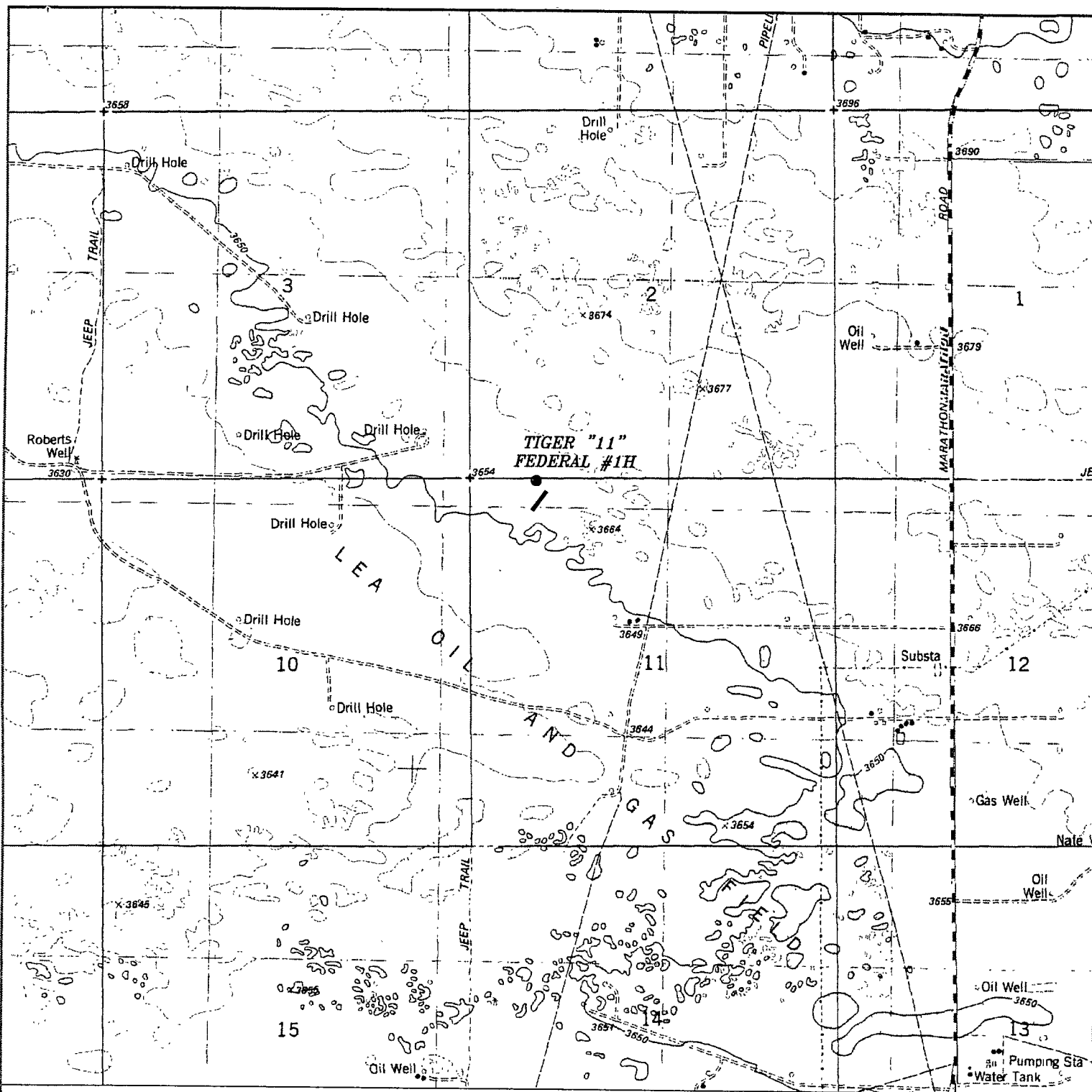
Drawn By: J. SMALL

Date: 10-14-2011

Disk: JMS 25362

Survey Date: 10-12-2011

Sheet 1 of 1 Sheets



TIGER "11" FEDERAL #1H
 Located 30' FNL and 990' FWL
 Section 11, Township 20 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.

basin
surveys

focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

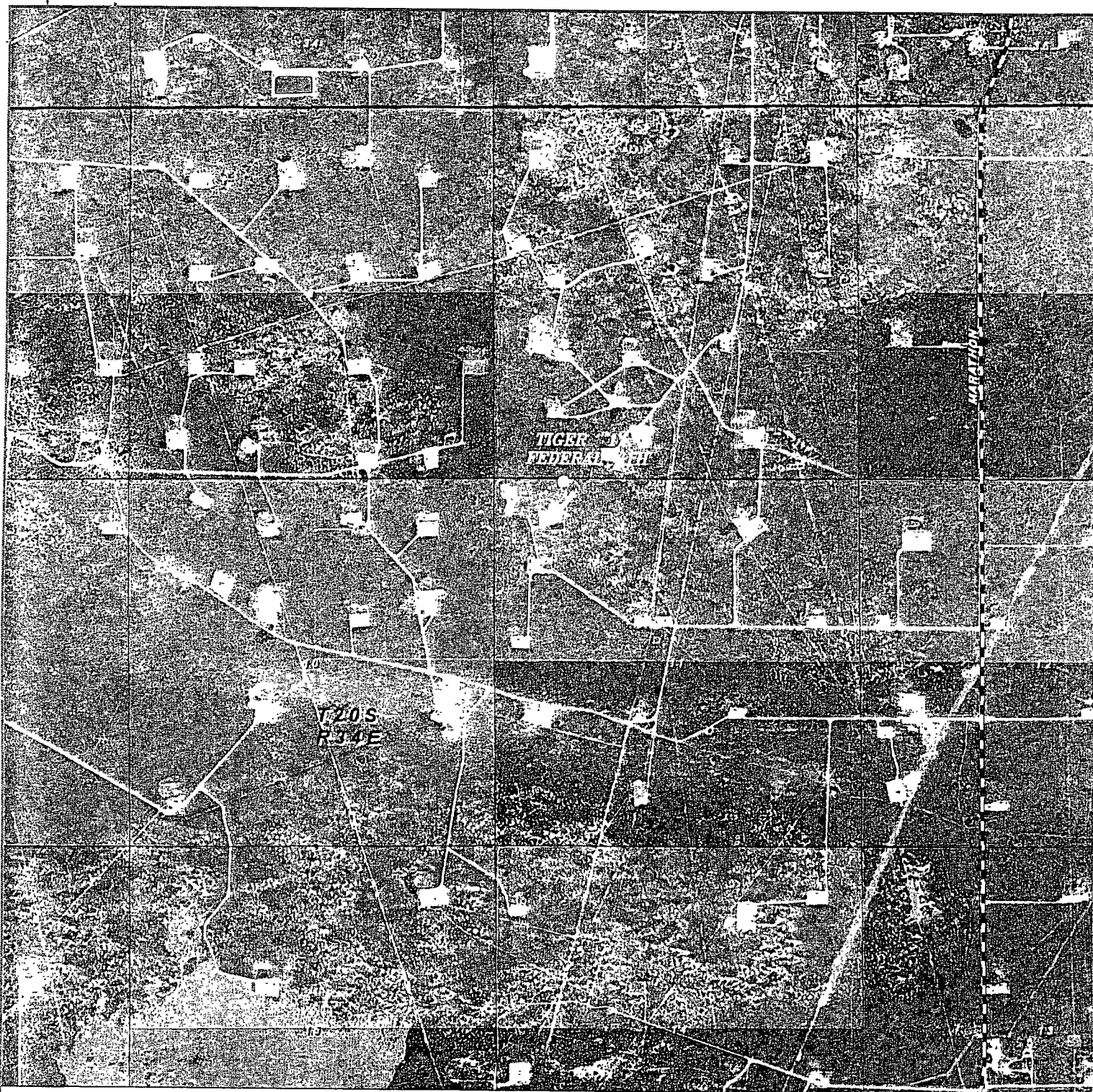
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Survey Date: 10-12-2011

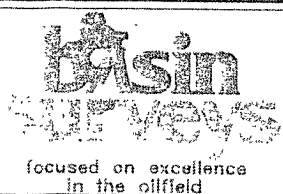
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Date: 10-14-2011

THREE RIVERS
OPERATING
COMPANY, LLC



TIGER "11" FEDERAL #1H
 Located 30' FNL and 990' FWL
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 N.M.P.M., Lea County, New Mexico.



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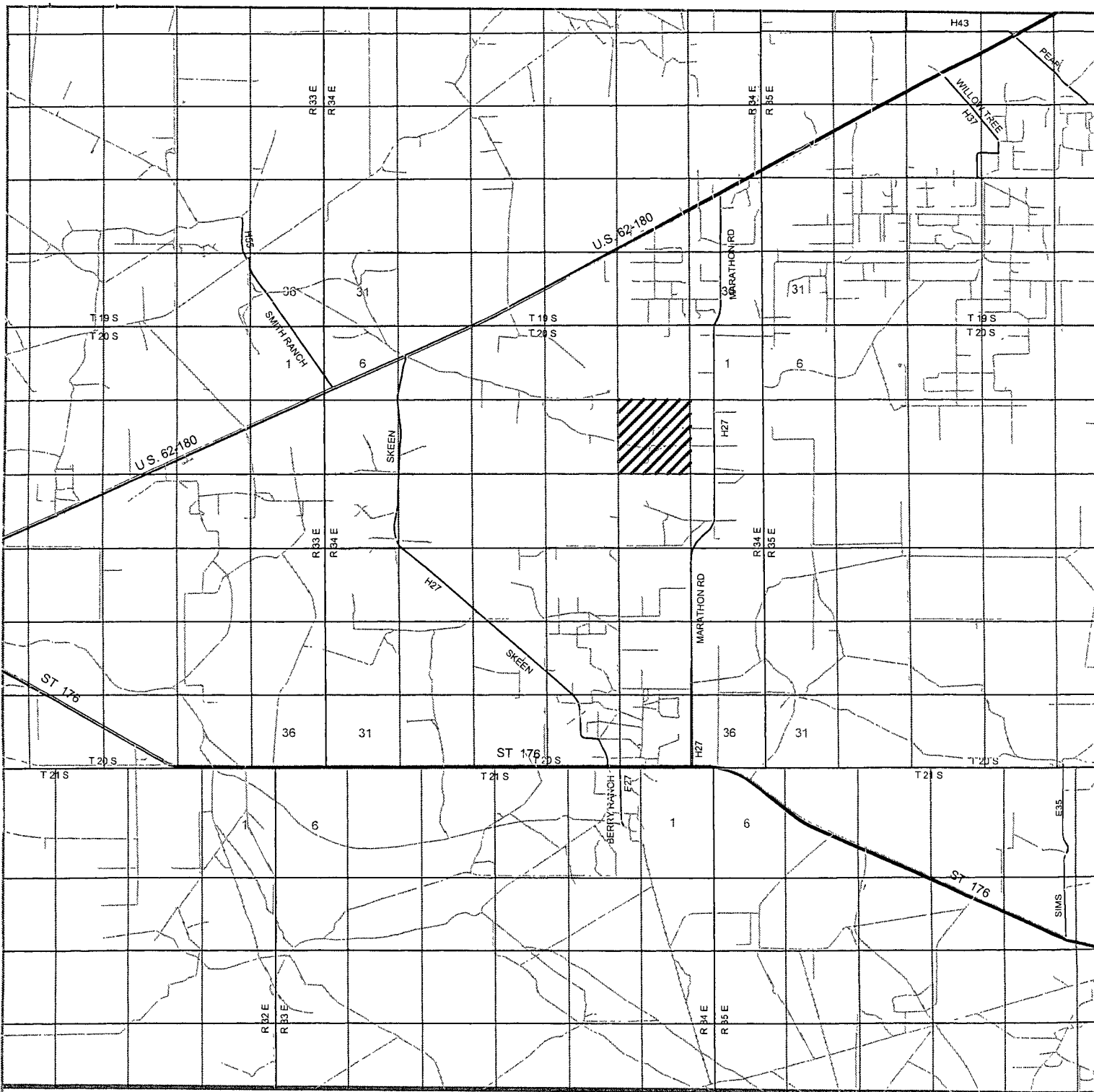
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Scale: 1" = 2000'

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



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Survey Date: 10-12-2011

Scale: 1" = 2 Miles

Date: 10-14-2011



**THREE RIVERS
 OPERATING
 COMPANY, LLC**

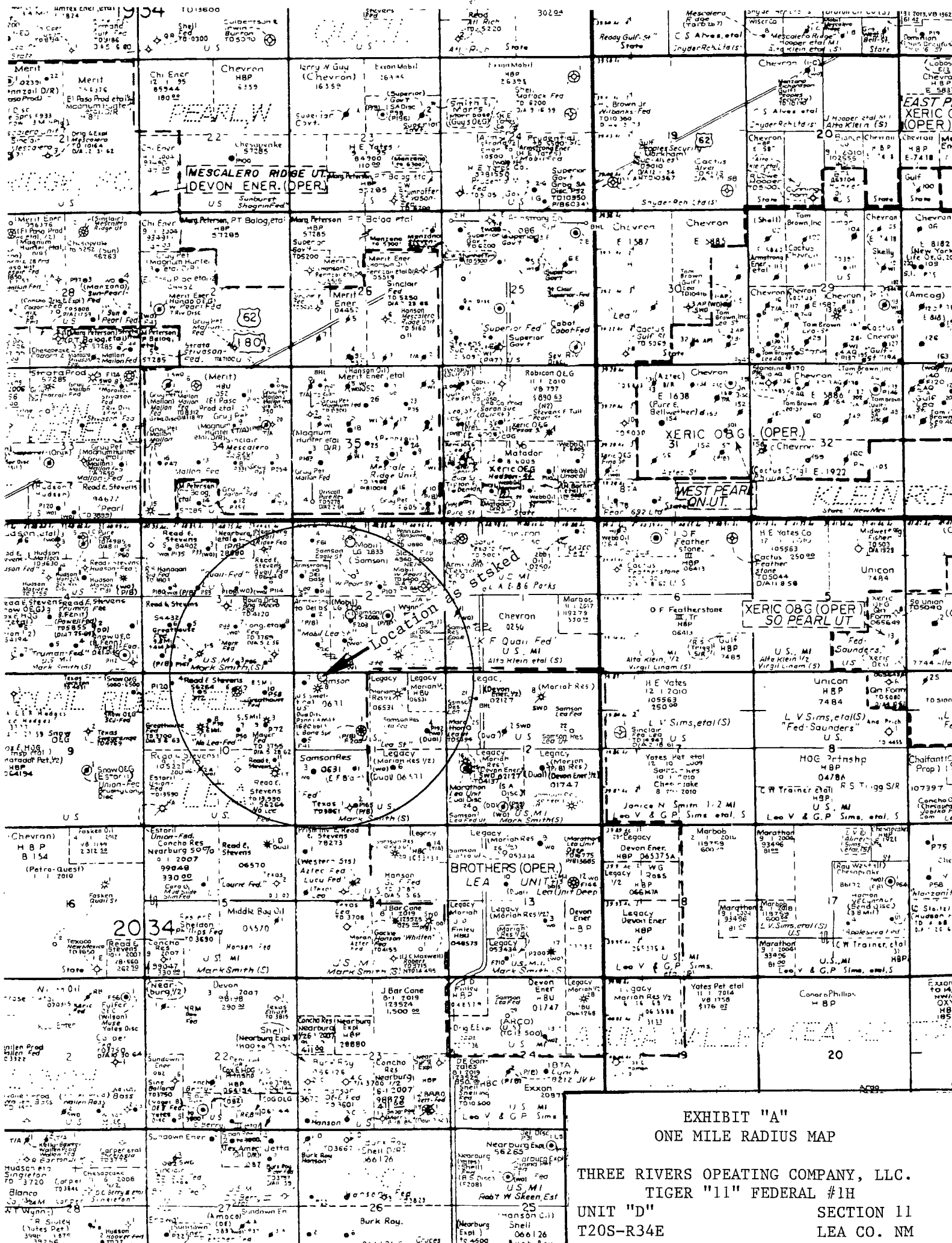


EXHIBIT "A"
ONE MILE RADIUS MAP
THREE RIVERS OPERATING COMPANY, LLC.
TIGER "11" FEDERAL #1H
UNIT "D"
SECTION 11
T20S-R34E
LEA CO. NM

