

30-025-40519

# Amtex Energy, Inc.

## Drilling Program

### Standard Well Location

2260' FSL & 70' FEL SL

HOBBS OCD

2260' FSL & 330' FWL BHL

APR 16 2012

SEC. 6 (I) – T 22S – R 33E

Lea County, New Mexico

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1. WELL NAME: AO 6 State Well No. 1H

2. GEOLOGIC NAME OF SURFACE FORMATION: Permian

3. ESTIMATED TOPS OF IMPORTANT GEOLOGICAL MARKERS:

GL: 3655'

KB:

Formation Tops	Depth
Rustler -----	1150'
Cowden Anhydrite -----	3040'
Base/Salt -----	3100'
Capitan Reef Sequence -----	3400'
Delaware Mountain -----	4916'
Bell Canyon Sand -----	4966'
Cherry Canyon -----	6066'
Brushy Canyon -----	7061'
Bone Spring (Top of Avalon)-----	8721'
Cut Off Sand (UCOS) -----	9130'
Lower Avalon -----	9450'
1 <sup>st</sup> Bone Spring Sand -----	9880'
2 <sup>nd</sup> Bone Spring Carbonate -----	10160'
2 <sup>nd</sup> Bone Spring Sand -----	10500'
3 <sup>rd</sup> Bone Spring Carbonate -----	11426'
3 <sup>rd</sup> Bone Spring Sand -----	11680'
Wolfcamp -----	11987'
PTD (Pilot Hole) -----	12200'
Projected True Vertical Depth ("TVD") -----	10860'

APR 18 2012

#### 4. ESTIMATED DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:

Upper Permian Sands	Above 350'	Fresh Water
2nd Bone Spring Sand	10500' - 10950'	Oil

Fresh water sands will be protected by setting a 13-3/8" csg at 600' and circ the cmt back to surface, 9-5/8" csg will be set at 4900' with cmt circ back to surface.

#### 5. DRILLING PROCEDURE:

1. Plan to drill a 17-1/2" hole to 600' with FW. Run 13-3/8", 54.5#, J-55 csg. and cement to surface.
2. Drill 12-1/4" hole to 4,900' with brine, and run 9-5/8", 36#/40#, J-55/N-80 (with possible DVT/ECP set 200' above reef @ approximately 3,650') and cement to surface.
3. Drill 8-3/4" hole with FW to 12,200'.
4. Run logs and then plug back to 10,250' to kick off and drill lateral to 15,500' MD (10,860' TVD).
- \*5. If hole conditions are stable, hold off to run the 7" casing until after the curve is drilled with the 8 3/4" bit. Additionally, if after drilling the curve with the 8 3/4" bit, the hole continues to remain stable, reduce the hole size down to either 7 7/8" for 5 1/2" casing or down to 6" for 4 1/2" casing. Continue drilling the full lateral and then run a tapered string with the 5 1/2" or 4 1/2" casing through the lateral, then a tool joint crossover at the bottom of the curve shall connect to the 7" casing which will be run back to surface.
- \*6. If hole conditions are not stable, skip step #5 and go on to step #7.
7. Run 7" 26#, P-110 csg. and cement to 2,500' in 2 stages.
8. Drill out 7" csg. With 6-1/8" bit and target a 10° radius curve to land the TVD at 10,860' and drill horizontal to 15,500'+/-MD.
9. The 4-1/2" casing liner will either be fully cemented or it will be run through the lateral with isolation packers with top of liner at 10,560' +/-.

\* Steps determined by hole conditions.

#### 6. CASING PROGRAM:

Casing	TrueVertical Depth	Hole Size	Casing Size	Casing Weight	Casing Grade	Desired TOC
Surface	600'	17-1/2"	13-3/8"	54.5 lb/ft	J-55	Surface
Intermediate	4900'	12-1/4"	9-5/8"	40/47 lb/ft	J-55 & N-80	Surface
2nd Intermediate	10450'	8-3/4"	7"	26 lb/ft	P-110	2500'
Production	TD @ MD is					
Lateral - 4725'	15,375'	6-1/8"	4-1/2"	11.6 lb/ft	P-110	Swellpacker

## 7. CEMENT PROGRAM:

True Vertical Depth	Number of Sacks	Wt. lb/gal	Yld Ft <sup>3</sup> /ft	Slurry Description
600'	500	14.8	1.32	Class 'C' + 0.005 pps Static Free + 2% CaCl <sub>2</sub> + 0.25 pps Cello Flake + 0.005 gps FP-6L
4900'	2200	12.7	2.01	Lead: Class 'C' + 2.00% SMS + 1.5% R-3 + 0.25 lb/sx Cello Flake + 0.005 lb/sx Static Free
	200	14.8	1.32	Tail: Class 'C' + 0.25 lb/sx Cello Flake + 0.005 lb/sx Static Free
10450'	1400	12.7	2.01	Lead: Class 'C' + 2.00% SMS + 1.5% R-3 + 0.25 lb/sx Cello Flake + 0.005 lb/sx Static Free
	750	14.8	1.3	Tail: Class 'C' + 0.25 lb/sx Cello Flake + 0.005 lb/sx Static Free
TMD for Lateral				4.5" liner Halliburton Swellpacker
4725'				Ball Drop Delta Stim System 5000 Series
TD @ MD is 15,375'				

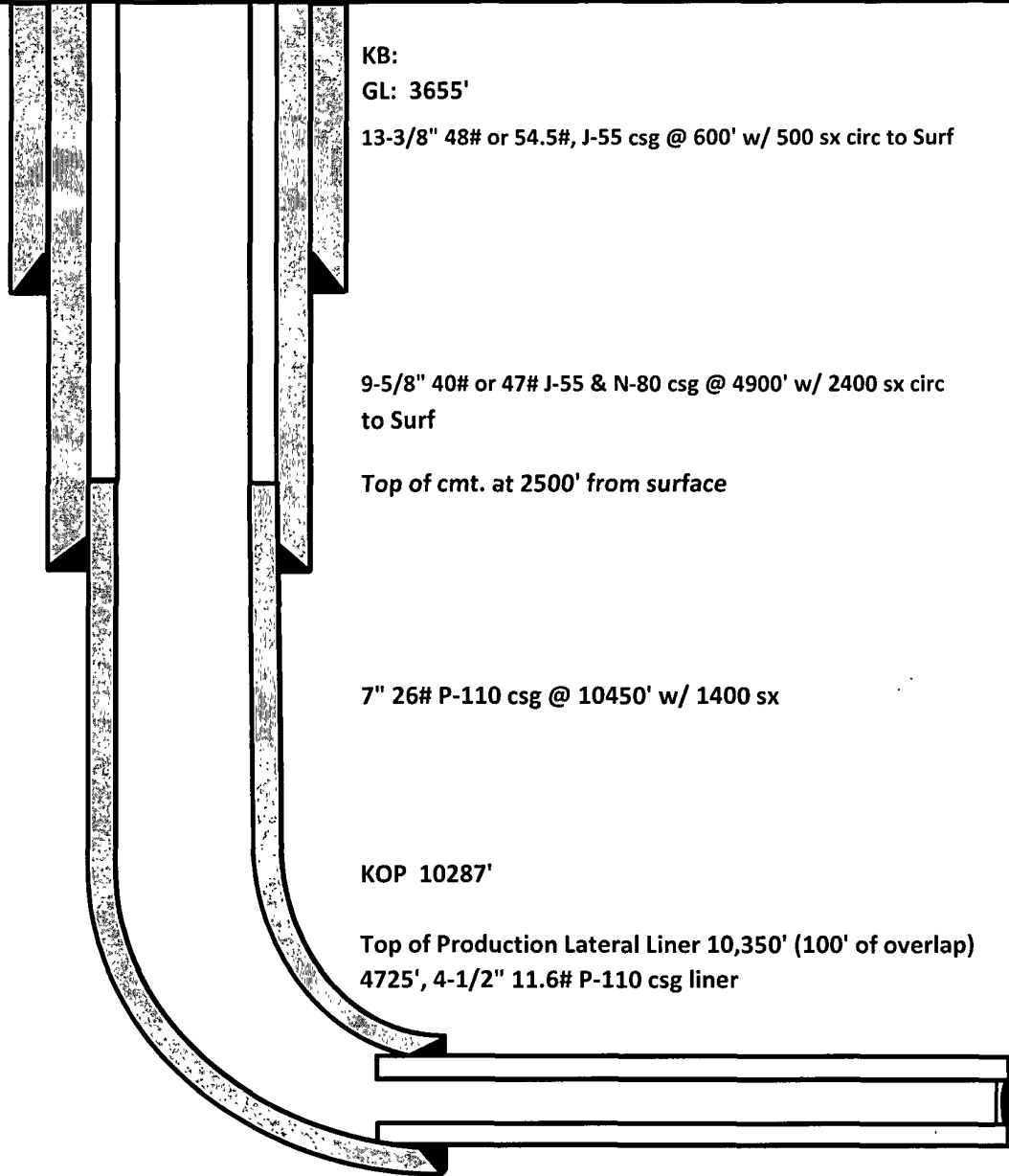
## 8. MUD PROGRAM:

True Measured Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 - 600'	Fresh Water	8.5 - 9.2	30 - 34	No Control (N/C)
600' - 4900'	Brine	9.5 - 10.0	28 - 29	N/C
4900' - 10,450'	Fresh Water	8.4 - 8.8	28 - 32	9150' < 15
Lateral 10,450' - 15,500'	Mud up with: Optixan/Starpac II / HDS Surfactant	8.6 - 8.9	46 - 50	< 10

**NOTE** : Follow specific instructions according to Horizon Mud Company's Program.

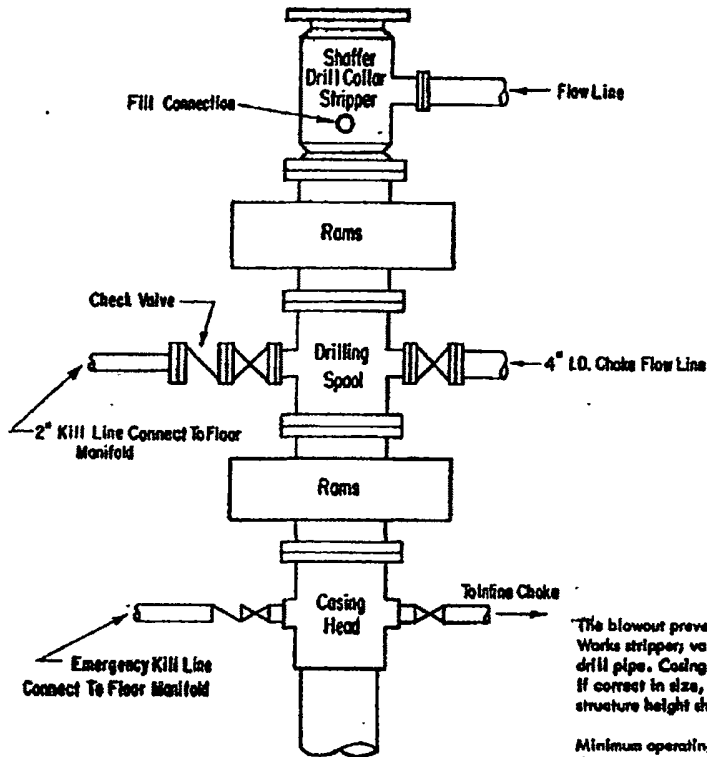
## 8. Proposed Wellbore Schematic

Operator: Amtex Energy, Inc.	Name of Lease: AO 6 State	Date: 03/29/2012
API: 30-025-	Well Name: AO 6 State #1H	
Surface Location: Unit I, 2260' FSL & 70' FEL, Sec. 6 - T 22S - R 33E, Lea County, New Mexico		
KB:	GL: 3655'	By: KAE

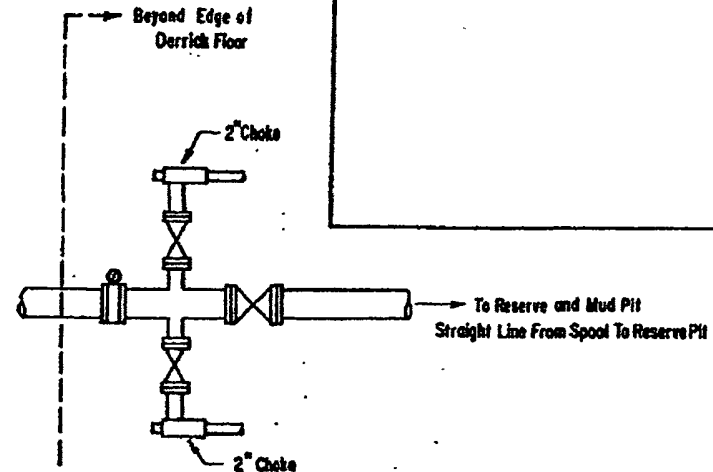


True Vertical Depth: 10860'  
TD @ MD is 15,375'

Amtex Energy, Inc.  
Blowout Preventer  
Exhibit 1A



**3000 PSI WORKING PRESSURE  
BLOWOUT PREVENTER HOOK-UP**



The blowout preventer assembly shall consist of one blind ram preventer and one pipe ram preventer, both hydraulically operated; a Shaffer Tool Works stripper, valves, chokes and connections, as illustrated. If a tapered drill string is used, a ram preventer must be provided for each size of drill pipe. Casing and tubing rams to fit the preventers are to be available as needed. The ram preventer may be two singles or a double type. If correct in size, the flanged outlets of the ram preventer may be used for connecting to the 4-inch I.D. choke flow line and kill line. The substructure height shall be sufficient to install a rotating blowout preventer.

Minimum operating equipment for the preventers shall be as follows: (1) Pump (a), driven by a continuous source of power, capable of closing all the pressure-operated devices simultaneously within \_\_\_\_\_ seconds. The pump (a) is to be connected to a closed type hydraulic operating system. (2) When requested, accumulators with a precharge of nitrogen of not less than 750 PSI and connected so as to receive a fluid charge from the above pump (a). With the charging pump (a) shut down, the pressurized fluid volume stored in the accumulators must be sufficient to close all the pressure-operated devices simultaneously within \_\_\_\_\_ seconds; after closure, the remaining accumulator pressure shall be not less than 1000 PSI with the remaining accumulator fluid volume at least \_\_\_\_\_ percent of the original. (3) When requested, an additional source of power, remote and equivalent, is to be available to operate the above pump (a); or there shall be an additional pump (a) operated by separate power and equal in performance capabilities.

The closing manifold shall have a separate control for each pressure-operated device. Controls are to be labeled, with control handles indicating open and closed positions. A pressure reducer and regulator must be provided if a Hydril preventer is used. Gulf Legion No. 38 hydraulic oil, an equivalent or better, is to be used as the fluid to operate the hydraulic equipment.

The choke manifold, choke flow line, and choke lines are to be supported by metal stands and adequately anchored. The choke flow line and choke lines shall be constructed as straight as possible and without sharp bends. Easy and safe access is to be maintained to the choke manifold. All valves are to be selected for operation in the presence of oil, gas, and drilling fluids. The choke flow line valve connected to the drilling spool and all ram type preventers must be equipped with stem extensions, universal joints if needed, and hand wheels which are to extend beyond the edge of the derrick substructure. All other valves are to be equipped with handles.

ADDITIONS - DELETIONS - CHANGES  
SPECIFY

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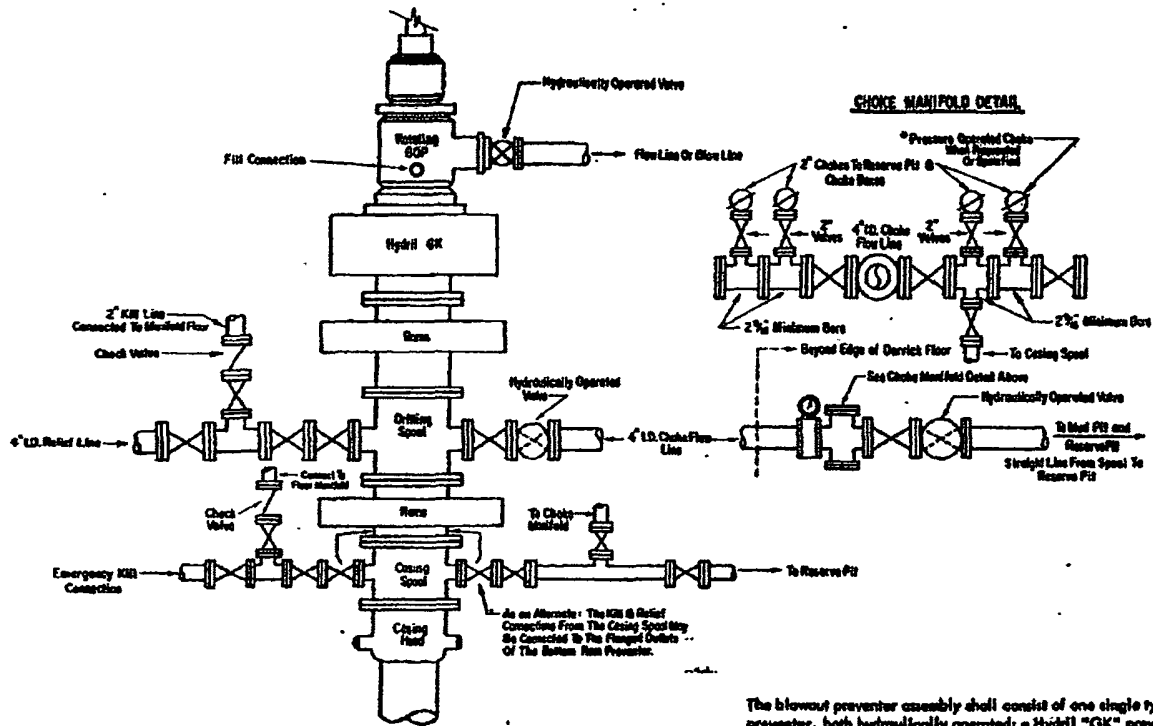
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HOBBS OCD

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Amtex Energy, Inc.  
Blowout Preventer  
Exhibit 1B



**5000\* PSI WORKING PRESSURE  
BLOWOUT PREVENTER HOOK-UP**

The blowout preventer assembly shall consist of one single type blind ram preventer and one single type pipe ram preventer, both hydraulically operated; a Hydril "GK" preventer; a rotating blowout preventer; valve chokes and connections, as illustrated. If a tapered drill string is used, a ram preventer must be provided for each size of drill pipe. Casing and tubing runs to fit the preventers are to be available as needed. If correct in size, the flanged outlets of the ram preventer may be used for connecting to the 4-inch I.D. choke flow line and 4-inch I.D. relief line, except when air or gas drilling. All preventer connections are to be open-face flanged.

Minimum operating equipment for the prevention and hydraulically operated valves shall be as follows: (1) Multiple pumps, driven by a continuous source of power, capable of fluid charging the total accumulator volume from the nitrogen precharge pressure to its rated pressure within \_\_\_\_\_ minutes. Also, the pumps are to be connected to the precharge of nitrogen of not less than 750 PSI and connected so as to receive the aforementioned fluid charge. With one must be sufficient to close all the pressure-operated devices simultaneously within \_\_\_\_\_ seconds after closure, and accumulator fluid volume at least \_\_\_\_\_ percent of the original. (2) When requested, an additional source of power shall be additional fluid pumps operated by separate power and equal in performance capabilities.

hydraulic operating system which is to be a closed system, (2) Accumulators with a precharge of nitrogen of not less than 750 PSI and connected so as to receive the aforementioned field change. With the charging pumps shut down, the pressurized fluid volume stored in the accumulators must be sufficient to close all the pressure-operated devices simultaneously within \_\_\_\_\_ seconds; after closure, the remaining accumulator pressure shall be not less than 1000 PSI with the remaining accumulator fluid volume at least \_\_\_\_\_ percent of the original. (3) When requested, an additional source of power, remote and equivalent, is to be available to operate the above pump; or there shall be additional pumps operated by separate power and equal in performance capabilities.

The closing manifold and remote closing manifold shall have a separate control for each pressure-operated device. Controls are to be labeled, with control handles indicating open and closed positions. A pressure reducer and regulator must be provided for operating the hydril preventer. When requested, a second pressure reducer shall be available to limit operating fluid pressures to ram preventers. Gulf Legion No. 38 hydraulic oil, or an equivalent or better, is to be used as the fluid to operate the hydraulic equipment.

The choke manifold, choke flow line, relief line, and choke lines are to be supported by metal stands and adequately anchored. The choke flow line, relief line, and choke lines shall be constructed as straight as possible and without sharp bends. Easy and safe access is to be maintained to the choke manifold. If deemed necessary, walkways and stairways shall be erected in and around the choke manifold. All valves are to be selected for operation in the presence of oil, gas, and drilling fluids. The choke flow line valves and relief line valves connected to the drilling spool and all run type preventers must be equipped with stem extensions, universal joints if needed, and hand wheels which are to extend beyond the edge of the derrick substructure. All other valves are to be equipped with handles.

\* To include derrick floor mounted controls.

**ADDITIONS-DELETIONS-CHANGES  
SPECIFY**