

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised December 16, 2011

Permit

HOBBS OCD

APR 25 2012

RECEIVED

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Regeneration Energy Corp. PO Box 210 Artesia, New Mexico 88211-0210		OGRID Number 280240
Property Code 39103		API Number 30-025-40550
Property Name Lepakast State Com		Well No. 1 H-Y

Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
P	24	23S	34E	P	330	S	330	E	Lea

Pool Information

Antelope Ridge; Bone Spring	2200
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Additional Well Information

Work Type New Well	Well Type Oil Well	Cable/Rotary	Lease Type State Lease	Ground Level Elevation 3387
Multiple N	Proposed Depth 13315	Formation Bone Spring	Contractor	Spud Date 4/27/2012
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

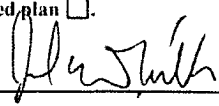

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	26"	20"	94#	900'	1700	CIRC
Int 1a*	17 1/2"	13 3/8"	54.5#	1500'	1575 sxs	CIRC
Int 1b	12 1/4"	9 5/8"	40#	5200'	2000	CIRC
Prod	8 3/4"	7"	26#	9100'	1000 sx	Overlap 500'
Liner 1	6 1/8"	4 1/2"	11.6#	13,315'	500 sx	Overlap 200'

Casing/Cement Program: Additional Comments

*Int 1a to be run only if severe lost circ encountered @ $\pm 1150'$. Verbal given by P. Kautz & EL Gonzales to run cement basket on Int 1a w/ cmt to be circ to sfce on Int 1b. If no lost circ encountered, hole size will be reduced at 1500' to 12 1/4" and cement will be brought to sfce.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
<p>Permit Expires 2 Years From Approval Date Unless Drilling Underway</p>			
<p>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"/>.</p> <p>Signature: </p>		<p>OIL CONSERVATION DIVISION</p> <p>Approved By: </p> <p>Title: PETROLEUM ENGINEER</p>	
Printed name: Joel Miller		Approved Date: APR 27 2012	Expiration Date: APR 27 2014
Title: Secretary/Treasurer			
E-mail Address: jmillar@pvtm.net			
Date: 4/25/2012	Phone: 575-736-3535	Conditions of Approval Attached	

APR 30 2012

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40550	² Pool Code 2200	³ Pool Name Antelope Ridge / Bone Spring
⁴ Property Code 39103	⁵ Property Name Lepakast State Com	⁶ Well Number 1 H-Y
⁷ OGRID No. 280240	⁸ Operator Name Regeneration Energy Corp.	⁹ Elevation 3387

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
P	24	23S	34E		330	S	330	E	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
A	24	23S	34E		330	N	330	E	Lea

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

¹⁶					<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <u>Joel W. Miller</u> Date: <u>4/27/12</u></p> <p>Printed Name: <u>Joel W. Miller</u></p> <p>E-mail Address: <u>jmillerc@prtn.net</u></p>
					<p>¹⁸ SURVEYOR CERTIFICATION</p> <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>Date of Survey: _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number: _____</p>