

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

HOBBS OCD

Permit

APR 27 2012

RECEIVED

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

¹ Operator Name and Address Basic Energy Services LP P.O. Box 10460 Midland Texas 79702		² OGRID Number 246368
³ Property Code 39193		⁴ API Number 30 025 31888
⁵ Property Name RedHawk "32" State		⁶ Well No. 1

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
L	32	19S	34E		1980	SOUTH	810	WEST	LEA

⁸ Pool Information

SWD; LOWER DELAWARE	96100
---------------------	-------

Additional Well Information

⁹ Work Type E	¹⁰ Well Type S	¹¹ Cable/Rotary REVERSE UNIT ROTARY	¹² Lease Type STATE	¹³ Ground Level Elevation 3643' GR
¹⁴ Multiple NO	¹⁵ Proposed Depth 8230'	¹⁶ Formation 7420' - 8120'	¹⁷ Contractor BASIC ENERGY SERVICES LP	¹⁸ Spud Date 4/15/2012
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17 1/2	13 3/8"	54#	525'	500	Surface
Inter	12 1/4	8 5/8"	32#	5241'	3250	Surface
Produ	7 7/8	5 1/2	17#	13.658'	1850	Surface

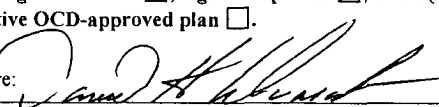


Casing/Cement Program: Additional Comments

Drill out plugs to 8230' run Csg Inspection log /CBL / GR Neutron Density correlation log, Perf. selected intervals, brake down with NEFE. Run SRT. Please see attachments of full operational intent.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Hydraulic Actuated	5000	5000	Townsend

Permit Expires 2 Years From Approval
Date Unless Drilling Underway

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 XX <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Signature: 		Approved By: 	
Printed name: David H. Alvarado		Title: 	
Title: SENM District Fluid Sales Mgr		Approved Date:	Expiration Date:
E-mail Address: david.alvarado@basicenergyservices.com		MAY 02 2012	
Date:	Phone: 575.746 2072	Conditions of Approval Attached	

MAY 02 2012

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 & 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

HOBBS OCD

APR 27 2012

RECEIVED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30 025 31888	² Pool Code 96100	³ Pool Name SWD; Lower Delaware
⁴ Property Code 30193 LG 602 25089	⁵ Property Name RedHawk "32" State	
⁷ OGRID No. 246368	⁸ Operator Name Basic Energy Services LP	⁶ Well Number 1
		⁹ Elevation 3643' GR

¹⁰ Surface Location

UL or lot no. L	Section 32	Township 19S	Range 34E	Lot Idn	Feet from th 1980	North/South line SOUTH	Feet from the 810	East/West line WEST	County 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
Dedicated Acres		Joint or Infill	Consolidation Code		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, 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.		
	Signature _____ Date _____ DAVID H. ALVARADO Printed Name david.alvarado@basicenergyservices.com E-mail Address		
	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 _____ Signature and Seal of Professional Surveyor _____		
	Certificate Number _____		

MAY 02 2012

Proposed

Basic Energy Services LP

Red Hawk 32 State # 1

1980' FSL, 810' FWL, Unit (L), Sec 32, T19S, R34E Lea Co.

API # 30-025-31888

Surface Hole

Bit Size 17 1/2"

Inter. Hole

Bit Size 12 1/4"

Packer Set @ 7,350'

Packer 5 1/2" X 2 7/8" AS1-X(NP) (SS) 2.25" "F"
2 7/8" T-2 on/off tool SS top NP btm.

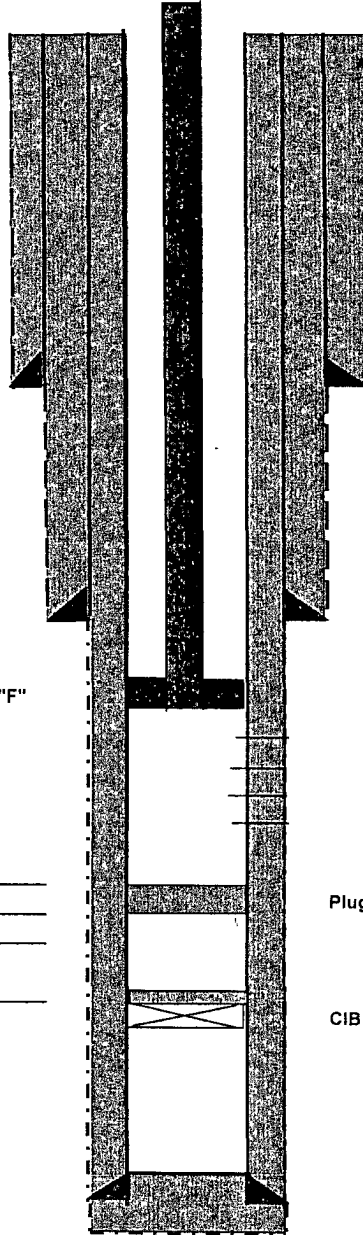
Cement Data:

Lead - _____

Tail - _____

Note - _____

Bit size 7 7/8"



Tree Connection 2 7/8" J-55 PCT

Surface Casing: 13 3/8" 54.5#

Setting Depth @ 525' 500sx
Circulated to Surf
Existing

Interm. Casing: 8 5/8" 32#

Setting Depth: 5,241' 3,250sx DV @ 3,485'
Circulated to Surf.
Existing

Perforation Intervals as Follows:

(7,406'-7,484'), (7,504'-7,556'), (7,604'-7,632')
(7,744'-7,792'), (7,884'-7,944'), (7,966'-7,992')
(8,006'-8,026'), (8,040'-8,076'), (8,086'-8,118')

Net Pay 380'

Plug 30sx @ 8,315' est TOC @ 8,230'
Existing

CIBP @ 10,050' + 35' Cmt.

PBTD: 13,568"

Production Csg.: 5 1/2" 17# Existing

Setting Depth @ 13,658' 1,850sx DV @ 9,633'
Cur culated to Surf
Existing

TD @ 13,660'

IX Proposed Stimulation Program

Basic Energy Services LP

RedHawk 32 State # 1

API 3002531888 Lea Co.

Basic Energy Services LP Proposes to clean out well bore to 8230', Circulate hole twice its capacity until a clean return is seen. Run a CIL, CBL, Correlation DIN, GR Neutron Log. The Existing plug that was set during P&A @ 8012'-8315' Basic Energy Services LP respectfully asks permission to utilize the existing 85' plug as the needed barrier above the Bone Springs once plug is drilled down to 8230'.

(2sd Stage Set RBP @ 7954' Pkr. @ 7635')

(3rd Stage Set RBP @ 7635' Pkr. @ 7375')

Tubing subs will be required totaling 32' of combination of 2 7/8" 8rd.

A packer with RBP will be run to a depth of 8200', set Pkr. then test integrity of cmt. plug and casing if okay move Pkr. and RBP to 7350', Set Pkr. MIT on annulus to 500 psi. and record findings. If fail MIT notify OCD find where leak is and record, plan squeeze and submit C-103 to OCD for approval then execute approved intent, proceed with MIT and test to 500 psi submit C-103 subsequent report.

Perforate intervals as reported on C-108 run packer and retrievable plug. RedHawk 32 # 1 will be treated in three stages possible two shots per foot.

Start pad with 10# quality brine establish rate switch to acid. 32 gal NEFE 15 % per perf hole & possible use of 15 gal per perforation hole of CLO2 using three to five pounds of rock salt per perf as block. Followed by flush.

(1st Stage Set RBP @ 8133' Pkr @ 7946')

RedHawk 32 State # 1 **Stimulation Interval Plan**

<i>INTERVALS</i> <i>Stage 1</i>	<i>NET PAY</i>	<i>SPF</i>	<i>PERF</i> <i>HOLES</i>	<i>NEFE 15%</i> <i>gal / shot.</i>	<i>Net gal</i> <i>NEFE /</i> <i>Interval</i>	<i>Net lbs/</i> <i>Salt block</i> <i>@ 4 lbs per</i> <i>hole</i>
7966-7992	26	2	52	32	1664	208
8006-8026	20	2	40	32	1280	160
8040-8076	36	2	72	32	2304	288
8086-8118	32	2	64	32	2048	256
Totals Stage 1	114'		228		7,296	912
<i>INTERVALS</i> <i>Stage 2</i>	<i>NET PAY</i>	<i>SPF</i>	<i>PERF</i> <i>HOLES</i>	<i>NEFE 15%</i> <i>gal / shot.</i>	<i>Net gal</i> <i>NEFE /</i> <i>Interval</i>	<i>Net lbs/</i> <i>Salt block</i> <i>@ 4 lbs per</i> <i>hole</i>
7604-7632	28	2	56	32	1792	224
7744-7792	48	2	96	32	3072	384
7884-7944	60	2	120	32	3840	480
Totals Stage 2	136		272		8704	1088
<i>INTERVALS</i> <i>Stage 3</i>	<i>NET PAY</i>	<i>SPF</i>	<i>PERF</i> <i>HOLES</i>	<i>NEFE 15%</i> <i>gal / shot.</i>	<i>Net gal</i> <i>NEFE /</i> <i>Interval</i>	<i>Net lbs/</i> <i>Salt block</i> <i>@ 4 lbs per</i> <i>hole</i>
7406-7484	78	2	156	32	4992	624
7504-7556	52	2	104	32	3328	416
Totals Stage 3	130		260		8320	1040

Basic Energy Services LP will be utilizing at the RedHawk 32 State # 1 a total of 380' net pay in the lower Delaware.

C-108

To Santa Fe



Basic Energy Services L.P.
NM Fluid Sales

Per New Mexico Oil Conservation Division Rules and Regulations, please find the enclosed a copy of NMOCD form C-108.

Basic Energy Services L.P. P.O. Box 10460, Midland Texas 79702 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division.

Basic Energy Services L.P. is seeking administrative approval of the conversion of the RedHawk 32 State # 1 API # 3002531888, 1980 FSL & 810 FWL, Unit "L", Section 32, Township 19 South, Range 34 East, Lea County New Mexico from a abandon plugged gas well to a Lower Delaware commercial salt water disposal well.

The disposal interval would be from 7406'-8118' feet.

Disposal fluid would be produced water trucked in from numerous producing formations in South Eastern New Mexico only by Basic Energy Services L.P. trucking department. Basic Energy Services L.P. anticipates a disposal rate of 3500 BWPD with a maximum disposal rate of 5000 BWPD.

The anticipated disposal surface pressure of the RedHawk 32 State # 1 approximated at 1100 psi with a maximum disposal pressure of 1450 psi if granted.

Well is located 26.45 miles West form North Grimes street Hobbs NM on HWY 62/180 turn right travel West .98 miles turn North .33 miles then turn East .13 to location.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lyn Sockwell', is written over the word 'Sincerely,'.

Lyn Sockwell
Director of Environmental
P.O. Box 10460
Midland Texas 79702
Phone: 432.620.5500
Lyn.Sockwell@basicenergyservices.com