

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

HOBBS OCD

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised December 16, 2011

Permit

JUL 17 2012

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

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

¹ Operator Name and Address Marshall & Winston Inc. POB 50880 Midland, TX 79710-0880		² OGRID Number 14187
³ Property Code 39353	⁴ Property Name TRES LADOS STATE 2	⁵ API Number 30-025-40691
		⁶ Well No 1H

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
I	2	18S	35E	-	1980	S	330	E	Lea
BH: L	2	18S	35E	-	1980	S	330	W	Lea

⁸ Pool Information

Reeves Scharb Bone Springs	51870 80 acre sp
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Additional Well Information

⁹ Work Type N	¹⁰ Well Type O	¹¹ Cable/Rotary R	¹² Lease Type S	¹³ Ground Level Elevation 3803'
¹⁴ Multiple S	¹⁵ Proposed Depth 9080'	¹⁶ Formation Bone Springs	¹⁷ Contractor TBA	¹⁸ Spud Date 8-1-2012
Depth to Ground water ocd:		Distance from nearest fresh water well ocd:		Distance to nearest surface water ocd:

¹⁹ Proposed Casing and Cement Program

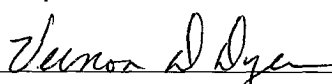
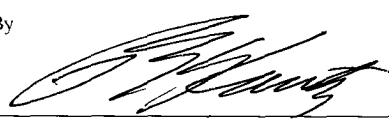
Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
H-40	17.5	13.375	48	1375'	1220	surface
J-55	12.5	9.625	40	3300'	955	surface
N-80	8.75	7.0	26	4880'	610	surface
P-110	6.125	4.5	11.6	13,536'	960	4500' (TOL)

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram w/annular	5M	5M	Regan & Hydril

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 checked="" type="checkbox"/> .		OIL CONSERVATION DIVISION	
Signature 		Approved By 	
Printed name Vernon D. Dyer		Title PETROLEUM ENGINEER	
Title Agent		Approved Date JUL 20 2012	Expiration Date
E-mail Address vdveroil@cableone.com			
Date 7/17/2012	Phone (575) 420-0355	Conditions of Approval Attached	

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025- 40691	Pool Code 55610 51870	Pool Name Scharb Reeves Bone Springs
Property Code 39353	Property Name TRES LADOS STATE 2	Well Number 1H
OGRID No. 14187	Operator Name MARSHALL & WINSTON, INC.	Elevation 3803'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	2	19-S	35-E		1980	SOUTH	330	EAST	LEA

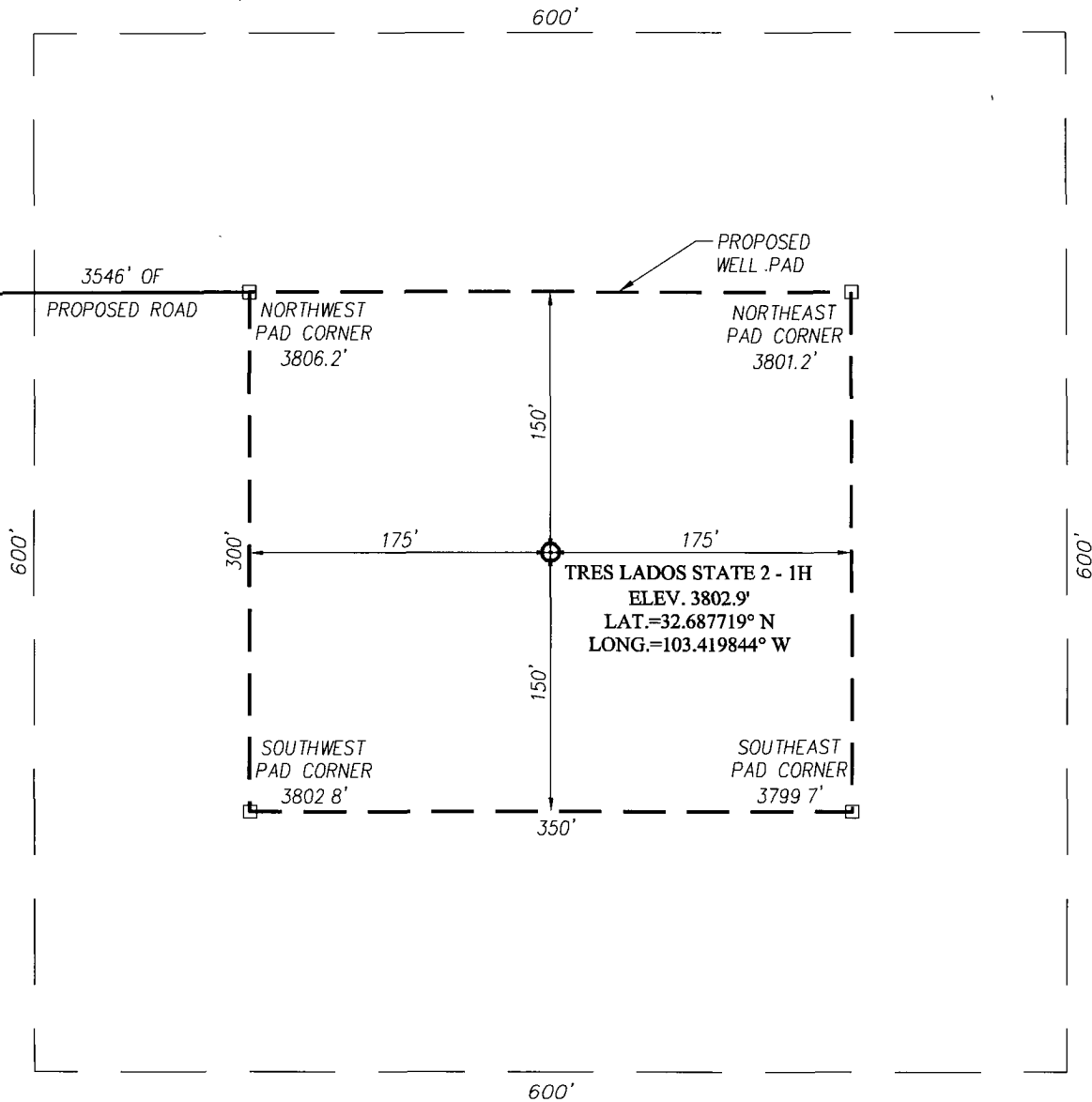
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	2	19-S	35-E		1980	SOUTH	330	WEST	LEA
Dedicated Acres 160	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

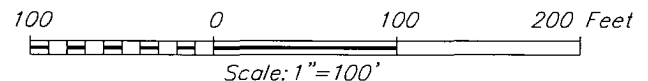
<p>4 3 2 1</p> <p>39.50 AC. 39.46 AC. 39.42 AC. 39.38 AC.</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=615113.4 N X=781048.0 E</p> <p>LAT. = 32.687719° N LONG = 103.419844° W</p> <p>BOTTOM HOLE LOCATION Y=615073.7 N X=776385.7 E</p> <p>GRID AZ. = 269°30'50" HORIZ. DIST. = 466.3 3'</p> <p>P.O.P. 442' FEL</p> <p>330' B.H. 330' S.L.</p> <p>CORNER COORDINATES TABLE</p> <p>A) Y=615700.4 N, X=776049.6 E B) Y=615747.2 N, X=781374.7 E C) Y=614395.9 N, X=776062.4 E D) Y=614441.9 N, X=781381.3 E</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Vernon D. Dyer</i> 7-17-2012 Signature Date</p> <p>Vernon D. Dyer Printed Name</p> <p>Vdyeroil@cableone.net E-mail Address</p> <p>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>MAY 18, 2012 Date of Survey</p> <p>Signature & Seal of Professional Surveyor: RONALD J. EIDSON 3239 Certificate Number Gary G. Eidson 12641 Ronald J. Eidson 3239 DSS PROFESSIONAL LISC W.O.: 12.11.0828</p>
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SECTION 2, TOWNSHIP 19 SOUTH, RANGE 35 EAST, N.M.P.M.
LEA COUNTY **NEW MEXICO**



DIRECTIONS TO LOCATION

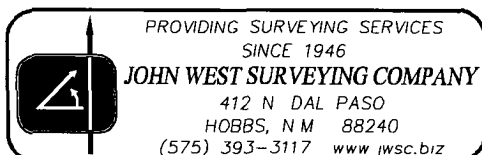
FROM THE INTERSECTION OF HWY 529 AND HWY 238, GO EAST ON HWY. 529 APPROX 0.1 MILE TURN RIGHT AND FOLLOW PROPOSED ROAD SURVEY STAKES SOUTH 3061 FEET, THEN EAST APPROX 485 FEET TO THIS LOCATION



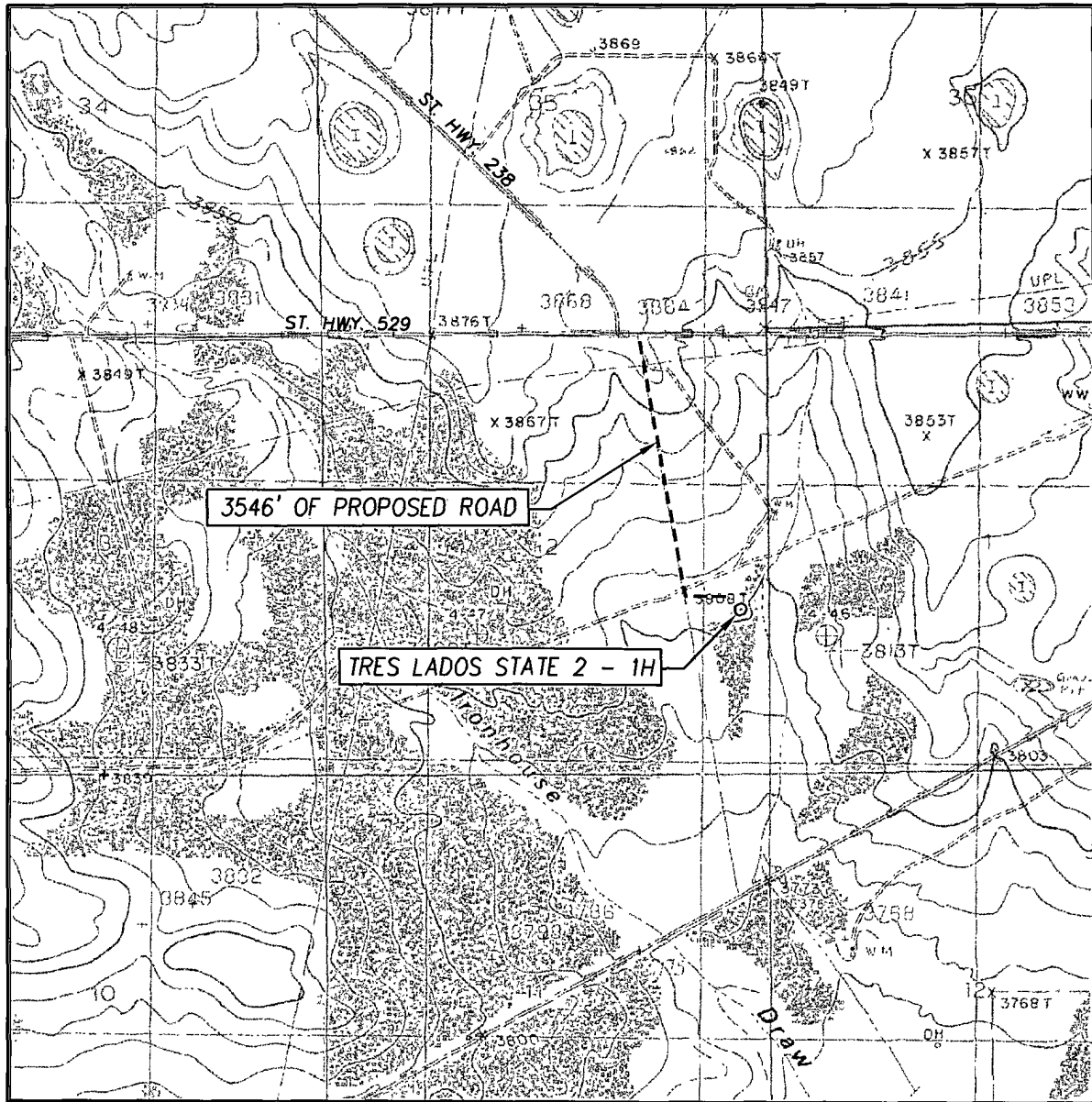
MARSHALL & WINSTON, INC.

TRES LADOS STATE 2 - 1H WELL
LOCATED 1980 FEET FROM THE SOUTH LINE
AND 330 FEET FROM THE EAST LINE OF SECTION 2,
TOWNSHIP 19 SOUTH, RANGE 35 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

Survey Date: 5/18/12	CAD Date: 5/30/12	Drawn By: DSS
W O No. 12110828	Rev. .	Rel W O .
		Sheet 1 of 1



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
IRONHOUSE DRAW, N.M. - 5'

SEC 2 TWP. 19-S RGE 35-E

SURVEY N.M.P.M

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1980' FSL & 330' FEL

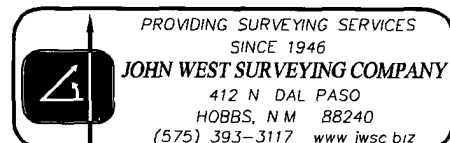
ELEVATION 3803'

OPERATOR MARSHALL & WINSTON, INC.

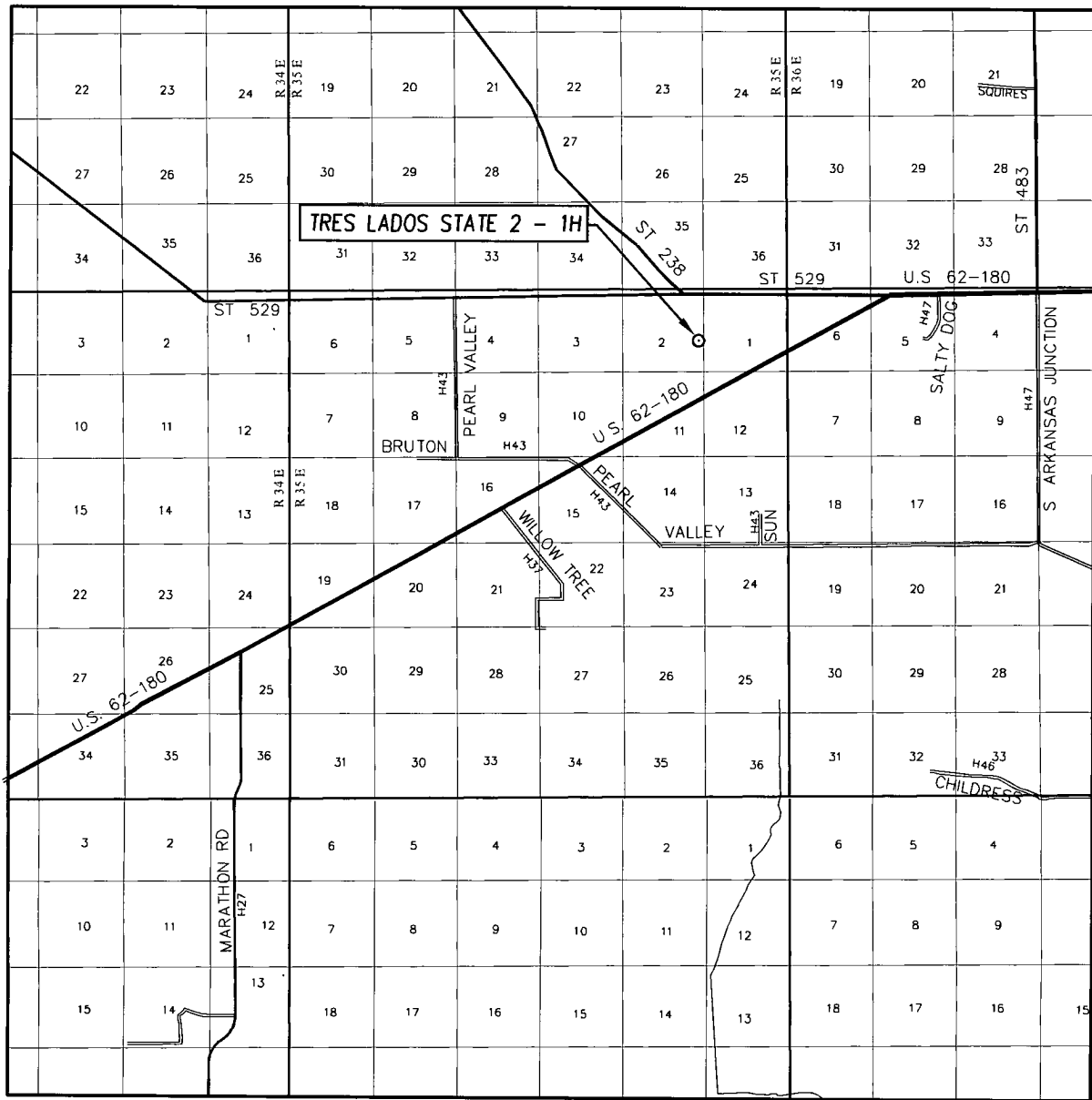
LEASE TRES LADOS STATE 2

U.S.G.S. TOPOGRAPHIC MAP

IRONHOUSE DRAW, N.M.

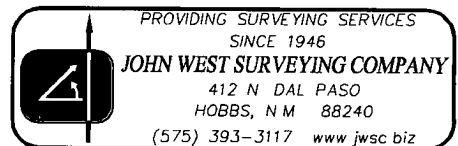


VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 2 TWP. 19-S RGE. 35-E
 SURVEY N.M.P.M
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 1980' FSL & 330' FEL
 ELEVATION 3803'
 OPERATOR MARSHALL & WINSTON, INC.
 LEASE TRES LADOS STATE 2



oed

C-144 Attachment
Closed Loop System Maintenance Summary
NMOCD Rule 19.15.17 NMAC
District I, NMOCD,
Hobbs, NM at (575) 393-6161

Operator and Well:

Marshall and Winston Incorporated
Tres Lados State 2 # 1H
Section 2, T-19-S, R-35E
Lea County, NM

Equipment:

The anticipated equipment shall consist of:

Above Ground steel tanks and or Roll-off steel tanks.

Dual motion shale shakers, solid removal centrifuges, gas separator, one 500 bbl fresh water and one 500 bbl brine water frac tanks. The closed loop mud system shall follow the guidance of regulations NM 19.15.17.11 NMAC.

Maintenance:

The drilling crew will inspect the closed loop circulating system at least once during each tour. Inspections or maintenance shall be entered into the driller's log. Any release of spill discovered will be reported to the NMOCD at (575) 393-6161 within 24 hours in accordance to NMOCD Rule 19.15.29 NMAC.

Closure:

All circulating fluids and cuttings deemed for disposal shall be transported to one of the following state permitted waste disposal sites to be determined:

- 1) Gandy Marley Inc., waste disposal site, Route 45 Crossroads, Hwy 380, permit no. NM 711-01-020, EPID 0001002484.**
- 2) Alternative disposal sites are Sundance Services, waste disposal site, located three miles east of Eunice, NM permit no. NM-01-0003.**
- 3) Control Recovery Inc. waste disposal site, Halfway, Hwy 62, permit no. NM-01-0006.**