OCD-Hobby

District I

1625 N French Dr , Hobbs, NM 88240

Phone (575) 393-6161 Fax (575) 393-0720 HOBBS OCD 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

1220 S St Francis Dr , Santa Fe, NM 87505 Phone (505) 476-3460 Fax (505) 476-3462

JUL 17 2012

State of New Mexico

Form C-101 Revised December 16, 2011

Permit

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZO	APPLICATION FOR	R PERMIT TO DRILL	. RE-ENTER. DEEPEN	. PLUGBACK, O	OR ADD A	ZONE
--	-----------------	-------------------	--------------------	---------------	----------	------

	Operator Name and Address hall & Winston Inc.	² OGRID Number
	50880	14187
	and, TX 79710-0880	30-025- 40692
* Property Code	Property Name	° Well No
1 <i>3</i> 4353	TRES LADOS STATE 2	2Н

⁷ Surface Location

UL - Lot P	Section 2	Township 18S	Range 35E	Lot Idn -	Feet from 660	N/S Line S	Feet From 330	E/W Line E	County Lea	
вн: м	2	188	35E	_	660	S	330	l w	Lea	

⁸ Pool Information

Reews Scharb Bone Springs

Additional Well Information

		Auditional Well Illioini	ation .		
9 Work Type	10 Well Type	11 Cable/Rotary	12 Lease Type	13 Ground Level Elevation	
N	0	R	S	3791'	
¹⁴ Multiple	15 Proposed Depth	16 Formation	17 Contractor	18 Spud Date	
S	9080'	Bone Springs	TBA	est. 8-1-2012	
Depth to Ground water	l	om nearest fresh water well		Distance to nearest surface water	

19 Proposed Casing and Cement Program

Туре	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

Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer
Double Ram w/annula	r 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	OIL CONSERVATION DIVISION				
NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☒.	Approved By				
Signature Tunon D. Du	Marin				
Printed name Vernon D. Dyer	Title PETABLEUM, ENGANCEA				
Title Agent	Approved Date UL 2 0 2012 Expiration Date				
E-mail Address Vdyeroil@cableone.com					
Date 7/1 1/2012 Phone (575) 420-0355	Conditions of Approval Attached				

DISTRICT 1625 N French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax. (575) 393-0720

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State of New Mexico

Proposition of New Mexico

Natural Resources Department OIL CONSERVATION DIVISION
1220 South St. Francis D

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

□AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-406	72 Fool Code Reeus Scharb Bon	Pool Name e Springs
Property Code	Property Name TRES LADOS STATE 2	Well Number 2H
OGRID No. 14187	Operator Name MARSHALL & WINSTON, INC.	Elevation 3791'

Surface Location

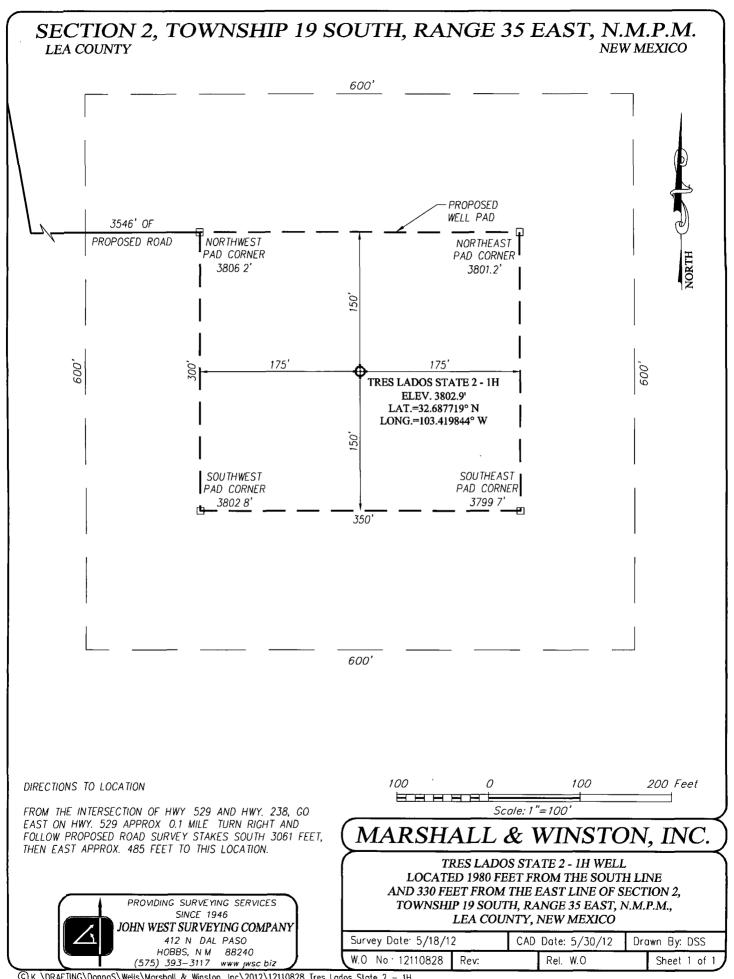
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	2	19-S	35-E		660	SOUTH	330	EAST	LEA

Bottom Hole Location If Different From Surface

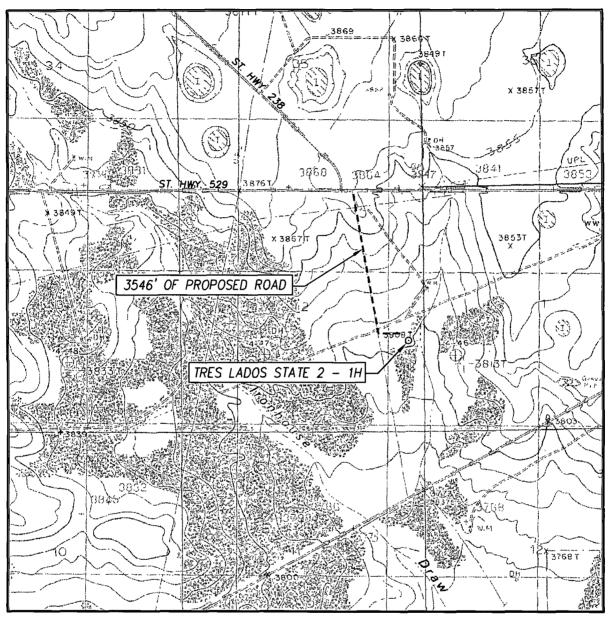
UL or lot No.	Section 2	Township 19-S	Range 35-E	Lot Idn	Feet from the	North/South line SOUTH	Feet from the 330	East/West line WEST	County LEA
Dedicated Acres	Joint or	Infill C	onsolidation C	ode Ord	er No				

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

	T			
4	3	2	1	OPERATOR CERTIFICATION
				I hereby certify that the information herein is true and
	1			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
39.50 AC.	39 46 AC.	39.42 AC.	39.38 AC.	heretofore entered by the division.
39.30 AC.		CORNER COORD		
	GEODETIC COORDINATES	CURIVER COURD	INATES TABLE	1 1 1 1 1 0 07 1 2010
	NAD 27 NME	A) Y=614395.9 N	Y=776062 A F	Ullian Why 07-17-2012
	SURFACE LOCATION	Ny 1-014555.5 N	, X-770002.4 L	Signature Date
	Y=613793.7 N	B) Y=614441.9 N	. X=781381.3 F	Vernon D. Dyer
	X=781054.7 E	,	,	Printed Name
	LAT.=32.684092" N	C) Y=613091.4 N	X=776075.1 E	vdyeroil@cableone.com
	LONG.=103.419859° W			E-mail Address
	BOTTOM HOLE LOCATION-	D) Y=613136.6 N	: X=781387.9 E	Lo dian reduces
	1			
	Y=613754.1 N X=776398.6 E			SURVEYOR CERTIFICATION
	X=770330.0 E			I hereby certify that the well location shown on this plat
	1	l l		was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true
	1	•		and correct to the best of my belief.
]			MAY 18, 2012
	,			Date of Survey
				Signature & Seal of Professional Surveyor:
<u>A</u>				
	1			The state of the s
	1			EN MET ON
	!		1	1 70 10
330' B.H.	GRID AZ.=	269'30'50"	S.L. 330	(3239)
Y	HORIZ. DIS	T.=4657.2'	7	1 1/9:108 1 15 1 1 1 1
0,-				Opinala Eldson 05/31/2012
99-	1		099	Certificate Number Gary & Fidson 12641
llc I				DSS THE COOL OF THE CONTROL OF THE COOL OF
<u> </u>				21 200 "William 143C 4.0.: 12 11.0049



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

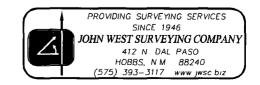
ELEVATION 3803'

OPERATOR MARSHALL & WINSTON, INC.

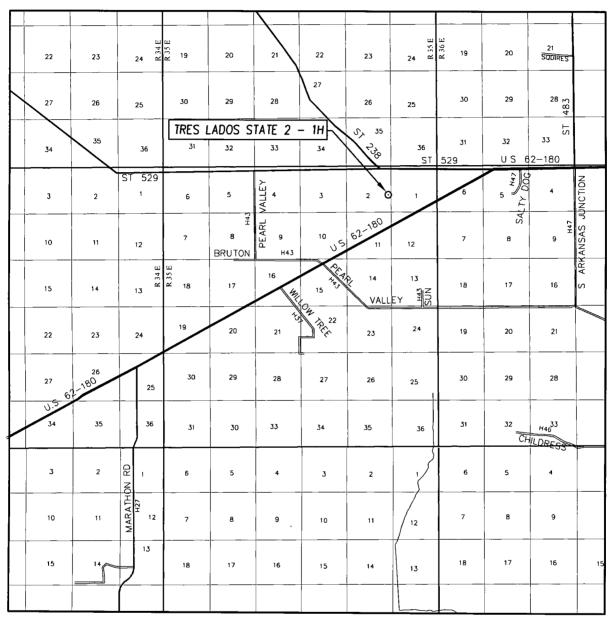
LEASE TRES LADOS STATE 2

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





OCD- Wells

C-144 Attachment <u>Closed Loop System Maintenance Summary</u> 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 # 2H 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.