

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-101  
May 27, 2004  
Submit to appropriate District Office  
☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address CAPATAZ OPERATING INC PO BOX 10549 MIDLAND, TX 79702		<sup>2</sup> OGRID Number 3659
<sup>3</sup> Property Code 34904	<sup>4</sup> Property Name SALEM	<sup>5</sup> API Number 30 - 025 - 37316
<sup>9</sup> Proposed Pool 1 HOUSE, ABO		<sup>10</sup> Proposed Pool 2 HOUSE, TUBB NORTH

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	3	20S	38E		990	NORTH	450	EAST	LEA

<sup>8</sup> Proposed 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

Additional Well Information

<sup>11</sup> Work Type Code NEW DRILL	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary ROTARY	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 3584
<sup>16</sup> Multiple	<sup>17</sup> Proposed Depth 7800	<sup>18</sup> Formation ABO	<sup>19</sup> Contractor PATTERSON	<sup>20</sup> Spud Date
Depth to Groundwater 35		Distance from nearest fresh water well > 200		Distance from nearest surface water > 1000
Pit: Liner: Synthetic XXX_mils thick Clay <input type="checkbox"/> Pit Volume 1200_bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water XX Brine XX Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4	8-5/8	24#	1625	850	SURFACE
7-7/8	5-1/2	17#	7800	1400	SURFACE

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

MIRU Drlg Rig. Drill 1-2/14" hole to 1625'. Run, set & cement 1625' 24# 8-5/8" w/ 850 SX. LIRC to Surface. Drill out shoe. Drill 7-7/8" hole to 7800'. Run OH logs. Evaluate and run 5-1/2" 17# casing if indicated.

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway

<sup>23</sup> 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 checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
Printed name: H Scott Davis	Approved by:	
Title: Agent	Title: PETROLEUM ENGINEER	
E-mail Address: capataz1@sbcglobal.net	Approval Date: JUN 30 2005	Expiration Date:
Date: 6-24-05	Phone: 432-620-8820	Conditions of Approval Attached <input type="checkbox"/>

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State of New Mexico

Energy, Minerals, and Natural Resources Department

**OIL CONSERVATION DIVISION**

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

Form C-102  
Revised August 15, 2000  
Submit to Appropriate District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-025-32316</b>	<sup>2</sup> Pool Code <b>33210</b>	<sup>3</sup> Pool Name <b>House, Abo</b>
<sup>4</sup> Property Code <b>34904</b>	<sup>5</sup> Property Name <b>SALEM</b>	<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>3659</b>	<sup>8</sup> Operator Name <b>CAPATAZ OPERATING COMPANY</b>	<sup>9</sup> Elevation <b>3573'</b>

<sup>10</sup> **Surface Location**

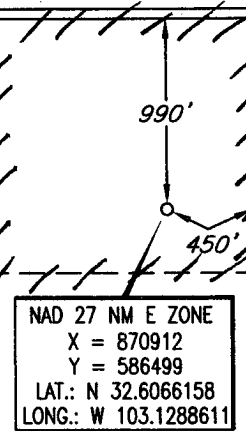

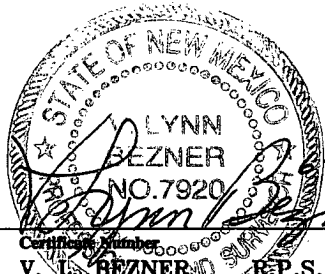
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>3</b>	<b>20 SOUTH</b>	<b>38 EAST, N.M.P.M.</b>		<b>990'</b>	<b>NORTH</b>	<b>450'</b>	<b>EAST</b>	<b>LEA</b>

<sup>11</sup> **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
<b>40</b>									

<sup>12</sup> Dedicated Acres <b>40</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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**NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.**

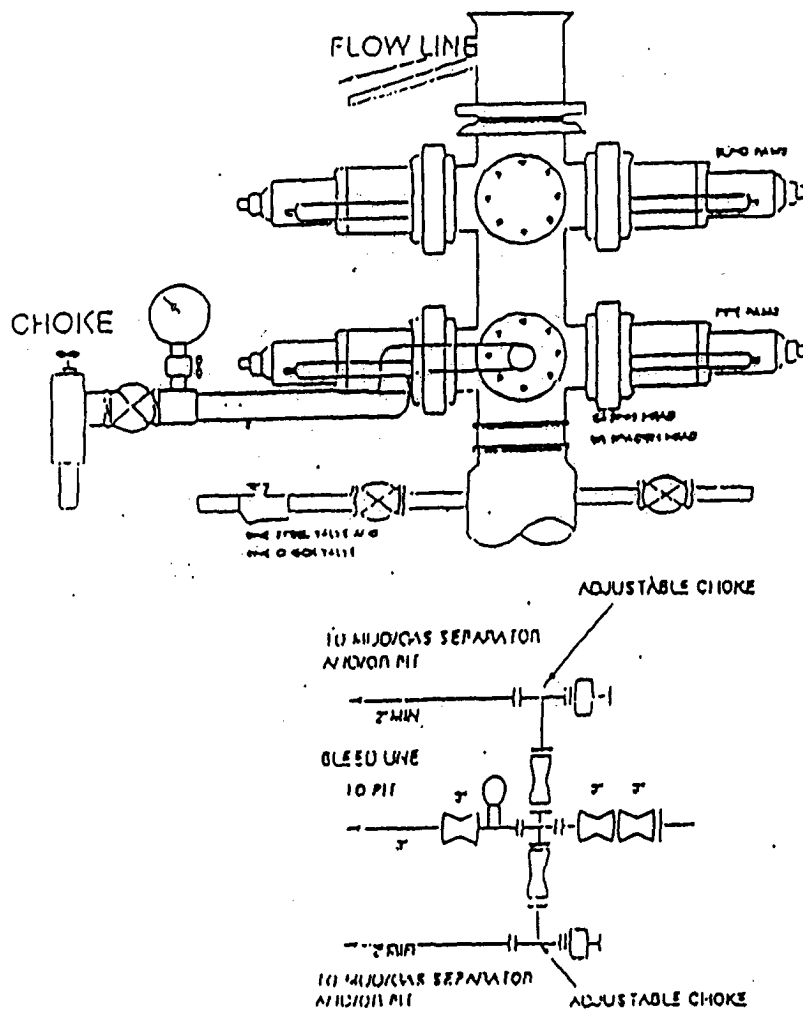
<div><sup>16</sup> </div>	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature: </p> <p>Printed Name: <b>H Scott Davis</b></p> <p>Title: <b>Agent</b></p> <p>Date: <b>6-24-05</b></p>
	<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p><b>MAY 27, 2005</b></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p>
	
	<p>Certificate Number: <b>V. L. BEZNER</b> R.P.S. #7920</p> <p>JOB #103838 / 70SW / E.U.O.</p>

## BLOWOUT PREVENTER

3000 PSI WP

### THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- A. One double gate blowout preventer with lower rams for pipe and upper rams blind, all hydraulically controlled.
- B. Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter.
- C. All connections from operating manifold to preventers to be all steel hose or tube a minimum of one inch in diameter.
- D. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate (close, open and re-close) the preventers.
- E. All connections to and from preventers to have a pressure rating equivalent to that of the BOP's.
- F. Manual controls to be installed before drilling cement plug.
- G. Valve to control flow through drill pipe to be located on rig floor.
- H. All chokes will be adjustable. Choke spool may be used between rams.



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Form C-144  
June 1, 2004  
For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

Operator: CAPATAZ OPERATING, INC Telephone: 432-620-8820 e-mail address: capataz1@sbcglobal.net  
Address: PO BOX 10549, MIDLAND, TX 79702  
Facility or well name: SALEM API #: 30-025-37316 U/L or Qtr/Qtr A Sec 3 T 20S R 38E  
County: Lea Latitude Longitude NAD: 1927 ☐ 1983 ☐  
Surface Owner: Federal XXXXX State ☐ Private ☐ Indian ☐

Pit	Below-grade tank
Type: Drilling XXX Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined XXX Unlined <input type="checkbox"/> Liner type: Synthetic XXX Thickness ___ mil Clay <input type="checkbox"/> Pit Volume ___ 1200 ___ bbl	Volume: ___ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet XXXXX (20 points) 20 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No XXXXX (0 points) 0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more XXXXX (0 points) 0
Ranking Score (Total Points) 20	

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit XXXXX, or an (attached) alternative OCD-approved plan ☐.

Date: 6-24-05

Printed Name/Title H SCOTT DAVIS Signature

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title

Signature PAUL F. KAUTZ Date:

ORIGINAL SIGNED BY  
PAUL F. KAUTZ  
PETROLEUM ENGINEER

JUN 30 2005

CAPATAZ OPERATING, INC.

DRILLING PIT DIAGRAM

