

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

Form C-101  
May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

|  |   |                          |
|--|---|--------------------------|
| Operator Name and Address<br>LATIGO PETROLEUM, INC.<br>550 WEST TEXAS<br>SUITE 700<br>MIDLAND, TEXAS 79701 |   | 2 OGRID Number<br>227001 |
| Property Code<br>35223<br>Usado  | Property Name<br>DRY LAKE "28" STATE <i>Com</i> | Well No.<br>1            |
| Proposed Pool 1<br>GRAMA RIDGE MORROW EAST (GAS) (27690) (82200)   |   | Proposed Pool 2          |

| 7 Surface Location |               |                 |              |         |                       |                           |                        |                        |               |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|------------------------|------------------------|---------------|
| UL or lot no.<br>C | Section<br>28 | Township<br>21S | Range<br>35E | Lot Idn | Feet from the<br>660' | North/South line<br>NORTH | Feet from the<br>1980' | East/West line<br>WEST | County<br>LEA |

| 8 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 |

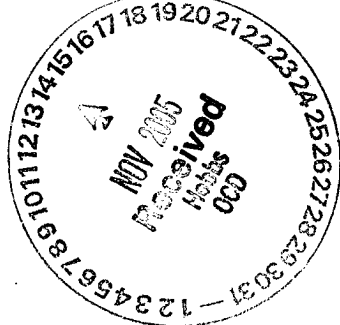
| Additional Well Information  |                              |  |                          |   |
|--|------------------------------|--|--------------------------|---|
| 11 Work Type Code<br>N   | 12 Well Type Code<br>G       | 13 Cable/Rotary<br>ROTARY                          | 14 Lease Type Code<br>S  | 15 Ground Level Elevation<br>3605'            |
| 16 Multiple<br>NO  | 17 Proposed Depth<br>12,850' | 18 Formation<br>MORROW                             | 19 Contractor<br>UNKNOWN | 20 Spud Date<br>WHEN APPROVED                 |
| Depth to Groundwater<br>40' +  |                              | Distance from nearest fresh water well<br>1.5 mile |                          | Distance from nearest surface water<br>.8 mi. |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 18M bbls Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> |                              |  |                          |   |
| Closed-Loop System <input type="checkbox"/>  |                              |  |                          |   |

| 21 Proposed Casing and Cement Program |             |                    |                |                 |                |
|---------------------------------------|-------------|--------------------|----------------|-----------------|----------------|
| Hole Size                             | Casing Size | Casing weight/foot | Setting Depth  | Sacks of Cement | Estimated TOC  |
| 26"                                   | 20"         | Conductor s        | 40'            | Redi-mix        | Surface        |
| 17 1/2"                               | 13 3/8"     | 48 & 54.5          | 1120'          | 900 Sx.         | Surface        |
| 12 1/4"                               | 9 5/8"      | 40 & 43.5          | 5700'          | 2025 Sx.        | Surface        |
| 8 1/2"                                | 7"          | 23 & 26            | 10,900'        | 775 Sx.         | 5300' FS       |
| 6 1/8"                                | 4 1/2"      | 13.5               | 10,600-12,850' | 250 Sx.         | 10,600' T of L |

22 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.

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway

SEE ATTACHED SHEET



|   |                     |  |  |
|---|---------------------|--|--|
| 23 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: Joe T. Janica <i>Joe T. Janica</i>  |                     | Approved by: <i>[Signature]</i>                          |  |
| Title: Agent  |                     | Title: PETROLEUM ENGINEER                                |  |
| E-mail Address:   |                     | Approval Date: NOV 14 2005 Expiration Date:              |  |
| Date: 11/11/05  | Phone: 505-391-8503 | Conditions of Approval Attached <input type="checkbox"/> |  |

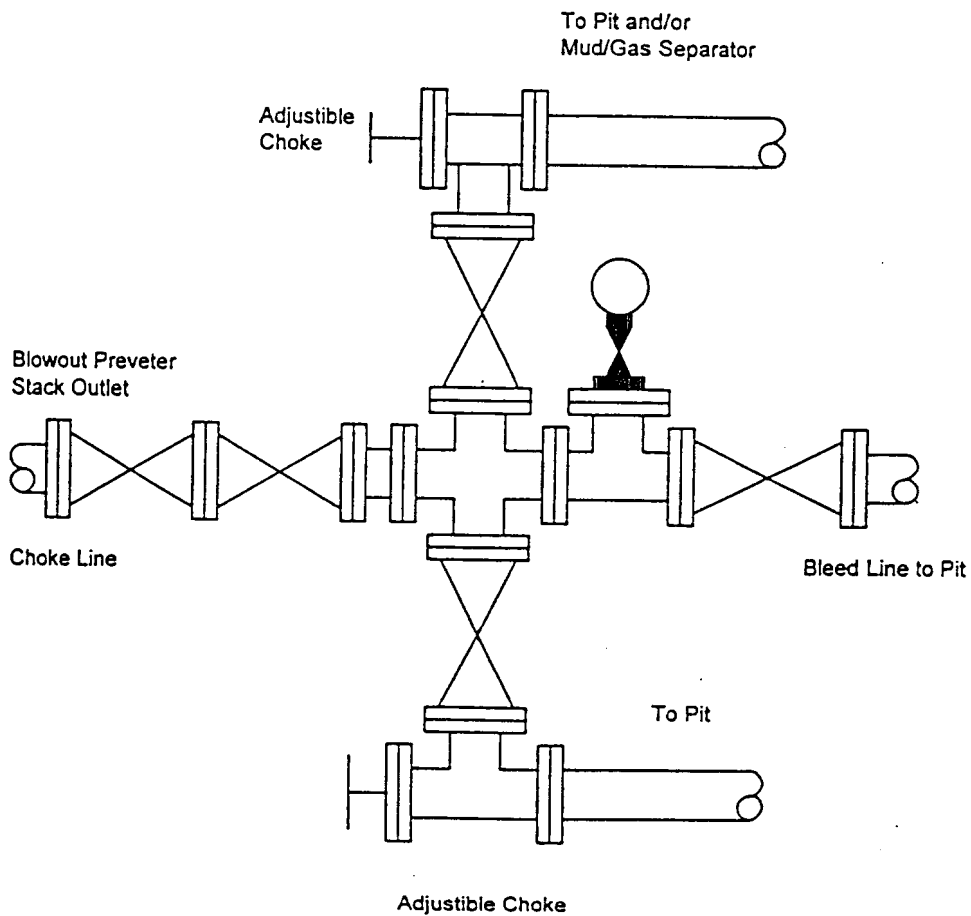
LATIGO PETROLEUM, INC.  
DRY LAKE "28" STATE #1  
UNIT "C" SECTION 28  
T21S-R35E LEA CO. NM

1. Drill 26" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17½" hole to 1120'. Run and set 1120' of 13 3/8" 48# & 54.5# H-40 & J-55 ST&C casing. Cement with 900 Sx. of Class "C" cement + ½# Folecle/Sx. + 2% CaCl circulate cement to surface.
3. Drill 12½" hole to 5700'. Run and set 5700' of 9 5/8" 40# & 43.5# L-80 & J-55 ST&C casing. Cement with 1200 Sx. of Class "C" Light weight cement + additives, tail in with 825 Sx. of Class "C" cement + 2% CaCl, + ½# Flocele/Sx. circulate cement to surface.
4. Drill 8½" hole to 10,900'. Run and set 10,900' of 7" 26 & 23 # S-95, 23# N-80 & 26# J-55 LT&C, AND Buttress casing. Cement with 775 Sx. of Class "H" cement + additives, estimate top of cement 5300' from surface.
5. Drill 6 1/8" hole to 12,850'. Run and set a 2250' 4½" 13.5# N-80 LT&C liner. Hang liner at 10,600'. Cement with 250 Sx. of Class "H" Premium Plus cement + additives, cement to top of liner at 10,600'.

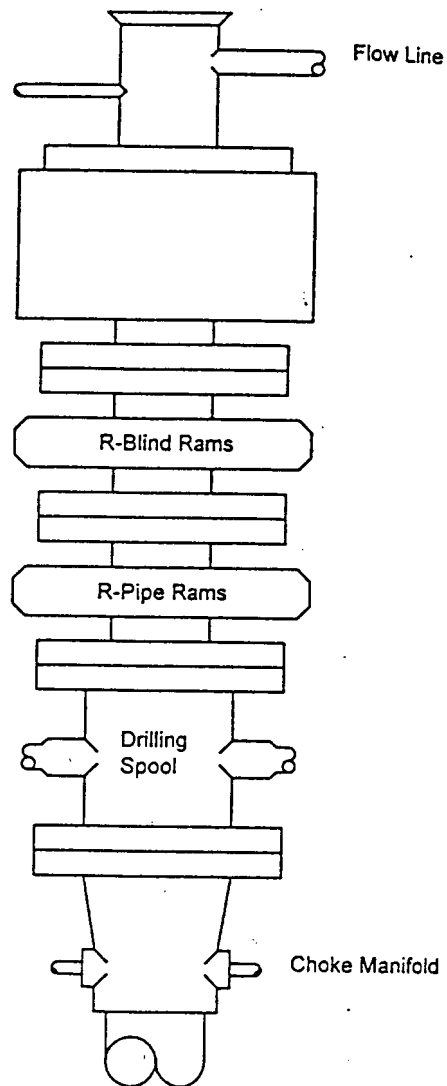
# BLOWOUT PREVENTER SYSTEM

5000 PSI

Choke Manifold Assembly for 5M WP System



Fill Line



TYPE 1500 SERIES  
5000 psi WP

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                   |  |   |
|-----------------------------------|--|---|
| API Number<br><b>30-025-37551</b> | Pool Code<br><b>17690 82200</b>                  | Pool Name<br><b>GRAMA RIDGE-MORROW EAST (GAS) South</b> |
| Property Code<br><b>35223</b>     | Property Name<br><b>DRY LAKE "28" STATE Corn</b> | Well Number<br><b>1</b>                                 |
| OGRID No.<br><b>227001</b>        | Operator Name<br><b>LATIGO PETROLEUM INC.</b>    | Elevation<br><b>3605'</b>                               |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C             | 28      | 21 S     | 35 E  |         | 660           | NORTH            | 1980          | WEST           | LEA    |

Bottom Hole Location If Different From Surface

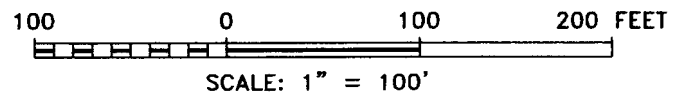
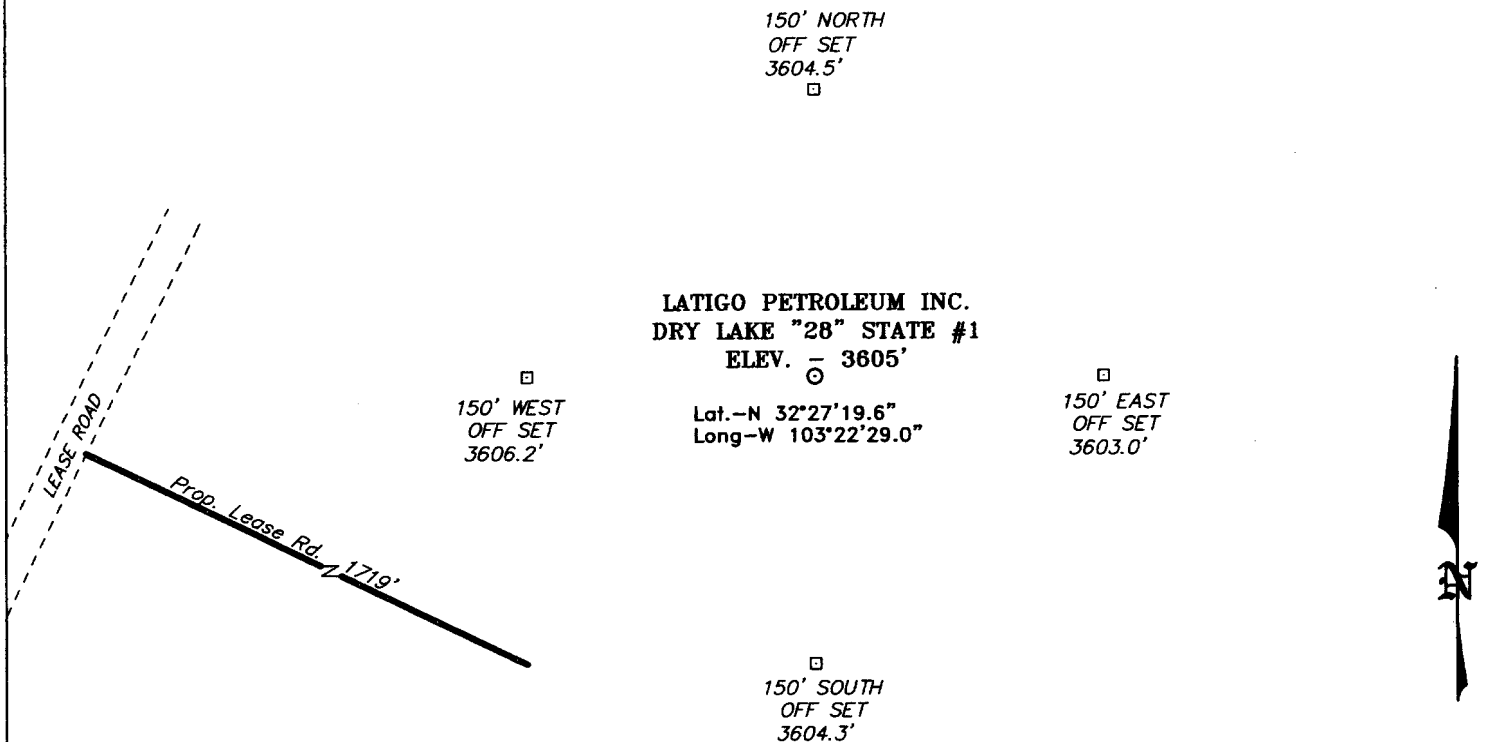
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

|                               |                 |                    |           |
|-------------------------------|-----------------|--------------------|-----------|
| Dedicated Acres<br><b>320</b> | 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><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i><br/>Signature</p> <p>Joe T. Janica<br/>Printed Name</p> <p>Agent<br/>Title</p> <p>11/11/05<br/>Date</p>   |
|  | <p><b>SURVEYOR CERTIFICATION</b></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>NOVEMBER 7, 2005<br/>Date Surveyed</p> <p><i>W.O. Jones</i><br/>Signature &amp; Seal of Professional Surveyor</p> <p>7977<br/>W.O. No. 5955</p> <p>Certificate No. Gary L. Jones 7977</p> <p><b>BASIN SURVEYS</b></p> |

SECTION 28, TOWNSHIP 21 SOUTH, RANGE 35 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF STATE HWY 8 AND STATE HWY 176, GO WEST ON HWY 176 FOR APPROX. 5.75 TO A LEASE ROAD; THENCE SOUTHWEST ON LEASE ROAD FOR APPROX. 1.7 MILE TO PROPOSED LEASE ROAD.

**BASIN SURVEYS** P.O. BOX 1786—HOBBS, NEW MEXICO

W.O. Number: 5955 Drawn By: K. GOAD

Date: 11-08-2005 Disk: KJG CD#1 — 5955A.DWG

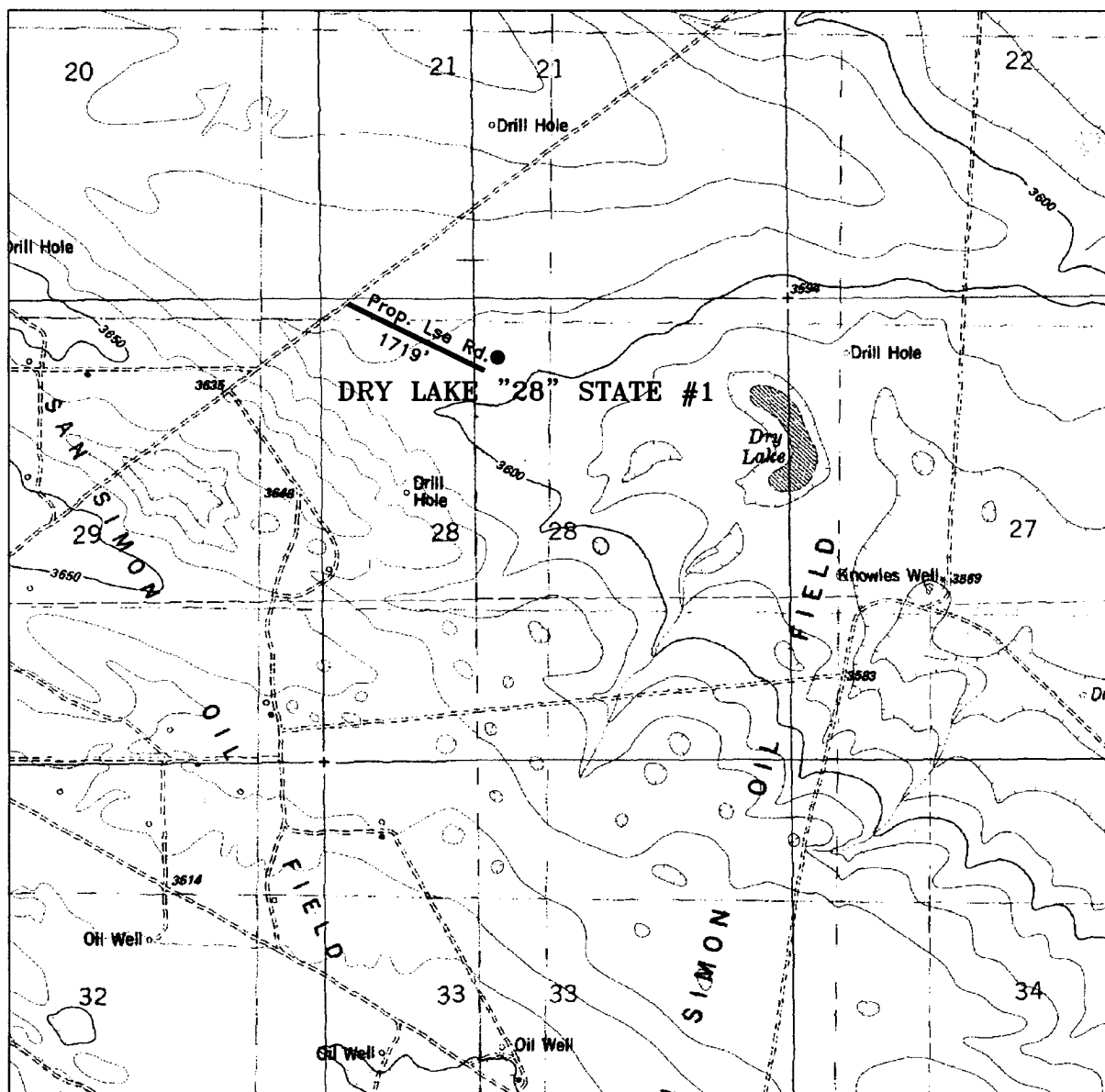
**LATIGO PETROLEUM INC.**

REF: DRY LAKE "28" STATE #1 / Well Pad Topo

THE DRY LAKE "28" STATE No. 1 LOCATED 660' FROM THE NORTH LINE AND 1980' FROM THE WEST LINE OF SECTION 28, TOWNSHIP 21 SOUTH, RANGE 35 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 11-07-2005 Sheet 1 of 1 Sheets





# DRY LAKE "28" STATE #1

Located at 660' FNL and 1980' FWL  
 Section 28, Township 21 South, Range 35 East,  
 N.M.P.M., Lea County, New Mexico.



P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
 basinsurveys.com

W.O. Number: 5955AA - KJG CD#1

Survey Date: 11-07-2005

Scale: 1" = 2000'

Date: 11-08-2005

**LATIGO  
 PETROLEUM  
 INC**