

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

¹ Operator Name and Address Texland Petroleum-Hobbs, LLC 777 Main Street, Suite 3200, Fort Worth, Texas 76102		² OGRID Number 113315
³ Property Code 35416	⁴ Property Name YP 9 State	⁵ API Number 30 - 025 - 37684
⁶ Proposed Pool 1 Wildcat Drinkard		⁷ Well No. #1
⁸ Proposed Pool 2		

⁷ 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	9	17S	36E		338	North	702	East	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 N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S 1234567	¹⁵ Ground Level Elevation 3873
¹⁶ Multiple No	¹⁷ Proposed Depth 8350'	¹⁸ Formation Drinkard	¹⁹ Contract n/a	²⁰ Spud Date est 4/1/06
Depth to Groundwater est 65'		Distance from nearest fresh water well 1500'		Distance from nearest surface water n/a
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/>		Pit Volume 400 bbls		
Closed-Loop System <input type="checkbox"/>		Drilling Method <input checked="" type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		

²¹ 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#	2000'	850 sks	surface
7 7/8"	5 1/2"	17#	8350'	1800 sks	tie into surf csg

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.

See attached diagram for the proposed rig layout w/lined pits shown. Also included is the blowout preventer diagram.

Texland proposes to drill the well to the total depth of 8800' and complete as a Wildcat Drinkard producing well. After TD is reached completion procedures will be determined after evaluation.

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 ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Vickie Smith

Title: Production Analyst

E-mail Address: vsmith@texpetro.com

Date: 1/31/06

Phone: 817-336-2751

OIL CONSERVATION DIVISION

Approved by:

Title:

PETROLEUM ENGINEER

Approval Date:

FEB 06 2006

Expiration Date:

Conditions of Approval Attached ☐

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025- 37684	Pool Code ✓	Pool Name Wildcat Drinkard
Property Code 35416	Property Name YP STATE 9	Well Number 1
OGRID No. 113315	Operator Name TEXLAND PETROLEUM - HOBBS, LCC	Elevation 3873'

Surface Location

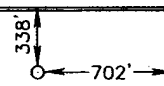
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	9	17-S	36-E		338	NORTH	702	EAST	LEA

Bottom Hole Location If Different From Surface

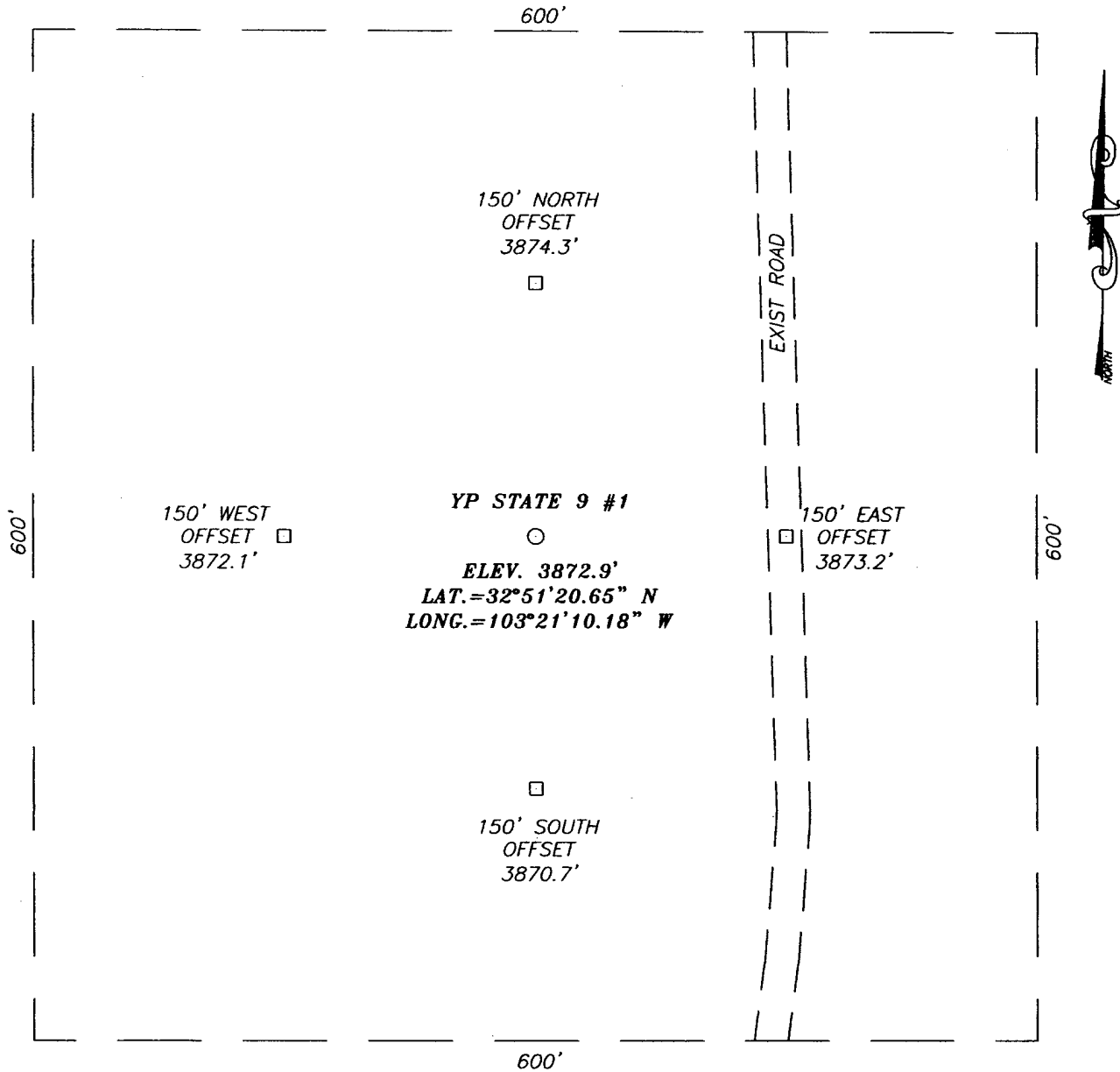
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40	✓		

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

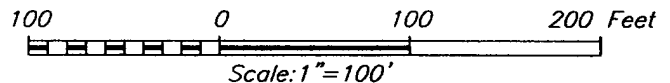
<div style="text-align: center;">  <p>VO-6527 Texland et al</p> </div>	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=676426.2 N X=801100.7 E</p> <p>LAT.=32°51'20.65" N LONG.=103°21'10.18" W</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Vickie Smith</u> Signature</p> <p><u>Vickie Smith</u> Printed Name</p> <p><u>Production Analyst</u> Title</p> <p><u>1/31/06</u> Date</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>JANUARY 20, 2006</p> <p>Date Surveyed _____ JR</p> <p>Signature & Seal of Professional Surveyor</p> <p><u>GARY EIDSON</u> 6/27/05</p> <p>06.11.0115</p> <p>Certificate No. GARY EIDSON 12641</p>		

SECTION 9, TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #483 AND
CO. RD. L-78 (STILES RD.-APPROX. 6.0 MILES
SOUTH OF LOVINGTON) GO WEST ON CO. RD.
L-78 APPROX. 0.1 MILES. TURN LEFT (SOUTH)
AND GO APPROX. 379'. THIS LOCATION IS APPROX.
145' WEST.



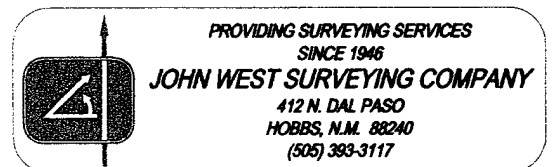
TEXLAND PETROLEUM - HOBBS, LLC

YP 9 STATE #1 WELL
LOCATED 338 FEET FROM THE NORTH LINE
AND 702 FEET FROM THE EAST LINE OF SECTION 9,
TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

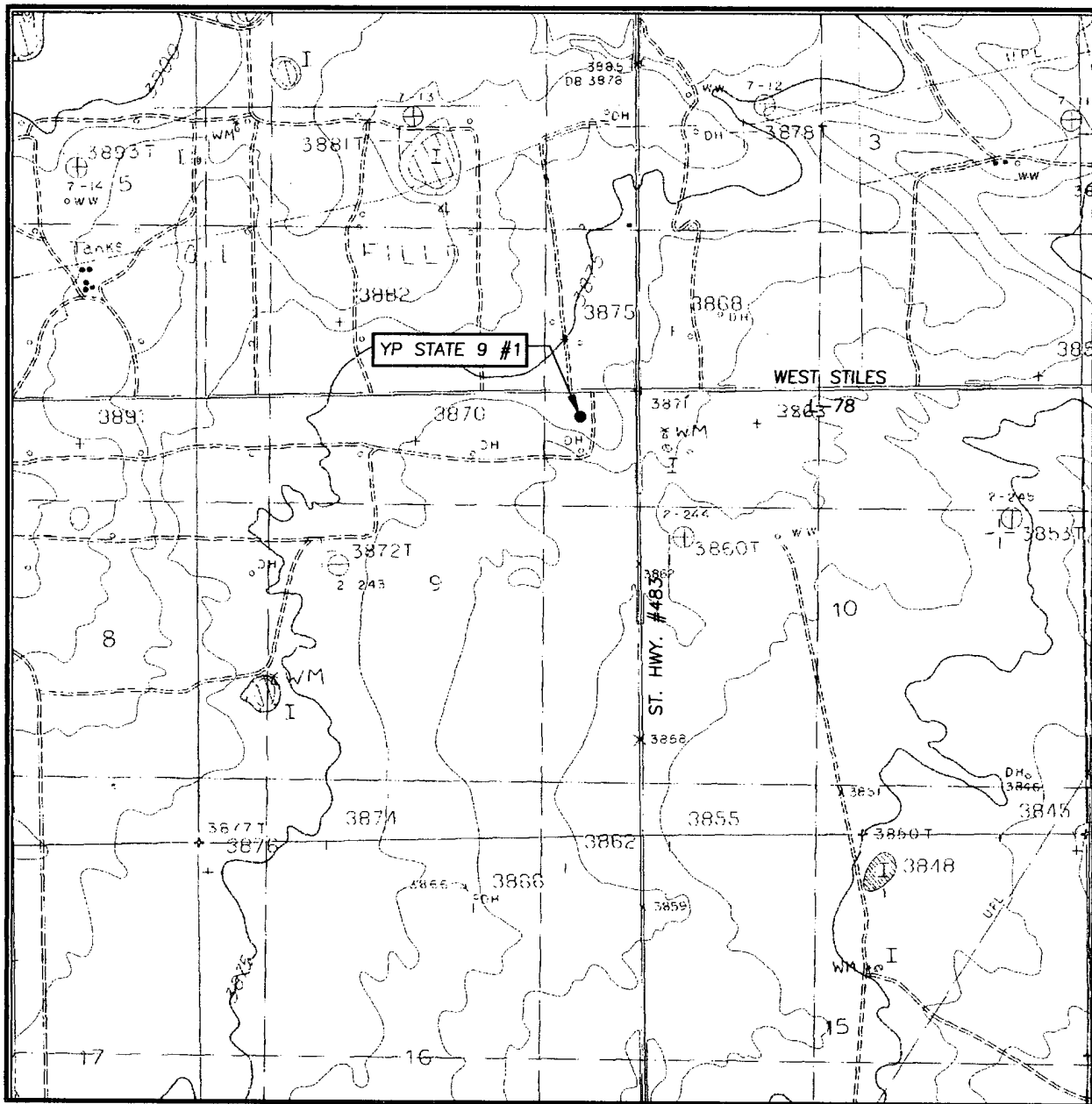
Survey Date: 1/20/06		Sheet 1 of 1 Sheets	
W.O. Number: 06.11.0115		Dr By: J.R.	Rev 1:N/A
Date: 1/26/06	Disk: CD#6	06110115	Scale: 1"=100'



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

[illegible]

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
LOVINGTON SE, N.M. - 5'

SEC. 9 TWP. 17-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

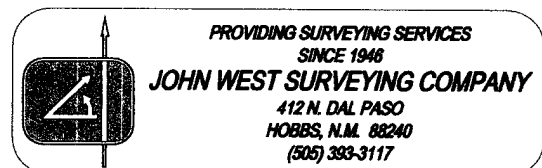
DESCRIPTION 338' FNL & 702' FEL

ELEVATION 3873'

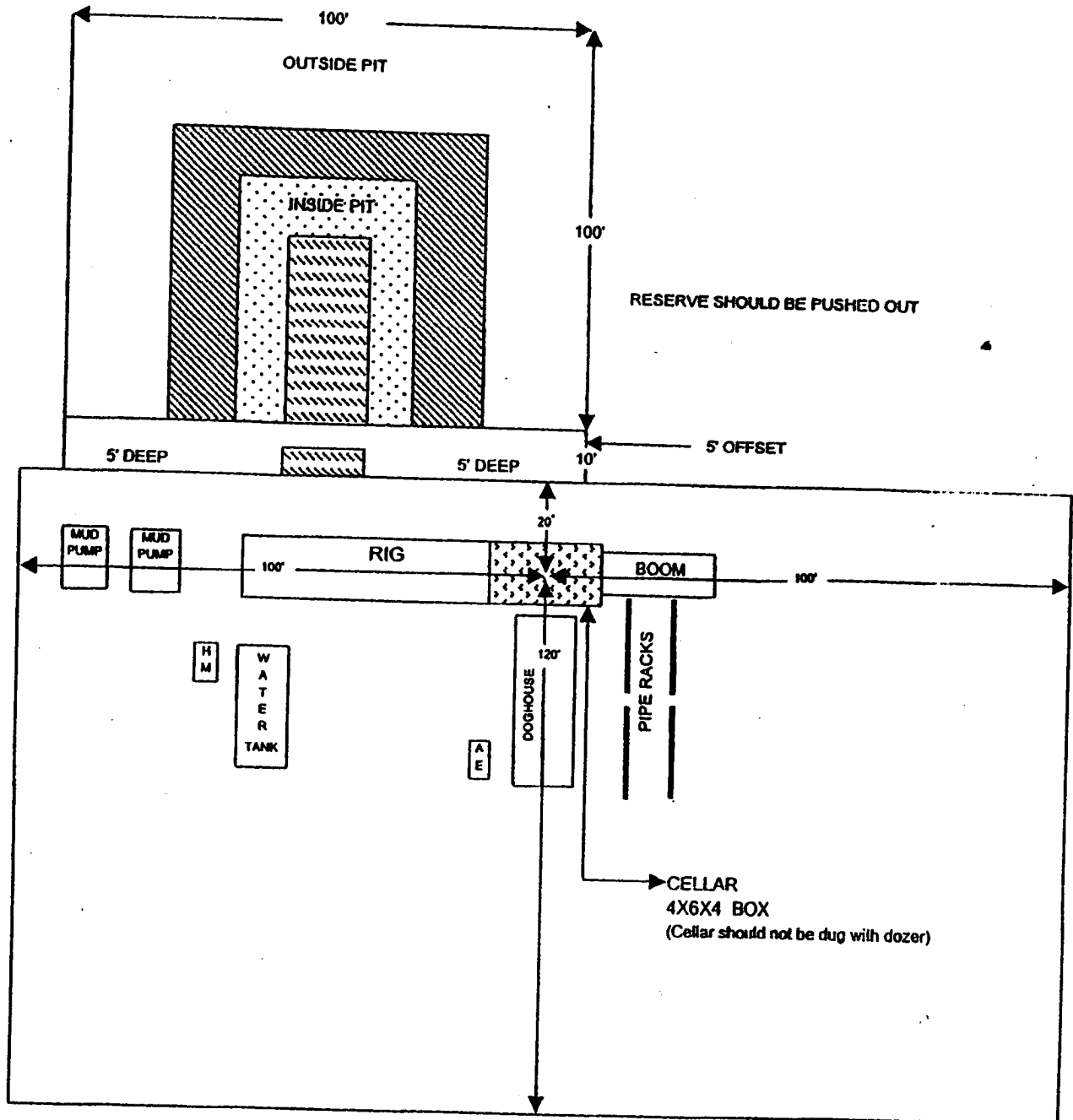
OPERATOR TEXLAND PETROLEUM
HOBBS, LLC

LEASE YP STATE 9

U.S.G.S. TOPOGRAPHIC MAP
LOVINGTON SE, N.M.



CapStar Drilling, Inc.
 LOCATION SPECIFICATIONS AND RIG LAYOUT
 FOR EARTH PITS

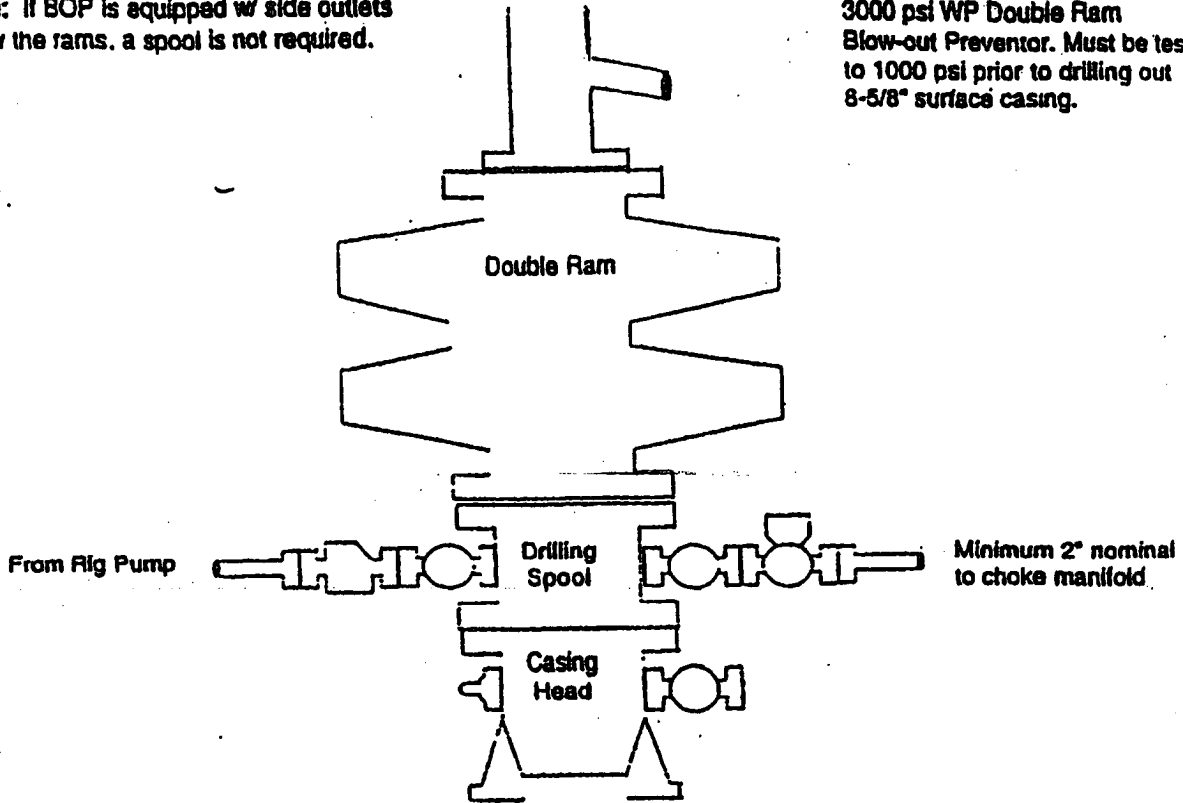


Cellar can be 4X4X4 if using a screw-on wellhead
 Working Pits dug 5' below ground level

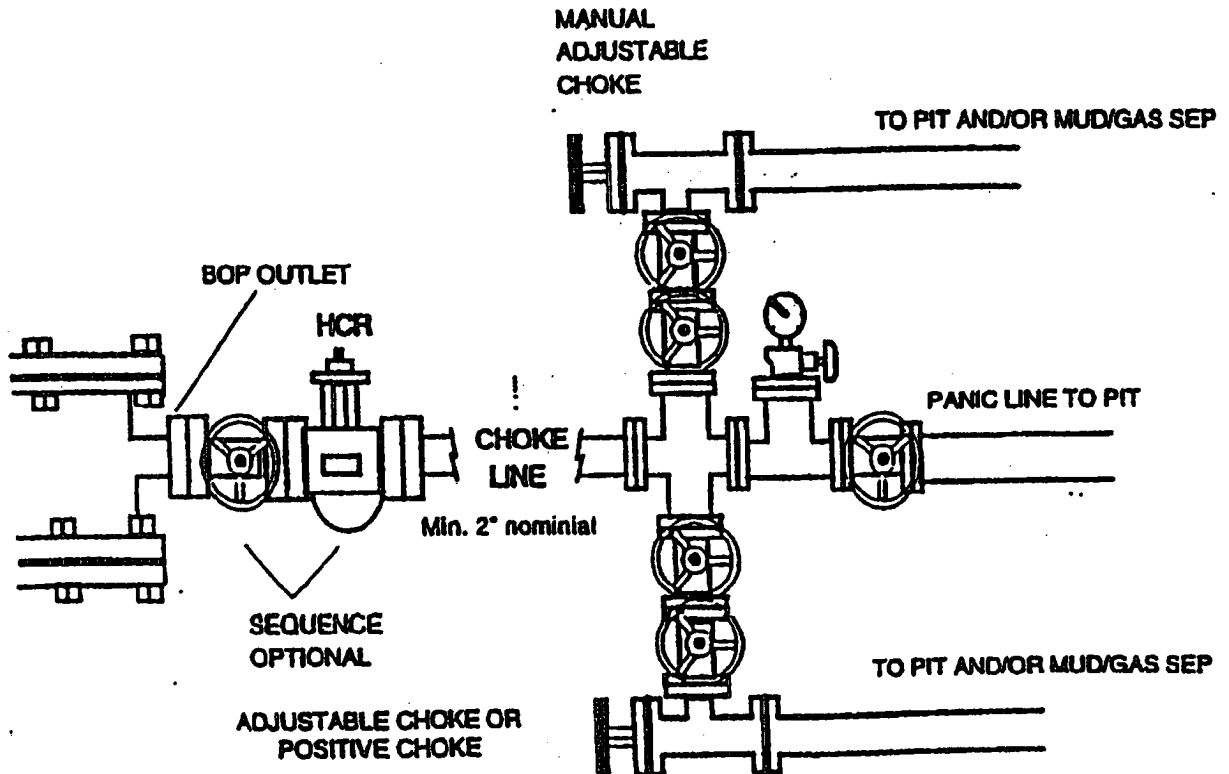
BOP Schematic

*Note: If BOP is equipped w/ side outlets below the rams, a spool is not required.

3000 psi WP Double Ram
Blow-out Preventor. Must be tested
to 1000 psi prior to drilling out
8-5/8" surface casing.



Choke Manifold Schematic



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1000 Rio Brazos Road, Aztec, NM 87410
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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

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

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: Texland Petroleum-Hobbs LLC Telephone: 817-336-2751 e-mail address: vsmith@texpetro.com
Address: 777 Main Street, Suite 3200, Fort Worth, Texas 76102
Facility or well name: YP 9 State #1 API #: 30-025-37684 U/L or Qtr/Qtr A Sec 9 T 17S R 36E
County: Lea Latitude 32°51'20.65" N Longitude 103°21'10.18" W NAD: 1927 ☒ 1983 ☐
Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>4400</u> bbl	Below-grade tank 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.) <u>est 65'</u>	<table border="1"><tr><td>Less than 50 feet</td><td>(20 points)</td></tr><tr><td><u>50 feet or more, but less than 100 feet</u></td><td>(10 points) 10</td></tr><tr><td>100 feet or more</td><td>(0 points)</td></tr></table>	Less than 50 feet	(20 points)	<u>50 feet or more, but less than 100 feet</u>	(10 points) 10	100 feet or more	(0 points)
Less than 50 feet	(20 points)						
<u>50 feet or more, but less than 100 feet</u>	(10 points) 10						
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.)	<table border="1"><tr><td>Yes</td><td>(20 points)</td></tr><tr><td><u>No</u></td><td>(0 points) 0</td></tr></table>	Yes	(20 points)	<u>No</u>	(0 points) 0		
Yes	(20 points)						
<u>No</u>	(0 points) 0						
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	<table border="1"><tr><td>Less than 200 feet</td><td>(20 points)</td></tr><tr><td>200 feet or more, but less than 1000 feet</td><td>(10 points)</td></tr><tr><td><u>1000 feet or more</u></td><td>(0 points) 0</td></tr></table>	Less than 200 feet	(20 points)	200 feet or more, but less than 1000 feet	(10 points)	<u>1000 feet or more</u>	(0 points) 0
Less than 200 feet	(20 points)						
200 feet or more, but less than 1000 feet	(10 points)						
<u>1000 feet or more</u>	(0 points) 0						
Ranking Score (Total Points) 10							

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 ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 1/31/06

Printed Name/Title Vickie Smith/Production Analyst Signature Vickie Smith

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: PETROLEUM ENGINEER

Printed Name/Title _____ Signature [Signature] Date: ES 06 2006