

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

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 35217	⁴ Property Name OXY 8 State	⁵ API Number 30-025 - 37885 Well No.
⁶ Proposed Pool 1 Wildcat Drinkard		¹⁰ Proposed Pool 2 #1

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
0	8	17S	36E		339	South	2309'	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	¹⁵ Ground Level Elevation 3886
¹⁶ Multiple N	¹⁷ Proposed Depth 8450'	¹⁸ Formation Drinkard	¹⁹ Contractor Capstar	²⁰ Spud Date June 9, 2006
Depth to Groundwater ave 65'		Distance from nearest fresh water well 2500'		Distance from nearest surface water n/a
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 4400 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input 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'	950 sks	surface
7 7/8"	5 1/2"	17#	8450'	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 proposed to drill the well to the total depth of 8450' and complete a Wildcat Drinkard producing well. After TD is reached completion procedures will be determined after the well is evaluated.

**Permit Expires 1 Year From Approval
Date Unless Drilling Underway**

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: Vickie Smith <i>Vickie Smith</i>		Approved by: 	
Title: Production Analyst		Title: PETROLEUM ENGINEER	
E-mail Address: vsmith@texpetro.com		Approval Date: MAY 26 2006 Expiration Date:	
Date: 5/19/06	Phone: 817-336-2751	Conditions of Approval Attached <input type="checkbox"/> MAY 26 2006	

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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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025 - 32885	Pool Code ✓	Pool Name Wildcat Drinkard
Property Code 35717	Property Name OXY 8 STATE	Well Number 1
OGRID No. 113315	Operator Name TEXLAND PETROLEUM-HOBBS, LLC	Elevation 3886'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	8	17-S	36-E		339	SOUTH	2309	EAST	LEA

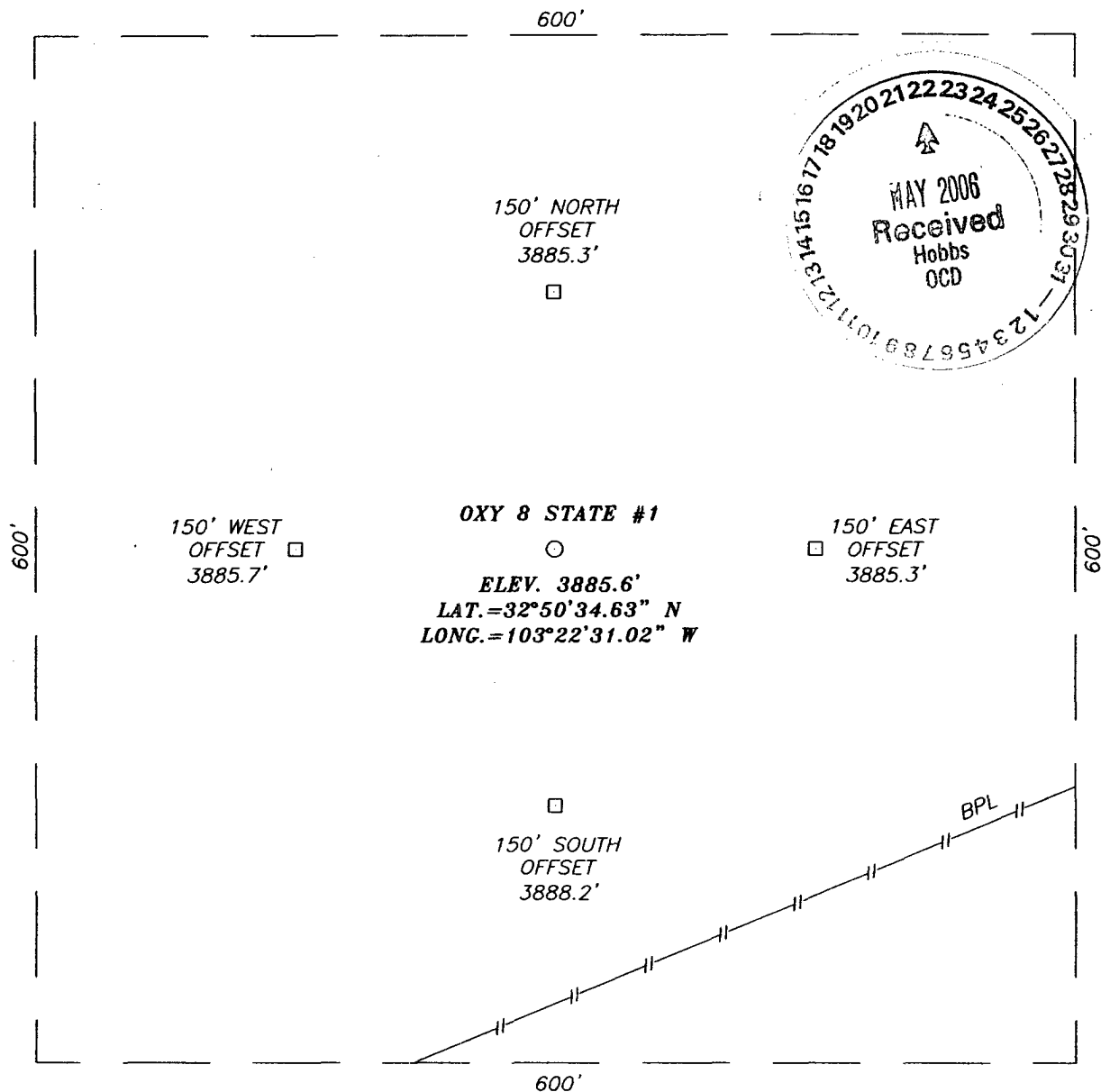
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	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

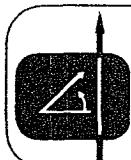
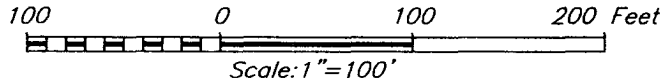
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=671712.2 N X=794246.8 E</p> <p>LAT.=32°50'34.63" N LONG.=103°22'31.02" W</p> <p>Texland et al E-620</p> <p>339' 2309'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, 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><u>Vickie Smith</u> 5/19/06 Signature Date</p> <p><u>Vickie Smith</u> Printed Name</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 04, 2006</p> <p>Date Surveyed MR</p> <p>Signature & Seal of Professional Surveyor</p> <p><u>Ronald J. Eidson</u> 5/18/05 06.11.0758</p> <p>Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>

SECTION 8, 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 (WEST STILES), GO WEST ON CO. RD. L-78 APPROX. 2.0 MILES (THROUGH CATTLE GUARD). TURN LEFT AND GO SOUTHEAST APPROX. 0.1 MILE. VEER RIGHT AND GO SOUTH APPROX. 0.1 MILE. VEER LEFT AND GO EAST APPROX. 0.35 MILES. TURN RIGHT AND GO SOUTH APPROX. 0.5 MILES. TURN LEFT AND GO EAST APPROX. 0.4 MILES. TURN RIGHT AND GO SOUTH APPROX. 0.3 MILES. THIS LOCATION IS APPROX. 350 FEET WEST.



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

TEXLAND PETROLEUM-HOBBS, LLC

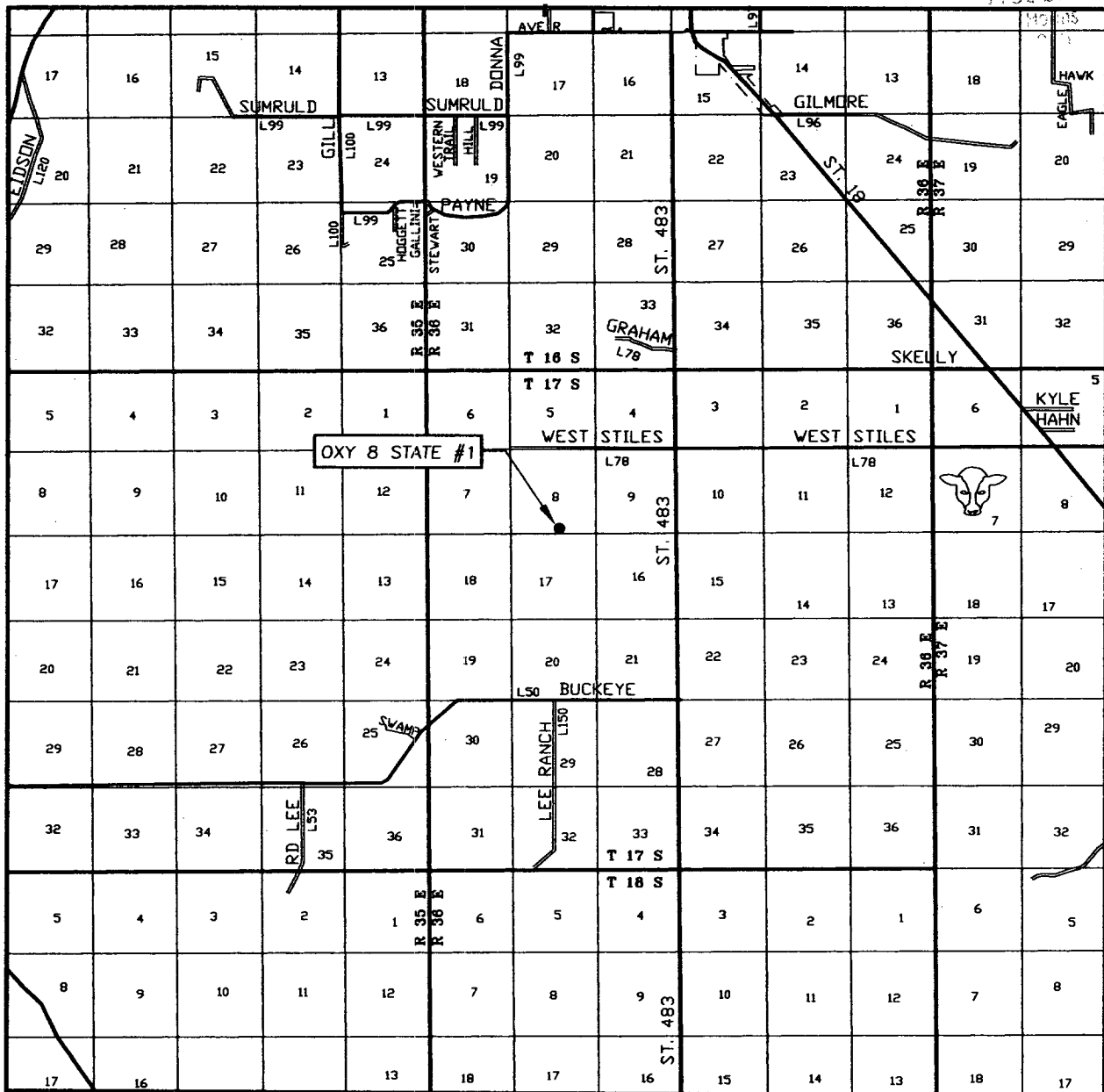
OXY 8 STATE #1
 LOCATED 339 FEET FROM THE SOUTH LINE
 AND 2309 FEET FROM THE EAST LINE OF SECTION 8,
 TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 05/04/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.0758	Dr By: M.R. Rev 1:N/A
Date: 05/05/06	Disk: CD#6 06110758 Scale: 1"=100'

16 17 18 19 20 21 22 23 24 25 26 27 28 29

♠

MAY 2006
Received

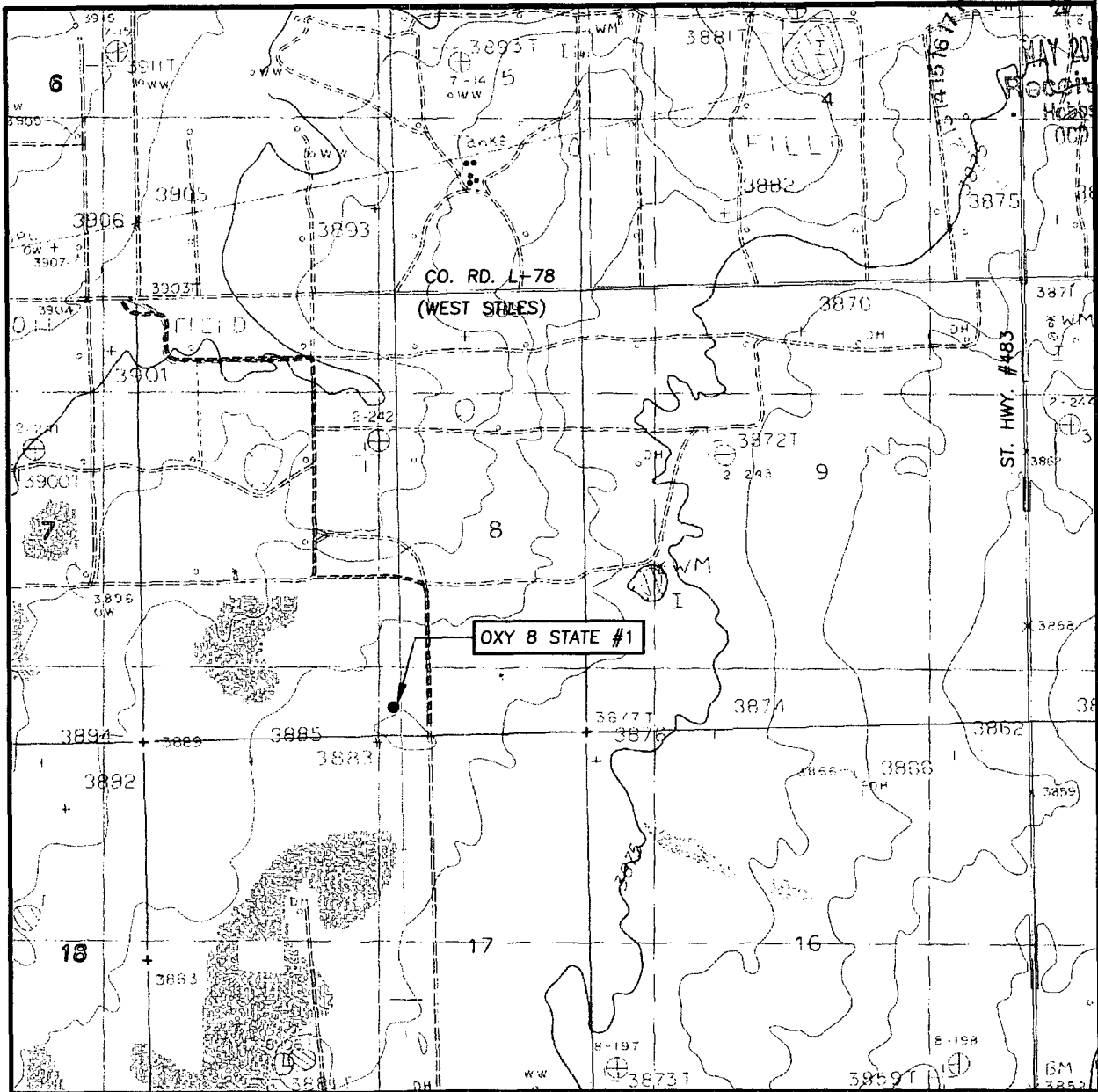


SEC. 8 TWP. 17-S RGE. 36-E
SURVEY _____ N.M.P.M. _____
COUNTY LEA STATE NEW MEXICO
DESCRIPTION 339' FNL & 2309' FEL
ELEVATION 3886'
TEXLAND
OPERATOR PETROLEUM-HOBBS, LLC
LEASE OXY 8 STATE



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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 8 TWP. 17-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

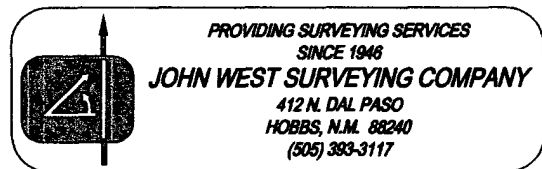
DESCRIPTION 339' FSL & 2309' FEL

ELEVATION 3886'

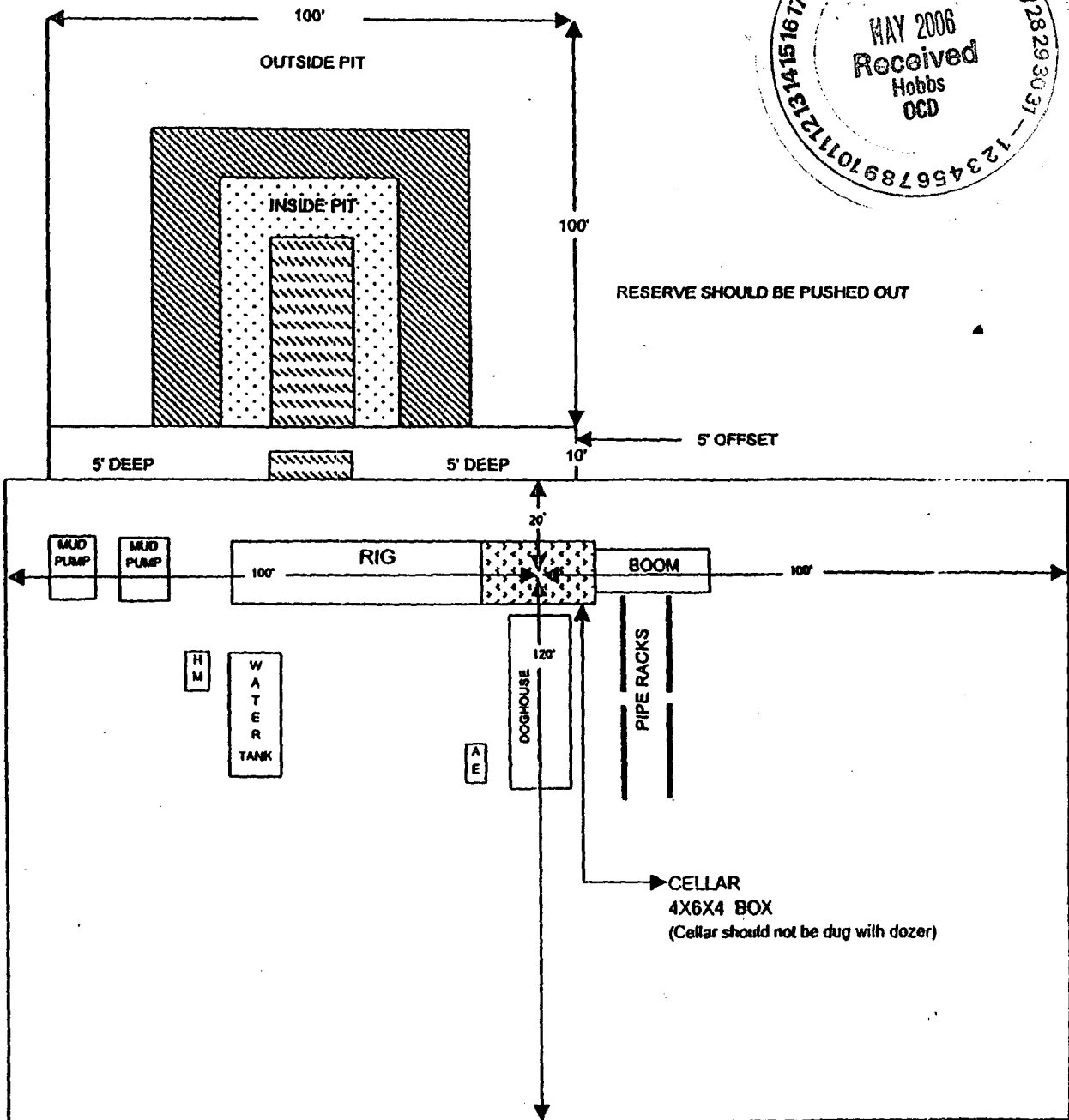
OPERATOR TEXLAND PETROLEUM-HOBBS, LLC

LEASE OXY 8 STATE

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



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

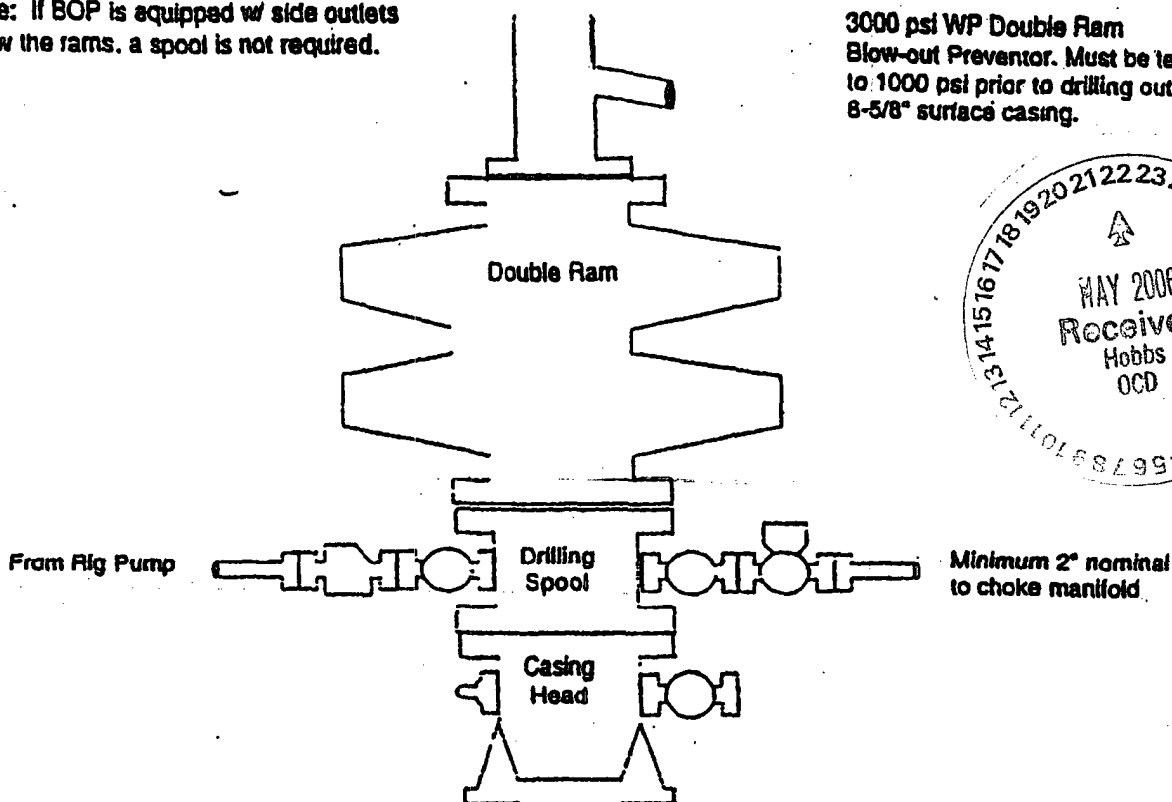


Cellar can be 4X4X4 if using a screw-on wellhead
Working Pits dug 5' below ground level

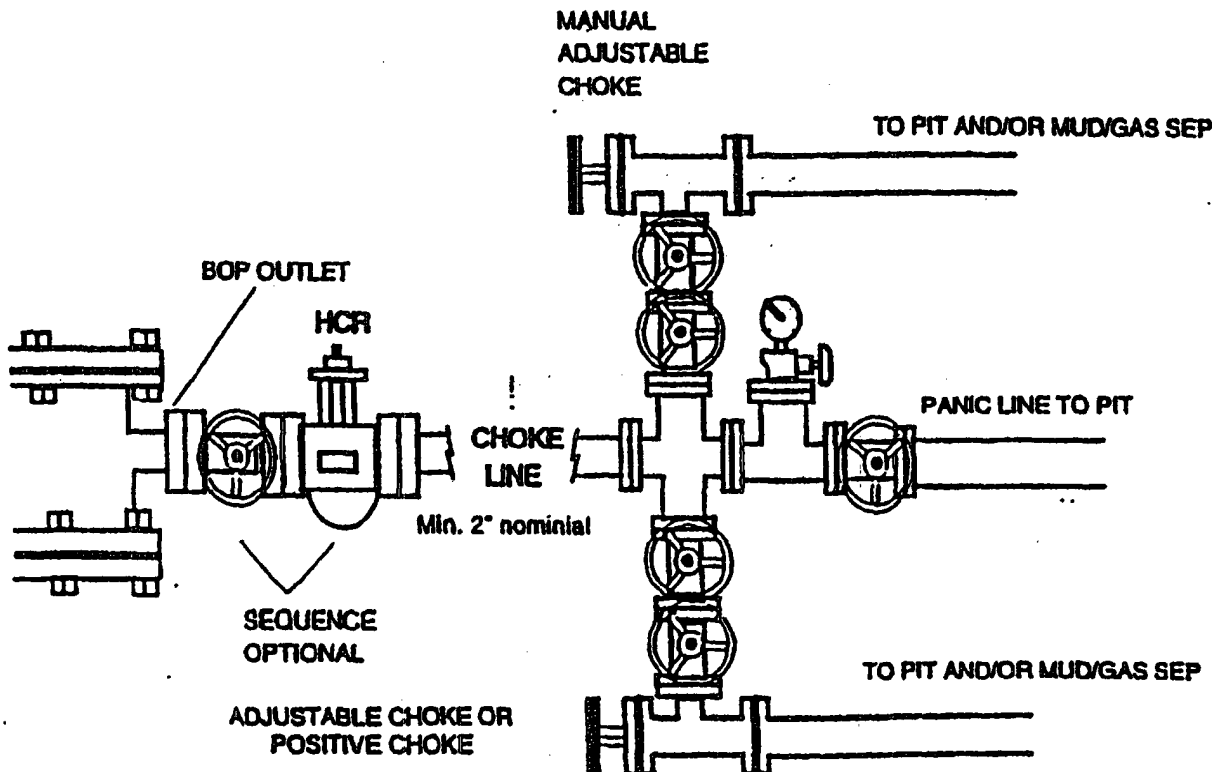
BOP Schematic

*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

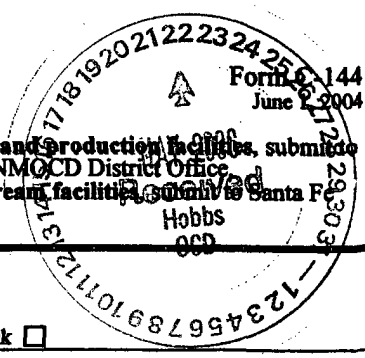


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For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office.



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: Oxy 8 State #1 API #: 30-025- U/L or Qtr/Qtr 0 Sec 8 T 17S R 36E
County: Lea Latitude 32°50'34.63" N Longitude 103°22'31.02"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.) est 65'	<table border="1"><tr><td>Less than 50 feet</td><td>(20 points)</td></tr><tr><td>50 feet or more, but less than 100 feet</td><td>(10 points)</td></tr><tr><td>100 feet or more</td><td>(0 points)</td></tr></table> 10	Less than 50 feet	(20 points)	50 feet or more, but less than 100 feet	(10 points)	100 feet or more	(0 points)
Less than 50 feet	(20 points)						
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.)	<table border="1"><tr><td>Yes</td><td>(20 points)</td></tr><tr><td>No</td><td>(0 points)</td></tr></table> 0	Yes	(20 points)	No	(0 points)		
Yes	(20 points)						
No	(0 points)						
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>1000 feet or more</td><td>(0 points)</td></tr></table> 0	Less than 200 feet	(20 points)	200 feet or more, but less than 1000 feet	(10 points)	1000 feet or more	(0 points)
Less than 200 feet	(20 points)						
200 feet or more, but less than 1000 feet	(10 points)						
1000 feet or more	(0 points)						
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: 5/19/06

Printed Name/Title Vickie Smith, Prod 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:


Printed Name/Title

PETROLEUM ENGINEER

Signature [Signature]

Date: _____

MAY 26 2006

 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

Mull, Donna, EMNRD

From: Phillips, Dorothy, EMNRD
To: Mull, Donna, EMNRD
Cc:
Subject: RE: Financial Assurance Requirement
Attachments:

Sent: Thu 5/25/2006 8:39 AM

Apache has to submit 3 one well bonds

All the rest have blanket bonds and do not appear on Jane's list.

From: Mull, Donna, EMNRD
Sent: Thursday, May 25, 2006 8:23 AM
To: Phillips, Dorothy, EMNRD
Cc: Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD
Subject: Financial Assurance Requirement

Dorothy,

Is the Financial Assurance Requirements for these Operators OK?

Cimarex Energy Co Of Colorado (162683)
Marbob Energy Corp (14049)
Apache Corp (873)
Texland Petroleum-Hobbs LLC (113315)
Pride Energy Co (151323)
Platinum Exploration Inc (227103)
Chaparral Energy LLC (4115)
Range Operating New Mexico Inc (227588)

I have check the inactive list for each Operator.

Please let me know. Thanks and have a nice day. Donna