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 APPLICATION FOR PERMIT T					Energy Minerals and Natural Resources May 27, Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505					AENDED REPORT				
' Operator Name and Add Texland Petroleum-Hobbs, LLC						Address					11:	3 <u>315</u>	GRID Numbe	r
777 Mai	n Stre			•	ort W	ort Worth, Texas 76102				30 - 02	30-025- 374 30			
-	rty Code ビクム í	ñ	r	exland	3 Sta	* Property Name					* Well No. #1			
<u></u>		·	° Propo	sed Pool 1			-				¹⁰ Pi	¹⁰ Proposed Pool 2		
Lovingt	on Dri	nkard				10			<u> </u>		<u> </u>			
	C. and Jam	Treesti		Berner			urface Feet fro		North/S	and the	End Grander	- <u>_</u>		
UL or lot no. O	Section 3	Townshi 17S	P	Range 36E	Lot l	an .	990	m me		uth	Feet from the 231593		iast/West line East	County Lea
				⁸ Propos	ed Bott	om Ho	le Locat	ion If	Differen	t From	Surface			
UL or lot no.	Section	Townshi	P	Range	Lot		Feet fro		1	outh line	Feet from the	E	last/West line	County
	l	L			۵d	ditio	nal We	11 Inf	 ormati/	n	<u></u>			
¹¹ Work	Type Code	<u> </u>	12	Well Type Code			¹³ Cable	_	Jinter	_	Lease Type Code		15 Gro	und Level Elevation
	N fultiple		17 1	O . Proposed Depth							S			3865 ' ²⁰ Spud Date
	NO	ĺ		8500."		Dr	inkar			Car	star	°Contractor tar		/06
Depth to Grou	undwater	 a1	ve 60		Distanc	a from	nonroct from	wh water well Dictor on fro			rom ne	m nearest surface water N/A		
Depth to Orbandwatch ave 60' Distance from hearest fresh water with est 1500' Distance from hearest suitate water N/A Pit: Liner: Synthetic 12_mils thick Clay Pit Volume: 4400 bits Drilling Method: Closed-Loop System														
Hole S	Size		Casing S	lize	Casing weight foot			Setting Depth		Sacks of	Cemer	ıt	Estimated TOC	
12 1/4"		and the second se	8_5/8"		100		Con	1 2400 40/ 2400			950			urface
7 7/8"		<u> </u>	<u>5 1/2"</u>		217#		ACD S	COS TO		85 00'		sks		surface
		┼							\$					<u></u>
				1555354			2020					<u> </u>		
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.														
is	the bl	owout	prev	venter d	iagra	m.			_		ed pits sl 8500' and			
Texland proposed to drill the well to a total depth of 8500' and complete as a Lovington Drinkard producing oil well. After TD is reached completion procedures will be determined after the well is evaluated. Permit Expires 1 Year From Approval Permit Expires 1 Year From Approval Data Unless Drilling Underwey														
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 2, a general permit _, or an (attached) alternative OCD-approved plan					OIL CONSERVATION DIVISION Approved by:									
						- hiciniteta					·····			
Printed name		ie Sm			Rec	9u	nel	Title:		P	ETROLEUM	TROLEUM ENGINEER		
Title:		luction						Appro	val Date:			Expir	ation Date:	·····
E-mail Addr	V	smith	1-	etro.co						122	006			
Date: 6/6/06 Phone: 817-336-2751							Conditions Of Approval Attached							

1

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State of New Mexico DISTRICT I Energy, Minerals and Natural Resources Department 1625 N. PRENCH DR., HORRS, NM 88240 Form C-102 Revised October 12, 2005 DISTRICT II OIL CONSERVATION DIVISION Submit to Appropriate District Office 1301 W. GRAND AVENUE, ARTESIA, NM 88210 State Lease - 4 Copies 1220 SOUTH ST. FRANCIS DR. Fee Lease - 3 Copies Santa Fe, New Mexico 87505 DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 DISTRICT IV WELL LOCATION AND ACREAGE DEDICATION PLAT AMENDED REPORT 1220 S. ST. FRANCIS DR., SANTA PR, NH 87505 Pool Code Pool Name API Number 30-025- 37730 Lovington Drinkard Property Code 35745 **Property** Name Well Number **TEXLAND 3 STATE** 1 OGRID No. **Operator** Name Elevation TEXLAND PETROLEUM-HOBBS, LLC 3865 113315 Surface Location UL or lot No. Section Township Lot Idn Feet from the North/South line East/West line Range Feet from the County 0 17-S 990 SOUTH 3 36-E 231 EAST LEA ન્ટ્ર Bottom Hole Location If Different From Surface UL or lot No. Range Lot Idn Feet from the North/South line East/West line Section Township Feet from the 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 LOT 4 LOT 3 LOT 2 LOT 1 **OPERATOR CERTIFICATION** 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 arreement or a or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. 39.37 AC 39.52 AC 39.42 AC 39.42 AC Jelie S Smith 6/6/06 Signature Date Vickie Smith

4

			Printed Name
GEODETIC COORDINATES	· · · · · · · · · · · · · · · · · · ·	 	SURVEYOR CERTIFICATION I bereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or
Y=677805.2 N X=804771.7 E			under my supervision, and that he same is true and correct to the best of my belief.
LAT.=32*51'33.96" N LONG.=103*20'27.00" W	o	2515 2310	MAY 26, 2006 Date Surveyed Signature & Seal of South Professional Surveyor. Man black of South Adv. black of South
	vo+7377		Certificate No. CARY EIDSON 12841



LOCATION VERIFICATION MAP



VICINITY MAP

3	Lovington 2	THE A	43rd, St. 32nd, St.					ت گ 83 I2	6	5	4	с <u>68.72</u>
10	11	20 20 20 20 20 20 20 20 20 20 20 20 20 2	~	8 Line AVE R		LUCTS ID		12	7	LI02	9	DNGVIEW LIOE
	14 IMRUL D	13	18 즉 SUMRULD	6 17	16	15	14 GILMO	13 RE	18	HAVK	16	15
55	ន GILL	L99 891 24	VESTERN JRAIL HILL 18	20	21	22	23	5 ⁴ 88		20	21	22
27		C HDGGETT GALLINI-	STEVART 8	29	8 ST. 483	27	26	25	30	29	28	27
34	35	36 36 36 28		32 T 16 S	33 GRAHAM L78	34	35	36 SKEL	AND 3 ST 31 LY	ATE #1 32	33	34
3	2	. 1	6	T 17 S 5 WEST	4 STILES	3	e WEST	1 STILES	6	KYLE HAHN	4 STILES	3
10	11	12	7	8	لكة 9 ش 4	10	11	L78 12	F,	8	н78 9 60	10
15	14	13	18	17	16 ST.	15	14	13	18	17	16	15
22	23	24	19		21 KEYE	22	23	원 24 연 24 연	84 480 19 64	20	21	57. 22
27	26	25 Mary	30	RANCH & LISO	- 28	27	26	25	30	29	28	27 ALABAMA
34	RD LEE 8 LS3	36	31	SE LEE	33 T 17 S	34	35	36	31	32	33	34
	/				T 18 S							

SEC. <u>3</u> TWP. <u>17-S</u> RGE. <u>36-E</u> SURVEY <u>N.M.P.M.</u> COUNTY <u>LEA</u> STATE <u>NEW MEXICO</u> DESCRIPTION <u>990' FSL & 2315' FEL</u> ELEVATION <u>3865'</u> TEXLAND OPERATOR <u>PETROLEUM-HOBBS, LLC</u> LEASE <u>TEXLAND 3 STATE</u>



SCALE: 1'' = 2 MILES

2

BOP Schematic



Choke Manifold Schematic



District] · 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

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: <u>Texland 3 State #1</u> API #: <u>30-025-37930</u> U/L or Qtr/Qtr_0 Sec_3 T_17S_R								
County: LeaLatitude 3	32°51′33,96″N Longitude 103°20′27″W NAD: 1927 🛛 1983 🗖							
Surface Owner: Federal 🔲 State 🗋 Private 🏝 Indian 🗖								
Pit	Below-grade tank							
Type: Drilling I Production Disposal	Volume:bbl Type of fluid:							
Workover 🔲 Emergency	Construction material:							
Lined 🔀 Unlined 🔲	Double-walled, with leak detection? Yes 🔲 If not, explain why not.							
Liner type: Synthetic 🕅 Thickness <u>12</u> mil Clay 🗖								
Pit Volume 4400 bbi								
Depth to ground water (vertical distance from bottom of pit to seasonal	Less than 50 feet (20 points)							
high water elevation of ground water.) ave 60'	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	Yes (20 points)							
water source, or less than 1000 feet from all other water sources.)	No (0 points)							
Distance to surface water: (horizontal distance to all wetlands, playas,	Less than 200 feet (20 points)							
irrigation canals, ditches, and perennial and ephemeral watercourses.)	200 feet or more, but less than 1000 feet (10 points)							
	1000 feet or more (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								
your 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: 6/6/06

Printed Name/Title_Vickie Smith/Production Analyst Signature

U/a/C

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	RETARI SUMA BURNINSS	Signature
	PETRULEUM ENGINEER	

Date: JUN 1 2 2006





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

The sender of this message has requested a read receipt. Click here to send a receipt.							
Mull, Donr	na, EMNRD						
From:	Phillips, Dorothy, EMNRD	Sent: Mon 6/12/2006 9:39 AM					
то:	Mull, Donna, EMNRD						
Cc:							
Subject:	RE: Financial Assurance Requirement						
Attachment	ts:						

None appear on Jane's list and all have blankets.

From: Mull, Donna, EMNRD Sent: Monday, June 12, 2006 9:28 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?

Yates Petroleum Corp (25575) Occidental Permian Limited Partnership (157984) John H Hendrix Corp (12024) COG Operating LLC (229137) Devon Energy Production Co LP (6137) ConocoPhillips Co (217817) Texland Petroleum-Hobbs LLC (113315) Lewis B Burleson Inc (13300)

I have checked the Inactive well list for each operator.

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

https://webmail.state.nm.us/exchange/dmull/Inbox/RE:%20Financial%20Assurance%20Requirement.EM... 6/12/2006