

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 UNIT PETROLEUM COMPANY 407 NORTH BIG SPRING SUITE 101 MIDLAND, TEXAS 79701 | | ² OGRID Number 115970 / |
| | | ³ API Number 30 - 025-38108 |
| ¹ Property Code 35970 | ⁴ Property Name MONUMENT "17" | ⁵ Well No. # 1 |
| ⁶ Proposed Pool 1 OSUDO -MORROW NORTH (GAS) (82160) | | ⁷ Proposed Pool 2 |

⁷ Surface Location

| | | | | | | | | | |
|--------------------|---------------|-----------------|--------------|---------|------------------------|---------------------------|------------------------|------------------------|---------------|
| UL or lot no. A | Section 17 | Township 20S | Range 36E | Lot Idn | Feet from the 1310' | North/South line NORTH | Feet from the 1310' | East/West line EAST | County 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 G | ¹³ Cable/Rotary ROTARY | ¹⁴ Lease Type Code P | ¹⁵ Ground Level Elevation 3612' |
| ¹⁶ Multiple NO | ¹⁷ Proposed Depth 11,600' | ¹⁸ Formation MORROW | ¹⁹ Contractor UNKNOWN | ²⁰ Spud Date WHEN APPROVED |
| Depth to Groundwater 40' + | | Distance from nearest fresh water well 1 Mile | | Distance from nearest surface water None known |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 20Mbbls Drilling Method: Closed-Loop System <input 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 |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 26" | 20" | Conductor | 40' | Redi-mix | Surface |
| 17 1/2" | 13 3/8" | 48# | 400' | 440 Sx. | Surface |
| 12 1/4" | 9 5/8" | 40# | 5500' | 1200 Sx. | Surface |
| 8 3/4" | 5 1/2" | 17# | 11,600' | 1055 Sx. | 7000' FS |

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 SHEET FOR DETAIL

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: Joe T. Janica | | Approved by: <i>Chris Williams</i> OC DISTRICT SUPERVISOR/GENERAL MANAGER | |
| Title: Agent | | Approval Date: SEP 01 2006 Expiration Date: | |
| E-mail Address: joejanica@valornet.com | | | |
| Date: 08/31/06 | Phone: 505-391-8503 | Conditions of Approval Attached <input type="checkbox"/> | |

1. Drill 26" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17½" hole to 400'. Run and set 400' of 13 3/8" 48# H-40 ST&C casing. Cement with 440 Sx. of Class "C" cement + ¼# Flocele/Sx, + 2% CaCl, circulate cement to surface.
3. Drill 12½" hole to 5500'. Run and set 5500' of 9 5/8" 40# casing as follows: 1500' of 9 5/8" 40# HCK-55 LT&C, 4000' of 9 5/8" 40# J-55 LT&C. Cement with 1000 Sx. of Class "C" 35/65 POZ, tail in with 200 Sx. of Class "C" Neat, circulate cement to surface.
4. Drill 8 3/4" hole to 11,600'. Run and set 11,600' of 5½" 17# HCP-110.LT&C casing. Cement with 615 Sx. of CemCRETE BLEND tail in with 440 Sx. of TXI light weight, estimate top of cement 7000' from surface.

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

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

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 30-025-38108 | Pool Code 82160 | Pool Name OSUDO MORROW-NORTH (GAS) |
| Property Code 35970 | Property Name MONUMENT "17" | Well Number 1 |
| OGRID No. 115970 | Operator Name UNIT PETROLEUM COMPANY | Elevation 3612' |

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 | 17 | 20-S | 36-E | | 1310 | NORTH | 1310 | EAST | LEA |

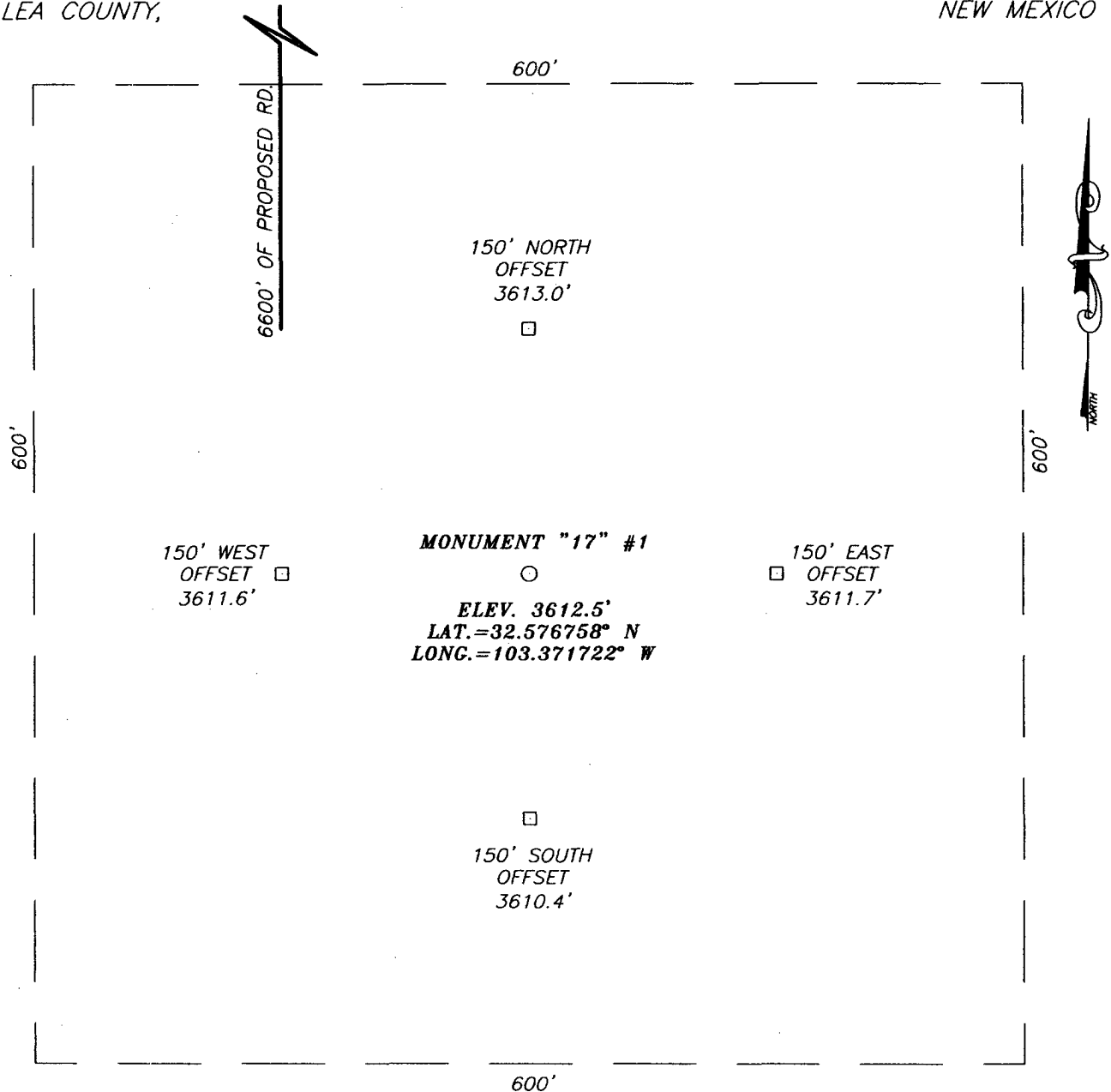
Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|------------------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Dedicated Acres 640 | 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

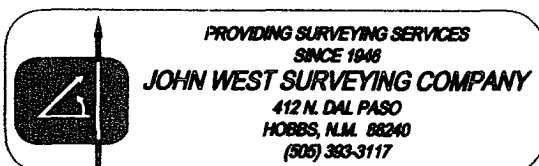
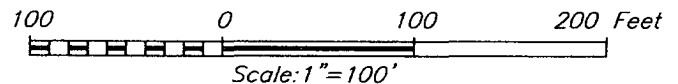
| | |
|---|---|
| <p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=574875.0 N X=796219.4 E</p> <p>LAT.=32.576758° N LONG.=103.371722° W</p> <p>LAT.=32°34'36.33" N LONG.=103°22'18.20" W</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my 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><i>Joe T. Janica</i> Signature Date Joe T. Janica 08/31/06 Printed Name Agent</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>JULY 27, 2006</p> <p>Date Surveyed MR Signature & Seal of Professional Surveyor <i>Gary E. Edson</i> 06.11.1267 Certificate No. GARY EDSON 12641 RONALD E. EDSON 3239</p> |
|---|---|

SECTION 17, TOWNSHIP 20 SOUTH, RANGE 36 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #322 AND CO. RD. H-46 (CHILDRESS RD.), GO NORTH ON CHILDRESS RD. APPROX. 250 FEET. TURN LEFT AND GO WEST APPROX. 1.4 MILES. TURN LEFT AND GO SOUTH APPROX. 0.3 MILES. TURN RIGHT AND GO WEST APPROX. 0.9 MILES. TURN LEFT AND GO SOUTH APPROX. 1.1 MILES. TURN RIGHT AND GO WEST APPROX. 0.6 MILES. TURN LEFT AND GO SOUTH APPROX. 0.4 MILES TO A TRANSWESTERN PIPELINE R/W. FOLLOW R/W APPROX. 1.2 MILES. THIS LOCATION IS APPROX. 800 FEET SOUTH.

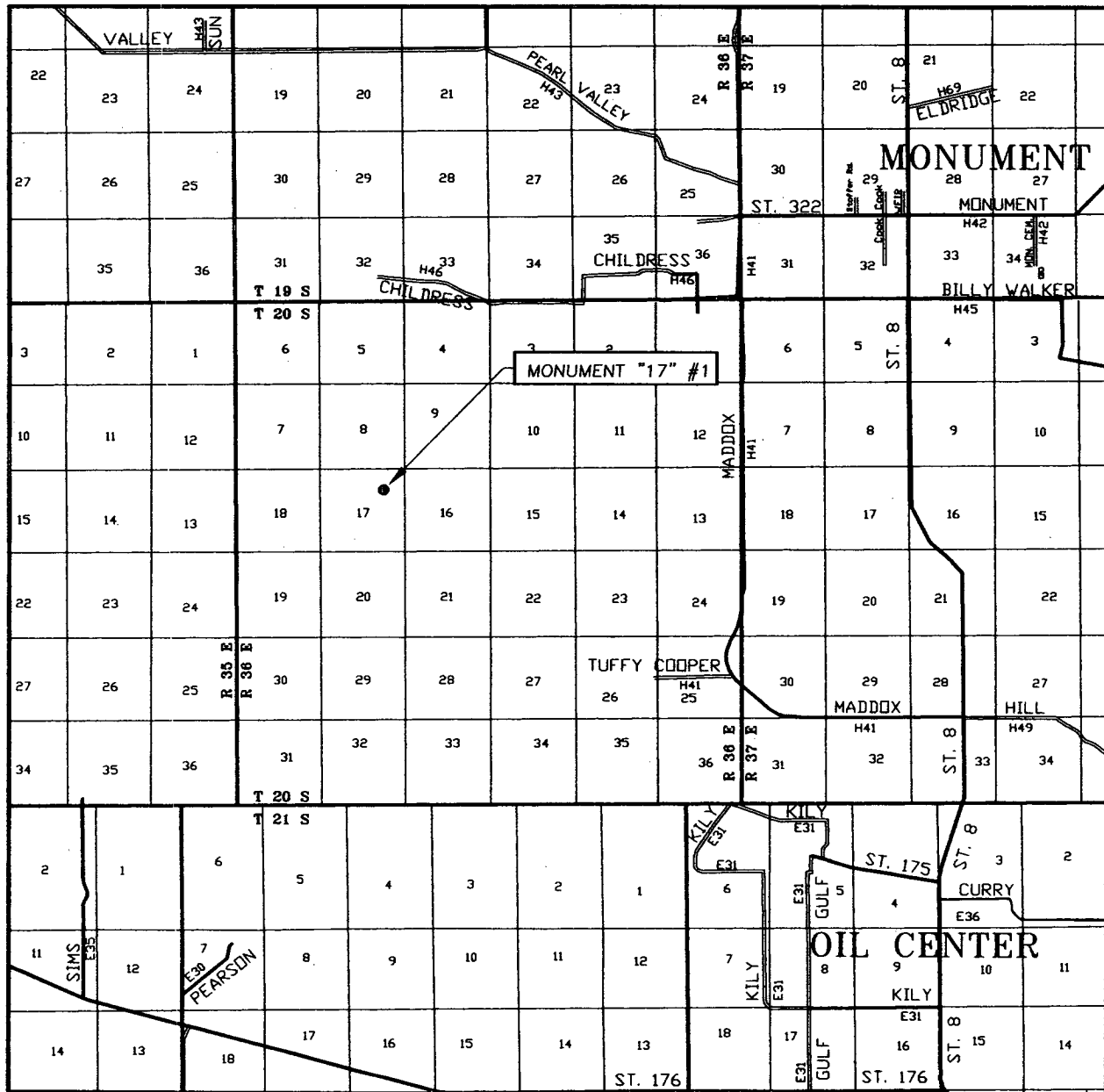


UNIT PETROLEUM COMPANY

MONUMENT "17" #1
 LOCATED 1310 FEET FROM THE NORTH LINE
 AND 1310 FEET FROM THE EAST LINE OF SECTION 17,
 TOWNSHIP 20 SOUTH, RANGE 36 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

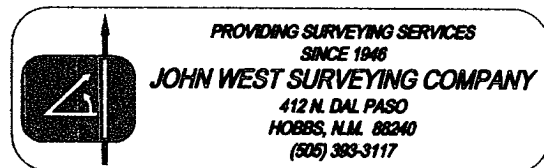
| | |
|-------------------------|------------------------------------|
| Survey Date: 07/27/06 | Sheet 1 of 1 Sheets |
| W.O. Number: 06.11.1267 | Dr By: M.R. Rev 1:N/A |
| Date: 07/28/06 | Disk: CD#6 06111267 Scale: 1"=100' |

VICINITY MAP

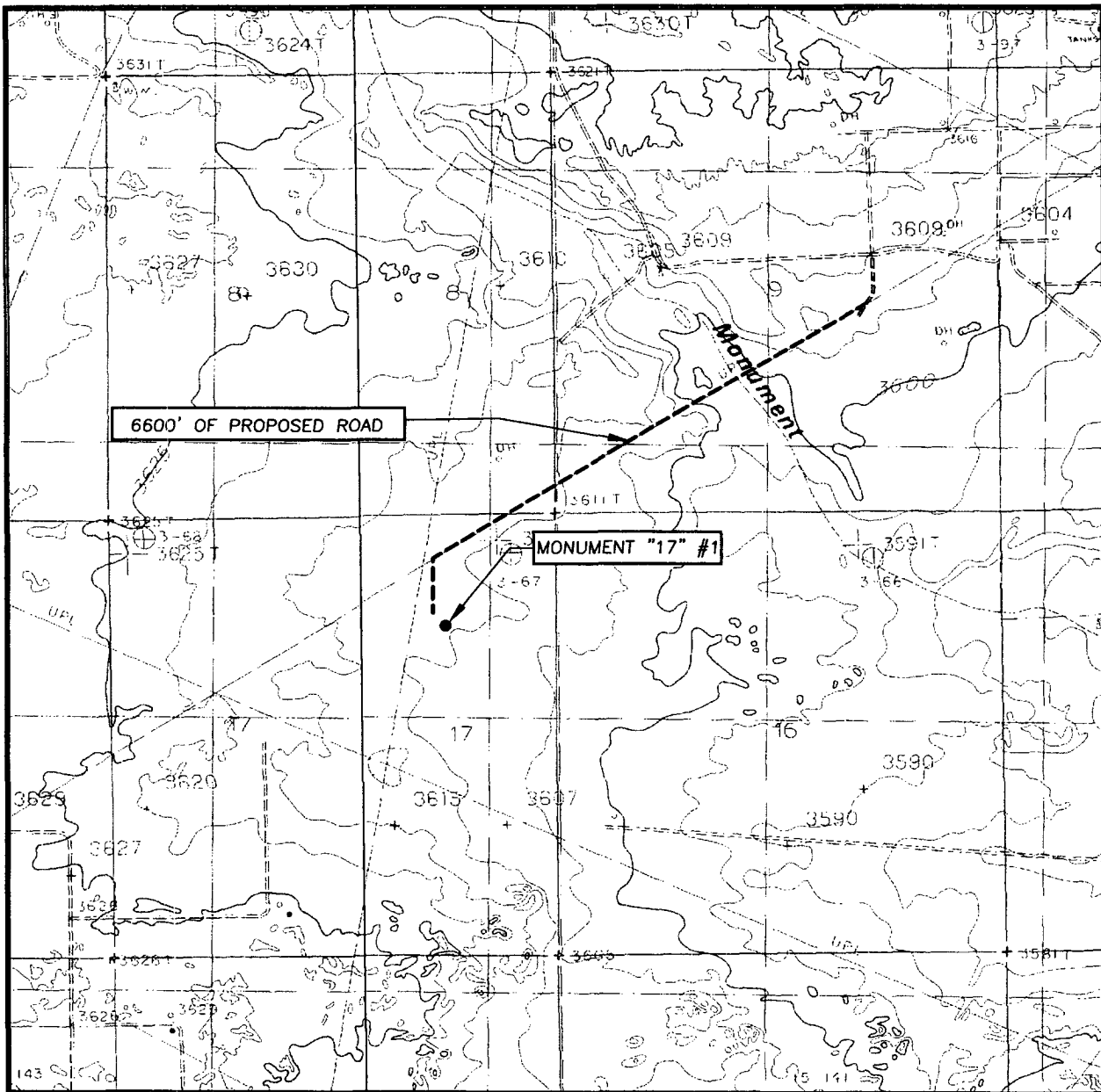


SCALE: 1" = 2 MILES

SEC. 17 TWP. 20-S RGE. 36-E
 SURVEY N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 1310' FNL & 1310' FEL
 ELEVATION 3612'
 UNIT
 OPERATOR PETROLEUM COMPANY
 LEASE MONUMENT "17"



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
MONUMENT SOUTH, N.M. - 5'
MONUMENT SW, N.M. - 5'

SEC. 17 TWP. 20-S RGE. 36-E

SURVEY _____ N.M.P.M.

COUNTY LEA STATE NEW MEXICO

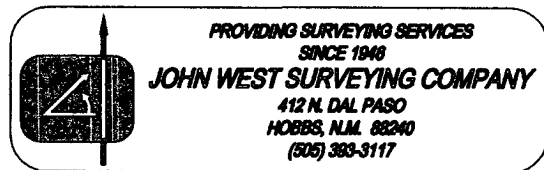
DESCRIPTION 1310' FSL & 1310' FWL

ELEVATION 3612'

UNIT
OPERATOR PETROLEUM COMPANY

LEASE MONUMENT "17"

U.S.G.S. TOPOGRAPHIC MAP
MONUMENT SOUTH, N.M.

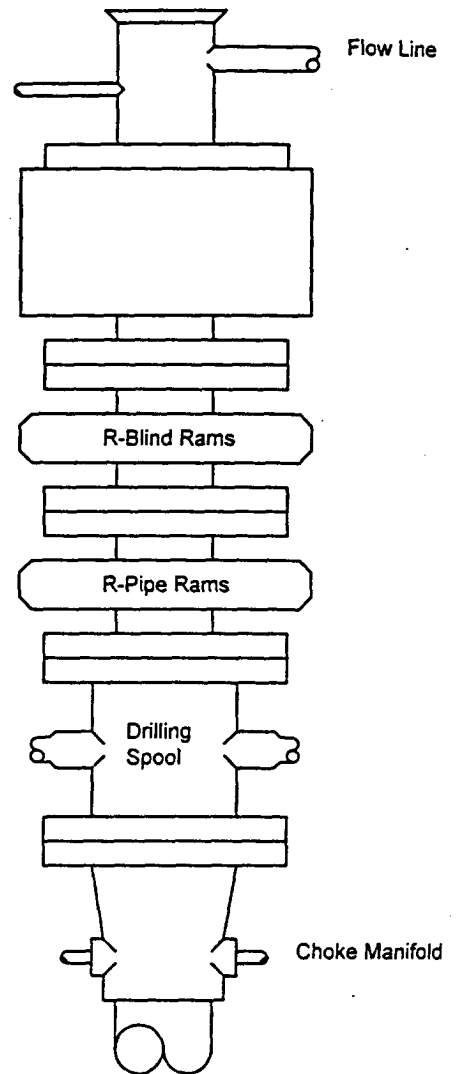


BLOWOUT PREVENTER SYSTEM

5000 PSI

Fill Line

Flow Line



TYPE 1500 SERIES
5000 psi WP

Choke Manifold Assembly for 5M WP System

