

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

Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

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

Operator Name and Address SW Royalties, Inc. P.O. Box 11390 Midland Tx 79702		OGRID Number 21355
Property Code 10664	Property Name State Section 6	API Number 30-025-36358
		Well No. 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	6	17S	35E		1980	South	1780	East	Lea

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
K	6	17S	35E		1980	South	1780	West	Lea

Proposed Pool 1

Vacuum Abo, North

Proposed Pool 2

Work Type Code N	Well Type Code 0	Cable/Rotary Rotary	Lease Type Code S	Ground Level Elevation 4,014'
Multiple N	Proposed Depth 9,200'	Formation Abo	Contractor Unknown	Spud Date 09/15/03

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 7/8"	48	400'	440	Surface
12 1/4"	9 5/8"	40	4775'	1235	Surface
8 3/4"	7"	26	9200'	645	4500'
6 1/8"	4 1/2"	10.5	8,300'	NA	Slotted liner for horizontal section

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. **Drill well to 9200'. Run out logs. Plug back to \pm 8,300'. Drill a 6 1/8" horizontal lateral into Abo pay. Horizontal lateral will be drilled due west \pm 1637'. This will be a standard 80 acre locat. on. A BOP with 4 1/2 dr. pipe rams, set of blank rams & a hydril will be used for blowout prevention.**

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: [Signature] Printed name: R.M. Bloodworth, P.E. Title: Area Supervisor Date: 08/06/03		OIL CONSERVATION DIVISION Approved by: [Signature] Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER Approval Date: AUG 21 2003 Expiration Date: Conditions of Approval: Attached <input type="checkbox"/>	
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Permit Expires 1 Year From Approval
Date Unless Drilling Underway

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1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

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 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36358	Pool Code 61760	Pool Name Vacuum Abo, North
Property Code 10664	Property Name STATE SECTION 6 WELL	Well Number 2
OGRID No. 21355	Operator Name SOUTHWEST ROYALTIES, INC.	Elevation 4014'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	6	17 S	35 E		1980	SOUTH	1780	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
K	6	17 S	35 E		1980	SOUTH	1780	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160 acres			

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>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><i>[Signature]</i> Signature M. Bloodworth, P.E. Printed Name Area Supervisor Title 08/14/03 Date New J.C.E.</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 24, 2003 Date Surveyed <i>[Signature]</i> Signature & Seal of Professional Surveyor W.O. No. 3495 Certificate No. Gary L. Jones 7977 BASIN SURVEYS</p>
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Energy, Minerals and Natural Resources Department

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OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36	Pool Code 61760	Pool Name Vacuum; Abo, North
Property Code 10664	Property Name STATE SECTION 6 WELL	Well Number 2
OGRID No. 21355	Operator Name SOUTHWEST ROYALTIES, INC.	Elevation 4014'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	6	17 S	35 E		1980	SOUTH	1780	EAST	LEA

Bottom Hole Location If Different From Surface

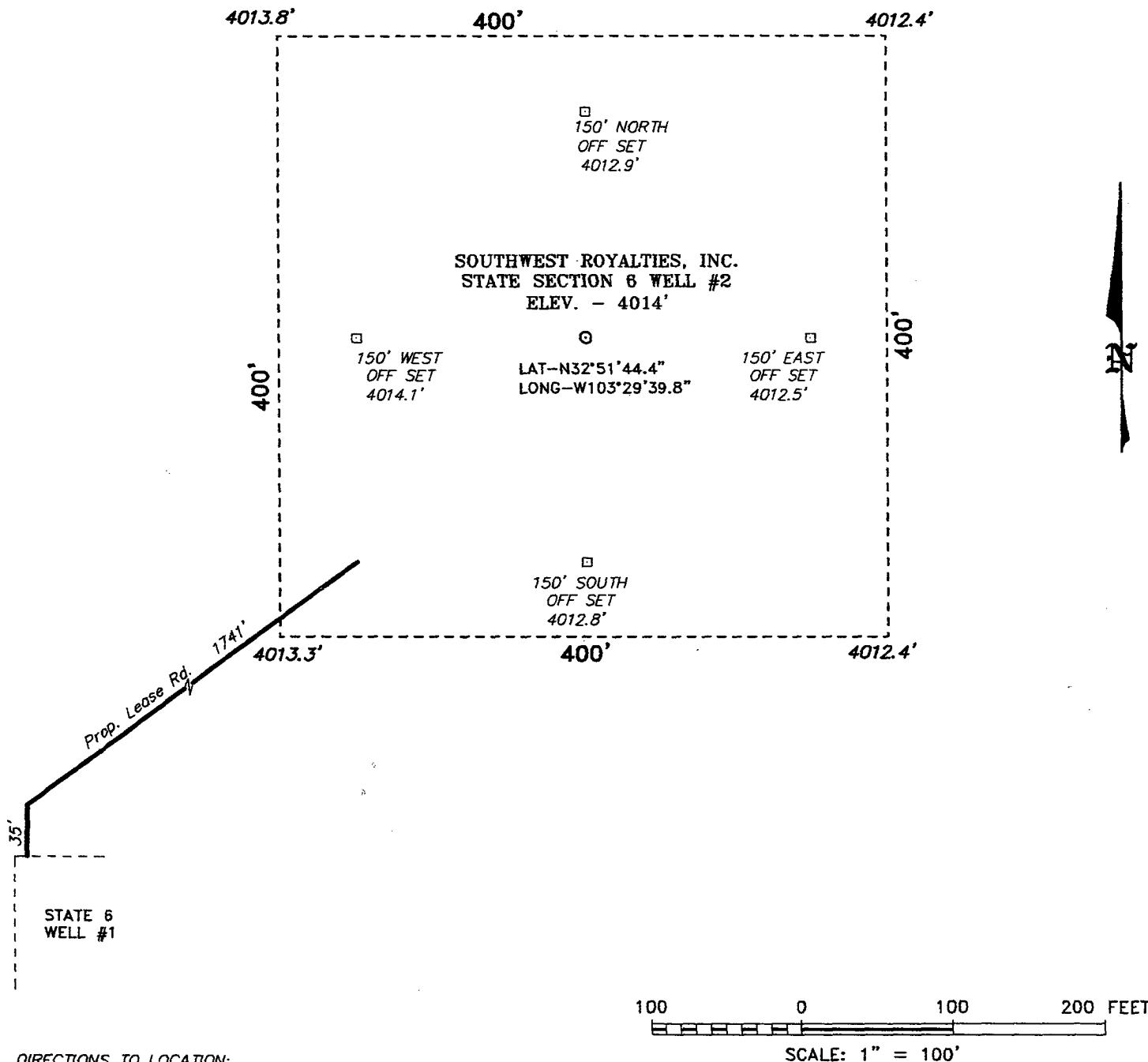
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	6	17 S	35 E		1980	SOUTH	1780	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80			

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>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><i>[Signature]</i> Signature P.M. Bladen, P.E. Printed Name Area Supervisor Title 08/06/03 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>JULY 24, 2003 Date Surveyed <i>[Signature]</i> Signature & Seal of Professional Surveyor W.O. No. 3495 Certificate No. Gary L Jones 7977</p>
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SECTION 6, TOWNSHIP 17 SOUTH, RANGE 35 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF MESCALERO AND STATE HWY 238,
GO NORTH ON HWY 238 FOR 2.0 MILES TO A LEASE ROAD;
THENCE EAST ON LEASE ROAD FOR 0.5 MILE; THENCE
NORTH ON LEASE ROAD FOR 0.1 MILE TO STATE 6 WELL #1
TANK BATTERY AND PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 3495 Drawn By: K. GOAD

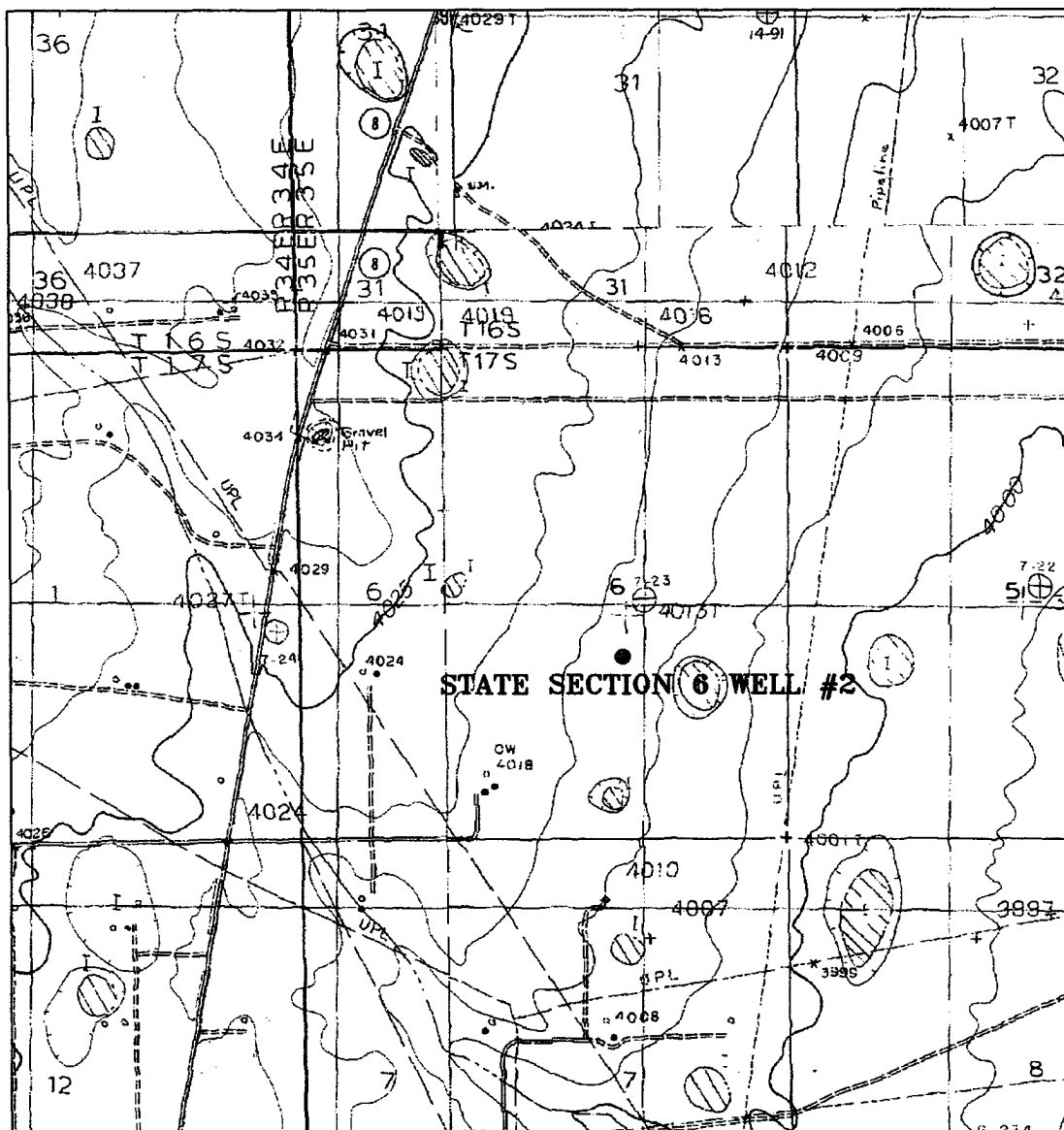
Date: 07-24-2003 Disk: KJG CD#4 - 3495A.DWG

SOUTHWEST ROYALTIES, INC.

REF: STATE SECTION 6 WELL No. 1 / Well Pad Topo

THE STATE SECTION 6 WELL No. 1 LOCATED 1980' FROM
THE SOUTH LINE AND 1780' FROM THE EAST LINE OF
SECTION 6, TOWNSHIP 17 SOUTH, RANGE 35 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 07-24-2003 Sheet 1 of 1 Sheets



STATE SECTION "6" WELL #2

Located at 1980' FSL and 1780' FEL
 Section 6, Township 17 South, Range 35 East,
 N.M.P.M., Lea County, New Mexico.

basin
surveys

focused on excellence
 in the oilfield

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

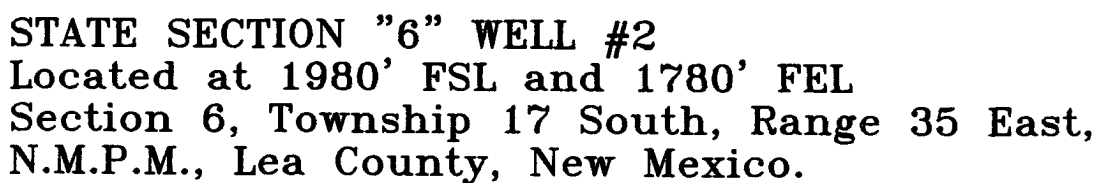
W.O. Number: 3495AA - KJG CD#5

Survey Date: 07-24-2003

Scale: 1" = 2000'

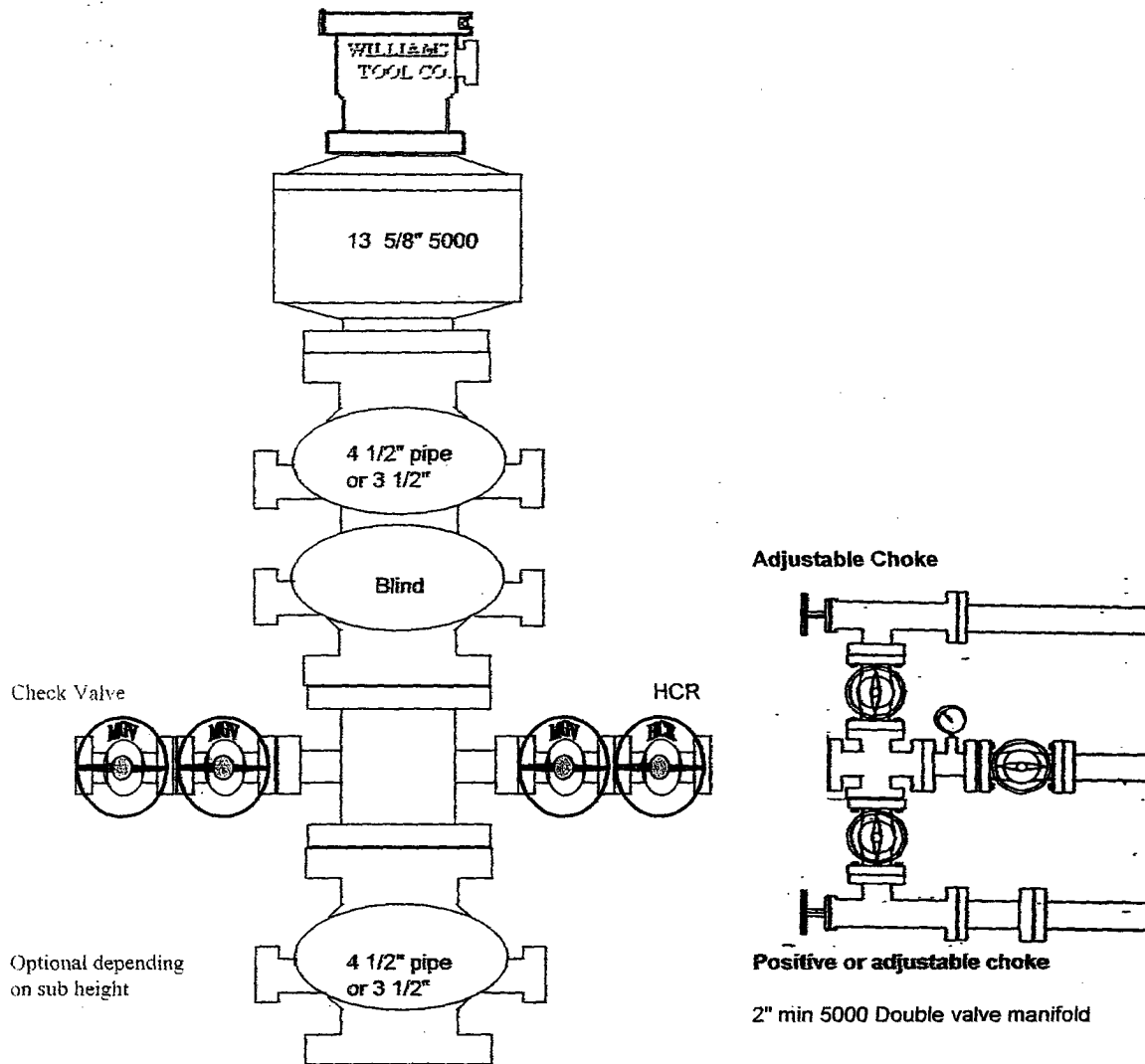
Date: 07-24-2003

SOUTHWEST
ROYALTIES, INC.



BOPE Schematic

State 6 #2



Other instructions:

1. Keep inside BOP and full-open TIW safety valve on the rig floor at all times. Test when pressure testing BOP's. all test will be charted, low pressure test will be held for minimum of 1 minute, high pressure test will be held for a minimum of 5 minutes.
2. Test plug of same manufacture of wellhead will be kept on location with spare O-rings.
3. Before all trips in and out, fill out trip sheet's and monitor trip tank every 5 stand's of drill pipe and every stand of drill collars pulled and document on trip sheet to ensure the hole is taking the proper amount of fluid. Fill the hole periodically if drill string is on the bank for extended period of time.
4. All trips should be made at moderate speeds to prevent excessive surge and swab pressures.
5. Open HCR valve and close blind ram's while changing out bit or lower part of BHA. Inform rig crew before opening ram's.
6. Mud pits will be marked and monitored, upon any gain in pit volume due to a kick, stop drilling, raise kelly slowly with mud pump running, kick out pump and check for flow.
7. On drilling breaks, drill 1'- 3' of break and check for flow.
8. Record slow pump rates on both pumps daily, and record on IADC sheet.
9. Observe flowline for flow during logging operations. Keep hole loaded if hole is seeping.
10. BOP and choke manifold will be mechanically checked on each trip and pressure tested every 4 weeks or as dictated by length of
11. BOP drills will be held weekly on each tour.
12. Double valve active annulus. Bull plug on one side is acceptable.

Southwest Royalties Inc. State 6 #2

STERRA
ENGINEERING, INC.

