

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 Hanson Operating Company, Inc. P. O. Box 1515 Roswell, NM 88202-1515		² GRID Number 9974
		³ API Number 30 - 025-24841
⁴ Property Code 4979	⁵ Property Name Max Gutman	⁶ Well No. #7
⁹ Proposed Pool 1 Paddock		¹⁰ Proposed Pool 2 McKnight, Glorieta

⁷ Surface Location

UL or lot no D	Section 19	Township 22S	Range 38E	Lot Idn	Feet from the 810'	North/South line North	Feet from the 880'	East/West line West	County Lea
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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
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Additional Well Information

¹¹ Work Type Code A	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3328' GL
¹⁶ Multiple N	¹⁷ Proposed Depth 7475'	¹⁸ Formation Granite Wash	¹⁹ Contractor	²⁰ Spud Date 7/23/2007
Depth to Groundwater 140'		Distance from nearest fresh water well		Distance from nearest surface water
²¹ Proposed Casing and Cement Program				
Pit Liner Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume 25 bbls Drilling Method				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

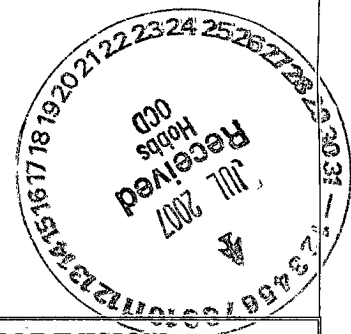
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8 5/8"	24#	1180'	400	Surface
7 7/8"	5 1/2"	15.5#	7475'	1400	3100'

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

Propose to complete and test the Paddock, McKnight and Glorieta formations as follows:

1. RU pulling unit. Pull rods and pump. Install BOP. Pull out of hole with tubing.
2. Set RBP at 5300'. Circulate hole clean.
3. Perforate Paddock formation at 5144' - 5216'.
4. Perforate McKnight/Glorieta formation at 5082' - 5104'.
5. Acidize perms with 10,000 gallons 20% acid.
6. Flow back, swab and evaluate.
7. Place on production.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway
Adding



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 ☐.

Signature: Carol J. Smith	
Printed name: Carol J. Smith	
Title: Production Analyst	
E-mail Address: hanson@dfn.com	
Date: 7/3/2007	Phone: 505-622-7330

OIL CONSERVATION DIVISION	
Approved by: Chris Williams	
OC DISTRICT SUPERVISOR/GENERAL MANAGER	
Title:	
Approval Date: JUL 06 2007	Expiration Date:
Oil Conservation Division	
Conditions of approval: Approval for drilling ONLY	
-- CANNOT produce Downhole Commingled until	
DHC is approved in Santa Fe.	

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-025-24841	2 Pool Code 49210	3 Pool Name Paddock, McKnight, Glorieta, Blinebry, Drinkard, Tubb, Granite Wash
4 Property Code 4979	5 Property Name Max Gutman	
6 Well Number #7		7 Elevation 3328' GL
8 OGRID No. 009974	9 Operator Name Hanson Operating Company, Inc.	

10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	19	22 South	38 East		810	North	880	West	Lea

11 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
12 Dedicated Acres 40		13 Joint or Infill		14 Consolidation Code		15 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.

16 				17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> <i>Carol J. Smith</i> Signature </div> <div style="text-align: center;"> 7/3/2007 Date </div> </div> <div style="text-align: center; margin-top: 10px;"> Carol J. Smith Printed Name </div>
				18 SURVEYOR CERTIFICATION <i>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.</i> <div style="text-align: center; margin-top: 10px;"> August 16, 1974 Date of Survey </div> <div style="text-align: center; margin-top: 10px;"> Refer to Original Plat Signature and Seal of Professional Surveyor </div> <div style="text-align: center; margin-top: 10px;"> 676 Certificate Number </div>

WELLBORE DIAGRAM

WELL NAME	Max Gutman #7	FIELD	Blinebry, Drinkard, Tubb, Granite Wash
LOCATION	810' FNL & 880' FWL, D-Section 19-22S-38E, Lea County, NM		
GL	3328'	ZERO	KB 3339'
SPUD DATE	5/17/1975	COMPLETION DATE	8/2/1975
COMMENTS:	API #30-025-24841		

CASING PROGRAM

8 5/8" 24# J55	1180'
5 1/2" 15.5# J55	7475'

11" Hole

8 5/8" at 1180' with 400 sacks cement, Circulated

BEFORE

TOC at 3100'

7 7/8" Hole

Blinebry 5510'-6014' 86 holes

Drinkard 6558'-7135' 142 holes

Granite Wash 7376'-7463' 51 holes

5 1/2" at 7475' with 1400 sacks cement

TD 7475'

Not to Scale
7/3/2007

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11" Hole

8 5/8" at 1180' with 400 sacks cement, Circulated

AFTER

TOC at 3100'

7 7/8" Hole

McKnight /

Glorieta 5082'-5104' 20 holes

Paddock 5144'-5216' 36 holes

Blinebry 5510'-6014' 86 holes

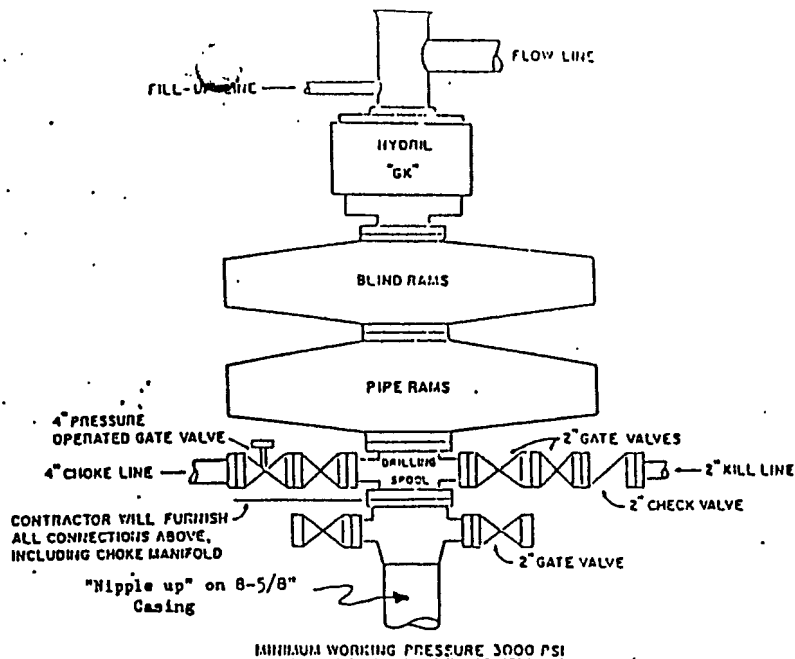
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Granite Wash 7376'-7463' 51 holes

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TD 7475'

Not to Scale
7/3/2007



CONTRACTED TO FURNISH

1. ALL EQUIPMENT ABOVE CASING HEAD HOUSING INCLUDING CHOKER MANIFOLD.
2. INDEPENDENT AUTOMATIC ACCUMULATOR 3000 PSI WP.
3. B.O.P. CONTROLS TO BE LOCATED NEAR DRILLER'S POSITION AND AT SAFE DISTANCE FROM THE WELL.
4. SPARE SET PIPE RAMS TO FIT PIPE IN USE.

COMPANY TO FURNISH

1. WELLHEAD EQUIPMENT.
2. WEAR BUSHING, IF REQUIRED.

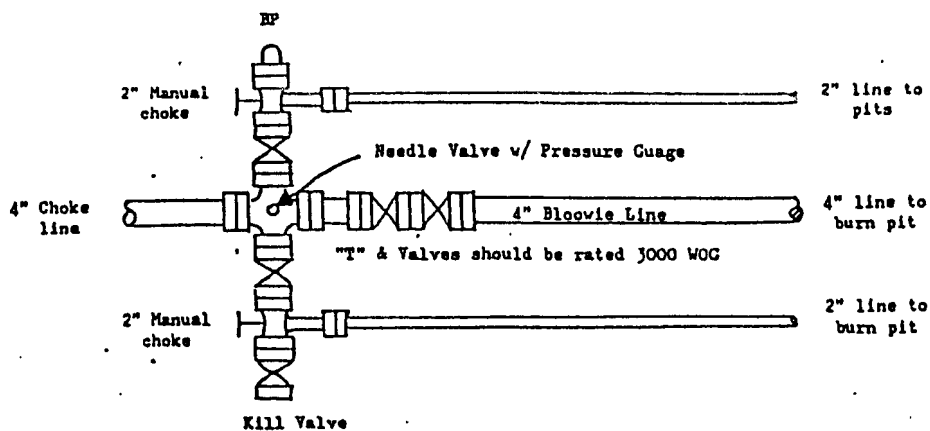
GENERAL NOTES

1. ALL VALVES, PIPING, FLANGES ETC. MUST HAVE MINIMUM WORKING PRESSURE EQUAL TO WORKING PRESSURE OF PREVENTERS. VALVES MUST BE OF THE FULL OPENING TYPE.
2. CONTROLS TO BE OF STANDARD DESIGN AND EACH MARKED SHOWING OPEN AND CLOSED POSITION.
3. CHOKER MANIFOLD AS SHOWN IN APP. 18 AND 19 REPLACABLE PARTS AND WRENCHES TO BE CONVENIENTLY LOCATED FOR IMMEDIATE USE.
4. ALL VALVES TO BE EQUIPPED WITH HANDWHEELS.
5. CHOKER LINES MUST BE SUITABLY ANCHORED.
6. DEVIATIONS FROM THIS DRAWING MAY BE MADE ONLY WITH THE PERMISSION OF THE COMPANY.

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

NORMAL PRESSURE SERVICE

CHOKER MANIFOLD SETUP



The above Manifold Hookup Design will meet minimum requirement by the Operator. Drilling Contractor to supply choke line and choke manifold. Operator to supply downstream lines from manifold assembly to pits.