

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

HOBBS OIL
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MAY 27 2004
30-025-25555

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

Operator Name and Address Mar Oil and Gas Corporation PO Box 5155 Santa Fe, NM 87502		OGRID Number 151228
Property Code 32471	Property Name SFPRR	Well No #022
Proposed Pool 1 Sawyer, San Andres, West		Proposed Pool 2

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
G	33	9S	37E		2000	North	1893	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
C	33	9S	37E		1129	North	3251	East	Lea

Additional Well Information

Work Type Code D	Well Type Code O	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 3974
Multiple S	Proposed Depth 6181ft MTD	Formation San Andres	Contractor Unknown	Spud Date ASAP
Depth to Groundwater 50-400 ft		Distance from nearest fresh water well >1000ft		Distance from nearest surface water > 1 mile
Pit Liner Synthetic <input checked="" type="checkbox"/> 12 mals thick Clay <input type="checkbox"/> Pit Volume 1000 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
12 250	8 625	24#/ft	430	250	Surface
7 785	4 5	10 5#/ft	5018	1000	Surface

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 blow-out prevention program, if any. Use additional sheets if necessary

Well fluids will be contained in steel pit and disposed in NMOCD permitted disposal well.
Drill cuttings will be hauled to permitted facility

Mar Oil and Gas Corporation purposes to set whipstock at 4421ft in 4 1/2" casing
cut window in casing and drill 500ft curved radius to TVD of 4921ft
continue drilling horizontally in a northwesterly direction to 6181ft measured depth. Maximum TVD 4971ft
BHL 1129 FNL X 3251 FEL, Unit Letter "C", Section 33, T9S, R37E, Lea County, NM

Attached C 102, Wellbore diagram, Horizontal calculations

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

Billy E. Prichard

Printed name: Billy (Bill) E. Prichard

Title Field Supervisor

E-mail Address billy@pwllc.net

575-390-9100

OIL CONSERVATION DIVISION

Approved by:

Title

Approval Date:

MAY 20 2008

Expiration Date:

Permit Expires 2 Years From Approval
Date Unless Drilling Underway

Horizontal

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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

RECEIVED Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
MAY 20 2008 State Lease - 4 Copies
Fee Lease - 3 Copies
HOBBS OCD
☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-25555		² Pool Code 55490		³ Pool Name Sawyer; San Andres; West	
⁴ Property Code 32471		⁵ Property Name SFPRR			⁶ Well Number #022
⁷ OGRID No. 151228		⁸ Operator Name Mar Oil and Gas Corp. PO Box 5155 Santa Fe, NM 87502			⁹ Elevation 3974 GL

¹⁰ Surface Location

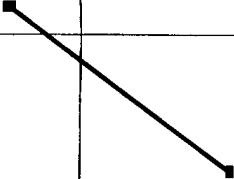
UL or lot no. G	Section 33	Township 9S	Range 37E	Lot Idn	Feet from the 2000	North/South line North	Feet from the 1893	East/West line East	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. C	Section 33	Township 9S	Range 37E	Lot Idn	Feet from the 1187	North/South line North	Feet from the 3125	East/West line East	County Lea
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¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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	BHL 1129 FNL X 3251 FEL, UL C, Sec 33, T9S R37E		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> Signature <u>Billy E. Prichard</u> Date <u>5/19/08</u> Printed Name <u>Billy E. Prichard</u>
	Surface Location 2000 FNL X 1893 FEL, UL G, Sec 33, T9S, R37E		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> Original Survey Plat on file with NMOC Date of Survey Signature and Seal of Professional Surveyor. Certificate Number

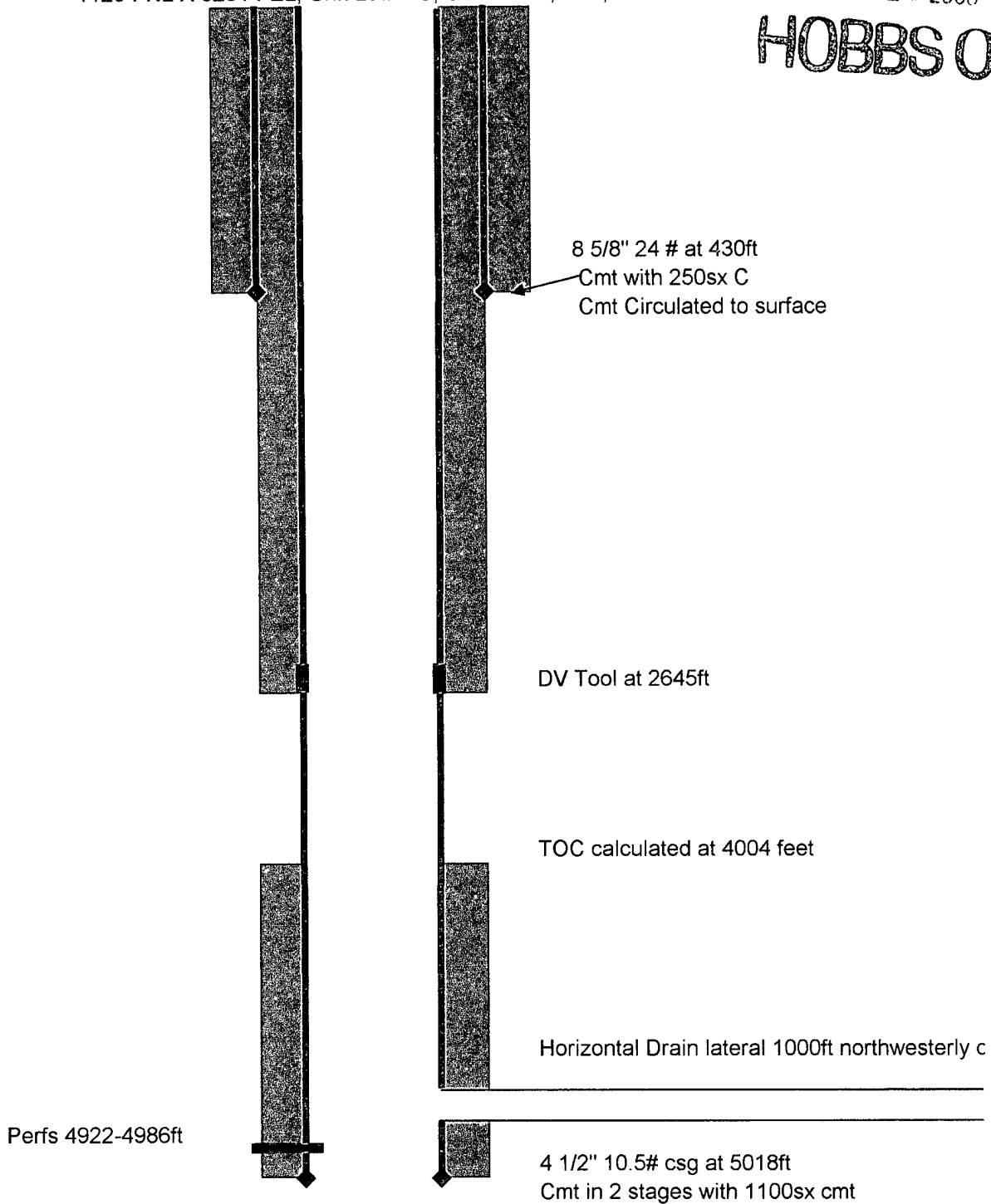
SFPRR # 22
Wellbore sketch

Surface location
2000 FNL X 1893 FEL, Unit Letter G Section 33, T9S, R37E
Bottom Hole Location
1129 FNL X 3251 FEL, Unit Letter C, Section 33, T9S, R37E

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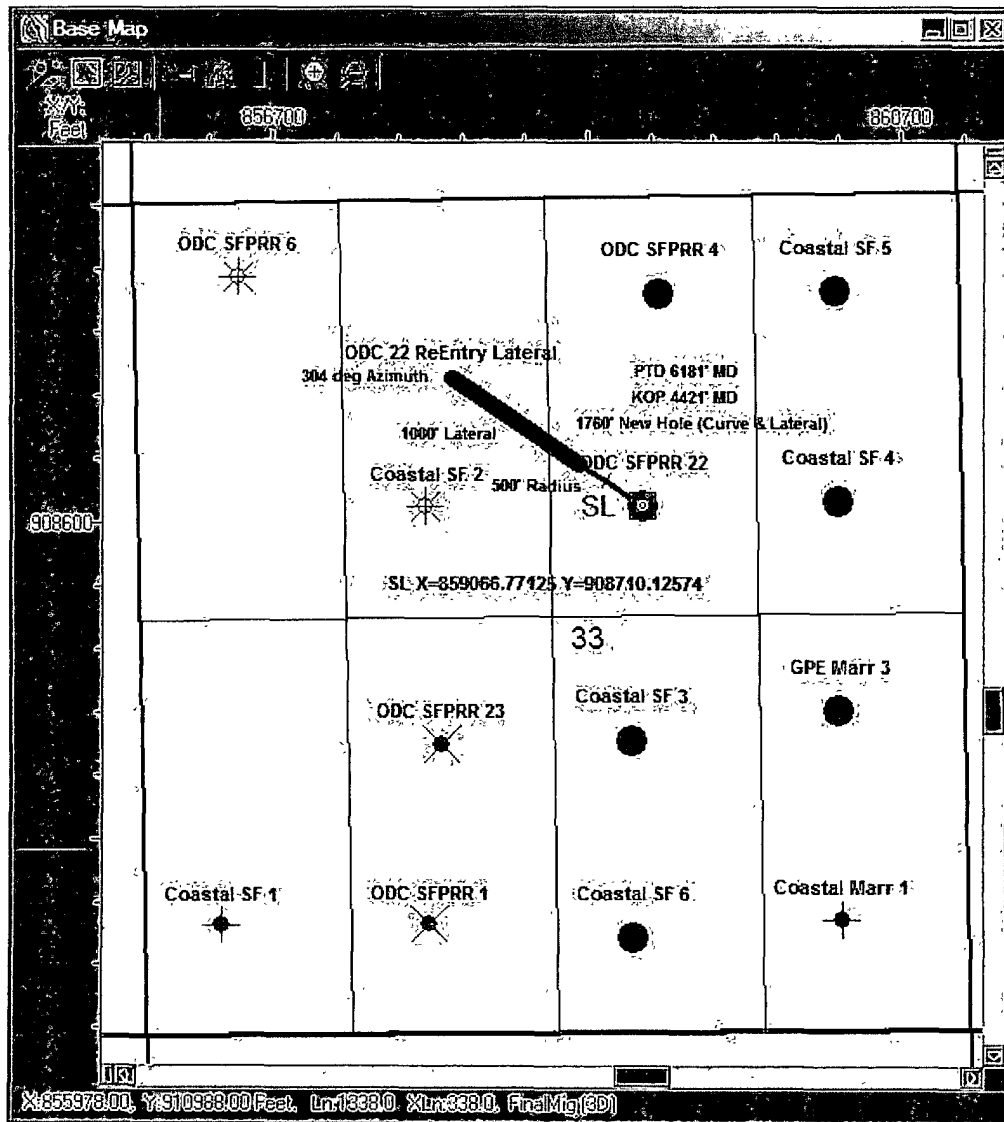
San Andres ODC SFPRR 22 Re-entry Lateral Well

Well Plan – 1 x 1000' Lateral, w/ 500' Radius

PTD 6181' MD - KOP 4421' MD - New Hole 1760'

(In Blue, 1"=1000' Orig CLP Export, By J Spori, 4-30-8)

T9S-R37E-S33 – Lea County, NM



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San Andres - ODC SFPRR 22 Re-entry Lateral Well

Directional Plan (First Pass, with Targets)

Surface Location: X=859066.77125 / Y=908710.12574

(NM East 3001 - NAD27, T9S-R37E-S33, Lea County, New Mexico)

Surface Elevation (ODC 22 Scout Ticket) - 3974' ASL - 3985' KB

READY TO PERMIT

Re-entry Lateral - 500' Radius - 1000' Lateral Length - 2.87 deg Lateral Angle

Oil Prone (Near Crestal) to Gas Prone (Crestal) - 2 Fracture Targets - Bypassed Gas and Attic Oil

The ODC SFPRR 22 is actively producing at 5 BOPD + 15 MCFD

The offset Sun 1 (Best BOE Producer) due west is actively producing at 100 MCFD

INPUT PARAMETERS

KB	3985
Target 1	-936
BHL Target	-986
Drop, ft	50

Surface Elevation	3974
Radius of Curvature	500
Azimuth	303.968
Lateral Length	1000
Lateral Angle	2.866

SS-TVD	TVD	RADIAL DIST	AZIM	HOLE	TARGET	MD
3985	0	0	303.968		KB	0
3974	11	0	303.968	Vertical Hole	Ground Level	
0	3985	0	303.968		Sea Level	
-436	4421	0	303.968		KOP	4421
-522.825	4507.825	7.595	303.968			
-607.010	4592.010	30.155	303.968			
-686.000	4671.000	66.985	303.968			
-757.395	4742.395	116.980	303.968			
-789.555	4774.555	146.445	303.968	Curved Hole		
-819.020	4804.020	178.605	303.968			
-869.015	4854.015	250.000	303.968			
-905.845	4890.845	328.990	303.968			
-928.405	4913.405	413.175	303.968	Lateral Hole ↓		
-935.775	4920.775	485.000	303.968	0	Target 1 - Top SA-P1 Dolomite	760
-947.829	4932.829	725.000	303.968	240.000	Lease Line	
-959.883	4944.883	965.000	303.968	480.000	Target Fracture 1	
-967.417	4952.417	1115.000	303.968	630.000	Target Fracture 2	
-986.000	4971.000	1485.000	303.968	1000.000	BHL Target - Mid SA-P1b (20' below Top)	1000
					PTD	6181
					New Hole (Curve & Lateral)	1760

Notes:

Input Values in Violet

PBHL Target -986' is 54' updip to ML OWC -1040', and 7' downdip to ML GOC in SA-P1b Dolomite.

Good fracture porosity expected since the Lateral Hole is entirely within a dim area on the Top Dolomite amplitude extraction;

ie. To drill obliquely at the convergence of two fracture swarms on the structural crest of the field

By. J. Sport 5-1-8

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