<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 1301 W. Grand Avenue, Artesia, NM 88210					State of New Mexico Energy Minerals and Natural Resources Form C-101 May 27, 2004									
District III	District III					Oil Conservation Division JUN ()Sport 10 appropriate District Office								
1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505					1220 South St. Francis Dr. OBBS OMMODED REPORT Santa Fe, NM 87505									
APP	LICATIO	N FO	R PERMI	ΤΤΟΓ	ORILL, R	E-ENTI	ER. D	EEPEN	. PLUGBA	CK. OI	RADE	A ZONE		
			¹ Operator Nan	he and Addr	ress		-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE ² OGRID Number 5380							
	200 N. Loraine St. St					land,	d. TX 19701 30-			- 025-29611				
³ Property Code			Nto	[°] Prop	erty Name	ame				Well 30	No.			
	°Proposed Pool 1				North Vacuu			um ABO Unit						
	North	Vacu		b <u>n</u>			¹⁰ Proposed Pool 2							
r	.				⁷ Surfa	ice Loca	tion							
UL or lot no.	UL or lot no. Section Township		34 E	Lot Idn Feet f		et from the	om the North/South line				West line County			
				osed Bot	tom Hole L							RCa		
UL or lot no.		Township	Range	1	1	et from the	North/S	South line	Feet from the East/We					
	3	75	34 E		11:4: 1 1	600		uth	319	Eas	st_⊥	Lea		
¹¹ Work	Type Code		¹² Well Type C		dditional "	Well Info Cable/Rotary	ormati		ease Type Code	¹⁵ Ground Level Elevation				
<u> </u>	Æ		0	¹⁷ Proposed Depth		<u>R</u> Formation			ు	\square	4055'			
	¹⁶ Multiple ¹⁷ Pro							C.C.	[°] Contractor Forbes A			²⁰ Spud Date		
Depth to Grou	undwater	95	1	Distan	Distance from nearest fresh water w									
Pit: Liner	:Synthetic	<u>12</u> mil	ls thick Clay	D Pit Vo	lume: 20 000 bl	ols	Drilling Method:							
Closed-Loop System							Fresh Water 🕱 Brine 🗌 Diesel/Oil-based 🗌 Gas/Air 🗍							
r	r			¹ Propo	sed Casin	g and Ce	ment	Program	<u>l</u>		1			
Hole	Size	Casi	Casing Size		Casing weight/foot		Setting Depth		Sacks of Cement		Estimated TOC			
12.1	17-1/2"				<u>48# H40 STC</u> 53.5# N 80 LTC		412 5000		500 2400		<u>Surt</u> 295'			
	1/8 "	5			#/15.5# K55		8850		1175		4215'			
		2.			· · · · · · · · · · · · · · · · · · ·		8153							
²² Describe t	he proposed per	ogram If	this application	is to DEEP	EN or PLUC		the data a				L	B		
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 provided proceeding additional sheets if necessary. Permit Expires 2 Filling Underway Permit Expires 2 Filling Underway Horizontal Additional sheets if necessary .														
MUD PROGRAM: 8.4 - 8.9 fresh water from Kickoff point 8428-8436' to 10500! CIBP will be set between 8428'-8436' wil whipstock ontop for directional drilling.														
BOP: Case III; 7-1/16" 3000 # w/hydril single piperam, blindram & manifold.														
²³ I hereby certify that the information given above is true and complete to the best of my knowledge and helief. I further cortify that the drilling nit will be														
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					Appro	Approved by:								
Printed name: Sorina L. Flores Spring & Llory							PETROLEUM ENGLATER							
Title: Drilling Tech							Approval Date: JAN 1 1 2008 Expiration Date:							
E-mail Address: Soring_flores @ x to energy. Com						Approv	Approval Date: CALN 1 1 2008 Expiration Date:							
					2 000									
Date: 6/5/08 Phone: 432-620-6749						1 Conditi	Conditions of Approval Attached							

	-							RECEIVED	HIDLAND			
DISTRICT I 1625 N. FRENCH DR., 1		ate of N nerals and N		lexico ources Department	FEB 0 5 2008 Form C-102							
DISTRICT II 1301 W. GRAND AVENU		L CONSERVATION DIVISION					Revised October 12, 2005 Submit to Appropriate District Office					
DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410				1220 SOUTH ST. FRANCIS DR Santa Fe, New Mexico 87505						State Lease - 4 Copies Fee Lease - 3 Copies		
	DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505				AND A	ACREA	GE DEDICATI		AMENDED REPORT			
API Number 30-025-29611			Pool Code				North Vac	lorth Vacuum Abo				
Property Code 301587				NORTH	Propert I VACU		Well Number 301H					
	0GRID No. 5380				Operation Operation Operation		Elevation 4055'					
-					Surface	Location			J			
UL or lot No.	Section 3	Township 17—S	Range 34–E	Lot Idn Feet from 790			North/South line SOUTH	Feet from the 1980	East/West line EAST	County LEA		
			Bottom Ho	le Location			urface					
UL or lot No.	Section 3	Township 17–S	Range 34–E	Lot Idn	Feet fro 16(North/South line SOUTH	Feet from the 319	East/West line EAST	County LEA		
Dedicated Acres	Joint or	Infili (Consolidation Cod	le ' Ord	er 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												
LOT 4	Г 3	LOT 2 LOT 1				OPERATOR CERTIFICATION						
41.56 AC 41.4		5 AC	41. <u>38</u> AC			41.28 AC	I hereby certify that the information berein 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 compulsary pooling order beretofore entered by the division. Signature Date Soring L. Flores Printed Name					
GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=677024.8 N X=741812.7 E LAT.=32.858746* N LONG.=103.545862* W			a	S.L.	Y=6 X=7	77858. 743462. 		SURVEYOR CERTIFICATION Thereby 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. G. E/D MANUARY - 23,02008 Date Surveyed Date Surveyed METOD DSS Signature & Seal of Professional Surveyor Date A Eucons (191/08) POTOD 10896 Certificate No. GARY G. EIDSON 12641 RONALD J. EIDSON 3239				

NVAC #301H Horizontal Sidetrack Procedure North Vacuum Abo Field Lea County, New Mexico AFE #717265 XTO WELL ID #61571

TD: PBTD: 8-5/8" Casing: 5-1/2" Liner:	8850' 8804' 5000' 8850 – 4215' TOL, 5-1/2" 15.5# & 17# K-55 see wellbore diagram for all details
Surface Location: Target BHL: Drilled Date:	790' FSL & 1980' FEL, Sec 3, T17S, R34E 1600' FSL & 319' FEL, Sec 3, T17S, R34E
Abo Perfs:	8654-8737' OA
Ground Elev:	40'
Original KB Elev:	401
Key Energy #36:	40' (12'AGL)

1. MIRU Key Rig #36. Install BOP. Test to 250# & 1000#. Notify NMOGB - permit attached.

2. Unload and tally ±6800' 2-7/8" 10.40# AOH & 4000' 3-1/2" 13.30# IF workstring.

- 3. R/U WSI WL. Run gauge ring and junk basket for 5-1/2" 17# (drift ID 4.767") to 8560'. Log up and tie into csg collars @ 8541', 8497', 8453', 8410', 8366' (see attached log). P/U Weatherford Oil Tools wireline set 5-1/2" 17# RBP. Set RBP so that the top will be at 8440' RD WL.
- 4. PU 4-3/4" dummy milling assbly or 4-3/4" flat bottom mill with the 2-7/8" AOH & 3-1/2" IF drill pipe and TIH. Tag up on the RBP @ 8440', set down 20,000# of weight on the RBP. Circulate the hole with fresh water. TOOH with assbly.
- 5. PU Oil Tools Whipstock System (3° face) with metal muncher mills. **Note: Make sure all mills will gauge to 4.75". Minimum DD is 4.767".** Total length of the whipstock assembly in the set position is approximately 12'. Orient the UBHO sub and whipstock face on the surface. Insert the gyro stinger (Scientific Drilling) to ensure compatibility and to check orientation.
- 6. TIH with the whipstock assembly slowly, being careful when picking the string up off of the slips and when setting the slips. Fill DP every 2000'. Tag the RBP at 8440' with 2000# of weight. PU to first tool joint and RU Scientific Drilling gyro truck. Orient the whipstock to the desired azimuth and work the torque out of the drill string.
- 7. When desired orientation is achieved, tag the RBP with 2000# of weight, take a final check shot with gyro, then apply weight and set the anchor with 20,000# compression to shear the running bolt RD WL truck.
- 8. Obtain values for free torque, PU & SO weights. Install ditch magnets at the surface. Lower milling assembly and make the starting cut through the casing wall at approximately 8428'.

NVAC #301H Horizontal Sidetrack Procedure Page 2

- 9 Mill the remainder of the window, 8428-36', making the necessary rat hole (8440') to ensure that the string mill has fully opened the window, and that the window exit is smooth. Work the mills through the window. When the window is "clean", circulate the hole clean, TOOH and LD the window mills.
- 10. PU 4-3/4" bit ("47-type" the Abo has 'chert' in it), PU 3-1/2" dir assbly w Non-Mag DC & GammaRay, run surface tests, and TIH. *Mud loggers should be rigged up after cutting the window and prior to commencing the curve.* Use Gyro for first few surveys. Follow well plan from Baker. Open hole lateral length is +/- 1800'. Be prepared to drill with an XCD/Xanthum fluid system to keep 'YP' higher for hole cleaning in the 8-5/8" area. For trips out of the hole, circ hole clean with sweep(s). TOH slowly in the curve and lateral, if necessary consider pumping out.
- 11. At TD, circulate the hole clean with polymer sweeps.
- 12. TOOH and LD directional tools.
- 13. TIH with 4-3/4" (4-1/2") swaging tool, single reamer about 7-8 jts behind swaging tool, wash and ream to TD. POH and place 2nd reamer 1 jt behind 1st, wash and ream to TD, pull back up through the window, RIH for push pull test to btm, circ hole clean.
- 14. TOOH & LDDP. RD Re-entry Rig. Prepare to move to the next location.

Chip 4/29/08



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10. 2° fianged steel tee.

N. Vacuum ABO Unit #301 N. Vacuum ABO Field Lea County, N.M.



6-19-07