District I

1625 N French Dr, Hobbs, NM 88240 District II

State of New Mexico RECEIVED Minerals and Natural Resources

Form C-101 June 16, 200

1301 W. Grand Avenue, Artesia, NM 88210

District III

Date 02042009

1000 Rio Brazos Road, Aztec, NM 87410

FEB 0 5 2009 Oil Conservation Division 1220 South St. Francis Dr.

Submit to appropriate District Office

☐ AMENDED REPOR1

District IV 1220 S St Francis Dr., Santa Fe, NM 87505 HOBBSOCD Santa Fe, NM 87505

Phone: 8178779955

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE													
¹ Operator Name and Address ENCORE OPERATING, L.P.								² OGRID Number 189951					
777 MAIN STREET, STE 1400 FORT WORTH, TX. 76102							³ API Number 30 - 02538961						
³ Prope	erty Code 37138		⁵ Property Name ENCORE M STATE					⁶ Well No 001					
⁹ Proposed Pool 1 DRINKARD OIL & GAS							¹⁰ Proposed Pool 2 BLINEBRY						
⁷ Surface	n	•											
UL or lot no. A	Section 30	22S 37E			Lot Idn Feet fro		I	/South line ORTH	Feet from the 1294	East/West line EAST		County LEA	
	r	tion If Differen		-									
UL or lot no A	UL or lot no Section Town A 30 22		Range Lot 37E		Idn Feet from 628			South line ORTH	Feet from the 1030	East/West line EAST		County LEA	
Additional Well Information													
	Type Code P		¹² Well Type Co G		13 Cable/Rotary R		•	14	Lease Type Code S		15 Ground Level Elevation 3406		
¹⁶ M	lultiple		¹⁷ Proposed Depth 12,000		¹⁸ Formation DRINKARD				¹⁹ Contractor		²⁰ Spud Date 09242008		
²¹ Propos	ed Casi	ng and (Cement Prog	ram									
Hole Size			Casing Size		g weight/fo	oot	Setting Depth		Sacks of Cement		Estimated TOC		
17 1/2		13 3/8		54.5			410		880		SURFACE		
12 1/4		9 5/8		40			4040		1095		SURFACE		
8 3/4		<u> </u>	5 ½		17		12000		2540		SURFACE		
			rogram If this app be the blowout pre							oductive zo	ne and pr	oposed new	
			and perf'd wildcat		-	·				:D'∈ ⊘ 11 Q	00 11 44	(710.060.0.650	
			k to Drinkard Oil			ii, Comicii	i, russeiman	anu Shuriai	i ali diy. Set Cib	r, s @ 11,8	00,11,40	7,10,900, 9,030,	
									•				
A montage State													
Permit Expires 2 Years From Approval													
Permit Expires 2 Prilling Underway Date Unless Brilling Underway													
	-		Plugh	pac	×.								
²³ I hereby ce	rtify that th	e ınformati	on given above is	true and co	omplete to	the							
best of my knowledge and belief.							OIL CONSERVATION DIVISION						
Signature Vsulte (vi)							Approved by:						
Printed name: ANN BURDETTE WILEY							Title: PETROLEUM ENGINEER						
Title REGUL					Approval Date								
E-mail Address awiley@encoreacq com							MAR 2 4 2009						

Conditions of Approval Attached