

RECEIVED

ATS-09-525

Form 3160-3
(August 2007)

SEP 29 2009

OCD-HOBBS

HOBBSOCD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No NM 92189 120908
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator OGX Resources, LLC		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 1064, Midland, TX 79702		8. Lease Name and Well No. <3784> Turquoise "30" Federal SWD #1
3b. Phone No. (include area code) 432 685-1287; 684-6381		9. API Well No. 30 025 33455
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1930' FNL & 1980' FWL (F) At proposed prod. zone same		10. Field and Pool, or Exploratory Undesignated Wildcat Delaware
14. Distance in miles and direction from nearest town or post office* 24 miles East of Loving, New Mexico		11. Sec., T. R. M. or Blk. and Survey or Area Sec 30, T24S, R32E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1930'	16. No. of acres in lease 40-Injection well	17. Spacing Unit dedicated to this well 40-Injection well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. n/a	19. Proposed Depth 7042' PBTD	20. BLM/BIA Bond No. on file NMB 000244
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3534' GL	22. Approximate date work will start* 09/20/2009	23. Estimated duration 8-10 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed/Typed) Ann E. Ritchie	Date 08/12/2009
-------------------	--	--------------------

Title Regulatory Agent	Name (Printed/Typed) Is/ Don Peterson	Date SEP 25 2009
---------------------------	--	---------------------

Approved by (Signature) Is/ Don Peterson	Name (Printed/Typed) FIELD MANAGER	Office CARLSBAD FIELD OFFICE
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Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE
------------------------	---------------------------------

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1712 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement.

SUBJECT TO LIKE
APPROVAL BY STATE

CONDITIONS OF APPROVAL FOR RE-ENTRY --
APPROVAL FOR RE-ENTRY ONLY -- **CANNOT**
Dispose into wellbore until OCD Santa Fe has approved
SWD order

*(Instructions on page 2)

Carlsbad Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Condition of Approval: Notify OCD Hobbs
office 24 hours prior to running MIT Test & Chart.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Condition of Approval: Notify OCD Hobbs office
24 hours prior to the beginning of Re-entry.

SEP 29 2009

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

HOBBSOC

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

1501 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV

1820 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ **AMENDED REPORT**

API Number 30025 33455	Pool Code 96LDD	Pool Name Wildcat; Delaware
Property Code	Property Name TURQUOISE "30" FEDERAL	Well Number 1
OGRID No. 217955	Operator Name OGX RESOURCES, LLC	Elevation 3535'

Surface Location


UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	30	24-S	32-E		1930	NORTH	1980	EAST LEA	LEA

Bottom Hole Location If Different From Surface

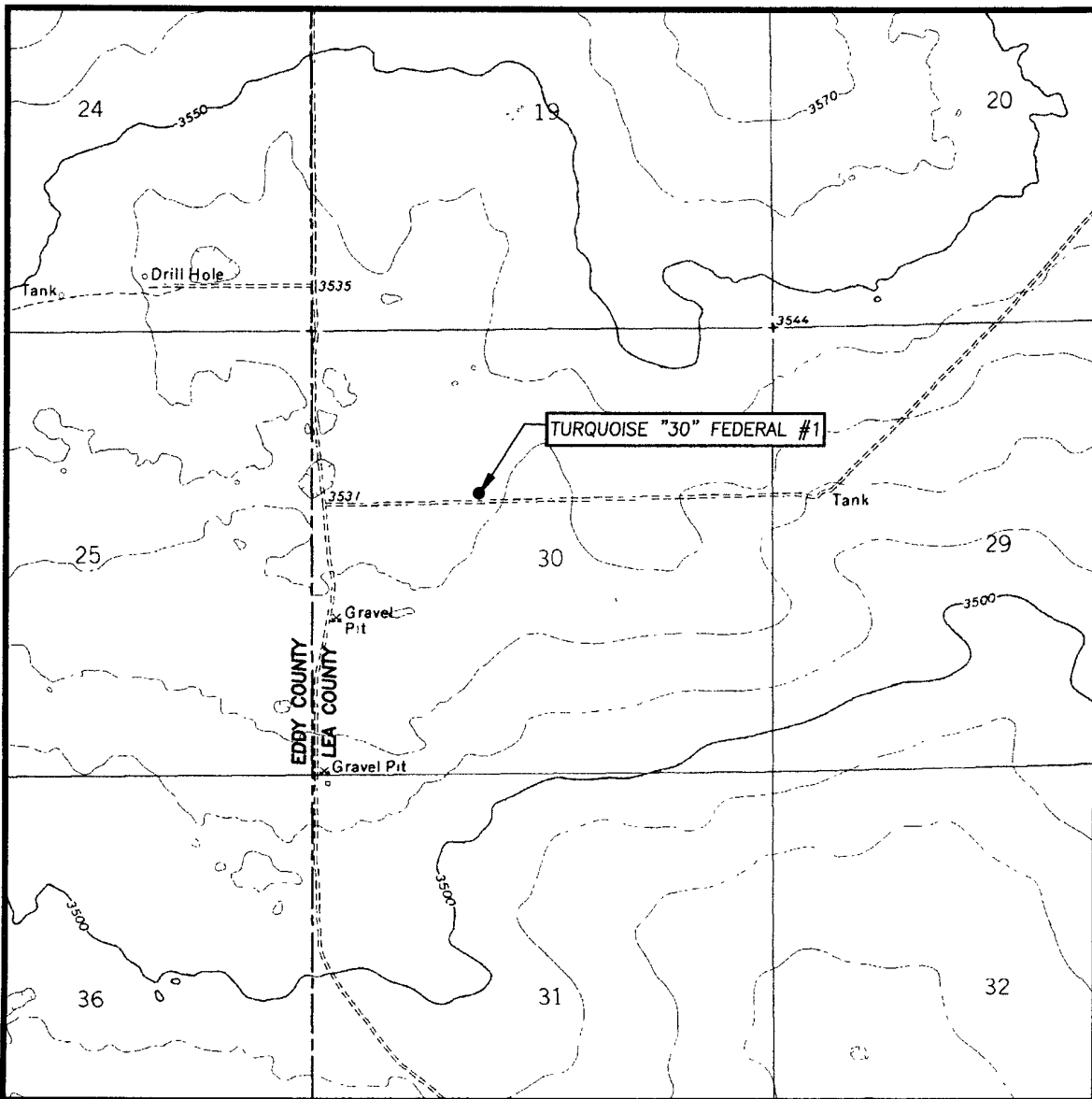
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40-SWD			

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 1	46.10 AC LOT 2	46.18 AC LOT 3	46.26 AC LOT 4	46.34 AC	
					<p style="text-align: center;">1930'</p> <p style="text-align: center;">3537.9' 3535.2'</p> <p style="text-align: center;">600' 600'</p> <p style="text-align: center;">3538.1' 3532.0'</p> <p style="text-align: center;">1980'</p>
					<p style="text-align: center;">GEODETIC COORDINATES NAD 27 NME</p> <p style="text-align: center;">Y=433458.5 N X=690947.0 E</p> <p style="text-align: center;">LAT.=32.190188° N LONG.=103.716092° W</p>
					<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</i></p> <p style="text-align: right;">  8-12-09 </p> <p> Signature Date </p> <p style="text-align: center;"> Ann E. Ritchie Printed Name Regulatory Agent </p>
					<p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><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></p> <p style="text-align: center; margin-top: 20px;">JULY 23, 2009</p> <p> Date Surveyed LA </p> <p> Signature & Seal of Professional Surveyor </p>
					09.11.0652
					<p>Certificate No. GARY EIDSON 12641 RON EIDSON 3239</p>

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
PADUCA BREAKS NW, N.M. - 10'

SEC. 30 TWP. 24-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1930' FNL & 1980' FWL

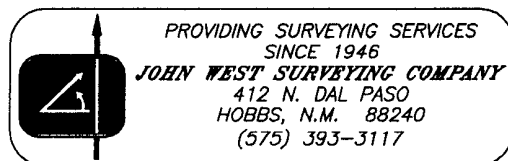
ELEVATION 3535'

OPERATOR OGX RESOURCES

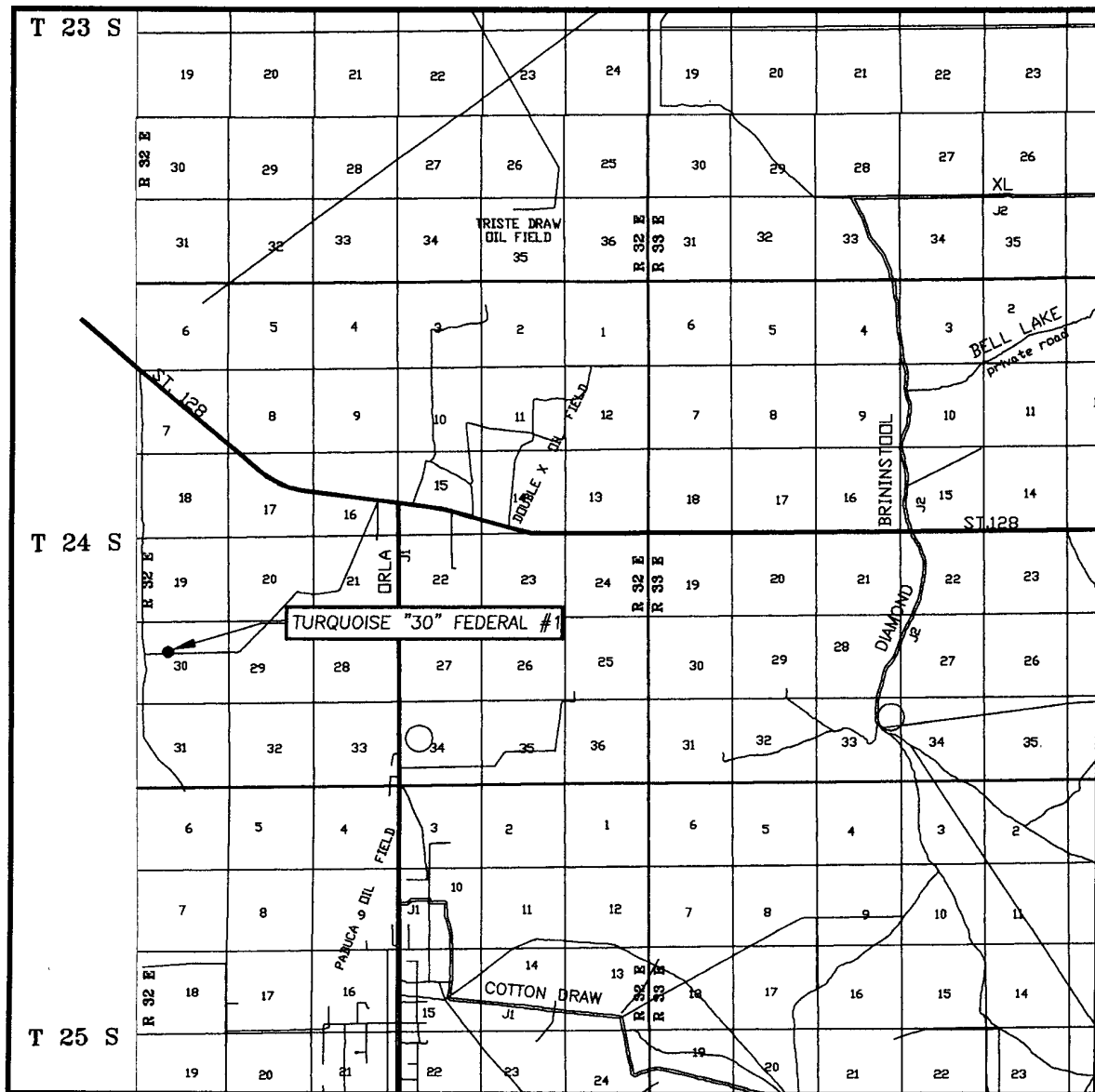
LEASE TURQUOISE "30" FEDERAL

U.S.G.S. TOPOGRAPHIC MAP

PADUCA BREAKS NW, N.M.

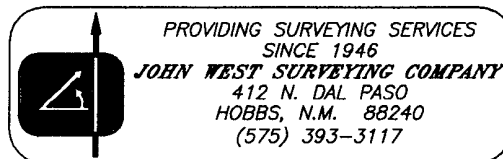


VICINITY MAP

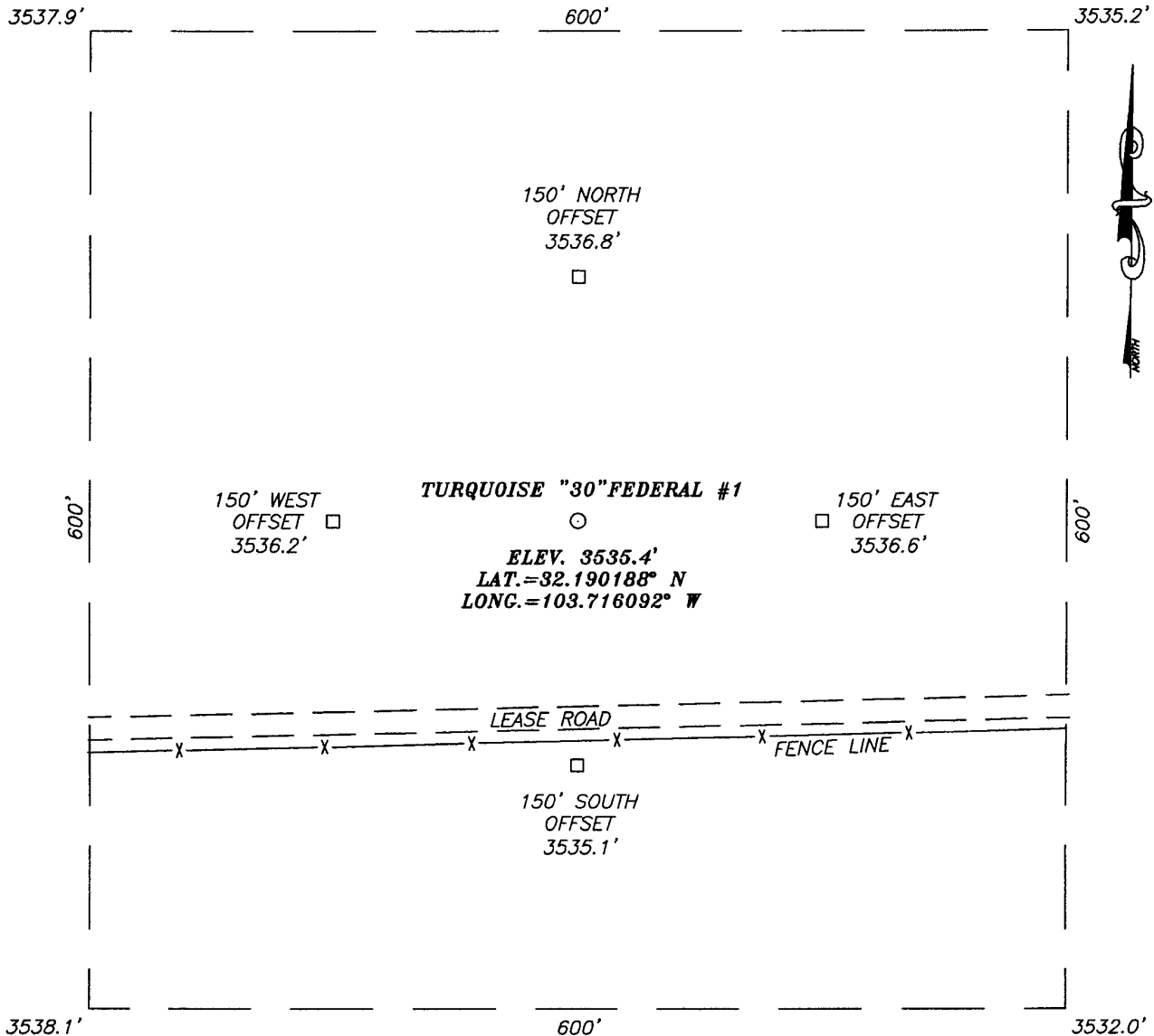


SCALE: 1" = 2 MILES

SEC. 30 TWP. 24-S RGE. 32-E
 SURVEY N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 1930' FNL & 1980' FWL
 ELEVATION 3535'
 OPERATOR OGX RESOURCES
 LEASE TURQUOISE "30" FEDERAL

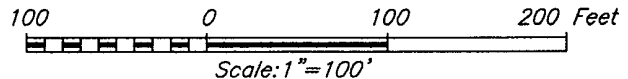


SECTION 30, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

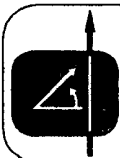
FROM THE INTERSECTION OF ST. HWY. #128 AND
 CO. RD. #786 (BUCK JACKSON RD) GO
 SOUTHWEST ON CO. RD. #786 APPROX. 0.4 MILES.
 TURN LEFT AND GO SOUTH APPROX. 2.9 MILES.
 TURN LEFT AND GO EAST APPROX. 0.4 MILES.
 THIS LOCATION IS APPROX. 125 FEET NORTH.



OGX RESOURCES

TURQUOISE "30" FEDERAL #1 WELL
 LOCATED 1930 FEET FROM THE NORTH LINE
 AND 1980 FEET FROM THE WEST LINE OF SECTION 30,
 TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 7/23/09	Sheet 1 of 1 Sheets
W.O. Number: 09.11.0652	Dr By: LA
Date: 7/27/09	09110652
	Scale: 1"=100'



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (575) 393-3117

OGX Resources, LLC
Re-Entry Program
Turquoise "30" Fed SWD Well #1
Location : 1930' FL & 1980' FWL, Section 30-T24S-R32E, Lea County, NM
Re-Entry to Utilize for Lease Injection

1. **Geologic Name of Surface Formation:** Quaternary Alluvium Deposits
2. **Estimated Tops of Geological Markers & Depths of Anticipated Fresh Water, Oil, & Gas:**

<u>Geological Marker</u>	<u>Depth</u>	<u>Type</u>
a. Rustler	0-550'	non-prod
b. Salado	550'	non-prod
c. Base Salt	4300'	non-prod
d. Delaware Lime	4300'	Oil
e. Cherry Canyon	7100'	Oil
f. Total Depth	8754'	

None of the above formations are expected to yield oil, gas, or fresh water in measureable volumes. This well was drilled by Santa Fe Energy Resources, Inc. in June, 1996, Bell & Cherry Canyon Delaware were non-productive. Closest producing well is the Resaca Operating Co., Sec 25, T24S, R31E, Eddy County, NM producing from the Bone Spring-Cotton Draw, SE pool. The surface fresh water sands are protected with 622", 13 3/8" surface casing with cement circulated back to surface. Other sands are protected by 8 5/8" casing at 4470' w/cement circulated to surface. Production casing - 5 1/2", 15.5 & 17# new J55 casing was run to 8754' and cemented with 800 sx Lite and "H" cement, TOC @ 4050'. 5 1/2" casing cut off @ 3317', will tie back @ 3317' cut off.

Sae attached email

3. **Casing Program:**

<u>Hole Size</u>	<u>Hole Interval</u>	<u>OD Casing</u>	<u>Casing Interval</u>	<u>Weight</u>	<u>Grade</u>	<u>Collar</u>
17 1/2"	0-622'	13 3/8"	0' - 622'	48#/ft	J-55	ST&C
11"	622-4470'	8 5/8"	0' - 4470'	32#/ft	J-55	LT&C
7 7/8"	4470'-8754'	5 1/2"	3317-8754'	15.5&17#/ft	J-55	LT&C

Design Parameter Factors:

	Burst Design	Collapse Design	Tension Design
<u>Casing Size</u>	<u>Factor</u>	<u>Factor</u>	<u>Factor</u>
13 3/8"	3.70	1.97	9.01J
8 5/8"	1.66	1.15	3.40J
5 1/2"	1.50	1.30	1.89J



"Jeff Birkelbach"
<jeff@ogxresources.com>
09/22/2009 09:57 AM

To <christopher_walls@nm.blm.gov>
cc
bcc
Subject Turquoise 30 Fed #1 SWD - Csg & Cmt

Mr. Walls:

As per our telecom today OGX will tie the production string back with 5 ½" 15.5# J55 casing and cement same with 650 sx Class "C" cement with a 1.28 yield. This is enough cement to circulate from 4050' to surface plus 15%.

Thank You

Jeff Birkelbach
Engineering Manager
OGX Resources LLC
432-685-1287
432-553-0391

4. Cement Program:

As per attached Bureau of Land Management, Form 3160-4 Well Completion.

5. Pressure Control Equipment:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a (5M system) double ram type (5000 psi WP) preventer. The BOP will be installed on existing 13 3/8" surface casing and will be utilized continuously until plug back total depth of 7042' is reached. All BOP's and associated equipment will be tested to ~~1200 psi with the unit pump~~ before drilling out ^{See} the plugs. The BOP will be tested as per BLM Drilling Operations Order #2. Last plug to be ^{COA} drilled through was set at 4410-4570'.

Pipe rams will be operated and checked each 24 hr period and these will be documented on the daily drillers log.

6. Proposed Mud Circulating System:

<u>Depth</u>	<u>Mud Wt.</u>	<u>Visc</u>	<u>Fluid Loss</u>	<u>Type System</u>
0' - 4570'	8.4 - 10.0	28-32	N/C	Fresh Water/Cut Brine

As per initial drilling data no loss zones or pressure zones are anticipated. Logs have been run and submitted to the BLM.

7. Auxiliary Well Control and Monitoring Equipment: none needed

8. Logging, Coring, & Testing Program: none needed

9. Potential Hazards:

- No abnormal pressures or temperatures are expected.
- There is no known presence of H₂S in this area. If H₂S is encountered, the operator will comply with the provisions of Onshore Oil and Gas Order No. 6.
- No lost circulation is expected to occur.
- All personnel will be familiar with all aspects of safe operation of equipment being used to re-enter this well.
- Estimated BHP is approximately 2200 psi @ the base of the Cherry Canyon interval @ 7200'
- Estimated BHT is approximately 150 deg F @ PBTD of the well 7042'

10. Anticipated Starting Date and Duration of Operations:

Road and location exist. The Arch Survey is on file with the BLM. Anticipated re-entry date will be as soon after BLM approval and New Mexico Oil Conservation Division approval of injection application. Move in operations, re-entry will take approximately 8-10 days and completion is expected to take an addition 7 days. Surface facilities and flow lines will be constructed in order to place well on injection.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

OMB NO. 1004-0137
Expires: February 28, 19955. LEASE DESIGNATION AND SERIAL NO.
NM-92189

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Turquoise "30"
Federal #1

9. API WELL NO.

30-025-33455

10. FIELD AND POOL, OR WILDCAT

Wildcat Delaware

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
Sec. 30, T-24S, R-32E12. COUNTY OR
PARISH

Lea

13. STATE

NM

1a. TYPE OF WELL:

OIL
WELL ☒GAS
WELL ☐DRY ☐

b. TYPE OF COMPLETION:

NEW
WELL ☒WORK
OVER ☐DEEP-
EN ☐PLUG
BACK ☐DIFF.
RESVR. ☐

N.M. Oil Cons. Division

P.O. Box 1980

Hobbs, NM 88241

2. NAME OF OPERATOR

Santa Fe Energy Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

550 W. Texas, Suite 1330, Midland, TX 79701

915/687-3551

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

(F), 1930' FNL & 1980' FWL, Sec. 30, T-24S, R-32E

At top prod. interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

15. DATE SPUNDED

6/21/96

16. DATE T.D. REACHED

7/9/96

17. DATE COMPL. (Ready to prod.)

9/22/96

18. ELEVATIONS (DP, RKB, RT, GR, ETC.)*

3534' GL

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

8754'

21. PLUG, BACK T.D., MD & TVD

8165'

22. IF MULTIPLE COMPL.,
HOW MANY*

N/A

23. INTERVALS
DRILLED BY

ROTARY TOOLS

AIT

CABLE TOOLS

N/A

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)*

7254' - 7278' (Delaware)

25. WAS DIRECTIONAL
SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Platform Express LDT/CNL; AIT/GR

27. WAS WELL CORED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13-3/8" H-40	48.0#	622'	17-1/2"	600 sx CT C + add. (circ)	None
8-5/8" J-55	32.0#	4470'	11"	1200 sx POZ & "C" (circ)	None
5-1/2" J55, J55	15.5 & 17.0	8754'	7-7/8"	800 sx Lite & "H"	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A					2-7/8"	7135'	N/A

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)

8244' - 8264' (plugged w/ CIBP @ 8200')
7254' - 7278'

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
8244' - 8264'	CIBP @ 8200' w/35' cmt on top
7254' - 7278'	2000 gals 7.5% NeFe w/40 BS.
	Frac'd w/ 13,000 gals gel
	and 46,000# sand.

33.* PRODUCTION

DATE FIRST PRODUCTION 9/20/96		PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) Pumping w/ 1-1/2" x 22' pump				WELL STATUS (Producing or shut-in) Producing	
DATE OF TEST 9/28/96	HOURS TESTED 24 hr.	CHOKE SIZE N/A	PROD'N. FOR TEST PERIOD →	OIL - BBL. 66	GAS - MCF. 44	WATER - BBL. 185	GAS - OIL RATIO 667
FLOW, TUBING PRESS N/A	CASING PRESSURE 100#	CALCULATED 24-HOUR RATE →	OIL - BBL. 66	GAS - MCF. 44	WATER - BBL. 185	OIL GRAVITY - API (CORR.) 37.9 deg	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Vented during test

35. LIST OF ATTACHMENTS

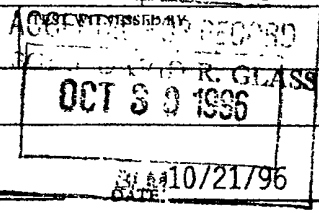
C-104, Deviation Survey, Logs

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

TITLE

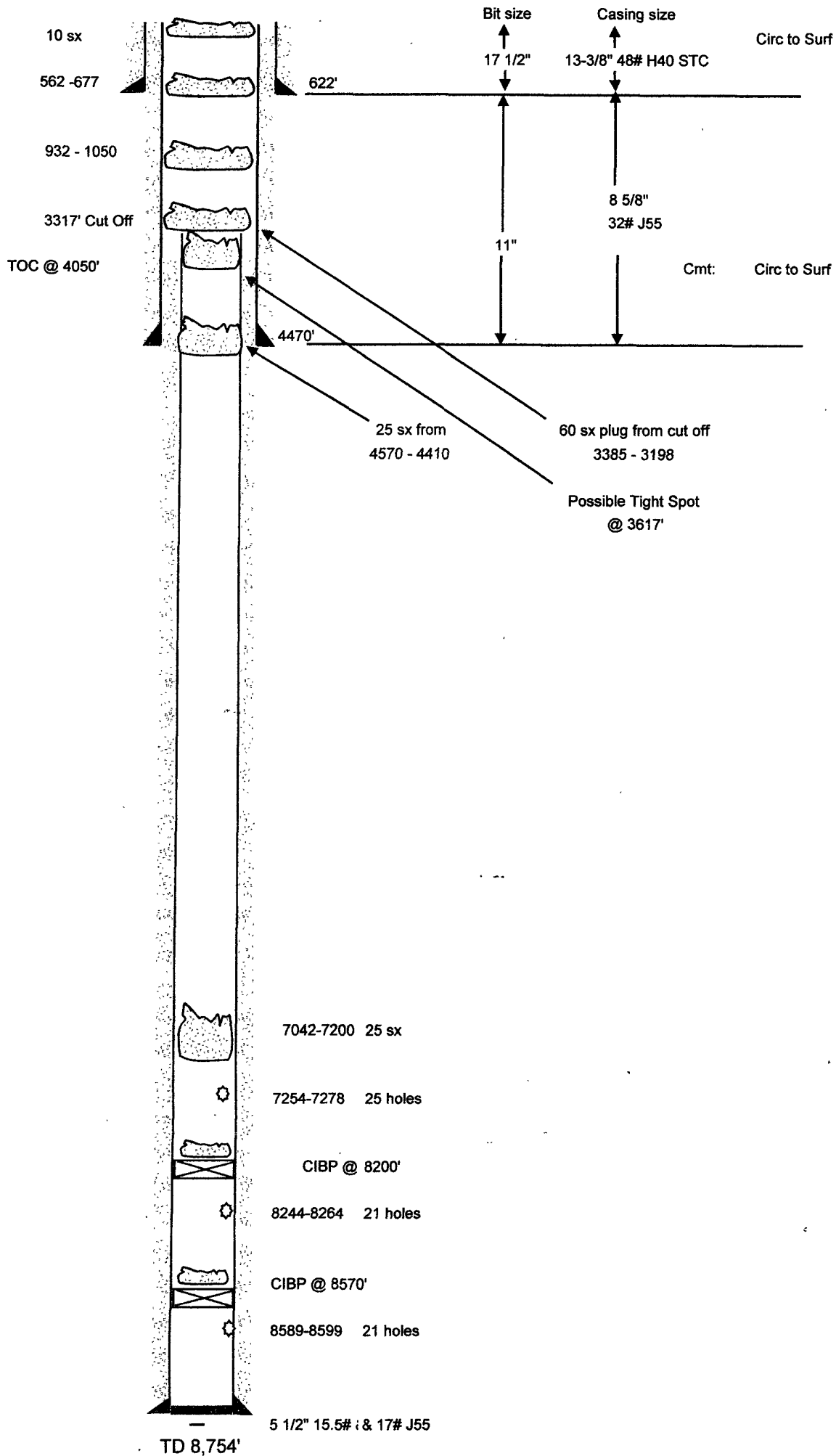
Sr. Production Clerk



*(See instructions and spaces for Additional Data on Reverse Side)

Spud

API: 30-025-33455



7/22/2009

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
1625 N. French L
Hobbs, NM 88240

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Devon SFS Operating, Inc.

3a. Address
20 N. Broadway, Suite 1500, Okla City, OK 73102

3b. Phone No. (include area code)
(405)552-4528

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1,930' FNL & 1,980' FWL of Section 30-T24S-R32E Unit F

5. Lease Serial No.
NM-92189

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA/Agreement, Name and/or No.
NA

8. Well Name and No.
Turquoise "30" Federal #1

9. API Well No.
30-025-33455

10. Field and Pool, or Exploratory Area
East Cotton Draw Field

11. County or Parish, State
Lea County,
New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/ Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleting horizontally, give subsurface locations measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Approved is to be filed with BLM/BIA.
Liability under bond is retained until
surface restoration is completed.

Permanently Plugged And Abandoned As Follows:

6/18/02 - Attempt to set CIBP at 7,200', could not get below 3,617'.

Spot balanced cement plug 7,042'-7,200' with 25 sxs.

6/19/02 - Spot balanced cement plug 4,410'-4,570' (base of salt at 4,300') with 25 sxs. WOC. Tag plug.

Cut off 5 1/2" casing at 3,317'.

Spot balanced cement plug 3,188'-3,385' with 80 sxs. WOC. Tag plug.

6/21/02 - Spot balanced cement plug 832'-1,050' (top of salt at 1,000') with 30 sxs. WOC. Tag plug.

Spot balanced cement plug 562'-677' (surface casing shoe at 622') with 30 sxs. WOC. Tag plug.

Spot cement plug 0'-60' with 10 sxs.

6/22/02 - Cut off 8 5/8" and 13 3/8" casing 3' below ground level and install dry hole marker. Clean up location.

Note: 1. Cement was Class "C" at 14.8ppg with a yield of 1.32 cu ft/sx.
2. 9.5ppg mud was spotted between cement plugs.

APPROVED

2 2002

GARY GOURLEY
SENIOR ENGINEER

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Charles H. Carleton

Title
Senior Engineering Technician

Date
06/27/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

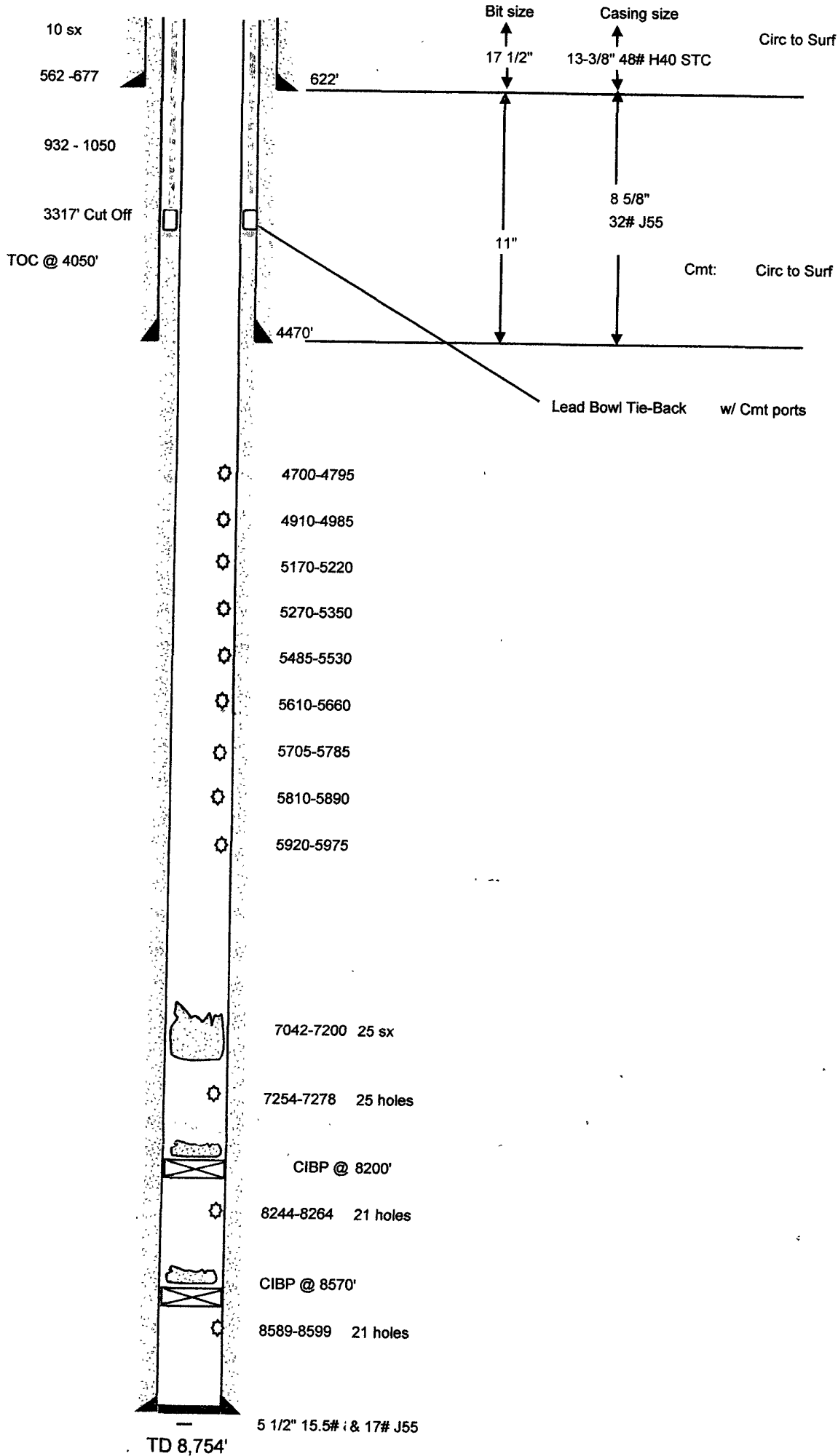
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

GW

Spud

API: 30-025-33455



7/22/2009

OGX Resources, LLC

Surface Use Plan of Re-Entry Operations

**Turquoise "30" Federal SWD, Well #1
Re-entry 30 025 33455
1930' FNL & 1980' FWL
Section 30-T24S-R32E
Lea County, New Mexico**

This plan is submitted with Form 3160-3, Application for Permit to Drill or Re-enter, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. Existing Roads:

Maps are attached as per re-survey by Gary Eidson on July 23, 2009. Initial surveys submitted by Santa Fe Energy Resources, Inc., 4-8-96. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.

- A. NMOCD Form C-102 shows well site as drilled.
- B. Well is located approx. 24 miles East of Loving, New Mexico, from the intersection of State highway #128 and County Road #786 (Buck Jackson Rd) go SW on CR #786 approx. 0.4 miles, turn left and go south approx. 2.9 miles, turn left and go east approx. 0.4 miles. This location is approx 125' north.

2. Planned Access Road: Existing road.

3. Location of Existing Wells

Map attached shows all existing wells within a one-mile radius of this well.

3. Location of Existing and/or Proposed Facilities:

- A. Upon injection permitting facilities will be constructed in compliance with OCD and BLM ruling(s) covering injection facility. Plat will be submitted of facility.
- B. As a proposed gas well, we do not anticipate the need for electrical service.

4. Location and Type of Water Supply:

For re-entry fresh water will be purchased from local commercial water supply.

5. Source of Construction Material:

Any construction material needed will be obtained from the excavation onsite – minimal.

6. Methods of Handling Waste Disposal:

- A. As necessary fluids will be hauled to a state approved disposal facility such as CRI.
- B. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and disposed of in and approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by supplier including broken sacks.
- D. No Porta-John will be needed for the re-entry of the well.
- E. Fluids will be contained in steel pits in a closed circulating system.

7. Ancillary Facilities:

No camps or airstrips to be constructed.

8. Plans for Restoration:

- A. Rehabilitation of the location will start in a timely manner after all re-entry operations cease.
- B. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

9. Other Information:

- C. There are no dwellings within 1.5 miles of this location.

10. Operator's Representative:

D. Through A.P.D. Approval:

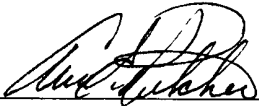
Gary Lang, Land Supervisor
OGX Resources, LLC
Box 2064, Midland, TX 79702
(432) 685-1287

B. Through Re-entry Operations

Jeff Birkelbach, Engineer
OGX Resources, LLC
Box 2064, Midland, TX 79702
(432) 685-1287/cell: 432-553-0391

11. Certification:

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route herein, that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

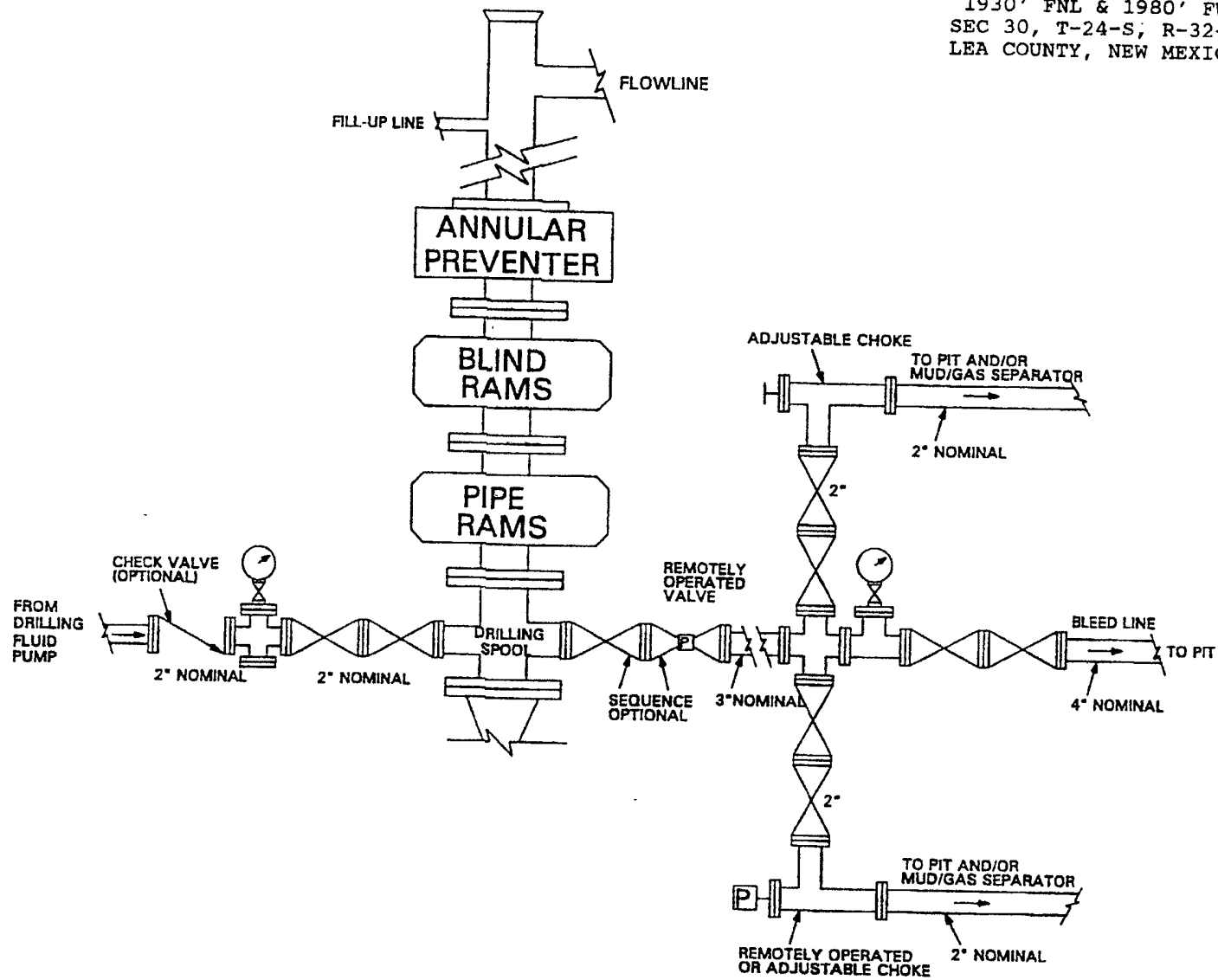


Ann E. Ritchie, Regulatory Agent
OGX Resources, LLC
P.O. Box 2064
Midland, TX 79702
(432) 684-6381; ann.wtor@gmail.com

Executed on this ___12___ day of ___August___, 2009__.

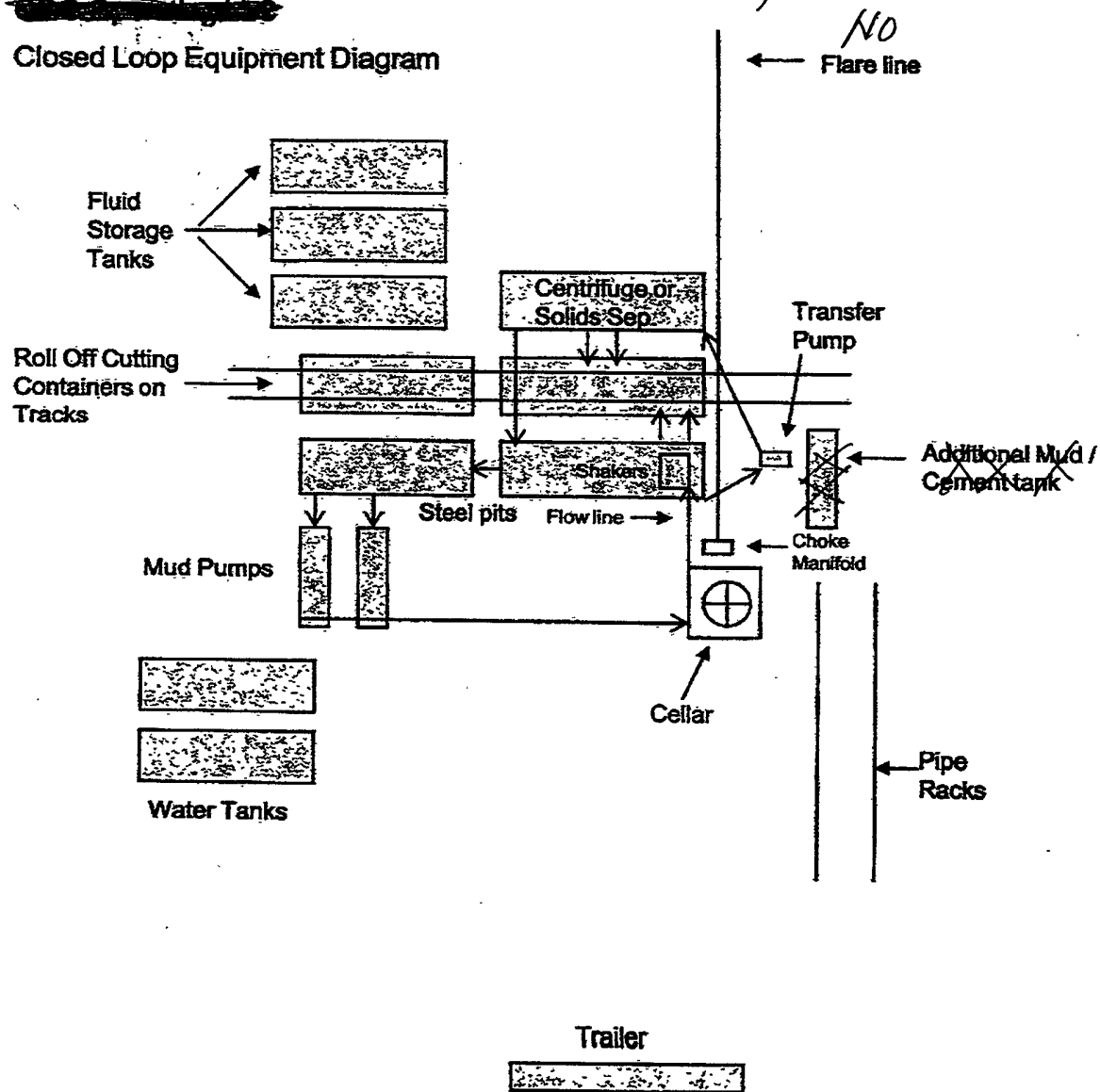
SANTA FE ENERGY RESOURCES, INC.
TURQUOISE "30" FED #1
1930' FNL & 1980' FWL
SEC 30, T-24-S; R-32-E
LEA COUNTY, NEW MEXICO

Re-entry
Reverse Unit



Reverse Unit Only

Closed Loop Equipment Diagram



N ➤

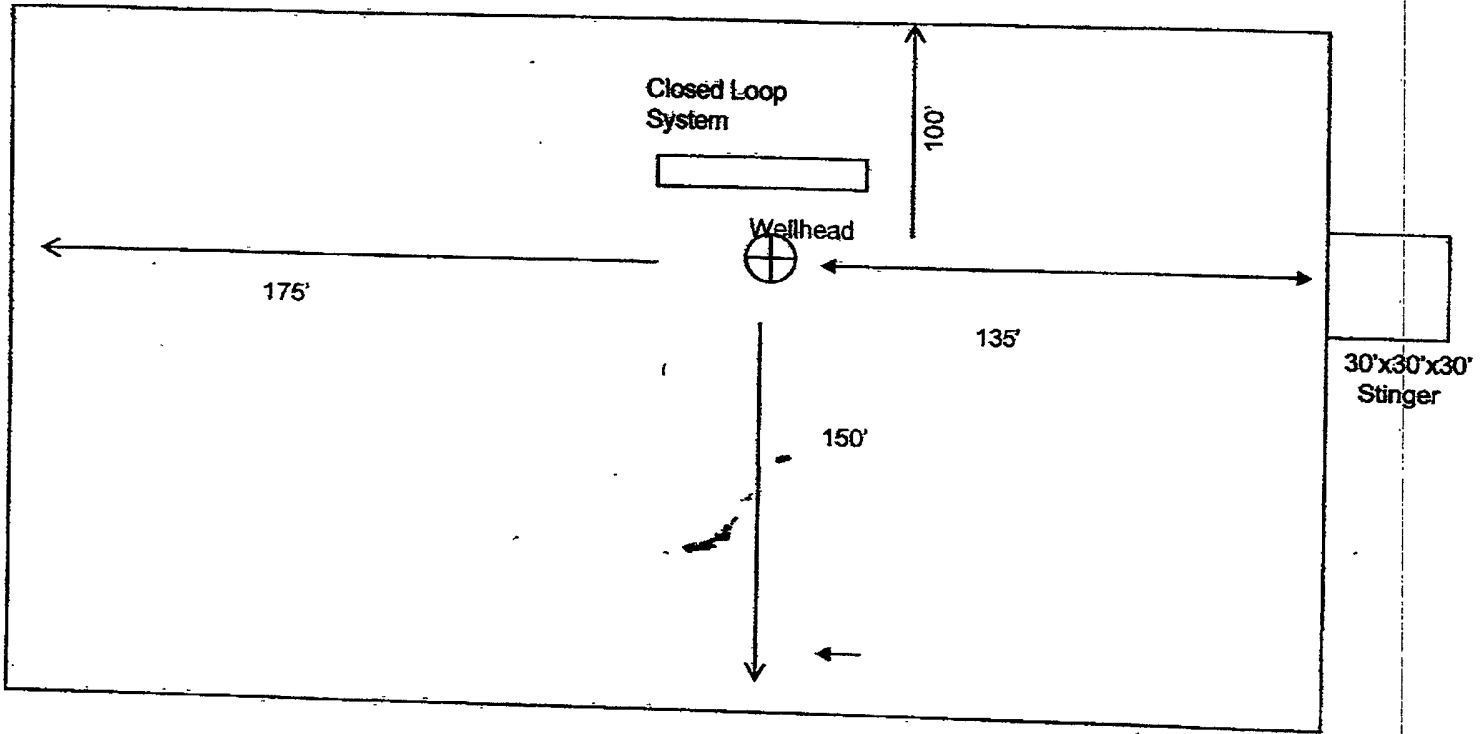
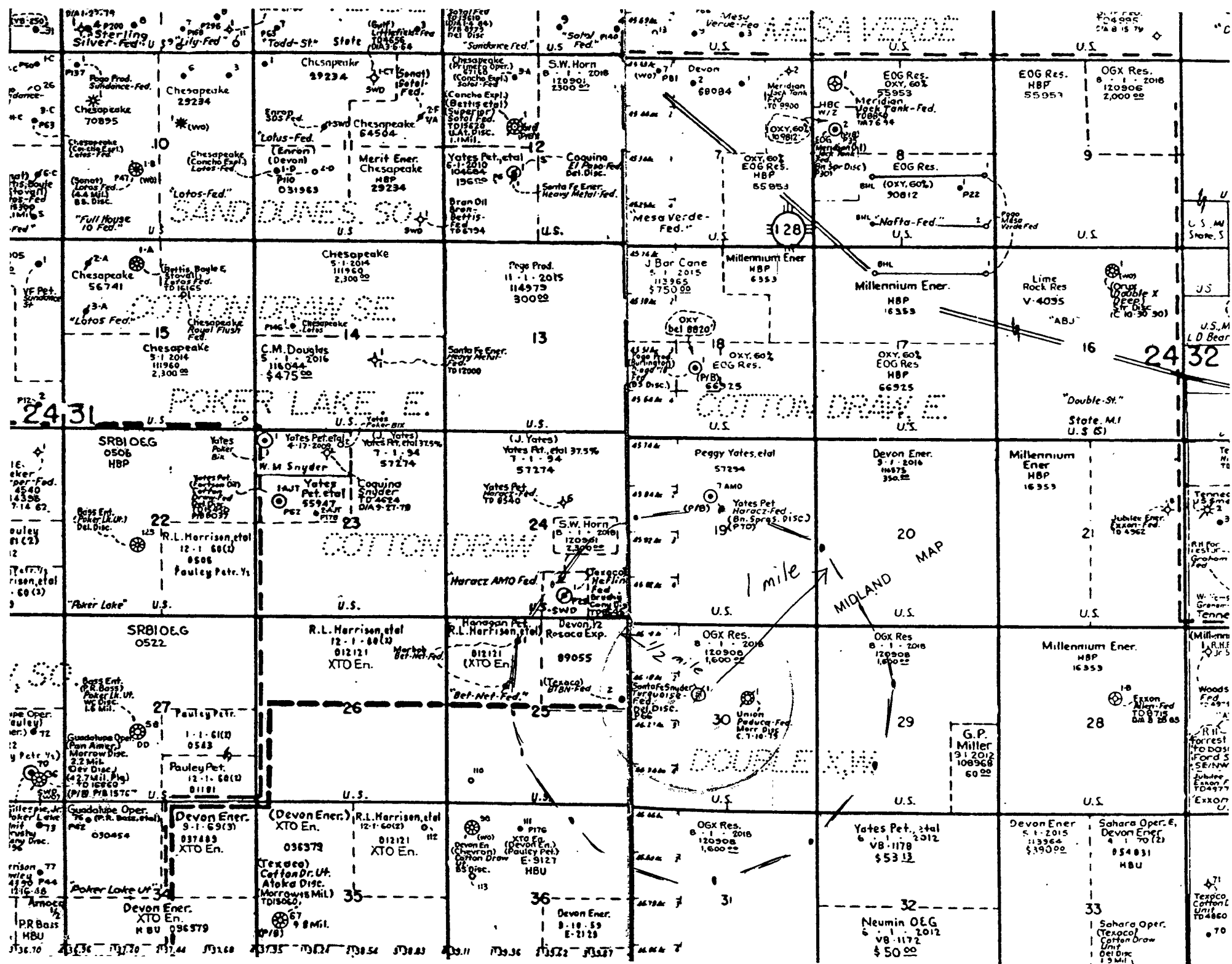


Exhibit 6

Not To Scale

Rig Layout- Closed Loop System



PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	OGY RESOURCES, LLC
LEASE NO.:	NM120908
WELL NAME & NO.:	1-TURQUOISE 30 FEDERAL SWD
SURFACE HOLE FOOTAGE:	1930 FNL & 1980 FWL
BOTTOM HOLE FOOTAGE	' F L & ' F L
LOCATION:	Section 30, T. 24S., R 32E., NMPM Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
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 - Well Marker
 - Remediation of Reserve Pits
- ☐ **Construction**
 - Notification
 - Topsoil
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 - Roads
- ☐ **Road Section Diagram**
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 - Well Structures & Facilities
 - Pipelines
 - Electric Lines
- ☒ **Closed Loop System/Interim Reclamation**
- ☐ **Final Abandonment/Reclamation**

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

1. Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.
2. Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.
3. After the completion of drilling and prior to starting interim reclamation, the operator will submit a plan for the remediation of historic reserve pits.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5972 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall stockpile the topsoil of the well pad. The topsoil shall not be used to backfill the reserve pit and will be used for interim and final reclamation.

C. RESERVE PITS

Closed Loop System: v-door north

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

If the operator elects to surface the access road and/or well pad, mineral materials extracted during construction of the reserve pit may be used for surfacing the well pad and access road and other facilities on the lease.

Payment shall be made to the BLM prior to removal of any additional federal mineral materials from any site other than the reserve pit. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed thirty (30) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

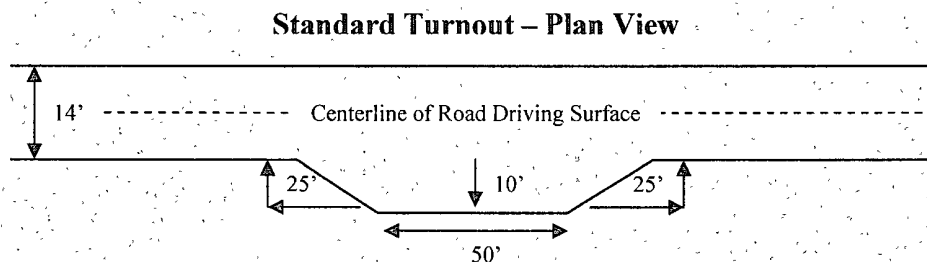
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

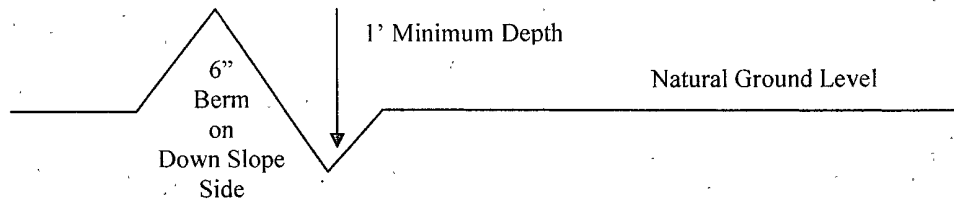
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall be constructed on all blind curves. Turnouts shall conform to the following diagram:



Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outslowing and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch

All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Culvert Installations

Appropriately sized culvert(s) shall be installed at the deep waterway channel flow crossing.

Cattleguards

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s).

Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations.

A gate shall be constructed and fastened securely to H-braces.

Fence Requirement

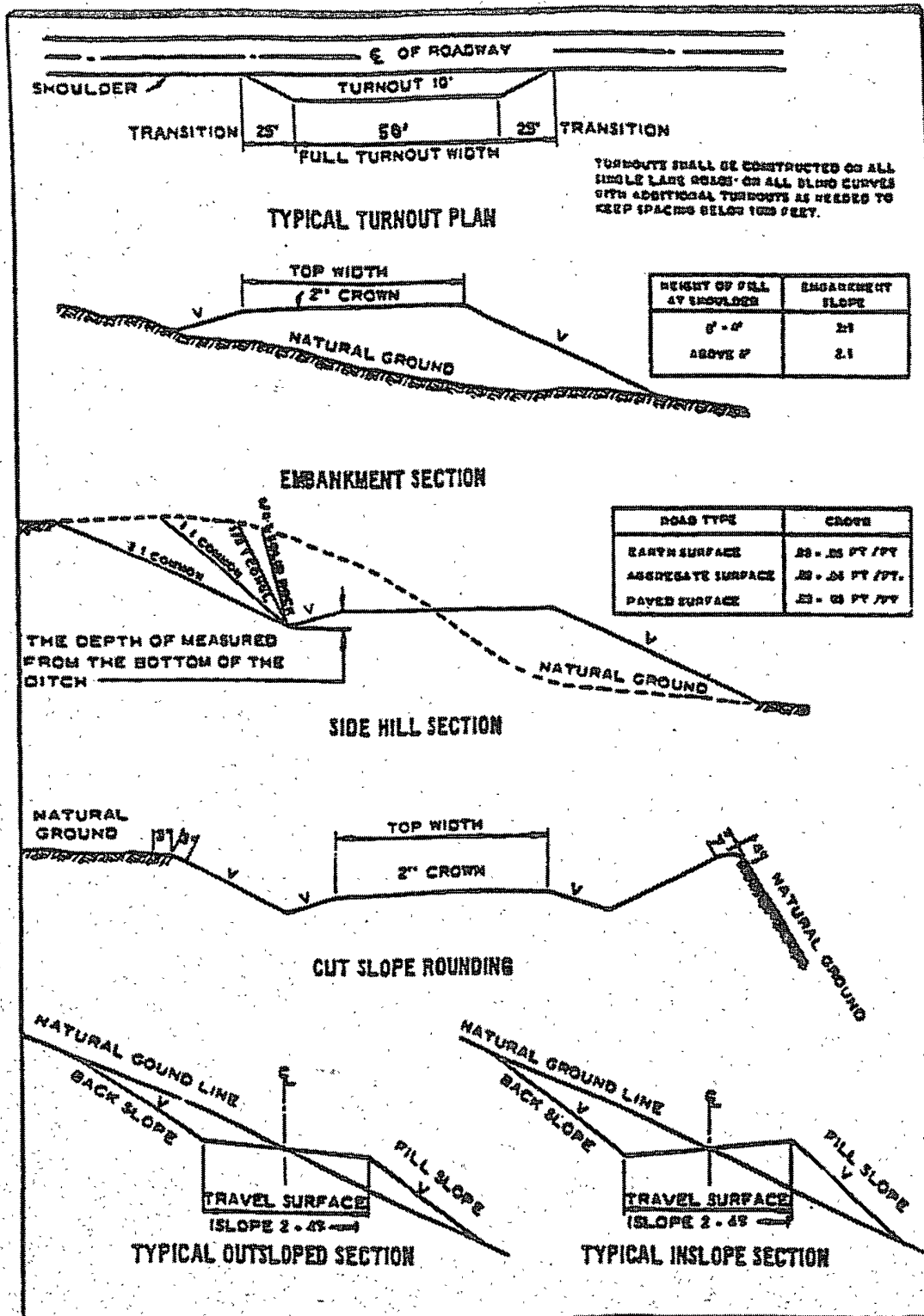
Where entry is required across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Figure 1 – Cross Sections and Plans For Typical Road Sections



VII. DRILLING – RE-ENTRY

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. BOPE tests
- b. Setting and Cementing the production casing strings
- c. CIT test

☒ **Lea County**

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
(575) 393-3612

1. Monitoring equipment should be onsite prior to any operations due to H₂S in the vicinity. A Hydrogen Sulfide (H₂S) Drilling Plan should be activated prior to drilling out the surface casing shoe plug. **As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

B. CASING – Re-entry

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

1. The 13-3/8" surface casing is set at 622 feet with cement circulated to surface.
2. The 8-5/8" intermediate casing is set at 4,470 feet with cement circulated to surface.
3. The production casing is set at 8754 feet. A CBL was run and the TOC is at 4,050 feet. The casing was cut at 3,317 feet and pulled.

Pressure test the 5-1/2" production casing tieback prior to drilling out the plug at 4,410'. In addition, a CIT is to be performed on the production casing per Onshore Oil and Gas Order 2.III.B.1.h after the production casing is tied back and cemented to the surface.

4. The 5-1/2" production casing will tie back and be cemented to surface.
If cement does not circulate, contact the appropriate BLM office.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. **Prior to drilling surface casing shoe plug the BOP is to be tested.** Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M) psi.**
5M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
 - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

- e. **Effective November 1, 2008, no variances will be granted on reduced pressure tests on the surface casing and BOP/BOPE. Onshore Order 2 requirements will be in effect.**

CRW 092209

VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color
Shale Green, Munsell Soil Color Chart # 5Y 4/2

B. PIPELINES

C. ELECTRIC LINES

IX. INTERIM RECLAMATION & RESERVE PIT CLOSURE

A. INTERIM RECLAMATION

If the well is a producer, interim reclamation shall be conducted on the well site in accordance with the orders of the Authorized Officer. The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

At the time reserve pits are to be reclaimed, operators should work with BLM surface management specialists to devise the best strategies to reduce the size of the location. Any reductions should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

Seed Mixture for LPC Sand/Shinnery Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

**Four-winged Saltbush 5lbs/A

* This can be used around well pads and other areas where caliche cannot be removed.

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

X. FINAL ABANDONMENT & REHABILITATION REQUIREMENTS

Upon abandonment of the well and/or when the access road is no longer in service the Authorized Officer shall issue instructions and/or orders for surface reclamation and restoration of all disturbed areas.

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

On private surface/federal mineral estate land the reclamation procedures on the road and well pad shall be accomplished in accordance with the private surface land owner agreement.