

District I  
1625 N. French Dr., Hobbs, NM 88201  
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

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MAY 17 2010

HOBBSUCD

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-101  
June 16, 2008

OCD Hobbs  
Submit to appropriate District Office  
X AMI NDI D REPORT

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

<sup>1</sup> Operator Name and Address Harvard Petroleum Company, LLC, PO Box 936, Roswell, NM 88202		<sup>2</sup> OGRHD Number 010155
<sup>3</sup> Property Code 38162	<sup>4</sup> Property Name Garrett	<sup>5</sup> API Number 30 - 025 - 30755
<sup>6</sup> Proposed Pool 1 Garrett, Drinkard, East		<sup>7</sup> Proposed Pool 2 (27135)

Surface Location

Section	Township	Range	Footage	Feet from the	North/South line	Feet from the	East/West line	County
B	26	16-S	38-E	400	North	2270	East	Lea

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

Section	Township	Range	Footage	Feet from the	North/South line	Feet from the	East/West line	County
H	26	16-S	38-E	2310	North	330	East	Lea

Additional Well Information

<sup>9</sup> Work Type Code N	<sup>10</sup> Well Type Code O	<sup>11</sup> Cable Rotary R	<sup>12</sup> Lease Type Code P	<sup>13</sup> Ground Level Elevation 3694
<sup>14</sup> Multiple N	<sup>15</sup> Proposed Depth TVD 8500, TD 10,540	<sup>16</sup> Formation Drinkard	<sup>17</sup> Contractor Norton Energy	<sup>18</sup> Spud Date June 15, 2010

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight (lb/ft)	Setting Depth	Sacks of Cement	Estimated TOC
12 25	9 625	36	2200	950	Surface
8 75	7 00	26	8500	1250	Surface
6 125	4 50	11 5	8000 - 10540	NA	NA

<sup>22</sup> 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.

Harvard Petroleum Company, LLC proposes to drill and produce the Drinkard Formation as follows:

Drill a 12 1/4" hole to 2200' with fresh water then run 9 5/8" casing to TD. 9 5/8" casing will be cemented with adequate volume to circulate to surface. NU BOP and test then drill an 8 7/8" hole with brine and salt gel to TD (8500') and run open hole logs. After logging, 7" 26# casing will be run to TD and cemented with adequate volumes to circulate to surface.

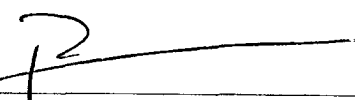
A whipstock will be set and a window cut at approximately 8000' and a 6 1/8" hole approximately 2500' in length will be drilled.

A 4 1/2" liner equipped with packers will be set through the horizontal section but not cemented. The Drinkard formation will be tested through this liner.

H2S equipment will be installed before drilling the San Andres formation.

See BOP Diagram.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:   
Printed name: Phelps White

Title: Consultant

E-mail Address: pwiv@zianet.com

Date: May 14, 2010 Phone: 575 626 7660

OIL CONSERVATION DIVISION

Approved by:

Title:

PETROLEUM ENGINEER

Approval Date: MAY 27 2010

Expiration Date:

CONDITION OF APPROVAL FOR APD'S

"Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string."

Permit Expires 2 Years From Approval Date Unless Drilling Underway