PO Box 1980, Hobbs, NM 88241-1980 District II

PO Drawer DD, Artesia, NM 88211-0719 District III

1000 Rio Brazos Rd., Aztec, NM 87410 District IV PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-10i Revised February 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 6 Copies

Fee Lease - 5 Copies

_AMENDED REPORT

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

	¹ OGRID Number		
Altura Energy LT	157984		
P.O. Box 4294	³ API Number		
Houston, Texas	77210–4294	30-025-34416	
⁴ Property Code	⁵ Property Name	' Well No.	
19520	North Hobbs G/SA Unit	545	
		······································	

Surface Location

Curiaco Docation										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	Ì
G	33	18-S	38-E		1925	North	2100	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
G	33	18-S	38 – E		1950	North	1400	East	Lea
Proposed Pool 1							1º Propo	sed Pool 2	
Н	obbs;	Graybu	cg – Sa	n Andre					

" Work Type Code	12 Well Type Code	13 Cable/Rotary	14 Lease Type Code	" Ground Level Elevation		
N	0	R	s	36381		
14 Multiple	17 Proposed Depth	1º Formation	" Contractor	24 Spud Date		
No	4700	San Andres	Key Energy	July, 1998		

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
18	14	Conductor	40	50 sx.	
12-1/4	8-5/8	24	1700	800 sx.	Surface
7–7/8	5-1/2	15.5	4700	700 sx.	Surface

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 mne. Describe the blowout prevention program, if any. Use additional sheets if necessary Permit Expires 1 Year From Approval

Date Unless Drilling Underway See attached for proposed drilling program

BOP Program 3000# Ram Freventer

Note: Well will be drilled closed loop - Altura intends to haul drilling fluids and cuttings to Parabo Inc., Eunice, New Mexico

of my knowledge	that the information given and belief.	above is true and complete to the best	OIL CONSERVATION DIVISION				
Signature:	Mark Stephen	5	Approved by: ORIGINAL SIGNED BY CHRIS WILLIAMS Title: DISTRICT LSUPERVISOR				
Printed name:	Mark Stephen	s	Title: DISTRICT I SUPERVISOR				
Title:	Business Ana	lyst (SG)	Approval DateUN 0 8 1998 Expiration Date:				
Date: 6/	3/98	Phone: (281) 552–1158	Conditions of Approval : Attached □				

C-101 Instructions

Measurements and dimensions are to be in feet/inches. Well locations will refer to the New Mexico Principal Meridian.

IF	THIS	IS	AN	AME	NDED	REPORT	CHECK	THE	BOX	LABLED
						HE TOP OF				

- Operator's OGRID number. If you do not have one it will be assigned and filled in by the District office.
- 2 Operator's name and address
- 3 API number of this well. If this is a new drill the OCD will assign the number and fill this in.
- 4 Property code. If this is a new property the OCD will assign the number and fill it in.
- 5 Property name that used to be called 'well name'
- 6 The number of this well on the property.
- 7 The surveyed location of this well New Mexico Principal Meridian NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD Unit Letter.
- 8 The proposed bottom hole location of this well at TD

9 and 10. The proposed pool(s) to which this well is beeing drilled.

- 11 Work type code from the following table:
 - N New well
 - E Re-entry
 - D Drill deeper
 - P Plugback
 - A Add a zone
- 12 Well type code from the following table:
 - O Single oil completion
 - G Single gas completion
 - M Mutiple completion
 - I Injection well
 - S SWD well
 - W Water supply well
 - C Carbon dioxide well
- 13 Cable or rotary drilling code
 - C Propose to cable tool drill
 - R Propose to rotary drill
- 14 Lease type code from the following table:
 - S State
 - P Private
- 15 Ground level elevation above sea level
- 16 Intend to mutiple complete? Yes or No
- 17 Proposed total depth of this well
- 18 Geologic formation at TD
- 19 Name of the intended drilling company if known.

20 Anticipated spud date.

Proposed hole size ID inches, proposed casing OD inches, casing weight in pounds per foot, setting depth of the casing or depth and top of liner, proposed cementing volume, and estimated top of cement

22 Brief description of the proposed drilling program and BOP program. Attach additional sheets if necessary.

The signature, printed name, and title of the person authorized to make this report. The date this report was signed and the telephone number to call for questions about this report.



1

Proposed Drilling Program
North Hobbs G/SA Unit No. 33-545
Lea County, New Mexico

A 12-1/4" hole will be drilled from surface to approximately 1725'. This will allow for protection of all water zones and casing off of the Red Beds. A full string of 8-5/8", 24#, J-55 surface casing will be run and set 25' into the top of the Rustler Anhydrite with cement circulated to surface. The cement will be allowed to set for a minimum of eight (8) hours (minimum 500# compressive strength) and will then be tested to 1500 psi for 30 minutes before drilling resumes. After the casing is run and cemented, weld on 8-5/8" X 11" 3M casinghead housing and nipple up BOP stack (3000# Ram Preventer).

A 7-7/8" hole will be drilled out from surface casing point (1700') to +/- 4700' TVD. A full string of 5-1/2", 15.5#, J-55 casing will be run to TD and cemented to surface (casing test to 1500 psi will be done by the completion rig).

