

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

| | | |
|---|--|---|
| ¹ Operator name and Address Altura Energy LTD P.O. Box 4294 Houston, TX 77210-4294 | | ² OGRID Number 162821 157004 |
| | | ³ API Number 30-025-34871 |
| ⁴ Property Code 19520 2084 | ⁵ Property Name North Hobbs G/SA Unit | |
| | ⁶ Well No. 813 | |

| ⁷ Surface Location | | | | | | | | | |
|-------------------------------|-----------|-------------|-------------|----------|---------------|------------------|---------------|----------------|------------|
| UL or lot no. | Section | Township | Range | Lot. Idn | Feet from the | North/South Line | Feet from the | East/West line | County |
| L | 29 | 18-S | 38-E | | 1450 | South | 469 | West | 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 |
| | | | | | | | | | |
| ⁹ Proposed Pool 1 | | | | | ¹⁰ Proposed Pool 2 | | | | |
| Hobbs; Grayburg - San Andres | | | | | | | | | |

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|--|--|--|---|---|
| ¹¹ Work Type Code N | ¹² Well Type Code O | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3646 |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 4600' | ¹⁸ Formation San Andres | ¹⁹ Contractor Key Energy | ²⁰ Spud Date January, 2000 |

| 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 | Surface |
| 12-1/4 | 8-5/8 | 24 | 1650 | 795 | Surface |
| 7-7/8 | 5-1/2 | 15.5 | 4600 | 800 | Surface |

²²Describe 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

See attached for proposed drilling program

BOP Program 3000# Ram Preventer

Permit Expires 1 Year from Date of Issuance
 Date Unless Drilling Is Delayed

| | | |
|---|---|------------------|
| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: Mark Stephens Printed name: Mark Stephens (281) 552-1158 Title: Business Analyst (SG) | OIL CONSERVATION DIVISION | |
| | Approved by: WILLIAM J. WILLIAMS REGIONAL SUPERVISOR | |
| | Title: | |
| | Approval Date: JAN 21 2000 | Expiration Date: |

CLP

Should be

Federal
form!

A 14" conductor will be set and cemented to surface with 50 sx. cement. A 12-1/4" hole will be drilled from surface to approximately 1650'. 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 (1650') to +/- 4400' TVD. A full string of 5-1/2", 15.5#, J-55 production casing will be run to TD and cemented to surface (casing test to 1500 psi will be done by the completion rig).

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0710

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|---|--|
| API Number 30-025-34871 | Pool Code 31920 | Pool Name Hobbs; Grayburg - San Andres |
| Property Code 19520 | Property Name NORTH HOBBS G/SA Unit | Well Number 813 |
| OGRID No. 157984 | Operator Name ALTURA ENERGY LTD. | Elevation 3644 |

Surface Location

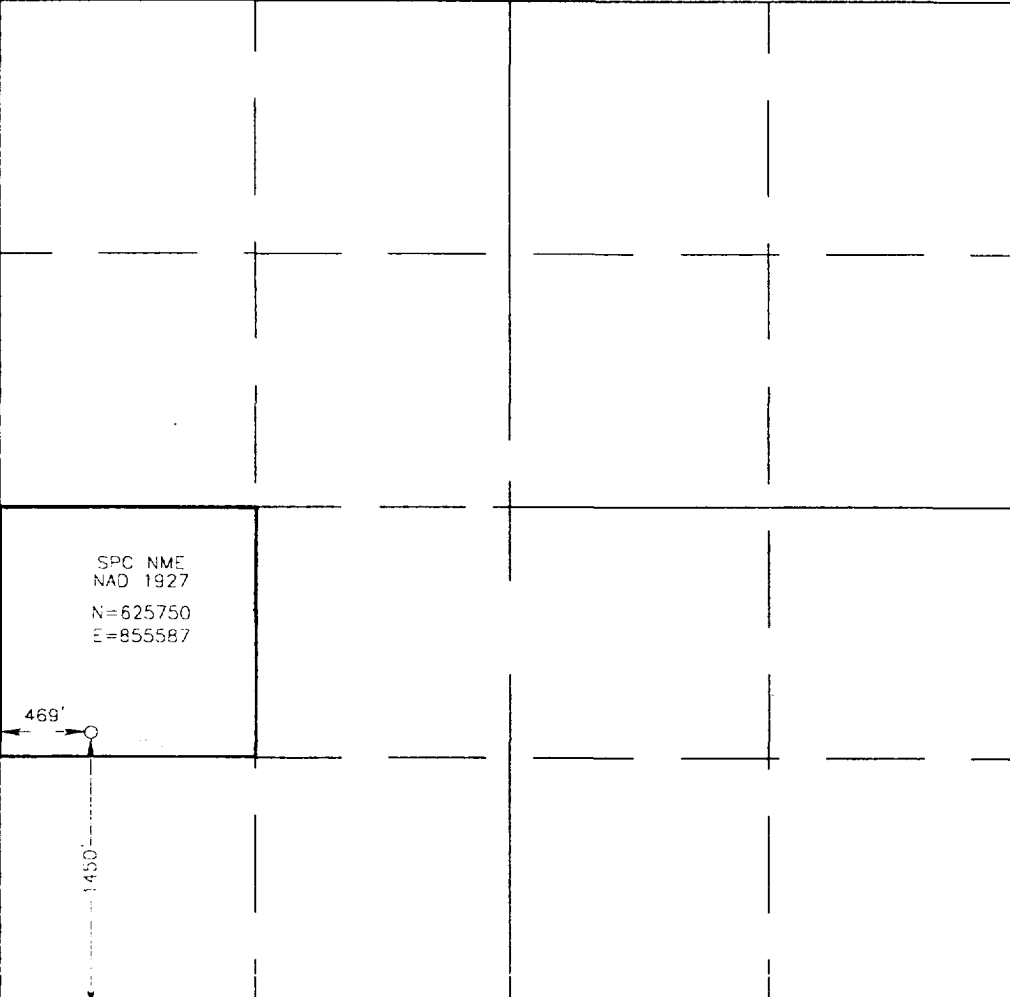
| | | | | | | | | | |
|---------------------------|----------------------|-------------------------|----------------------|---------|------------------------------|----------------------------------|-----------------------------|-------------------------------|----------------------|
| UL or lot No. L | Section 29 | Township 18 S | Range 38 E | Lot Idn | Feet from the 1450 | North/South line SOUTH | Feet from the 469 | East/West line WEST | County LEA |
|---------------------------|----------------------|-------------------------|----------------------|---------|------------------------------|----------------------------------|-----------------------------|-------------------------------|----------------------|

Bottom Hole Location If Different From Surface

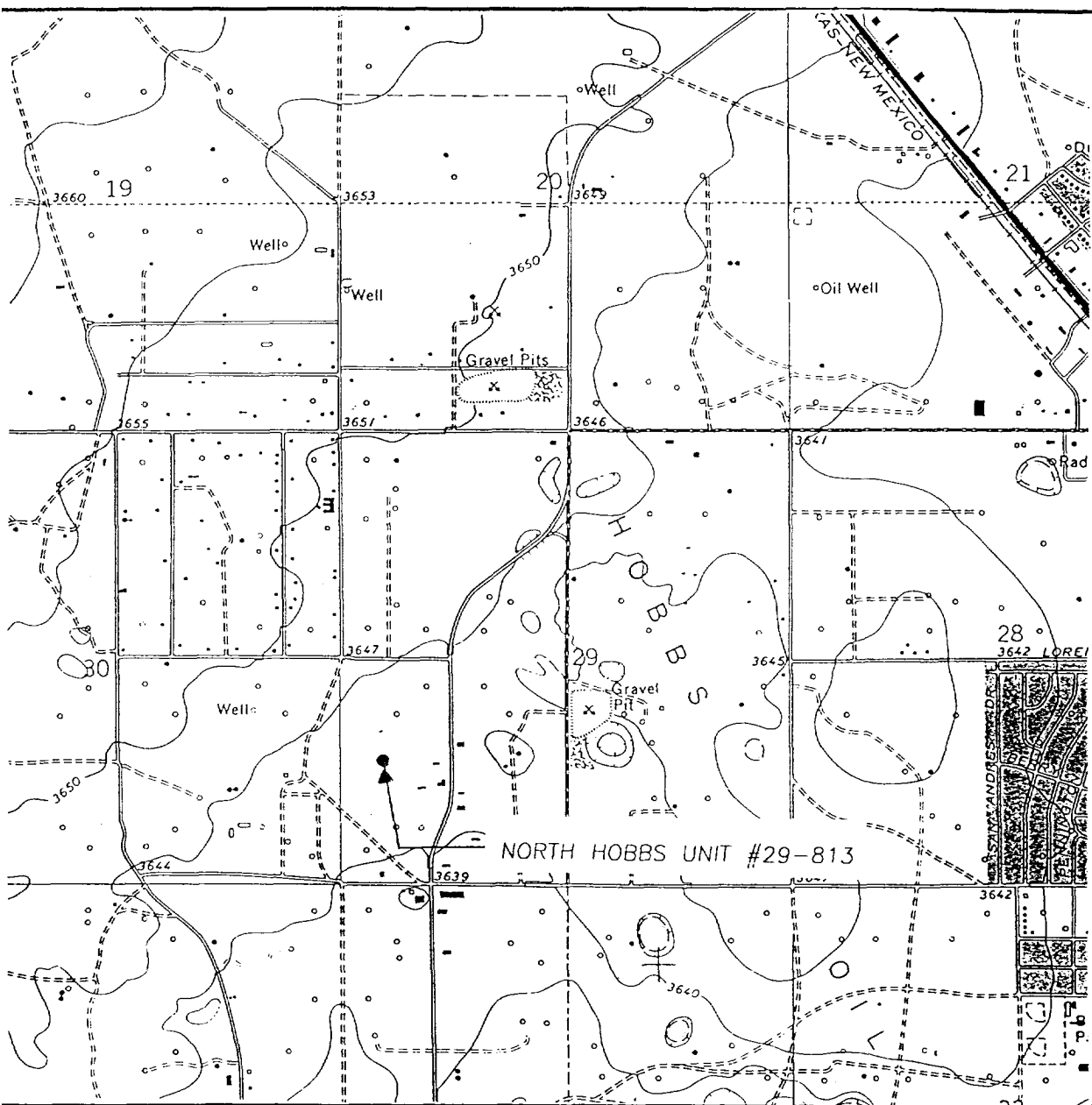
| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|--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

| | | | |
|------------------------------|-----------------------------|--------------------------------|-----------|
| Dedicated Acres 40 | Joint or Infill I | Consolidation Code U | Order 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

| | | | | | |
|--|--|--|--|---|--|
|  | | | | OPERATOR CERTIFICATION <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i> <u>Mark Stephens</u> Signature Mark Stephens Printed Name Business Analyst (SG) Title January 17, 2000 Date | |
| | | | | SURVEYOR CERTIFICATION <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> JANUARY 12, 2000 Date Surveyed Signature & Seal of Professional Surveyor <u>Gary Eidson</u> 1/12/2000 99-11-1099 Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641 MACON McDONALD 12155 | |

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
HOBBS WEST - 5'

SEC. 29 TWP. 18-S RGE. 38-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1450' FSL & 469' FWL

ELEVATION 3644

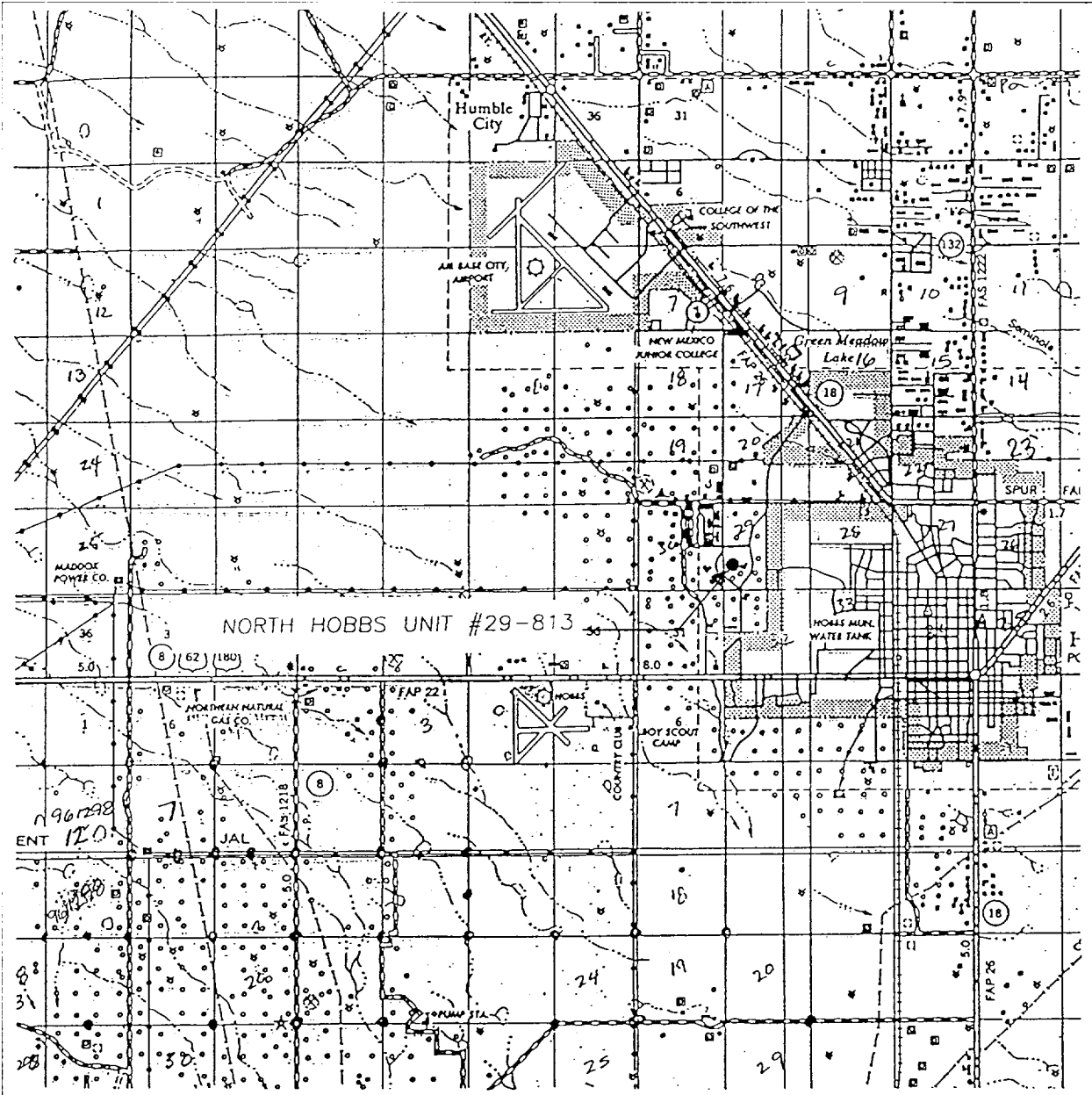
OPERATOR ALTURA ENERGY LTD.

LEASE NORTH HOBBS UNIT

U.S.G.S. TOPOGRAPHIC MAP

HOBBS WEST, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505 393-3117)



SCALE: 1" = 2 MILES

SEC. 29 TWP. 18-S RGE. 38-E
 SURVEY N.M.P.M.
 COUNTY LEA
 DESCRIPTION 1450' FSL & 469' FWL
 ELEVATION 3644
 OPERATOR ALTURA ENERGY LTD.
 LEASE NORTH HOBBS UNIT

JOHN WEST SURVEYING
 HOBBS, NEW MEXICO
 (505 393-3117)

ELF

\$14/62

ABOVE DATE DOES NOT
INDICATE WHEN
CONFIDENTIAL LOGS
WILL BE RELEASED