

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 S. 1st Street, Artesia, NM 88210-2834
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 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 Operator name and Address Altura Energy LTD P.O. Box 4294 Houston, TX 77210-4294		² OGRID Number 157984
⁴ Property Code 19520	⁵ Property Name North Hobbs G/SA Unit	³ API Number 30-025-35011
		⁶ Well No. 734

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
0	33	18-S	38-E		511	South	2275	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
0 N	33	18-S	38-E		669	South	2623	West	Lea
⁹ Proposed Pool 1 Hobbs; Grayburg - San Andres					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3627
¹⁶ Multiple No	¹⁷ Proposed Depth 4500'	¹⁸ Formation San Andres	¹⁹ Contractor Key Energy	²⁰ Spud Date May, 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	775	Surface
7-7/8	5-1/2	15.5	4500	750	Surface

²² 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

See attached for proposed drilling program.

BOP Program 3000# Ram Preventer

Permit Expires 1 Year From Approval
Or if no Drilling Underway

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

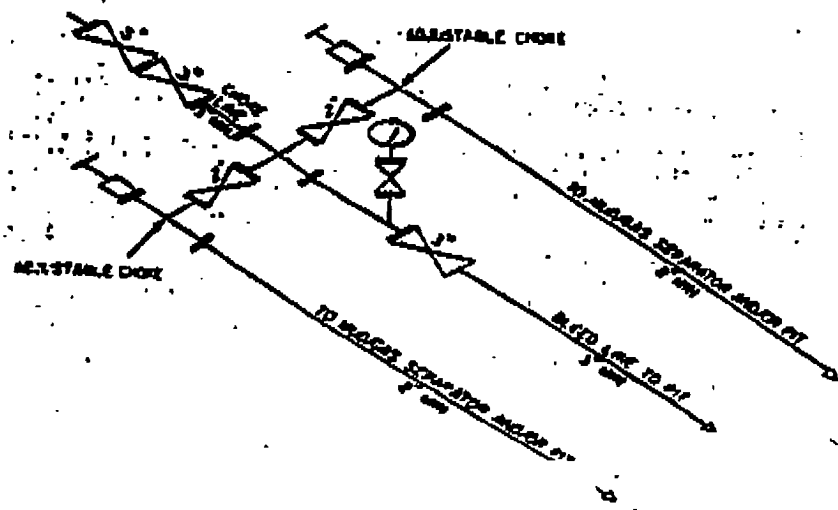
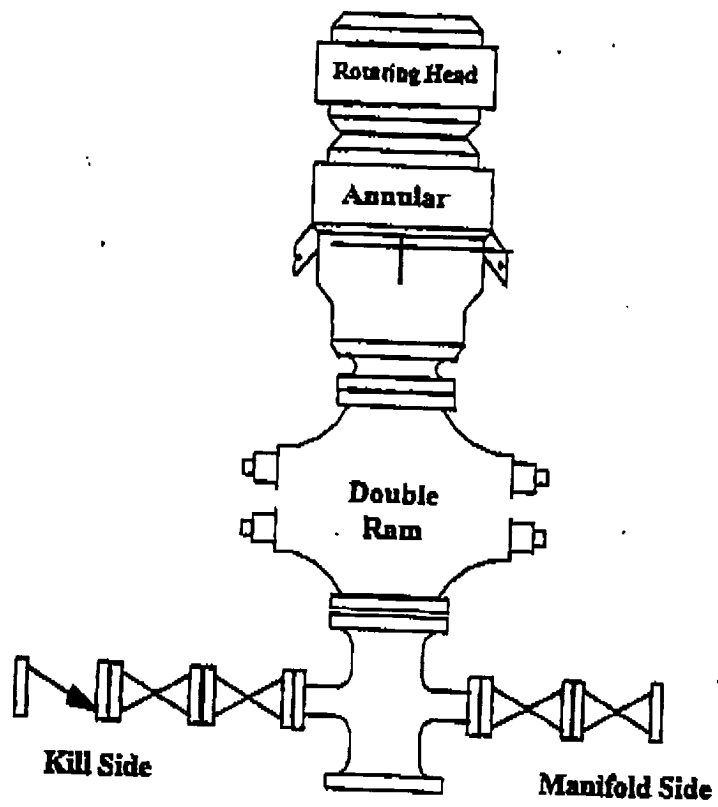
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Q
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Proposed Drilling Program
North Hobbs G/SA Unit No. 33-734
Lea County, New Mexico

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 1700'. 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 +/- 4500' 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 I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

OIL CONSERVATION DIVISION

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-35011	Pool Code 31920	Pool Name HOBBS: GRAYBURG - SAN ANDRES
Property Code 19520	Property Name NORTH HOBBS G/SA UNIT	Well Number 734
OGRID No. 157984	Operator Name ALTURA ENERGY LTD.	Elevation 3627

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	33	18 S	38 E		511	SOUTH	2275	EAST	LEA

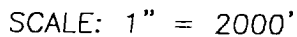
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0N	33	18 S	38 E		669	SOUTH	2623	WEST	LEA
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

GEOGRAPHIC LOCATION NAD 83 LAT. = 32°41'52.88" N LONG. = 103°09'27.93" W	(TRUE BRG.) N68°11'W - 317' SURF. TO PROP. PENETRATION PT. (TRUE BRG.) N68°11'W - 424' SURF. TO PROP. BOTTOM HOLE LOC.	PROPOSED SURFACE LOC. NAD 27 NM EAST ZONE N=619695 E=904684	DETAIL	3628.8' 3628.5' 3627.4' 3626.3'	330' UNIT BOUNDARY OFFSET LINE	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>Mark Stephens</u> Signature Mark Stephens Printed Name Business Analyst (SG) Title April 19, 2000 Date
PROPOSED BOTTOM HOLE LOCATION	2623' PROPOSED PENETRATION POINT • 3877' TVD	669' 629' 511'	SEE DETAIL	2569' 2275'	NORTH HOBBS (GRAYBURG-SAN ANDRES) UNIT BOUNDARY	SURVEYOR CERTIFICATION 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. FEBRUARY 7, 2000 Date Surveyed _____ DC Signature & Seal of Professional Surveyor <u>Ronald J. Edson</u> 4/1/00 00-11-0195 Certificate No. RONALD J. EDSON 3239 GARY EDSON 12641 MACON McDONALD 12185

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



SEC. 33 TWP. 18-S RGE. 38-E

COUNTY _____ LEA _____

DESCRIPTION 511' FSL & 2275' FEL

ELEVATION 3627

OPERATOR ALTURA ENERGY LTD.

LEASE NORTH HOBBS G/SA UNIT

U.S.G.S. TOPOGRAPHIC MAP

HOBBS WEST, N.M.

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

Scientific Drilling Inc.

Planning Report

Company: Altura Energy Ltd. Field: North Hobbs GSA Unit Site: Lea County New Mexico Well: NHGSAU "33" #734 Wellpath: OH Original hole	Date: 04/07/2000 Co-ordinate(NE) Reference: Vertical (TVD) Reference: Section (VS) Reference: Plan:	Time: 10:00:41 Site: Lea County New Mexico, True North SITE 0.0 above Mean Sea Level Site (0.0E,0.0N,288.4Azi) Plan #1	Page: 1
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Field: North Hobbs GSA Unit

Map System: US State Plane Coordinate System 1927
Ellipsoid: Clarke - 1866
Sys Datum: Mean Sea Level

Map Zone: New Mexico, Eastern Zone
North Reference: True
Geomagnetic Model: IGRF2000

Site: Lea County New Mexico

Site Position:	Northing:	ft	Latitude:	
From: Local Only	Easting:	ft	Longitude:	
Position Uncertainty: 0.0 ft			Magnetic Declination: 0.00 deg	
Water Depth: 0.0 ft			Grid Convergence: deg	

Well: NHGSAU "33" #734

Well Position: +N/-S 0.0 ft	Northing:	ft	Latitude:	
From Slot: +E/-W 0.0 ft	Easting:	ft	Longitude:	
Position Uncertainty: 0.0 ft				

Wellpath: OH Original hole	Drilled From: Surface	ft	
Vertical Section: +N/-S 0.0 ft	Tie-on Depth:	ft	
From: Site +E/-W 0.0 ft	V.Section Direction:	288.40 deg	
Measured Depth Reference: SITE 0.0 ft	Above System Datum:	Mean Sea Level	

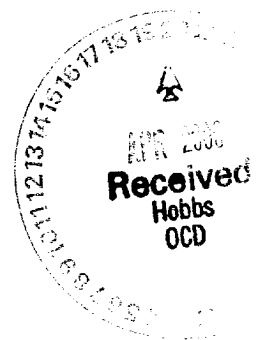
Plan: Plan #1	Date Composed: 02/22/2000	
	Version: 1	
Principal: Yes	Locked: No	

Plan Section Information

MD ft	Incl deg	Azlm deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.0	0.00	291.89	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
2250.0	0.00	291.89	2250.0	0.0	0.0	0.00	0.00	0.00	286.65	
2777.2	13.18	291.89	2772.6	22.5	-56.0	2.50	2.50	0.00	291.89	
4147.7	13.18	291.89	4107.0	139.0	-346.0	0.00	0.00	0.00	0.00	Midpay-734
4373.7	13.18	291.89	4327.0	158.2	-393.8	0.00	0.00	0.00	0.00	

Section 1 : Start Hold

MD ft	Incl deg	Azlm deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
0.0	0.00	291.89	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00
100.0	0.00	291.89	100.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
200.0	0.00	291.89	200.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
300.0	0.00	291.89	300.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
400.0	0.00	291.89	400.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
500.0	0.00	291.89	500.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
600.0	0.00	291.89	600.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
700.0	0.00	291.89	700.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
800.0	0.00	291.89	800.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
900.0	0.00	291.89	900.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
1000.0	0.00	291.89	1000.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
1100.0	0.00	291.89	1100.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
1200.0	0.00	291.89	1200.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
1300.0	0.00	291.89	1300.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
1400.0	0.00	291.89	1400.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
1500.0	0.00	291.89	1500.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
1600.0	0.00	291.89	1600.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
1700.0	0.00	291.89	1700.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
1800.0	0.00	291.89	1800.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
1900.0	0.00	291.89	1900.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
2000.0	0.00	291.89	2000.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
2100.0	0.00	291.89	2100.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89



Scientific Drilling Inc.

Planning Report

Company: Altura Energy Ltd.
Field: North Hobbs GSA Unit
Site: Lea County New Mexico
Well: NHGSAU "33" #734
Wellpath: OH Original hole

Date: 04/07/2000 **Time:** 10:00:41 **Page:** 2
Co-ordinate(NE) Reference: Site: Lea County New Mexico, True North
Vertical (TVD) Reference: SITE 0.0 above Mean Sea Level
Section (VS) Reference: Site (0.0E,0.0N,288.4Azi)
Plan: Plan #1

Section 1 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
2200.0	0.00	291.89	2200.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89
2250.0	0.00	291.89	2250.0	0.0	0.0	0.0	0.00	0.00	0.00	291.89

Section 2 : Start Build 2.50

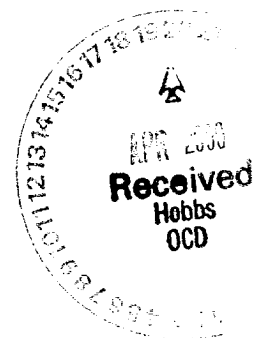
MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
2300.0	1.25	291.89	2300.0	0.2	-0.5	0.5	2.50	2.50	0.00	0.00
2400.0	3.75	291.89	2399.9	1.8	-4.6	4.9	2.50	2.50	0.00	0.00
2500.0	6.25	291.89	2499.5	5.1	-12.6	13.6	2.50	2.50	0.00	0.00
2600.0	8.75	291.89	2598.6	9.9	-24.8	26.6	2.50	2.50	0.00	0.00
2700.0	11.25	291.89	2697.1	16.4	-40.9	44.0	2.50	2.50	0.00	0.00
2777.2	13.18	291.89	2772.6	22.5	-56.0	60.3	2.50	2.50	0.00	0.00

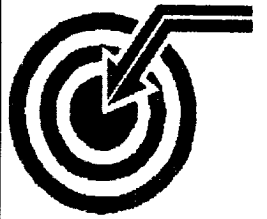
Section 3 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
2800.0	13.18	291.89	2794.8	24.4	-60.8	65.4	0.00	0.00	0.00	0.00
2900.0	13.18	291.89	2892.1	32.9	-82.0	88.2	0.00	0.00	0.00	0.00
3000.0	13.18	291.89	2989.5	41.4	-103.2	111.0	0.00	0.00	0.00	0.00
3100.0	13.18	291.89	3086.9	49.9	-124.3	133.7	0.00	0.00	0.00	0.00
3200.0	13.18	291.89	3184.2	58.4	-145.5	156.5	0.00	0.00	0.00	0.00
3300.0	13.18	291.89	3281.6	66.9	-166.6	179.2	0.00	0.00	0.00	0.00
3400.0	13.18	291.89	3379.0	75.4	-187.8	202.0	0.00	0.00	0.00	0.00
3500.0	13.18	291.89	3476.3	83.9	-208.9	224.8	0.00	0.00	0.00	0.00
3600.0	13.18	291.89	3573.7	92.4	-230.1	247.5	0.00	0.00	0.00	0.00
3700.0	13.18	291.89	3671.1	100.9	-251.3	270.3	0.00	0.00	0.00	0.00
3800.0	13.18	291.89	3768.4	109.4	-272.4	293.0	0.00	0.00	0.00	0.00
3900.0	13.18	291.89	3865.8	117.9	-293.6	315.8	0.00	0.00	0.00	0.00
4000.0	13.18	291.89	3963.2	126.4	-314.7	338.6	0.00	0.00	0.00	0.00
4100.0	13.18	291.89	4060.5	134.9	-335.9	361.3	0.00	0.00	0.00	0.00
4147.7	13.18	291.89	4107.0	139.0	-346.0	372.2	0.00	0.00	0.00	0.00

Section 4 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
4200.0	13.18	291.89	4157.9	143.4	-357.1	384.1	0.00	0.00	0.00	0.00
4300.0	13.18	291.89	4255.2	151.9	-378.2	406.8	0.00	0.00	0.00	0.00
4373.7	13.18	291.89	4327.0	158.2	-393.8	423.6	0.00	0.00	0.00	0.00



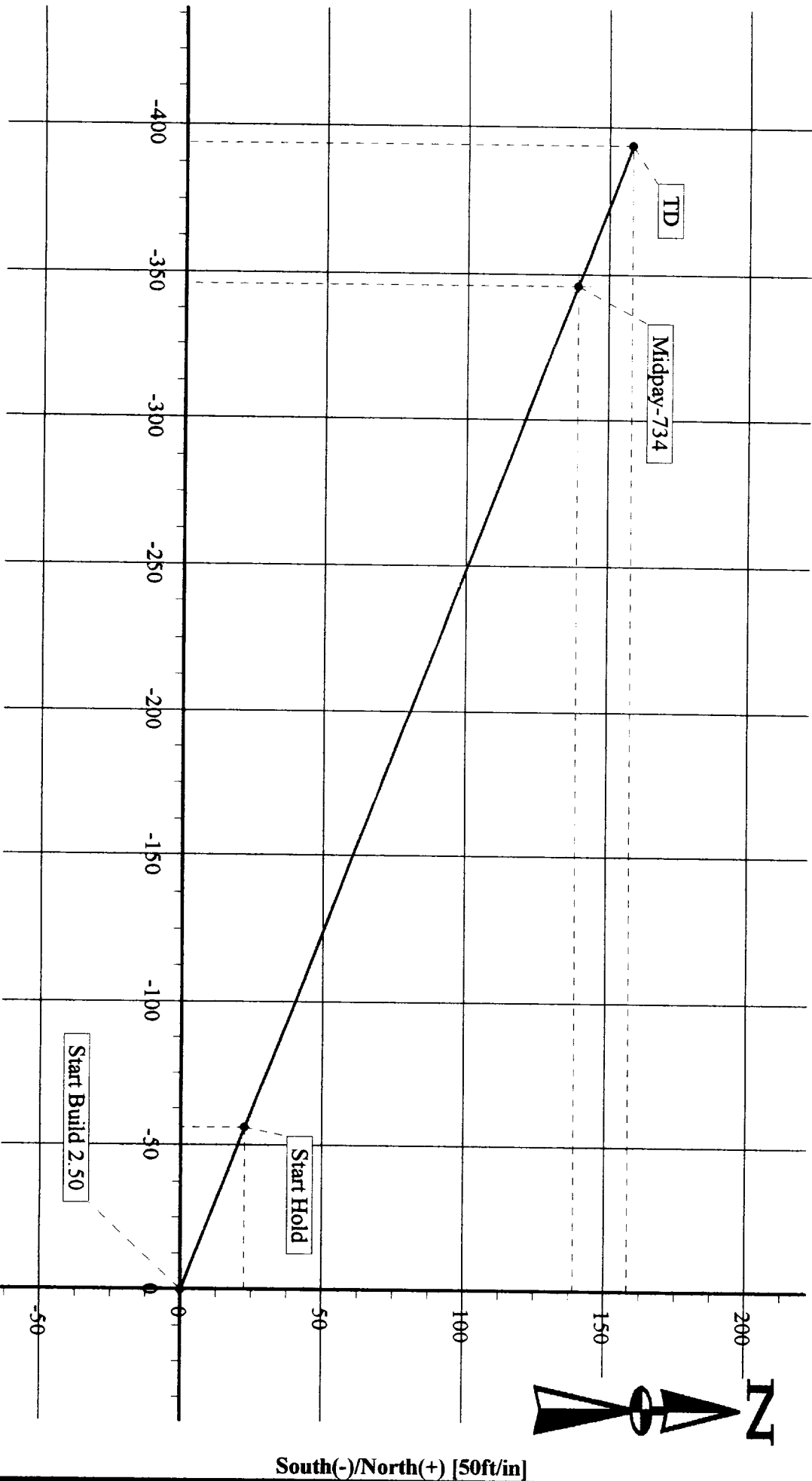


**Scientific
Drilling**

Altura Energy Ltd.

Field: North Hobbs GSA Unit
Site: Lea County New Mexico
Well: NHGSAU "33" #734
Wellpath: OH Original hole
Plan: Plan #1

Altura
ENERGY LTD.



South(-)/North(+) [50ft/in]

West(-)/East(+) [50ft/in]

ELF
8/14/00
ABOVE DATE DOES NOT
INDICATE WHEN
CONFIDENTIAL LOGS
WILL BE RELEASED

