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 Departme

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

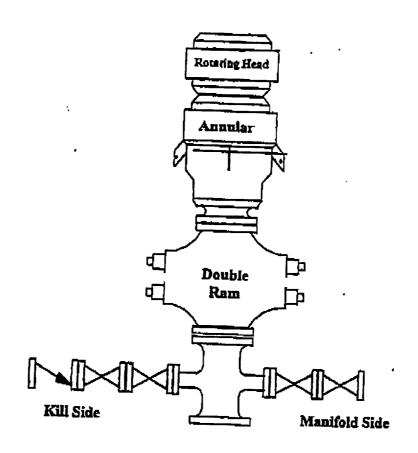
| APPL | ICATIO | N FOR F | ERMIT ' | TA DDII | T DE END | PPH IN | | PLUGD : G | | NDED REPORT |
|---|--|-----------------|---------------------------|-----------------------|-------------------|---------------------|--------------------|------------------------|------------------|----------------------|
| | -0.1110 | I On | Protor name on | d Addass | L, KE-EN | LEK, DE | CEPEN, | PLUGBAC | | O A ZONE GRID Number |
| Occidenta | Occidental Permian Limited Partnership | | | | | | | | | |
| P.O. Box | | minten | Partners | пĎ | | | | | | 157984 |
| Houston, | | -4204 | | | | | | | 3 A | API Number |
| | roperty Code | -4274 | | | 5 5 | | | | 30-025 | -35467 |
| | 19520 | | | | | perty Name | | | | 6 Well No. |
| - | 19320 | | | | North Ho | abbs G/SA | Unit | | | 611 |
| UL or lot no. | Section | Township | Range | Lot. Idn | Surface Lo | cation | | T | | |
| | |] . | | Lot. Idii | reet from the | North/S | South Line | Feet from the | East/West line | County |
| LD | 24 | 18- <u>s</u> | 37-E | | 843 | N | orth | 540 | West | Lea |
| UL or lot no. | Castia | I m | Proposed | Bottom H | ole Location | If Differ | ent Fror | n Surface | | |
| OL or lot no. | Section | Township | Range | Lot. Idn | Feet from the | North/S | outh Line | Feet from the | East/West line | County |
| · · · · · · · · · · · · · · · · · · · | | <u> </u> | | | | | | | | |
| | Hobbs. | 9 Proposed | Pool I <u>- San An</u> | 3 | | | | 10 Proposed Po | ool 2 | |
| | | <u>way.xarg</u> | - Ball Mil | ires | | | | | | |
| 11 Work 7 | Гуре Code | 12 | Well Type C | ode | 13 Cable/Rota | ary | 14 Lea | se Type Code | 15 Ground I | Level Elevation |
| | N | | ^ | | _ | | | 1,700 0000 | Ground I | zevel Elevation |
| 16 Mu | | | Proposed De | pth | R 18 Formation | | | | | 3678 |
| | 1 1100000 | | | | 1 ormano | ation 19 Contractor | | Contractor | 20 Spud Date | |
| | No | L | 4500′ | 21 | San Andr | | Ke | y Energy | May | r, 2001 |
| | | , | | ²¹ Propose | ed Casing and | d Cement | t Prograi | m | | |
| Hole S | ize | Casii | ng Size | Casing w | | Setting De | | Sacks of Cemen | Est | timated TOC |
| 18 | | <u> </u> | 4 | Condu | ctor | 40 50 | | | | |
| | | | | | | | | | - 8 | Surface |
| 12-1 | /4 | 8- | 5/8 | 2. | 4 | 1650 | | 775 | | |
| | | | | | | | | | _ | Surface |
| 7-7/ | | | 1/2 | 15 | .5 | 4500 | | 950 | | Surface |
| | ched for p | proposed | drilling p | | LUG BACK give (| Permit | Expire | 950 roductive zone and | om Approv | |
| ²³ I hereby certify of my knowledge a Signature: | that the informand belief. Uan K. | | | id complete to | | | OIL CO | NSERVATIO | | 'N |
| rinted name: | ark Stepl | nens | | | Title | : | D 1 0 | າດຕຳ | | |
| itle: | usiness A | nalvst (| 3G) | | Appi | oval Date: | { 2 4 | UUI Eval | ration Date: | |

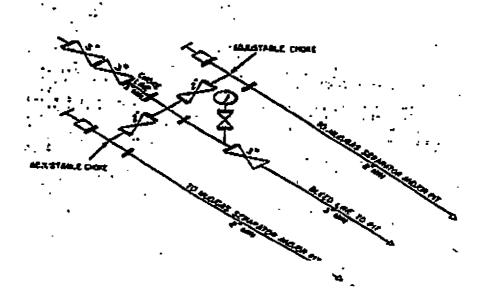


Proposed Drilling Program North Hobbs G/SA Unit No. 24-611 Lea County, New Mexico

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 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 +/- 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, Hobbm, NM 68241-1980

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, Artonia, NM 88211-0719

DISTRICT IV

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

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

| 30-025-3. Property Code | 5467 Pool Code 31920 | Pool Name HOBBS: GRAYBURG — SAN ANDRES | | |
|-------------------------|-------------------------|---|--------------------|--|
| 19520 | | operty Name BBS G/SA UNIT | Well Number 611 | |
| ogred No. 157984 | _ | erator Name Lan Limited Partnership | Elevation 3678 | |

Surface Location

| 1 | UL or lot No. | Section | Township | Range | Lot Idn | Feet from the North/South line Feet from the Fact /Feet North | | | | | _ |
|---|---------------|---------|----------|-------|---------|---|-------|-------------------|------------------------|---------------|---|
| | D | 24 | 18 S | 37 E | | 843 | NORTH | Feet from the 540 | East/West line WEST | County LEA | |

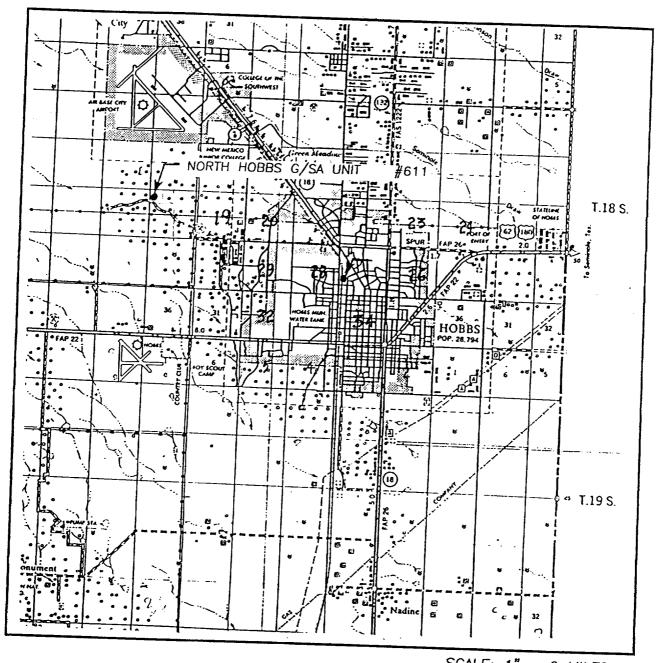
Bottom Hole Location If Different From Surface

| | | | | | | TOTOM DU | LIACE | | |
|-----------------|---------|----------|---------------|--------|--------------|--------------------|---------------|----------------|--------|
| UL or lot No. | Section | Townsh | nip Range | Lot Id | Feet from th | e North/South line | Feet from the | East/West line | County |
| Dedicated Acres | Joint o | r Infill | Consolidation | Code | Order No. | | | | |
| 40 | | I | U | | | | | | |
| 370 | | | | | | | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DUISION

| XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX | BI THE DIVISION |
|--|---|
| PROPOSED SURFACE LOC. NAD 27 NM EAST ZONE N=633961.3 E=845056.1 | OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. |
| SEE DETAIL GEOGRAPHIC LOCATION NAD 27 (SURF.) LAT. = 32°44'16.19" N LONG. = 103°12'40.25" W | Mark Stephens |
| 3678.9' | Printed Name Business Analyst (SG) Title March 13, 2001 |
| 3677.2' 3677.1' | 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 supervison and that the same is true and correct to the best of my bettef. JANUARY 31, 2001 |
| | Date Surreyed Signature & Seal of Professional Surveyor |
| | Certificate No. BONATO 2 SIDSON 3239 Continue Control of Sidson 12841 |

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 24 TWP. 18—S RGE. 37—E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 843' FNL & 540' FWL

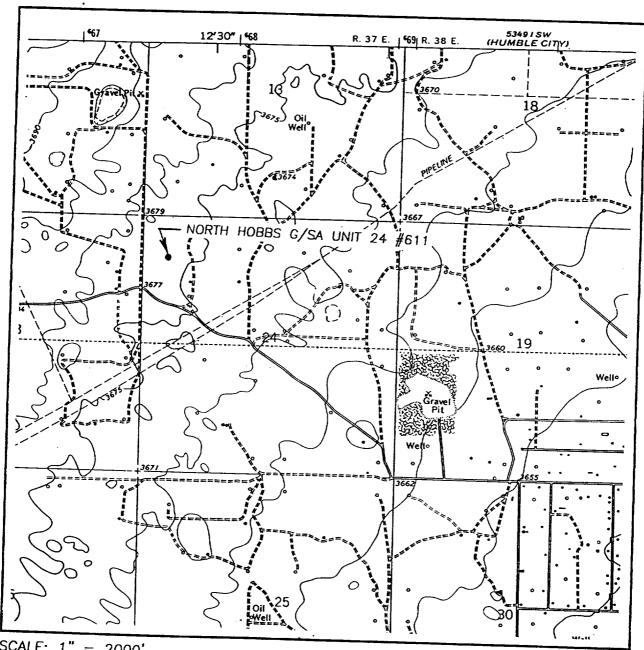
ELEVATION 3678

OPERATOR OCCIDENTAL PERMIAN LTD.

LEASE NORTH HOBBS G/SA UNIT

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

LOCATION VERFICATION MAP



SCALE: 1" = 2000'

HOBBS, N.M.

CONTOUR INTERVAL: HOBBS, N.M. - 5'

| SEC. <u>24</u> TWP. <u>18-S</u> RGE. <u>37-E</u> |
|--|
| SURVEYN.M.P.M. |
| COUNTYLEA |
| DESCRIPTION 843' FNL & 540' FWL |
| ELEVATION 3678 |
| OPERATOR <u>OCCIDENTAL PERMIAN LTD.</u> LEASE NORTH HOBBS G/SA UNIT |
| U.S.G.S. TOPOGRAPHIC MAP |

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

ELF 2 72 (C) ABOVE DATE WHEN INDICATE WHEN CONFIDENTIAL LOGS WILL BE RELEASED

