

District I  
1625 N. French Dr., Hobbs, NM 88240  
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

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
Revised June 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

RECEIVED

MAY 05 2004

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

~~OCB-ARTESIA~~ ☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address GREAT WESTERN DRILLING COMPANY P.O. BOX 1659 MIDLAND, TX 79702		<sup>2</sup> OGRID Number 009338
<sup>3</sup> Property Code COATS COM		<sup>4</sup> Property Name COATS COM
<sup>5</sup> Well No. 1		<sup>6</sup> Well No. 1

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	18-S	26-E		990	NORTH	990	EAST	EDDY

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line
<sup>9</sup> Proposed Pool 1 Penn. ATOKA; MORROW, WEST (GAS)						
DAYTON; WOLFCAMP (GAS)						

Cement to cover all oil, gas and water bearing zones.

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code GAS	<sup>13</sup> Cable/Rotary ROTARY	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 3,445'
<sup>16</sup> Multiple	<sup>17</sup> Proposed Depth 9,100'	<sup>18</sup> Formation MORROW	<sup>19</sup> Contractor	<sup>20</sup> Spud Date

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

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	500'	415 SX CL "C"	SURFACE
12 1/4"	8 5/8"	24#	1,300'	410 SX CL "C"	SURFACE
7 7/8"	5 1/2"	17#	9,100'	740 SX CL "C"	7,000'

Witness the cementing of the 13 3/8" & 8 5/8" casing

<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.

Great Western Drilling Company proposes to drill and test the Morrow and intermediate formations. Approximately 500' of surface casing will be set and cement circulated. If commercial, production casing will be run and cemented. The pay zones perforated and stimulated as needed.

MUD PROGRAM: 0-500' FW gel/ Spud Mud; 400'-1,300' Fresh water; 1300'-4200' Fresh water; 4,200'-7,600' cut brine; 7,600'- TD polymer mud-salt gel/starch.

BOPE PROGRAM: 3000# BOPE will be installed on 13 3/8" casing & tested daily. Schematic attached.

R- NSL- 5049

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

Signature:

Alan Roberts

Printed name: ALAN ROBERTS

Title: PETROLEUM ENGINEER

E-mail Address:

Date: 05/04/2004

Phone: (432)682-5241

OIL CONSERVATION DIVISION

Approved by:

Signature of District Supervisor

Title:

Approval Date: MAY 14 2004

Expiration Date: MAY 14 2005

Conditions of Approval:

Attached ☒

CP:1

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

Form C-144  
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

Operator: **GREAT WESTERN DRILLING COMPANY** Telephone (432) 682-5241 e-mail address: **gking@gwdc.com**

Address: **PO BOX 1659, MIDLAND, TX 79702**

Facility or well name: **COATS COM #1** API #: \_\_\_\_\_ U/L or Qtr/Qtr \_\_\_\_\_ Sec **19** T **18S** R **26E**

County: **EDDY** Latitude **36° 44' N** Longitude **104° 24' W** NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

**Pit**

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness **20** mil Clay ☐ Volume  
**1,000** bbl

**Below-grade tank**

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not. \_\_\_\_\_

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) **83'**

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

( 0 points)

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

( 0 points)

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

( 0 points)

**Ranking Score (Total Points)**

**10**

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_ (3) Attach a general description of remedial action taken including remediation start date and

end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: **May 4, 2004**

Printed Name/Title **ALAN ROBERTS, PETROLEUM ENGINEER**

Signature

*Alan Roberts*

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approved **MAY 13 2004**

Date:

Printed Name/Title

*Wild Dog ID*

Signature

*[Signature]*

Please see attached stipulations and/or requirements:



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
Acting Director  
Oil Conservation Division

13 May 2004

Great Western Drilling Company  
P. O. Box 1659  
Midland, Texas 26785

RE: Permit Stipulations - Coats Com # 1 990'FNL & 990'FEL Unit A SEC-19 T-18S R-26E

The Oil Conservation Division of Artesia is in receipt of your application to construct a pit for the purpose of drilling. The request is hereby accepted and approved with the following provisions:

1. Construction and closing of pit(s) must meet the criteria of Rule 19.15.2.50 and the Pit Guidelines.
2. The pit is not located in any watercourse, lakebed, sinkhole, playa lake, or wetland.
3. Notice is to be given to the OCD prior to construction of the pit(s).
4. Upon cessation of drilling the freestanding fluid will be removed and disposed of in an OCD approved facility.
5. Pit encapsulations must meet all specific criteria including, but not limited to:
  - A. Site evaluation
  - B. Liner thickness and type must meet requirements as per guidelines.
  - C. Amount of and type of cover
  - D. Drill cuttings will be sampled as per guidelines. Notify OCD 48 hours prior to any sampling event
  - E. In the event that the integrity of the pit lining is breached in a manner such that soil contamination would result, the contents of the pit will have to be disposed of in an approved OCD facility.
6. The integrity of the bottom liner may not be breached at any time for any reason.
7. The pit will not be used for any additional storage of fluids.
8. The Division may attach additional conditions to any permit upon a finding that such conditions are necessary to prevent the contamination of fresh water, or to protect public health or the environment. (19.15.2.50.C.3.G.1.)
9. Re-seeding mixture will must be approved or authorized by surface owner.

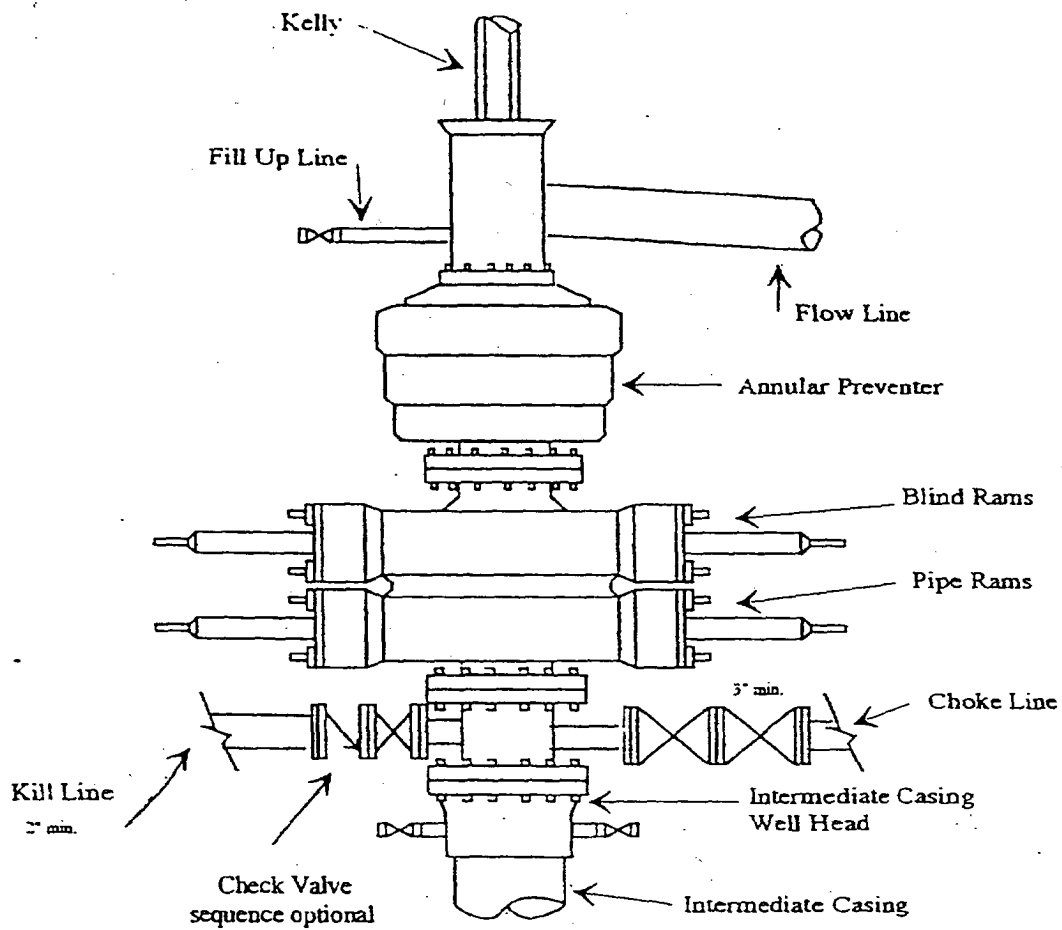
If I can be of any further assistance, please feel free to call (505) 748-1283 ext. 109.

Sincerely,

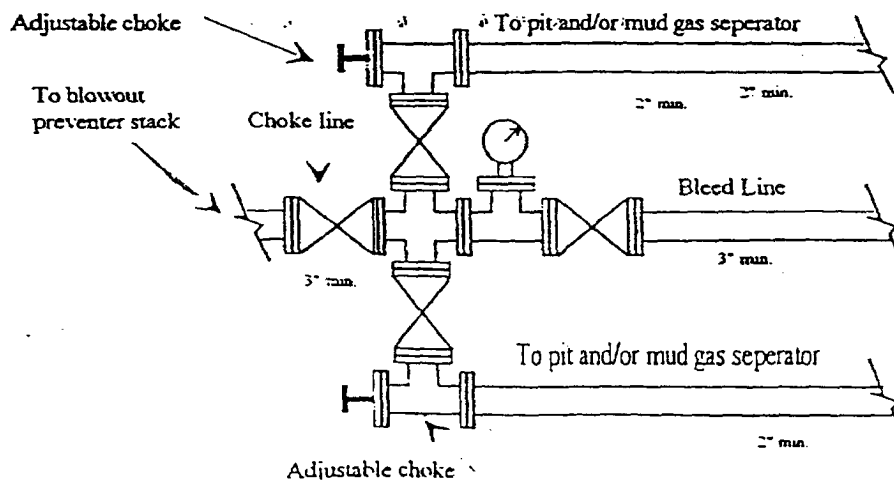
Van Barton

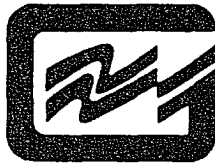
# Great Western Drilling Co.

## Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



## Typical 3,000 psi choke manifold assembly with at least these minimum features





**GREAT WESTERN DRILLING COMPANY**

Post Office Box 1659 • Midland, Texas 79702 • 915/682-5241

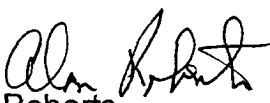
May 4, 2004

Re: H2S Rule 118  
APD – Coats Com # 1  
SE 1/4, Sec 3, T-24-S, R-23-E

Gentlemen:

I have researched the zones and the production in the area of this proposed well. The only potential H2S zone is from the Yates which is water at this location. After calculating according to rule 118, I have determined that the rule does not apply to this well.

Very Truly Yours;

  
Alan Roberts  
Engineer

## DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

## DISTRICT II

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

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

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

## State of New Mexico

Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name ATOKA:: MORROW, WEST (GAS)
Property Code	Property Name COATS COM	Well Number 1
OGRID No.	Operator Name GREAT WESTERN DRILLING COMPANY	Elevation 3445'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	18-S	26-E		990	NORTH	990	EAST	EDDY

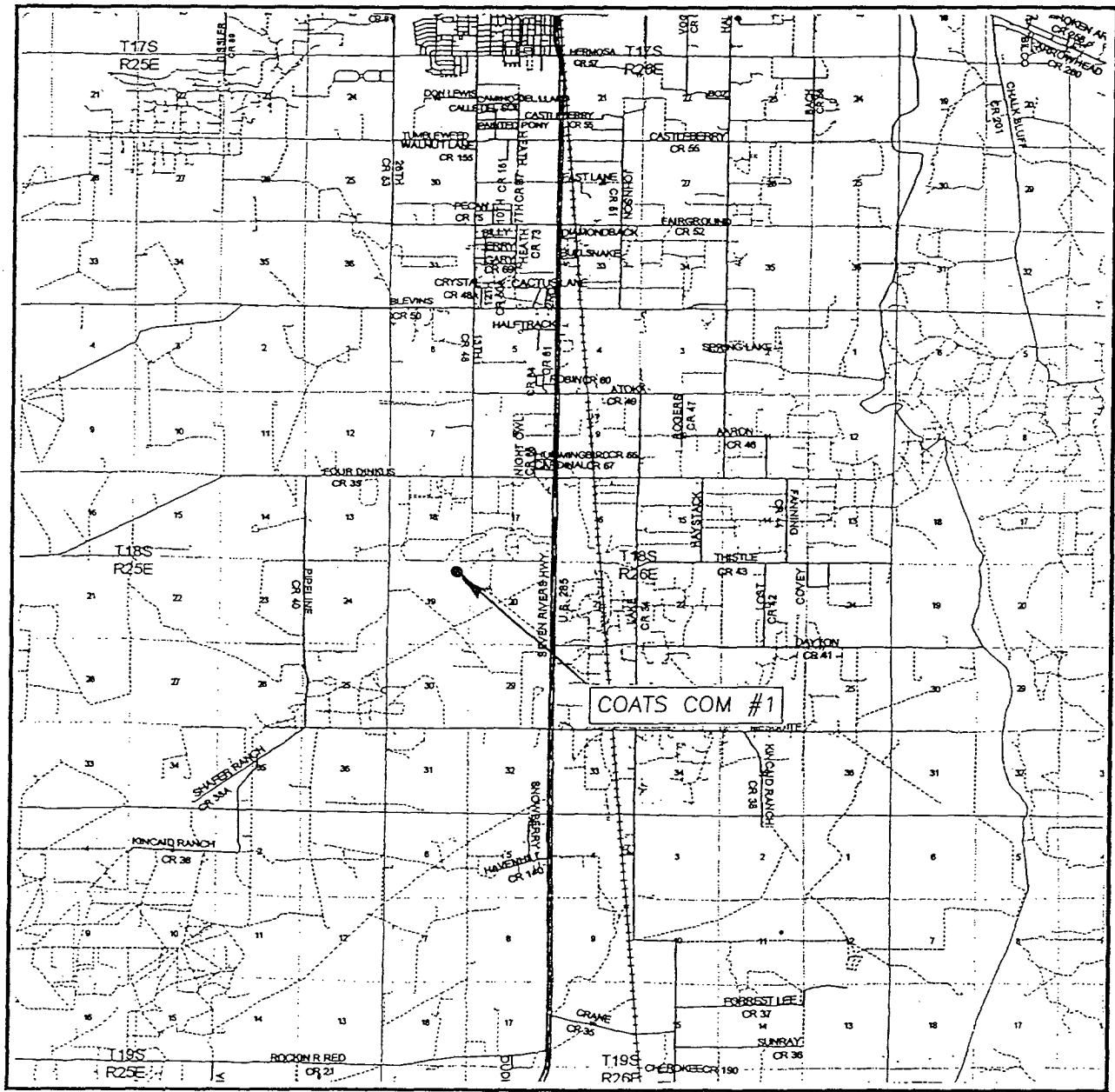
## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	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

LOT 1		<b>OPERATOR CERTIFICATION</b> I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature <b>ALAN ROBERTS</b> Printed Name <b>PETROLEUM ENGINEER</b> Title <b>MARCH 15, 2003</b> Date		
38.63 AC LOT 2				
38.67 AC LOT 3				
38.73 AC LOT 4				
38.77 AC				
<b>GEODETIC COORDINATES</b> NAD 27 NMEZ Y = 632138.2 N X = 474787.6 E LAT. = 32°44'16.14"N LONG. = 104°24'55.18"W			<b>SURVEYOR CERTIFICATION</b> 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 26, 2004 Date Surveyed Signature & Seal of Professional Surveyor  Certificate No. GARY EIDSON 12641	

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 19 TWP. 18-S RGE. 26-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 990' FNL & 990' FEL

ELEVATION 3445'

OPERATOR GREAT WESTERN DRILLING COMPANY

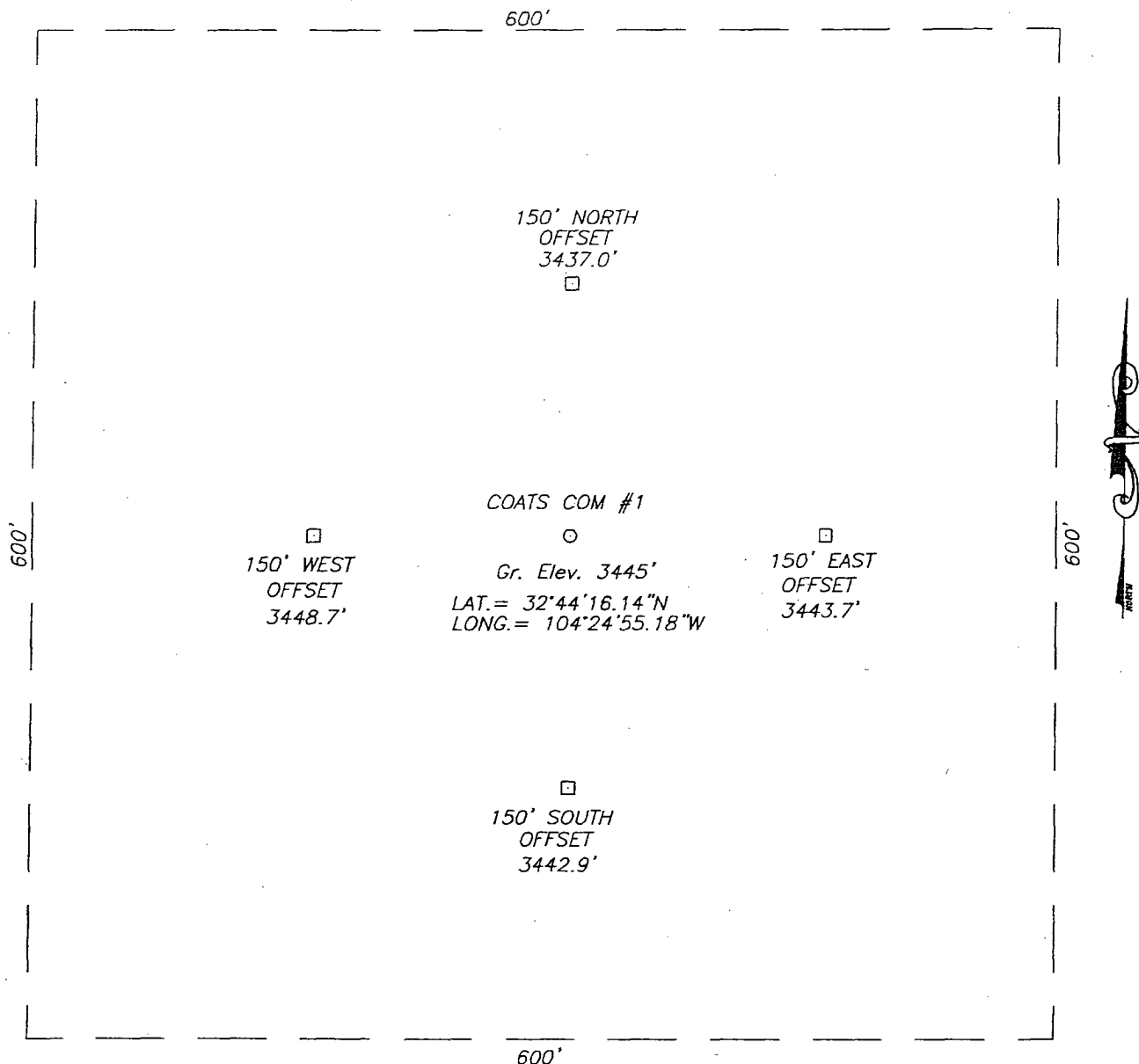
LEASE COATS COM

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

# SECTION 19, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.,

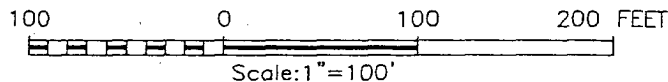
EDDY COUNTY,

NEW MEXICO.



## DIRECTIONS TO LOCATION:

FROM THE INTERSECTION OF STATE HWY #285 AND COUNTY ROAD #38. GO 0.35 MILES WEST ON Co. Rd. #38. TURN RIGHT AND GO NORTH ON A CALICHE ROAD 0.6 MILES. TURN LEFT ON CALICHE ROAD AND GO 0.35 MILES WEST. ROAD BENDS TO THE RIGHT CONTINUE FOR 0.45 MILES. TURN RIGHT ON TWO TRACK ROAD AND GO NORTH 0.8 MILES. GO THROUGH FENCE AND TURN LEFT ON TWO TRACK ROAD AND GO APPROX. 1000'. THIS LOCATION IS LOCATED APPROX. 400' NORTH.



## GREAT WESTERN DRILLING

COATS COM #1 LOCATED  
990' FROM THE NORTH LINE AND 990' FROM THE EAST LINE  
OF SECTION 19, TOWNSHIP 18 SOUTH, RANGE 26 EAST,  
EDDY COUNTY, NEW MEXICO

Survey Date: 02/26/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.0240	DRAWN BY: A.W.B
Date: 03/03/04	DISK: CD#10
04.11.0240	Scale: 1"=100'

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor

May 3, 2004

**Joanna Prukop**  
Cabinet Secretary  
Acting Director  
Oil Conservation Division

Great Western Drilling, Ltd.  
c/o Holland & Hart L.L.P.  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208

RECEIVED

MAY 07 2004

~~GOB-ARTESIA~~

Attention: William F. Carr

*Administrative Order NSL-5049*

Dear Mr. Carr:

Reference is made to the following: (i) your application on behalf of the operator, Great Western Drilling, Ltd. ("GWD"), dated April 12, 2004 (*administrative application reference No. pMES0-412052196*); and (ii) the Division's records in Santa Fe and Artesia: all concerning GWD's request for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Atoka-Pennsylvanian Gas Pool*", as promulgated by Division Order No. R-8170, as amended, for an off-pattern non-standard replacement deep Pennsylvanian gas well location within a former standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 19, Township 18 South, Range 26 East, NMPM, Atoka-Pennsylvanian (Prorated) Gas Pool (70800), Eddy County, New Mexico.

This application has been duly filed under the provisions of: (i) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; (ii) Division Rule 605; and (iii) the special pool rules governing the Atoka-Pennsylvanian Gas Pool.

From the Division's records, initial development of the Atoka-Pennsylvanian Gas Pool within this 320-acre unit commenced in 1960-61 when Martin, Williams, Judson of Midland, Texas (MWJ Producing Company) drilled and completed its Hondo "LFE" Well No. 1 (API No. 30-015-00211) at a standard gas well location 990 feet from the South and East lines (Unit P) of Section 19. Atoka-Pennsylvanian deep gas production ceased in this well in April, 1992, and in August, 1992 MWJ Producing Company plugged and abandoned this well.

The geologic interpretation submitted with this application indicates that a replacement well drilled at the proposed location will be at a more favorable geologic position within the Middle Morrow "B" sand channel than a well drilled at a location considered to be standard within the proposed 320-acre unit.

By authority granted me under the provisions of Division Rules 605.B (2) (b) and 104.F (2) and the applicable provisions of the special pool rules governing the Atoka-Pennsylvanian Gas Pool, the following described well to be drilled as a replacement Pennsylvanian gas well on this 320-acre gas spacing and proration unit at an off-pattern non-standard deep gas well location is hereby approved:

Great Western Drilling, Ltd.  
May 3, 2004  
Page 2

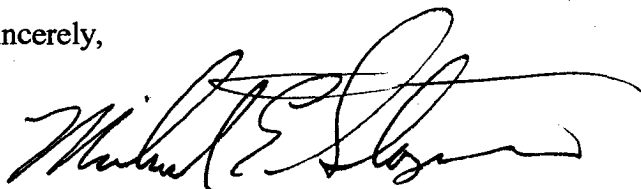
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Division Administrative Order NSL-5049

**Coats Com. Well No. 1  
990' FN & EL (Unit A).**

Jurisdiction of this cause is retained for the entry of such further orders as the Division deems necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a stylized flourish at the end.

Michael E. Stogner  
Engineer/Hearing Officer

MES/ms

cc: New Mexico Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad