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

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

Form C-101
May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

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

[1] Operator Name and Address	[2] OGRID Number
Perenco LLC, 6 Desta Drive, Suite 6800, Midland, TX, 79705	218885
	[3] API Number 30-015-35556

[3] Property Code	[5] Property Name	[6] Well No.
	State 1625	291

[9] Proposed Pool 1	[10] Proposed Pool 2
Cottonwood Creek Abo East Gas (97973)	

[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
A	29	16	25		700	North	660	East	Eddy

[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
D	29	16	25		700	North	660	West	Eddy

Additional Well Information

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
N	G	R	S	3545'
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
No	5500'	Abo	To be tendered out	September 1 2004s

Depth to Groundwater 200' | Distance from nearest fresh water well 1.5 miles | Distance from nearest surface water ?

Pit: Liner: Synthetic ☒ _12__mils thick Clay ☐ Pit Volume:12,000_bbls

Closed-Loop System ☒

Drilling Method:
Fresh Water ☒ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5	13.375"	48#	350'	400	Surface
12.25	9.625"	40#	1100'	375	Surface
8.75	7.0"	26#	5500'	320	900'
6.125	4.5"	13.35#	9000'	Not cemented	N/a

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.

Drill a new well to test the shallow gas horizons.
Drilling program and wellbore diagram attached.
Blow out prevention: 300 psi double annular BOPS, see attachment.
H2S Contingency plan attached.

Fresh Water Mud or Air To @ 1100'

NOTIFY OCD OF SPUD & TIME TO WITNESS CEMENTING OF SURFACE & INTERMEDIATE CASING

RECEIVED
AUG 10 2004
OCD-ARTESIA

[23] I hereby certify that the information given above is true and complete to the best of my knowledge and belief. **I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**

Printed name: Stephen Howe

Title: Petroleum Engineer

E-mail Address: showe@us.perenco.com

Date: Aug 8 2004 | Phone: 432 688 8723

OIL CONSERVATION DIVISION

Approved by: TIM W. GUM

Title: DISTRICT II SUPERVISOR

Approval Date: AUG 20 2004 | Expiration Date: AUG 20 2005

Conditions of Approval Attached ☐

1625 N. French Dr., Hobbs, NM 88240
District II
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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
June 1, 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: Pecnco LLC Telephone: 432 682 8553 e-mail address: showe@us.pecnco.com
Address: 6 Desta Drive Suite 6800, Midland, TX, 79705
Facility or well name: State 1625 #291 API #: U/L or Qtr/Qtr A Sec 29 T 16 R 25
County: Eddy Latitude Longitude NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

Pit	Below-grade tank		
Type: Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Pit Volume 12,000 bbl	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.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points)	0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No	(20 points) (0 points)	0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points)	0
	Ranking Score (Total Points)		0

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: (check the onsite box if your are burying in place) 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.

Additional Comments:
To replace application previously submitted in form C-101

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: 8/11/04
Printed Name/Title Stephen Howe, Petroleum Engineer Signature

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.

Approval:
Printed Name/Title Signature Date: AUG 13 2004

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

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

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-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name

Property Code	Property Name	Well Number
	STATE 1625	291

OGRID No.	Operator Name	Elevation
	PERENCO, LLC	3544'

Surface Location

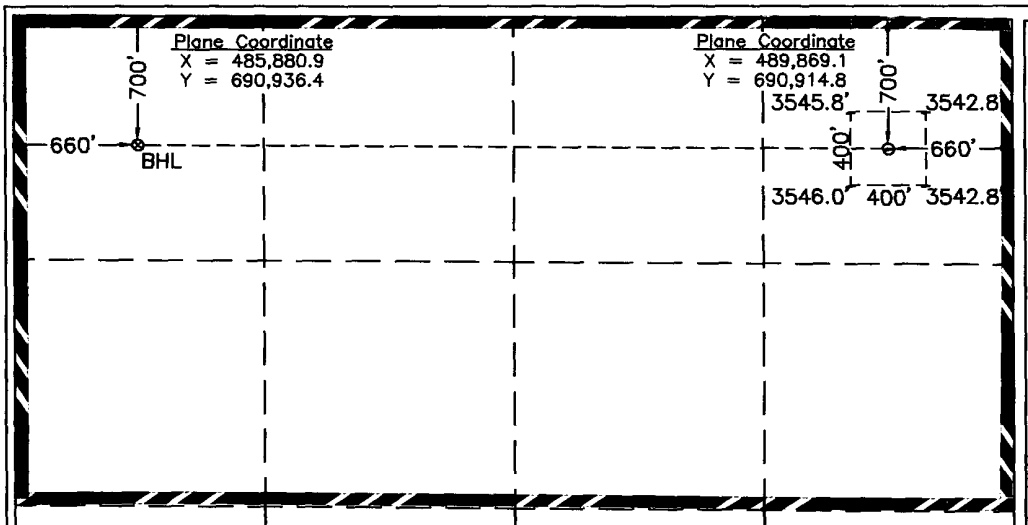
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	29	16 S	25 E		700	NORTH	660	EAST	EDDY

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
D	29	16 S	25 E		700	NORTH	660	WEST	EDDY

Dedicated Acres	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



NOTE:

1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1983. Distances shown hereon are mean horizontal surface values.

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature: Frank G. Nix

Printed Name: Frank G. Nix

Title: Land Manager

Date: August 6, 2004

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 upervison and that the same is true and orrect to the best of my belief.

August 3, 2004

Date Surveyed LVA

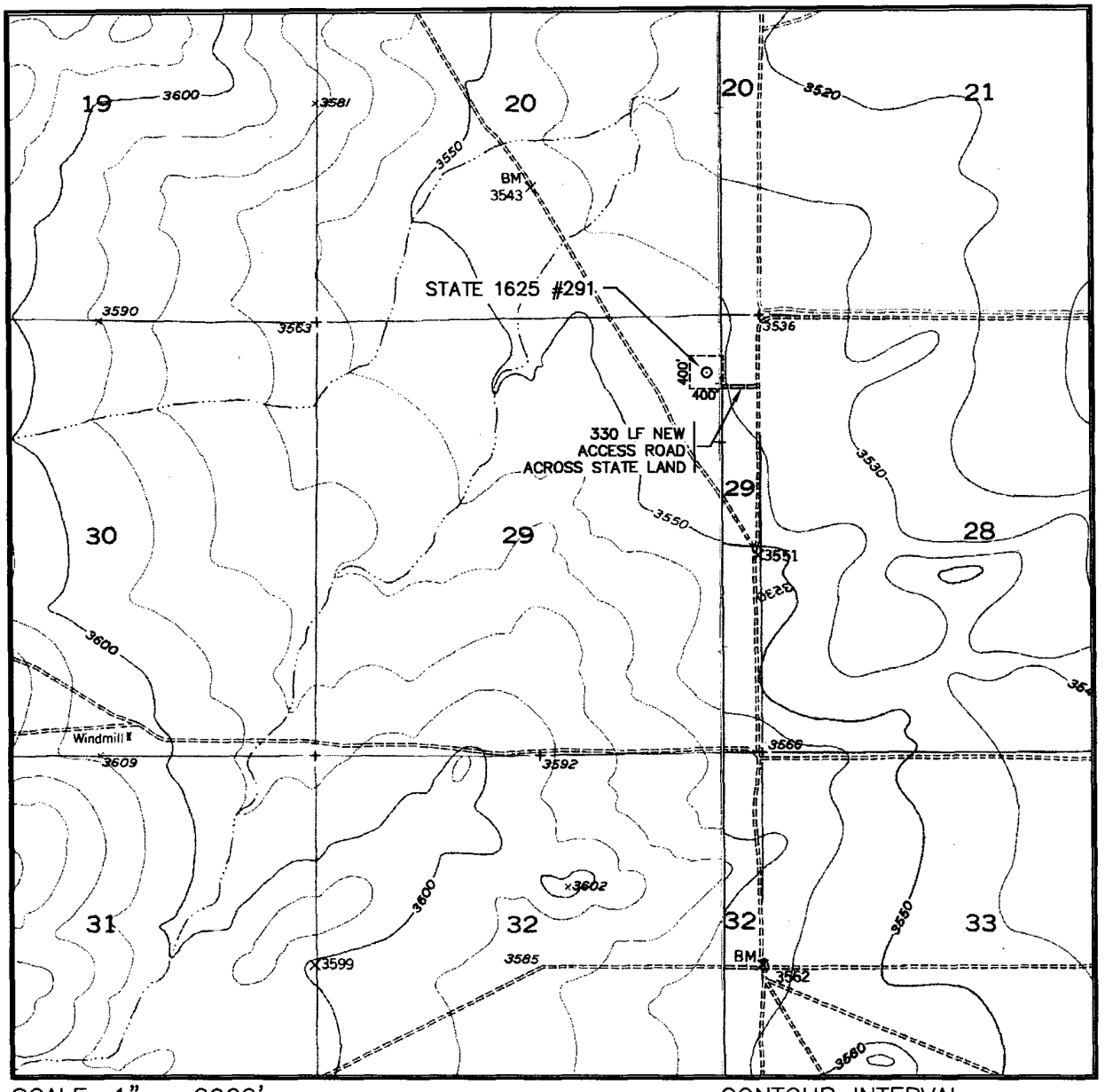
Signature & Seal of Professional Surveyor: MACON McDONALD, NEW MEXICO, 12185

W.O. Num. 2004-0527

Certificate No. MACON McDONALD 12185

REGISTERED PROFESSIONAL SURVEYOR

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
HOPE NE,
ESPUELA – 10'

SEC. 29 TWP. 16–S RGE. 25–E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 700' FNL & 660' FEL

ELEVATION 3544'

OPERATOR PERENCO, LLC

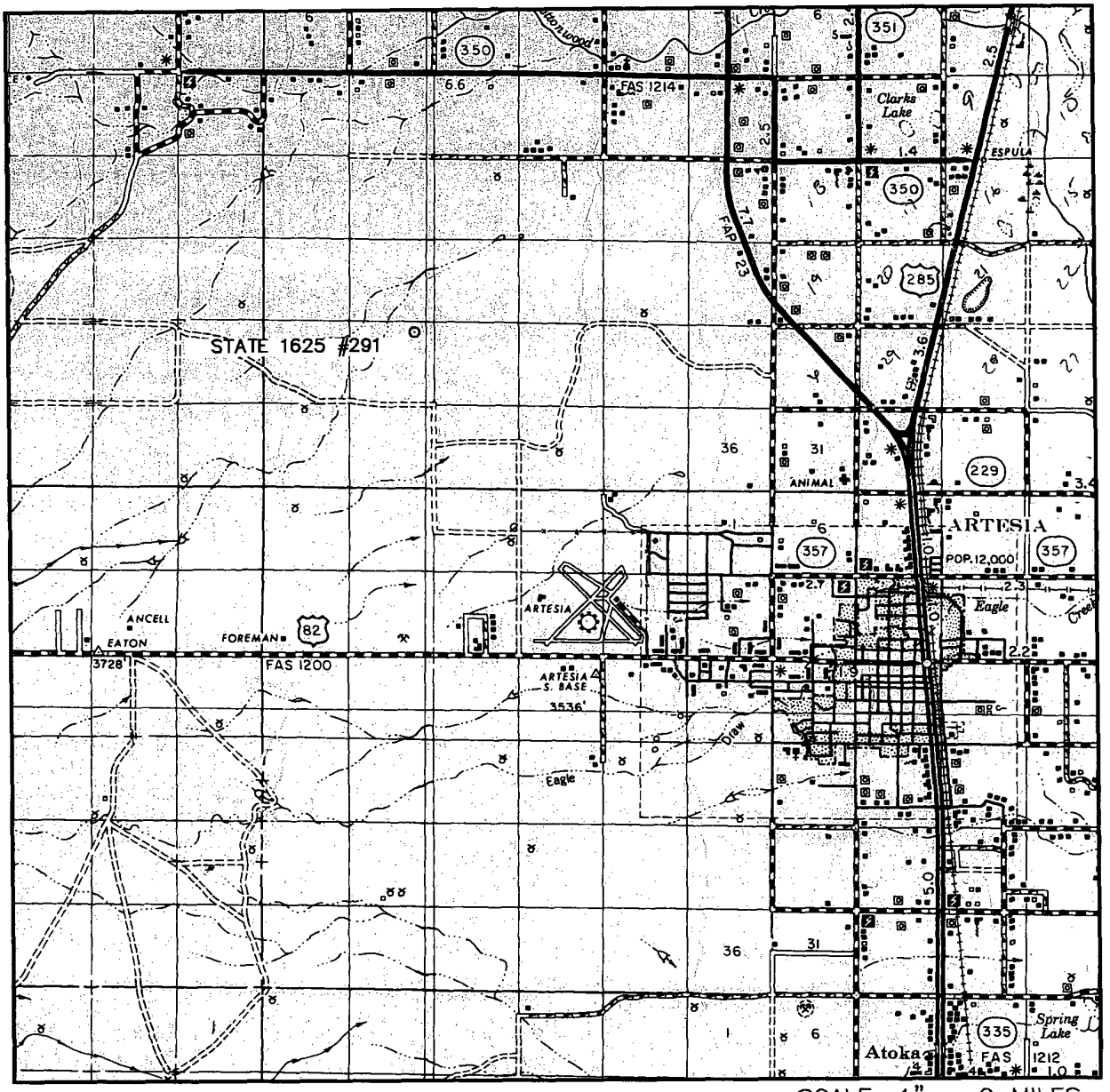
LEASE STATE 1625

U.S.G.S. TOPOGRAPHIC MAPS
HOPE NE, N.M. ESPUELA, N.M.

WEST COMPANY of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687–0865 – (432) 687–0868 FAX

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 29 TWP. 16-S RGE. 25-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 700' FNL & 660' FEL

ELEVATION 3544'

OPERATOR PERENCO, LLC

LEASE STATE 1625

WEST COMPANY of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

Casing & Cementing Program - Summary

Casing

Hole Size	Interval	OD Casing	Weight Grade Jt.
17-1/2"	0-350'	13-3/8"	48# H-40 ST&C
12-1/4"	0-1100'	9-5/8"	40# N-80 LT&C
8-3/4"	0-5500'	7"	26# J-55 LT&C
6-1/8"	4850-9000'	4-1/2"	11.35# N-80 HDL

Cement

17-1/2" Surface Casing	Cement to surface with 400 sx Class C w/ 2% CaCl
9-5/8" Intermediate	Cement to surface. Lead with 375 sx 65/35 Class C Poz + 5% NaCl + .25#/sk Celloflake + 6% Bentonite. Tail with 100 sx C + 2% CaCl
7" Production	Cement w/ Lead 320 sx 50/50 Class C Poz + 5% NaCl + 10% gel. Tail w/ 170 sx Class C
4-1/2" slotted liner	Will not be cemented

Prepared 08/03/04 by Stephen Howe, Petroleum Engineer, Perenco LLC

Drilling Program

1. **Surface-350'**
   1.1 MIRU
   1.2 P/U 17.5" bit and surface BHA, drill to 350'

Surface BHA		Mud Characteristics	
1 x Drill Bit	17.5"	Mud Weight	8.4
1 x Bit Sub	8"	Viscosity	28
1 x Crossover	8"	pH	11
1 x Shock absorber	8"	Other	
8 x Collar	8"		

   1.3 Circulate high-viscosity sweep
   1.4 POOH and RIH 13-3/8 surface casing to 350'.

Size	13-38"	**Cement**	Class C + 2% CaCl
Specification	40# N-80 (LT&C)	**# Sacks**	450
# Joints	8	**Estimated TOC**	Surface

   1.5 Cement and circulate to surface
   1.6 Cut off casing and weld on 13-3/8" casing head
   1.7 NU spacer spool, flowlines, and annular BOP
   1.8 Per NM regs, wait until lower 20% of cement has reached a compressive strength of 500 psi, at least 8 hours.

---

2. 350'- 1100'
   2.1 P/U 12-1/4 bit and intermediate BHA. RIH to TOC. Tag and note depth.

Intermediate BHA		Mud Characteristics	
1 x Drill Bit	12-1/2"	Mud Weight	8.4
1 x Shock absorber	8"	Viscosity	28
2 Drill Collar	8"	pH	11
1 x IB Stabilizer	12-1/4	Other	
1 x Collar	8"		
1 x IB Stabilizer	12-1/4"		
5 x Collar	8"		
1 x Cross Over	8"		
23 x Collar	6-1/4"		

   2.2 Pressure test casing to at least 600 psi
   2.3 Drill out plug and cement.

2.4 Drill ahead to 1100'
2.5 Circulate high-viscosity sweep
2.6 POOH and lay down 12-1/2 BHA
2.7 P/U and RIH 9-5/8 intermediate casing to 1100'

Size	9-5/8"	**Cement**	Class C + 5% CaCl + 5% NaCl + 6% Bentonite + 0.25 lb/sk celloflake
Specification	40# N-80 (LT&C)	**# Sacks**	375 + 100 tail
# Joints	27	**Estimated TOC**	Surface

2.8 Cement and circulate to surface
2.9 Install 9-5" casing head
2.10 NU spacer spool, flow lines, and annular BOP
2.11 Test BOP to 2000 psi, annular to 1500 psi

---

3. 1100 - 5500'

3.1 P/U 8-3/4" bit and production string BHA. RIH, tag and note TOC
3.2 Drill through cement and plug. Continue to 5500' (TD to be finalized by geologist)

BHA		**Mud Characteristics**	
1 x Drill Bit	8-3/4"	Mud Weight	9.3
1 x Tri Collar	8-3/4"	Viscosity	28
2 x Drill Collar	6-1/4"	pH	11
1 x IBS	8-3/4"	Other	
26 x Collar	6-1/4"		

3.3 At TD, circulate to clean hole
3.4 Spot high-viscosity mud on bottom. POOH
3.5 Run triple combo log (GR-Dual Laterlog-MSFL and GR-Compensated Density-Neutron)
3.6 P/U and RIH 7" Production Casing

Size	7"	**Cement**	Class C + 5% NaCl + 10% Bentonite + 0.25 lb/sk celloflake
Specification	26# L80 (LT&C)	**# Sacks**	450 + 170 tail
# Joints	120	**Estimated TOC**	900'

3.7 Cement, circulate TOC to 900' (200' overlap with intermediate casing)
3.8 Install 7" casing head
3.9 NU spacer spool, flow lines, and annular BOP

3.10 Run Cement Bond Log

---

4. Lateral Section

4.1 Run cast iron bridge plug on wireline to 4662 ft
4.2 RIH with whipstock assembly
4.3 RIH with wireline to check orientation - 270° (west)
4.4 Set whipstock and shear off. POOH W/S setting string
4.5 RIH with window mill, cut window between 4645' and 4653' including 8 ft of formation to create rat hole
4.6 Circulate high viscosity sweep
4.7 P/U and RIH Lateral section BHA, drill and kickoff to west, building angle at 23°/100ft degrees until 90° is reached.

Lateral Section BHA		Mud Characteristics	
Bit	6-1/8	Mud Weight	8.4
Motor (2.5 Deg)	4-3/4	Viscosity	28
Float Sub	4-11/16	pH	11
UBHO	4-5/8	Other	
Monel Collar	4-3/4		
Monel Collar	4-11/16		

4.8 Drill and slide horizontal section to 8975' MD (4907' TVD)
4.9 At TD circulate to clean hole
4.10 Spot slider fluid
4.11 POOH

---

5. Completion

5.1 RIH with 105 joints pre-perforated 11.6# L080 (ULTFS) 4.5" liner and packer hanger.
5.2 Set hanger at 4550 ft.
5.3 POOH
5.4 Nipple Down BOPs
5.5 R/D and release drilling rig

---

6. Stimulation

6.1 RU Stinger's Casing Saver
6.2 RU Acid truck
6.3 Test lines to 7500 psi
6.4 Load well with 40 bbls water
6.5 Pump 65,000 bbls 15% NEFE HCL at 100 bbls/min
6.6 Flush with 245 bbls slick water

WELL : State 1625 #291
FIELD : Wildcat Abo (Gas)
CATEGORY : Horizontal Well
STATE : New Mexico
COUNTY : Eddy
SURFACE LOCATION : Section: 29 Township: 16 Range: 25 FNL: 700 FEL: 660
BOTTOM HOLE LOCATION : Section: 29 Township: 16 Range: 25 FNL: 700 FWL: 660
ELEVATION : 3545'

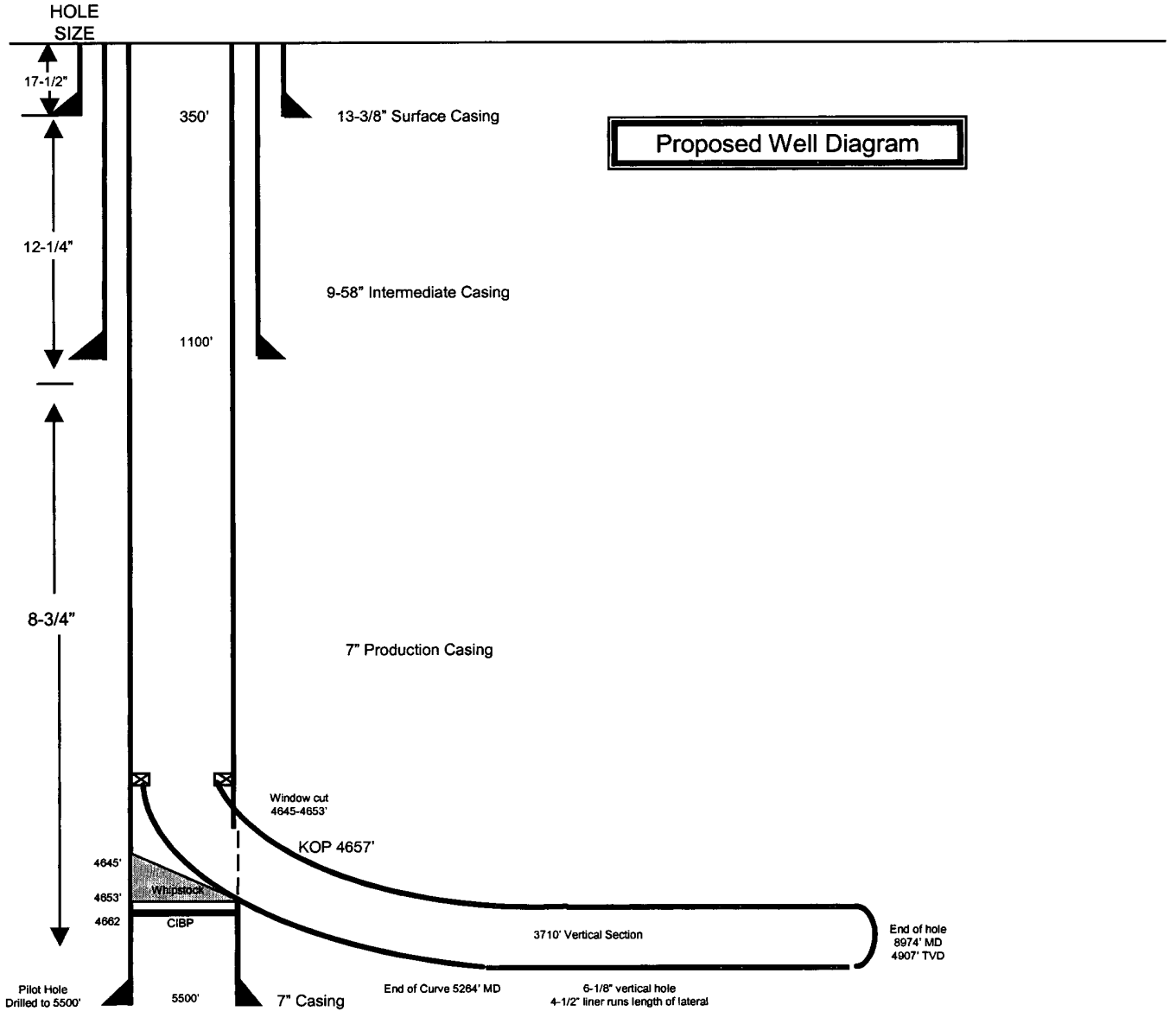
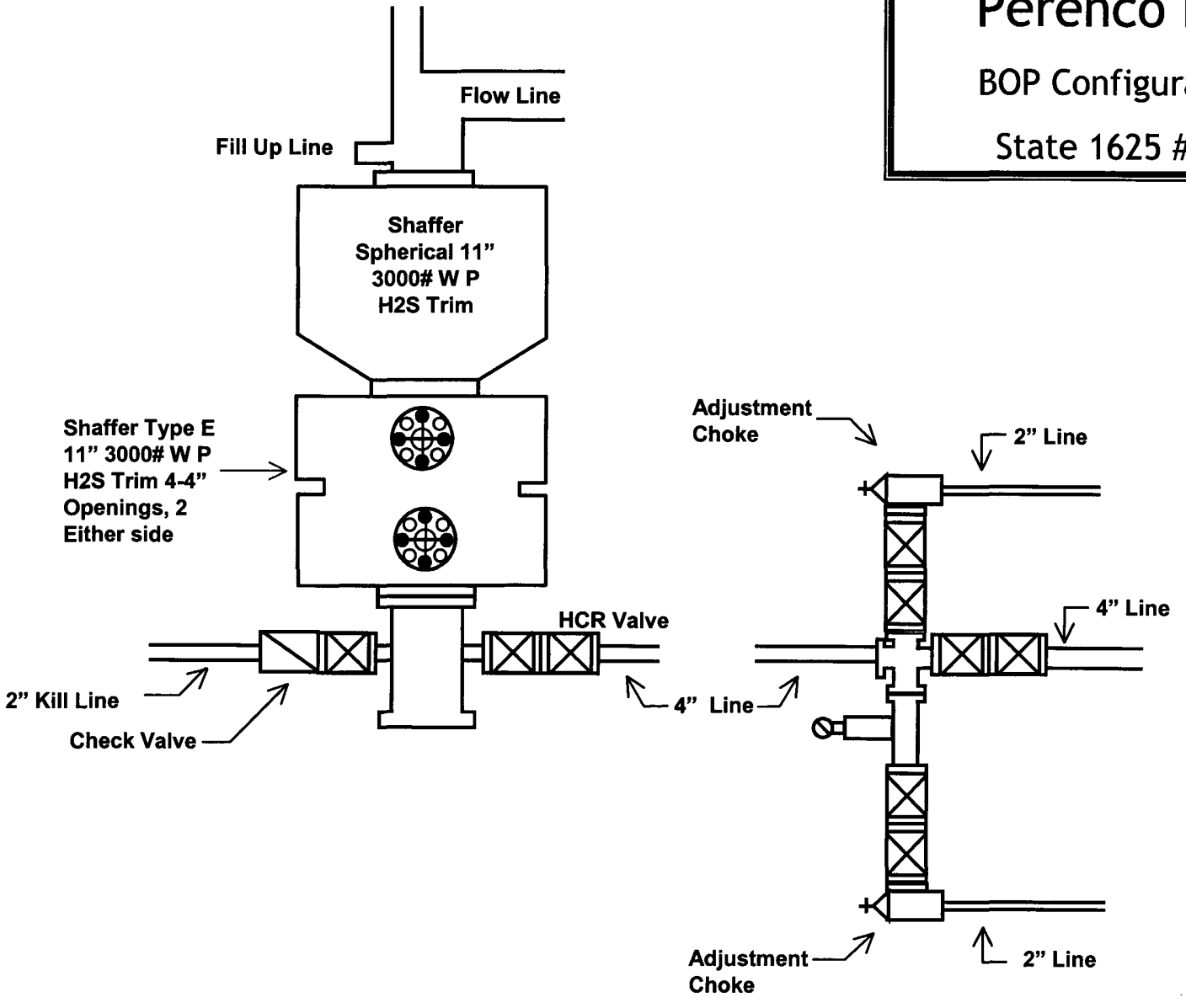


Exhibit 1

Perenco LLC

BOP Configuration

State 1625 #291



HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

APPLICABILITY:

The provisions of this plan are effective when drilling operations are conducted in areas where zones may be penetrated that are known to contain, or may be reasonably expected to contain, hydrogen sulfide gas in concentrations of 100 parts per million or more.

TRAINING REQUIREMENTS:

A. When conducting drilling operations in an area where hydrogen sulfide gas might be encountered, all personnel at the well site will have had proper training in the following areas:

1. The hazards and characteristics of hydrogen sulfide gas (H2S).

2. Toxicity of hydrogen sulfide and sulfur dioxide.

3. Hydrogen sulfide gas detectors, warning systems, evacuation procedures, and proper use and maintenance of personal protective equipment.

4. Proper rescue procedures, first aid, and artificial respiration.

B. In addition, supervisory personnel will be trained in the following areas:

1. The effects of hydrogen sulfide on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.

2. Corrective action and shut-in procedures when drilling or reworking a well, and blowout prevention and well control procedures.

3. The contents and requirements of the Hydrogen Sulfide Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable hydrogen sulfide zone (within 3 days or 500 feet) and weekly hydrogen sulfide and well control drills for all personnel in each crew. The initial training session will include a review of the site specific Hydrogen Sulfide Drilling Operations Plan and the Public Protection Plan. This plan will be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

A. Attached is a detailed well site diagram showing:

- Drilling rig orientation
- Prevailing wind direction (Southwest)
- Location of briefing areas
- Location of Caution/Danger Signs
- Location of hydrogen sulfide monitors
- Location of wind direction Indicators

HYDROGEN SULFIDE SAFETY EQUIPMENT:

A. All safety equipment and systems will be installed, tested and deemed operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone reasonably expected to contain hydrogen sulfide.

B. During drilling operations, a flare line will be routed from the BOP manifold to the reserve pit. Should suspected sour gas be vented through the flair line, a flare pistol will be used to ignite the flare.

C. Protective equipment for essential personnel will be installed and maintained as follows:

1. 30-minute air packs will be maintained on the rig floor and near the briefing area.

2. 30-minute work units will be maintained at the H2S trailer and/or on the rig floor.

3. 30-minute escape units will be maintained on the rig floor.

4. 300 cu. ft. air cylinders will be maintained in the H2S trailer.

5. Associated breathing air equipment will also be installed and maintained.

6. Hydrogen sulfide monitor will be located in the doghouse on the rig floor with sensors placed on the rig floor, at the bell nipple, the shale shaker, and in the pit area.

7. An audible/visual alarm will be located near the doghouse on the rig floor.

VISUAL WARNING SYSTEMS:

A. High visibility Caution/Danger signs will be posted on roads providing direct access to the well location.

B. Green, yellow, and red condition flags to be displayed to denote Normal Conditions, Potential Danger, and Danger, H2S Present.

C. Wind socks to be located at the protection center and in the pit area to continuously indicate wind direction.

CIRCULATING MEDIUM:

A. Drilling fluid to be conditioned to minimize the volume of H2S circulated to the surface.

SPECIAL WELL CONTROL EQUIPMENT:

A. In addition to the normal BOP stack and choke manifold, a drilling head will be used to help control and H2S contaminated drilling.

WELL TESTING:

A. Drill stem testing of zones known, or reasonably expected, to contain hydrogen sulfide in concentrations of 100 pps or more will use the closed chamber method of testing.

COMMUNICATION:

A. Radio communication will be available at the drilling rig and also in company vehicles.

ADDITIONAL INFORMATION:

A. Additional information concerning Emergency Reaction Steps, Ignition Procedures, Training Requirements, and Emergency Equipment Requirements will be available on location at the well site.

Job Number: Proposal 04-191	**State/Country: Texas / USA**
Company: Perenco, LLC.	**Declination:**
Lease/Well: State Lease '1625' # 291	**Grid:**
Location: Eddy County	**File name: C:\DOCUME~1\OWNER\DESKTOP\DDCFOL~1\PER**
Rig Name:	**Date/Time: 11-Aug-04 / 09:36**
RKB:	**Curve Name: Proposed State Lease '1625' #291 (r0)**
G.L. or M.S.L.: 3544'	

30-015-

WINSERVE SURVEY CALCULATIONS
Minimum Curvature Method
Vertical Section Plane 270.31
Vertical Section Referenced to Wellhead
Rectangular Coordinates Referenced to Wellhead

RECEIVED
AUG 12 2004
OCD-ARTESIA

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	Dogleg Severity Deg/100	CLOSURE N-S FT	CLOSURE E-W FT	CLOSURE Distance FT	CLOSURE Direction Deg	Grid X FT	Grid Y FT
KOP @ 4657' / Build 17.90°/100'											
4657.00	.00	270.31	4657.00	.00	.00	.00	.00	.00	.00	.00	.00
4687.00	5.37	270.31	4686.96	1.40	17.90	.01	-1.40	1.40	270.31	-1.40	.01
4717.00	10.74	270.31	4716.65	5.61	17.90	.03	-5.61	5.61	270.31	-5.61	.03
4747.00	16.11	270.31	4745.82	12.57	17.90	.07	-12.57	12.57	270.31	-12.57	.07
4777.00	21.48	270.31	4774.21	22.23	17.90	.12	-22.23	22.23	270.31	-22.23	.12
4807.00	26.85	270.31	4801.57	34.51	17.90	.19	-34.51	34.51	270.31	-34.51	.19
4837.00	32.22	270.31	4827.66	49.30	17.90	.27	-49.29	49.30	270.31	-49.29	.27
4867.00	37.59	270.31	4852.25	66.46	17.90	.36	-66.46	66.46	270.31	-66.46	.36
4897.00	42.96	270.31	4875.13	85.84	17.90	.46	-85.84	85.84	270.31	-85.84	.46
4927.00	48.33	270.31	4896.10	107.29	17.90	.58	-107.29	107.29	270.31	-107.29	.58
4957.00	53.70	270.31	4914.96	130.60	17.90	.71	-130.60	130.60	270.31	-130.60	.71
4987.00	59.08	270.31	4931.56	155.58	17.90	.84	-155.57	155.58	270.31	-155.57	.84
5017.00	64.45	270.31	4945.75	182.00	17.90	.99	-181.99	182.00	270.31	-181.99	.99
5047.00	69.82	270.31	4957.41	209.63	17.90	1.14	-209.63	209.63	270.31	-209.63	1.14
5077.00	75.19	270.31	4966.42	238.23	17.90	1.29	-238.23	238.23	270.31	-238.23	1.29
5107.00	80.56	270.31	4972.72	267.55	17.90	1.45	-267.55	267.55	270.31	-267.55	1.45
5137.00	85.93	270.31	4976.25	297.33	17.90	1.61	-297.33	297.33	270.31	-297.33	1.61
End of Curve @ 5166' MD / 4977' TVD											
5165.87	91.10	270.31	4977.00	326.18	17.90	1.77	-326.17	326.18	270.31	-326.17	1.77
5565.87	91.10	270.31	4969.36	726.11	.00	3.93	-726.09	726.11	270.31	-726.09	3.93
5965.87	91.10	270.31	4961.71	1126.03	.00	6.10	-1126.02	1126.03	270.31	-1126.02	6.10
6365.87	91.10	270.31	4954.07	1525.96	.00	8.26	-1525.94	1525.96	270.31	-1525.94	8.26
6765.87	91.10	270.31	4946.42	1925.89	.00	10.43	-1925.86	1925.89	270.31	-1925.86	10.43

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	Dogleg Severity Deg/100	CLOSURE N-S FT	E-W FT	Distance FT	Direction Deg	Grid X FT	Grid Y FT
7165.87	91.10	270.31	4938.78	2325.81	.00	12.60	-2325.78	2325.81	270.31	-2325.78	12.60
7565.87	91.10	270.31	4931.13	2725.74	.00	14.76	-2725.70	2725.74	270.31	-2725.70	14.76
7965.87	91.10	270.31	4923.49	3125.67	.00	16.93	-3125.62	3125.67	270.31	-3125.62	16.93
8365.87	91.10	270.31	4915.84	3525.59	.00	19.09	-3525.54	3525.59	270.31	-3525.54	19.09
8765.87	91.10	270.31	4908.20	3925.52	.00	21.26	-3925.46	3925.52	270.31	-3925.46	21.26
PBHL @ 8829' MD / 4907' TVD											
8828.62	91.10	270.31	4907.00	3988.26	.00	21.60	-3988.20	3988.26	270.31	-3988.20	21.60

Perenco, LLC.

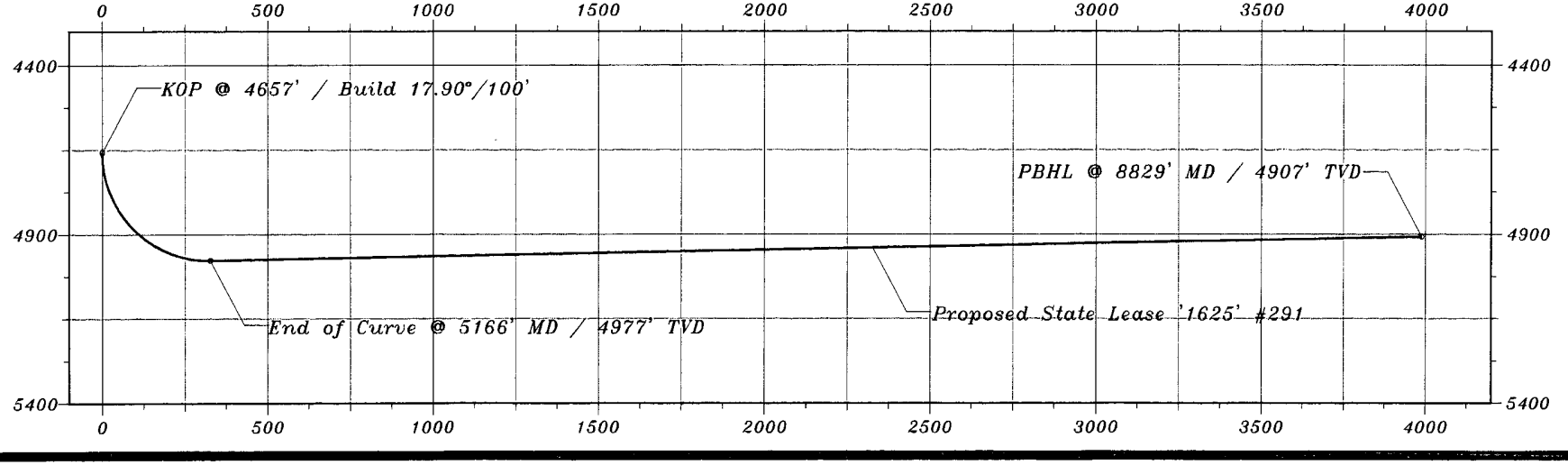
State Lease '1625' #291

Eddy County, New Mexico

Proposal 04-191

THE DIRECTIONAL DRILLING COMPANY

VERTICAL SECTION
SCALE: 1 inch = 500'
VERTICAL SECTION PLANE= 270.31

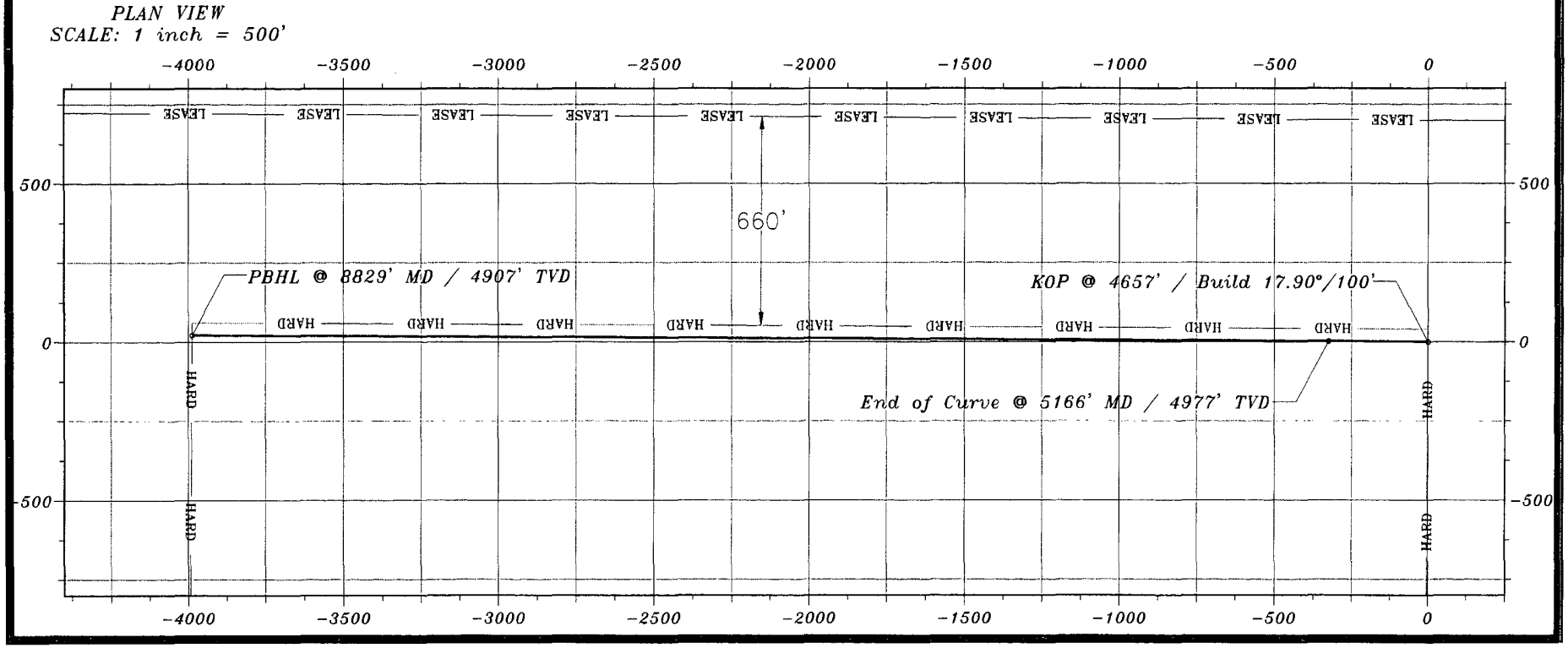


Perenco, LLC.

State Lease '1625' #291

Eddy County, New Mexico

Proposal 04-191



PERENCO, LLC.
STATE "1625" # 291
UNIT "A" SECTION 29
T16S-R25E EDDY CO. NM

According to information received from The Bureau of Land Management Roswell Field Office there is no indication of any H^2S in the vicinity of the above well location