

30-015-34604



INTREPID

February 2, 2006

CIMAREX
508 W. Wall Street
Midland, TX 79701
Attention: Mr. Jeff Gotcher

Re: State A 14 Com #2
1,710' FNL and 2,095' FWL
Section 14, T-19-S, R-29-E
Eddy County, New Mexico

Dear Mr. Gotcher:

Intrepid Potash - NM, LLC., offers no objection to the drilling location of the State A 14 Com #2 Well by CIMAREX.

Sincerely,



Thomas A. McGuire
Senior Mine Engineer

P.O. BOX 101 • 35 MILES EAST HIGHWAY 62-180 • CARLSBAD, NEW MEXICO • 88220

PHONE: (505) 234-3814 • FAX: (505) 887-0929



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 2, 2006

New Mexico State Land Office

310 Old Santa Fe trail

Santa Fe, NM 87504-1148

Attn: Joe Mraz or To Whom It May Concern

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: Gruy Petroleum Management Company

LEASE NAME: State '14A' Com. # 2

**LOCATION: SEC. 14, TOWNSHIP 19 SOUTH, RANGE 29 EAST,
1710' FNL & 2095' FWL (Surface hole location)
kickoff point @ 3300'
1650' FSL & 1650' FEL (Bottom Hole location)
EDDY COUNTY, NM, NMPM**

PROPOSED DEPTH: 12,000'

Dear Craig or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order.

Thank you for your assistance.

Sincerely,

Bryan G. Arrant

PES, District II Artesia NMOCD

In LMR Yes _____

No X

In Buffer Zone Yes _____

No X

Comments:

Signature: *Bryan G. Arrant*

Date: 2/10/06



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

February 2, 2006
Bureau of Land Management
620 East Greene St.
Carlsbad, NM 88220

RECEIVED
FEB 06 2006
OIL-ARTESIA

Attn: Craig Cranston or To Whom It May Concern

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA
OPERATOR: Gruy Petroleum Management Company
LEASE NAME: State '14A' Com. # 2
LOCATION: SEC. 14, TOWNSHIP 19 SOUTH, RANGE 29 EAST,
1710' FNL & 2095' FWL (Surface hole location)
kickoff point @ 3300'
1650' FSL & 1650' FEL (Bottom Hole location)
EDDY COUNTY, NM, NMPM

PROPOSED DEPTH: 12,000'

Dear Craig or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of-Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order.
Thank you for your assistance.

Sincerely,

Bryan G. Arrant
PES, District II Artesia NMOCD

In LMR	Yes _____	No ☒
In Buffer Zone	Yes _____	No ☒

Comments:

THE PROPOSED LOCATION IS 1,520 FEET FROM THE
OPEN MINE EXPOSURE OF THE ABANDONED HORIZON POTASH MINE
Signature: Craig Cranston Date: 2-2-06

Arrant, Bryan, EMNRD

From: Natalie Krueger [nkrueger@cimarex.com]
Sent: Thursday, February 02, 2006 9:59 AM
To: Arrant, Bryan, EMNRD
Subject: State 14 A Com #2 Mud Program

Bryan, below is the proposed mud program for the State 14 A Com #2:

3 Proposed Mud Circulating System:

Depth	Mud Wt	Viscosity	Fluid Loss	Type Mud
0 - 400'	8.4 - 8.6	30 - 32	May lose circ.	Fresh water spud mud add paper to control seepage and high viscosity sweep hole.
400' - 3200'	9.7 - 10.0	28 - 29	May lose circ.	Brine water. Add paper as needed to control seepage and add lime to control pH. Use high viscosity sweeps to clear.
3200' - 8300'	8.4 - 9.9	28 - 29	NC	Fresh water. Paper for seepage. (9 - 9.5)
8300' - 10000'	8.45 - 8.9	28 - 29	NC	Cut brine. Caustic for pH control.
10000' - 12000'	8.9 - 9.7	29 - 45	NC	XCD Polymer mud system.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected. In order to run DSTs, open hole logs, and casing, the viscosity and water loss may have to be adjusted to meet these needs. Mud system monitoring equipment with derrick floor indicators and visual/audio alarm installed and operative prior to drilling into the Wolfcamp formation. This equipment will remain in use until production casing is run and cemented.

Halliburton Sperry-Sun

Gruy Petroleum Management Co.
State A 14 Com #2 - Plan 013006

New Mexico
Eddy County NAD 83
Sec 14-T19S-R29E
Data Source:

Meas. Depth (ft)	Incl.	Azm.	Sub-Sea Depth (ft)	Vert. Depth (ft)	Local Northings (ft)	Local Eastings (ft)	Global Northings (ft)	Global Eastings (ft)
0	0	0	-3382	0	0.00 N	0.00 E	605123.4	629362.4
3200	0	0	-182	3200	0.00 N	0.00 E	605123.4	629362.4
3300	0	0	-82	3300	0.00 N	0.00 E	605123.4	629362.4
3400	2	141.353	17.98	3399.98	1.36 S	1.09 E	605122.1	629363.5
3500	4	141.353	117.84	3499.84	5.45 S	4.36 E	605118.1	629366.8
3600	6	141.353	217.45	3599.45	12.26 S	9.80 E	605111.1	629372.3
3700	8	141.353	316.7	3698.7	21.77 S	17.41 E	605101.1	629379.9
3800	10	141.353	415.47	3797.47	33.99 S	27.18 E	605089.1	629389.7
3900	12	141.353	513.62	3895.62	48.89 S	39.10 E	605074.1	629401.7
4000	14	141.353	611.06	3993.06	66.46 S	53.14 E	605057.1	629415.8
4100	16	141.353	707.64	4089.64	86.67 S	69.31 E	605036.1	629432.0
4157.25	17.145	141.353	762.51	4144.51	99.43 S	79.51 E	605024.1	629442.2
4200	17.145	141.353	803.36	4185.36	109.27 S	87.38 E	605014.1	629450.1
4300	17.145	141.353	898.92	4280.92	132.29 S	105.79 E	604991.1	629468.6
4400	17.145	141.353	994.48	4376.48	155.32 S	124.20 E	604968.1	629487.0
4500	17.145	141.353	1090.03	4472.03	178.34 S	142.61 E	604945.1	629505.5
4600	17.145	141.353	1185.59	4567.59	201.36 S	161.02 E	604922.1	629524.0
4700	17.145	141.353	1281.14	4663.14	224.39 S	179.43 E	604899.1	629542.5
4800	17.145	141.353	1376.7	4758.7	247.41 S	197.84 E	604876.1	629560.9
4900	17.145	141.353	1472.26	4854.26	270.43 S	216.25 E	604853.1	629579.4
5000	17.145	141.353	1567.81	4949.81	293.46 S	234.66 E	604830.1	629597.9
5100	17.145	141.353	1663.37	5045.37	316.48 S	253.07 E	604807.1	629616.4
5200	17.145	141.353	1758.93	5140.93	339.50 S	271.48 E	604784.1	629634.8
5300	17.145	141.353	1854.48	5236.48	362.53 S	289.89 E	604761.1	629653.3
5400	17.145	141.353	1950.04	5332.04	385.55 S	308.30 E	604738.1	629671.8
5500	17.145	141.353	2045.59	5427.59	408.57 S	326.71 E	604715.1	629690.2
5600	17.145	141.353	2141.15	5523.15	431.60 S	345.12 E	604692.1	629708.7
5700	17.145	141.353	2236.71	5618.71	454.62 S	363.53 E	604669.1	629727.2
5800	17.145	141.353	2332.26	5714.26	477.64 S	381.94 E	604646.1	629745.7
5900	17.145	141.353	2427.82	5809.82	500.67 S	400.35 E	604623.1	629764.1
6000	17.145	141.353	2523.38	5905.38	523.69 S	418.76 E	604600.1	629782.6
6100	17.145	141.353	2618.93	6000.93	546.71 S	437.17 E	604577.1	629801.1
6200	17.145	141.353	2714.49	6096.49	569.74 S	455.58 E	604554.1	629819.5
6300	17.145	141.353	2810.04	6192.04	592.76 S	473.99 E	604531.1	629838.0
6400	17.145	141.353	2905.6	6287.6	615.78 S	492.40 E	604508.1	629856.5
6500	17.145	141.353	3001.16	6383.16	638.81 S	510.81 E	604486.1	629875.0
6600	17.145	141.353	3096.71	6478.71	661.83 S	529.23 E	604463.1	629893.4

6700	17.145	141.353	3192.27	6574.27	684.85	547.64	604440.	629911.9
6800	17.145	141.353	3287.82	6669.82	707.88	566.05	604417.	629930.4
6900	17.145	141.353	3383.38	6765.38	730.90	584.46	604394.	629948.9
7000	17.145	141.353	3478.94	6860.94	753.92	602.87	604371.	629967.3
7100	17.145	141.353	3574.49	6956.49	776.95	621.28	604348.	629985.8
7200	17.145	141.353	3670.05	7052.05	799.97	639.69	604325.	630004.3
7300	17.145	141.353	3765.61	7147.61	822.99	658.10	604302.	630022.7
7400	17.145	141.353	3861.16	7243.16	846.02	676.51	604279.	630041.2
7500	17.145	141.353	3956.72	7338.72	869.04	694.92	604256.	630059.7
7600	17.145	141.353	4052.27	7434.27	892.06	713.33	604233.	630078.2
7700	17.145	141.353	4147.83	7529.83	915.09	731.74	604210.	630096.6
7800	17.145	141.353	4243.39	7625.39	938.11	750.15	604187.	630115.1
7900	17.145	141.353	4338.94	7720.94	961.13	768.56	604164.	630133.6
8000	17.145	141.353	4434.5	7816.5	984.16	786.97	604141.	630152.1
8100	17.145	141.353	4530.05	7912.05	1007.18	805.38	604118.	630170.5
8200	17.145	141.353	4625.61	8007.61	1030.20	823.79	604095.	630189.0
8300	17.145	141.353	4721.17	8103.17	1053.23	842.20	604072.	630207.5
8400	17.145	141.353	4816.72	8198.72	1076.25	860.61	604049.	630225.9
8500	17.145	141.353	4912.28	8294.28	1099.27	879.02	604026.	630244.4
8600	17.145	141.353	5007.84	8389.84	1122.30	897.43	604003.	630262.9
8700	17.145	141.353	5103.39	8485.39	1145.32	915.84	603980.	630281.4
8800	17.145	141.353	5198.95	8580.95	1168.34	934.25	603957.	630299.8
8900	17.145	141.353	5294.5	8676.5	1191.37	952.66	603934.	630318.3
9000	17.145	141.353	5390.06	8772.06	1214.39	971.07	603911.	630336.8
9100	17.145	141.353	5485.62	8867.62	1237.41	989.49	603888.	630355.2
9200	17.145	141.353	5581.17	8963.17	1260.44	1007.90	603865.	630373.7
9300	17.145	141.353	5676.73	9058.73	1283.46	1026.31	603842.	630392.2
9400	17.145	141.353	5772.29	9154.29	1306.48	1044.72	603819.	630410.7
9500	17.145	141.353	5867.84	9249.84	1329.51	1063.13	603796.	630429.1
9600	17.145	141.353	5963.4	9345.4	1352.53	1081.54	603773.	630447.6
9700	17.145	141.353	6058.95	9440.95	1375.55	1099.95	603750.	630466.1
9800	17.145	141.353	6154.51	9536.51	1398.58	1118.36	603727.	630484.6
9900	17.145	141.353	6250.07	9632.07	1421.60	1136.77	603704.	630503.0
10000	17.145	141.353	6345.62	9727.62	1444.62	1155.18	603681.	630521.5
10100	17.145	141.353	6441.18	9823.18	1467.65	1173.59	603658.	630540.0
10200	17.145	141.353	6536.73	9918.73	1490.67	1192.00	603635.	630558.4
10300	17.145	141.353	6632.29	10014.29	1513.69	1210.41	603613.	630576.9
10400	17.145	141.353	6727.85	10109.85	1536.72	1228.82	603590.	630595.4
10500	17.145	141.353	6823.4	10205.4	1559.74	1247.23	603567.	630613.9
10600	17.145	141.353	6918.96	10300.96	1582.76	1265.64	603544.	630632.3
10700	17.145	141.353	7014.52	10396.52	1605.79	1284.05	603521.	630650.8
10800	17.145	141.353	7110.07	10492.07	1628.81	1302.46	603498.	630669.3
10900	17.145	141.353	7205.63	10587.63	1651.83	1320.87	603475.	630687.8
11000	17.145	141.353	7301.18	10683.18	1674.86	1339.28	603452.	630706.2
11100	17.145	141.353	7396.74	10778.74	1697.88	1357.69	603429.	630724.7
11200	17.145	141.353	7492.3	10874.3	1720.90	1376.10	603406.	630743.2
11300	17.145	141.353	7587.85	10969.85	1743.93	1394.51	603383.	630761.6
11400	17.145	141.353	7683.41	11065.41	1766.95	1412.92	603360.	630780.1
11500	17.145	141.353	7778.96	11160.96	1789.97	1431.33	603337.	630798.6
11600	17.145	141.353	7874.52	11256.52	1813.00	1449.74	603314.	630817.1
11700	17.145	141.353	7970.08	11352.08	1836.02	1468.16	603291.	630835.5
11800	17.145	141.353	8065.63	11447.63	1859.04	1486.57	603268.	630854.0

11900	17.145	141.353	8161.19	11543.19	1882.07	1504.98	603245.4	630872.5
12000	17.145	141.353	8256.75	11638.75	1905.09	1523.39	603222.4	630890.5
12064.1	17.145	141.353	8318	11700	1919.85	1535.19	603207.4	630902.5

All data is in feet (us) unless otherwise stated. Directions and coordinates are relative to True North.
Vertical depths are relative to RKB(3362' +20'KB). Northings and Eastings are relative to Wellhead.

The Dogleg Severity is in Degrees per 100 feet.

Vertical Section is from Wellhead and calculated along an Azimuth of 141.353° (True).

Based upon at a Measured Depth of 12064.10ft.

The Bottom in the Direction of 141.353° (True).

Vert. Section (ft)	Dogleg Rate (°/100ft)
0	0
0	0 9 5/8" Casing
0	0 Kick-Off at 3300.00ft
1.75	2
6.98	2
15.69	2
27.88	2
43.52	2
62.6	2
85.1	2
110.98	2
127.31	2 End of Build at 4157.25ft
139.91	0
169.39	0
198.87	0
228.35	0
257.82	0
287.3	0
316.78	0
346.26	0
375.74	0
405.22	0
434.7	0
464.18	0
493.66	0
523.14	0
552.62	0
582.09	0
611.57	0
641.05	0
670.53	0
700.01	0
729.49	0
758.97	0
788.45	0
817.93	0
847.41	0

876.89	0
906.37	0
935.84	0
965.32	0
994.8	0
1024.28	0
1053.76	0
1083.24	0
1112.72	0
1142.2	0
1171.68	0
1201.16	0
1230.64	0
1260.11	0
1289.59	0
1319.07	0
1348.55	0
1378.03	0
1407.51	0
1436.99	0
1466.47	0
1495.95	0
1525.43	0
1554.91	0
1584.38	0
1613.86	0
1643.34	0
1672.82	0
1702.3	0
1731.78	0
1761.26	0
1790.74	0
1820.22	0
1849.7	0
1879.18	0
1908.65	0
1938.13	0
1967.61	0
1997.09	0
2026.57	0
2056.05	0
2085.53	0
2115.01	0
2144.49	0
2173.97	0
2203.45	0
2232.92	0
2262.4	0
2291.88	0
2321.36	0
2350.84	0
2380.32	0

2409.8	0
2439.28	0
2458.18	0 Total Depth at 12064.10ft - 8 3/4" Open Hole

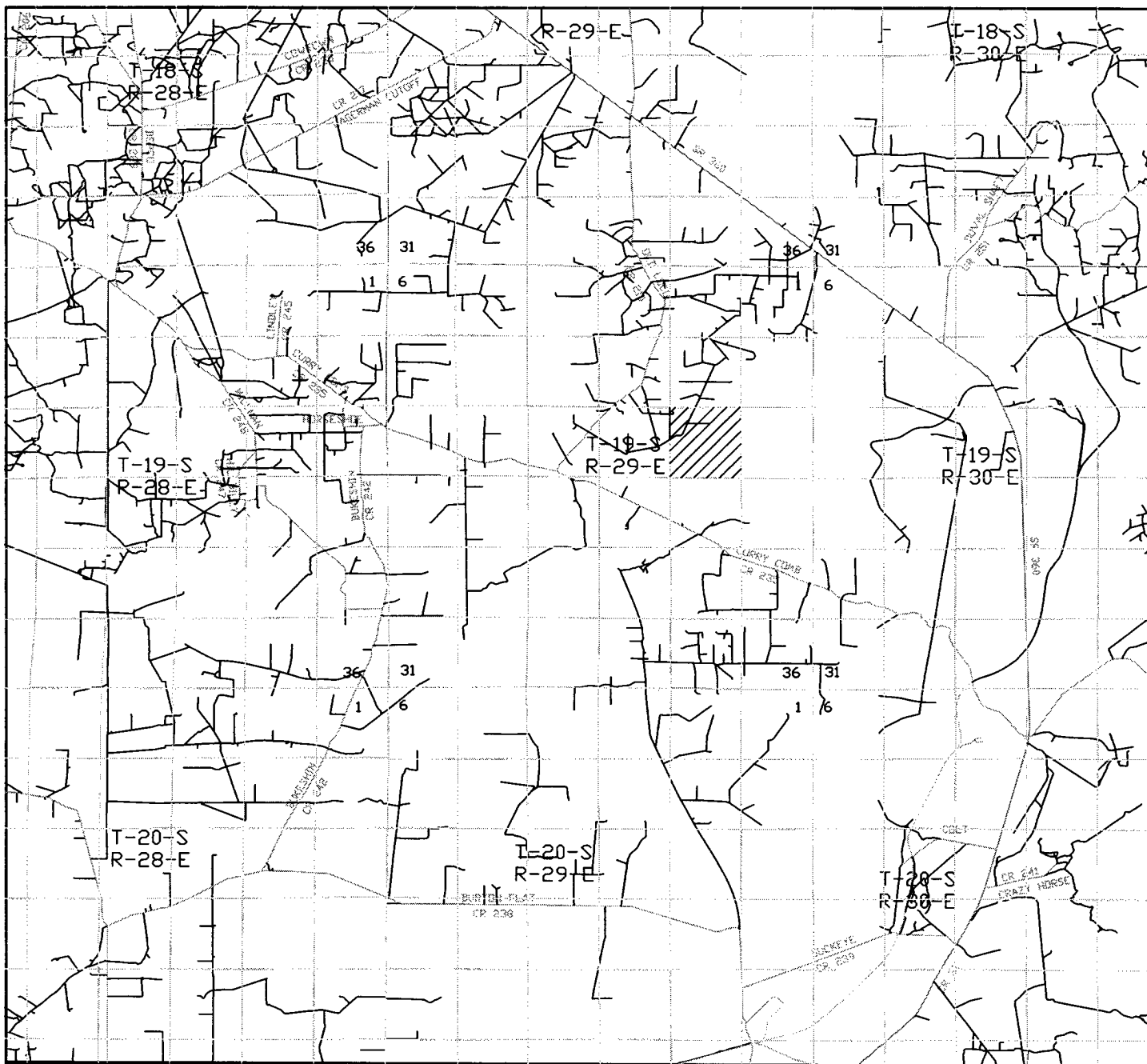
[illegible]

Alka-Tide

1	Approved Yes
2	Approved No
3	Approved Yes
4	Approved No
5	Approved Yes
6	Approved No
7	Approved Yes
8	Approved No
9	Approved Yes
10	Approved No
11	Approved Yes
12	Approved No
13	Approved Yes
14	Approved No
15	Approved Yes
16	Approved No
17	Approved Yes
18	Approved No
19	Approved Yes
20	Approved No
21	Approved Yes
22	Approved No
23	Approved Yes
24	Approved No
25	Approved Yes
26	Approved No
27	Approved Yes
28	Approved No
29	Approved Yes
30	Approved No
31	Approved Yes
32	Approved No
33	Approved Yes
34	Approved No
35	Approved Yes
36	Approved No
37	Approved Yes
38	Approved No
39	Approved Yes
40	Approved No
41	Approved Yes
42	Approved No
43	Approved Yes
44	Approved No
45	Approved Yes
46	Approved No
47	Approved Yes
48	Approved No
49	Approved Yes
50	Approved No
51	Approved Yes
52	Approved No
53	Approved Yes
54	Approved No
55	Approved Yes
56	Approved No
57	Approved Yes
58	Approved No
59	Approved Yes
60	Approved No
61	Approved Yes
62	Approved No
63	Approved Yes
64	Approved No
65	Approved Yes
66	Approved No
67	Approved Yes
68	Approved No
69	Approved Yes
70	Approved No
71	Approved Yes
72	Approved No
73	Approved Yes
74	Approved No
75	Approved Yes
76	Approved No
77	Approved Yes
78	Approved No
79	Approved Yes
80	Approved No
81	Approved Yes
82	Approved No
83	Approved Yes
84	Approved No
85	Approved Yes
86	Approved No
87	Approved Yes
88	Approved No
89	Approved Yes
90	Approved No
91	Approved Yes
92	Approved No
93	Approved Yes
94	Approved No
95	Approved Yes
96	Approved No
97	Approved Yes
98	Approved No
99	Approved Yes
100	Approved No

DISTRICT IV
2040 South Pecos, Santa Fe, NM 87505

State 14 A Com #2 State 14 A Com #1 Lat - N32°39'47.6" Long - W104°02'50.2" NMSPCE - N 605126.230 NAD 83) E 629369.788 <i>Revised Plat Area</i>	OPERATOR CERTIFICATION <i>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</i> <u>Zeno Farris</u> Signature <u>Zeno Farris</u> Printed Name <u>Mgr Operations Admin</u> Title <u>February 1, 2006</u> 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> <u>JANUARY 20, 2006</u> Date Surveyed Signature & Seal of Professional Surveyor <u>[Signature]</u> <u>W.O. No. 6086</u> Certificate No. <u>Gory L. Jones</u> 7977 BASIN SURVEYS
--	---



STATE A "14" COM #2
 Located at 1710' FNL AND 2095' FWL
 Section 14, Township 19 South, Range 29 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 6086AA - KJG CD#4

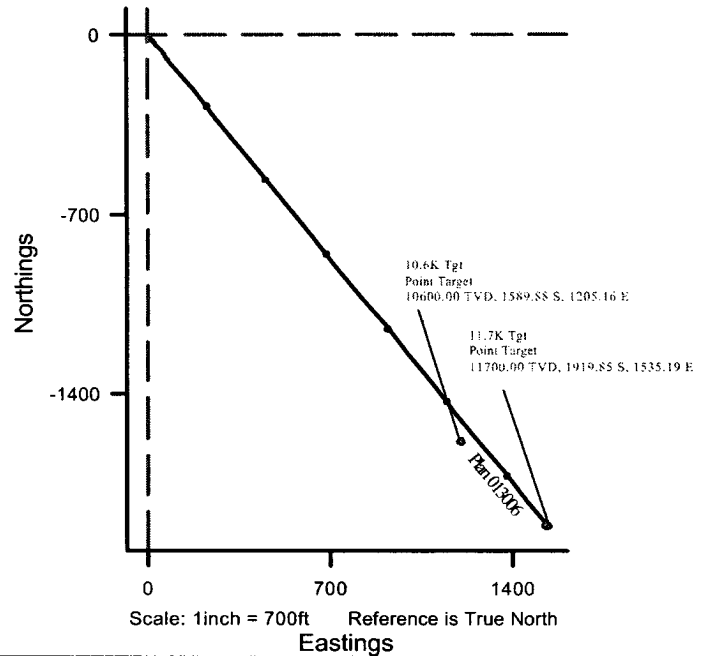
Survey Date: 12-21-2005

Scale: 1" = 2 MILES

Date: 12-22-2005

**CIMAREX ENERGY
 COMPANY**

New Mexico
Eddy County NAD 83
Sec 14-T19S-R29E
State A 14 Com #2
Plan 013006



State A 14 Com #2 Surface Location

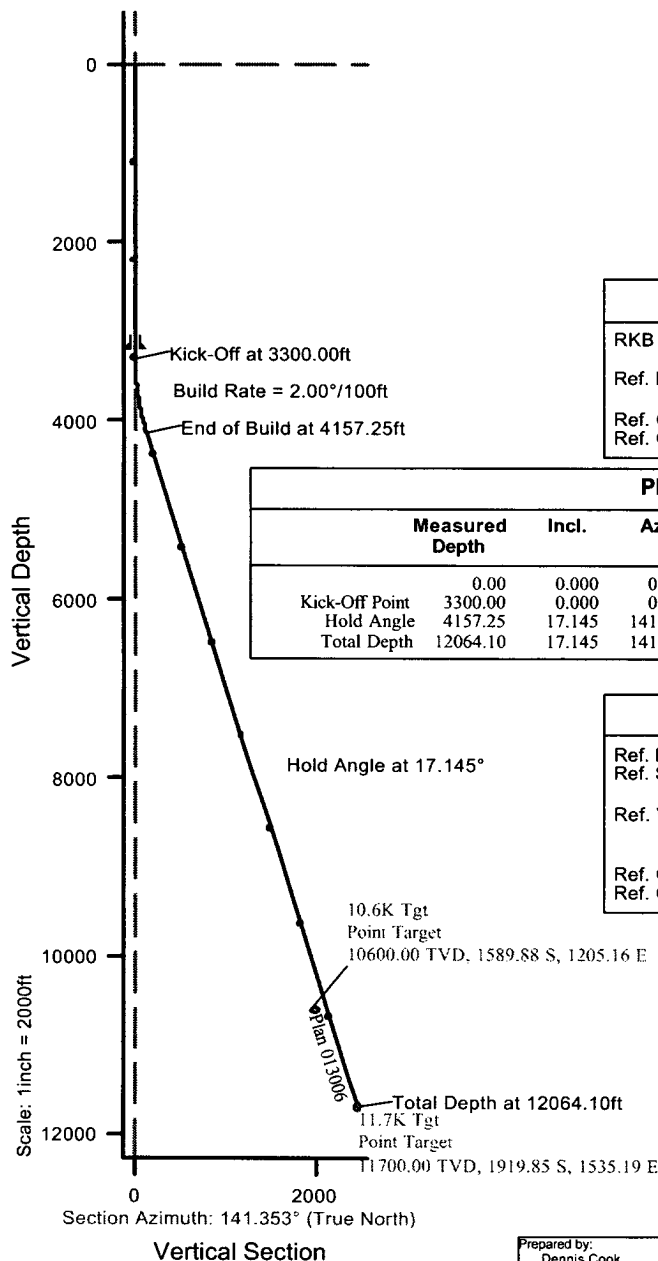
RKB Elevation:	3382.00ft above Mean Sea Level
Ref. NE Cor Sec 14:	1710.00 S, 3185.00 W
Ref. Global Coordinates:	605123.44 N, 629362.48 E
Ref. Geographical Coordinates:	32° 39' 47.5365" N, 104° 02' 50.2559" W

Plan 013006 Proposal Data

	Measured Depth	Incl.	Azim.	Vertical Depth	Northings	Eastings	Vertical Section	Dogleg Rate
	0.00	0.000	0.000	0.00	0.00 N	0.00 E	0.00	
Kick-Off Point	3300.00	0.000	0.000	3300.00	0.00 N	0.00 E	0.00	0.00
Hold Angle	4157.25	17.145	141.353	4144.51	99.43 S	79.51 E	127.31	2.00
Total Depth	12064.10	17.145	141.353	11700.00	1919.85 S	1535.19 E	2458.18	0.00

Plan 013006 Bottom Hole Location

Ref. RKB(3362'+20' KB):	11700.00ft
Ref. Structure:	8318.00ft
Ref. Wellhead:	1919.85 S, 1535.19 E (True North)
Ref. Global Coordinates:	603207.74 N, 630902.83 E
Ref. Geographical Coordinates:	32° 39' 28.5387" N, 104° 02' 32.2979" W



Vertical Section

Prepared by:
Dennis Cook

Date/Time:
30 January, 2006 - 16:29

Checked:

Approved:



**Gruy Petroleum Management Co.
New Mexico
Eddy County NAD 83
Sec 14-T19S-R29E
State A 14 Com #2 - Plan 013006**

Revised: 30 January, 2006

Haliburton Sperry-Drilling Proposal Report

30 January, 2006

Surface Coordinates: 605123.44 N, 629362.48 E (32° 39' 47.5365" N, 104° 02' 50.2559" W)
Grid Coordinate System: NAD83 New Mexico State Planes, Eastern Zone

Surface Coordinates relative to Global Coordinates: 72165.44 N, 183201.62 E (Grid)

Surface Coordinates relative to NE Cor Sec 14: 1710.00 S, 3185.00 W (True)

Kelly Bushing Elevation: 3382.00ft above Mean Sea Level

Kelly Bushing Elevation: 3382.00ft above Structure

Proposal Ref: pro9632

HALLIBURTON

Sperry Drilling Services

Proposal Report for Sec 14-T19S-R29E - State A 14 Com #2 - Plan 013006
Revised: 30 January, 2006

Measure Depth (ft)	Incl. Angle (Deg)	Drift Direction (Deg)	True Vertical Depth	Vertical Section (ft)	Local Coordinates		Dogleg Severit (°/100ft)	Lease Calls		Global Coordinates	
					N-S (ft)	E-W (ft)		FNL-FSL (ft)	FEL-FWL (ft)	Grid Y (ft)	Grid X (ft)
0.00	0.000	0.000	0.00	0.00	0.00 N	0.00 E		1710.00 FNL	3185.00 FEL	605123.44 N	629362.48 E
9 5/8" Casing											
3200.00	0.000	0.000	3200.00	0.00	0.00 N	0.00 E	0.00	1710.00 FNL	3185.00 FEL	605123.44 N	629362.48 E
Kick-Off at 3300.00ft											
3300.00	0.000	0.000	3300.00	0.00	0.00 N	0.00 E	0.00	1710.00 FNL	3185.00 FEL	605123.44 N	629362.48 E
3400.00	2.000	141.353	3399.98	1.75	1.36 S	1.09 E	2.00	1711.36 FNL	3183.91 FEL	605122.08 N	629363.57 E
3500.00	4.000	141.353	3499.84	6.98	5.45 S	4.36 E	2.00	1715.45 FNL	3180.64 FEL	605118.00 N	629366.85 E
3600.00	6.000	141.353	3599.45	15.69	12.26 S	9.80 E	2.00	1722.26 FNL	3175.20 FEL	605111.21 N	629372.31 E
3700.00	8.000	141.353	3698.70	27.88	21.78 S	17.41 E	2.00	1731.78 FNL	3167.59 FEL	605101.72 N	629379.95 E
3800.00	10.000	141.353	3797.47	43.52	33.99 S	27.18 E	2.00	1743.99 FNL	3157.82 FEL	605089.53 N	629389.75 E
3900.00	12.000	141.353	3895.62	62.60	48.90 S	39.09 E	2.00	1758.90 FNL	3145.91 FEL	605074.66 N	629401.71 E
4000.00	14.000	141.353	3993.06	85.10	66.47 S	53.14 E	2.00	1776.47 FNL	3131.86 FEL	605057.13 N	629415.80 E
4100.00	16.000	141.353	4089.64	110.98	86.68 S	69.30 E	2.00	1796.68 FNL	3115.70 FEL	605036.96 N	629432.02 E
End of Build at 4157.25ft											
4157.25	17.145	141.353	4144.51	127.31	99.43 S	79.50 E	2.00	1809.43 FNL	3105.50 FEL	605024.23 N	629442.25 E
4200.00	17.145	141.353	4185.36	139.91	109.28 S	87.37 E	0.00	1819.28 FNL	3097.63 FEL	605014.41 N	629450.15 E
4300.00	17.145	141.353	4280.92	169.39	132.30 S	105.77 E	0.00	1842.30 FNL	3079.23 FEL	604991.44 N	629468.62 E
4400.00	17.145	141.353	4376.48	198.87	155.33 S	124.18 E	0.00	1865.33 FNL	3060.82 FEL	604968.46 N	629487.09 E
4500.00	17.145	141.353	4472.03	228.35	178.35 S	142.59 E	0.00	1888.35 FNL	3042.41 FEL	604945.49 N	629505.56 E
4600.00	17.145	141.353	4567.59	257.82	201.38 S	161.00 E	0.00	1911.38 FNL	3024.00 FEL	604922.52 N	629524.04 E
4700.00	17.145	141.353	4663.14	287.30	224.40 S	179.41 E	0.00	1934.40 FNL	3005.59 FEL	604899.54 N	629542.51 E
4800.00	17.145	141.353	4758.70	316.78	247.43 S	197.81 E	0.00	1957.43 FNL	2987.19 FEL	604876.57 N	629560.98 E
4900.00	17.145	141.353	4854.26	346.26	270.45 S	216.22 E	0.00	1980.45 FNL	2968.78 FEL	604853.59 N	629579.45 E
5000.00	17.145	141.353	4949.81	375.74	293.48 S	234.63 E	0.00	2003.48 FNL	2950.37 FEL	604830.62 N	629597.93 E

Measure Depth (ft)	Incl. Angle (Deg)	Drift Direction (Deg)	True Vertical Depth	Vertical Section (ft)	Local Coordinates		Dogleg Severit ("'/100ft)	Lease Calls		Global Coordinates	
					N-S (ft)	E-W (ft)		FNL-FSL (ft)	FEL-FWL (ft)	Grid Y (ft)	Grid X (ft)
5100.00	17.145	141.353	5045.37	405.22	316.50 S	253.04 E	0.00	2026.50 FNL	2931.96 FEL	604807.65 N	629616.40 E
5200.00	17.145	141.353	5140.93	434.70	339.53 S	271.45 E	0.00	2049.53 FNL	2913.55 FEL	604784.67 N	629634.87 E
5300.00	17.145	141.353	5236.48	464.18	362.55 S	289.85 E	0.00	2072.55 FNL	2895.15 FEL	604761.70 N	629653.34 E
5400.00	17.145	141.353	5332.04	493.66	385.58 S	308.26 E	0.00	2095.58 FNL	2876.74 FEL	604738.73 N	629671.82 E
5500.00	17.145	141.353	5427.59	523.14	408.60 S	326.67 E	0.00	2118.60 FNL	2858.33 FEL	604715.75 N	629690.29 E
5600.00	17.145	141.353	5523.15	552.62	431.63 S	345.08 E	0.00	2141.63 FNL	2839.92 FEL	604692.78 N	629708.76 E
5700.00	17.145	141.353	5618.71	582.09	454.66 S	363.49 E	0.00	2164.66 FNL	2821.51 FEL	604669.80 N	629727.23 E
5800.00	17.145	141.353	5714.26	611.57	477.68 S	381.90 E	0.00	2187.68 FNL	2803.10 FEL	604646.83 N	629745.70 E
5900.00	17.145	141.353	5809.82	641.05	500.71 S	400.30 E	0.00	2210.71 FNL	2784.70 FEL	604623.86 N	629764.18 E
6000.00	17.145	141.353	5905.38	670.53	523.73 S	418.71 E	0.00	2233.73 FNL	2766.29 FEL	604600.88 N	629782.65 E
6100.00	17.145	141.353	6000.93	700.01	546.76 S	437.12 E	0.00	2256.76 FNL	2747.88 FEL	604577.91 N	629801.12 E
6200.00	17.145	141.353	6096.49	729.49	569.78 S	455.53 E	0.00	2279.78 FNL	2729.47 FEL	604554.94 N	629819.59 E
6300.00	17.145	141.353	6192.04	758.97	592.81 S	473.94 E	0.00	2302.81 FNL	2711.06 FEL	604531.96 N	629838.07 E
6400.00	17.145	141.353	6287.60	788.45	615.83 S	492.34 E	0.00	2325.83 FNL	2692.66 FEL	604508.99 N	629856.54 E
6500.00	17.145	141.353	6383.16	817.93	638.86 S	510.75 E	0.00	2348.86 FNL	2674.25 FEL	604486.02 N	629875.01 E
6600.00	17.145	141.353	6478.71	847.41	661.88 S	529.16 E	0.00	2371.88 FNL	2655.84 FEL	604463.04 N	629893.48 E
6700.00	17.145	141.353	6574.27	876.89	684.91 S	547.57 E	0.00	2394.91 FNL	2637.43 FEL	604440.07 N	629911.96 E
6800.00	17.145	141.353	6669.82	906.37	707.93 S	565.98 E	0.00	2417.93 FNL	2619.02 FEL	604417.09 N	629930.43 E
6900.00	17.145	141.353	6765.38	935.84	730.96 S	584.39 E	0.00	2440.96 FNL	2600.61 FEL	604394.12 N	629948.90 E
7000.00	17.145	141.353	6860.94	965.32	753.98 S	602.79 E	0.00	2463.98 FNL	2582.21 FEL	604371.15 N	629967.37 E
7100.00	17.145	141.353	6956.49	994.80	777.01 S	621.20 E	0.00	2487.01 FNL	2563.80 FEL	604348.17 N	629985.85 E
7200.00	17.145	141.353	7052.05	1024.28	800.03 S	639.61 E	0.00	2510.03 FNL	2545.39 FEL	604325.20 N	630004.32 E
7300.00	17.145	141.353	7147.61	1053.76	823.06 S	658.02 E	0.00	2533.06 FNL	2526.98 FEL	604302.23 N	630022.79 E
7400.00	17.145	141.353	7243.16	1083.24	846.08 S	676.43 E	0.00	2556.08 FNL	2508.57 FEL	604279.25 N	630041.26 E
7500.00	17.145	141.353	7338.72	1112.72	869.11 S	694.83 E	0.00	2579.11 FNL	2490.17 FEL	604256.28 N	630059.73 E
7600.00	17.145	141.353	7434.27	1142.20	892.13 S	713.24 E	0.00	2602.13 FNL	2471.76 FEL	604233.31 N	630078.21 E
7700.00	17.145	141.353	7529.83	1171.68	915.16 S	731.65 E	0.00	2625.16 FNL	2453.35 FEL	604210.33 N	630096.68 E
7800.00	17.145	141.353	7625.39	1201.16	938.18 S	750.06 E	0.00	2648.18 FNL	2434.94 FEL	604187.36 N	630115.15 E
7900.00	17.145	141.353	7720.94	1230.64	961.21 S	768.47 E	0.00	2671.21 FNL	2416.53 FEL	604164.38 N	630133.62 E
8000.00	17.145	141.353	7816.50	1260.11	984.23 S	786.87 E	0.00	2694.23 FNL	2398.13 FEL	604141.41 N	630152.10 E

Measure Depth (ft)	Incl. Angle (Deg)	Drift Direction (Deg)	True Vertical Depth	Vertical Section (ft)	Local Coordinates N-S (ft)	E-W (ft)	Dogleg Severit (°/100ft)	Lease Calls FNL-FSL (ft)	FEL-FWL (ft)	Global Coordinates Grid Y (ft)	Grid X (ft)
8100.00	17.145	141.353	7912.05	1289.59	1007.26 S	805.28 E	0.00	2717.26 FNL	2379.72 FEL	604118.44 N	630170.57 E
8200.00	17.145	141.353	8007.61	1319.07	1030.28 S	823.69 E	0.00	2740.28 FNL	2361.31 FEL	604095.46 N	630189.04 E
8300.00	17.145	141.353	8103.17	1348.55	1063.31 S	842.10 E	0.00	2763.31 FNL	2342.90 FEL	604072.49 N	630207.51 E
8400.00	17.145	141.353	8198.72	1378.03	1076.33 S	860.51 E	0.00	2786.33 FNL	2324.49 FEL	604049.52 N	630225.99 E
8500.00	17.145	141.353	8294.28	1407.51	1099.36 S	878.92 E	0.00	2809.36 FNL	2306.08 FEL	604026.54 N	630244.46 E
8600.00	17.145	141.353	8389.84	1436.99	1122.38 S	897.32 E	0.00	2832.38 FNL	2287.68 FEL	604003.57 N	630262.93 E
8700.00	17.145	141.353	8485.39	1466.47	1145.41 S	915.73 E	0.00	2855.41 FNL	2269.27 FEL	603980.59 N	630281.40 E
8800.00	17.145	141.353	8580.95	1495.95	1168.44 S	934.14 E	0.00	2878.44 FNL	2250.86 FEL	603957.62 N	630299.88 E
8900.00	17.145	141.353	8676.50	1525.43	1191.46 S	952.55 E	0.00	2901.46 FNL	2232.45 FEL	603934.65 N	630318.35 E
9000.00	17.145	141.353	8772.06	1554.91	1214.49 S	970.96 E	0.00	2924.49 FNL	2214.04 FEL	603911.67 N	630336.82 E
9100.00	17.145	141.353	8867.62	1584.38	1237.51 S	989.36 E	0.00	2947.51 FNL	2195.64 FEL	603888.70 N	630355.29 E
9200.00	17.145	141.353	8963.17	1613.86	1260.54 S	1007.77 E	0.00	2970.54 FNL	2177.23 FEL	603865.73 N	630373.76 E
9300.00	17.145	141.353	9058.73	1643.34	1283.56 S	1026.18 E	0.00	2993.56 FNL	2158.82 FEL	603842.75 N	630392.24 E
9400.00	17.145	141.353	9154.29	1672.82	1306.59 S	1044.59 E	0.00	3016.59 FNL	2140.41 FEL	603819.78 N	630410.71 E
9500.00	17.145	141.353	9249.84	1702.30	1329.61 S	1063.00 E	0.00	3039.61 FNL	2122.00 FEL	603796.81 N	630429.18 E
9600.00	17.145	141.353	9345.40	1731.78	1352.64 S	1081.40 E	0.00	3062.64 FNL	2103.60 FEL	603773.83 N	630447.65 E
9700.00	17.145	141.353	9440.95	1761.26	1375.66 S	1099.81 E	0.00	3085.66 FNL	2085.19 FEL	603750.86 N	630466.13 E
9800.00	17.145	141.353	9536.51	1790.74	1398.69 S	1118.22 E	0.00	3108.69 FNL	2066.78 FEL	603727.88 N	630484.60 E
9900.00	17.145	141.353	9632.07	1820.22	1421.71 S	1136.63 E	0.00	3131.71 FNL	2048.37 FEL	603704.91 N	630503.07 E
10000.00	17.145	141.353	9727.62	1849.70	1444.74 S	1155.04 E	0.00	3154.74 FNL	2029.96 FEL	603681.94 N	630521.54 E
10100.00	17.145	141.353	9823.18	1879.18	1467.76 S	1173.45 E	0.00	3177.76 FNL	2011.55 FEL	603658.96 N	630540.02 E
10200.00	17.145	141.353	9918.73	1908.65	1490.79 S	1191.85 E	0.00	3200.79 FNL	1993.15 FEL	603635.99 N	630558.49 E
10300.00	17.145	141.353	10014.29	1938.13	1513.81 S	1210.26 E	0.00	3223.81 FNL	1974.74 FEL	603613.02 N	630576.96 E
10400.00	17.145	141.353	10109.85	1967.61	1536.84 S	1228.67 E	0.00	3246.84 FNL	1956.33 FEL	603590.04 N	630595.43 E
10500.00	17.145	141.353	10205.40	1997.09	1559.86 S	1247.08 E	0.00	3269.86 FNL	1937.92 FEL	603567.07 N	630613.91 E
10600.00	17.145	141.353	10300.96	2026.57	1582.89 S	1265.49 E	0.00	3292.89 FNL	1919.51 FEL	603544.10 N	630632.38 E
10700.00	17.145	141.353	10396.52	2056.05	1605.91 S	1283.89 E	0.00	3315.91 FNL	1901.11 FEL	603521.12 N	630650.85 E
10800.00	17.145	141.353	10492.07	2085.53	1628.94 S	1302.30 E	0.00	3338.94 FNL	1882.70 FEL	603498.15 N	630669.32 E
10900.00	17.145	141.353	10587.63	2115.01	1651.96 S	1320.71 E	0.00	3361.96 FNL	1864.29 FEL	603475.17 N	630687.80 E
11000.00	17.145	141.353	10683.18	2144.49	1674.99 S	1339.12 E	0.00	3384.99 FNL	1845.88 FEL	603452.20 N	630706.27 E

Measure Depth (ft)	Incl. Angle (Deg)	Drift Direction (Deg)	True Vertical Depth	Vertical Section (ft)	Local Coordinates		Dogleg Severit (°/100ft)	Lease Calls		Global Coordinates	
					N-S (ft)	E-W (ft)		FNL-FSL (ft)	FEL-FWL (ft)	Grid Y (ft)	Grid X (ft)
11100.00	17.145	141.353	10778.74	2173.97	1698.01 S	1357.53 E	0.00	3408.01 FNL	1827.47 FEL	603429.23 N	630724.74 E
11200.00	17.145	141.353	10874.30	2203.45	1721.04 S	1375.93 E	0.00	3431.04 FNL	1809.07 FEL	603406.25 N	630743.21 E
11300.00	17.145	141.353	10969.85	2232.92	1744.06 S	1394.34 E	0.00	3454.06 FNL	1790.66 FEL	603383.28 N	630761.68 E
11400.00	17.145	141.353	11065.41	2262.40	1767.09 S	1412.75 E	0.00	3477.09 FNL	1772.25 FEL	603360.31 N	630780.16 E
11500.00	17.145	141.353	11160.96	2291.88	1790.11 S	1431.16 E	0.00	3500.11 FNL	1753.84 FEL	603337.33 N	630798.63 E
11600.00	17.145	141.353	11256.52	2321.36	1813.14 S	1449.57 E	0.00	3523.14 FNL	1735.43 FEL	603314.36 N	630817.10 E
11700.00	17.145	141.353	11352.08	2350.84	1836.16 S	1467.98 E	0.00	3546.16 FNL	1717.02 FEL	603291.38 N	630835.57 E
11800.00	17.145	141.353	11447.63	2380.32	1859.19 S	1486.38 E	0.00	3569.19 FNL	1698.62 FEL	603268.41 N	630854.05 E
11900.00	17.145	141.353	11543.19	2409.80	1882.22 S	1504.79 E	0.00	3592.22 FNL	1680.21 FEL	603245.44 N	630872.52 E
12000.00	17.145	141.353	11638.75	2439.28	1905.24 S	1523.20 E	0.00	3615.24 FNL	1661.80 FEL	603222.46 N	630890.99 E
Total Depth at 12064.10ft, 8 3/4" Open Hole											
12064.10	17.145	141.353	11700.00	2458.18	1920.00 S	1535.00 E	0.00	3630.00 FNL	1650.00 FEL	603207.74 N	630902.83 E

All data is in Feet (US) unless otherwise stated. Directions and coordinates are relative to True North.
Vertical depths are relative to RKB(3362' ±20' KB). Northings and Eastings are relative to Wellhead.

Based upon Minimum Curvature type calculations, at a Measured Depth of 12064.10ft.,
The Bottom Hole Displacement is 2458.18ft., in the Direction of 141.353° (True).

Proposal Report for Sec 14-T19S-R29E - State A 14 Com #2 - Plan 013006
Revised: 30 January, 2006

Comments

Measured Depth (ft)	Station Coordinates			Comment
	TVD (ft)	Northings (ft)	Eastings (ft)	
3300.00	3300.00	0.00 N	0.00 E	Kick-Off at 3300.00ft
4157.25	4144.51	99.43 S	79.50 E	End of Build at 4157.25ft
12064.10	11700.00	1920.00 S	1535.00 E	Total Depth at 12064.10ft

Casing details

Measured Depth (ft)	From		To	
	Measured Depth (ft)	Vertical Depth (ft)	Measured Depth (ft)	Vertical Depth (ft)
<Surface>	<Surface>	<Surface>	3200.00	3200.00
<Surface>	<Surface>	<Surface>	<Run-TD>	<Run-TD>
				9 5/8" Casing
				8 3/4" Open Hole

North Reference Sheet for Sec 14-T19S-R29E - State A 14 Com #2

Coordinate System is NAD83 New Mexico State Planes, Eastern Zone
Source: Snyder, J.P., 1987, Map Projections - A Working Manual

Datum is North American Datum of 1983

Spheroid is Geodetic Reference System of 1980

Equatorial Radius: 6378137.000m.

Polar Radius: 6356752.314m.

Inverse Flattening: 298.257222100892

Projection method is Transverse Mercator or Gauss Kruger Projection

Central Meridian is -104.333°

Longitude Origin: 0.000°

Latitude Origin: 31.000°

False Easting: 165000.00m

False Northing: 0.00m

Scale Reduction: 0.99990909

Grid Coordinates of Well: 605123.44 N, 629362.48 E

Geographical Coordinates of Well: 32° 39' 47.5365" N, 104° 02' 50.2559" W

Surface Elevation of Well: 3382.00ft

Grid Convergence at Surface is +0.154°

Magnetic Declination at Surface is +8.490° (30 January, 2006)

