

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

MAY 12 2009

Form C-101
June 16, 2008

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

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 Dan A. Hughes Company, L.P., P.O. Drawer 669 208 E. Houston St., Beeville, TX 78104-0669		² OGRID Number 251054
		³ API Number 30-023-20015
⁴ Property Code 37693	⁵ Property Name Hueco South Unit 29 State	⁶ Well No 001
⁹ Proposed Pool 1 Wildcat, Percha Sahle		¹⁰ Proposed Pool 2

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
MH	29	33S	16W		2330'	N	660'	E	Hidalgo

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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Cable	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4658'
¹⁶ Multiple No	¹⁷ Proposed Depth 10,000'	¹⁸ Formation Percha Shale	¹⁹ Contractor Tidwell Drilling	²⁰ Spud Date June 1, 2009

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	9-5/8"	36# J-55 LT&C	500'		Surface
7-7/8"	5-1/2"	17# J-55 LT&C	10,000'		8000'

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 proposed wellbore schematic & blowout preventers diagram.
A closed loop system with steel tanks will be used with 100% haul-off.

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

Approved by

Printed name

Jeffery R. Ilseng, P.E.

Title

Geologist

Title

Operations Manager

Approval Date

5/20/2009

Expiration Date

5/20/2011

E-mail Address

jeffi@dahughes.net

Date **5/11/2009**

Phone **361/358-3752**

Conditions of Approval Attached ☒

May 08 09 03:19p

Laura Hardin

505-523-0003

p.1

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88218

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-		2 Pool Code		3 Pool Name	
4 Property Code 37693		5 Property Name Hueco South Unit 29 State			6 Well Number 001
7 OGRN No. 251054		8 Operator Name Dan A. Hughes Company, L.P.			9 Elevation 4658

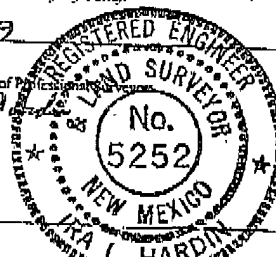
10 Surface Location

UL or lot no. H	Section 29	Township 33S	Range 16W	Lot Idn	Feet from the 2330	North/South line N	Feet from the 660	East/West line E	County HIDALGO
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11 Bottom Hole Location If Different From Surface

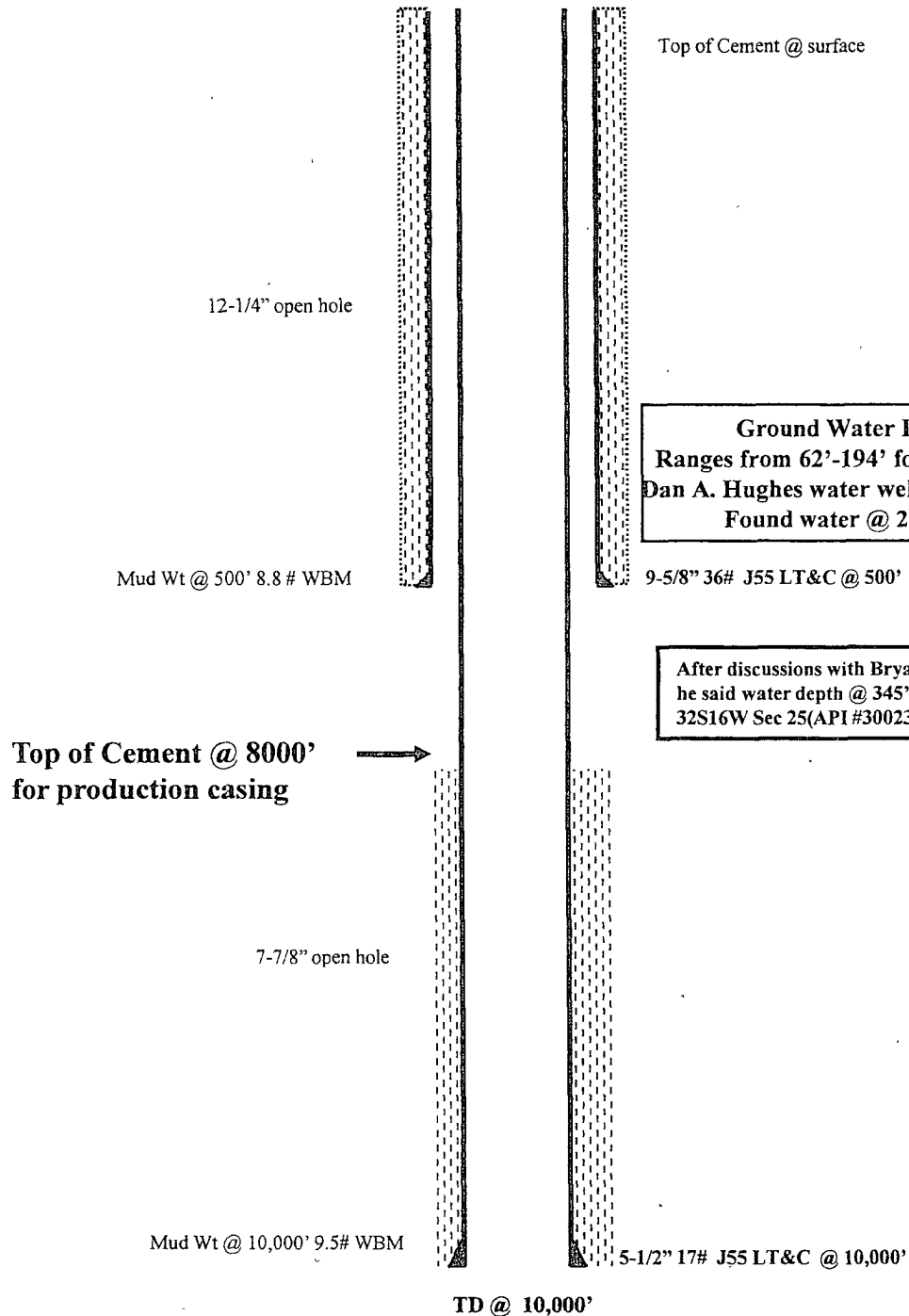
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 320									
13 Joint or Infill		14 Consolidation Code		15 Order No.					

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.

16				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>[Signature]</i> Date: 5/11/2009 Printed Name: Jeffery R. Ilse	
18 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. Date of Survey: 5-4-09 Signature and Seal of Professional Surveyor: <i>[Signature]</i> Certificate Number: 5252					

**PROPOSED
WELLBORE SCHEMATIC**

Elev: 4650' GL



Ground Water Depths:
Ranges from 62'-194' for wells in area
Dan A. Hughes water well drilled 12/5/07
Found water @ 200'-240'

After discussions with Bryan Arrant on 12/5/07,
he said water depth @ 345' from a well in
32S16W Sec 25(API #3002360007).

DAN A. HUGHES COMPANY, L.P.

HUECO SOUTH UNIT 29 STATE #1
WILDCAT/PERCHA SHALE

HIDALGO COUNTY, NEW MEXICO
BY: JEFF ILSENG DATE: 4/25/09

DIRECTIONS: Located Township 33S Range 16W, Section , , FNL x FEL

Conditions of Approval per NMOCD

Dan A Hughes Company, L.P.

Hueco South Unit 29 State #1

API#- 30-023-20015

1. Surface casing must be set at a minimum of 500'. Cement must be circulated on surface and production string.
2. Fluid loss additives are required .
3. Open hole porosity, and resistivity logs must be pulled from TD to surface pipe and GR-CNL to surface.
4. Cement must be circulated on all casing strings-run DV/Stage Tool based on drilling loss zones if necessary.