

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  
May 27, 2004

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**

<sup>1</sup> Operator Name and Address <b>HEC PETROLEUM, INC.</b> C/O Mike Pippin 3104 N. Sullivan, Farmington, NM 87401		<sup>2</sup> OGRID Number 009812
<sup>3</sup> Property Code <b>4895</b>	<sup>4</sup> Property Name <b>KLINE 10</b>	<sup>5</sup> API Number <b>30-045-33545</b>
<sup>9</sup> Proposed Pool 1 <b>Basin Fruitland Coal</b>		<sup>6</sup> Well No. <b>#4</b>
<sup>7</sup> Surface Location		<sup>10</sup> Proposed Pool 2

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	10	31N	13W	1365	1865	South	2110'	East	San Juan

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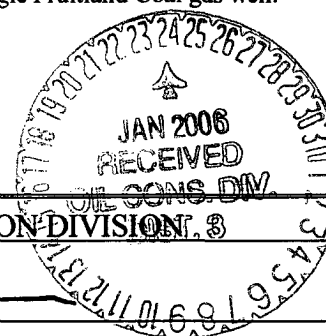
<b>Additional Well Information</b>				
<sup>11</sup> Work Type Code <b>N</b>	<sup>12</sup> Well Type Code <b>G</b>	<sup>13</sup> Cable/Rotary <b>R</b>	<sup>14</sup> Lease Type Code <b>P</b>	<sup>15</sup> Ground Level Elevation <b>5759'</b>
<sup>16</sup> Multiple <b>No</b>	<sup>17</sup> Proposed Depth <b>2100'</b>	<sup>18</sup> Formation <b>Fruitland Coal</b>	<sup>19</sup> Contractor <b>None Yet</b>	<sup>20</sup> Spud Date <b>5/4/06</b>
Depth to Groundwater <50'		Distance from nearest fresh water well 200'-1000'		Distance from nearest surface water <200'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 1950 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

<b>21 Proposed Casing and Cement Program</b>					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	200'	200	Surface
7-7/8"	5-1/2"	15.5#	2100'	266	Surface

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 12-1/4" hole to 200' using fresh water mud. Run & cement 8-5/8" surface casing to surface. Wait on cement 12 hours. Nipple up 7-1/16" BOPE (annular). Pressure test surface casing & BOPE to minimum of 500 psig for 30 minutes. Drill 7-7/8" hole to TD using polymer & water. Run 5-1/2" production casing & cement to surface in a single stage. Move out drilling rig. Move in completion equipment. Test production casing to 3800 psi for 30 minutes. Log well. Perforate select Fruitland Coal intervals and stimulate with a sand frac treatment. Install production equipment, 2-3/8" tubing, and gas sales meter. Complete as a single Fruitland Coal gas well.

<sup>23</sup> 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 NMOC guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		<b>OIL CONSERVATION DIVISION, 3</b>	
Printed name: Mike Pippin <i>Mike Pippin</i>		Approved by: <i>[Signature]</i>	
Title: Agent - Petroleum Engineer		Title: <b>DEPUTY OIL &amp; GAS INSPECTOR, DIST. 3</b>	
E-mail Address: mpippin@ddbroadband.net		Approval Date: <b>JAN 24 2006</b> Expiration Date: <b>JAN 24 2007</b>	
Date: 1/23/06	Phone: 505-327-4573	Conditions of Approval Attached <input type="checkbox"/>	



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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 June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

*API Number 30-045-33545		*Pool Code 71629	*Pool Name BASIN FRUITLAND CORL
*Property Code 4895	*Property Name KLINE 10		*Well Number 4
*OGRID No. 09812	*Operator Name HEC PETROLEUM		*Elevation 5759

**10 Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	10	31-N	13-W		1365	SOUTH	2110	EAST	SAN JUAN

**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 E/2		13 Joint or Infill Y		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	FD 3 1/4" BC. B.L.M. 1952		17	<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Mike Pippin Signature  MIKE PIPPIN Printed Name  AGENT-PETR. ENGR. Title  1-23-06 Date			
10		N 01°03'33" W 5274.9' (M)		18		<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.  DECEMBER 2005 Date of Survey Signature and Seal of Professional Surveyor:  14881 20-0 REGISTERED PROFESSIONAL SURVEYOR Certificate Number	
LAT. 36°54'39.7" N (NAD 83) LONG. 108°11'19.6" W (NAD 83)		2110'		FD 3 1/4" BC. B.L.M. 1952		N 89°15'17" W FD 3 1/4" BC. 2684.7' (M) B.L.M. 1952	