

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
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 HEC PETROLEUM, INC. C/O Mike Pippin 3104 N. Sullivan, Farmington, NM 87401		² OGRID Number 009812
³ Property Code 19078	⁴ Property Name WRIGHT 10	⁵ Well No. #2
⁹ Proposed Pool 1 Basin Fruitland Coal 71629		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
I	9	31N	13W		1950'	South	1285'	East	San Juan

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 R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 5797'
¹⁶ Multiple No	¹⁷ Proposed Depth 2050'	¹⁸ Formation Fruitland Coal	¹⁹ Contractor None Yet	²⁰ Spud Date 6/14/06
Depth to Groundwater >100'		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"/>				

²¹ Proposed Casing and Cement Program

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#	2050'	260	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.

NSP-1762(1)

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 <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Mike Pippin <i>Mike Pippin</i>		Approved by: <i>[Signature]</i>	
Title: Agent - Petroleum Engineer		Title: DEPUTY OIL & GAS INSPECTOR, DIST. #3	
E-mail Address: mike@pippinllc.com		Approval Date: MAR 02 2006 Expiration Date: MAR 02 2007	
Date: 2/20/06	Phone: 505-327-4573	Conditions of Approval Attached <input type="checkbox"/>	

JANUARY 17, 2006
 Date of Survey: 1/17/06
 Station: 14831
 Professional Surveyor:
 14831
 14831
 Registered Professional Surveyor
 Certified Professional Surveyor