

C-103 Received 11-8-2004
DHC No. Assigned 12-6-2004

	Order Number	API Number	Operator	County
	H0B-0101	30-025-34089	Primal Energy Corporation	Lea
	Order Date	Well Name	Number	Location
		Hale State	007	G 2 25S 37E UL Sec T (+Dir) R (+Dir)
	Oil %	Gas %		
Pool 1	34200	Justis Blinebry	5%	11%
Pool 2	35280	Justis Tubb Drinkard	95%	89%
Pool 3				
Pool 4				
<div>Comments: Work completed effective _____ Work cancelled effective _____ Supplement _____</div>				

Posted
to RBDML
12-6-2004

3

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-34089

HOB - 0101

OPERATOR: Primal Energy Corporation

PROPERTY NAME: Hale State

WNULSTR: 7-G, 2-25-37

SECTION I:

ALLOWABLE AMOUNT

POOL NO. 1 Justis Blinebry

107 642 MCF 6000

POOL NO. 2 Justis Tubb Drinkard

107 642 MCF 6000

POOL NO. 3 _____

_____ MCF

POOL NO. 4 _____

_____ MCF

POOL TOTALS 214 1284

SECTION II:

POOL NO. 1 Justis Blinebry

Oil Gas
5% 11%

POOL NO. 2 Justis Tubb Drinkard

95% X 214 = 203.30 89%

POOL NO. 3 _____

POOL NO. 4 _____

OIL

GAS

SECTION III:

$107 \div 95\% = 112.64 (113)$

SECTION IV:

$113 \times 5 = 5.65 (6)$
 $113 \times 95 = 107.35 (107)$

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-34089
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B-2317
7. Lease Name or Unit Agreement Name Hale State
8. Well Number 7
9. OGRID Number 154303
10. Pool name or Wildcat Justis Blinbry

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well:
Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Primal Energy Corporation

3. Address of Operator
211 Highland Cross #227, Houston, TX 77073

4. Well Location

Unit Letter G : 1,650 feet from the N line and 1,750 feet from the E line

Section 2 Township 25S Range 37E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,156' GL

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL Sect Twp Rng Pit type Depth to Groundwater Distance from nearest fresh water well

Distance from nearest surface water Below-grade Tank Location UL Sect Twp Rng ;
feet from the line and feet from the line

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SEE ATTACHED SHEET

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any 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 ☐.

SIGNATURE John Abernethy TITLE Mgr., Oper. & Eng DATE 10/26/04

Type or print name John Abernethy E-mail address: j.abernethy@primalenergy.net Telephone No. 281-821-5600
for State use) Ext. 103

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE DEC 06 2004

Conditions of approval, if any:

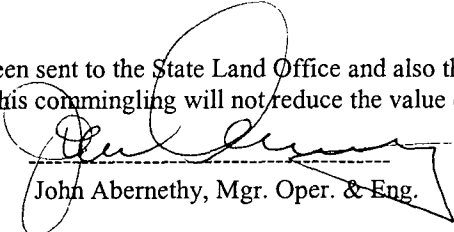
ATTACHMENT TO C-103

HALE STATE #7

LEA CO., NM

1. Drilled out CIBP at 6,000'.
2. Clean out Drinkard perforations.
3. Ran production tubing and returned well to production.
4. Commingle Blinebry (34200) perforations 5,003-5,500' and Drinkard (35280) perforations 6,095-6,134' pursuant to Order R-11363. *Justis*
5. Allocation of production is based on latest test data from the Blinebry and last production from the Drinkard. *Justis Tubb*
OIL - Blinebry ~~5.1%~~ *5%* & Drinkard ~~94.9%~~ *95%* GAS - Blinebry ~~10.5%~~ *11%* & Drinkard ~~89.5%~~ *89%*

I certify that this is a State lease and a copy of these forms have been sent to the State Land Office and also that the ownership in these two zones, the Blinebry and Drinkard, is common. Also, this commingling will not reduce the value of the total remaining reserves.


John Abernethy, Mgr. Oper. & Eng.

DISTRICT I
P. O. Box 1980
Artesia, NM 88241-1980

State of New Mexico
Energy, Mines, and Natural Resources Department

Form C-102
Revised 02-10-94
Instructions on back

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

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

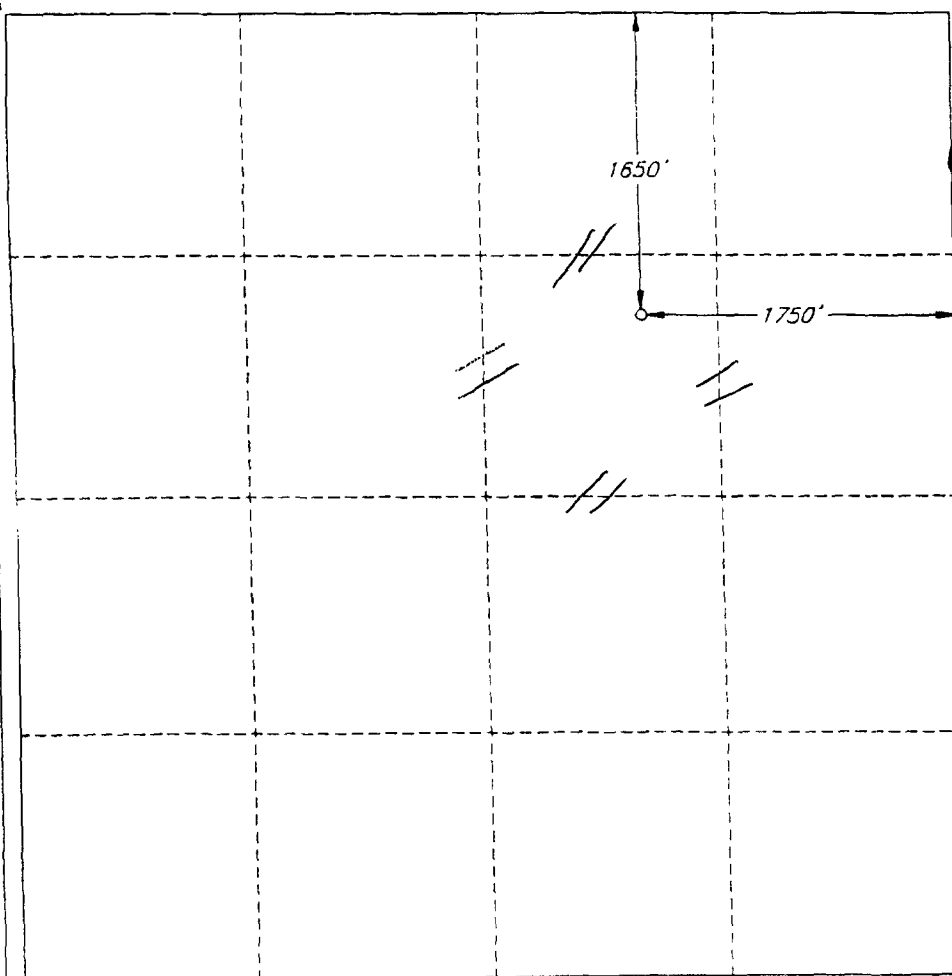
Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34089		2 Pool Code 34200		3 Pool Name JUSTIS BLINERY					
4 Property Code 18949		5 Property Name HALE STATE						6 Well Number 7	
7 OGRID No. 154303		8 Operator Name PRIMAL ENERGY CORPORATION						9 Elevation 3156'	
10 SURFACE LOCATION									
UL or lot no. G	Section 2	Township 25 SOUTH	Range 37 EAST, N.M.P.M.	Lot Ida	Feet from the 1650'	North/South line NORTH	Feet from the 1750'	East/West line EAST	County LEA
11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 40		13 Joint or Infill Y		14 Consolidation Code		15 Order No.			
NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION									



OPERATOR CERTIFICATION

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

Signature
Printed Name
JOHN ABERNETHY
Title
Mgr. Oper. & Eng.
Date
9-1-99

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
JULY 17, 1997

Signature and Seal of Professional Surveyor
Certificate No.
ROGER M. ROBBINS P.S. #12128
JOB # 52987 / 20 NW / JSJ

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94
Instructions on back

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

DISTRICT III
1000 Rio Brazos Rd.
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Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34089		2 Pool Code 35280		3 Pool Name JUSTIS TUBB-DRINKARD					
4 Property Code 018949		5 Property Name HALE STATE				6 Well Number 7			
7 OGRID No. 154303		8 Operator Name PRIMAL ENERGY CORPORATION				9 Elevation 3156'			
10 SURFACE LOCATION									
UL or lot no. G	Section 2	Township 25 SOUTH	Range 37 EAST, N.M.P.M.	Lot Ida	Feet from the 1650'	North/South line NORTH	Feet from the 1750'	East/West line EAST	County LEA
11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 80.00		13 Joint or Infill J		14 Consolidation Code		15 Order No.			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION

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

Signature
John Abernethy
Printed Name
John Abernethy
Title
MANAGER, Oper & Eng.
Date
8-4-97

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
JULY 17, 1997
Signature and Seal of Professional Surveyor
Roger M. Robelins
12128
Certificate No.
ROGER M. ROBELINS P.S. #12128
JOB # 52987 / 20 NW / JSJ