

PRIMERO
OPERATING, INC.

POST OFFICE BOX 1433
ROSWELL, NEW MEXICO 88202
(505) 622-1001 FAX (505) 625-0227

November 17, 2004

Mr. Stogner
NMOCD
1220 South St. Francis
Santa Fe, NM 87505

RECEIVED

NOV 19 2004

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

Dear Mr. Stogner:

Re: Administrative Approval to return well
To production
C.L. O'Brien #2 well
Unit H, Sec 7, T8S, R30E
Chaves Co., NM

30-005-20897

Primero Operating, Inc. hereby requests administrative approval to add perforations in the San Andres P3 payzone and return the subject well to production. The well is in the West Cato San Andres gas pool for which the spacing is 160 acres. There is currently another well, the CL O'Brien #1 located in Unit A which is currently producing approximately 6000 mcf/month on the same spacing unit.

Both of these wells are plugged back Devonian wells which produced significant quantities of oil before they were plugged back. In January 1990, Stevens Operating, Inc. completed the subject well in the P2 zone and it produced approximately 210 mmcf of gas over the next 10 plus years. The well was shut in when Primero Operating, Inc. tested the CL O'Brien #1 well in the P2 and P3 zones in the process of plugging to abandon that well. The CL O'Brien #1 well has produced approximately 262 mmcf gas in just over three years.


→ 30-005-00475

Typically, the permeability in the San Andres of Chaves County is very low. The reservoir pressure in this zone is low due to the amount of fluid removed from the Cato Field since the 60s, the bottom hole pressure in the reservoir in July '01 was only 280 psi. Structurally, the CL O'Brien #2 well is 23 feet low to the CL O'Brien #1. The #1 well requires a pumping unit to remove a very small amount of water from the well bore to produce.

Considering the low permeability of the zone, the low formation pressure and the structure, it seems to me that the addition of the #2 well will be necessary to fully maximize gas recovery from the CL O'Brien lease. Your consideration in this matter would be greatly appreciated.

I have enclosed copies of pertinent maps, logs, production history and NMOCD forms to help aid you in your decision. If you have any questions, please do not hesitate to call me.

Yours truly,



Phelps White
President

Rec: 11-19-2004

PMESD-43454728

Case 13411

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
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 and Natural Resources

Form C-103
Revised March 25, 1999

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

WELL API NO. 30-005-20897
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> XXX
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: C.L. O'Brien
8. Well No. 2
9. Pool name or Wildcat Cato; San Andres, West

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
Primero Operating, Inc.

3. Address of Operator
PO Box 1433, Roswell, NM 88202

4. Well Location
Unit Letter H : 1980 feet from the North line and 660 feet from the East line
Section 7 Township 8S Range 30E NMPM Chaves County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
4060 GR

11. 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 OPNS. PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB
OTHER: ☐

12. 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 recompilation.

This well previously produced from perforations in the San Andres P2 zone from 3184-3210'. We propose to add perforations in the San Andres P3 zone from 3222-3265'. The well will then be acidized w/ 5000 gals 20% NeFe acid and returned to production.

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

SIGNATURE [Signature] TITLE President DATE 11/16/04

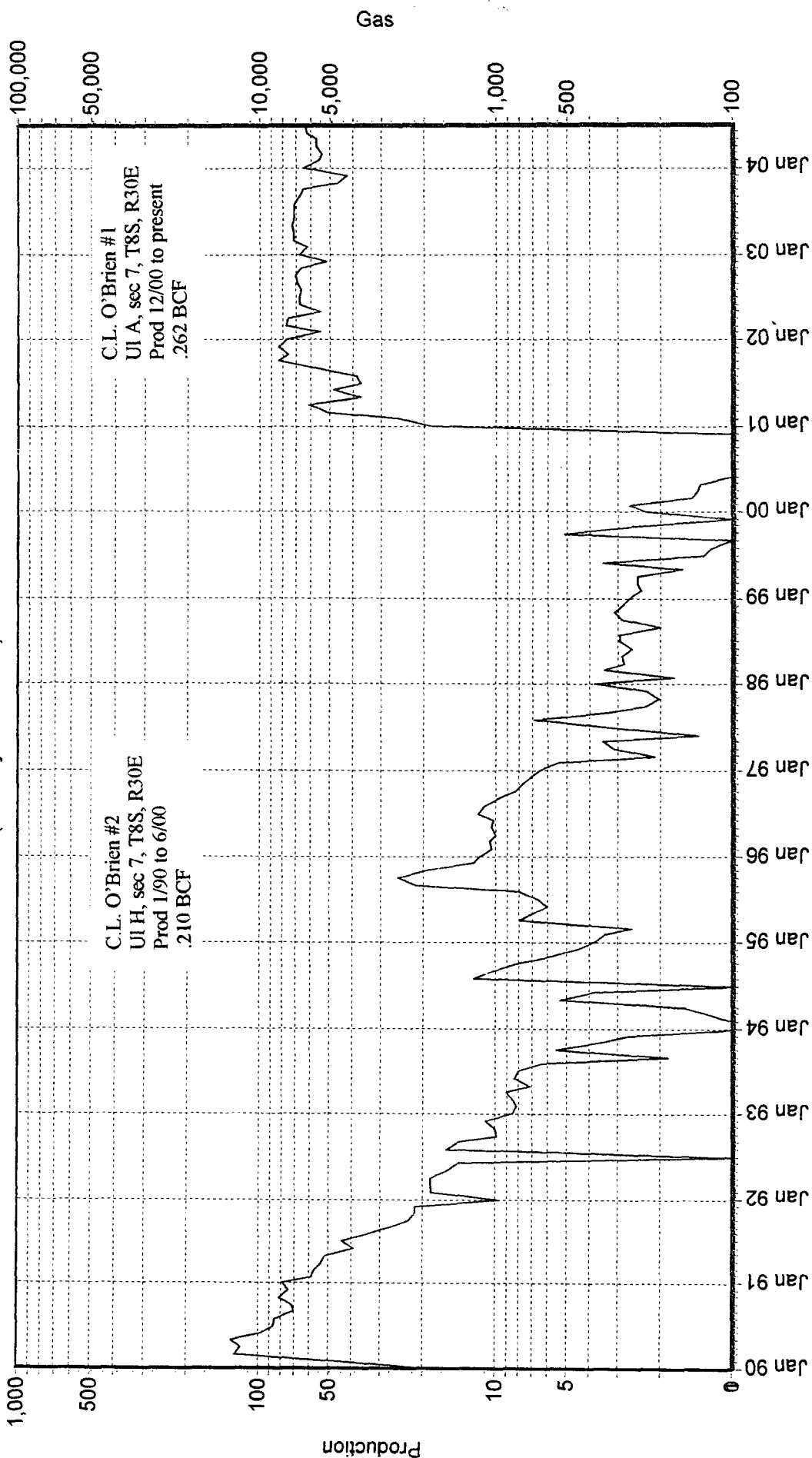
Type or print name Phelps White
(For State use)

Telephone No. 505 622 1001

APPROVED BY _____ TITLE _____ DATE _____
Conditions of approval, if any:

SUBMITTED TO UNMCD DIST I 11-17-04

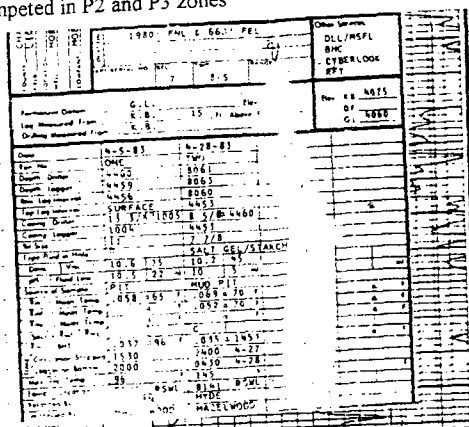
Liquid; Operators: PRIMERO OPERATING INC, PRIMERO OPERATING, INC.;
 Lease Names: C L O'BRIEN; Reservoirs: SAN ANDRES, WEST (GAS)
 (Monthly Production)



— Liquid (bbls) — Gas (MCF) — Wells

Gas (MCF): Current Cum: 471,989 Total: 471,989
 Liquid (bbls): Current Cum: 0 Total: 0

CL O'BRIEN #5 H-Sec 7-T8S-R30E, Completed 1-18-90
IP 474 mcfd. 0 bwpd. Cum Prod. .209 BCFG
This well is currently shut in
Competed in P2 and P3 zones



COMPUTALOG

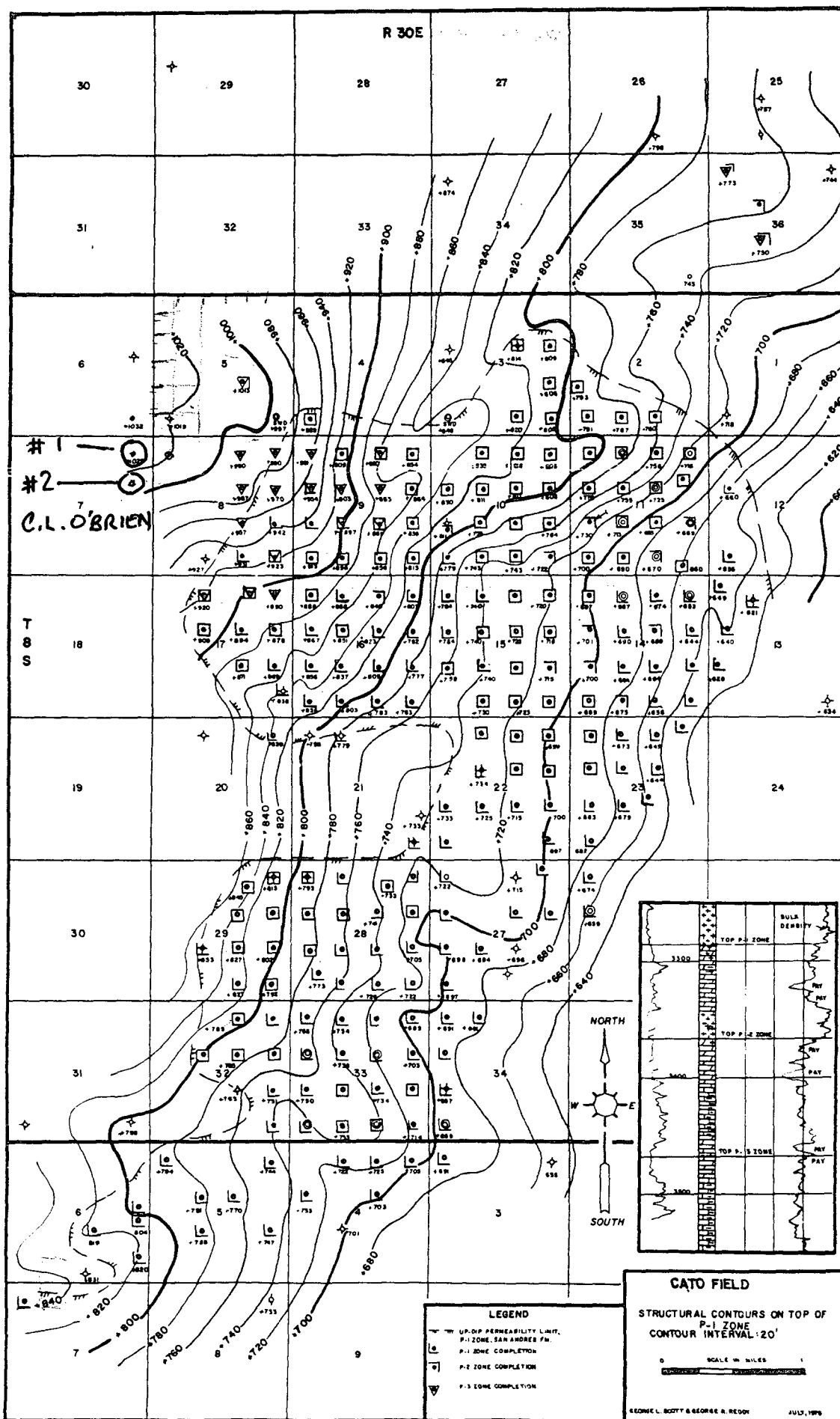
CS-340

COMPILED NEUTRON
GAMMA RAY
CCL

CL O'BRIEN #1, A-Sec. 7- T8S-R30E, Completed 1-02-01
IP 140 mcf/d, 0 bwpd, Cum Prod. .009 BCFG as of 4-1-01
Current production 230 mcf/d
Competed in P2 and P3 zones



ROSWELL GEOLOGICAL SOCIETY SYMPOSIUM



to Appropriate
Market Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

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

JAN 22 '90

Form C-105
Revised 1-1-89

WELL API NO. 30-005-20897
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Lease Name or Unit Agreement Name C.L. O'Brien
b. Type of Completion: NEW WELL <input type="checkbox"/> WORK OVER <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input type="checkbox"/> OTHER <input type="checkbox"/>	8. Well No.
2. Name of Operator Stevens Operating Corporation	9. Pool name or Wildcat <i>Undesignated</i> Cato-San Andres
3. Address of Operator P. O. Box 2408, Roswell, New Mexico 88202	
4. Well Location Unit Letter <u>H</u> : <u>1980</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>East</u> Line Section <u>7</u> Township <u>8S</u> Range <u>30E</u> NMPM Chaves County	

10. Date Spudded	11. Date T.D. Reached	12. Date Compl. (Ready to Prod.) 01/18/90	13. Elevations (DF& RKB, RT, GR, etc.) 4060 GR	14. Elev. Casinghead
15. Total Depth 8047	16. Plug Back T.D.	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools	Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name 3184' - 3210' San Andres				20. Was Directional Survey Made
21. Type Electric and Other Logs Run				22. Was Well Cored

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"		1005	17 1/2"		
8 5/8"		4460	11"		
5 1/2"		8060	7 7/8"		

24. LINER RECORD				25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET

26. Perforation record (interval, size, and number) 3184, 84.5, 86, 86.5, 89, 99.5, 3200, 01.5, 02, 08, 09.5, 10	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL 3184'-3210' AMOUNT AND KIND MATERIAL USED Acidized w/2500 gal 28%
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PRODUCTION

Date First Production 01/18/90		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing				Well Status (Prod. or Shut-in) Producing	
Date of Test 01/18/90	Hours Tested 24	Choke Size 15/64	Prod'n For Test Period	Oil - Bbl. 0	Gas - MCF 474	Water - Bbl. 0	Gas - Oil Ratio
Flow Tubing Press. 300#	Casing Pressure 220#	Calculated 24-Hour Rate	Oil - Bbl. 0	Gas - MCF 474	Water - Bbl. 0	Oil Gravity - API - (Corr.)	
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold						Test Witnessed By Al Cho	

30. List Attachments

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Patricia Greenwade Printed Name Patricia Greenwade Title Gen. Manager Date 01/18/90

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT O. C. D.
ARTESIA, OFFICE

Form C-102
Supersedes C-128
Effective 1-1-83

All distances must be from the outer boundaries of the Section.

Stevens Operating Corporation			Lessee C.L. O'Brien		Well No. 2
Unit Letter H	Section 7	Township 8S	Range 30E	County Chaves	
Actual Footage Location of Well:					
1980 feet from the North line and		660 feet from the East line			
Ground Level Elev. 4060'	Producing Formation San Andres	Pool Cato	Dedicated Acreage 160 Acres		

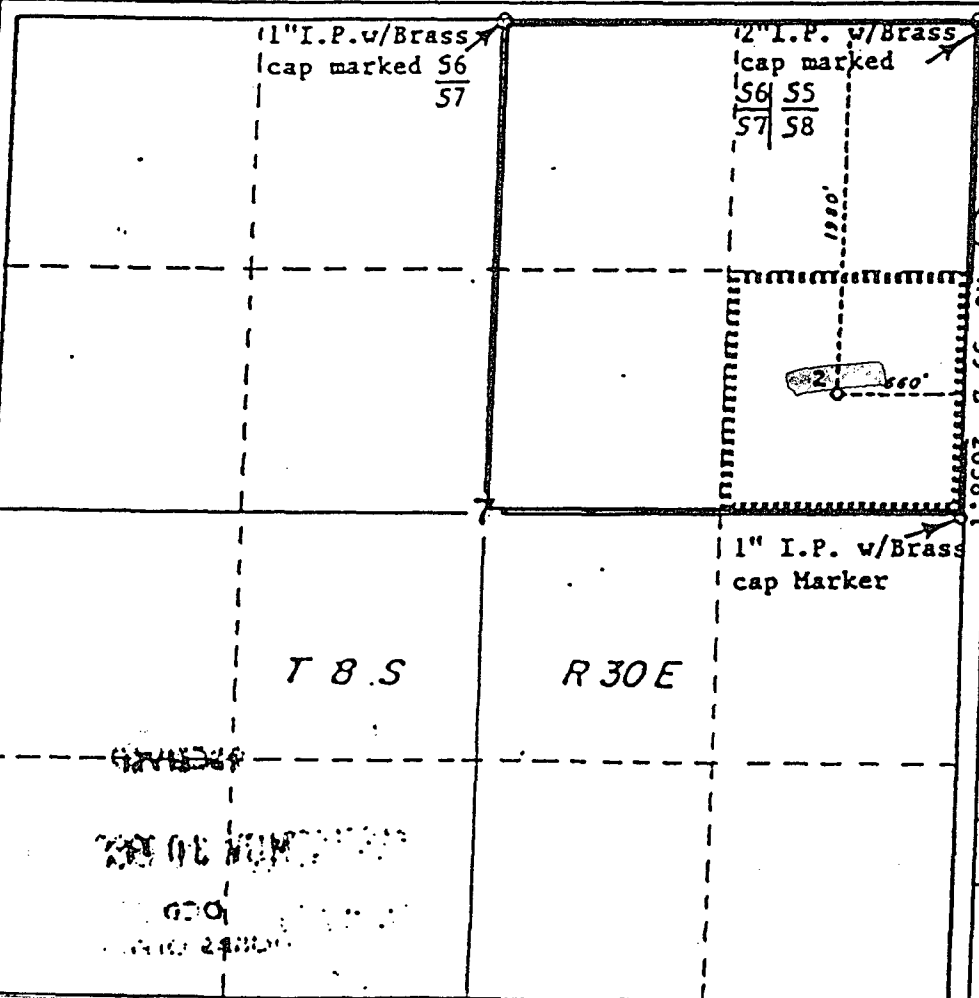
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

S89° 54'E. 2650.34'



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>Patricia Greenwade</i>	Non
Patricia Greenwade	Position
General Manager	Company
Stevens Operating Corp	Date
01/18/90	
<p>I hereby certify that the well location shown on this plat was plotted from field notes of actual No. 2 made by me or under my supervision and that the same is true and correct to the best of my knowledge.</p> <p><i>H.A. Carson, Jr.</i></p> <p>H.A. CARSON, JR.</p>	
Date Surveyed	12/17/13, 1983
Registered Professional Engineer and/or Land Surveyor	
H.A. Carson, Jr.	
Certificate No.	

**Weatherford**

Completion & Oilfield Services

2117 N. French Dr.
Hobbs, NM 88241

COMPANY

PRIMEIO Op

PREPARED FOR

TELEPHONE

DATE

3-28-01

WELL NAME

CL-Daren #2

FIELD NAME

Cato

COUNTY

STATE

☐ NEW
☐ COMPLETION
☐ WORKOVER

CASING

SIZE

8 5/8

WEIGHT

32 #

GRADE

THREAD

DEPTH

LINER

SIZE

WEIGHT

GRADE

THREAD

DEPTH

TUBING

SIZE

WEIGHT

GRADE

THREAD

DEPTH

DESCRIPTION

I.D.

O.D.

LENGTH

DEPTH

1005' of 13 3/8" 48# w/ 1000 sx Circulated

Top of cement @ 1090'

Perfs 3184 - 3210' Acidized w/ 2500 gals 28%

Tubing @ 3254

Zone of interest 3215 - 3270'

Liner top @ 4190'

5 1/2" Lockset Packer w/ on-CFF tool @ 4314'

4460' of 8 5/8 32# w/ 2100 sx

5 1/2" Liner 4190' to 8060' 1225 sx

Packer Type:

No. of Joints in Well:

Compression on Packer:

Smallest I.D. in Wellbore

Annulus Treated:

Tested to:

Perforations: MONTEYA 7955-8008, DEVONIAN 7865-7919

T.D. 8060

P.B.T.D. 4314

PREPARED BY

OFFICE

FAX

At (Hobbs) 505-393-1717

505-393-1244

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

Form C-105
Revised 1-1-89

WELL API NO.
30 005 00475

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ☐

b. Type of Completion:
NEW WELL ☐ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☒ DEEP RESVR ☐ OTHER ☐

2. Name of Operator
Primero Operating Inc.

3. Address of Operator
PO Box 1433, Roswell, NM 88202

7. Lease Name or Unit Agreement Name
C L. O'Brien

8. Well No.

9. Pool name or Wildcat
Cato San Andres Gas West

4. Well Location
Unit Letter A : 660 Feet From The North Line and 660 Feet From The East Line
Section 7 Township 8S Range 30E NMPM Chaves County

10. Date Spudded 7-23-50
11. Date T.D. Reached 11-12-50
12. Date Compl. (Ready to Prod.) 1-2-01
13. Elevations (DF & RKB, RT, GR, etc.) 4068 GR
14. Elev. Casinghead

15. Total Depth 8077
16. Plug Back T.D. 3825
17. If Multiple Compl. How Many Zones?
18. Intervals Drilled By
19. Producing Interval(s), of this completion - Top, Bottom, Name
3163 - 3258 San Andres P2 & P3
20. Was Directional Survey Made
21. Type Electric and Other Logs Run
CNL
22. Was Well Cored

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	48	990	17 1/2	1000	
9 5/8"	36	4057	12 1/2	2643	
7"	25	8077	8 3/4	1223	4050

LINER RECORD				TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET
					2 3/8	3290
						PACKER SET
						N/A

26. Perforation record (interval, size, and number)			27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
3163 - 68,	3172 - 84,	3199 - 3201,	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
3234 - 38,	3252 - 58	2 spf	3163 - 3258	5000 gals 20%

PRODUCTION

28. Date First Production
Production Method (Flowing, gas lift, pumping - Size and type pump)
Flowing
Well Status (Prod. or Shut-in)
SI WO Connection

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
1-2-01	24	20/64		0	140	0	
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	
42	0		0	140	0	N/A	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
vented for test, will be sold through Dynergy Line
Test Witnessed By
Phelps White

30. List Attachments
CNL Log

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature [Signature] Printed Name Phelps White Title President Date 1-4-01

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-4719
District III
1000 Rio Branson Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department


OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

Form C-10
Revised February 10, 1991
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-00475	Pool Code 74445	Pool Name West Cato, San Andres
Property Code 26872	Property Name C. L. O'Brien	Well Number 
OGRID No. 018100	Operator Name Primero Operating, Inc.	Elevation 4079 DF

10 Surface Location

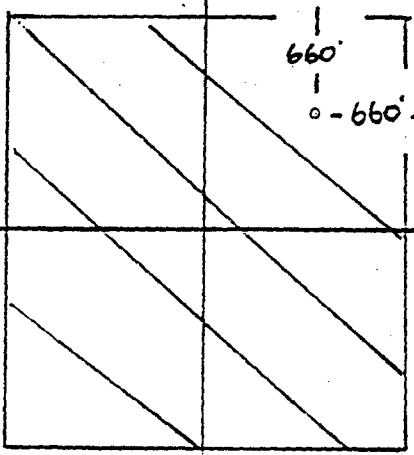
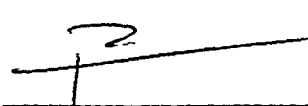
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
A	7	8S	30E		660	North	660	East	Chaves

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 160	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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.  Signature Phelps White Printed Name President Title 10-1-00 Date
		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. well completed 11-12-50 Date of Survey Signature and Seal of Professional Surveyor: Certificate Number